



[TRANSLATION]

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Matters Disclosed on the Internet Concerning Notice of the 20th Annual General Shareholders Meeting

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

Notes to Consolidated Financial Statements

Non-consolidated Financial Statements

Non-consolidated Statement of Changes in Shareholders' Equity

Notes to Non-consolidated Financial Statements

The above-stated matters constitute information deemed to have been provided to shareholders by their being posted on the Company's website in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company.

These matters are included in the scope of the respective audits by the Audit Committee and the Independent Auditors when they created their audit reports.

<The Company's website> <https://www.jpx.co.jp/english/corporate/investor-relations/>

Japan Exchange Group, Inc.

Consolidated Statement of Changes in Equity

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

(JPY million)

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

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

I. Notes Regarding Important Items Underlying the Preparation of the Consolidated Financial Statements

1. Accounting standards for preparing consolidated financial statements

Consolidated financial statements of Japan Exchange Group, Inc. (the "Company") and its subsidiaries (collectively "JPX Group") are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") under the provision of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies. In the consolidated financial statements, some items required to be disclosed in IFRS are omitted under the provision of the second sentence of the same Paragraph.

2. Items related to scope of consolidation

Number of consolidated subsidiaries: Six

Names of consolidated subsidiaries:

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

Japan Commodity Clearing House Co., Ltd. had been in the scope of consolidation until July 27, 2020 when it was merged with Japan Securities Clearing Corporation.

3. Items related to application of the equity method

Number of associates accounted for by the equity method: Three

Names of associates accounted for by the equity method:

Japan Securities Depository Center, Inc., ICJ, Inc., and Tosho Computer Systems Co., Ltd.

4. Items related to accounting policies

(1) Policies and methods of financial asset valuation

(a) Financial assets:

i. Initial recognition and measurement

JPX Group recognizes a financial asset when JPX Group becomes a party to the contractual provisions of the financial instrument.

JPX Group classifies financial assets as those measured at amortized cost if both of the following conditions are met under the facts and circumstances at the initial recognition. Otherwise, financial assets are classified as those measured at fair value through profit or loss.

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

JPX Group may make an irrevocable designation of recognizing changes in fair value of investments in equity instruments as other comprehensive income at initial recognition.

All financial assets are measured at the fair value plus transaction costs that are directly attributable to the financial assets, except for the case of being classified in the category of financial assets measured at fair value through profit or loss.

ii. Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows:

a. Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured using the effective interest method.

b. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are measured at fair value, and changes in the fair value are recognized in profit or loss.

c. Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are measured at fair value, and changes in the fair value are recognized as other comprehensive income. When such a financial asset is derecognized or the decline in its fair value compared to its acquisition cost is significant, the amount recognized in other comprehensive income is transferred directly to retained earnings, rather than being recognized as profit or loss.

However, dividend income from such financial assets is recognized in profit or loss.

iii. Derecognition

Financial assets are derecognized when contractual rights to cash flows from the financial assets expire, or when contractual rights to receive cash flows generated from the financial assets are transferred in a transaction where substantially all the risks and rewards of the ownership of those financial assets are transferred.

(b) Impairment of financial assets measured at amortized cost:

For financial assets measured at amortized cost, allowance for doubtful accounts is recognized for expected credit losses. Expected credit losses are calculated based on historical loss experience, future recoverable amount and others.

For trade receivables, allowance for doubtful accounts is always recognized at an amount equal to lifetime expected credit losses. For financial assets other than trade receivables, in principle, allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses. However, if credit risk has increased significantly since initial recognition, allowance for doubtful accounts is measured at an amount equal to lifetime expected credit losses.

The assessment of whether credit risk has increased significantly is based on changes in the risk of default occurring, and past-due information, financial difficulty of the borrower and others are taken into account in the assessment.

If it is considered extremely difficult to recover all or part of a financial asset, the asset is deemed to be in default and treated as a credit-impaired financial asset. In addition, when it is reasonably determined that all or part of a financial asset cannot be recovered, the carrying amount of the financial asset is directly written off.

For trade receivables that are not credit impaired, because these receivables consist of many homogeneous business partners, expected credit losses are measured collectively with the receivables grouped together.

Provision of allowance for doubtful accounts for financial assets is recognized in profit or loss. If any event that reduces the allowance for doubtful accounts arises, reversal of allowance for doubtful accounts is recognized in profit or loss.

(c) Clearing business financial assets and clearing business financial liabilities:

As a clearing organization, Japan Securities Clearing Corporation presents receivables and payables related to transactions to be cleared as clearing business financial assets and clearing business financial liabilities (hereinafter "clearing business financial assets and liabilities") and provides a settlement guarantee by assuming debts for the transactions conducted by market participants and acting as a party to the transactions.

For cash equity transactions at financial instruments exchanges and sales and purchase transactions of Japanese government bonds at over-the-counter markets, clearing business financial assets and liabilities are initially recognized and simultaneously derecognized on the settlement date basis.

Futures transactions are initially recognized as clearing business financial assets and liabilities on the transaction date. Subsequently, those transactions are measured at fair value and their valuation differences are recognized in profit or loss. Since these companies receive and pay such profit or loss as net settlements from and to clearing participants on a daily basis, the clearing business financial assets and liabilities are derecognized upon the receipt or payment.

Option transactions are initially recognized on the transaction date, while interest rate swap transactions and credit default swap transactions at over-the-counter markets are initially recognized on the date when the debt is assumed. Subsequently, these transactions are measured at fair value and their valuation differences are recognized in profit or loss.

Over-the-counter transactions of Japanese government bonds that are transactions with repurchase or resale agreement and cash-secured bonds lending transactions are initially recognized on the commencement date of transactions and subsequently measured at fair value.

Clearing business financial assets and liabilities recognized are offset and presented as a net amount in the consolidated statement of financial position when these companies currently hold a legally enforceable right to set off the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Because clearing business financial assets and liabilities are recognized at the same amount, profit or loss arising from changes in their fair value is also the same amount. Hence, the profit or loss is eliminated and is not presented in the consolidated statement of income.

(2) Methods of depreciation and amortization of assets

(a) Property and equipment:

Depreciation of assets is recorded using the straight-line method over their estimated useful lives. The estimated useful lives of major asset items are as follows:

- Buildings: 2 to 50 years
- Information system equipment: 5 years

(b) Intangible assets:

Amortization of assets is recorded using the straight-line method over their estimated useful lives. The estimated useful life of software, a major asset item, is five years.

Estimated useful lives, residual values, and amortization method are reviewed at the end of each fiscal year, and any change is applicable as changes in accounting estimates. If changes to development plans arise for software under development, it could significantly affect the consolidated financial statements.

(c) Right-of-use assets

For lease transactions as a lessee, right-of-use assets are measured at acquisition cost and lease liabilities are measured as the present value of the total lease payments payable at the lease commencement date.

Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives or lease terms.

Lease payments are recognized by allocating them to finance costs and repayments of lease liabilities.

For short-term leases (with a lease term of 12 months or less) and leases of low-valued assets, the total lease payments are recognized by the straight-line method over a lease term

(3) Accounting for employee retirement benefits

The Company and some of its subsidiaries have introduced contract-type defined benefit corporate pension plans and lump-sum retirement benefit plans as defined benefit plans, and defined contribution plans.

(a) Defined benefit plans:

For each plan, JPX Group calculates the present value of defined benefit obligations, and related current service cost and past service cost using the projected unit credit method. A discount rate is determined based on the market yields on high-rating corporate bonds for the period until the expected date of benefit payment in each plan at the end of the fiscal year.

Net defined benefit liability (asset) is calculated by deducting the fair value of the plan assets (including adjustments for the asset ceiling for defined benefit asset and minimum funding requirements, if necessary) from the present value of the defined benefit obligation. The net amount of interest on net defined benefit liability (asset) is recognized as operating expenses.

Remeasurements of defined benefit plans are recognized in full as other comprehensive income in the period when they are incurred, and transferred to retained earnings immediately. Past service costs are recognized as profit or loss in the period when they are incurred.

Except when JPX Group has legal power to use surplus in defined benefit plans for settling obligations of other plans, assets and liabilities are not set off between the plans.

(b) Defined contribution plans:

Cost for retirement benefits is recognized as expenses at the time of contribution.

(4) Standards for revenue

(a) Revenue from contracts with customers

JPX Group recognizes revenue from contracts with customers based on the five-step approach detailed below.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

JPX Group is primarily engaged in the financial instruments exchanges business and its revenue consists mainly of revenue related to the rendering of services, such as trading services revenue and clearing services revenue. Revenue is recognized at a point in time when the services are provided to customers, which is when the JPX Group's performance obligations are deemed to be satisfied.

(b) Dividend

Dividends are recognized when the rights of shareholders receiving payments are confirmed.

(5) Translation of foreign currency-denominated assets and liabilities into Japanese yen

Foreign currency transactions are translated into Japanese yen, which is the Company's functional currency, at the rates of exchange prevailing at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of each fiscal year are translated into functional currency at the rates of exchange prevailing at the end of the fiscal year. Differences arising from the translation are recognized in profit or loss. However, exchange differences arising from the translation of financial assets measured at fair value through other comprehensive income are recognized as other comprehensive income.

(6) Accounting for consumption taxes, etc.

Consumption taxes and local consumption taxes are not included in transaction amounts.

(7) Goodwill

Goodwill is not amortized. It is tested for impairment at the end of each fiscal year or whenever there is any indication of impairment, and impairment losses are recognized, if any. No reversal of impairment losses is made.

(8) Application of consolidated taxation system

In the current fiscal year under review, the Company and certain subsidiaries applied for approval of the application of the consolidated taxation system, which will be implemented from the beginning of the next fiscal year. Therefore, from the current fiscal year, tax effect of the implementation is recognized as deferred taxes.

II. Notes to Consolidated Statement of Financial Position

1. Allowance for doubtful accounts directly deducted from assets

- (1) Trade and other receivables: JPY 7 million
- (2) Other financial assets: JPY 121 million

2. Accumulated depreciation of property and equipment (including accumulated impairment losses): JPY 22,959 million

3. Guarantee:

Guarantee for employee housing loans from financial institutions: JPY 1,033 million

4. Assets and liabilities based on various rules for ensuring safety of financial instruments trading

Deposits from clearing participants are collaterals that Japan Securities Clearing Corporation requires clearing participants to deposit (clearing deposit for clearing fund, clearing margin, initial margin and variation margin) in order to provide for possible losses incurred by the company in the event of settlement default of clearing participants.

Legal guarantee funds are collaterals that Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., and Tokyo Commodity Exchange, Inc. require trading participants to deposit to provide for possible losses incurred by these companies, etc. in the event of default by trading participants.

Trading participant security money is collateral that Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., and Tokyo Commodity Exchange, Inc. require trading participants to deposit to provide for possible losses incurred by these companies in the event of default by trading participants.

Each type of collateral is deposited in the form of cash or substitute securities (only those permitted by each company's rules). For collateral that is deposited in the form of cash, an asset and a corresponding liability are recorded in the consolidated statement of financial position.

Collateral deposited in the form of substitute securities is not recorded in the consolidated statement of financial position. Fair values of substitute securities for the collateral are as follows:

- (a) Substitute securities for deposits from clearing participants: JPY 3,557,824 million
- (b) Substitute securities for legal guarantee funds: JPY 732 million
- (c) Substitute securities for trading participant security money: JPY 2,616 million

Default compensation reserve funds are reserve funds to cover losses incurred by Japan Securities Clearing Corporation in association with clearing operations.

III. Notes to Consolidated Statement of Changes in Equity

1. Number and type of issued shares as of the end of the fiscal year under review: 536,351,448 common shares

2. Dividend

(1) Dividend paid

Resolution	Share type	Total amount of dividend (JPY million)	Dividend per share (JPY)	Record date	Effective date
Board Meeting of May 14, 2020	Common share	16,090	30.00	March 31, 2020	May 27, 2020
Board Meeting of October 28, 2020	Common share	13,945	26.00	September 30, 2020	December 1, 2020

(2) Dividend with a record date that falls in the fiscal year under review but whose effective date falls in the next fiscal year (expectation)

Resolution	Share type	Total amount of dividend (JPY million)	Source	Dividend per share (JPY)	Record date	Effective date
Board Meeting of May 13, 2021	Common share	22,526	Retained earnings	(Note) 42.00	March 31, 2021	May 27, 2021

Note: The amount of the dividend per share includes a special dividend of JPY 10 per share.

IV. Notes Relating to Financial Instruments

1. Items relating to financial instruments

Although JPX Group is exposed to various financial risks such as credit risk and liquidity risk from financial instruments in the process of carrying out business activities, JPX Group works to avoid or reduce such risks by identifying and analyzing the risks, and carrying out integrated risk management by appropriate methods.

Major risks JPX Group is aware of are credit risk and liquidity risk from clearing operations of Japan Securities Clearing Corporation.

Although Japan Securities Clearing Corporation is exposed to credit risks of clearing participants on clearing business financial assets, which are receivables the corporation acquires by assuming obligations from transactions carried out by market participants, these risks are addressed through the maintenance of systems such as a qualification system and a collateral system for clearing participants. In addition, even in cases of settlement default by clearing participants, it may be necessary for Japan Securities Clearing Corporation to cover the shortfall in funds and complete settlement itself, thus exposing the corporation to liquidity risk on clearing business financial liabilities. Even so, the said risk is addressed through the maintenance of a system to secure sufficient liquidity by such means as entering into contracts with funds settlement banks regarding liquidity supply.

2. Items relating to fair value, etc. of financial instruments

Financial instruments held by JPX Group comprise cash and cash equivalents, trade and other receivables, clearing business financial assets, specified assets for deposits from clearing participants, specified assets for legal guarantee funds, specified assets for default compensation reserve funds, other financial assets, trade and other payables, bonds and loans payable, clearing business financial liabilities, deposits from clearing participants, legal guarantee funds and trading participant security money. The carrying amounts of these financial instruments are the same as or approximate their fair values.

V. Notes Relating to Per Share Information

1. Equity attributable to owners of the parent company per share: JPY 600.38

2. Basic earnings per share: JPY 96.00

Note: The shares of the Company held by the stock-granting ESOP trust and by the trust related to the stock compensation plan for directors are treated as treasury shares.

VI. Notes on Significant Subsequent Events

Acquisition of Treasury Shares

The Company reached a resolution in its Board of Directors meeting, held on April 28, 2021, on matters regarding acquisition of treasury shares in accordance with the provisions of the first paragraph of Article 459 of the Companies Act and its Articles of Incorporation.

1. Reasons for Acquiring Treasury Shares

To enhance returns to shareholders by implementing swift and flexible capital measures.

2. Matters Pertaining to the Acquisition of Treasury Shares

(1) Classification of Shares to be Acquired:

Common shares

(2) Total Number of Shares to be Acquired:

20,000,000 shares (maximum)

(3) Total Value of Shares to be Acquired:

JPY 20 billion (maximum)

(4) Acquisition Period:

April 30, 2021 - October 26, 2021

(5) Acquisition Method:

Purchase on the market of Tokyo Stock Exchange

Non-consolidated Statement of Changes in Shareholders' Equity

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

(JPY million)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	
					General reserve	Retained earnings brought forward
Balance at the beginning of current period	11,500	3,000	899	3,899	5,302	100,497
Changes of items during the period						
Dividends of surplus	-	-	-	-	-	(30,035)
Acquisitions of treasury shares	-	-	-	-	-	-
Net income	-	-	-	-	-	45,643
Other	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-
Total changes of items during the period	-	-	-	-	-	15,607
Balance at the end of current period	11,500	3,000	899	3,899	5,302	116,104

	Shareholders' equity			Valuation and translation adjustments		Total net assets
	Retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Total retained earnings					
Balance at the beginning of current period	105,799	(1,548)	119,650	4,441	4,441	124,091
Changes of items during the period						
Dividends of surplus	(30,035)	–	(30,035)	–	–	(30,035)
Acquisitions of treasury shares	–	(366)	(366)	–	–	(366)
Net income	45,643	–	45,643	–	–	45,643
Other	–	90	90	–	–	90
Net changes of items other than shareholders' equity	–	–	–	(4,092)	(4,092)	(4,092)
Total changes of items during the period	15,607	(276)	15,331	(4,092)	(4,092)	11,239
Balance at the end of current period	121,407	(1,825)	134,981	349	349	135,331

I. Accounting Policies

1. Standards and methods of asset valuation

Securities

- (a) Held-to-maturity debt securities: Amortized cost method (straight-line method)
- (b) Shares of subsidiaries and associates: Cost method based on the moving-average-method
- (c) Other securities:
 - Securities with market value: Market value method based on average market prices over a one-month period prior to the closing date of the fiscal year (differences in valuation are included in net assets and the cost of securities sold is calculated using the moving-average method)
 - Securities without market value: Cost method based on the moving-average-method

2. Methods of depreciation of non-current assets

- (1) Property and equipment:

The straight-line method is used.
- (2) Intangible assets:

The straight-line method is used. The straight-line method based on the expected period of use (5 years) is used for software for internal use.

3. Standards for allowances and provision

- (1) Provision for bonuses:

For payment of employee bonuses, allowance is provided for the portion of the total anticipated bonuses that is attributable to the fiscal year.
- (2) Provision for directors' bonuses:

For payment of bonuses to directors and executive officers, allowance is provided for the portion of the total anticipated bonuses that is attributable to the fiscal year.
- (3) Provision for retirement benefits:

This reserve is provided for payments of future retirement benefits to employees. It is recorded as the amount accrued at the end of the fiscal year, based on the projected retirement benefit obligation and estimated value of plan assets at the end of the fiscal year.

In the calculation of retirement benefit obligation, the benefit formula basis is used to attribute the projected retirement benefit to the period through the end of the fiscal year.

Actuarial differences are amortized using the straight-line method over a fixed number of years (10 years), which is within the average remaining years of service of the employees, as these differences are incurred, from the fiscal year following the fiscal year in which the respective actuarial differences are incurred.
- (4) Provision for stock benefits:

This reserve is provided for delivery of shares of the Company to employees and directors in accordance with the share delivery regulations, and recorded based on the projected stock benefit obligation at the end of the fiscal year.

4. Other significant matters which constitute the basis for preparation of the non-consolidated financial statements

- (1) Translation of foreign currency-denominated assets and liabilities into Japanese yen

Foreign currency-denominated assets and liabilities are translated into Japanese yen based on the exchange rate as of the closing date of the fiscal year. Other securities are translated into Japanese yen based on the average exchange rate over a one-month period prior to the closing date of the fiscal year.
- (2) Accounting for consumption taxes, etc.

Consumption taxes and local consumption taxes are not included in transaction amounts.
- (3) Application of consolidated taxation system

In the current fiscal year under review, the Company applied for approval of the application of the consolidated taxation system, which will be implemented from the beginning of the next fiscal year. Therefore, from the current fiscal year, tax effect of the implementation is recognized as deferred taxes.

As for items regarding the transition to the group tax sharing system established by the "Act Partially Amending the Income Tax Act, etc." (Act No. 8 of 2020) and items in the non-consolidated taxation system revised in connection with the transition

to the group tax sharing system, the Company has not applied the provisions of Paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) as allowed by the provisions of Paragraph 3 of "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020). Accordingly, the amounts of deferred tax assets and liabilities are determined in accordance with the provisions of the tax law before the revision.

5. Change in presentation

Application of "Accounting Standard for Disclosure of Accounting Estimates"

Commencing from the non-consolidated financial statements for the current fiscal year, the Company has applied "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) and accordingly presents notes on Accounting Estimates.

II. Accounting Estimates

The item, which is accounted for based on accounting estimate, recognized in the non-consolidated financial statements for the current fiscal year and may have material impact on the non-consolidated financial statements for the next fiscal year, is stated below.

Shares of subsidiaries and associates

1. Amounts recorded in the non-consolidated financial statements for the current fiscal year

Shares of subsidiaries and associates JPY 126,637 million

2. Information of significant accounting estimate relating to identified item

When performing valuation on shares of subsidiaries and associates, the Company follows the standards and methods described in "I. Accounting Policies, 1. Standards and methods of asset valuation." If, under such valuation, the actual value decreased significantly due to the investee's financial results being affected by changes in uncertain future economic conditions, etc., valuation losses will be incurred.

III. Notes to Non-consolidated Balance Sheet

- | | |
|--|-------------------|
| 1. Accumulated depreciation on property and equipment | JPY 40 million |
| 2. Monetary claims and monetary liabilities vis-à-vis affiliated companies (excluding those presented separately) | |
| Short-term monetary claims | JPY 33 million |
| Short-term monetary liabilities | JPY 184 million |
| 3. Guarantee: | |
| Guarantee for employee housing loans from financial institutions | JPY 1,033 million |
| 4. Loss compensation, etc. | |
| The Company has "Specified assets for default compensation reserve funds" recorded under assets in its balance sheet as reserve for compensation of loss suffered by Japan Securities Clearing Corporation concerning the clearing services. | |

IV. Notes to Non-consolidated Statement of Income

Transactions with affiliated companies

Transaction from operating transactions

Operating revenue	JPY 47,640 million
Operating expenses	JPY 1,870 million
Transaction from non-operating transactions	JPY 139 million

V. Notes to Non-consolidated Statement of Changes in Shareholders' Equity

Type of treasury shares and number of shares at the end of the current fiscal year

Common share	1,034,400 shares
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 Note: Mainly the shares of the Company held by the stock-granting ESOP trust and by the trust related to the stock compensation plan for directors

VI. Note Relating to Tax Effect Accounting

The cause of deferred tax assets mainly consisted of provision for bonuses.

VII. Note Relating to Transactions with Related Parties

Subsidiaries

Type of company	Name of company, etc.	Percentage of voting rights, etc. held (held by others)	Business relationship	Type of transaction	Value of transactions (JPY million)	Accounting classification	Balance at end of period (JPY million)
			Borrowing of funds	Borrowing of funds (Note 1)	56,000	Short-term loans payable to subsidiaries and associates	56,000
	Tokyo Stock Exchange, Inc.	Directly held 100.0%	Employee secondment	Payment for secondment (Note 2)	1,972	Accrued expenses	113
Subsidiaries			Borrowing of funds	Borrowing of funds (Note 1)	13,500	Short-term loans payable to subsidiaries and associates	13,500
	Osaka Exchange, Inc.	Directly held 100.0%	Employee secondment	Payment for secondment (Note 2)	709	Accrued expenses	9
	Japan Exchange Regulation	Directly held 100.0%	Borrowing of funds	Borrowing of funds (Note 1)	4,800	Short-term loans payable to subsidiaries and associates	4,800

The transaction amounts shown above do not include consumption taxes, etc.; balance at end of period includes consumption taxes, etc.

Transaction-related conditions and policies for determining such conditions, etc.

(Note 1) Interest rates for borrowed funds are determined in consideration of market rates, etc.

(Note 2) The amount of payment for secondment is determined in consideration of personnel expenses for secondment to the Company.

VIII. Notes Relating to Per Share Information

1. Net assets per share: JPY 252.81

2. Net income per share: JPY 85.27

Note: The shares of the Company held by the stock-granting ESOP trust and by the trust related to the stock compensation plan for directors are treated as treasury shares.

IX. Notes on Significant Subsequent Events

Acquisition of Treasury Shares

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1. Reasons for Acquiring Treasury Shares

To enhance returns to shareholders by implementing swift and flexible capital measures.

2. Matters Pertaining to the Acquisition of Treasury Shares

(1) Classification of Shares to be Acquired:

Common shares

(2) Total Number of Shares to be Acquired:

20,000,000 shares (maximum)

(3) Total Value of Shares to be Acquired:

JPY 20 billion (maximum)

(4) Acquisition Period:

April 30, 2021 - October 26, 2021

(5) Acquisition Method:

Purchase on the market of Tokyo Stock Exchange