



[TRANSLATION]

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Securities Code: 8697

May 26, 2021

Notice of the 20th Annual General Shareholders Meeting

Dear Shareholder,

We are pleased to inform you that the 20th Annual General Shareholders Meeting of Japan Exchange Group, Inc. (hereinafter the "Company") is scheduled to be held as described below.

With a view to preventing the spread of the novel coronavirus, we ask you to reconsider your attendance in person regardless of your condition of health. If you are not attending in person, we encourage you to exercise your voting rights either in writing or via the Internet. Please review the items in the reference documents for the general shareholders meeting described in this Notice and indicate your approval or disapproval either by returning the enclosed form for exercise of voting rights or via electromagnetic means by accessing the website indicated in the form. Votes must be received by 4:45 p.m. (JST), Tuesday, June 15, 2021.

Sincerely yours,

Kiyota Akira
Director & Representative Executive Officer, Group CEO
Japan Exchange Group, Inc.
2-1, Nihombashi-Kabuto-cho,
Chuo-ku, Tokyo

Regarding exercise of voting rights

1. Exercise of voting rights in writing (postal mail)

Please indicate your approval or disapproval and return the enclosed form for exercise of voting rights by the deadline indicated above.

2. Exercise of voting rights by electromagnetic means (via the Internet)

Please access the website (<https://evote.tr.mufg.jp/>) designated by the Company and follow on-screen instructions to indicate your approval or disapproval by the deadline indicated above.

MEETING AGENDA

1.	Date and Time	10:00 a.m. (JST), Wednesday, June 16, 2021 (Reception desk will open at 9:00 a.m.)	
		Royal Hall 3rd Floor, Royal Park Hotel 2-1-1 Nihombashi-Kakigara-cho, Chuo-ku, Tokyo	
2.	Venue	* In order to place the seats sufficiently apart, the number of seats in the venue will continue to be considerably reduced this year. Please note that we may refuse entry into the venue if there are no vacant seats left.	
3.	Objectives of Meeting		
	Matters to Be Reported	1. The Business Report, the Consolidated Financial Statements, and the Reports on the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit Committee for the 20th term (from April 1, 2020 to March 31, 2021) 2. The Non-consolidated Financial Statements for the 20th term (from April 1, 2020 to March 31, 2021)	
	Matter to Be Resolved	Proposal	Election of Fourteen (14) Directors

- In cases where a shareholder votes more than once by sending the form for exercise of voting rights via postal mail and via the Internet, etc., the vote cast via the Internet, etc. shall be considered the effective vote. In cases where a shareholder votes more than once via the Internet, etc., the final vote cast shall be considered the effective vote.
- When attending the general shareholders meeting in person, you are kindly requested to submit the enclosed form for exercise of voting rights at the reception desk. Please note that persons, such as proxies and accompanying persons, other than the shareholders who are eligible to vote will not be allowed entry to the meeting even if they bring the form for exercise of voting rights with them (however, an assisting person, guide dog, hearing dog, service dog, or other assistance animal will be allowed entry to assist a shareholder with physical disability).
- Of the documents that the Company is required to provide with this Notice, Consolidated Statement of Changes in Equity, the "Notes Regarding Consolidated Financial Statements" part of the Consolidated Financial Statements, Non-consolidated Statement of Changes in Shareholders' Equity, and the "Notes Regarding Non-consolidated Financial Statements" part of the Non-consolidated Financial Statements have been posted on the Company's website and accordingly are not contained in the attached documents provided with this Notice. These matters are included in the scope of the respective audits by the Audit Committee and the Accounting Auditors when they created their audit reports.
- To ensure that information is furnished in a timely manner, the contents of this Notice were disclosed on the Company's website before this Notice was sent out.
- **If there are any changes to the holding of the general shareholders meeting due to the situation in the future, or if the need arises to amend the reference documents for the general shareholders meeting, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements, the Company will make an announcement on its website.**
 >> <https://www.jpjx.co.jp/english/corporate/investor-relations/>

Reference documents for the general shareholders meeting

Proposal

Election of Fourteen (14) Directors

The terms of office of all thirteen (13) Directors will expire upon the conclusion of this annual general shareholders meeting. Accordingly, based on the decision of the Nomination Committee, fourteen (14) Directors have been put forth for election. The candidates for Directors are as follows. Please refer to pages 7 to 20 for the brief biographies of the candidates for Directors.

Details on the Company's corporate governance system can also be found on pages 49 to 51, and the policies and procedures, etc. for nominating the candidates for Directors on page 5.

Candidate No.	Name	Position and Responsibilities at the Company	Area of Expertise							
			Corporate Management	Financial Audit	Legal Affairs	Researcher Government Agencies	Technology			
										
Directors										
1	Tsuda Hiroki	Director Chairperson of the Board of Directors	Re-election Independent Director Candidate for Outside Director							
2	Kiyota Akira	Director and Representative Executive Officer, Group CEO Member of the Nomination Committee Member of the Compensation Committee Member of the Risk Policy Committee	Re-election	•						
3	Yamaji Hiromi	Director and Representative Executive Officer, Group COO	Re-election	•						
4	Iwanaga Moriyuki	Executive Officer	New	•						
5	Shizuka Masaki	Director and Executive Officer	Re-election	•						
6	Christina Ahmadjian	Director Member of the Compensation Committee Member of the Audit Committee	Re-election Independent Director Candidate for Outside Director							•
7	Endo Nobuhiro	Director Member of the Nomination Committee	Re-election Independent Director Candidate for Outside Director	•						•
8	Ogita Hitoshi	Director Chairperson of the Nomination Committee Chairperson of the Independent Outside Directors Committee	Re-election Independent Director Candidate for Outside Director	•						

Candidate No.	Name	Position and Responsibilities at the Company		Area of Expertise				
				Corporate Management	Financial Audit	Legal Affairs	Researcher Government Agencies	Technology
								
9	Kohda Main	Director Member of the Audit Committee Member of the Risk Policy Committee	Re-election Independent Director Candidate for Outside Director				•	
10	Kobayashi Eizo	Director Member of the Nomination Committee Chairperson of the Compensation Committee	Re-election Independent Director Candidate for Outside Director	•				
11	Takeno Yasuzo	-	New Independent Director Candidate for Outside Director			•		
12	Minoguchi Makoto	Director Member of the Audit Committee (Full-time)	Re-election			•		
13	Mori Kimitaka	Director Member of the Compensation Committee Member of the Audit Committee	Re-election Independent Director Candidate for Outside Director		•			
14	Yoneda Tsuyoshi	Director Chairperson of the Audit Committee Member of the Risk Policy Committee	Re-election Independent Director Candidate for Outside Director				•	

• **Policies and procedures for nominating the candidates for Directors**

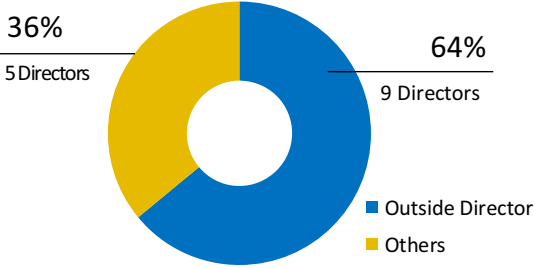
The Company is a company with a nomination committee and other committees. It has set up a statutory Nomination Committee for the purpose of ensuring transparency, timeliness, and objectivity concerning appointment and removal of Directors and Executive Officers. The Nomination Committee is composed of a majority of Independent Outside Directors. Proposals for appointment and removal of Directors are thoroughly deliberated by the Nomination Committee and put forth for approval at general shareholders meetings. For nominating candidates for Directors, the Nomination Committee sets the following three qualities that compose the basic policies for selection:

- (1) Possession of professional knowledge of the Company’s business, abundant experience as a corporate manager, or expertise in law, accounting, or finance,
- (2) Possession of the character and insight to make fair judgment on the Company’s business as a Director, and
- (3) Absence of any health issues that could hinder performance of duties as a Director.

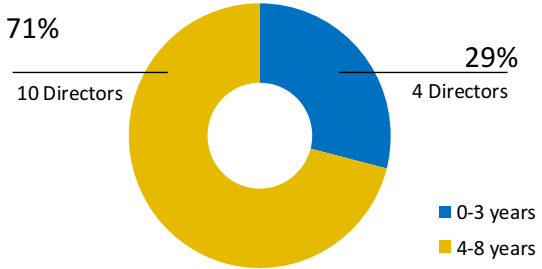
In addition, the Nomination Committee is composed of a majority of Independent Outside Directors to raise the transparency of management and increase accountability, as well as strengthen its function to supervise the appropriateness of business execution. The Independent Outside Directors in the committee are from a wide variety of fields. Each Director attends Board of Directors meetings, etc. to contribute expert knowledge and experience and participate in discussions. Based on this structure, the Company aims to realize the corporate philosophy.

Please refer to pages 23 and 24 for details on the independence standards and qualification for the Company’s Independent Outside Directors.

• **If this proposal is approved, the ratio of Outside Directors on the Board of Directors will be as shown below.**



• **If this proposal is approved, each Director’s tenure will be as shown below.**



- In the event that this proposal is approved, the composition of each committee and the number of concurrent positions at other listed companies will be as shown below.

Name	Committee (Proposed)					No. of concurrent positions at other listed companies	
	Nomination	Compensation	Audit	Independent Outside Directors	Risk Policy	Executive Officer	Director/Auditor
Tsuda Hiroki						0	0
Kiyota Akira	●	●			●	0	0
Yamaji Hiromi		●				0	0
Iwanaga Moriyuki						0	0
Shizuka Masaki						0	0
Christina Ahmadjian		●	●	●		0	3
Endo Nobuhiro	●			●		0	3
Ogita Hitoshi	◎			◎		0	0
Kohda Main			●	●	●	0	2
Kobayashi Eizo	●	◎		●		0	2
Takeno Yasuzo			●	●	●	0	0
Minoguchi Makoto			●			0	0
Mori Kimitaka		●	◎	●		0	2
Yoneda Tsuyoshi	●			●	◎	0	1

(Note) ◎ indicates a chairperson. Please refer to pages 49 to 51 for an outline of each committee.

In addition, the number of concurrent positions at other listed companies reflects appointments and retirements from office that are expected to occur after the date of issuance of this Notice.

Candidate No. 1	Tsuda Hiroki	Date of birth Aug. 11, 1948	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)

Tenure as Outside Director	No. of Company shares held	No. of concurrent positions at other listed companies
6 years	2,500 shares	0

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1972 Joined Ministry of Finance
 Aug. 2002 Director-General, Tokyo Customs
 Jan. 2003 Deputy Vice Minister for Policy Planning and Co-ordination
 Jul. 2004 Deputy Vice Minister
 Jul. 2006 Director-General of the Budget Bureau
 Jul. 2007 Administrative Vice Minister of Finance
 Jul. 2008 Retired
 Sep. 2008 Professor, Graduate School of Public Management, Waseda University
 Jun. 2015 Outside Director of the Company (current position)
 Chairperson of the Board of Directors of the Company (current position)

(Area(s) of Responsibility)

Chairperson of the Board of Directors

Re-election
Independent Director
Candidate for Outside Director

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Mr. Tsuda Hiroki has been put forth as a candidate for Outside Director as he is expected to perform his role in a way in which his capacity to identify with the Company's corporate philosophy and social mission, as well as his abundant experience and insight in financial policy, are reflected in the management of the Company. Although Mr. Tsuda was not previously involved in corporate management other than in the capacity of Outside Director or Outside Corporate Auditor, based on the above reasons, it was determined that he will be able to appropriately conduct the duties of Outside Director.

Candidate No. 2	Kiyota Akira	Date of birth May 6, 1945	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)
Nomination Committee
10/10 (100%)
Compensation
Committee
5/5 (100%)

Re-election

Tenure as Director 8 years	No. of Company shares held 111,686 shares	No. of concurrent positions at other listed companies 0
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Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1969	Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)
Jun. 1994	Director, Head of Tobu Area Sales Division
May 1996	Director, Head of Bond & Finance Division
Jun. 1997	Managing Director, Head of Bond & Finance Division
Oct. 1997	Deputy President
Apr. 1999	President, Daiwa Securities SB Capital Markets Co. Ltd. (currently Daiwa Securities Co. Ltd.)
Jun. 2004	Deputy Chairman of the Board and Corporate Executive Officer, Daiwa Securities Group Inc. Chairman of the Institute, Daiwa Institute of Research Ltd.
Jun. 2008	Chairman of the Board and Corporate Executive Officer, Daiwa Securities Group Inc.
Apr. 2011	Director and Honorary Chairman
Jun. 2011	Honorary Chairman
Jun. 2013	Director of the Company (current position) President & CEO, Tokyo Stock Exchange, Inc.
Jun. 2015	Representative Executive Officer, Group CEO of the Company (current position) Director, Tokyo Stock Exchange, Inc.
Dec. 2020	President & CEO, Tokyo Stock Exchange, Inc.
Apr. 2021	Director (current position)

(Area(s) of Responsibility)

Group CEO
Member of the Nomination Committee
Member of the Compensation Committee
Member of the Risk Policy Committee

(Significant Concurrent Position(s))

Director, Tokyo Stock Exchange, Inc.

Reason for Nomination as Director

Mr. Kiyota Akira was appointed as a Director in June 2013 as his abundant experience and insight in securities markets acquired through working at a securities company could be reflected in the management of the Company. Afterwards, he has been managing the Company as Director & Representative Executive Officer, Group CEO since June 2015 as the best person for CEO and due to, among others, his experience and track record of leading the cash equity market for two years, which covered the promotion of the implementation of Japan's Corporate Governance Code. Based on his experience with JPX Group, he is deemed appropriate as a Member of the Board of Directors and has, therefore, been put forth as a candidate for Director.

Candidate No. 3	Yamaji Hiromi	Date of birth Mar. 8, 1955	
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FY2020
Meeting Attendance

Board of Directors
10/10 (100%)

Re-election

Tenure as Director
8 years

No. of Company shares held
29,394 shares

No. of concurrent positions at other listed companies
0

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

- Apr. 1977 Joined The Nomura Securities Co., Ltd. (currently Nomura Holdings, Inc.)
- Jun. 1997 General Manager, Personnel Department
- Jun. 1998 Member of the Board in charge of Investment Banking Products Division
- Jun. 2000 Managing Director, Head of Global Investment Banking Division
- Apr. 2002 President & CEO, Nomura Europe Holdings plc (London) and Chairman, Nomura Holding America Inc. (New York)
- Apr. 2007 Executive Vice President, Global Investment Banking, in charge of Corporate Finance Division, Nomura Securities Co., Ltd.
- Jun. 2013 Director of the Company (current position)
President & CEO, Osaka Securities Exchange Co., Ltd. (currently Osaka Exchange, Inc.)
- Nov. 2015 Executive Officer of the Company
- Oct. 2019 Representative Executive Officer, Tokyo Commodity Exchange, Inc.
- Dec. 2019 Representative Director & Chair, Chairperson of the Board
- Jun. 2020 Representative Executive Officer & Group Co-COO of the Company
- Dec. 2020 Representative Executive Officer, Group COO (current position)
- Apr. 2021 President & CEO, Tokyo Stock Exchange, Inc. (current position)

(Area(s) of Responsibility)

Group COO

(Significant Concurrent Position(s))

President & CEO, Tokyo Stock Exchange, Inc.

Reason for Nomination as Director

Mr. Yamaji Hiromi was appointed as a Director in June 2013 as his abundant experience and insight acquired through working at a securities company could be reflected in the management of the Company. Afterwards, he managed and oversaw the overall business and operations of Osaka Exchange, Inc., a core subsidiary of JPX Group managing derivatives markets, as its President & CEO and as Representative Director & Chair, Chairperson of the Board, Tokyo Commodity Exchange, Inc. In addition, since April 2021, he has been managing and overseeing the business and operations of Tokyo Stock Exchange, Inc. as President & CEO. Based on his experience with JPX Group, he is deemed appropriate as a Member of the Board of Directors and has, therefore, been put forth as a candidate for Director.

Candidate No. 4	Iwanaga Moriyuki	Date of birth Nov. 8, 1961	
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New

Tenure as Director	No. of Company shares held	No. of concurrent positions at other listed companies
–	33,110 shares	0

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1984	Joined Tokyo Stock Exchange
Jun. 2007	Director, Corporate Strategy Department, Tokyo Stock Exchange, Inc.
Aug. 2007	Director, Corporate Strategy Department, Tokyo Stock Exchange Group, Inc.
Jun. 2008	Executive Officer & Director, Corporate Strategy Department
Jun. 2009	Executive Officer & Director, Corporate Marketing Management Department, Tokyo Stock Exchange, Inc.
	Director, Japan Securities Clearing Corporation
Jun. 2012	Executive Officer, Tokyo Stock Exchange Group, Inc.
Jan. 2013	Executive Officer of the Company
Jun. 2013	Senior Executive Officer Senior Executive Officer, Tokyo Stock Exchange, Inc.
Apr. 2017	Director and Senior Executive Officer, Tokyo Stock Exchange, Inc.
Apr. 2018	Director and Executive Vice President
Apr. 2019	Executive Vice President, Japan Securities Clearing Corporation
Jun. 2019	Director
Apr. 2020	Senior Executive Vice President
Apr. 2021	Executive Officer of the Company (current position) President & CEO, Osaka Exchange, Inc. (current position) Representative Director & Chair, Chairperson of the Board, Tokyo Commodity Exchange, Inc. (current position)

(Significant Concurrent Position(s))

President & CEO, Osaka Exchange, Inc., Representative Director & Chair, Chairperson of the Board, Tokyo Commodity Exchange, Inc.

Reason for Nomination as Director

Mr. Iwanaga Moriyuki has served as CFO (Chief Financial Officer) of the Company and as the officer in charge of equities at Tokyo Stock Exchange Inc., making him extremely knowledgeable about the management and the practical operations of markets. As Senior Executive Vice President of Japan Securities Clearing Corporation, he achieved the integration of clearing organizations among other operations toward the creation of a comprehensive exchange. In addition, since April 2021, he has been overseeing the overall corporate management of Osaka Exchange, Inc. and Tokyo Commodity Exchange Inc., core subsidiaries of JPX Group managing derivatives markets, respectively as President & CEO and Representative Director & Chair, Chairperson of the Board. Based on his experience with JPX Group, he is deemed appropriate as a Member of the Board of Directors and has, therefore, been put forth as a candidate for Director.

Candidate No. 5	Shizuka Masaki	Date of birth Jul. 13, 1959	
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FY2020
Meeting Attendance
Board of Directors
9/9 (100%)

Re-election

Tenure as Director	No. of Company shares held	No. of concurrent positions at other listed companies
1 year	31,940 shares	0

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

- Apr. 1982 Joined Tokyo Stock Exchange
- Jun. 2004 Director, Treasury Department, Tokyo Stock Exchange, Inc.
- Jun. 2005 Director, Corporate Strategy Department
- Jun. 2007 Executive Officer
- Aug. 2007 Executive Officer, Tokyo Stock Exchange Group, Inc.
- Jun. 2008 Executive Officer, Tokyo Stock Exchange, Inc.
- Jun. 2011 Senior Executive Officer
- Jun. 2013 Managing Director
- Jun. 2014 Director and Senior Executive Officer
- Apr. 2016 Director and Executive Vice President
- Apr. 2017 Senior Executive Vice President, Japan Securities Clearing Corporation
- Jun. 2017 Director and Senior Executive Vice President
- Apr. 2020 Executive Officer of the Company (current position)
President & CEO, Japan Securities Clearing Corporation (current position)
- Jun. 2020 Director of the Company (current position)

(Significant Concurrent Position(s))

President & CEO, Japan Securities Clearing Corporation

Reason for Nomination as Director

Mr. Shizuka Masaki worked to reform the listing system, including Japan's Corporate Governance Code, after being appointed as an Executive Officer of Tokyo Stock Exchange, Inc. in June 2007. From April 2017, he held the position of Senior Executive Vice President of Japan Securities Clearing Corporation (JSCC), a core subsidiary of JPX Group engaging in clearing of listed products, etc., where he supported the management and oversight of the overall business and operations. In addition, since April 2020, he has been overseeing the management of JSCC as President & CEO. Based on his experience with JPX Group, he is deemed appropriate as a Member of the Board of Directors and has, therefore, been put forth as a candidate for Director.

Candidate No. 6	Christina Ahmadjian	Date of birth Mar. 5, 1959	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)
Compensation
Committee
5/5 (100%)
Audit Committee
10/10 (100%)

Re-election
Independent Director
Candidate for Outside Director

Tenure as Outside Director	No. of Company shares held	No. of concurrent positions at other listed companies
7 years	2,500 shares	3

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Jan. 1995	Assistant Professor, Columbia Business School (Graduate School of Business, Columbia University)
Oct. 2001	Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
Jan. 2004	Professor, Graduate School of International Corporate Strategy
Apr. 2010	Dean, Graduate School of International Corporate Strategy
Apr. 2012	Professor, Graduate School of Commerce and Management
Jun. 2012	Outside Director, Mitsubishi Heavy Industries, Ltd. (scheduled to resign on June 29, 2021)
Jun. 2014	Outside Director of the Company (current position)
Apr. 2018	Professor, Graduate School of Business Administration, Hitotsubashi University (current position)
Jun. 2018	Outside Director, Sumitomo Electric Industries, Ltd. (current position)
Mar. 2019	Outside Director, Asahi Group Holdings, Ltd. (current position)
Jun. 2021	Outside Director, NEC Corporation (expected to assume the position on June 22, 2021)

(Area(s) of Responsibility)

Member of the Compensation Committee
Member of the Audit Committee

(Significant Concurrent Position(s))

Professor, Graduate School of Business Administration, Hitotsubashi University
Outside Director, Mitsubishi Heavy Industries, Ltd. (scheduled to resign on June 29, 2021)
Outside Director, Sumitomo Electric Industries, Ltd.
Outside Director, Asahi Group Holdings, Ltd.
Outside Director, NEC Corporation (expected to assume the position on June 22, 2021)

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Ms. Christina Ahmadjian has been put forth as a candidate for Outside Director as she is expected to perform her role in a way in which her capacity to identify with the Company's corporate philosophy and social mission, as well as her insight in corporate strategy from a technical perspective as an academic, are reflected in the management of the Company. Although Ms. Ahmadjian was not previously involved in corporate management other than in the capacity of Outside Director or Outside Corporate Auditor, based on the above reasons, it was determined that she will be able to appropriately conduct the duties of Outside Director.

Candidate No. 7	Endo Nobuhiro	Date of birth Nov. 8, 1953		
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FY2020
Meeting Attendance
Board of Directors
9/10 (90%)
Nomination Committee
8/10 (80%)

Re-election
Independent Director
Candidate for Outside Director

Tenure as Outside Director	No. of Company shares held	No. of concurrent positions at other listed companies
3 years	4,000 shares	3

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1981 Joined NEC Corporation
Apr. 2006 Associate Senior Vice President, Executive General Manager of Mobile Network Operations Unit
Apr. 2009 Executive Vice President
Jun. 2009 Executive Vice President and Member of the Board
Apr. 2010 President (Representative Director)
Apr. 2016 Chairman of the Board (Representative Director)
Jun. 2018 Outside Director of the Company (current position)
Jun. 2019 Member, Board of Directors (Outside), Sumitomo Dainippon Pharma Co., Ltd. (current position)
Chairman of the Board, NEC Corporation (non-executive) (current position)
Outside Director, Tokio Marine Holdings, Inc. (current position)

(Area(s) of Responsibility)

Member of the Nomination Committee

(Significant Concurrent Position(s))

Chairman of the Board, NEC Corporation (non-executive)
Member, Board of Directors (Outside), Sumitomo Dainippon Pharma Co., Ltd.
Outside Director, Tokio Marine Holdings, Inc.

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Mr. Endo Nobuhiro has been put forth as a candidate for Outside Director as he is expected to perform his role in a way in which his capacity to identify with the Company's corporate philosophy and social mission, as well as his abundant experience and insight in corporate management and system networks, are reflected in the management of the Company.

Candidate No. 8	Ogita Hitoshi	Date of birth Jan. 1, 1942	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)
Nomination Committee
10/10 (100%)

Re-election
Independent Director
Candidate for Outside Director

Tenure as Outside Director	No. of Company shares held	No. of concurrent positions at other listed companies
5 years	5,500 shares	0

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1965 Joined Asahi Breweries, Ltd. (currently Asahi Group Holdings, Ltd.)
Mar. 1997 Director, General Manager of Fukuoka Branch
Mar. 2000 Managing Corporate Officer, Senior General Manager of Kyushu Regional Headquarters
Mar. 2002 Senior Managing Corporate Officer, Senior General Manager of Kanshin-etsu Regional Headquarters
Sep. 2002 Corporate Officer, Vice President, Asahi Soft Drinks Co., Ltd.
Mar. 2003 President and Representative Director
Mar. 2006 President and Representative Director, Asahi Breweries, Ltd.
Mar. 2010 Chairman of the Board and Representative Director
Mar. 2014 Senior Adviser, Asahi Group Holdings, Ltd. (current position)
Jun. 2016 Outside Director of the Company (current position)

(Area(s) of Responsibility)

Chairperson of the Nomination Committee
Chairperson of the Independent Outside Directors Committee

(Significant Concurrent Position(s))

Senior Adviser, Asahi Group Holdings, Ltd.

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Mr. Ogita Hitoshi has been put forth as a candidate for Outside Director as he is expected to perform his role in a way in which his capacity to identify with the Company's corporate philosophy and social mission, as well as his abundant experience and insight in corporate management, are reflected in the management of the Company.

Candidate No. 9	Kohda Main	Date of birth Apr. 25, 1951	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)
Audit Committee
10/10 (100%)

Re-election
Independent Director
Candidate for Outside Director

Tenure as Outside Director	No. of Company shares held	No. of concurrent positions at other listed companies
5 years	3,700 shares	2

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Sep. 1995 Started independently as Novelist, to the present
Jan. 2003 Member of Fiscal System Council, Ministry of Finance Japan
Apr. 2004 Visiting professor, Faculty of Economics, Shiga University
Mar. 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism
Nov. 2006 Member of the Tax Commission, Cabinet Office, Government of Japan
Jun. 2010 Member of the Board of Governors, Japan Broadcasting Corporation
Jun. 2012 Outside Director, Japan Tobacco Inc. (current position)
Jun. 2016 Outside Director of the Company (current position)
Jun. 2018 Non-Executive Director, MITSUBISHI MOTORS CORPORATION (current position)

(Area(s) of Responsibility)

Member of the Audit Committee
Member of the Risk Policy Committee

(Significant Concurrent Position(s))

Novelist
Outside Director, Japan Tobacco Inc.
Non-Executive Director, MITSUBISHI MOTORS CORPORATION

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Ms. Kohda Main has been put forth as a candidate for Outside Director as she is expected to perform her role in a way in which her capacity to identify with the Company's corporate philosophy and social mission, as well as her creativity and perception as a novelist, her insight in finance, and her experience in serving as a university professor and a member of government advisory councils, are reflected in the management of the Company.

Candidate No. 10	Kobayashi Eizo	Date of birth Jan. 7, 1949	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)
Nomination Committee
10/10 (100%)
Compensation
Committee
5/5 (100%)

Re-election
Independent Director
Candidate for Outside Director

Tenure as Outside Director	No. of Company shares held	No. of concurrent positions at other listed companies
5 years	6,600 shares	2

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1972 Joined C. Itoh & Co. Ltd. (currently ITOCHU Corporation)
Jun. 2000 Executive Officer
Apr. 2002 Managing Executive Officer
Jun. 2003 Representative Director, Managing Director
Apr. 2004 Representative Director, Senior Managing Director
Jun. 2004 President & Chief Executive Officer
Apr. 2010 Representative Director, Chairman
Jun. 2011 Director, Chairman
Jun. 2013 Outside Director, OMRON Corporation (current position)
Jun. 2015 External Director, Japan Airlines Co., Ltd. (current position)
Jun. 2016 Outside Director of the Company (current position)
Chairman, ITOCHU Corporation
Apr. 2018 Senior Representative for Business Community Relations
Apr. 2020 Director Emeritus (non-executive) (current position)

(Area(s) of Responsibility)

Member of the Nomination Committee
Chairperson of the Compensation Committee

(Significant Concurrent Position(s))

Director Emeritus (non-executive), ITOCHU Corporation
Chairman, ITOCHU Foundation
Outside Director, OMRON Corporation
External Director, Japan Airlines Co., Ltd.
Outside Director, Nippon Venture Capital Co., Ltd.
Chairman, National Federation of Corporate Taxpayers Associations
Administrative Director, The Public Interest Incorporated Foundation Tohoren Mutual Benefit Association for Specific Retirement Allowance
Chairperson, Japan Overseas Educational Services

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Mr. Kobayashi Eizo has been put forth as a candidate for Outside Director as he is expected to perform his role in a way in which his capacity to identify with the Company's corporate philosophy and social mission, as well as his abundant experience and insight in corporate management, are reflected in the management of the Company.

Candidate No. 11	Takeno Yasuzo	Date of birth Jun. 9, 1959	
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Tenure as Director

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No. of Company shares held

0 shares

No. of concurrent positions at other listed companies

0

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1987 Registered as attorney-at-law in Japan
 Joined Hamada & Matsumoto (currently Mori Hamada & Matsumoto)
 Mar. 1989 London Office
 Jan. 1998 Partner
 Dec. 2002 Partner, Mori Hamada & Matsumoto (current position)
 Jan. 2007 Member of the Management Committee

(Significant Concurrent Position(s))

Attorney-at-Law
 Partner, Mori Hamada & Matsumoto

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Mr. Takeno Yasuzo has been put forth as a candidate for Outside Director as he is expected to perform his role in a way in which his capacity to identify with the Company's corporate philosophy and social mission, as well as his insight in corporate legal affairs from a technical perspective as a legal professional are reflected in the management of the Company. Although Mr. Takeno Yasuzo has never been involved in corporate management, based on the above reasons, it was determined that he will be able to appropriately conduct the duties of Outside Director.

New
Independent Director
Candidate for Outside Director

Candidate No. 12	Minoguchi Makoto	Date of birth Mar. 14, 1961	
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FY2020
Meeting Attendance

Board of Directors
10/10 (100%)

Audit Committee
10/10 (100%)

Re-election

Tenure as Director
4 years

No. of Company shares held
8,200 shares

No. of concurrent positions at other listed companies
0

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

- Apr. 1984 Joined Tokyo Stock Exchange
- Jun. 2007 Director, General Administration Department, Tokyo Stock Exchange, Inc.
- Aug. 2007 Director, General Administration Department, Tokyo Stock Exchange Group, Inc.
- Jun. 2009 Director, Corporate Strategy Department
- Oct. 2010 Director, Listing Examination Department, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation)
- Jun. 2011 Standing Governor
- Jun. 2015 Managing Director, Japan Securities Clearing Corporation
- Apr. 2017 Managing Director and Executive Officer
- Jun. 2017 Director of the Company (current position)
- Statutory Auditor, Tokyo Stock Exchange, Inc.

(Area(s) of Responsibility)

Member of the Audit Committee (Full-time)

Reason for Nomination as Director

Mr. Minoguchi Makoto joined Tokyo Stock Exchange in 1984 and has been mainly responsible for operations in general administration, corporate strategy, listing examination, and listing supervision at JPX Group. He has been put forth as a candidate for Director as his abundant knowledge and experience regarding the exchange business in general can be expected to benefit the monitoring and supervision of the execution of business at the Company.

Candidate No. 13	Mori Kimitaka	Date of birth Jun. 30, 1957	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)
Compensation
Committee
5/5 (100%)
Audit Committee
10/10 (100%)

Re-election
Independent Director
Candidate for Outside Director

Tenure as Outside Director 4 years and 11 months	No. of Company shares held 5,000 shares	No. of concurrent positions at other listed companies 2
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Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1980	Joined Shinwa Accountants (currently KPMG AZSA LLC)
Jun. 2000	Representative Partner, Asahi & Co. (currently KPMG AZSA LLC)
Jun. 2004	Director of financial services, KPMG AZSA & Co. (currently KPMG AZSA LLC)
Jun. 2006	Board Member, KPMG AZSA & Co.
Jul. 2011	Chairman, KPMG FS Japan
Jun. 2013	Retired from KPMG AZSA LLC
Jul. 2013	Established Mori Certified Public Accountant Office
Jul. 2016	Chairman and President, The Japanese Institute of Certified Public Accountants
Jul. 2016	Advisor, The Japanese Institute of Certified Public Accountants (current position) Outside Director of the Company (current position)
Jun. 2017	Outside Corporate Auditor, MITSUI & CO., LTD. (current position) Outside Corporate Auditor, East Japan Railway Company (current position)
Jul. 2017	Outside Director, SUMITOMO LIFE INSURANCE COMPANY (current position)

(Area(s) of Responsibility)

Member of the Compensation Committee
Member of the Audit Committee

(Significant Concurrent Position(s))

Certified Public Accountant
Advisor, The Japanese Institute of Certified Public Accountants
Outside Corporate Auditor, MITSUI & CO., LTD.
Outside Corporate Auditor, East Japan Railway Company
Outside Director, SUMITOMO LIFE INSURANCE COMPANY

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Mr. Mori Kimitaka has been put forth as a candidate for Outside Director as he is expected to perform his role in a way in which his capacity to identify with the Company's corporate philosophy and social mission, as well as his insight in corporate accounting in his capacity as an accounting professional, are reflected in the management of the Company. Although Mr. Mori was not previously involved in corporate management other than in the capacity of Outside Director or Outside Corporate Auditor, based on the above reasons, it was determined that he will be able to appropriately conduct the duties of Outside Director.

Candidate No. 14	Yoneda Tsuyoshi	Date of birth Apr. 7, 1952	
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FY2020
Meeting Attendance
Board of Directors
10/10 (100%)
Audit Committee
10/10 (100%)

Re-election
Independent Director
Candidate for Outside Director

Tenure as Outside Director	No. of Company shares held	No. of concurrent positions at other listed companies
6 years	5,500 shares	1

Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1976 Joined National Police Agency
 Sep. 2001 General Manager, Criminal Affairs Department, Metropolitan Police Department
 Aug. 2003 General Manager, Kyoto Prefectural Police Headquarters
 Sep. 2007 Commissioner, Criminal Affairs Bureau
 Jun. 2009 Commissioner-General's Secretariat
 Oct. 2011 Deputy Director-General
 Jan. 2013 Commissioner General
 Jan. 2015 Retired
 Jun. 2015 Outside Director of the Company (current position)
 Jun. 2017 External Audit & Supervisory Board Member, Marubeni Corporation (current position)
 Oct. 2020 Chief Director, Council for Public Policy (current position)

(Area(s) of Responsibility)

Chairperson of the Audit Committee
 Member of the Risk Policy Committee

(Significant Concurrent Position(s))

External Audit & Supervisory Board Member, Marubeni Corporation
 Chief Director, Council for Public Policy

Reason for Nomination as Outside Director and Overview of Roles Expected to Be Performed

Mr. Yoneda Tsuyoshi has been put forth as a candidate for Outside Director as he is expected to perform his role in a way in which his capacity to identify with the Company's corporate philosophy and social mission, as well as his abundant experience and insight in law enforcement, are reflected in the management of the Company. Although Mr. Yoneda was not previously involved in corporate management other than in the capacity of Outside Director or Outside Corporate Auditor, based on the above reasons, it was determined that he will be able to appropriately conduct the duties of Outside Director.

- (Notes)
- The number of Company shares held by each candidate for Director includes the number of shares allocated to each candidate that are substantively held under the name of Japan Exchange Group, Inc. Officers' Shareholding Association rounded down to an integral multiple of the trading unit.
 - The number of Company shares held by each candidate for Director concurrently serving as Executive Officer includes the number of shares scheduled to be granted (as of March 31, 2021) in accordance with the stock compensation plan. The number of shares scheduled to be granted to each Executive Officer under said plan includes only the number of the Company shares pertaining to the "fixed portion" in the stock compensation plan described under "Policies Regarding Decisions on Compensation for Directors and Executive Officers" in the Business Report. Furthermore, 50% of the shares scheduled for grant are to be sold on the market to secure funds for tax payment, and the proceeds from the sales will be granted to each Executive Officer.
 - The number of listed companies where an officer position is concurrently held for each candidate for Director reflects appointments and retirement from office planned to occur subsequent to the date of issuance of this Notice.
 - The scheduled dates for holding the Company's regular Board of Directors meetings in FY2021 to be held after the date of the annual general shareholders meeting have already been adjusted to suit each candidate for Director, and the Company is working to ensure the attendance of the Directors.
 - Mr. Endo Nobuhiro is Chairman of the Board of NEC Corporation and its corporate group pays JPX Group fees of approximately JPY 69 million (mainly listing fees), while JPX Group pays the corporate group fees of approximately JPY 190 million (mainly for system-related expenses). Mr. Ogita Hitoshi is Senior Adviser at Asahi Group Holdings, Ltd., and its corporate group pays JPX Group fees of approximately JPY 84 million (mainly listing fees). Mr. Kobayashi Eizo is Director Emeritus at ITOCHU Corporation and its corporate group pays JPX Group fees of approximately JPY 33 million (mainly listing fees), while JPX Group pays the corporate group fees of approximately JPY 3 million (mainly for systems-related expenses). Mr. Takeno Yasuzo is Partner at Mori Hamada & Matsumoto Law Office, and the office pays JPX Group fees of approximately JPY 1 million (mainly systems usage fees), while JPX Group pays the office fees of approximately JPY 1 million (mainly legal advice fees). There is no consultation contract between the office and JPX Group. Additionally, there exist transactions that total less than JPY 1 million between JPX Group and Ms. Christina Ahmadjian and

Hitotsubashi University, with which Ms. Christina Ahmadjian is affiliated. The amounts of such transactions in FY2020 were considerably small, accounting for less than 1% of the consolidated sales, etc. of the Company and those of said corporate groups, etc., or less than JPY 1 million. Therefore, the Company deems that there are no concerns over the independence of the aforementioned persons. In addition, candidates for Director other than the aforementioned candidates do not have any particular conflicts of interest with the Company.

6. The following persons are candidates for Outside Director: Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Takeno Yasuzo, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi.
7. In light of their relationships with the Company and the status of their performance of duties, the following persons are designated Independent Directors, which Tokyo Stock Exchange, Inc. requires listed companies to secure in order to protect the interests of general shareholders: Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi. Furthermore, if Mr. Takeno Yasuzo is elected as Director, the Company plans to notify said exchange of Mr. Takeno Yasuzo's status as an Independent Director.
8. Violations of laws and regulations or the Articles of Incorporation, as well as inappropriate business execution that occurred during the terms of office at the Company of candidates for Outside Director:
In October 2020, while Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi were serving as Outside Directors, a system failure occurred in the arrowhead cash equity trading system of Tokyo Stock Exchange, Inc. (TSE), a subsidiary of the Company, which led to all trading on TSE being suspended for the whole day. In response to the incident, in November 2020, the Company and TSE respectively received a business improvement order from the Financial Services Agency based on the findings that a setting for the automated switchover regarding the failed device was inadequate, and that TSE had not developed sufficient rules for trading resumption.
From before the time the incident occurred, Mr. Endo Nobuhiro, Ms. Kohda Main, and Mr. Yoneda Tsuyoshi have provided appropriate suggestions concerning what is considered highly stable and reliable market operations at the Company's Board of Directors meetings, and since the incident occurred, as committee members of the "Investigation Committee of Independent Outside Directors in Relation to the System Failure" established by the Company, they fulfilled their responsibilities through such actions as providing assessments and suggestions, in response to the opinions and fact-finding of the Company and TSE in relation to the course of events on the day of the system failure, cause of the system failure, etc., regarding such matters as the true cause of the system failure, the reasonableness of the handling of the situation of the Company and TSE before and after the incident, and measures, etc. to prevent recurrence, and by reporting the investigation status and investigation results of the committee to the Company's Board of Directors.
Furthermore, from before the time the incident occurred, Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Ogita Hitoshi, Mr. Kobayashi Eizo, and Mr. Mori Kimitaka have provided appropriate suggestions concerning what is considered highly stable and reliable market operations at the Company's Board of Directors meetings, and since the incident occurred, they have fulfilled their responsibilities through such actions as considering the investigation status of the aforementioned committee and investigation report prepared by the aforementioned committee and providing appropriate advice on such matters as recurrence prevention measures at the Company's Board of Directors meetings.
9. Violations of laws and regulations or the Articles of Incorporation, as well as inappropriate business execution at other companies that occurred during the terms of office at such companies of candidates for Outside Director:
Japan Post Insurance Co., Ltd., at which Mr. Endo Nobuhiro served as Outside Director until June 2018, was found by the Financial Services Agency to have committed inappropriate sales, etc. of insurance products, and received administrative sanctions based on the Insurance Business Act on December 27, 2019. Mr. Endo had already resigned as Outside Director at the time that the company became aware of this matter, but during his tenure as Outside Director, he appropriately fulfilled his responsibilities by regularly making recommendations from the viewpoint of legal compliance and ensuring thorough compliance awareness, among other things.
NEC Corporation, at which Mr. Endo currently serves as Chairman of the Board and Mr. Ogita Hitoshi served as Outside Director until June 2018, was found by the Japan Fair Trade Commission on July 12, 2016 to have committed actions in violation of the Antimonopoly Act with respect to transactions concerning equipment for electric power security communications with Tokyo Electric Power Company Holdings, Inc. (formerly Tokyo Electric Power Co., Inc.). In addition, the corporation received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission for violation of the Antimonopoly Act with respect to transactions concerning equipment for fire rescue digital radio on February 2, 2017, and with respect to transactions in apparatuses for hybrid optical communication and transmission path for Chubu Electric Power Co., Inc., on February 15, 2017. After being made aware of the facts, Mr. Endo fulfilled his duties by promoting the prevention of reoccurrence of such incidents by further ensuring thorough adherence to the compliance system, and strengthening the development and operation of internal control systems. Mr. Ogita also fulfilled his duties by ways such as emphasizing the need for strict adherence to laws and regulations at NEC Corporation's Board of Directors and other meetings.
ITOCHU Corporation, for which Mr. Kobayashi Eizo served as Director until June 2016, was given cease and desist orders by the Japan Fair Trade Commission on January 12, 2018, February 20, 2018, and July 12, 2018, for having committed acts in violation of the Antimonopoly Act concerning the sales of uniforms to West Japan Railway Company, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, and ALL NIPPON AIRWAYS CO., LTD. which were conducted during his tenure as Director. In addition, ITOCHU Corporation

was given cease and desist orders and a surcharge payment order by the Japan Fair Trade Commission on October 18, 2018, for having committed actions in violation of the Antimonopoly Act concerning the provision of uniforms to NTT DOCOMO, INC. which were conducted during his tenure as Director. During his tenure at ITOCHU Corporation, Mr. Kobayashi was unaware of these actions, however, as Director of said corporation, he always carried out the execution of his duties from the viewpoint of legal compliance and worked earnestly for the establishment and appropriate operation of internal control systems.

In addition, Japan Airlines Co., Ltd., for which Mr. Kobayashi currently serves as External Director, received a business improvement order to ensure aviation safety from Japan's Ministry of Land, Infrastructure, Transport and Tourism on December 21, 2018, in response to serious violations that affect flight safety, such as issues around drinking among flight crews and decisions to change crew configurations. Furthermore, on January 11, 2019, Japan Airlines Co., Ltd. received a business improvement advisory to ensure aviation safety from the Ministry due to an incident of alcohol consumption by a cabin attendant. Moreover, while implementing measures to prevent a recurrence, Japan Airlines Co., Ltd. again received a business improvement order to ensure aviation safety from Japan's Ministry of Land, Infrastructure, Transport and Tourism on October 8, 2019 in response to a case of alcohol being detected as a result of pre-flight testing of flight crews. Mr. Kobayashi has been constantly offering advice from the perspective of compliance with laws and regulations at Japan Airlines Co., Ltd.'s Board of Directors and other meetings, and after being made aware of the facts of the incidents, Mr. Kobayashi fulfilled his duty by offering advice for thoroughly investigating the facts of the incidents and directing the formulation of measures to prevent a recurrence.

10. The Company has taken out a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act, which includes, among the Director candidates put forward in this proposal, the candidates for re-election as insureds. This insurance policy covers compensation for damages, litigation expenses, and other payments that an insured is liable for when subject to claims for indemnification arising from acts (including inaction) carried out by the insured pursuant with the position of officer, etc. in the company and the premiums for the insured are fully borne by the Company. If their re-elections are approved, they will continue to be included in the policy as insureds. Furthermore, the Company intends to resolve to renew the policy with details similar to the current policy at the Board of Directors meeting to be held directly following this annual general shareholders meeting. Note that the Company plans to include Mr. Takeno Yasuzo as an insured in the policy, if he is elected as a Director.

11. Conclusion of Limited Liability Agreements with Directors (excluding executive directors, etc. under Article 427, Paragraph 1 of the Companies Act; hereinafter referred to as "Non-Executive Director(s)"):

Under the current Articles of Incorporation, the Company stipulates provisions that allow it to enter into agreements with Non-Executive Directors that limit liability for damages of the Company to the minimum amount as specified by laws and regulations. Such limited liability agreements have been concluded with Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Minoguchi Makoto, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi. If the re-elections of Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Minoguchi Makoto, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi are approved, then the corresponding limited liability agreements with them will continue to remain effective. Moreover, the Company plans to conclude a limited liability agreement with the same details with Mr. Takeno Yasuzo, if he is elected as a Director.

The summary of such agreements is as follows:

- If a Non-Executive Director becomes liable to the Company for damages arising from failure to carry out his/her duties, his/her liability shall be limited to the minimum amount of liability stipulated by Article 425, Paragraph 1 of the Companies Act.
- The above limit on liability shall be limited to cases where such Non-Executive Director was not grossly negligent in his/her performance in good faith of the duty that was the cause of liability.

(Reference) Independence Standards and Qualification for Independent Outside Directors

The Company verifies the status of Outside Directors to the extent reasonably possible and judges that an Outside Director is independent if he/she satisfies all of Items 1 through 13 below.

1. Not being an executive director, etc. (Note 1) or employee of JPX Group (Note 2) in the last ten years;
2. Not being an officer executing business or employee of the Company's current major shareholders (Note 3) group or a company in which the Company is a current major shareholder in the last five years;
3. Not being an officer executing business or employee of a major business partner (Note 4) of JPX Group in the last fiscal year or during any of the three fiscal years prior to the last fiscal year;
4. Not being an officer executing business or employee of an organization that receives a donation or subsidy exceeding the specified amount (Note 5) from JPX Group;
5. Not being an officer executing business of a corporate group that has appointed an executive director, etc. of JPX Group as an outside director;
6. Not being an officer executing business or employee of a group company of a major creditor, etc. (Note 6) of JPX Group in the last three years;
7. Not being a member, partner, or employee of the accounting auditor of JPX Group;
8. Not being a member, partner, or employee of the current accounting auditor of JPX Group who engaged in actual audit work of JPX Group (except for secondary involvement) in the last three years;
9. Not being an attorney-at-law, certified public accountant, certified public tax accountant, or other consultant who receives money and other economic benefits in an amount exceeding the specified amount (Note 7) other than compensation for directors, auditors, or executive officers from JPX Group;
10. Not being a member, partner, associate, or employee of a law firm, audit firm, tax accounting firm, consulting firm, or other professional advisory firm for which JPX Group is a major client (Note 8);
11. Not being the spouse, a relative within the second degree of kinship, or a relative residing in the same household of a person falling under any of the following items:
 - (i) An officer executing business or significant employee (Note 9) of JPX Group in the last five years;
 - (ii) A director, auditor, or executive officer of a company that is the Company's current major shareholder or of which the Company is a current major shareholder in the last five years;
 - (iii) An officer executing business or significant employee of a major business partner of JPX Group in the last fiscal year or during any of the three fiscal years prior to the last fiscal year;
 - (iv) An officer executing business or significant employee of an organization that receives from JPX Group a donation or subsidy exceeding the specified amount;
 - (v) An officer executing business or significant employee of a group company of a major creditor, etc., of JPX Group in the last three years;
 - (vi) A member, partner, or employee of the current accounting auditor of JPX Group in the last three years who engaged in actual audit work of JPX Group (except for secondary involvement) during said period;
 - (vii) An attorney-at-law, certified public accountant, certified public tax accountant, or other consultant who receives money and other economic benefits in an amount exceeding the specified amount from JPX Group; or
 - (viii) A member, partner, or associate of a law firm, audit firm, tax accounting firm, consulting firm, or other professional advisory firm for which JPX Group is a major client and who is directly engaged in services for JPX Group;
12. A person who has served as Outside Director of the Company for a period that does not exceed eight years in total;
13. Notwithstanding each of the preceding items, a person who is not likely to have constant and substantial conflict of interest with the Company's general shareholders;
14. Even if a person does not satisfy any one of the above Items 2 to 11, the person may be appointed as an Independent Director of the Company on the condition that (1) the person satisfies the requirements of outside directors under the Companies Act and (2) the Company explains to external parties the reason why the person is considered appropriate as its Independent Director.

Note 1: "Executive director, etc." refers to an executive director, executive officer (*shikkoyaku* or *shikkoyakuin*), president (*rijicho*), or standing governor (*joninriji*).

Note 2: "JPX Group" refers to Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., Tokyo Commodity Exchange, Inc., Japan Exchange Regulation, Japan Securities Clearing Corporation, and TOSHO SYSTEM SERVICE CO., LTD.

Note 3: "Major shareholder" refers to a shareholder that holds 10% or more of the voting rights of the Company.

Note 4: "Major business partner" refers to a party for which JPX Group was a major client (a party that received payment from JPX Group accounting for 2% or more of the amount equivalent to its consolidated annual gross sales for the last fiscal year), a party that was a major client of JPX Group (a party that made a payment to the Company accounting for 2% or more of the amount equivalent to the consolidated annual gross sales of the Company for the last fiscal year among the fiscal years included), its parent company, or significant subsidiary.

- Note 5: "The specified amount" in Items 4 and 11 (iv) refers to JPY 10 million per year on average over the past three fiscal years or 30% of the average annual total expenses of the organization, whichever is greater.
- Note 6: "Major creditor, etc." refers to a financial institution or other major creditor that is essential for the Company's financing, which the Company is dependent on to the extent that it cannot be replaced with another party.
- Note 7: "The specified amount" in Items 9 and 11 (vii) refers to JPY 10 million or more per year on average over the past three fiscal years (excluding compensation for directors, auditors, or executive officers).
- Note 8: "Firm for which JPX Group is a major client" refers to a firm that received payment from JPX Group accounting for 2% or more on average over the past three fiscal years of its consolidated annual gross sales.
- Note 9: "Significant employee" refers to a person who executes business in a position of general manager or higher in JPX Group or any person who is objectively and reasonably considered to be of equivalent significance.

Business Report

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

I. Overview of Current Status of Corporate Group

1. Business Report for The Fiscal Year

(1) Review and results of business operations

First, the Company would like to express its deepest apologies to investors and related parties for the great inconvenience caused by the failure in the arrowhead cash equity trading system that occurred on October 1, 2020. In response to the system failure, which led to all trading on the cash equity market being suspended for the whole day, the Company and Tokyo Stock Exchange, Inc. respectively received, in November 2020, a business improvement order from the Financial Services Agency based on the findings that a setting for the automated switchover regarding the failed device was inadequate, and that Tokyo Stock Exchange, Inc. had not developed sufficient rules for trading resumption. JPX Group (in this Business Report, meaning the corporate group comprising the Company and its subsidiaries) has conducted operations under the slogan of "Never Stop" and emphasized initiatives to improve reliability, but going forward we will focus in the same way on improving "Resilience", to further ensure that recovery measures are prompt and appropriate, whereby JPX Group, as a whole, will endeavor to recover the credibility of the market.

During the fiscal year, the stock market in Japan was on an upward trajectory from the early part of the fiscal year on expectations that strong fiscal and monetary policies adopted by major countries and regions would support economic activity and corporate finances. The stock market struggled to climb after the summer due to rising numbers of novel coronavirus (COVID-19) infections primarily in Europe and the U.S. and the U.S. presidential election in November. Subsequently, however, the stock market resumed its upward trend in anticipation that the development of COVID-19 vaccines would normalize the global economy. As a result, TOPIX gained considerably from the early part of the fiscal year, as shown by recovering to 2,000 points on March 18, 2021 for the first time in 30 years, and had risen to 1,954.00 points as of the end of March (up 550.96 points from the end of March 2020).

Under these circumstances, with this fiscal year being the second year of the 3rd Medium-Term Management Plan (FY2019-FY2021), JPX Group has promoted various measures toward advancing its four core strategies: (i) pursue "the shape of the market" toward the next generation, (ii) launch, invigorate, and develop a comprehensive exchange, (iii) diversify and propel data services into the next generation, and (iv) develop a foundation to support the future of JPX Group's business and society. In this way, JPX Group pursued its goal of evolving into a total smart exchange, where everyone can trade any product in a secure and easy way by further cooperating with stakeholders and entering into new partnerships amid changes in the global environment and technological innovation, following the medium-to long-term future vision that JPX Group will make a more active contribution toward the "building a sustainable society" as a responsible infrastructure operator.

The consolidated results of JPX Group during the fiscal year ended March 31, 2021 included operating revenue of JPY 133,343 million (up 7.8% year on year), operating expenses of JPY 61,394 million (up 4.9% year on year), operating income of JPY 74,565 million (up 8.8% year on year), income before income tax of JPY 74,732 million (up 8.2% year on year), and net income attributable to owners of the parent company of JPY 51,389 million (up 7.9% year on year).

(a) Trading services revenue

Trading services revenue is comprised of "Transaction Fees" based on the value of securities traded or the volume of financial derivatives and commodity derivatives traded, "Basic Fees" based on the type of trading participant's trading qualification, "Access Fees" based on the number of orders, and "Trading System Facilities Usage Fees" based on the types of trading system facilities used.

The average daily trading value in the cash equity markets (TSE 1st and 2nd Sections, Mothers, JASDAQ, TOKYO PRO Market, ETFs/ETNs, and REITs, etc.) during the fiscal year was JPY 3,483.7 billion. Also, total trading volume for financial derivatives reached 363.31 million contracts and total trading volume for commodity derivatives was 19.51 million contracts (Include cash settlement).

During the fiscal year ended March 31, 2021, basic fees were JPY 1,018 million (down 0.2% year on year), transaction fees from cash equities were JPY 31,056 million (up 20.6% year on year), transaction fees from financial derivatives and commodity derivatives were JPY 10,393 million (down 15.2% year on year) and JPY 2,014 million (up 82.3% year on year) respectively, and other fees such as access fees and trading system facilities usage fees were JPY 8,688 million (up 2.8% year on year). As a result, trading services revenue came to JPY 53,171 million (up 9.4% year on year).

Core initiatives:

- Implemented measures to prevent recurrence of arrowhead failure and pushed forward with efforts to enhance the resilience of the market
- Transferred futures and options on precious metals, rubber, and agricultural products from Tokyo Commodity Exchange, Inc. to Osaka Exchange, Inc. (July 2020)
- Updated the schedule for the construction of systems in the Kansai backup center in preparation for the occurrence of an inland earthquake in the Tokyo Metropolitan Area (January 2021)



Completed product transfer

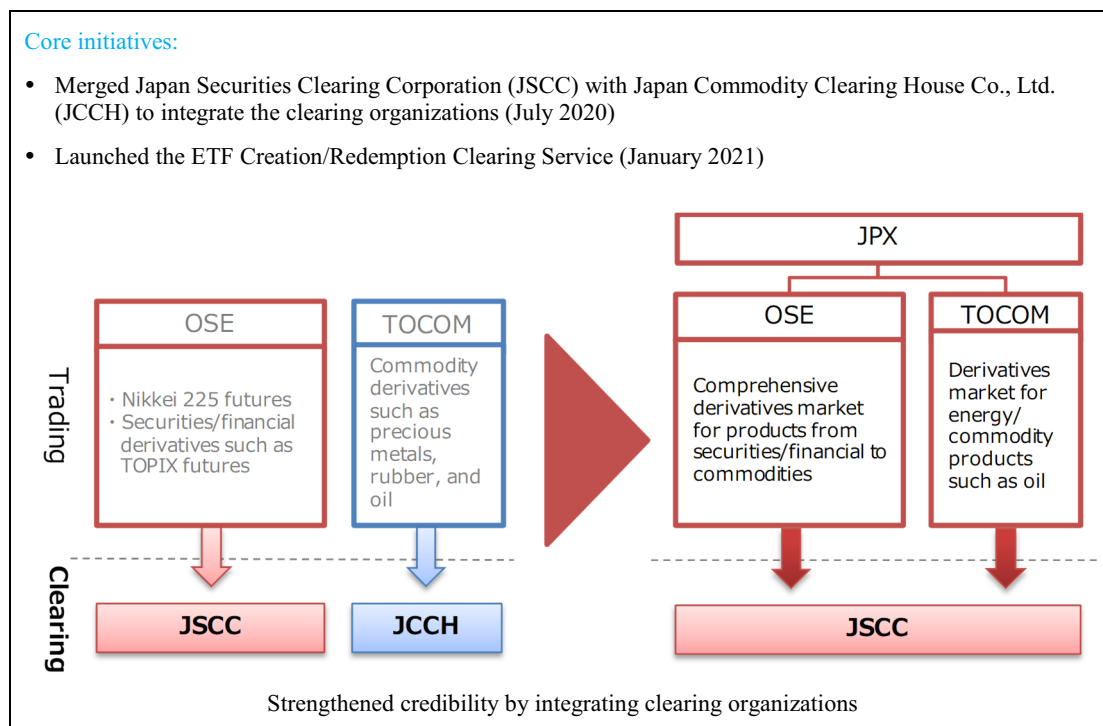
System Name	Schedule
Derivatives Trading System	September 21, 2021
Clearing System (JGB OTC Transactions)	Q4 of FY2021
Clearing System (Listed Products and OTC Derivatives)	Q3 to Q4 of FY2022
Current Equities Trading Systems	Q2 of FY2022
Next-Generation Equities Trading Systems	FY2024 (projected)

Development underway for reinforcing BCP

(b) Clearing services revenue

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

Clearing services revenue for the fiscal year was JPY 27,939 million (up 5.7% year on year).

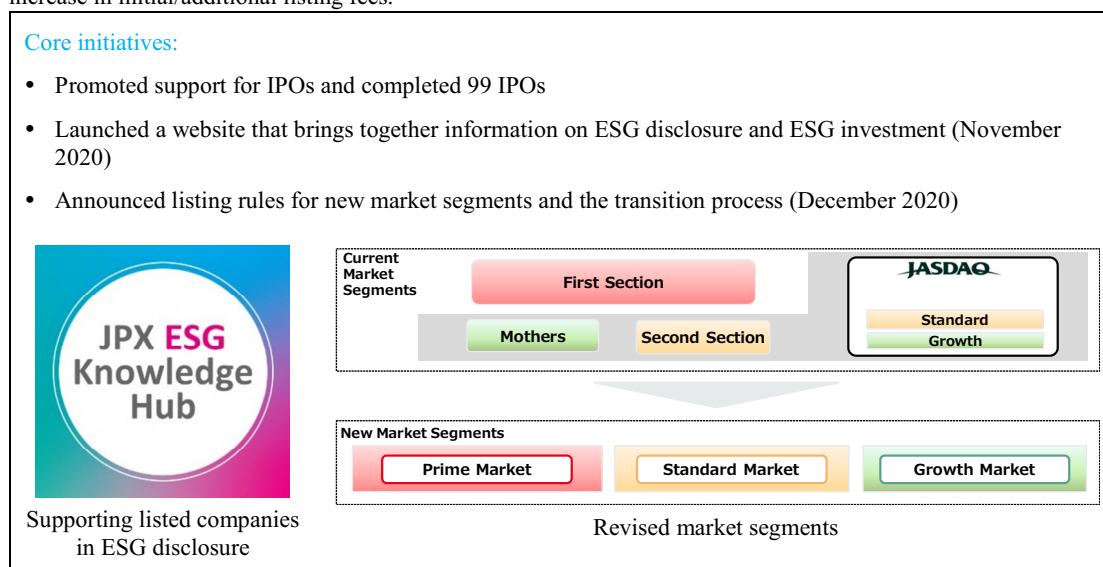


Note: JPX: Japan Exchange Group, Inc., OSE: Osaka Exchange, Inc., TOCOM: Tokyo Commodity Exchange, Inc., JSCC: Japan Securities Clearing Corporation, JCCH: Japan Commodity Clearing House Co., Ltd.

(c) Listing services revenue

Listing services revenue is comprised of "Annual Listing Fees" received from listed companies and other entities based on their market capitalization and "Initial/Additional Listing Fees" that are received when a company initially lists or issues additional shares, and so forth.

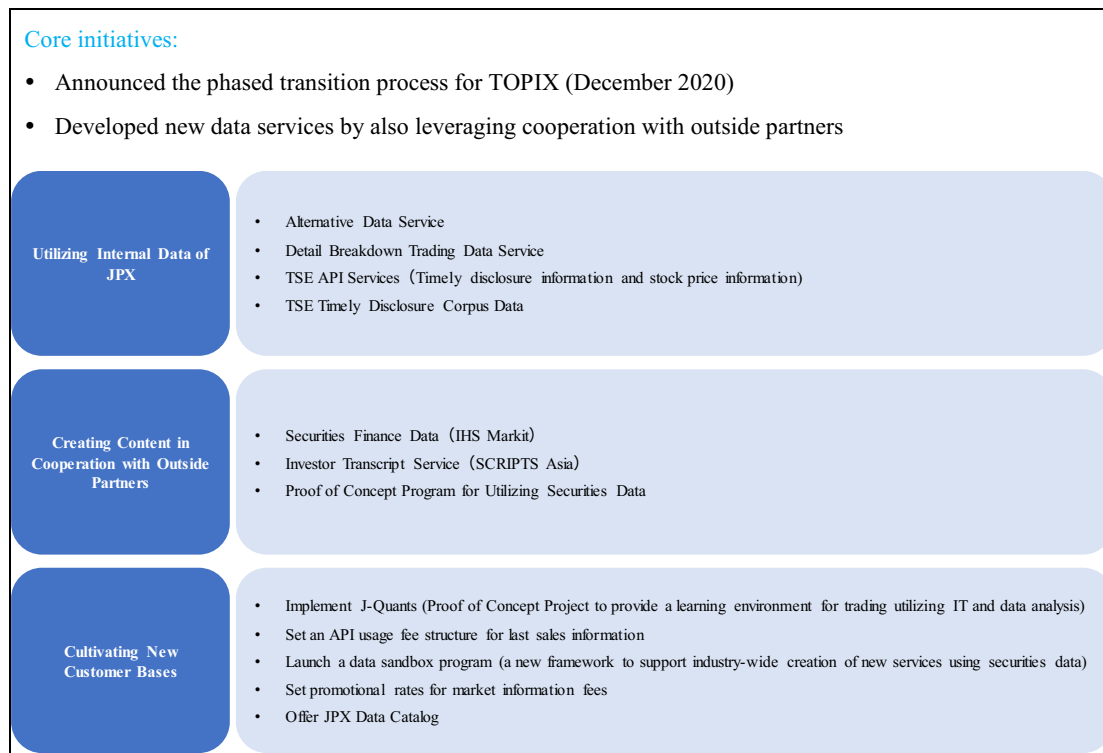
Listing services revenue for the fiscal year came to JPY 16,660 million (up 16.3% year on year), reflecting an increase in initial/additional listing fees.



(d) 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 various kinds of information including corporate action information.

Information services revenue for the fiscal year was JPY 24,128 million (up 9.8% year on year), reflecting an increase in market information fees.



(e) Operating expenses

During the fiscal year, personnel expenses were JPY 19,255 million, system maintenance and operation expenses were JPY 13,524 million, and depreciation and amortization was JPY 16,761 million. As a result, operating expenses came to JPY 61,394 million (up 4.9% year on year).

(2) Capital investment

Overall capital investment, including investment for trading and clearing systems, was about JPY 13.2 billion.

(3) Financing

There are no matters to report.

(4) Business transfer, absorption-type company split or incorporation-type company split

There are no matters to report.

(5) Acquisition of other companies' businesses

There are no matters to report.

(6) Successions of rights or duties related to the businesses of other legal entities, etc. due to absorption-type merger or absorption-type company split

On July 27, 2020, Japan Securities Clearing Corporation (JSCC) and Japan Commodity Clearing House Co., Ltd., a subsidiary of Tokyo Commodity Exchange, Inc., conducted an absorption-type merger in which JSCC was the surviving company.

(7) Acquisition or disposition of shares or equities in other companies, or subscription warrants, etc.

In relation to the shares of Singapore Exchange Limited (SGX) owned by the Company (53,051,000 shares), as a result of an evaluation considering the aims of Japan's Corporate Governance Code, we decided that owning the shares was not a necessary requirement to continue our cooperative relationship with SGX, and decided on March 30, 2018 that, in line with this decision, we would sequentially sell said shares. We completed the sale of all the shares by April 30, 2021.

2. Assets and Earnings in the Three Years Prior to This Year

JPX Group

(JPY million)

Classification	IFRS			
	March 2018 Year (Apr. 2017 to Mar. 2018)	March 2019 Year (Apr. 2018 to Mar. 2019)	March 2020 Year (Apr. 2019 to Mar. 2020)	March 2021 Year (Apr. 2020 to Mar. 2021)
Operating revenue	120,711	121,134	123,688	133,343
Income before income tax	72,990	70,786	69,095	74,732
Net income attributable to owners of the parent company	50,484	49,057	47,609	51,389
Basic earnings per share (JPY)	94.17	91.58	88.91	96.00
Total assets	41,316,341	54,069,405	67,286,302	60,075,678
Equity attributable to owners of the parent company	273,771	285,009	298,228	321,391
Equity attributable to owners of the parent company per share (JPY)	510.99	532.10	556.97	600.38

(Breakdown of operating revenue)

(JPY million)

Classification	IFRS			
	March 2018 Year	March 2019 Year	March 2020 Year	March 2021 Year
Trading services revenue	51,766	48,660	48,589	53,171
Clearing services revenue	23,473	24,788	26,427	27,939
Listing services revenue	14,547	14,025	14,322	16,660
Information services revenue	19,878	21,029	21,977	24,128
Other	11,045	12,630	12,371	11,443
Total	120,711	121,134	123,688	133,343

* The Company prepares consolidated financial statements in accordance with IFRS under the provision of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies.

3. Information Concerning the Parent Company and Major Subsidiaries

(1) Relationship with parent company

There are no matters to report.

(2) Major subsidiaries

(a) Major subsidiaries

Company Name	Location	Share Capital	Holding Ratio of Voting Rights (indirect holding)	Principal Business
		(JPY million)	%	
Tokyo Stock Exchange, Inc.	Chuo-ku, Tokyo	11,500	100.0	Financial instruments exchange market operations
Osaka Exchange, Inc.	Chuo-ku, Osaka	4,723	100.0	Financial instruments exchange market operations
Tokyo Commodity Exchange, Inc.	Chuo-ku, Tokyo	1,989	100.0	Commodity exchange market operations
Japan Exchange Regulation	Chuo-ku, Tokyo	3,000 (Note 1)	100.0	Self-regulatory operations
Japan Securities Clearing Corporation (Note 2)	Chuo-ku, Tokyo	9,584	(Note 3)	Financial instruments obligation assumption services
TOSHO SYSTEM SERVICE CO., LTD.	Chuo-ku, Tokyo	100	100.0 [100.0]	System development, etc.

(Notes) 1. Non-stock capital.

2. On July 27, 2020, Japan Securities Clearing Corporation (JSCC) and Japan Commodity Clearing House Co., Ltd., a subsidiary of Tokyo Commodity Exchange, Inc., conducted an absorption-type merger in which JSCC was the surviving company.

3. The Company's holding ratios are 99.98% of Class-A stock, 100.0% of Class-B stock, 60.4% of Class-C stock, and 52.9% of Class-D stock.

(b) Status of specified wholly-owned subsidiaries as of the end of the fiscal year

Company Name	Address	Book Value of Shares of Specified Wholly-Owned Subsidiary as of March 31, 2021
		(JPY million)
Tokyo Stock Exchange, Inc.	2-1, Nihombashi-Kabuto-cho, Chuo-ku, Tokyo	97,884

(Note) Total assets of the Company as of March 31, 2021 amount to JPY 265,247 million.

4. Issues Requiring Action

In the markets that JPX Group operates, market conditions change with developments in the external environment including local and global economic conditions, financial policies, and geopolitical risks. As such, the greatest management challenge of JPX Group is providing market infrastructure that consistently and stably delivers a high level of satisfaction to users.

JPX Group was reminded of its heavy responsibility as a market operator for the incident on October 1, 2020, in which all trading on the cash equity market was suspended for the whole day due to a system failure on the same day. Entering the final year of the Medium-Term Management Plan, JPX Group also needs to continue priming itself for medium- to long-term changes in the environment, while following through with measures based on its core strategies.

With that understanding, JPX Group will implement crucial recurrence prevention measures for enhancing resilience, in addition to its focus to "Never Stop" operations, to recover the credibility of the market and strengthen functions. From a medium- to long-term perspective, JPX Group will fulfill its primary mission of operating the markets stably by advancing a review of how the IT function and human resources should be like and the establishment of a research department, along with ongoing initiatives related to digital transformation (DX). Furthermore, JPX Group will steadily implement key initiatives, such as restructuring market segments, and promote ESG investment and such preparations for accommodating changing investment techniques and financing methods.

Setting the above as the basic policy for issues requiring action, JPX Group will implement the following four core strategies.

(1) Pursue "the shape of the market" toward the next generation

JPX Group will raise its global competitiveness while working on enhancing the appeal of the Japanese market in its pursuit of "the shape of the market" toward the next generation.

(2) Launch, vitalize, and develop the comprehensive exchange

JPX Group will vitalize derivative markets in Japan to develop them into globally accepted exchanges, while aiming at creating synergies in product transfers and integrating clearing organizations.

(3) Diversify and propel data services into the next generation

JPX Group will explore its new business model as an exchange by creating highly convenient data services emerging from an open and innovative framework.

(4) Develop a foundation to support the future of JPX Group's business and the society

JPX Group will keep its market robust as a market infrastructure by means such as developing and managing reliable IT systems and enforcing appropriate self-regulations. Furthermore, JPX Group will strengthen cyber-security measures and improve preparedness for the risk of natural disasters.

Furthermore, in upholding its responsibility as a part of social infrastructure, JPX Group aims to ensure that market operations are not impacted by the spread of the novel coronavirus by making sure these operations are stable. To this end, as well as implementing various responses to prevent the spread of infections based on the government's Basic Policies for Novel Coronavirus Disease Control, JPX Group has established a BCP Emergency Headquarters, and is flexibly implementing measures needed to ensure the health of employees and continued operations.

Capital Policy

JPX Group's fundamental capital policy is to support sustainable development and evolution of the market with constant investment while striking a balance between return to shareholders and fiscal robustness for stable management of the market. Under this policy, JPX Group aims to maintain ROE of 10% in the medium to long term, which is above capital costs, under any market condition.

Sail to the future. Keep the market secure.	
Core Strategy I Pursue "the shape of the market" toward the next generation	
1 Strengthen the functions of the cash equity market and work to develop a next-generation platform for cash products	4 Create new communication channels with retail investors and enhance support for global investors
2 Develop TSE's market structure and enhance corporate governance at listed companies for a more appealing Japanese market	5 Boost ETF market activity and develop new methods or channels for new investors
3 Improve clearing services for better global competitiveness	6 Expand lineup of high-quality listed companies and products with high investment appeal
Core Strategy II Invigorate and develop the comprehensive exchange	
1 Invigorate the comprehensive exchange	4 Drive new initiatives to enhance the derivatives market
2 Develop the next generation derivatives platform "J-GATE3.0"	Realizing our medium- to long-term vision
3 Invigorate the derivatives market by attracting diverse investment flows	
Core Strategy III Diversify and propel data services into the next generation	
1 Create new information services by utilizing innovations and partnerships	4 Renovate TOPIX into properly functioning investable index
2 Build a next-generation system for disseminating information that employs API & the cloud	Realizing our medium- to long-term vision
3 Develop indices & enhance operations in response to needs & external changes	
Core Strategy IV Develop a foundation to support the future of our business and the society	
1 Bolster system bases, promote digital transformation, and develop highly-skilled IT personnel	4 Exercise optimal self-regulation that adapts to external changes
2 Further advance sustainability	5 Raise financial literacy to achieve stable asset building and strengthening of market functions
3 Strengthen cyber security measures and launch the Kansai backup center in preparation for the risk of natural disasters	6 Strengthen business foundations

5. Principal Business (as of March 31, 2021)

The Company is a stock corporation authorized as a financial instruments exchange holding company under the Financial Instruments and Exchange Act to engage in the administration and management of the corporate group, including subsidiaries Tokyo Stock Exchange, Inc. (TSE), Osaka Exchange, Inc. (OSE), Tokyo Commodity Exchange, Inc., Japan Exchange Regulation, and Japan Securities Clearing Corporation. The principal business of JPX Group is the establishment and operation of financial instruments exchange markets provided by TSE and OSE, and of commodities exchange markets provided by Tokyo Commodity Exchange, Inc.

6. Main Offices (as of March 31, 2021)

The Company

Head Office	Chuo-ku, Tokyo
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Subsidiaries

Tokyo Stock Exchange, Inc.	Chuo-ku, Tokyo
Osaka Exchange, Inc.	Chuo-ku, Osaka
Tokyo Commodity Exchange, Inc.	Chuo-ku, Tokyo
Japan Exchange Regulation	Chuo-ku, Tokyo
Japan Securities Clearing Corporation	Chuo-ku, Tokyo
TOSHO SYSTEM SERVICE CO., LTD.	Chuo-ku, Tokyo

7. Employees (as of March 31, 2021)

JPX Group

No. of Employees	Compared to the Previous Fiscal Year	Average Age	Average Years of Employment
1,197	Decreased by 11 persons	43 years 6 months	17 years 6 months

(Note) The number of employees refers to persons working on a regular basis (excluding persons assigned by JPX Group temporarily to an entity outside JPX Group but including persons assigned by an entity outside JPX Group temporarily to JPX Group). Temporary employees (including part-time workers and persons dispatched from employment agencies) are not included.

8. Lenders and Outstanding Loans (as of March 31, 2021)

Creditor	Outstanding Loan (JPY million)
The 77 Bank, Ltd.	9,000
MUFG Bank, Ltd.	23,500

9. Other Important Items Related to the Corporate Group

There are no matters to report.

II. Status of Shares (as of March 31, 2021)

(1) Total Authorized No. of Shares to Be Issued	2,180,000,000
(2) Total No. of Shares Issued	536,351,448
(3) No. of Shareholders	53,327

(4) Major Shareholders

Rank	Name of Shareholder	No. of Shares Held	Shareholding Ratio
		shares	%
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	57,976,300	10.81
2	Custody Bank of Japan, Ltd. (Trust Account)	29,770,500	5.55
3	Custody Bank of Japan, Ltd. (Trust Account 7)	14,236,800	2.65
4	NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	13,485,444	2.51
5	SMBC Nikko Securities Inc.	12,769,500	2.38
6	THE BANK OF NEW YORK 134104	11,269,700	2.10
7	Custody Bank of Japan, Ltd. (Trust Account 5)	8,169,800	1.52
8	STATE STREET BANK WEST CLIENT - TREATY 505234	8,084,336	1.51
9	MUFG Bank, Ltd.	7,557,000	1.41
10	Custody Bank of Japan, Ltd. (Trust Account 6)	7,242,100	1.35

(Notes) 1. Shareholding ratio is calculated by excluding treasury shares (7 shares).

2. The distribution of shareholders of the Company by category is as follows:

Financial institutions: 181,986,093 shares (33.93%); financial instruments business operators: 114,128,244 shares (21.28%); other domestic corporations: 19,156,923 shares (3.57%); foreign corporations, etc.: 205,091,410 shares (38.24%); and individuals and others: 15,988,778 shares (2.98%)

(5) Status of Shares Delivered as Compensation for the Execution of Duties During the Fiscal Year

There are no matters to report.

(6) Other Important Items Related to Shares

• Stock Granting Plan for Employees

In FY2016, the Company introduced an employee incentive plan called Stock-Granting Employee Stock Ownership Plan (hereinafter the "Plan") to improve medium- to long-term corporate value by giving JPX Group employees (hereinafter "employees") a sense of participation in company management and further motivation toward improving corporate performance and increasing the price of the Company's stock.

(a) Outline of the Plan

The Plan is an employee incentive plan based on ESOP plans in the U.S. The Company stock acquired by a Stock-Granting Employee Stock Ownership Plan Trust (hereinafter the "ESOP Trust") shall be granted to employees upon their retirement based on the level of achievement of management goals and productivity-related goals. The Company contributes all funding for acquisition of Company stock, to be conducted by the ESOP Trust, and employees do not bear any such costs. The Plan allows employees to receive economic benefits when the Company's stock price increases. As such, it encourages employees to adopt a stock price-conscious mindset in the performance of their duties, and it is also expected to boost employee morale.

(b) Total number of shares planned for acquisition by employees

586,800 shares

(c) Eligible employees

Employees who meet the beneficiary requirements

- Stock Compensation Plan for JPX Group Executives

In August 2018, the Company introduced a trust-type stock compensation plan for executives (meaning executive officers and those equivalent thereto, excluding persons such as outside directors, directors who are members of the Audit Committee, and auditors; hereinafter the same) of the Company and its subsidiaries that provide core businesses of JPX Group (hereinafter the "core subsidiaries"; the Company and the core subsidiaries are hereinafter collectively referred to as the "implementing companies") (This plan shall hereinafter be referred to as the "Stock Compensation Plan"). The purpose of the Stock Compensation Plan is to further facilitate the alignment of interests with shareholders and enhance executives' desire to contribute to the sustainable improvement of corporate value.

(a) Outline of the Stock Compensation Plan

In designing the Stock Compensation Plan, the Company referred to performance share plans and restricted stock plans in the U.S. and Europe. Under the Stock Compensation Plan, the Company shall acquire shares through a trust and grant and/or deliver (hereinafter collectively "grant/deliver") shares and money equivalent to the Company shares converted into cash (hereinafter the "Company shares, etc.") as well as dividends arising from said the Company shares to executives in accordance with factors such as an executive's position and performance.

Specifically, based on the resolution of the Compensation Committee, etc. held in March each year, points equivalent to the stock compensation base amount for each fiscal year shall be issued to executives. After three years, in principle, from the issuance of such points, the Company shares, etc. corresponding to the points issued as executive compensation shall be granted/delivered to executives.

The points shall be issued to executives in accordance with their position, etc. for each fiscal year. The points are comprised of a fixed portion that does not increase or decrease and a performance-linked portion that changes with the degree of achievement of the performance conditions after the issuance of the points.

The fixed portion is aimed mainly at strengthening the alignment of interests with shareholders, while the performance-linked portion is aimed mainly at increasing the motivation for medium- to-long term corporate value improvement as well as strengthening the link between performance and compensation.

(b) Amount of trust money

JPY 1.5 billion (for four years from FY2021 to FY2024)

(c) Eligible executives

Executives of the implementing companies who meet the beneficiary requirements

III. Status of Subscription Warrants (*shinkabu-yoyakuken*), etc.

There are no matters to report.

IV. Directors and Executive Officers of the Company

1. Directors and Executive Officers (as of March 31, 2021)

(1) Board of Directors

Position	Name	Area(s) of Responsibility	Significant Concurrent Position(s)
Director	Tsuda Hiroki	Chairperson of the Board of Directors	
Director & Representative Executive Officer, Group CEO	Kiyota Akira	Group CEO; Member of the Nomination Committee; Member of the Compensation Committee; Member of the Risk Policy Committee	President & CEO, Tokyo Stock Exchange, Inc.
Director & Representative Executive Officer, Group COO	Yamaji Hiromi	Group COO	President & CEO, Osaka Exchange, Inc. Representative Director & Chair, Chairperson of the Board, Tokyo Commodity Exchange, Inc.
Director & Executive Officer	Shizuka Masaki		President & CEO, Japan Securities Clearing Corporation
Director	Christina Ahmadjian	Member of the Compensation Committee; Member of the Audit Committee	Professor, Graduate School of Business Administration, Hitotsubashi University Outside Director, Mitsubishi Heavy Industries, Ltd. Outside Director, Sumitomo Electric Industries, Ltd. Outside Director, Asahi Group Holdings, Ltd.
Director	Endo Nobuhiro	Member of the Nomination Committee	Chairman of the Board, NEC Corporation (Non-Executive) Member, Board of Directors (Outside), Sumitomo Dainippon Pharma Co., Ltd. Outside Director, Tokio Marine Holdings, Inc.
Director	Ogita Hitoshi	Chairperson of the Nomination Committee; Chairperson of the Independent Outside Directors Committee	Senior Adviser, Asahi Group Holdings, Ltd.
Director	Kubori Hideaki	Member of the Nomination Committee; Chairperson of the Risk Policy Committee	Attorney-at-Law Representative, HIBIYA PARK LAW OFFICES Outside Director, SOURCENEXT CORPORATION Professor, Toin Law School Outside Director, Coincheck, Inc.
Director	Kohda Main	Member of the Audit Committee; Member of the Risk Policy Committee	Novelist Outside Director, Japan Tobacco Inc. Non-Executive Director, MITSUBISHI MOTORS CORPORATION
Director	Kobayashi Eizo	Member of the Nomination Committee; Chairperson of the Compensation Committee	Director Emeritus (non-executive), ITOCHU Corporation Chairman, ITOCHU Foundation Outside Director, OMRON Corporation External Director, Japan Airlines Co., Ltd. Outside Director, Nippon Venture Capital Co., Ltd. Chairman, National Federation of Corporate Taxpayers Associations Administrative Director, The Public Interest Incorporated Foundation Tohoren Mutual Benefit Association for Specific Retirement Allowance Chairperson, Japan Overseas Educational Services

Position	Name	Area(s) of Responsibility	Significant Concurrent Position(s)
Director	Minoguchi Makoto	Member of the Audit Committee (Full-time)	
Director	Mori Kimitaka	Member of the Compensation Committee; Member of the Audit Committee	Certified Public Accountant: Advisor, The Japanese Institute of Certified Public Accountants Outside Corporate Auditor, MITSUI & CO., LTD. Outside Corporate Auditor, East Japan Railway Company Outside Director, SUMITOMO LIFE INSURANCE COMPANY
Director	Yoneda Tsuyoshi	Chairperson of the Audit Committee; Member of the Risk Policy Committee	External Audit & Supervisory Board Member, Marubeni Corporation Chief Director, Council for Public Policy

- (Notes)
- The following persons are Outside Directors: Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Mr. Kubori Hideaki, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi.
 - The following persons are Independent Directors, which Tokyo Stock Exchange, Inc. requires listed companies to secure in order to protect the interests of general shareholders: Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Mr. Kubori Hideaki, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi.
 - There are no capital or transactional relationships to note between the Company and each of the companies at which the Company's Outside Directors hold concurrent positions.
 - Director and Member of the Audit Committee, Mr. Mori Kimitaka is a certified public accountant and holds a respectable degree of knowledge on finance and accounting.
 - On December 1, 2020, Director Mr. Kiyota Akira assumed office as President & Representative Director of Tokyo Stock Exchange, Inc. On April 1, 2021, the title of Mr. Kiyota Akira changed to Director of Tokyo Stock Exchange, Inc.
On June 17, 2020, Director Mr. Miyahara Koichiro assumed office as Representative Executive Officer, Group Co-COO of the Company, and on November 30, 2020, he resigned from his positions of Director & Representative Executive Officer, Group Co-COO of the Company and President & CEO of Tokyo Stock Exchange, Inc.
On June 17, 2020, Director Mr. Yamaji Hiromi assumed office as Representative Executive Officer, Group Co-COO of the Company, and on December 1, 2020, his title changed to Representative Executive Officer, Group COO of the Company. On March 31, 2021, he resigned from his positions of President & CEO of Osaka Exchange, Inc. and Representative Director & Chair, Chairperson of the Board of Tokyo Commodity Exchange, Inc., and on April 1, 2021, he assumed office as President & CEO of Tokyo Stock Exchange, Inc.
On April 1, 2020, Director Mr. Shizuka Masaki assumed office as Executive Officer of the Company, and on June 17, 2020, he assumed office as Director of the Company.
On June 25, 2020, Director Mr. Ogita Hitoshi retired from his position of Outside Director of Imperial Hotel, Ltd.
On June 24, 2020, Director Mr. Kubori Hideaki retired from his position of a member of the Supervisory Committee of The Norinchukin Bank.
On April 1, 2020, Director Mr. Kobayashi Eizo retired from his position of Senior Representative for Business Community Relations of ITOCHU Corporation and assumed office as Director Emeritus of the same company.
On October 9, 2020, Director Mr. Yoneda Tsuyoshi assumed office as Chief Director of the Council for Public Policy.
 - To regularly maintain the audit environment, gather internal information, monitor and inspect the internal control system, and by sharing those results with other members of the Audit Committee to increase the effectiveness of discussions at the Audit Committee, of the five members of the Audit Committee, the Company has appointed Director Mr. Minoguchi Makoto as a Standing Member of the Audit Committee due to his considerable knowledge and experience in the Company's business in general.

(2) Executive Officers

Position	Name	Area(s) of Responsibility	Significant Concurrent Position(s)
Director & Representative Executive Officer, Group CEO	Kiyota Akira	Group CEO	Refer to "(1) Board of Directors"
Director & Representative Executive Officer, Group COO	Yamaji Hiromi	Group COO, Management of Derivatives Markets	Refer to "(1) Board of Directors"
Senior Executive Officer	Yokoyama Ryusuke	CIO, IT Planning	Director and Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc. President & CEO, TOSHO SYSTEM SERVICE CO., LTD. (Part-time)
Senior Executive Officer	Isaka Yoshihiro	Global Strategy	Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc. Representative Director, ICJ, Inc. (Part-time)
Senior Executive Officer	Hasegawa Isao	General Administration and Human Resources	Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc.
Senior Executive Officer	Futagi Satoshi	Corporate Strategy	Director, Japan Securities Clearing Corporation (Part-time) Outside Director, Japan Securities Depository Center, Incorporated
Executive Officer	Ishizaki Takashi	Management of Tokyo Commodity Exchange, Inc.	Representative Director, President, Tokyo Commodity Exchange, Inc.
Director & Executive Officer	Shizuka Masaki	Management of Japan Securities Clearing Corporation	Refer to "(1) Board of Directors"
Executive Officer	Tabata Atsushi	CFO, Treasury, Corporate Communications, and IR	

- (Note) On April 1, 2021, Mr. Yokoyama Ryusuke assumed office as Director of TOSHO SYSTEM SERVICE CO., LTD. from his position of President & CEO of said company.
- On April 1, 2020, the title of Mr. Futagi Satoshi changed from Executive Officer of the Company to Senior Executive Officer of the Company.
- On June 17, 2020, Mr. Ishizaki Takashi assumed office as Executive Officer of the Company and Representative Director, President of Tokyo Commodity Exchange, Inc.
- On June 17, 2020, Mr. Hamada Takamichi resigned from his positions of Executive Officer of the Company and Representative Director, President of Tokyo Commodity Exchange, Inc.

(Reference) Executive Officers as of April 1, 2021 and Reasons for Appointment

Position	Name	Area(s) of Responsibility	Significant Concurrent Position(s)
Director & Representative Executive Officer, Group CEO	Kiyota Akira	Group CEO	Director, Tokyo Stock Exchange, Inc. (Part-time)
<p><Reason for Appointment> Mr. Kiyota Akira has considerable experience and insight acquired through working at a securities company. After being appointed as President & CEO of Tokyo Stock Exchange, Inc. in 2013, he demonstrated leadership in the development of cash equity markets and the promotion of implementation of Japan's Corporate Governance Code. Since 2015, he has been responsible for the Company's management in his position as Director and Representative Executive Officer, Group CEO of the Company. He has been appointed as Representative Executive Officer, Group CEO, because he is considered the best person for the position in light of his experience and accomplishments with JPX Group and the ideal image for the CEO.</p>			
Director & Representative Executive Officer, Group COO	Yamaji Hiromi	Group COO	President & CEO, Tokyo Stock Exchange, Inc.
<p><Reason for Appointment> Mr. Yamaji Hiromi was engaged in the fields of global securities and corporate finance for many years while working for a securities company. While at the Company, he has served as President & CEO of Osaka Exchange, Inc., and Representative Director & Chair of Tokyo Commodity Exchange, Inc., and he has overseen the derivatives market as Group COO of the Company. His experience as a corporate manager who has performed the role of President & CEO of Osaka Exchange Inc. for eight years since 2013, his experience in steering operations in the derivatives market, and his wealth of international experience and sales achievements have all been invaluable for the Company to (i) steadily accomplish important challenges for Tokyo Stock Exchange Inc., including recovering trust and strengthening resilience in light of the system failure, the transition to the new market segments, and the TOPIX review, and (ii) demonstrate leadership toward the realization of the government-driven Global Financial City vision. Due to this, he has been appointed as Representative Executive Officer, Group COO, the officer in charge of JPX Group's overall operations.</p>			
Senior Executive Officer	Yokoyama Ryusuke	CIO, IT Planning	Director and Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc. Director, TOSHO SYSTEM SERVICE CO., LTD. (Part-time)
<p><Reason for Appointment> Mr. Yokoyama Ryusuke joined Tokyo Stock Exchange in 1986. He subsequently engaged in operations mainly related to IT planning and development at JPX Group. He assumed office as an Executive Officer of Tokyo Stock Exchange, Inc. in April 2011 and as a Senior Executive Officer in April 2017. He is leading the grand design of a clearing system for the purpose of enhancing clearing functions and accommodating various types of new derivatives products. This is to support the business portfolio diversification strategy by creating new fields of exchange business that encompass clearing and settlement and by stimulating growth of the derivatives market business, which together form a pillar of the Company's Medium-Term Management Plan. In addition, since assuming office as a Senior Executive Officer and CIO of the Company in April 2017, his role has been to manage, oversee, and promote JPX Group's IT strategies. He has been appointed as Senior Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			
Senior Executive Officer	Isaka Yoshihiro	Global Strategy	Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc. Representative Director, ICJ, Inc. (Part-time)
<p><Reason for Appointment> Mr. Isaka Yoshihiro joined the Ministry of Finance in 1979. He subsequently engaged in operations mainly related to international affairs and taxes at the Ministry of Finance, the Ministry of Foreign Affairs, the National Tax Agency, and the Financial Supervisory Agency. He assumed office as an Executive Officer of Tokyo Stock Exchange, Inc. in June 2013. Since April 2017, as a Senior Executive Officer of said company, he has worked to facilitate the creation of ETFs and publicly offered investment trusts based on indices developed by Tokyo Stock Exchange, Inc. and worked to promote the development of new indices. In addition, since assuming office in April 2017 as a Senior Executive Officer of the Company, as the officer in charge of global strategy, he has engaged in the provision of support to overseas exchanges and the promotion of cooperation with various overseas organizations. He has been appointed as Senior Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			

Position	Name	Area(s) of Responsibility	Significant Concurrent Position(s)
Senior Executive Officer	Hasegawa Isao	General Administration and Human Resources	Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc.
<p><Reason for Appointment> Mr. Hasegawa Isao joined Tokyo Stock Exchange in 1987. He subsequently engaged in operations in relation to corporate strategy, general administration, and the stock market at JPX Group. Since assuming office in June 2014 as an Executive Officer of the Company, as the officer in charge of general administration and human resources, he has primarily worked on the appropriate development of corporate governance and compliance systems in the Company and the promotion of work style reforms. He has been appointed as Senior Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			
Senior Executive Officer	Futagi Satoshi	Corporate Strategy and Sustainability	Director, Japan Securities Clearing Corporation (Part-time) Outside Director, Japan Securities Depository Center, Incorporated
<p><Reason for Appointment> Mr. Futagi Satoshi joined Tokyo Stock Exchange in 1988. He subsequently engaged in operations in relation to corporate strategy, treasury, corporate communications, systems, and the stock market at JPX Group. After assuming office in June 2015 as an Executive Officer of the Company, as the officer in charge of human resources and corporate communications, he primarily worked on policies to reform JPX Group's personnel system and improve the profile of the Company's brand. In addition, since assuming office in April 2017 as the officer in charge of corporate strategy, he has been exploring new ways to utilize fintech through such activities as promoting blockchain proof of concept testing as part of an industry consortium. He has been appointed as Senior Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			
Executive Officer	Iwanaga Moriyuki	Management of Osaka Exchange, Inc.	President & CEO, Osaka Exchange, Inc. Representative Director & Chair, Chairperson of the Board, Tokyo Commodity Exchange, Inc.
<p><Reason for Appointment> Mr. Iwanaga Moriyuki joined Tokyo Stock Exchange in 1984. He subsequently engaged in operations in relation to corporate strategy, clearing and settlement, sales, the stock market, among others at JPX Group. As Senior Executive Vice President of Japan Securities Clearing Corporation, he achieved operations toward the creation of a comprehensive exchange, through integration of clearing organizations, etc. He has served as CFO of the Company and the executive officer in charge of equities at Tokyo Stock Exchange Inc., making him extremely knowledgeable in management and the practical operations of markets. He has been appointed as Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			
Executive Officer	Ishizaki Takashi	Management of Tokyo Commodity Exchange, Inc.	Representative Director, President, Tokyo Commodity Exchange, Inc.
<p><Reason for Appointment> Mr. Ishizaki Takashi joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry) in 1990, and has been promoting Japan's energy policy for many years at the Ministry and the Agency for Natural Resources and Energy. He assumed office as Representative Director, President of Tokyo Commodity Exchange, Inc., a core subsidiary of JPX Group, in June 2020, and he manages and oversees the overall business and operations of the company. He has been appointed as Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			
Director & Executive Officer	Shizuka Masaki	Management of Japan Securities Clearing Corporation	President & CEO, Japan Securities Clearing Corporation
<p><Reason for Appointment> Mr. Shizuka Masaki joined Tokyo Stock Exchange in 1982. He mainly engaged in operations related to listing, corporate planning and finance. After being appointed to Executive Officer of Tokyo Stock Exchange, Inc. in June 2007, he worked to reform the listing system including Japan's Corporate Governance Code. As President & CEO of Japan Securities Clearing Corporation, a core subsidiary of JPX Group, he manages and oversees the overall business and operations of the company. He has been appointed as Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			

Position	Name	Area(s) of Responsibility	Significant Concurrent Position(s)
Executive Officer	Tabata Atsushi	CFO, Treasury, Corporate Communications, and IR	
<p><Reason for Appointment> Mr. Tabata Atsushi joined Tokyo Stock Exchange in 1988. He subsequently engaged in operations in relation to, among others, the secretary's office, corporate strategy, and general administration at JPX Group. After assuming office in April 2016 as an Executive Officer of the Company, as the officer in charge of global strategy, he engaged in the provision of support to overseas exchanges and the promotion of cooperation with various overseas organizations. In addition, since assuming office in April 2017 as CFO of the Company, he has been managing, overseeing, and advancing JPX Group's financial strategies. He has been appointed as Executive Officer in consideration of his experience and accomplishments with JPX Group.</p>			

(Note) Mr. Futagi Satoshi changed from being responsible for Corporate Strategy to being responsible for Corporate Strategy and Sustainability as the Company established a new Sustainability Department on April 1, 2021.

2. Policies Regarding Decisions on Compensation for Directors and Executive Officers

Compensation for Directors and Executive Officers of the Company is comprised of (1) basic salary, (2) annual incentive (bonus), and (3) medium- to long-term incentive (stock compensation and monetary compensation). Only (1) basic salary is paid to Directors who are not concurrently serving as Executive Officers. The policies, etc. regarding decisions on each type of compensation are as follows.

(1) Basic salary

As consideration for the execution of duties and participation in management of each executive, basic salary is determined in accordance with their position and duties with reference to the level of executive compensation at other companies based on research, etc., by external expert organizations.

(2) Annual incentive (bonus)

Annual incentive (bonus) is paid to Executive Officers at an amount proportionate to net income (meaning net income attributable to owners of the parent company on the consolidated statement of income, hereinafter the same). Net income is used as the indicator for two major reasons. First, net income is a source of funds for dividends to shareholders and for investment aimed at the enhancement of corporate value. Second, it is also appropriate to base the payment of the annual incentive (bonus), which is an incentive for each fiscal year, on the net income recorded in the relevant fiscal year. Besides these, a bonus related to individual performance is paid in order to evaluate the achievement of each executive for each fiscal year.

However, an annual incentive (bonus) will not be paid if net income for the fiscal year fails to reach JPY 10.0 billion.

(3) Medium- to long-term incentive (stock compensation and monetary compensation)

The medium- to long-term incentive (stock compensation) is paid to Executive Officers with the aim of strengthening the alignment of interests with shareholders, increasing the motivation for medium- to long term corporate value improvement, as well as strengthening the link between performance and compensation. The Company's stock compensation utilizes a stock-granting trust mechanism and is comprised of a fixed portion and a performance-linked portion.

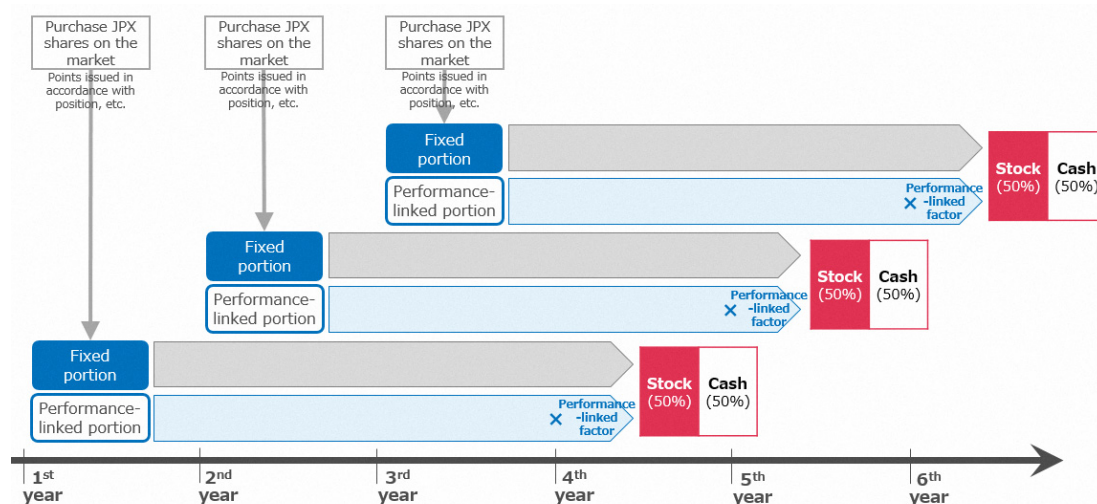
For the fixed portion, points are issued to executives in accordance with their position, etc. for each fiscal year, and shares corresponding to the points issued are granted after three years from the issuance date of such points.

For the performance-linked portion, "Performance-linked Basic Points" are issued to executives for each fiscal year, and after three years from the point issuance date, "Performance-linked Points" are calculated by multiplying such Performance-linked Basic Points by a "Performance-linked Factor" in accordance with the degree of achievement of the Company's performance conditions, and then shares corresponding to the Performance-linked Points are granted. In accordance with the chart below, the Performance-linked Factor will be determined between 0–150% based on the relative evaluation of (i) the Company's consolidated ROE when three years have elapsed from the issuance date of such Performance-linked Basic Points and (ii) Total Shareholder Return (TSR) of the Company shares for the period from the end of the last fiscal year before the issuance date of such points until three years have elapsed (in comparison with the growth rate of JPX-Nikkei 400 Total Return Index). Consolidated ROE is used as an indicator from the perspective of improving capital efficiency, while Total Shareholder Return (TSR) is used from the perspective of enhancing shareholder value.

Reference: Terms and conditions regarding performance pertaining to performance-linked portion of medium- to long-term incentives (stock compensation)

		Consolidated ROE		
		Below 10%	10% to under 14%	14% and above
Total Shareholder Returns (TSR) VS JPX-Nikkei 400 (including dividends)	Outperform	Performance-linked Factor 50%	Performance-linked Factor 100%	Performance-linked Factor 150%
	Underperform	Performance-linked Factor 0%	Performance-linked Factor 50%	Performance-linked Factor 100%

Image of Stock Compensation Plan



The medium- to long-term incentive (monetary compensation) is paid to Executive Officers in accordance with the achievement level of consolidated ROE specified in the 3rd Medium-Term Management Plan.

The condition for payment is that consolidated ROE is 10% or more in each year during the period of the Medium-Term Management Plan (three years). The amount paid will reach a maximum if either of the consolidated ROE in the final year of the Medium-Term Management Plan or the average consolidated ROE across the period of the Medium-Term Management Plan (three years) is 15% or more. The amount to be paid to each executive will be decided in accordance with the consolidated ROE figures and their respective positions.

The Company is a company with a nomination committee and other committees. It has established a statutory Compensation Committee for the purpose of ensuring transparency and objectivity concerning compensation paid to Directors and Executive Officers. The Compensation Committee is made up of a majority of Independent Outside Directors and chaired by an Independent Outside Director. Based on laws and regulations, the Compensation Committee has the authority to establish the policy concerning decisions on the details of compensation for each Director and Executive Officer and the authority to decide the details of compensation for each Director and Executive Officer based on said policy. For this fiscal year, the Compensation Committee decided the details of the compensation for each Director and Executive Officer after appropriate discussion based on the above policy determined by the Compensation Committee. The Company considers the compensation to be in line with the above policy.

3. Compensation Paid to Directors and Executive Officers

Director/ Executive Classification	Total Compensation (JPY million)	Total Compensation by Category (JPY million)				Eligible Number of Executives
		Fixed Compensation	Performance-linked Compensation			
		Basic Salary	Annual Incentive (Bonus)	Medium- to Long-term Incentive (Stock Compensation)		
(Fixed Portion)	(Performance- linked Portion)					
Directors (excluding Outside Directors)	28	28	–	–	–	1
Executive Officers	460	188	162	85	25	6
Outside Directors	172	172	–	–	–	9

- (Notes)
1. The Company does not pay Director compensation to Directors who concurrently serve as Executive Officers.
 2. Bonuses are paid at an amount, etc. that is in correlation with the Company's net income for the year under review, and are not paid if net income fails to reach JPY 10.0 billion. Net income for the year under review was JPY 51,389 million.
 3. Concerning the indicators used for the performance-linked portion of stock compensation, consolidated ROE comprises a two-tier target of 10% or more and 14% or more, and the performance-linked coefficient changes depending on the level of achievement. Concerning the Total Shareholder Returns (TSR), the target is for TSR to outperform the growth rate of JPX-Nikkei Index 400 (total return index). The amount of the aforementioned stock compensation is the amount among the stock compensation for FY2018 to FY2020 that is recorded as an expense in the fiscal year. Of that, the indicators for stock compensation granted in FY2018 were as follows: consolidated ROE was 16.6%, and the three-year TSR of the Company's shares outperformed the growth rate of the JPX-Nikkei Index 400 (total return index) over the same period. Accordingly, the highest possible performance conditions were achieved.
 4. The performance-linked portion comprising the bonus and the stock compensation fall under "performance-linked compensation, etc." provided for by the Regulation for Enforcement of the Companies Act, and stock compensation falls under "non-monetary compensation, etc." provided for by the same Act.

4. Summary of Limited Liability Agreements

The Company has concluded limited liability agreements with Non-Executive Directors Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Endo Nobuhiro, Mr. Ogita Hitoshi, Mr. Kubori Hideaki, Ms. Kohda Main, Mr. Kobayashi Eizo, Mr. Minoguchi Makoto, Mr. Mori Kimitaka, and Mr. Yoneda Tsuyoshi pursuant to Article 423, Paragraph 1 of the Companies Act. The liability limit under such agreements is the prescribed minimum amount specified by laws and regulations.

5. Summary of Directors and Officers Liability Insurance Policy

(a) Scope of insureds

Directors, executive officers (*shikkoyaku* or *shikkoyakuin*), auditors (*kansayaku* or *kanji*), and governors (*riji*) of JPX Group

(b) Summary of insurance policy terms

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance policy covers compensation for damages, litigation expenses, and other payments incurred by the insureds resulting from claims for damages arising from acts (including inaction) performed in the course of their duties as a company officer specified in (a) above. The full amount of the insurance premiums is borne by the Company.

6. Item Related to Outside Directors

Primary activities during the fiscal year

Position	Name	Attendance (times)	Overview of statements made and duties performed in relation to expected role
Director	Tsuda Hiroki	Board of Directors: 10/10	In the deliberation of agenda items at Board of Directors meetings, he made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on his abundant experience and insight in financial administration.
Director	Christina Ahmadjian	Board of Directors: 10/10 Compensation Committee: 5/5 Audit Committee: 10/10	In the deliberation of agenda items at Board of Directors meetings, Compensation Committee meetings, and Audit Committee meetings, she made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on her insight in corporate strategy from the perspective of an expert from the academia.
Director	Endo Nobuhiro	Board of Directors: 9/10 Nomination Committee: 8/10	In the deliberation of agenda items at Board of Directors meetings and Nomination Committee meetings, he made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on his abundant experience and insight in corporate management and system networks.
Director	Ogita Hitoshi	Board of Directors: 10/10 Nomination Committee: 10/10	In the deliberation of agenda items at Board of Directors meetings and Nomination Committee meetings, he made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on his abundant experience and insight in corporate management.
Director	Kubori Hideaki	Board of Directors: 10/10 Nomination Committee: 10/10	In the deliberation of agenda items at Board of Directors meetings and Nomination Committee meetings, he made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on his insight in corporate legal affairs from the perspective as an expert from the legal profession.
Director	Kohda Main	Board of Directors: 10/10 Audit Committee: 10/10	In the deliberation of agenda items at Board of Directors meetings and Audit Committee meetings, she made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on her creativity and perception as a novelist, her insight in finance, and her experience in serving as a university professor and a member of government advisory councils.
Director	Kobayashi Eizo	Board of Directors: 10/10 Nomination Committee: 10/10 Compensation Committee: 5/5	In the deliberation of agenda items at Board of Directors meetings, Nomination Committee meetings, and Compensation Committee meetings, he made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on his abundant experience and insight in corporate management.
Director	Mori Kimitaka	Board of Directors: 10/10 Compensation Committee: 5/5 Audit Committee: 10/10	In the deliberation of agenda items at Board of Directors meetings, Compensation Committee meetings, and Audit Committee meetings, he made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on his insight in corporate accounting in his capacity as an accounting professional.
Director	Yoneda Tsuyoshi	Board of Directors: 10/10 Audit Committee: 10/10	In the deliberation of agenda items at Board of Directors meetings and Audit Committee meetings, he made statements that were relevant to the management of the Company and contributed such statements in an appropriate way based mainly on his abundant experience and insight in law enforcement.

(Note) In October 2020, a system failure occurred in the arrowhead cash equity trading system of Tokyo Stock Exchange, Inc. (TSE), a subsidiary of the Company, which led to all trading on TSE being suspended for the whole day. In response to the incident, in November 2020, the Company and TSE respectively received a business improvement

order from the Financial Services Agency based on the findings that a setting for the automated switchover regarding the failed device was inadequate, and that TSE had not developed sufficient rules for trading resumption.

From before the time the incident occurred, Mr. Endo Nobuhiro, Mr. Kubori Hideaki, Ms. Kohda Main, and Mr. Yoneda Tsuyoshi have provided appropriate suggestions concerning what is considered highly stable and reliable market operations at the Company's Board of Directors meetings, and since the incident occurred, as committee members of the "Investigation Committee of Independent Outside Directors in Relation to the System Failure" established by the Company, they fulfilled their responsibilities through such actions as providing assessments and suggestions, in response to the opinions and fact-finding of the Company and TSE in relation to the course of events on the day of the system failure, cause of the system failure, etc., regarding such matters as the true cause of the system failure, the reasonableness of the handling of the situation of the Company and TSE before and after the incident, and measures, etc. to prevent recurrence, and by reporting the investigation status and investigation results of the committee to the Company's Board of Directors.

Furthermore, from before the time the incident occurred, Mr. Tsuda Hiroki, Ms. Christina Ahmadjian, Mr. Ogita Hitoshi, Mr. Kobayashi Eizo, and Mr. Mori Kimitaka have provided appropriate suggestions concerning what is considered highly stable and reliable market operations at the Company's Board of Directors meetings, and since the incident occurred, they have fulfilled their responsibilities through such actions as considering the investigation status of the aforementioned committee and investigation report prepared by the aforementioned committee and providing appropriate advice on such matters as recurrence prevention measures at the Company's Board of Directors meetings.

Reference

Corporate Governance System

• Fundamental Views on Corporate Governance

In order to conduct management in line with its corporate philosophy, the Company is aware of the importance of having its stakeholders understand its corporate philosophy and corporate activities. Therefore, the Company has established its fundamental views on corporate governance from four perspectives, described below. Based on these fundamental views, the Company is committed to appropriately developing its corporate governance system in light of the intent of the individual principles of Japan’s Corporate Governance Code.

Corporate Philosophy and Social Mission
 JPX Group operates markets that are a public asset and fulfills its social mission by pursuing the sustainable development of its markets.

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

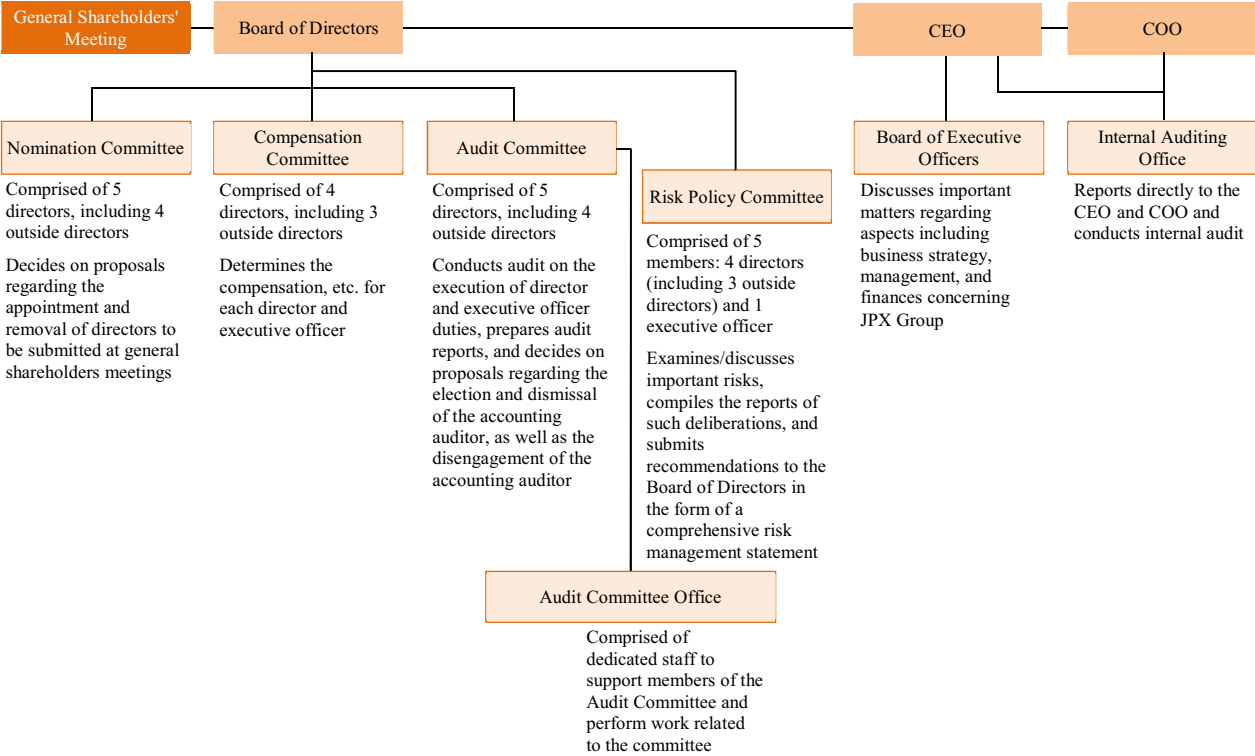
Market Operations
 JPX Group operates markets with the view that garnering support for and fostering confidence in the markets it establishes are in the common interest of all investors and market users, and maintaining and enhancing such support and confidence will build the foundations for sustainable development of its markets.

Effective Corporate Governance
 JPX strives to constantly improve its corporate governance system to further facilitate effective and useful systems, so as to support the sustainable development of its markets.

• Corporate Governance System

The Company clearly segregates the management oversight and the business execution functions and adopts the structure of "a company with a nomination committee and other committees" to strengthen oversight and raise the transparency of management.

Corporate Governance System Diagram



- **Composition of the Board of Directors**

The Company’s Board of Directors is composed of 13 directors, including two women (as of May 26, 2021). The functions of the board include increasing the transparency and accountability of the management and enhancing the supervision of the appropriateness of business execution. To accomplish this, the composition of the board includes a non-executive Chairman, who is among nine Independent Outside Directors that constitute a board majority. The breakdown of the nine Independent Outside Directors is as follows: three corporate managers, one legal expert, one certified public accountant, and four researchers or former government officials. Each Director has considerable experience and insight in his/her respective field and contributes to a structure that allows for multifaceted external perspectives to be readily incorporated into the management of the Company.

- **Nomination, Compensation, and Audit Committees**

As required by law, the Company has set up a Nomination Committee and a Compensation Committee for the purpose of ensuring transparency and objectivity in the appointment/removal and compensation of directors and executive officers. Outside directors are in the majority in both these committees. The appointment and removal of directors and executive officers are thoroughly deliberated and determined by the Nomination Committee and put forth for approval at general shareholders meetings, and the compensation of directors and executive officers is determined by the Compensation Committee. The Company also has an Audit Committee, as required by law, to perform the audit function. This committee is made up of five directors (including one full-time Audit Committee member), of which four, including a certified public accountant, are outside directors. The Company also has an Audit Committee Office to assist the Audit Committee members in the performance of their duties.

- **Independent Outside Directors Committee**

The Company has an Independent Outside Directors Committee as a corporate organ composed exclusively of part-time Independent Outside Directors to allow them to exchange information and form consensus among themselves. The committee helps part-time Independent Outside Directors to better perform management oversight and facilitate active discussion at Board of Directors meetings.

Independent Outside Directors Committee

Objectives	<p>For part-time Independent Outside Directors to exchange information and form consensus</p> <ul style="list-style-type: none"> * The Chairman of the board, CEO, and other members of management may participate upon the request of the Committee.
Frequency of Meetings	<p>In principle, at least twice a year</p> <ul style="list-style-type: none"> * The Committee Chairman convenes meetings as needed.
Committee Chairman	<p>The Committee Chairman convenes meetings and presides over them.</p> <p>When the Committee deems it necessary for ensuring smooth communication, the contents of the discussions of the Committee can be reported to the Chairman of the board, CEO, and other members of management.</p>

- **Risk Policy Committee**

The Company has a Risk Policy Committee, mainly composed of Outside Directors, with the aim of bringing in outside perspectives to risk management to further improve corporate governance. Every fiscal year, the Risk Policy Committee formulates a comprehensive risk management statement that contains the results of their identification of risks in internal and external environments that could have a particular impact on JPX Group. The statement is proposed to the Board of Directors. In response to this proposal, the Company implements measures to prevent the realization of such risks, and in doing so, is constructing systems designed to minimize the impact of such risks and respond flexibly toward issue resolution in the event that such risks are realized.

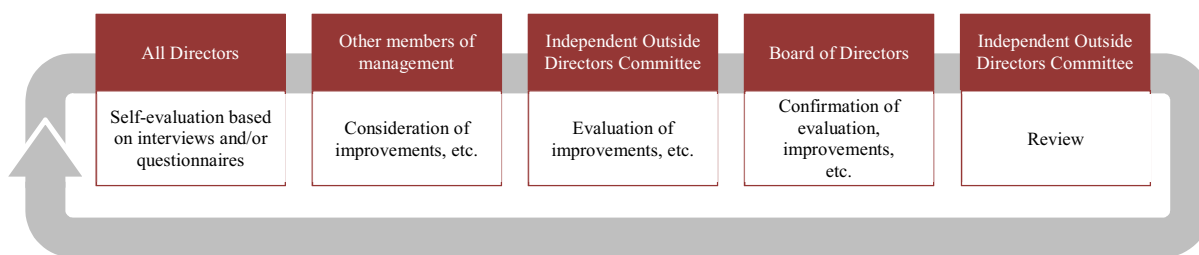
- Evaluating the Effectiveness of the Board of Directors

At the Company, the Board of Directors analyzes and evaluates its own effectiveness based on questionnaires and/or interviews with all board members. To increase the objectivity and transparency of the evaluation process, the Independent Outside Directors Committee is tasked with conducting the evaluation.

For information on the evaluation process, an overview of the evaluation results and other related matters, please refer to the Company's Corporate Governance Report.

(<https://www.jpx.co.jp/english/corporate/governance/policy/>)

Board Effectiveness Evaluation Cycle



V. Accounting Auditor

1. Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

2. Compensation, etc. Paid to Accounting Auditor

Compensation, etc. paid to Deloitte Touche Tohmatsu LLC

	Amount Paid
1) Total compensation, etc. paid to the Accounting Auditor by the Company and its subsidiaries	JPY 110 million
2) Of the total in 1), the total amount of compensation, etc. paid as a consideration for audit certification under Article 2, Paragraph 1 of the Certified Public Accountants Act	JPY 110 million
3) Of the total in 2), the amount of Accounting Auditor's compensation, etc. paid by the Company	JPY 43 million

(Note) The Company's Audit Committee reviewed the audits performed during the preceding fiscal year and the content of the audit plan for the fiscal year in accordance with "Practical Guidelines Regarding Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association. It then considered the appropriateness of the estimated audit duration and compensation before granting the consent required pursuant to Article 399, Paragraphs 1 and 4 of the Companies Act for the compensation, etc. paid to the Accounting Auditor.

3. Non-audit Services

There are no matters to report.

4. Policy Regarding Decisions to Dismiss or Not to Reappoint the Accounting Auditor

The Audit Committee shall submit a proposal to the general shareholders meeting on the dismissal or non-reappointment of the Accounting Auditor in the event that the Committee determines that such action is necessary in light of a comprehensive assessment of the Accounting Auditor's independence, trustworthiness, and other conditions related to the performance of its duties.

In addition, if any of the provisions of the items of Article 340, Paragraph 1 of the Companies Act are deemed to apply to the Accounting Auditor, the Company shall dismiss the Accounting Auditor.

5. Matters Related to Limited Liability Agreement

There are no matters to report.

VI. Matters Related to Development of Frameworks Designed to Ensure Appropriate Execution of Operations

1. Outline of Decisions Regarding Frameworks to Ensure Appropriate Execution of Operations

The outline of the content of decisions regarding the Company's frameworks to ensure that executive officers carry out their duties in compliance with laws, regulations, and the Articles of Incorporation, and that other company operations are conducted appropriately, is as follows.

(1) Matters regarding Board Members and Employees that Support the Audit Committee of the Company in Execution of Duties

In order to set forth matters regarding employees that support the Audit Committee in the execution of its duties, the Company shall establish "Rules regarding Employees that Support the Audit Committee in Execution of Duties", containing the following details, as company rules, and apply such rules appropriately.

- (a) Employees assigned to the Audit Committee Office shall support the Audit Committee in the execution of its duties and follow instructions from the Audit Committee.
- (b) Four (4) or more employees, including one (1) head of department, shall be assigned to the Audit Committee Office.

(2) Matters regarding Independence of Board Members and Employees that Support the Audit Committee of the Company in Execution of Duties from Executive Officers of the Company

In order to ensure the independence of employees assigned to the Audit Committee Office, the Company shall establish "Rules regarding Employees that Support the Audit Committee in Execution of Duties", including the following details, as company rules, and apply such rules appropriately.

- (a) The Company shall obtain prior consent of the Audit Committee (in cases where the Committee has designated a specific Audit Committee member, it shall be such member) regarding employment, personnel transfer, employee evaluation, salary, and disciplinary punishment of employees assigned to the Audit Committee Office.
- (b) Executive officers and employees shall be careful not to undermine the independence of employees assigned to the Audit Committee Office by unduly restricting the execution of such employees' duties.

(3) Matters regarding Ensuring the Effectiveness of Instructions of the Audit Committee of the Company to Board Members and Employees that Support the Audit Committee in Execution of Duties

In order to ensure the effectiveness of the instructions of the Audit Committee given to employees assigned to the Audit Committee Office, the Company shall establish "Rules regarding Employees that Support the Audit Committee in Execution of Duties", including the following details, as company rules, and apply such rules appropriately.

- (a) Employees assigned to the Audit Committee Office shall support the Audit Committee in executing its duties, and follow the instructions of the Audit Committee.
- (b) The head of the Audit Committee Office shall assist the Audit Committee in executing its duties, and shall oversee operations and take overall command of other employees assigned to the Audit Committee Office to ensure smooth audits by the Audit Committee.

(4) Frameworks for Reporting to the Audit Committee of the Company, including the following:

- (a) Frameworks for reporting to the Audit Committee, including those for the Company's board members (excluding Audit Committee members), executive officers, and employees reporting to the Audit Committee of the Company.

In order to develop frameworks for reporting to the Audit Committee, the Company shall establish "Rules regarding Reports to the Audit Committee, etc.", including the following details, as company rules, and apply such rules appropriately.

- i. When a board member (excluding Audit Committee members), executive officer, or employee is requested to report on execution of duties by the Audit Committee or an Audit Committee member designated by the Audit Committee, such board member, executive officer, or employee shall promptly make an appropriate report.
- ii. When an executive officer or employee discovers a matter that is likely to have a material impact on the business or financial condition of the Company, its subsidiaries, or affiliated companies, such executive officer or

employee must immediately report the details of such matter to the Audit Committee or an Audit Committee member designated by the Audit Committee.

- (b) Frameworks for reporting to the Audit Committee of the Company by the Company's subsidiary board member, auditor, executive officer, other person equivalent thereto, and employee as well as a person who has received a report from such board member, etc. (hereinafter collectively referred to as "Subsidiary Board Member, etc." in this item)

In order to establish frameworks for reporting to the Audit Committee, the Company shall establish "Rules regarding Reporting to the Audit Committee, etc.", including the following details, as company rules, and apply such rules appropriately.

- i. When a Subsidiary Board Member, etc., or an executive officer or employee of the Company is requested to report on matters regarding the subsidiaries by the Audit Committee or an Audit Committee member designated by the Audit Committee, such Subsidiary Board Member, etc. shall promptly make an appropriate report.
- ii. When a Subsidiary Board Member, etc., or an executive officer or employee of the Company discovers a matter that is likely to have a material impact on the business or financial condition of any of the subsidiaries, such Subsidiary Board Member, etc. must immediately report the details of such matter to the Audit Committee or an Audit Committee member designated by the Audit Committee.

- (5) Frameworks for Ensuring that the Person Who Made a Report in the above (4) Shall Not Be Subject to Any Unfavorable Treatment for Reasons of Having Made Such a Report

In order to establish frameworks for ensuring that a person who made a report to the Audit Committee shall not be subject to unfavorable treatment for reason of having made such report, the Company shall establish "Rules regarding Reporting to the Audit Committee, etc.", including the following details, as company rules, and apply such rules appropriately.

- (a) A person who made a report to the Audit Committee or an Audit Committee member designated by the Audit Committee shall not be subject to unfavorable treatment by the Company, executive officers, employees, etc. for reason of having made such report.
- (b) The Company, executive officers, employees, etc. must not disadvantage a person who made such report to the Audit Committee or the Audit Committee member designated by the Audit Committee for reason of having made such report.

- (6) Matter regarding the Policy for Handling Expenses or Payables in relation to Execution of Duties of Members of the Audit Committee of the Company (Limited to Those related to the Execution of Duties of the Audit Committee), such as Procedures for Advance Payment or Reimbursement in relation to Execution of Such Duties

With respect to the policy for handling expenses or payables in relation to the execution of duties of Audit Committee members, the Company shall establish "Rules regarding Reporting to the Audit Committee, etc.", including the following details, as company rules, and apply such rules appropriately.

- (a) When an Audit Committee member or the Audit Committee claims expenses necessary for activities such as requesting advice from or entrusting investigation, appraisal, and other work to a lawyer, certified public accountant, and other outside experts for the purpose of audits, executive officers and employees may not refuse such claims unless the claimed expenses are deemed unnecessary for the execution of duties of the Audit Committee member or the Audit Committee.
- (b) The provisions of the preceding item shall be extended to other expenses for the execution of duties of the Audit Committee, such as advance payment of retainer fees, and reimbursement of ex-post facto expenses, etc.

- (7) Frameworks to Ensure Effectiveness of Audits by the Audit Committee of the Company

In order to ensure the effectiveness of audits by the Audit Committee, the Company shall establish "Rules regarding Reporting to the Audit Committee, etc.", including the following details, as company rules, and apply such rules appropriately.

- (a) The Representative Executive Officer shall regularly meet with the Audit Committee or an Audit Committee member designated by the Audit Committee and exchange opinions regarding management policies, issues that the Company should deal with, material risks involving the Company, improvement of the audit environment for the Audit Committee, other important audit issues, etc.

- (b) When an Audit Committee member designated by the Audit Committee delivers an opinion or requests explanation at board of executive officers' meetings or other important meetings, executive officers and employees shall respond to such opinion or request appropriately in good faith.
- (8) Frameworks to Ensure that Execution of Duties of Executive Officers and Employees of the Company is in Compliance with Laws, Regulations, and the Articles of Incorporation
- The Company shall conduct operations in accordance with the division of duties and authority prescribed in company rules and ensure that the execution of duties is in compliance with laws, regulations, and the Articles of Incorporation.
- A compliance program shall be implemented with the following measures.
- (a) The Company shall establish and observe company compliance rules (including those related to information management), such as "Charter of Corporate Behavior", which lays out universal values that executive officers and employees should adhere to from the perspective of corporate ethics, and the employee code of conduct, which is a guideline for employee conduct.
- (b) The Company shall appoint a chief compliance officer (CEO) and an officer in charge of compliance (executive officer in charge of general administration), and establish a secretariat for operations related to compliance (within the General Administration department) as an internal compliance system.
- (c) The Company shall establish and operate a compliance hotline as a whistleblowing system.
- (d) The Company shall conduct ongoing awareness and educational activities, such as holding liaison meetings for staff responsible for compliance, distributing compliance information over the intranet, and implementing in-house training through e-learning.
- The Company shall enact the following measures based on "Charter of Corporate Behavior" toward the exclusion of anti-social forces.
- (a) The Company shall take a firm stance against anti-social forces that threaten public order and safety, and work to stop and prevent any relationship with such entities.
- (b) The Company shall work to prevent the intervention of anti-social forces in the markets and work to create sound and fair markets.
- An internal auditing office shall be established to conduct internal audits, under the direct control of the CEO and COO.
- (9) Framework regarding Information Storage and Management related to Execution of Duties of Executive Officers of the Company
- The Company shall set forth provisions regarding the handling of the storage of documents pertaining to the execution of duties of executive officers, such as minutes of the board of executive officers' meetings, in the information security policy standards clarified in the company rules.
- (10) Rules and Other Frameworks regarding Risk Management of the Company
- The Company shall employ a business operation framework in accordance with the division of duties and authority clarified in the company rules, and based on the idea that board members, executive officers, and employees shall conduct business and operations with an awareness of risk management with responsibility in accordance with their own scope of duties and authority.
- The Company shall establish a Risk Policy Committee with an Outside Director as the chair and a Risk Management Committee with the CEO as the chair, as described below, in order to be aware of risks of the corporate group comprised of the Company and its subsidiaries (hereinafter referred to as "JPX Group companies"), to develop and manage appropriate measures against such risks from the perspective of prevention, and to develop a structure where such risks and measures taken against them shall be regularly reported. At the same time, the Company shall set forth a "Risk Management Policy" and manage it appropriately.
- The Risk Policy Committee shall discuss various issues pertaining to the management of material risks at JPX Group companies in accordance with the comprehensive risk management framework stipulated in the "Risk Management Policy", and make recommendations and report to the Board of Directors.

The Risk Management Committee shall gain a comprehensive understanding of the daily risk management situations at JPX Group companies, as well as the circumstances in cases where any risk at JPX Group companies is actualized, or such possibility arises, enact measures for prompt resolution, etc., and report to the Board of Directors.

Particularly, the Company shall maintain a strong awareness of the core responsibilities of JPX Group companies as market operator to reliably provide opportunities for market users to trade with confidence. Furthermore, regarding risks related to the stable operation of systems, the Company will enact the required and appropriate measures in their development and operation frameworks, such as implementing standardized development methods and adequate operational tests, preparing detailed operational manuals and complying with such, and maintaining thorough quality control pertaining to development and operations via the establishment of dedicated departments or divisions.

Moreover, in preparation for situations where the continued operation of the market becomes difficult due to natural disasters, terrorist acts, etc., the Company shall establish a "Business Continuity Plan" to minimize the impact on related parties and provide appropriate measures through predetermined frameworks and procedures necessary for resuming operations as quickly as possible.

Additionally, with regard to the risks pertaining to the proper function of self-regulatory operations (meaning various risks including reputational risk in cases where self-regulatory operations are not carried out appropriately), in consideration of the importance of self-regulatory functions of JPX Group companies as market operator and the general public's high expectations for such functions, the Company shall take every possible measure to deal with them. For taking such actions, the Company shall establish measures to secure fairness, such as organizational measures to ensure the independence of self-regulatory operations. At the same time, by proactively investing management resources, the Company will pursue improvements to the quality of self-regulatory operations through such means as preparing detailed operational manuals and complying with such, and enhancing educational training in order to raise the quality of self-regulatory operations.

(11) Frameworks to Ensure Efficient Execution of Duties of Executive Officers of the Company

The Company shall establish a framework for the management of operations in accordance with the division of duties and authority clarified in the company rules so as to specialize and enhance operations through a system of divided labor. Within this framework, the Company shall allow responsibilities to be delegated according to their importance and improve the agility of the decision-making process.

The Company shall formulate medium-term management and annual budget plans with the appropriate combination of top-down and division-driven bottom-up approaches and execute operations efficiently through appropriate work-flow management.

(12) Frameworks to Ensure Proper Operations by the Corporate Group Comprised of the Company, its Parent Company, and its Subsidiaries

- (a) Framework for reporting of matters related to the execution of duties of board members, executive officers, and persons equivalent thereto of subsidiaries of the Company (hereinafter collectively referred to as "Board Members, etc. of Subsidiaries") to the Company

The Company shall conduct business management of its subsidiaries based on business management agreements or request various reports based on "Affiliated Company Management Rules".

- (b) Frameworks including rules regarding management of risk of losses that may be incurred by subsidiaries of the Company

The Company shall conduct business management of its subsidiaries based on business management agreements. The Company shall also request that they report the state of risk management based on "Affiliated Company Management Rules" and provide advice, etc. to them on an as-needed basis.

- (c) Framework for ensuring efficient execution of duties by Board Members, etc. of Subsidiaries

The Company shall conduct efficient execution of duties of JPX Group companies by appropriately managing and supporting subsidiaries in accordance with each JPX Group company's corporate positioning and scale based on business management agreements or "Affiliated Company Management Rules".

- (d) Framework for ensuring that the execution of duties by Board Members, etc. of Subsidiaries and their employees is in compliance with laws, regulations, and the Articles of Incorporation

The Company shall conduct ongoing awareness and educational activities, such as holding liaison meetings with staff responsible for compliance at JPX Group companies and disseminating information on compliance.

The Company shall conduct business management of its subsidiaries based on business management agreements or request them to establish a compliance hotline as a whistleblowing system based on "Affiliated Company Management Rules", and provide advice, etc. to them on an as-needed basis.

The Company shall request its subsidiaries to report results of internal audits by the internal auditing office of the Company or those of internal audits by the subsidiaries and provide advice, etc. to them on an as-needed basis based on business management agreements or "Affiliated Company Management Rules".

- (e) Other frameworks to ensure proper operations by the corporate group comprised of the Company, its parent company, and its subsidiaries

The Company shall establish "Charter of Corporate Behavior", which lays out universal values that executive officers and employees of JPX Group companies should adhere to from the perspective of corporate ethics.

2. Outline of Application of Organization to Ensure Appropriate Execution of Operations

The Company endeavors to develop the above "Organization to Ensure Appropriate Execution of Operations" and apply it appropriately. Acting independently from the business execution divisions, the internal auditing office reports directly to the CEO and COO and checks and evaluates (monitors) whether the frameworks stipulated by said basic policy (excluding those for ensuring the effective implementation of audits by the Audit Committee) are appropriately developed and applied. The following is the outline of the major initiatives implemented during the fiscal year.

(1) Operations for Compliance

- (a) In addition to continuing to operate the compliance hotline as a whistleblowing system and appropriately responding to and reporting tip-offs, the Company posted relevant documents on its intranet with the aim of raising the awareness of and disseminating thoroughly the observance of compliance-related internal rules and regulations, such as "Charter of Corporate Behavior", which lays out universal values that executive officers and employees should adhere to from the perspective of corporate ethics, and the employee code of conduct, which is a guideline for employee conduct. The Company also distributed compliance-related information to executive officers and employees and provided training through e-learning courses.
- (b) As part of its efforts to prevent the intervention of anti-social forces in JPX Group companies and create sound and fair markets, the Company held a meeting of the "Liaison Council on Measures for Eliminating Anti-Social Forces from Exchange Markets" organized jointly with National Police Agency and Tokyo Metropolitan Police Department in December 2020, where it shared detailed information on recent developments and actively exchanged opinions.

(2) Operations regarding Information Storage and Management

- (a) In accordance with the information security policy standards and other relevant rules, the Company prepares minutes of board of executive officers' meetings and other documents related to the execution of duties of executive officers in a timely and appropriate manner and stores important documents as appropriate, internally or at an outsourcing contractor.
- (b) As initiatives to prevent information leakage and unauthorized access from the outside, the Company not only developed relevant rules and formulated administrative procedures, but also implemented ongoing system-based security measures. In addition, to thoroughly disseminate the importance of information management to executive officers and employees, the Company conducted training through e-learning courses and drills on how to deal with suspicious e-mails.

(3) Operations regarding Risk Management

- (a) In accordance with the "Risk Management Policy", each department continuously identified risks and developed and implemented appropriate measures from the viewpoint of prevention. The state of development and implementation as well as Group-wide risk analysis results were discussed quarterly at the Risk Management Committee chaired by the CEO. In addition to implementing risk management under the "Comprehensive Risk

Management Framework" constructed as a risk management framework that places greater emphasis on prevention, JPX Group has established a Risk Policy Committee, which is mainly composed of Outside Directors, with the aim of strengthening corporate governance in risk management. The Risk Policy Committee discussed "critical risks" that JPX Group should prioritize in FY2021 in risk management two times during the fiscal year.

- (b) In situations where the continued operation of the market becomes difficult due to events such as natural disasters and terrorist acts, the Company already has plans in place to take action in accordance with the "Business Continuity Plan" to minimize the impact on related parties and resume operations as quickly as possible, but during the fiscal year, to strengthen business continuity in the event of a wide-area disaster, such as the Tokyo Inland Earthquake and the Nankai Trough Earthquake, JPX Group arranged for its Tokyo and Osaka sites to serve as backup sites for each other. In addition, for thorough dissemination of emergency response procedures, the Company provided training for executive officers and employees through e-learning courses and drills that simulated emergency situations.
- (c) With respect to the global pandemic of novel coronavirus (COVID-19), a further spread within Japan could lead to JPX Group facing 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. During the fiscal year, to ensure the impacts of COVID-19 do not affect the stable operation of its markets, JPX Group has implemented the following initiatives to ensure business continuity, in addition to various measures to prevent the further spread of COVID-19 in line with guidance such as the Japanese government's Basic Policies for Novel Coronavirus Disease Control.
 - 1. Established a BCP (Business Continuity Plan) Emergency Headquarters headed by the CEO, in line with JPX Group's BCP;
 - 2. Carefully examined each department's duties and current situation, and is encouraging remote working for employees whose duties are judged to not require physical attendance at the office;
 - 3. For employees whose duties require physical attendance at the office, actively implement staggered working hours using the flex-time system;
 - 4. 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.
- (4) Operations to Ensure Efficient Execution of Duties
 - (a) Each department conducts operations by delegating responsibilities as necessary according to their duties, thereby ensuring a swift and flexible decision-making process.
 - (b) To achieve the targets in the 3rd Medium-Term Management Plan (FY2019-FY2021), the Company improved the efficiency of the execution of duties through appropriate progress management, such as reporting earnings and progress regularly to the board of directors and the board of executive officers, and reviewing the business plan according to changes in business environment.
- (5) Operations regarding Management of Group Companies
 - (a) Regarding management of its subsidiaries, the Company implements business management based on business management agreements or receives various reports including documents on financial conditions and the state of risk management based on "Affiliated Company Management Rules". The Company continuously monitored financial conditions and state of business execution, and provided advice, etc. when necessary.
 - (b) The Company received reports on results of internal audits on subsidiaries by the internal auditing office of the Company or those of internal audits by its subsidiaries. No material deficiencies were identified in such audit results.
- (6) Operations to Ensure Effective Audits by the Audit Committee

While endeavoring to ensure effective audits by the Audit Committee through the Committee members' participation in important meetings such as board of directors meetings, board of executive officers' meetings, and Risk Management Committee meetings, examination of important documents such as those for important meetings and internal approval procedures, and coordination with the internal auditing office, the Company appropriately

made various reports on matters related to execution of duties and processed auditing expenses based on the "Rules regarding Reports to the Audit Committee, etc."

VII. Policy Regarding Decisions on Dividends Paid Out of Retained Earnings, etc.

The Company 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:

- 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.

Furthermore, the Company stipulates "Except as otherwise provided by laws and regulations, the Company shall decide on matters provided in each item of Article 459, Paragraph 1 of the Companies Act including dividends paid out of retained earnings by resolutions of the Board of Directors, but not by resolutions of the general shareholders meeting" in the Articles of Incorporation.

For the dividend whose record date falls on the end of the fiscal year (March 31, 2021), the Company will pay an ordinary dividend of JPY 32 per share. Concerning consolidated operating results for the fiscal year, JPX Group's results exceeded the key management indicators (operating revenue of JPY 130.0 billion, net income attributable to owners of the parent company of JPY 50.0 billion, and ROE of 15% or more) set in the 3rd Medium-Term Management Plan (FY2019-FY2021). In order to express our gratitude for the support from shareholders for our various measures aimed at stable market operations during the COVID-19 pandemic, we will issue a special dividend of JPY 10 per share. Therefore, the dividend as of the end of the fiscal year will be JPY 42. As a result, including the interim dividend of JPY 26 (record date: September 30, 2020), the annual dividend will be JPY 68 per share (including the special dividend of JPY 10), and the dividend payout ratio will be 70.8%

VIII. Basic Policy Regarding Control of the Company

The Company has not prescribed a basic policy or takeover defense measures related to entities controlling decisions on the Company's policy on finances or business. However, the following legal provisions exist regarding the acquisition/holding of a certain amount or more of the Company's stock.

(Reference) Excerpts from Related Laws

(a) Article 103-2, Paragraph 1 of the Financial Instruments and Exchange Act

It is prohibited for any person to acquire or hold a number of voting rights (excluding the voting rights that are specified by Cabinet Office Ordinance in consideration of the manner in which they are acquired or held and any other circumstances; hereinafter referred to as "Subject Voting Rights" in this Chapter) constituting 20 percent or more (or 15 percent or more, if a fact has occurred that is specified by Cabinet Office Ordinance as something that is presumed to have a material influence on decisions about financial and operational policies; hereinafter referred to as the "Threshold Holding Ratio" in this Chapter) of all shareholders' voting rights in a Stock Company-Operated Financial Instruments Exchange; provided, however, that this does not apply if an Authorized Financial Instruments Business Association, Financial Instruments Exchange, Financial Instruments Exchange Holding Company, Commodity Exchange, or Commodity Exchange Holding Company acquires or holds Subject Voting Rights.

(b) Article 106-14, Paragraph 1 of the Financial Instruments and Exchange Act

It is prohibited for any person to acquire or hold a number of Subject Voting Rights in a Financial Instruments Exchange Holding Company which is equal to or greater than the Threshold Holding Ratio of all shareholders' voting rights; provided, however, that this does not apply if an Authorized Financial Instruments Business Association, Financial Instruments Exchange, or Commodity Exchange acquires or holds Subject Voting Rights.

(c) Article 106-17, Paragraph 1 of the Financial Instruments and Exchange Act

Notwithstanding the provisions of Article 106-14, Paragraph 1, with the authorization of the Prime Minister, a Local Government, etc. may acquire or hold a number of Subject Voting Rights that is equal to or greater than the Threshold Holding Ratio, but no greater than 50 percent, of all shareholders' voting rights in a Financial Instruments Exchange Holding Company, pursuant to the provisions of Cabinet Office Ordinance.

(Regarding figures on operations presented in this report: monetary values and numbers of shares are rounded down to the nearest unit used; percentages and other figures are rounded off.)

Consolidated Statement of Financial Position

(As of March 31, 2021)

(JPY million)

Assets		Liabilities and Equity	
Current assets		Liabilities	
Cash and cash equivalents	108,209	Current liabilities	
Trade and other receivables	14,936	Trade and other payables	4,132
Clearing business financial assets	53,649,780	Bonds and loans payable	32,500
Specified assets for deposits from clearing participants	5,996,143	Clearing business financial liabilities	53,649,780
Specified assets for legal guarantee funds	673	Deposits from clearing participants	5,996,143
Income tax receivables	5,286	Legal guarantee funds	673
Other financial assets	116,800	Trading participant security money	8,161
Other current assets	2,033	Income tax payables	15,038
Total current assets	59,893,862	Other current liabilities	8,746
		Total current liabilities	59,715,175
Non-current assets		Non-current liabilities	
Property and equipment	10,697	Bonds and loans payable	19,960
Goodwill	67,374	Retirement benefit liabilities	9,018
Intangible assets	35,977	Other non-current liabilities	2,336
Retirement benefit assets	8,204	Deferred tax liabilities	418
Investments accounted for using the equity method	16,736	Total non-current liabilities	31,732
Specified assets for default compensation reserve funds	27,948	Total liabilities	59,746,908
Other financial assets	5,309	Equity	
Other non-current assets	6,181	Share capital	11,500
Deferred tax assets	3,385	Capital surplus	39,716
Total non-current assets	181,815	Treasury shares	(1,825)
		Other components of equity	992
		Retained earnings	271,006
		Total equity attributable to owners of the parent company	321,391
		Non-controlling interests	7,378
		Total equity	328,769
Total assets	60,075,678	Total liabilities and equity	60,075,678

Consolidated Statement of Income

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

	(JPY million)
Revenue	
Operating revenue	133,343
Other revenue	359
Total revenue	133,702
Expenses	
Operating expenses	61,394
Other expenses	5
Total expenses	61,399
Share of income of investments accounted for using the equity method	2,263
Operating income	74,565
Financial income	266
Financial expenses	99
Income before income tax	74,732
Income tax expense	22,714
Net income	52,017
Net income attributable to	
Owners of the parent company	51,389
Non-controlling interests	628

Non-consolidated Balance Sheet

(As of March 31, 2021)

(JPY million)

Assets		Liabilities	
Current assets	120,282	Current liabilities	108,577
Cash and deposits	114,788	Operating accounts payable	169
Operating accounts receivable	17	Short-term loans payable	32,500
Prepaid expenses	168	Short-term loans payable to subsidiaries and associates	74,300
Other	5,308	Accounts payable - other	18
Non-current assets	144,965	Accrued expenses	253
Property and equipment	31	Deposits received	177
Buildings	3	Unearned revenue	143
Vehicles	26	Provision for bonuses	557
Tools, furniture and fixtures	1	Provision for directors' bonuses	157
Intangible assets	148	Other	298
Trademark right	11	Non-current liabilities	21,338
Software	136	Bonds	20,000
Investments and other assets	144,785	Provision for retirement benefits	53
Investment securities	4,043	Provision for stock benefits	1,177
Shares of subsidiaries and associates	126,637	Other	108
Investments in capital of subsidiaries and associates	3,000	Total liabilities	129,916
Long-term prepaid expenses	10	Net assets	
Prepaid pension cost	35	Shareholders' equity	134,981
Deferred tax assets	330	Share capital	11,500
Specified assets for default compensation reserve funds	10,580	Capital surplus	3,899
Other	146	Legal capital surplus	3,000
		Other capital surplus	899
		Retained earnings	121,407
		Other retained earnings	121,407
		General reserve	5,302
		Retained earnings brought forward	116,104
		Treasury shares	(1,825)
		Valuation and translation adjustments	349
		Valuation difference on available-for-sale securities	349
		Total net assets	135,331
Total assets	265,247	Total liabilities and net assets	265,247

Non-consolidated Statement of Income

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

	(JPY million)
Operating revenue	47,642
Management fee income	7,872
Dividend income from subsidiaries and associates	39,768
Other	1
Operating expenses	6,586
Operating income	41,055
Non-operating income	451
Interest income	10
Dividend income	358
Other	82
Non-operating expenses	87
Interest expenses	13
Interest on bonds	71
Other	2
Ordinary income	41,419
Extraordinary income	7,148
Gain on sales of investment securities	7,148
Extraordinary losses	113
Loss on valuation of investment securities	113
Income before income taxes	48,454
Income taxes - current	2,891
Income taxes - deferred	(80)
Net income	45,643

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 10, 2021

To the Board of Directors of
Japan Exchange Group, Inc.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:
Yoshiaki Kitamura

Designated Engagement Partner,
Certified Public Accountant:
Michiyuki Yamamoto

Designated Engagement Partner,
Certified Public Accountant:
Eriko Otokozawa

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Japan Exchange Group, Inc. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2021, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2020 to March 31, 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards.

The Audit Committee is responsible for overseeing the Officers' and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial

Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the convenience of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 10, 2021

To the Board of Directors of
Japan Exchange Group, Inc.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:
Yoshiaki Kitamura

Designated Engagement Partner,
Certified Public Accountant:
Michiyuki Yamamoto

Designated Engagement Partner,
Certified Public Accountant:
Eriko Otokozawa

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Japan Exchange Group, Inc. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2021, the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 20th fiscal year from April 1, 2020 to March 31, 2021, and a summary of significant accounting policies and other explanatory information, and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial

statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for overseeing the Officers' and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the convenience of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

■ Audit Report of Audit Committee

Audit Report

The Audit Committee of Japan Exchange Group, Inc. (the Company) has audited the execution of official duties by the directors and executive officers of the Company during its 20th business year, the period from April 1, 2020 to March 31, 2021. Our audit methods and results are as follows.

1. Auditing Methods and Content thereof

The Audit Committee monitored and inspected the resolutions of the Board of Directors and the status of establishment and operation of the system (Internal Control System) developed under such resolutions with regard to matters referred to in Article 416, Paragraph 1, Item 1, sub-items (b) and (e) of the Companies Act. At the same time, the Audit Committee performed audits by the following methods:

- (i) In accordance with auditing policies, auditing plans, etc. set by the Audit Committee, conforming to the auditing standards established by the Audit Committee, and in cooperation with the internal control divisions of the Company, the Audit Committee examined the Company's operational and financial condition through attending important meetings, receiving reports from directors, executive officers, etc. on the execution of their duties and asking for details when necessary, and examining important documents, etc. related to Company decisions. Regarding subsidiaries, the Committee maintained communication and exchanged information with directors, auditors, etc. of subsidiaries, and received business reports of subsidiaries when necessary.
- (ii) Furthermore, the Audit Committee monitored and inspected whether the Accounting Auditor performed proper audits while assuring said Auditor's independence, and received reports from the Accounting Auditor on the execution of said Auditor's duties, asking for details when necessary. The Audit Committee was also informed by the Accounting Auditor that the "system to ensure proper execution of its duties" (matters described in each item of Article 131 of the Ordinance on Accounting of Companies) has been developed in accordance with "Quality Control Standards for Audits" issued by the Business Accounting Council on October 28, 2005 and others, asking for details when necessary.

Through the above methods, the Audit Committee reviewed the business report and its supplementary statements, financial documents (nonconsolidated balance sheet, nonconsolidated statement of income, and nonconsolidated statement of changes in equity) and its supplementary statements, and consolidated financial documents (consolidated statement of financial position, consolidated statement of income, and consolidated statement of changes in equity that were prepared with omissions of part of the disclosure items required by International Financial Reporting Standards as prescribed in the second sentence of Paragraph 1 of Article 120 of the Ordinance on Accounting of Companies) for said business year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We certify that the business report and its supplementary statements fairly present the situation of the Company in accordance with laws and regulations as well as the Articles of Incorporation.
- (ii) We found no wrongful act or material fact in violation of laws, regulations, or the Articles of Incorporation with respect to the performance of duties by the directors and executive officers.
- (iii) We certify that the resolutions of the Board of Directors with respect to the internal control system are proper and correct. In addition, we found no matter that needed to be addressed regarding the performance of duties by the directors and executive officers with respect to the internal control system.

As stated in the business report, the Company received a business improvement order from the Financial Services Agency due to a system failure that occurred in the arrowhead system on October 1, 2020, which led to all trading on cash equity markets being suspended for the whole day. The Audit Committee verified that the Company appropriately responded on the day and for the prevention of recurrence while cooperating with Statutory Auditors of its subsidiary Tokyo Stock Exchange, Inc. We will continue to closely observe the Company's response toward recovering the credibility of the market and strengthening functions going forward.

(2) Audit Results of Financial Documents and Supplementary Statements

We certify that the auditing method of Deloitte Touche Tohmatsu LLC, the Accounting Auditor, and the results of its audit are proper and correct.

(3) Audit Results of Consolidated Financial Documents

We certify that the auditing method of Deloitte Touche Tohmatsu LLC, the Accounting Auditor, and the results of its audit are proper and correct.

May 11, 2021

Audit Committee of Japan Exchange Group, Inc.

Member of the Audit Committee
Yoneda Tsuyoshi

Member of the Audit Committee
Mori Kimitaka

Member of the Audit Committee
Christina Ahmadjian

Member of the Audit Committee
Kohda Main

Member of the Audit Committee (Full-time)
Minoguchi Makoto

(Note) Members of the Audit Committee Yoneda Tsuyoshi, Mori Kimitaka, Christina Ahmadjian and Kohda Main are outside directors as stipulated in Article 2, Item 15, and Article 400, Paragraph 3 of the Companies Act.