Overview of Earnings for Q1 FY2024

Japan Exchange Group, Inc.

July 30, 2024

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Overview of Earnings for Q1 FY2024 〔IFRS〕

Reference Materials

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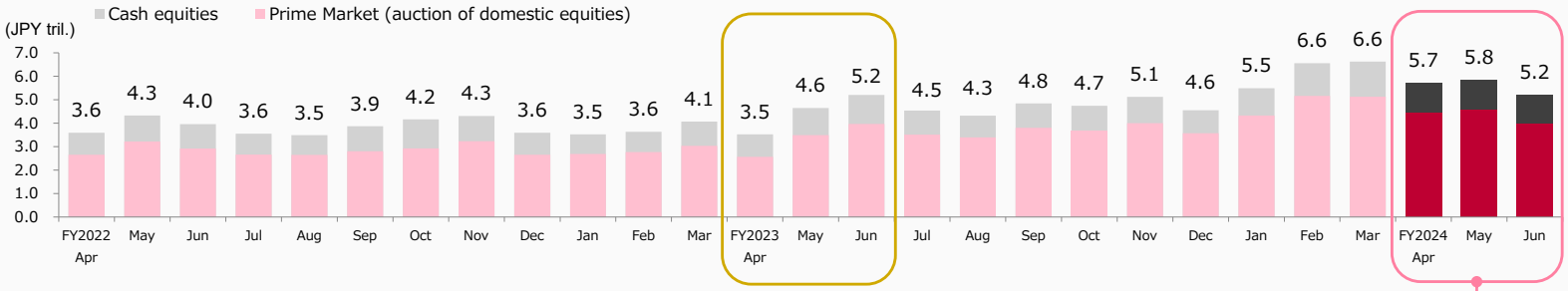
Overview of Earnings for Q1 FY2024 〔IFRS〕

(April 1, 2024 – June 30, 2024)

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Market Trends (Cash Equities)

Cash Equities Average Daily Trading Value (April 2022 – June 2024)



Daily Average Trading Value by Market Division (JPY)

		FY2022	FY2023	FY2024		
		Annual Ave.	Annual Ave.	Q1 Ave.	Q1 FY2023 Ave.	y/y
Auction	Prime Market Domestic Stocks	2.85 tril.	3.87 tril.	**4.33 tril.**	3.36 tril.	**+28.8 %**
	Standard Market	85.1 bil.	132.0 bil.	**143.9 bil.**	139.9 bil.	**+2.9 %**
	Growth Market	142.5 bil.	152.0 bil.	**125.5 bil.**	187.0 bil.	**(32.9 %)**
	ETFs / ETNs	251.9 bil.	244.6 bil.	**266.5 bil.**	237.0 bil.	**+12.5 %**
Off-auction		463.8 bil.	556.4 bil.	**689.4 bil.**	516.2 bil.	**+33.6 %**
Cash Equities (auction/off-auction) Total*		3.84 tril.	5.00 tril.	**5.60 tril.**	4.48 tril.	**+24.9 %**

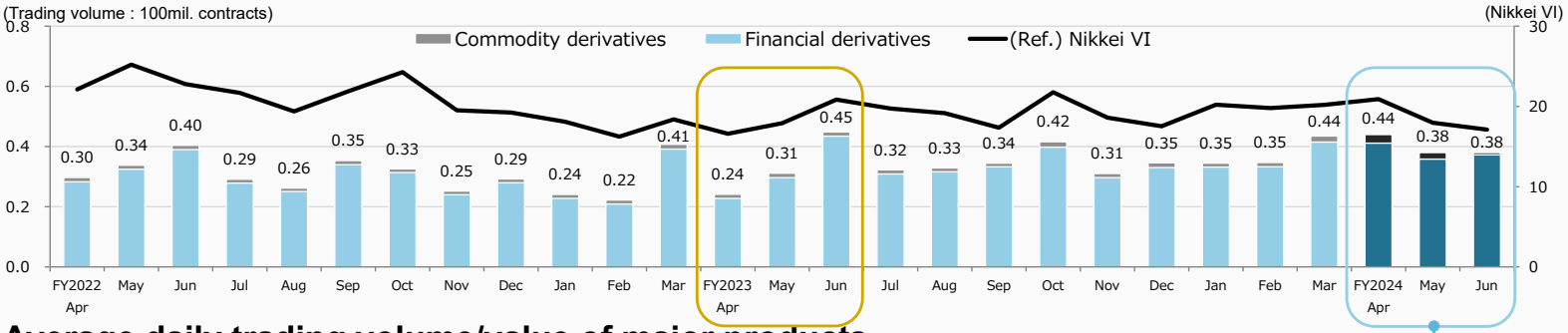
* Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.

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Market Trends (Derivatives)

Monthly Trading Volume (April 2022 – June 2024)

(Trading volume : 100mil. contracts)



Average daily trading volume/value of major products

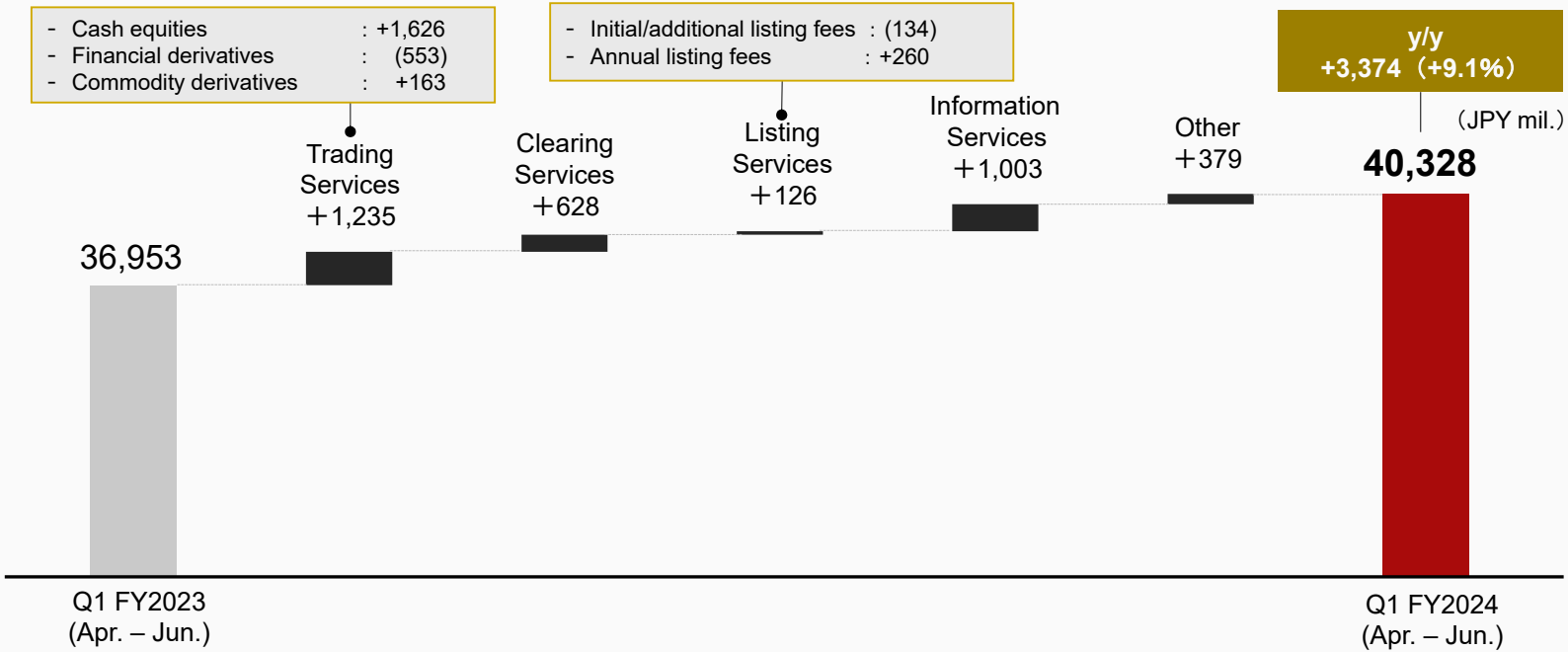
(Trading volume : 10,000 contracts)

	FY2022	FY2023	FY2024		
	Annual Ave.	Annual Ave.	Q1 Ave.	Q1 FY2023 Ave.	y/y
TOPIX Futures	10.4	11.1	**9.2**	11.5	**(19.4 %)**
Nikkei 225 Futures (Large)	8.8	8.7	**7.8**	9.4	**(17.7 %)**
Nikkei 225 mini	104.6	104.6	**98.3**	107.4	**(8.4 %)**
Nikkei 225 Options * Excluding Weekly Options	JPY 25.7 bil.	JPY 26.3 bil.	**JPY 19.2 bil.**	JPY 32.2 bil.	**(40.5 %)**
10-year JGB Futures	3.2	4.2	**5.1**	3.2	**+60.9 %**
Total Trading Volume for Financial Derivatives	352 mil. contracts	402 mil. contracts	**114 mil. contracts**	95 mil. contracts	**+19.2 %**
Gold Futures (standard)	2.9	3.3	**5.4**	3.2	**+67.9 %**
Platts Dubai Crude Oil	0.9	0.7	**0.6**	0.8	**(24.3 %)**
Total Trading Volume for Commodity Derivatives	1,583	1,772	**677**	431	**+56.9 %**

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Operating Revenue

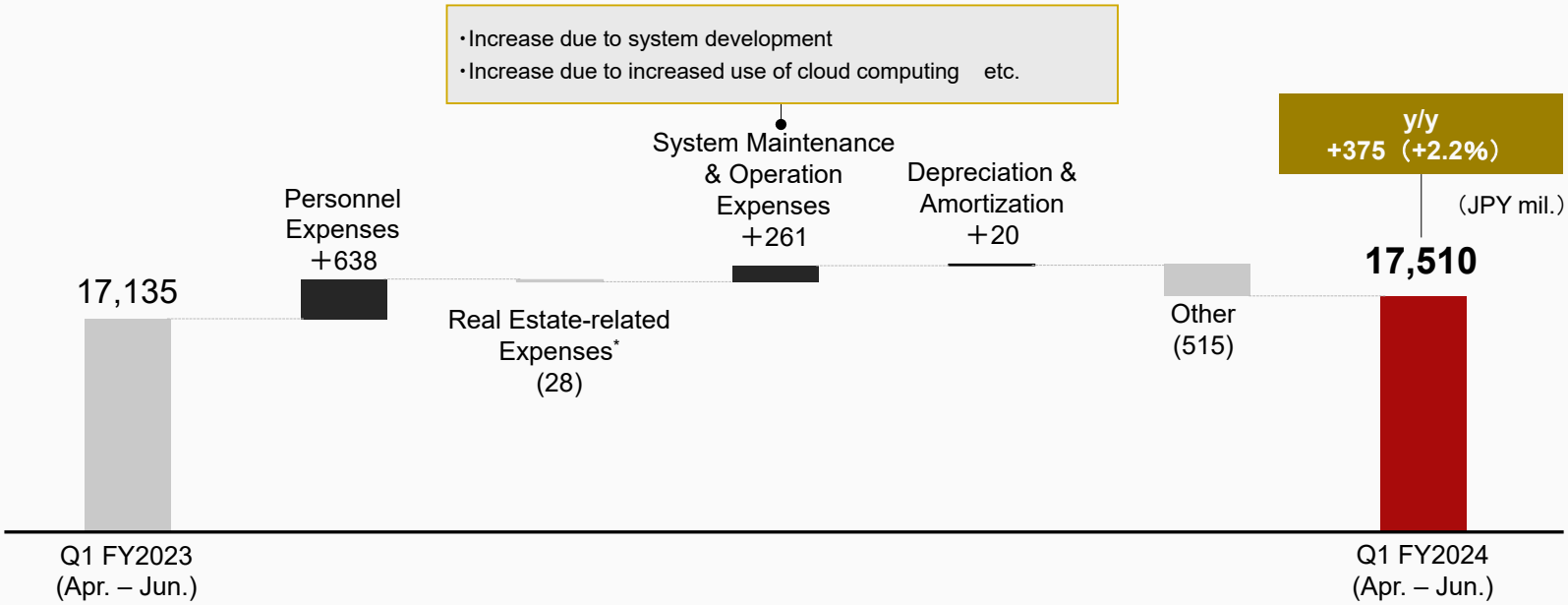
- Revenue from trading services and clearing services increased due mainly to an increase in cash equity trading.
- Revenue from information services increased due mainly to increases in revenue from index licensing fees and revenue from market data usage fees.



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Operating Expenses

- Personnel expenses increased due to factors such as wage increases.
- System maintenance and operation expenses increased due to system development and increased use of cloud computing.

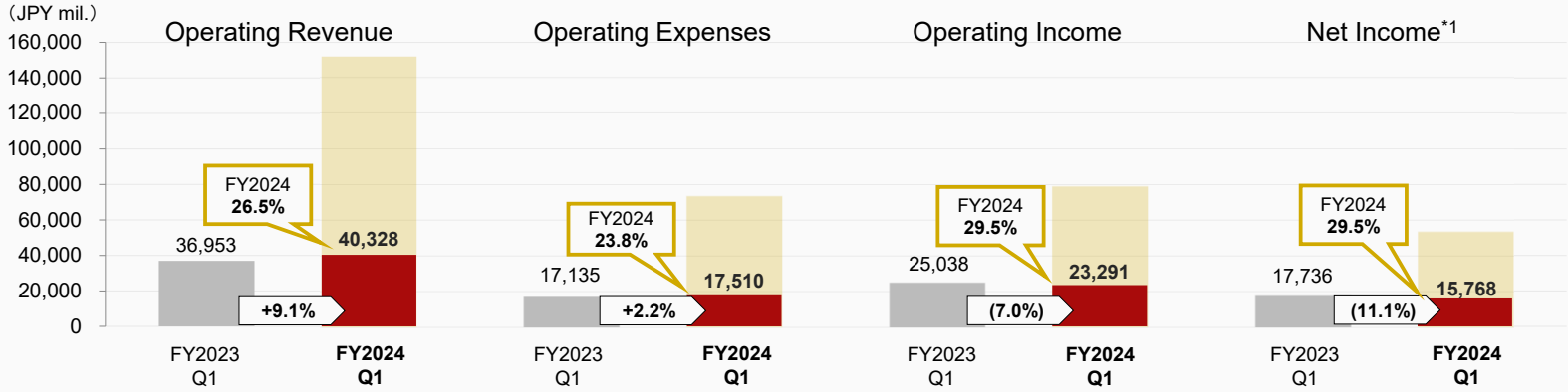


* A portion of real estate-related expenses, which are reported under depreciation in line with IFRS 16, Leases, is included under "Real Estate-related Expenses" in this chart.

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Highlights

- While operating revenue increased due to the lively Japanese stock market, among other things, net income for the period decreased 11.1% year-on-year due to a drop back down from the previous year, when income was recorded from the sales of some assets, and an increase in operating expenses.



*1 Net Income attributable to owners of the parent company.

■Average Daily Trading Volume/Value of Major Products

	Q1 FY2023	Q1 FY2024	
			y/y
Cash Equities *1 (trading value)	JPY 4,481.8 bil.	JPY 5,599.3 bil.	+24.9 %
TOPIX Futures (trading volume)	114,740 contracts	92,448 contracts	(19.4 %)
Nikkei 225 Futures *2 (trading volume)	201,760 contracts	176,045 contracts	(12.7 %)
Nikkei 225 Options *3 (trading value)	JPY 32.2 bil.	JPY 19.2 bil.	(40.5 %)
10-year JGB Futures (trading volume)	31,938 contracts	51,380 contracts	+60.9 %

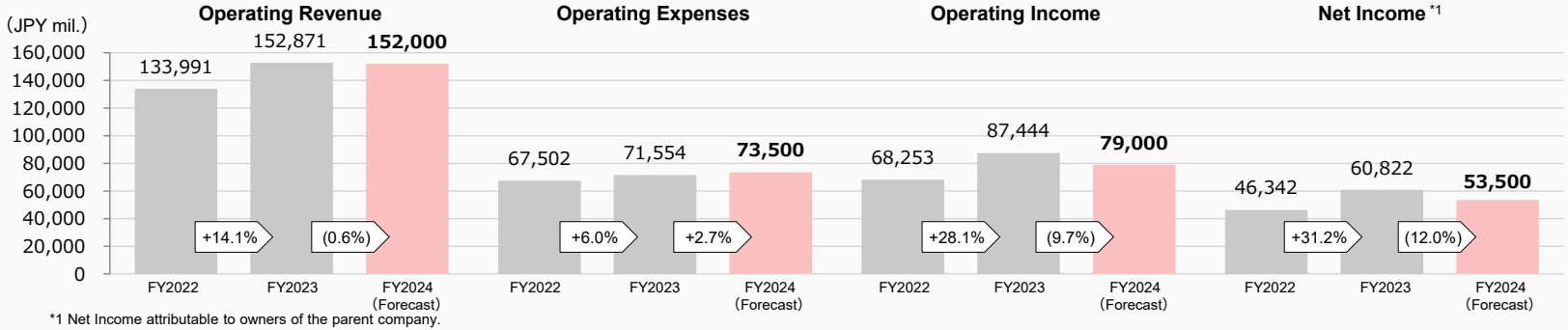
*1 Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and the TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.
*2 Contracts of Nikkei 225 mini are calculated using a factor of 1/10. *3 Excluding Weekly Options.

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FY2024 Forecast

No change from "Overview of Earnings for FY2023" published on April 30, 2024

- Operating revenue is expected to be at roughly the same level as the previous year, based on the assumption that the average daily trading value of cash equities will be at the same level as the previous year.
- Operating expenses increased by 2.7% year-on-year, mainly because the next-generation cash equities trading system is scheduled to go live in November 2024.
- Operating income decreased by 9.7% year-on-year due to a decrease back down from the previous year, when income was recorded from the sale of some assets, and an increase in operating expenses. Net income decreased by 12.0% year-on-year.



*1 Net Income attributable to owners of the parent company.

■Average Daily Trading Volume/Value of Major Products

	FY2022	FY2023		FY2024 (Forecast)	
			y/y		y/y
Cash Equities (trading value) *1	JPY 3,836.9 bil.	JPY 4,997.3 bil.	+30.2 %	JPY 5 tril.	+0.1 %
TOPIX Futures (trading volume)	104,415 contracts	111,051 contracts	+6.4 %	108,000 contracts	(2.7 %)
Nikkei 225 Futures (trading volume) *2	192,187 contracts	192,001 contracts	(0.1 %)	189,000 contracts	(1.6 %)
Nikkei 225 Options (trading value) *3	JPY 25.7 bil.	JPY 26.3 bil.	+2.4 %	JPY 24.5 bil.	(7.0 %)
10-year JGB Futures (trading volume)	32,191 contracts	41,737 contracts	+29.7 %	45,000 contracts	+7.8 %

*1 Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and the TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.
*2 Contracts of Nikkei 225 mini are calculated using a factor of 1/10. *3 Excluding Weekly Options.

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Reference Materials

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Referential Financial Data

■Quarterly Business Performance

(JPY mil.)

	FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	y/y
Operating Revenue	36,953	36,432	38,254	41,231	40,328	+9.1 %
Operating Expenses	17,135	17,209	17,106	20,103	17,510	+2.2 %
Operating Income	25,038	19,460	21,543	21,401	23,291	(7.0 %)
Net Income*	17,736	13,696	15,158	14,230	15,768	(11.1 %)
EBITDA	29,700	23,964	26,127	26,019	27,962	(5.9 %)

■Annual Business Performance

(JPY mil.)

	FY2019	FY2020	FY2021	FY2022	FY2023
Operating Revenue	123,688	133,343	135,432	133,991	152,871
Operating Expenses	58,532	61,394	63,220	67,502	71,554
Operating Income	68,533	74,565	73,473	68,253	87,444
Net Income*	47,609	51,389	49,955	46,342	60,822
EBITDA	85,683	91,594	91,025	87,275	105,811

* Net income attributable to owners of the parent company.

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Referential Financial Data

■Quarterly Operating Revenue

(JPY mil.)

	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1		
						Ratio	y/y
Trading services revenue	**15,118**	**14,458**	**15,047**	**16,960**	**16,354**	**40.6 %**	**+8.2 %**
Transaction Fees	12,606	11,991	12,488	14,390	13,755		+9.1 %
Cash Equities	9,280	9,151	9,398	11,332	10,812	78.6 %*1	+16.5 %
Financial Derivatives	2,959	2,517	2,695	2,665	2,408	17.5 %*1	(18.6 %)
TOPIX Futures	566	519	508	540	449		(20.8 %)
Nikkei 225 Futures (incl. mini)	1,179	1,026	1,024	1,086	1,007		(14.6 %)
Nikkei 225 Options *2	790	471	490	643	413		(47.7 %)
10-year JGB Futures	376	454	597	507	605		+60.9 %
Others	46	45	75	(112)	(66)		-
Commodity Derivatives	366	322	393	393	534	3.9 %*1	+45.7 %
Basic Fees	245	245	244	242	241		(1.7 %)
Access Fees	1,296	1,265	1,350	1,356	1,377		+6.2 %
Trading System Facilities Usage Fees	940	929	936	940	951		+1.2 %)
Others	28	26	28	30	28		(2.1 %)
Clearing services revenue	**7,974**	**7,781**	**8,378**	**8,751**	**8,602**	**21.3 %**	**+7.9 %**
Listing services revenue	**3,627**	**3,539**	**3,889**	**4,533**	**3,754**	**9.3 %**	**+3.5 %**
Initial/Additional Listing Fees	726	675	726	1,371	592		(18.4 %)
Annual Listing Fees	2,901	2,864	3,162	3,161	3,161		+9.0 %
Information services revenue	**7,142**	**7,414**	**7,619**	**7,586**	**8,146**	**20.2 %**	**+14.1 %**
Other	**3,090**	**3,237**	**3,319**	**3,399**	**3,470**	**8.6 %**	**+12.3 %**
arrownet Usage Fees	831	835	844	837	889		+7.0 %
Co-location Usage Fees	1,229	1,265	1,268	1,394	1,462		+18.9 %
Others*3	1,029	1,136	1,205	1,167	1,118		+8.6 %
Total	**36,953**	**36,432**	**38,254**	**41,231**	**40,328**	**100.0%**	**+9.1 %**

*1 Figures are indicate percentage of Transaction Fees.
*2 Excluding Weekly Options.
*3 Including Proximity Usage Fees.

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Referential Financial Data

■Annual Operating Revenue

(JPY mil.)

	FY2019	FY2020	FY2021	FY2022	FY2023
Trading services revenue	48,589	53,171	53,196	53,089	61,585
Clearing services revenue	26,427	27,939	27,945	28,008	32,885
Listing services revenue	14,322	16,660	15,736	13,666	15,590
Information services revenue	21,977	24,128	27,175	27,597	29,763
Other	12,371	11,443	11,378	11,630	13,047
Total	123,688	133,343	135,432	133,991	152,871

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Referential Financial Data

■Quarterly Operating Expenses*2

(JPY mil.)

	FY2023*1				FY2024*1		FY2024 IFRS 16 Leases applied	
	Q1	Q2	Q3	Q4	Q1	y/y	Q1	y/y
Personnel expenses	4,920	5,535	5,169	6,770	5,558	+13.0 %	5,558	+13.0 %
System maintenance & operation expenses	4,820	4,540	4,783	4,954	5,081	+5.4 %	5,081	+5.4 %
Depreciation & amortization	3,679	3,556	3,649	3,677	3,700	+0.6 %	4,634	+0.6 %
Real Estate-related Expenses	1,228	1,242	1,209	1,190	1,199	(2.4 %)	265	(12.5 %)
Other	2,485	2,334	2,293	3,510	1,969	(20.8 %)	1,969	(20.8 %)
Total	17,135	17,209	17,106	20,103	17,510	+2.2 %	17,510	+2.2 %

■Summary of annual operating expenses*1*2

(JPY mil.)

	FY2019	FY2020	FY2021	FY2022	FY2023
Personnel expenses	17,512	19,255	19,048	19,599	22,396
System maintenance & operation expenses	12,071	13,524	14,984	16,931	19,099
Depreciation & amortization	13,354	13,632	14,364	15,557	14,562
Real Estate-related Expenses	4,275	4,372	4,391	4,687	4,871
Other	11,318	10,609	10,431	10,727	10,624
Total	58,532	61,394	63,220	67,502	71,554

*1 A portion of real estate-related expenses, which are reported under depreciation in line with IFRS 16, Leases, is included under "Real Estate-related Expenses" in this chart..
*2 Expense recording classifications have been partially changed from the FY2022 financial results due to the establishment of JPX Market Innovation & Research, Inc. (system development-related costs previously included in "other" under operating expenses are now included in personnel expenses and system maintenance & operation expenses).

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Referential Financial Data

■Consolidated Statement of Financial Position

(JPY mil.)

			As of Mar. 31,2024	As of Jun. 30,2024
Assets				
	Current assets			
		Cash and cash equivalents	128,019	103,147
		Trade and other receivables	19,550	22,105
	*1	Clearing business financial assets	70,741,262	73,975,808
	*2	Specified assets for deposits from clearing participants	9,490,971	8,886,971
	*3	Specified assets for legal guarantee funds	620	617
		Income tax receivables	7,374	6,651
		Other financial assets	110,810	108,310
		Other current assets	2,619	2,100
	Total current assets		80,501,228	83,105,711
	Non-current assets			
		Property and equipment	13,199	11,952
		Goodwill	71,184	71,184
		Intangible assets	32,768	35,958
		Retirement benefit assets	791	776
		Investments accounted for using the equity method	19,619	19,836
	*5	Specified assets for default compensation reserve funds	27,948	27,948
		Other financial assets	3,449	3,539
		Other non-current assets	5,897	5,848
		Deferred tax assets	6,539	6,586
	Total non-current assets		181,398	183,630
Total assets			80,682,627	83,289,342

			As of Mar. 31,2024	As of Jun. 30,2024
Liabilities and equity				
	Liabilities			
		Current liabilities		
		Trade and other payables	4,233	8,460
		Bonds and loans payable	32,500	32,500
	*1	Clearing business financial liabilities	70,741,262	73,975,808
	*2	Deposits from clearing participants	9,490,971	8,886,971
	*3	Legal guarantee funds	620	617
	*4	Trading participant security money	8,885	10,442
		Income tax payables	17,143	6,590
		Other current liabilities	14,165	12,779
		Total current liabilities	80,309,783	82,934,170
		Non-current liabilities		
		Bonds and loans payable	19,980	19,982
		Retirement benefit liabilities	8,462	8,574
		Other non-current liabilities	5,834	3,770
		Total non-current liabilities	34,277	32,327
	Total liabilities		80,344,060	82,966,497
	Equity			
		Share capital	11,500	11,500
		Capital surplus	38,840	38,840
		Treasury shares	(3,839)	(4,442)
		Other components of equity	522	580
	*6	Retained earnings	281,336	265,767
		Total equity attributable to owners of the parent company	328,359	312,245
		Non-controlling interests	10,206	10,599
	Total equity		338,566	322,844
Total liabilities and equity			80,682,627	83,289,342

*1 Clearing business financial assets and liabilities assumed as a clearing organization
*2 Deposits from clearing participants deposited by clearing participants as collateral
*3 *4 *5 Deposits and reserve funds based on the rules for securing the safety of financial instruments transactions and other transactions
*6 Including “default compensation reserve funds*5”

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Referential Financial Data

■Assets, Liabilities, and Equity

For assets and liabilities of JPX Group, “clearing business financial assets and liabilities*1” assumed by JSCC as a clearing organization and "deposits from clearing participants*2" deposited by clearing participants as collateral are included under both assets and liabilities. "Clearing business financial assets and liabilities*1" and "deposits from clearing participants*2" have a large impact on the amount of assets and liabilities of JPX Group due to their sizable amounts and daily fluctuations subject to changes in, for example, clearing participants' positions. In addition, "legal guarantee funds*3", "trading participant security money*4", and "default compensation reserve funds*5" based on the rules for securing the safety of financial instruments transactions and commodity derivatives transactions are included both under assets and either liabilities or equity.

The figures shown in parentheses in the table below are those calculated by excluding "clearing business financial assets*1", "deposits from clearing participants*2", "legal guarantee funds*3", and "default compensation reserve funds*5" for total assets, and by excluding "default compensation reserve funds*5" for total equity and total equity attributable to owners of the parent company.

	Total assets	Total equity	Total equity attributable to owners of the parent company	Ratio of total equity attributable to owners of the parent company to total assets
	JPY mil.	JPY mil.	JPY mil.	%
FY2024 Q1	83,289,342 (397,997)	322,844 (294,896)	312,245 (284,297)	0.4 (71.4)
FY2023	80,682,627 (421,823)	338,566 (310,618)	328,359 (300,411)	0.4 (71.2)

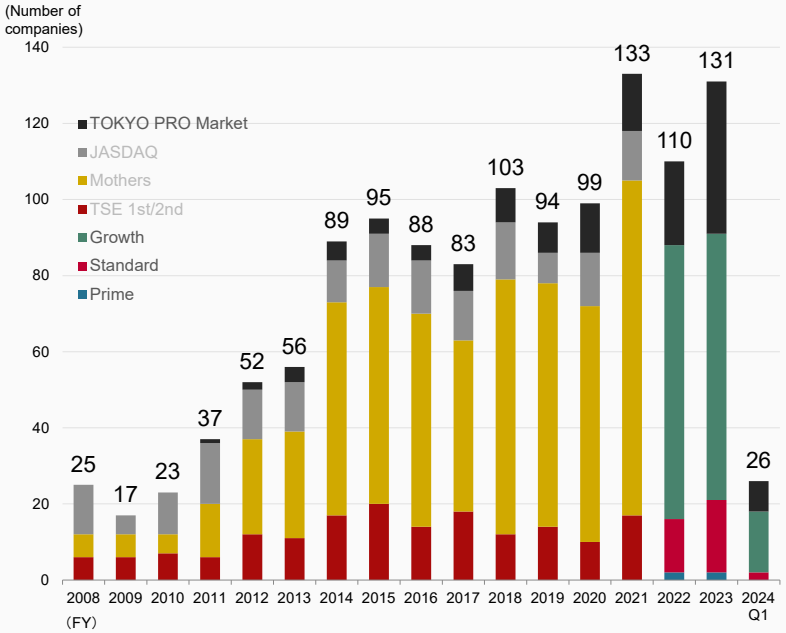
* The footnotes from page 15 also apply in those the contents of this page.

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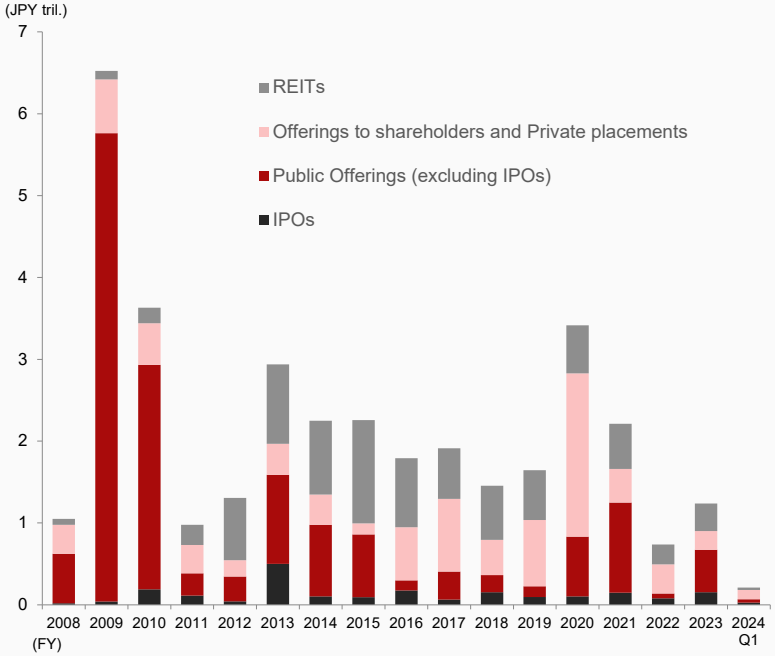
IPO / PO Trends

- The number of IPOs at TSE was 26, down from 30 in the same period a year earlier.

■IPOs at TSE



■Financing by Listed Companies and REITs



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Major Products Data

■Trading Volume/Value

	FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	y/y
Trading Value of Cash Equities (JPY mil.)						
Prime *1	237,858,406	248,410,119	263,533,065	319,031,021	307,704,114	+29.4 %
Standard *1	9,061,688	7,109,093	7,787,006	9,838,482	9,388,943	+3.6 %
Growth *1	11,846,732	9,064,752	7,349,236	9,687,670	8,011,480	(32.4 %)
ETFs/ETNs and REITs etc. *2	19,105,255	18,045,914	18,913,559	22,700,184	22,052,054	+15.4 %
Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	7,113,869	6,643,255	6,540,400	6,798,882	5,731,776	(19.4 %)
Total Nikkei 225 Futures/mini *3	12,509,141	11,244,413	11,394,522	11,700,095	10,914,805	(12.7 %)
Nikkei 225 Futures	5,851,383	5,059,859	5,086,223	5,323,020	4,817,579	(17.7 %)
Nikkei 225 mini	66,577,581	61,845,536	63,082,986	63,770,754	60,972,256	(8.4 %)
Nikkei 225 Options (JPY mil.) *4	1,998,220	1,314,412	1,259,361	1,856,213	1,188,309	(40.5 %)
10-year JGB Futures	1,980,167	2,392,173	3,142,085	2,669,467	3,185,570	+60.9 %
Commodity Derivatives Trading Volume (contracts) *5						
Gold Futures (Total standard/mini/rolling spot) *6	2,082,341	1,741,923	2,386,232	2,252,751	3,501,501	+68.2 %
Platinum Futures (Total standard/mini/rolling spot) *7	625,846	542,671	718,630	900,668	994,128	+58.8 %
Platts Dubai Crude Oil	487,975	436,206	435,607	377,936	369,580	(24.3 %)
Rubber Futures (RSS3)	136,964	210,652	140,356	137,946	113,515	(17.1 %)

■Average Daily Trading Volume/Value

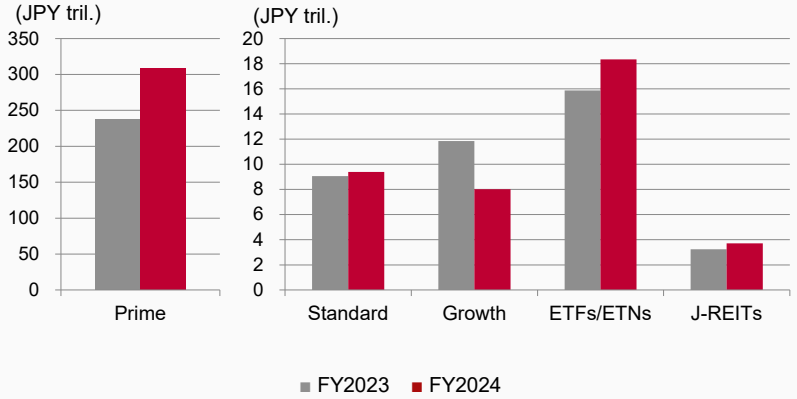
	FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	y/y
Trading Value of Cash Equities (JPY mil.) *8	4,481,810	4,558,608	4,799,738	6,228,576	5,599,304	+24.9 %
Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	114,740	107,149	105,490	117,222	92,448	(19.4 %)
Total Nikkei 225 Futures/mini *3	201,760	181,361	183,783	201,726	176,045	(12.7 %)
Nikkei 225 Futures	94,377	81,611	82,036	91,776	77,703	(17.7 %)
Nikkei 225 mini	1,073,832	997,509	1,017,468	1,099,496	983,423	(8.4 %)
Nikkei 225 Options (JPY mil.) *4	32,229	21,200	20,312	32,004	19,166	(40.5 %)
10-year JGB Futures	31,938	38,583	50,679	46,025	51,380	+60.9 %
Commodity Derivatives Trading Volume (contracts) *5						
Gold Futures (Total standard/mini/rolling spot) *6	33,586	28,096	38,488	38,841	56,476	+68.2 %
Platinum Futures (Total standard/mini/rolling spot) *7	10,094	8,753	11,591	15,529	16,034	+58.8 %
Platts Dubai Crude Oil	7,871	7,036	7,026	6,516	5,961	(24.3 %)
Rubber Futures (RSS3)	2,209	3,398	2,264	2,378	1,831	(17.1 %)

*1 Value of auction and off-auction trading of common stocks. *2 Total value of auction and off-auction trading. *3 Nikkei 225 mini contracts are calculated using a factor of 1/10.
*4 Excluding Weekly Options. *5 Excluding cash-settled contracts. *6 Mini and rolling spot contracts are calculated using a factor of 1/10. *7 Mini and rolling spot contracts are calculated using a factor of 1/5. *8 Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and the TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.

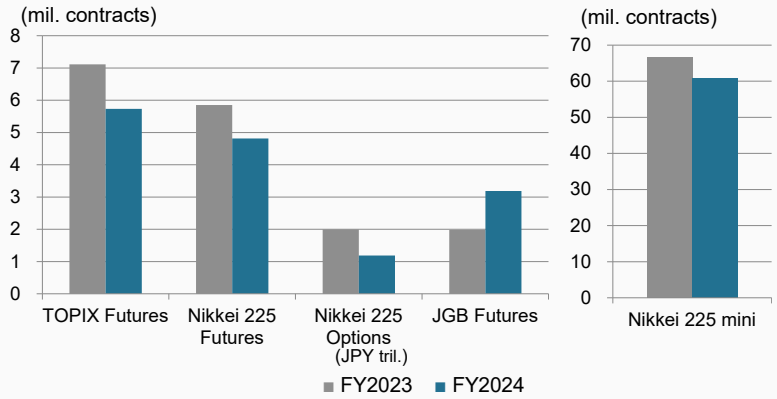
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Major Products Data

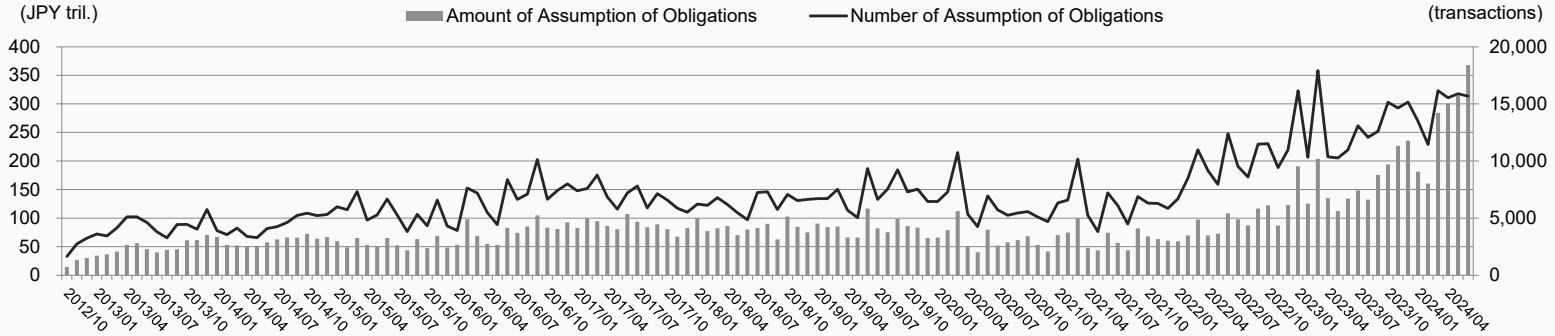
■Trading Value for Cash Equities in Q1



■Trading Volume for Derivatives in Q1

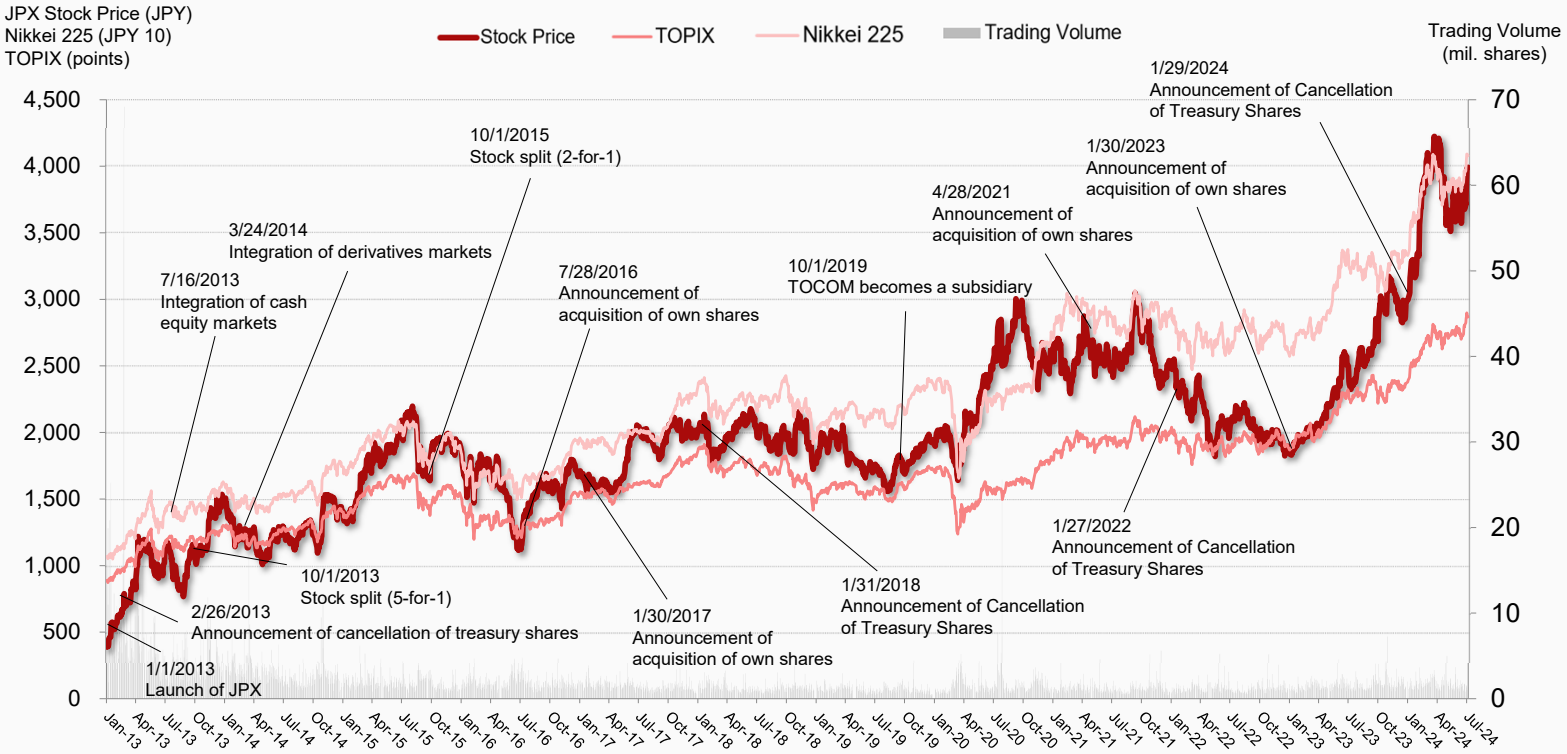


■ Number and Amount of Assumption of Obligations (Interest Rate Swaps)



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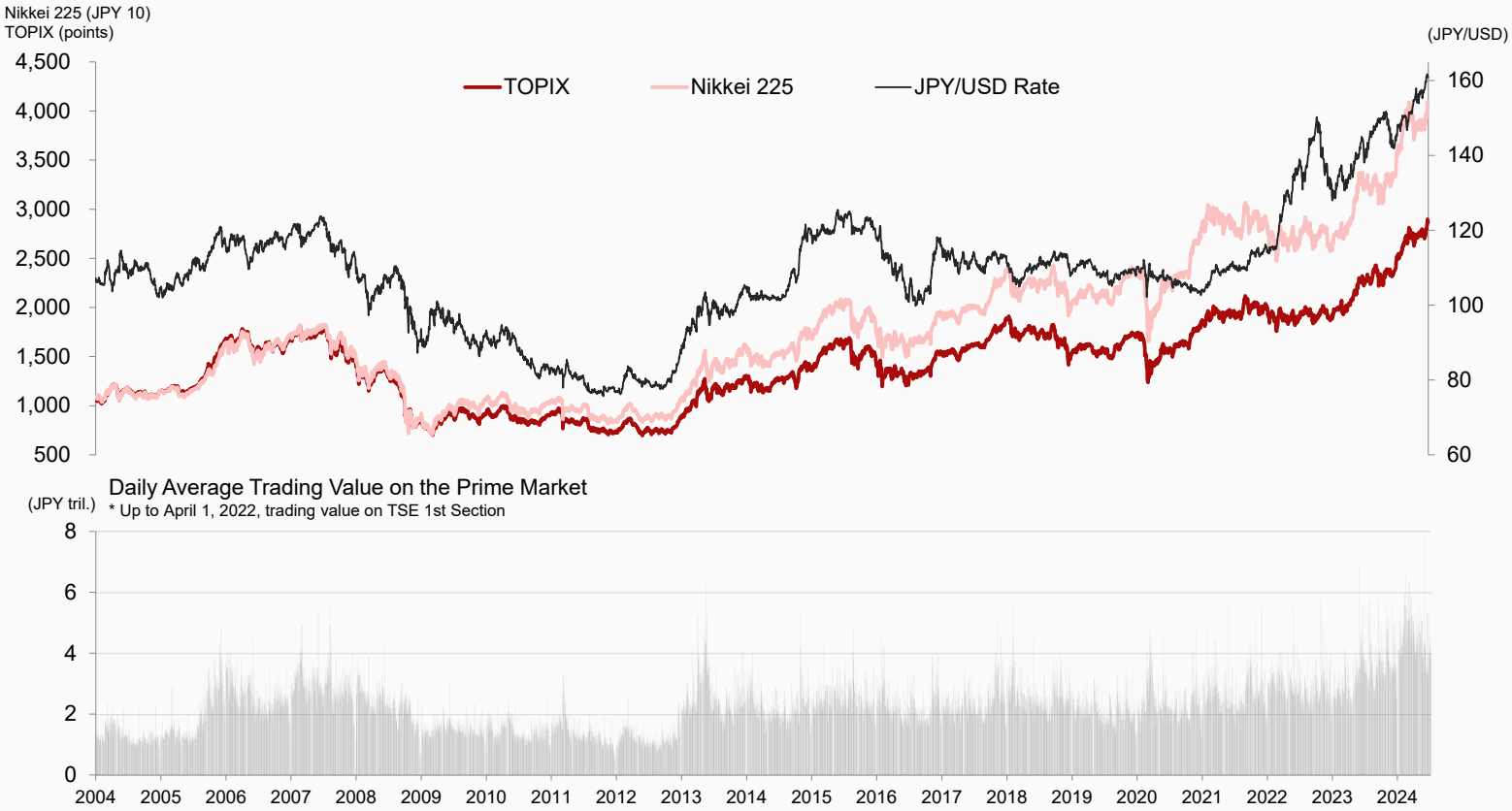
JPX Stock Price



Listed on both the TSE1st Section and JASDAQ from January 1 to July 15, 2013. Prices above are prices on the TSE1st Section. Trading volumes above are the total of those on TSE1st Section and JASDAQ. Two stock splits were conducted separately with respective effective dates of October 1, 2013 and October 1, 2015. Stock prices and trading volume before said stock splits were converted to reflect both events.

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Japanese Stock Market

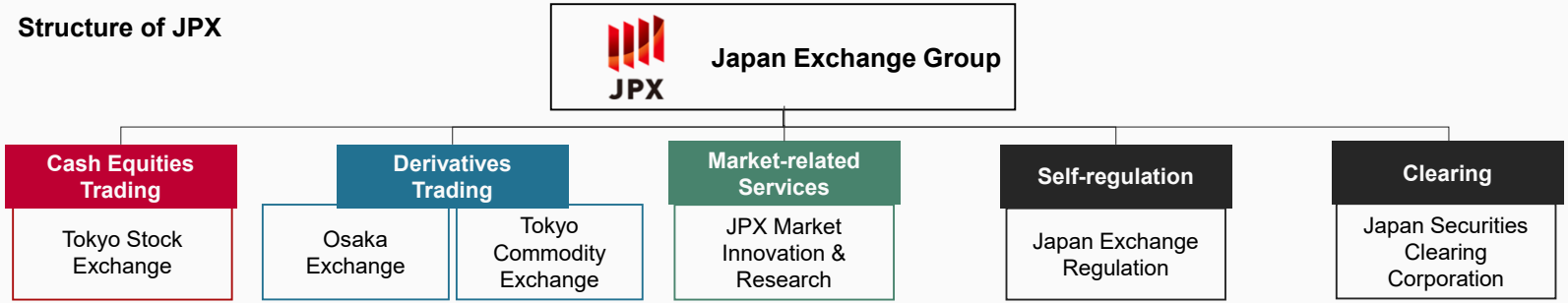


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Outline of JPX Stock

Stock Code	**8697**
Listed Exchange	**Tokyo Stock Exchange Prime market**
Fiscal Year End	**March 31**
Annual General Shareholders Meeting	**June**
Record Date	**Annual general shareholders meeting: March 31** **Year-end dividend: March 31** **Interim dividend: September 30**
Number of Shares in One Trading Unit	**100 shares**
Total number of shares issued	**522,289,183**
Basic Policy on Profit Distribution	**JPX 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 the group to pursue investment opportunities to raise the competitiveness of its markets as they arise.**

Structure of JPX



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These materials contain forward-looking statements. These statements are based on our assumptions and beliefs in light of the information currently available to us and are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of these materials. We disclaim any obligation to update any of the forward-looking statements contained in these materials to reflect future actual events or developments.

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