

[Translation]

March 26, 2025

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Notice Regarding Formulation of "Medium-Term Management Plan 2027"

At a meeting of the Board of Directors held on March 26, 2025, Japan Exchange Group, Inc. resolved to implement its "Medium-Term Management Plan 2027" as follows.

1. "Medium-Term Management Plan 2027"

Since the current medium-term management plan will conclude in the fiscal year ending March 31, 2025, we have reviewed the current plan and have formulated a new "Medium-Term Management Plan 2027" based on our understanding of the business environment surrounding our group.

2. Attached Document

For details on the "Medium-Term Management Plan 2027," please refer to the attached document.

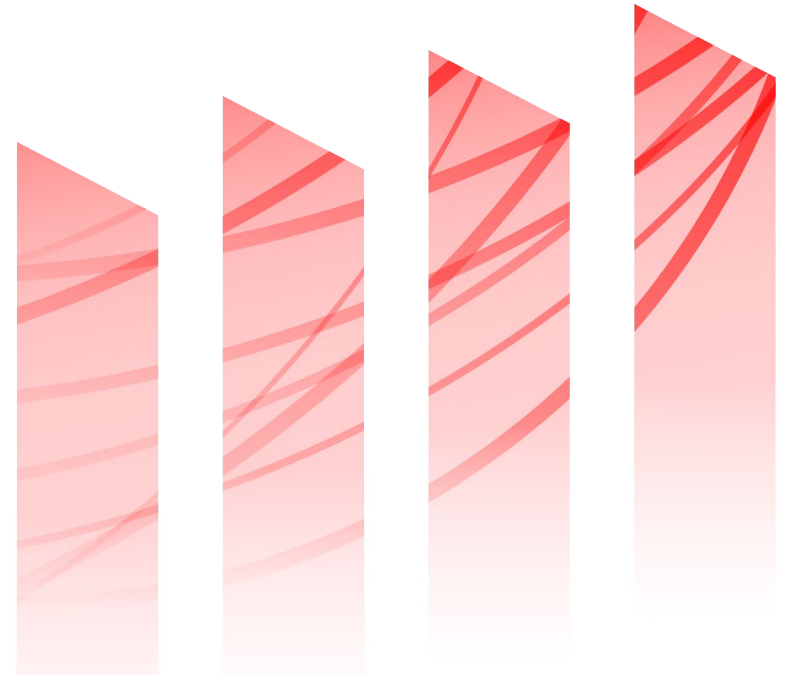
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Medium-Term Management Plan 2027

Exchange & beyond

Japan Exchange Group, Inc.
March 26, 2025



Corporate Philosophy

Contributing to realizing an affluent society through sustainable market development

We shall contribute to the realization of an affluent society by promoting sustainable development of the market by ensuring reliability and public visibility, laying the foundation of a market which is highly convenient, efficient, and transparent, and providing creative and attractive services.

We believe that these efforts bring rewards in the form of profits resulting from the increased support and confidence of investors and other market users.

Long-Term Vision to Be Achieved by 2030

Target 2030

Contribute to sustainable societal and economic development by evolving into a global, comprehensive finance and information platform which provides solutions for a wide range of societal issues, centered on the ability to raise and circulate capital

Review of Medium-Term Management Plan 2024

Progress has been made in improving the attractiveness of the Japanese stock market, as well as expanding the product lineup for interest rates and energy-related products and expanding business areas, including through M&As in conjunction with the establishment of JPXI.

Results of Main Initiatives

Focus 1

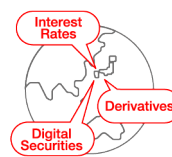
Facilitating cycle of corporate innovation/growth and asset formation



- Requested "action to implement management that is conscious of cost of capital and stock price"
- Developed JPX Prime 150 Index
- Achieved 30% increase¹ in average daily trading value and net assets of ETFs, etc.
- Optimized tick sizes for medium liquidity stocks
- Introduced closing auction session
- Promoted reduction of investment units
- Advanced revisions of TOPIX
- Established TSE Asia Startup Hub
- Launched operation of cash equity trading system "arrowhead 4.0" and extended trading hours

Focus 2

Achieving market transformation (MX)



- Introduced short-term interest rate futures and cross margining with interest rate swap clearing
- Launched Nikkei 225 micro Futures and Nikkei 225 mini Options
- Commenced holiday trading in derivatives markets (highest trading volume so far was over 90% of weekday trading volume²)
- Invested in security token platform
- Launched proof of concept for a generative AI-powered service to disseminate Japanese market information
- Started utilizing DLT technology in delivery by settlement for rubber futures

Focus 3

Promoting sustainability that connects society and economy



- Launched ESG Bond Information Platform
 - Launched JPX ESG Link
 - Launch of JPX Sustainability Information Search Tool
 - Started calculation of ESG-related indices, listed ESG-related index futures
 - Launched permanent listing of electricity futures and trial listing of LNG futures
 - Opened carbon credit market
- ¹ In comparison with FY2021; average daily trading value excluding leveraged/inverse products, net assets excluding BOJ purchases
- ² April 29, 2024 (Showa Day); in comparison to weekday trading volume in the second half of FY2023

Financial Results

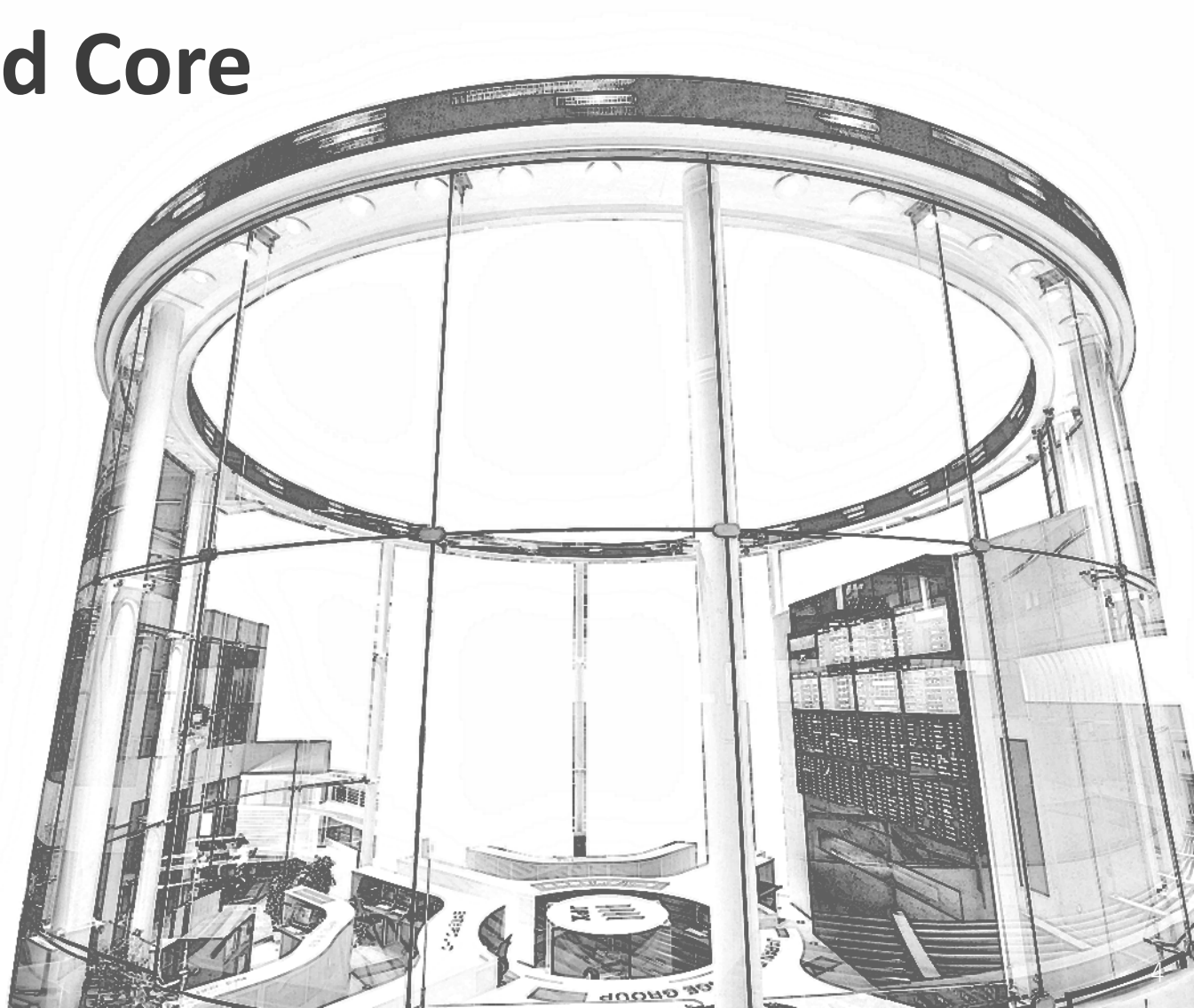
Period covered under Medium-Term Management Plan 2024

	Financial targets for the final fiscal year set out at the beginning of the plan	FY 2022	FY 2023	FY 2024 (Forecast) ³
Operating Revenue	JPY 147.0 bil.	JPY 133.9 bil.	JPY 152.8 bil.	JPY 162.0 bil.
Net Income (attributable to owners of the parent company)	JPY 53.0 bil.	JPY 46.3 bil.	JPY 60.8 bil.	JPY 60.5 bil.
ROE	At least 15%	14.7%	19.0%	18.1%

³ Earnings forecast announced on March 25, 2025

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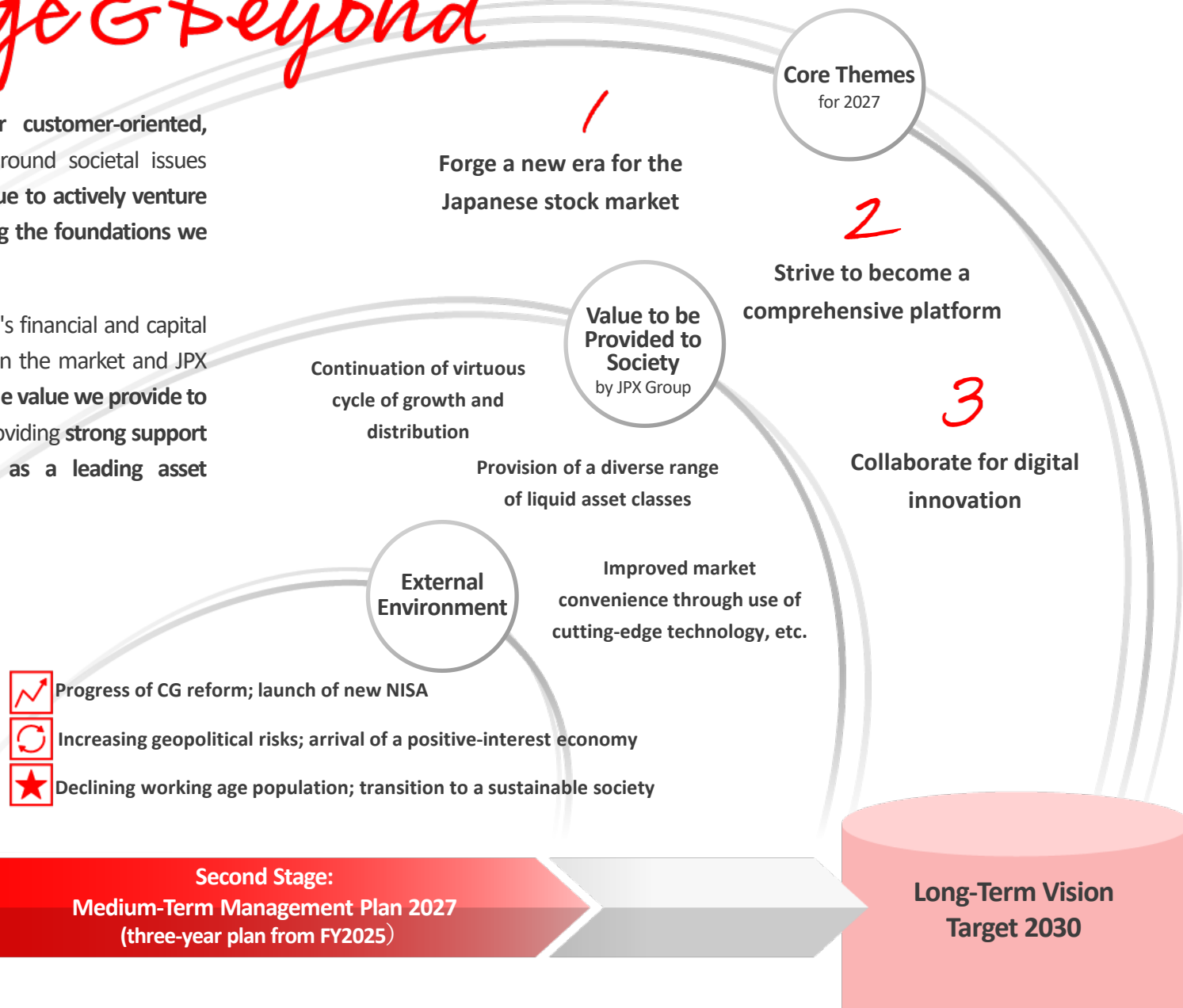
Basic Policy and Core Initiatives



Basic Policy for Medium-Term Management Plan 2027

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- We will strictly maintain our customer-oriented, "market-in" approach based around societal issues and user needs, and will continue to actively venture into new fields while developing the foundations we have built in the first stage.
- As a core infrastructure of Japan's financial and capital markets, while enhancing trust in the market and JPX Group, we will aim to increase the value we provide to society through, for example, providing strong support for the promotion of Japan as a leading asset management center.





Forge a New Era for the Japanese Stock Market

As a core infrastructure of Japan's financial and capital markets, we will continue to support the growth of listed companies and advance the development of platforms where anyone can invest with confidence to further boost the "virtuous cycle of growth and distribution."

Main Initiatives

Promote self-led corporate value improvement at listed companies

- Encouraging management that is conscious of cost of capital and stock price
- Promoting constructive dialogue between listed companies and investors
- Promoting growth of startup companies after IPO

Make investment environment more convenient and efficient

- Improving convenience such as lowering trading unit
- Working on minority shareholder protection
- Expanding product lineup and investor base in ETF market
- Smooth transition to next-generation TOPIX
- Improving financial literacy through investor education and promoting appeal of Japanese equities
- Strengthening information provision and promotion aimed at overseas investors

Invigorate Japanese equity options market

- Promoting usage of index options market by diversifying expiration cycles, etc.
- Revitalizing securities options market through improving market access and increasing liquidity
- Creating more awareness of options market and promoting investment strategies that utilize options



Strategic Direction in Medium-Term Management Plan 2027

By continuing to work on measures to enhance the Japanese stock market, we will aim for its sustainable growth and expansion as well as wide usage and development of the Japanese equity options market, while aiming to broaden the investor base both in Japan and overseas.

In this era of rapid change and in order to contribute to the promotion of Japan as a leading asset management center, we will aim for optimization of risk allocation across society by providing internationalized and diversified market functions.

Main Initiatives

Develop further as the central market in Asia

- Developing environment to facilitate listing of high-growth Asian companies
- Expanding trading flow from overseas by listing currency futures
- Entering into new asset classes in response to needs across society

Expand interest rate-related products and services

- Invigorating listed interest rate derivatives products
- Promoting expanded usage of OTC clearing services
- Expanding investor base in light of positive-interest world

Stimulate energy-related products

- Invigorating electricity futures market through initiatives such as adding new products and improving market access for a range of participants
- Increasing convenience by strengthening partnership with electricity spot market
- Research and study aimed at expanding trading of LNG futures and enhancing energy-related derivatives



Strategic Direction in Medium-Term Management Plan 2027

We will expand the market* through active investment in the development of various derivatives products, focusing on interest rate-related products, while aiming for further diversification and internationalization as a platform.

* Expecting interest rate-related revenue to grow at an average annual rate of approx. 12% (excluding the portion of JSCC's revenue from deposited collateral asset which are passed on to clearing participants)

By actively utilizing rapidly evolving digital technologies, we will improve the convenience of our data and other services as well as seeking solutions to cross-industry issues such as labor shortages caused by the declining population in Japan.

Main Initiatives

Develop the next generation of data services

- Enhancing data, including by utilizing collaboration with partner companies
- Increasing added value such as by increasing the frequency of data dissemination
- Diversifying service provision methods including distribution via external platforms such as that provided by Snowflake

Proactively adopt cutting-edge technologies such as AI

- Utilizing AI and other technologies in listed company services
- Advancing operational efficiency and new value creation through utilizing AI and other technologies
- Applying blockchain technology to further improve settlement efficiency, for example

Contribute to solving industry-wide issues

- Considering solutions that combine data and knowledge to improve operational efficiency
- Discussion of shortening settlement cycles, taking account of international trends



Strategic Direction in Medium-Term Management Plan 2027

We will aim to strengthen the resources dedicated to developing data-related businesses* and increase added value utilizing, among other things, investment and collaboration with external parties, as well as increasing efficiency across the market by utilizing digital technologies.

* Expecting data service revenue to grow at an average annual rate of approx. 8%

Main Initiatives

Ongoing buildup of human capital through ambitious investment*



- Strengthening staff acquisitions that respond to external changes
- Developing and maintaining an environment where all staff can demonstrate their abilities
- Strengthening training and other measures for more thorough implementation of professional ethics

Strengthening of self-regulatory function to further improve trust in the market



- Strengthening functionality of market surveillance system
- Strengthening initiatives to prevent unfair trading and inappropriate disclosure

Further pursuit of reliability and resilience of system infrastructure*



- Stable operation and ongoing improvement of current core systems
- Discussing strategy for and starting development of next-generation trading systems
- Strengthening failure tolerance and the BCP across the market through ongoing initiatives such as drills in collaboration with market participants
- Strengthening cybersecurity measures

Development and expansion of resources and operational structures that support new services, etc.



- Strengthening resources and structures to develop data services, etc.
- Strengthening resources and structures for providing information overseas
- Establishing resources and structures for actively utilizing AI
- Developing and maintaining resources and structures for effectively utilizing deposited collateral assets

*Related matters are included as non-financial commitments (see later slide).

Approach to Sustainability

We aim for the "realization of an affluent society" by promoting "sustainable development of the market" and resolving societal issues through the Medium-Term Management Plan 2027.

Medium-Term Management Plan 2027

Core themes

- 1 Forge a new era for the Japanese stock market
- 2 Strive to become a comprehensive platform
- 3 Collaborate for digital innovation

Strengthening organizational foundation that supports promoting core themes

Ongoing buildup of human capital through ambitious investment

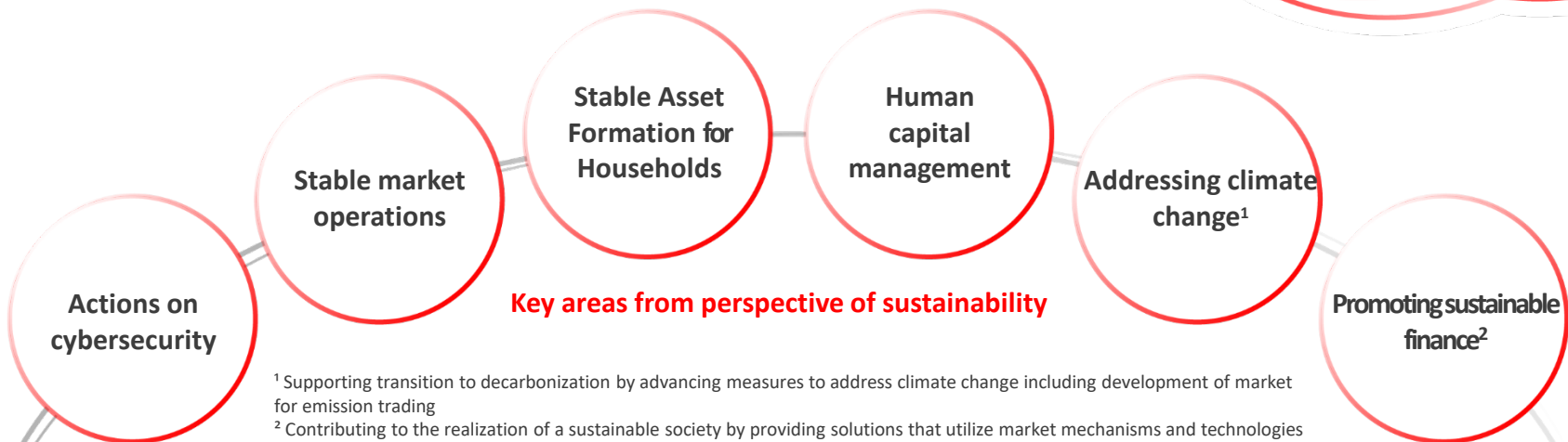
Strengthening self-regulatory function to further improve trust in the market

Further pursuit of reliability and resilience of system infrastructure

Development and expansion of resources and operational structures that support new services, etc.

To Realize a Sustainable and Affluent Society

Promotion of Japan as a leading asset management center, Internationalized and diversified market functions, Solutions to cross-industry issues, and more...



¹ Supporting transition to decarbonization by advancing measures to address climate change including development of market for emission trading

² Contributing to the realization of a sustainable society by providing solutions that utilize market mechanisms and technologies

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Management Targets and Capital Policy

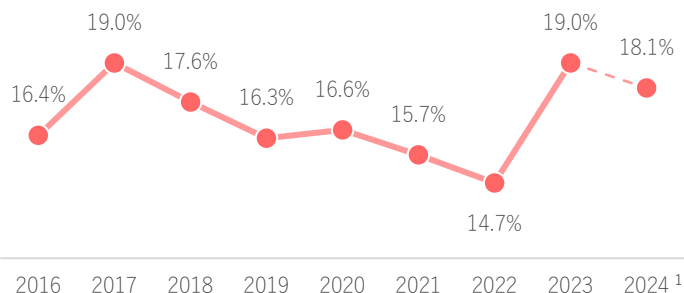


Financial Targets And Non-Financial Commitments

Financial Targets for Final Fiscal Year

ROE
18.0% or more

(Reference) ROE trends



¹ Estimated based on earnings forecast announced on March 25, 2025

(Ref.) Projected financial indicators in final year of Medium-Term Management Plan 2027:

Operating Revenue Approx. JPY 179 bil.²
Net Income Approx. JPY 63 bil. (attributable to owners of the parent company)

² Including the portion of JSCC's revenue from deposited collateral asset which are passed on to clearing participants

Non-financial Commitments

Strengthening human resources through ongoing investment in human capital

Key KPIs

Monitor the following three indicators from the results of the engagement survey and aim to achieve a consistently high level.



³ A unique JPX indicator that scores questions selected from the overall survey to measure employee development and permeation of the corporate philosophy

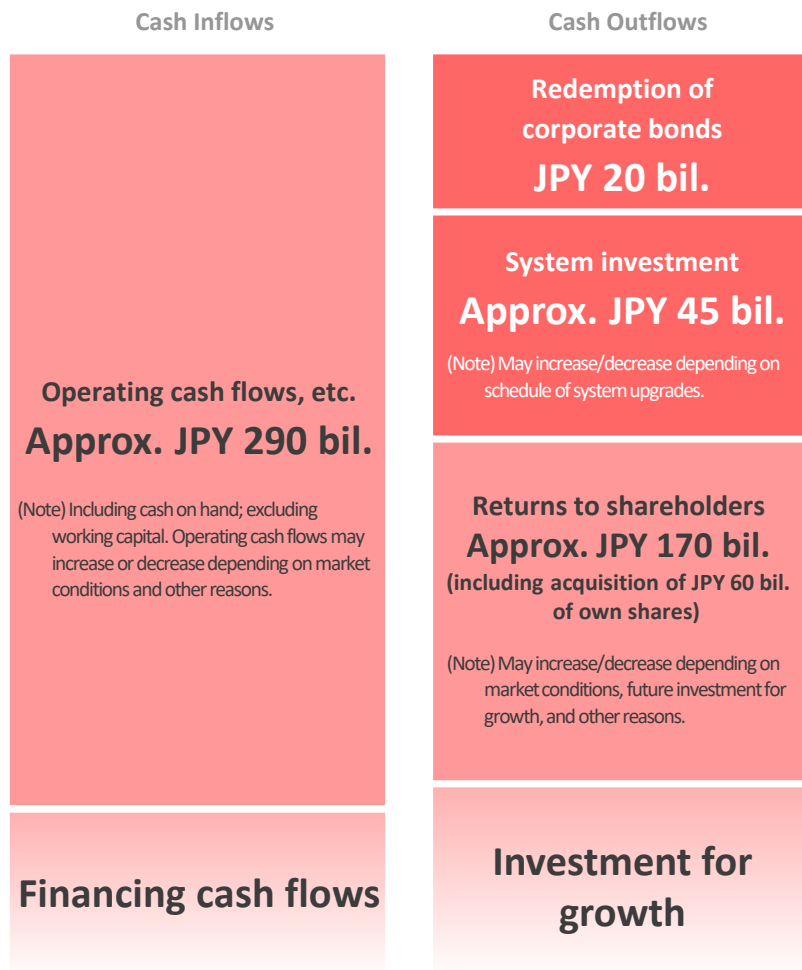
⁴ An average value of other companies calculated by the engagement survey contractor used by JPX

Stable provision of core systems and demonstration of resilience

Core systems: the cash equity trading system (arrowhead, ToSTNeT), derivatives trading system (J-GATE), clearing system, and integrated network (arrownet).

Resilience: Even when there is no choice but to suspend operations due to system failure or other reasons, minimize the impact on market users by quickly and smoothly resuming operations, including through back-up operations.

Cash Allocation for Three Years of Plan



Capital Policy

- Support the sustainable development and evolution of the market by making constant investment while keeping a balance between shareholder returns and financial resilience for stable market operations
- Irrespective of market conditions, maintain capital profitability exceeding capital cost over the mid to long term

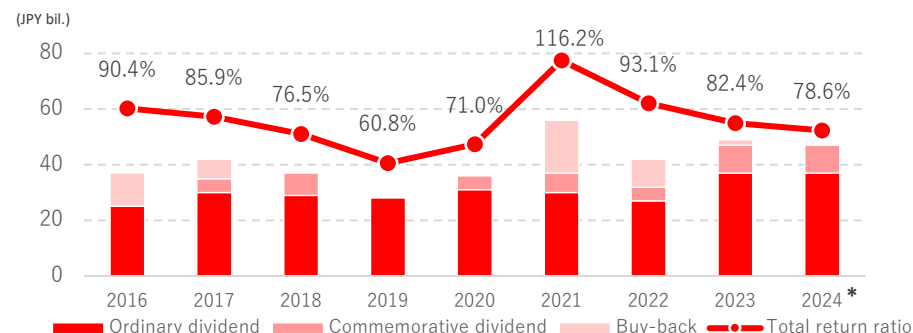
Returns to shareholders

Dividend payout ratio of at least 60%

Total of approx. JPY 170 bil. for three years (including acquisition of approx. JPY 60 bil. of own shares)

Note: May increase/decrease depending on market conditions, future investment for growth, and other reasons

(Ref.) Past total return ratios & returns to shareholders

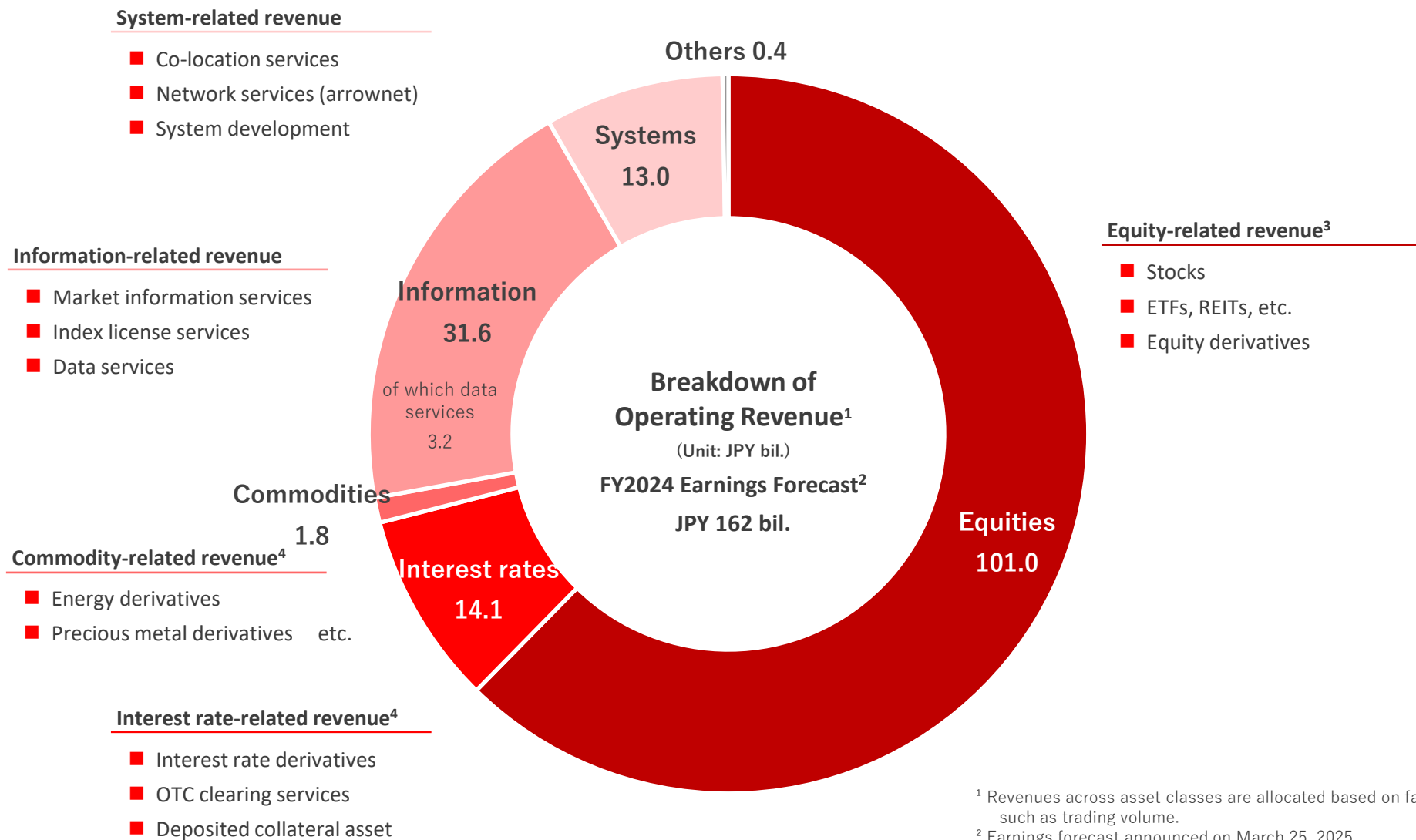


Returns for the three years of each Plan

2nd Medium-Term Management Plan	3rd Medium-Term Management Plan	Medium-Term Management Plan 2024
JPY 119 bil.	JPY 123.4 bil.	JPY 140.7 bil.*

* Estimated based on earnings forecast and dividend forecast announced on March 25, 2025

(Reference) Operating Revenue by Asset Class and Service



¹ Revenues across asset classes are allocated based on factors such as trading volume.
² Earnings forecast announced on March 25, 2025
³ Including listing, trading and clearing fees
⁴ Including trading and clearing fees

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