[Translation]

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Company Name: Japan Exchange Group, Inc.
Name of Representative: Akira Kiyota,
Director & Representative Executive Officer,
Group CEO
(Code No.: 8697, TSE 1st Section)
Inquiries: Corporate Communications
(Tel: +81-3-3666-1361)

Notice of Revision to Earnings Forecast and Dividend Forecast

We hereby announce that the consolidated earnings forecast and year-end dividend forecast for the fiscal year ending March 31, 2020 released on April 26, 2019 have been revised as follows.

1. Revised Consolidated Earnings Forecast for Fiscal Year from April 1, 2019 to March 31, 2020

(Figures indicated in millions of yen, unless stated otherwise)

	Operating revenue	Operating income	Income before income tax	Net income	Net income attributable to owners of the parent company	Basic earnings per share (yen)
Previous forecast <A>	122,000	66,000	66,500	46,400	46,000	85.88
Revised forecast <B>	117,000	60,000	60,500	42,400	42,000	78.44
Change <B - A>	(5,000)	(6,000)	(6,000)	(4,000)	(4,000)	
Change <%>	(4.1)%	(9.1)%	(9.0)%	(8.6)%	(8.7)%	
(Reference) Consolidated results for the fiscal year ended March 31, 2019	121,134	69,535	70,786	49,533	49,057	91.58

2. Reasons for Revision

In light of recent market conditions, we have revised the average daily trading values and volumes, which were the assumptions used in the consolidated earnings forecast in the "Consolidated financial results for the fiscal year ended March 31, 2019 (Based on IFRS), unaudited" disclosed on April 26, 2019 (hereinafter "previously disclosed material"). Specifically, the consolidated earnings forecast was revised based on the revised assumptions of average daily trading values and volumes (changes from previously disclosed material indicated in parentheses) of ¥2.8 trillion for cash equities[*1] (down ¥500 billion from previously disclosed material), 40,000 contracts for 10-year JGB futures (up 7,000 contracts), 107,000 contracts for TOPIX futures (down 1,000 contracts), 201,000 contracts for Nikkei 225 futures[*2] (down 14,000 contracts), and ¥23.0 billion for Nikkei 225 options[*3] (down ¥3.5 billion).

Furthermore, as disclosed today in the "Announcement concerning Result of the Tender Offer for Shares of Tokyo Commodity Exchange, Inc. and a Change of Subsidiary, etc.", Tokyo Commodity Exchange, Inc. (TOCOM) will become our consolidated subsidiary as of October 1, 2019. Consequently, as TOCOM's financial results will be reported in our consolidated financial results from the third quarter of the fiscal year ending March 2020, we have also taken this into account. However, the impact will not be significant.

*1 The trading value of stocks listed on the TSE 1st and 2nd Sections, Mothers, JASDAQ, and TOKYO PRO Market, and that of ETFs, ETNs, REITs, etc. (includes auction and off-auction trading)
*2 Includes Nikkei 225 mini contract volumes converted into large-sized contracts
*3 Excludes weekly options

3. Revised Dividend Forecast

We adopt 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 the group to pursue investment opportunities to raise the competitiveness of its markets as they arise.

In line with the above mentioned policy, dividend forecasts for the fiscal year ending March 31, 2020 have been revised as follows due to an expected decrease in net income attributable to owners of the parent company from the revision to the consolidated earnings forecast.

	Dividend per share (yen)		
	Second quarter	Year-end	Annual
Previous forecast	26.00	26.00	52.00
Revised forecast	24.00	24.00	48.00
For the fiscal year ended March 31, 2019	27.00	43.00	70.00

(Note) Breakdown of year-end dividend for the fiscal year ended March 31, 2019: Ordinary Dividend ¥28; Special Dividend ¥15

Note on Forward-looking Statements

This material contains earnings forecasts, projections, and other forward-looking statements, which are based on available information and certain assumptions that are considered reasonable at the time of preparation. Various factors may cause actual results to be materially different from those expressed in these forward-looking statements.

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