



Overview of Earnings for 1Q FY2013

Japan Exchange Group, Inc.

July 30, 2013

- I. Overview of Earnings for 1Q FY2013
- II. Business Developments
- III. Reference Material

** Our fiscal year of JPX begins on April 1 and ends on March 31.*

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These materials are prepared solely for the purpose of providing information regarding Japan Exchange Group Inc., and as such, they are not intended as any offer or sale of securities or other similar action whether inside or outside Japan. Our securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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.

II. Overview of Earnings for 1Q FY2013 (April 1 – June 30, 2013)

[Regarding JPX Earnings for previous Fiscal Year]

- The consolidated financial statements of Japan Exchange Group, Inc. (JPX) is created based on this combination succeed the consolidated financial statements of former TSEG in accordance with accounting standards pertaining to corporate combination.
- Since an establishment of JPX was on January 1, 2013, figures for 4Q FY2012 or later are figures of the combined company, which is comprised of former TSEG and former OSE. Also, As a result of a tender offer for shares of the former OSE by former TSEG, former OSE became its consolidated subsidiary (the deemed acquisition date is September 30, 2012), and the profits and losses of the former OSE for 3 quarter (from October 1, 2012 to December 31, 2012) are included in the consolidated cumulative financial results of JPX. On the other hand, the profits and losses of the former OSE for the 1st half (from April 1, 2012 to September 30, 2012) are not included.
- Therefore, combined figures, which include the profits and losses of former OSE for the 1st half (from April 1, 2012 to September 30, 2012), are shown as references in this material. Regarding these combination calculations, the profits and losses for former OSE are converted into JPX's accounting items, therefore, the combined figures may differ from that obtained by aggregating the figures in the financial statements of former TSEG and former OSE.



Highlights and FY2013 Forecast

- Revenue and profits increased due to increased trading in both cash equities and derivatives

(JPY mil.)

	1Q (April-June, cumulative total)			Full Year		
	1Q FY2012 (Total of former TSEG & former OSE's 1H)	1Q FY2013		FY2012 (Total of JPX & former OSE's 1H)	FY2013 (Forecast)	
			y/y			y/y
Operating Revenue	19,179	36,099	+88.2%	82,504	101,500	+23.0%
Operating Expenses	13,960	18,156	+30.1%	59,633	65,000	+9.0%
Operating Income	5,218	17,943	+243.8%	22,871	36,500	+59.6%
Ordinary Income	5,813	18,655	+220.9%	25,259	38,000	+50.4%
Net Income	3,499	11,209	+220.3%	12,953	22,000	+69.8%
EBITDA	8,556	23,089	+169.9%	37,026	-	-
Dividend per share	-	-	-	-	JPY160.00*	-

* Dividend of JPY 160.00 does not consider that a 5-for-1 stock split will be conducted with an effective date of October1, 2013.

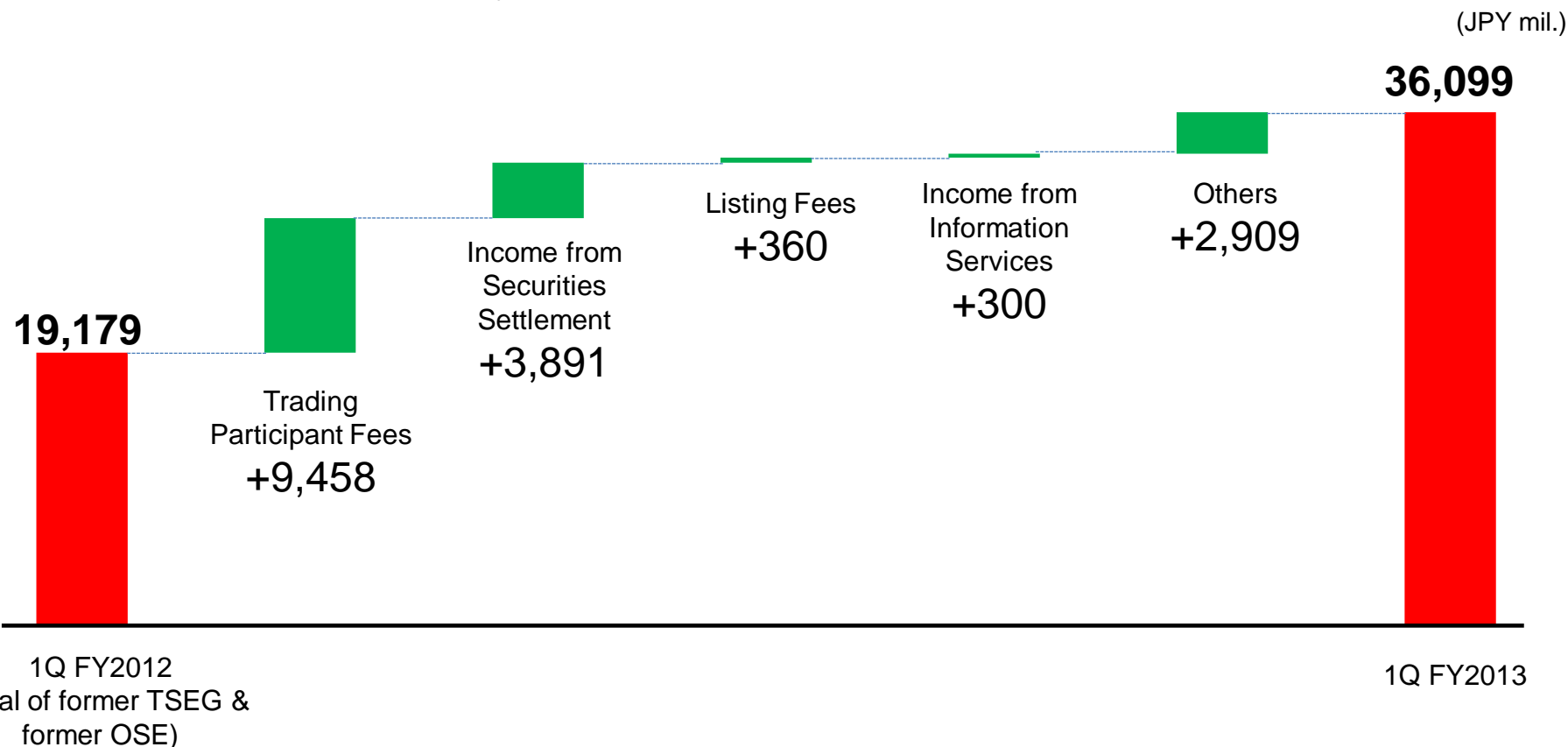
➤ Average Daily Trading Volume/Value of Major Products

	1Q FY2012	1Q FY2013		FY2012	FY2013 (Assumptions for forecasts)	
			y/y			y/y
		Equities (trading value) *1	JPY 1,265.9 bil		JPY 3,721.3 bil	+194%
TOPIX futures (trading volume)	64,649contracts	116,257contracts	+80%	68,204contracts	91,000contracts	+33%
Nikkei 225 Futures *2 (trading volume)	138,589contracts	302,657contracts	+118%	153,087contracts	212,000contracts	+38%
10-year JGB futures (trading volume)	39,538contracts	42,720contracts	+8%	38,700contracts	40,000contracts	+3%
Nikkei 225 Options (trading value)	JPY 19.5 bil	JPY 64.0 bil	+227%	JPY 23.5 bil	JPY 41.0 bil	+74%

*1 Total of trading value in TSE 1st /2nd Sections, Mothers, former OSE 1st /2nd Sections and JASDAQ *2 Including Nikkei 225 mini (calculated using factor of 1/10) 5

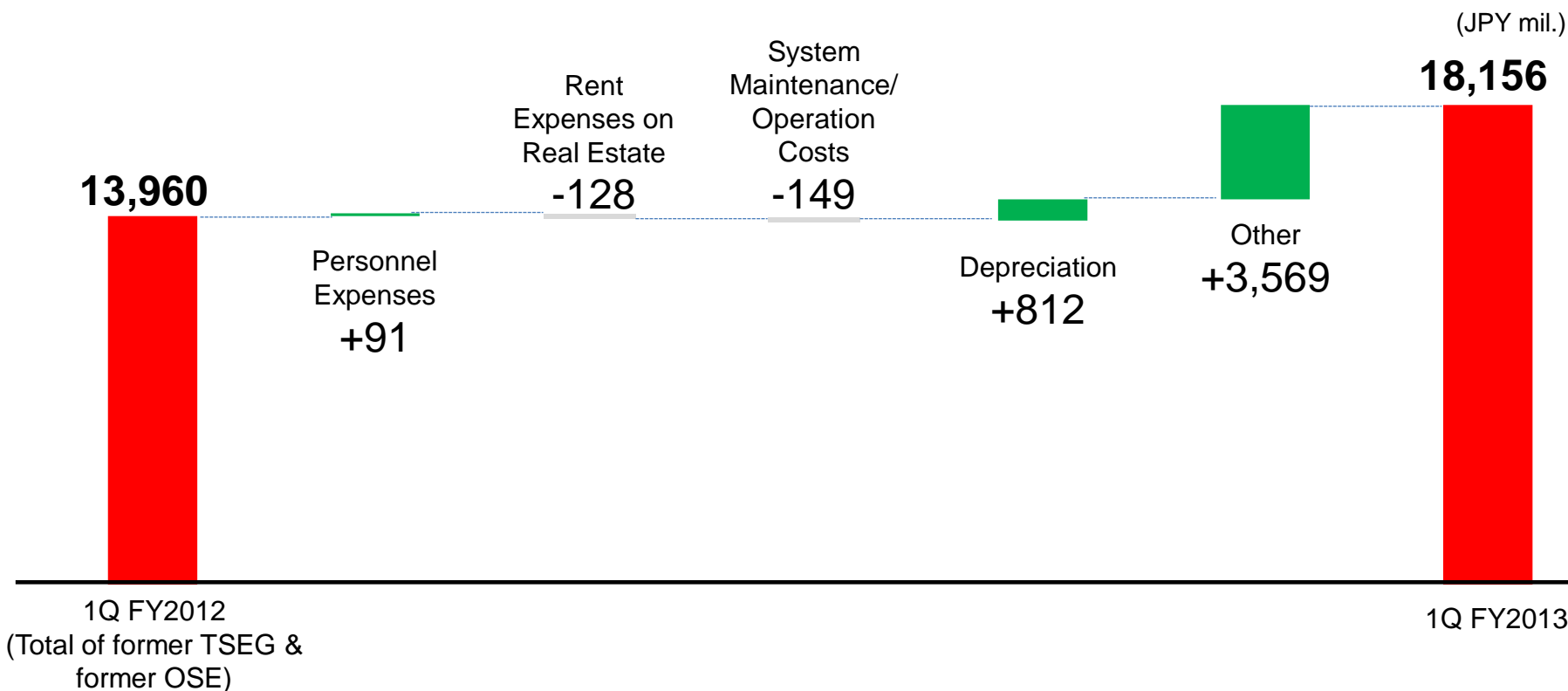
Operating Revenue

- Revenue from Trading Participant Fees and Income from Securities Settlement increased drastically due to an increase in cash equities and derivatives trading.
- The launch of yen-denominated IRS clearing in October 2012 also contributed to an increase in Income from Securities Settlement.
- “Other” revenue increased due to an increase in income from systems development and operations, etc. of Tosho System Service Co., Ltd.



Operating Expenses

- Rent Expenses on Real Estate decreased due to a change in the rent agreement on the TSE building (Annual decrease of approx. JPY500 mil.)
- Depreciation increased by JPY800 mil. due to accelerated amortization from trading system integration, etc.
- “Other” expenses increased mainly due to goodwill amortization (JPY860 mil.) and an increase in system development costs which is connected to an increase in the system development-related income of Tosho System Service Co., Ltd., etc.



II. Business Developments



Generating Synergy Effect



Completed Cash Equity Market Integration, etc.

■ Consolidated cash equities markets under TSE

- ✓ World's No.3 exchange in the market capitalization (JPY442tril.) and the number of listed companies (3,423 companies)
- ✓ Composed of TSE of 1st/2nd Sections, Mothers, JASDAQ, and TOKYO PRO Market

■ Consolidated trading systems to arrowhead (off-auction: ToSTNeT)

- ✓ Completed accelerated amortization of former OSE's cash equity system

■ Consolidate d self-regulatory functions under TSE Regulation

- ✓ Shifted self-regulatory functions of derivatives market

■ Consolidated clearing functions under JSCC

- ✓ Further improve risk management functions
- ✓ Improve liquidity and participant capital efficiency via unified margin system

■ Consolidate derivatives markets under OSE

- ✓ Consolidate trading system to J-GATE (using NASDAQ OMX Click XT)
- ✓ Facilitate trading of a wide-range of derivatives products on a single platform, including Nikkei 225 products, TOPIX products, and JGB products
- ✓ Facilitate extension of evening trading hours to 3 am for TOPIX futures and options, JGB futures and options, etc.

■ Announced the Outline of the Small-tick Program (May 14)

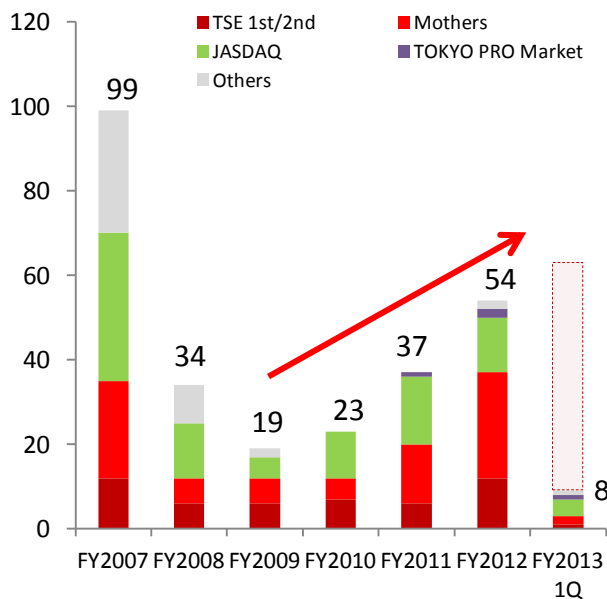
- Phase I (Jan. 2014): Revise tick sizes above ¥3,000 for TOPIX100 constituents
- Phase II (Jul. 2014): Introduce sub-yen tick sizes at ¥5,000 or below for TOPIX100 constituents
- Phase III (mid-2015): Optimize tick sizes based on a review of phase I/II

■ Announced the Outline of the New Index (Jul. 30)

- Constituent selection based on comprehensive assessment of corporate performance using ROE and other indicators, as well as market liquidity indicators. Also consider including qualitative aspects such as matters pertaining to disclosure in constituent selection.
- Consider a maximum of approximately 500 constituents

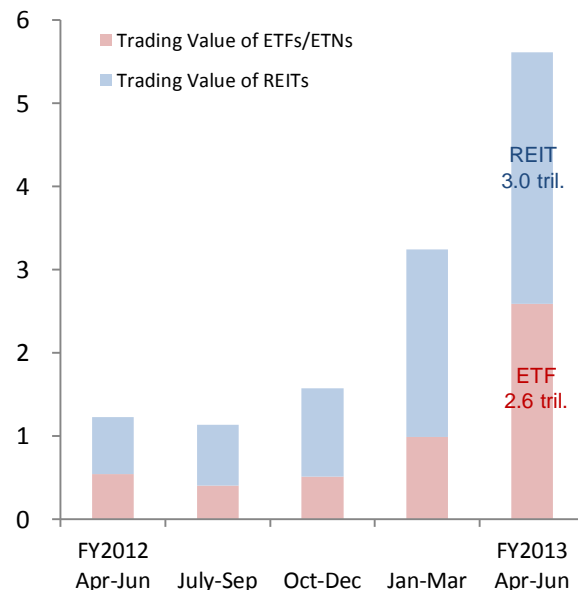
➤ IPOs in Japan

(companies)



➤ ETF/ETN and J-REITs

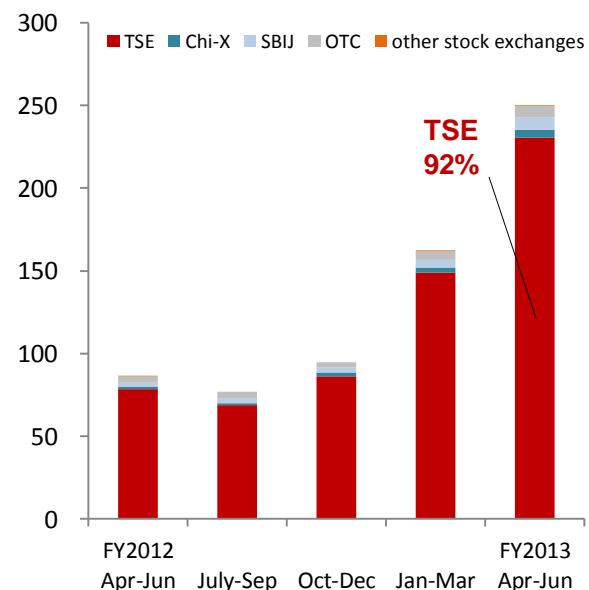
(JPY tril.)



➤ Trading Value of Stocks in Japan

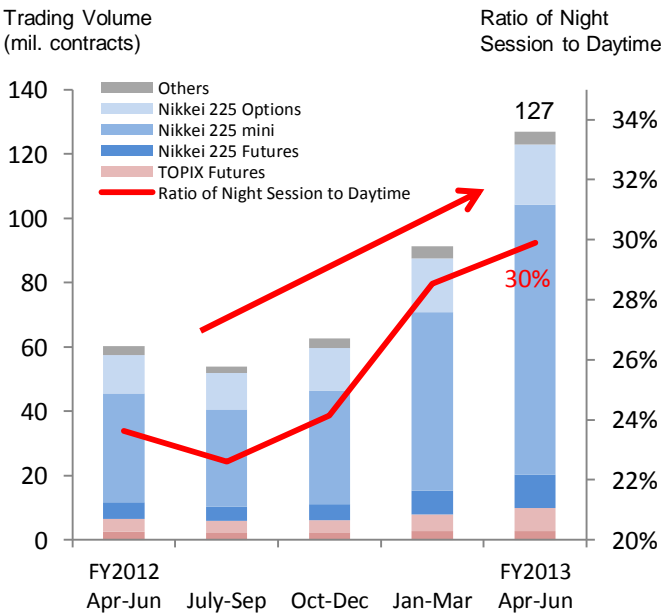
(JPY tril.)

TSE: Total of trading value in TSE1st/2nd Sections, Mothers, former OSE 1st/2nd Sections and JASDAQ



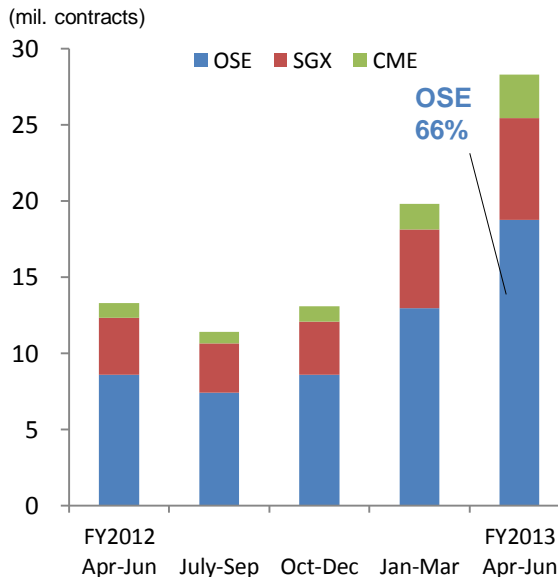
- **Announced the Development of Rules in Connection with the Integration of Derivatives Markets (planned for Mar. 2014) (Jun. 18)**
 - Extend trading hours for TOPIX futures and JGB futures to 3 am from Mar. 2014 onward
- **Announced the Resumption of 20-year JGB Futures Trading from Apr. 2014 onward (Jun. 18)**
 - Respond to demand for 20-year JGB futures in connection with the increase in the issuance and trading value of super-long-term zone JGBs, including 20-year interest-bearing JGBs
- **Scheduled to commence trading of yen-denominated futures of India's leading CNX Nifty stock price index by Mar. 2014**
- **JSCC (Japan Securities Clearing Corporation) and JGBCC (Japan Government Bond Clearing Corporation) scheduled to merge on Oct. 1**
- **Released Report by the Study Group on the Listed Infrastructure Market (May 14)**
 - Continue to discuss schemes such as those for listed infrastructure funds, listed infrastructure trusts, and foreign funds.

➤ JPX's Derivatives Trading Volume and Ratio of Night Session to Daytime

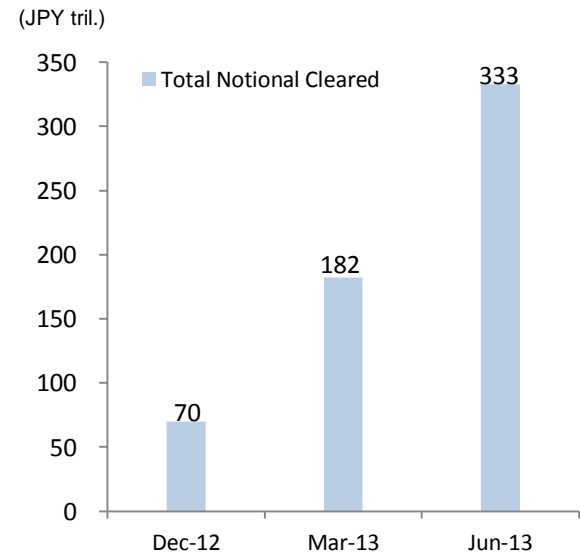


➤ Trading Volume of Nikkei 225 Futures

OSE's mini calculation factor is 1/10, SGX's large (including USD denominated) is 1/2, mini is 1/10, and CME's USD denominated and JPY denominated contracts are 1/2.



➤ IRS Clearing (Cleared Open Interest)



■ Announced Stock Split (Jun. 3)

- Conduct a 5-for-1 stock split (effective date Oct. 1) to increase liquidity and further enlarge the investor base

■ Began Operations under the New Management Team following approval at the first General Shareholders Meeting as JPX (Jun. 18)

- Mr. Akira Kiyota (former Honorary Chairman of Daiwa Securities Group Inc.), Mr. Hiromi Yamaji (former Executive Vice President at Nomura Securities Co., Ltd.), and Mr. Takafumi Sato (former Commissioner of the Financial Services Agency, Japan) were brought in to lead subsidiaries Tokyo Stock Exchange, Osaka Securities Exchange, and Tokyo Stock Exchange Regulation respectively

■ Announced Upward Revision to Earnings Forecast (Jul. 19)

➤ Governance Structure of JPX since June 18

Directors (* Outside directors)

Masakazu Hayashi	Chairperson of the Board of Directors	Hideaki Kubori *	(Attorney-at-law)
Atsushi Saito	Director & Representative Executive Officer, Group CEO	Hiroyuki Nakatsukasa *	(Certified Public Accountant)
Michio Yoneda	Director & Representative Executive Officer, Group COO	Masayuki Hirose	
Akira Kiyota	(President & CEO, Tokyo Stock Exchange, Inc.)	Katsuhiko Honda *	(Corporate Counselor, Japan Tobacco Inc.)
Hiromi Yamaji	(President & CEO, Osaka Securities Exchange Co., Ltd.)	Kunihiro Matsuo *	(Attorney-at-law)
Tsutomu Okuda *	(Director and Senior Advisor, J. FRONT RETAILING Co., Ltd.)	Shigeru Morimoto *	(Professor, Doshisha Graduate School of Law, Attorney-at-law)
Yuko Kawamoto *	(Professor, Graduate School of Finance, Accounting and Law, Waseda University)	Charles Ditmars Lake II *	(Representative and Chairman, Aflac Japan)

III. Reference Material



Referential financial data (combined basis)

➤ Quarterly Business Performance

(JPY mil.)

	FY2012					FY2013	
	1Q (*) (Apr. 1, 2012- Jun 30, 2012)	2Q (*) (Jul. 1, 2012- Sep. 30, 2012)	3Q (Oct. 1, 2012- Dec. 31, 2012)	4Q (Jan 1, 2013- Mar. 31, 2013)	Full Year(*) (Apr. 1, 2011- Mar 31, 2012)	1Q (Apr. 1, 2013- Jun 30, 2013)	y/y
Operating Revenue	19,179	17,779	19,772	25,773	82,504	36,099	+88%
Operating Expenses	13,960	13,562	15,241	16,869	59,633	18,156	+30%
Operating Income	5,218	4,217	4,531	8,903	22,871	17,943	+244%
Ordinary Income	5,813	4,726	5,792	8,926	25,292	18,655	+221%
Net Income	3,499	3,072	2,753	3,627	12,953	11,209	+220%
EBITDA	8,556	6,979	9,041	12,448	37,026	23,086	+170%

➤ Operating Expenses

(JPY mil.)

	FY2012(*)		FY2013
	1Q (*) (Apr. 1, 2012- Jun 30, 2012)	Full Year (Apr.1, 2012- March 31, 2013)	1Q (Apr. 1, 2013- Jun 30, 2013)
Personal Expenses	3,509	14,499	3,601
Rent Expenses on Real Estates	1,582	6,349	1,453
System Maintenance & Operation Costs	2,996	11,686	2,847
Depreciation	2,725	12,741	3,537
Cost of System Development	1,230	4,666	3,830
Other	1,915	9,688	2,884
Total	13,960	59,633	18,156

*: Total of former TSEG and former OSE

Referential financial data (combined basis)

➤ Operating Revenue

(JPY mil.)

	FY 2012		FY 2013		
	1Q (Apr. 1, 2012- Jun 30, 2012)		1Q (Apr. 1, 2013- Jun 30, 2013)		
	Amount	Ratio	Amount	Ratio	y/y
Trading Participant Fees	7,859	41.0%	17,317	48.0%	+120.3%
Transaction Fees	5,742		14,869		+158.9%
Cash Equities	3,316	57.7% *	10,154	68.3% *	+206.2%
Derivatives	2,426	42.3% *	4,714	31.7% *	+94.3%
TOPIX futures	371		588		+58.5%
Nikkei 225 futures (incl. mini)	760		1,605		+111.1%
Nikkei 225 Options	752		1,932		+156.7%
10-year JGB futures	459		502		+9.3%
Others	82		85		+3.7%
Basic Fees	371		353		-5.0%
Access Fees	1,099		1,430		+30.1%
Trading System Facilities Usage Fees	617		628		+1.8%
Others	27		35		+28.8%
Income from Securities Settlement	2,538	13.2%	6,430	17.8%	+153.3%
Listing Fees	2,156	11.2%	2,517	7.0%	+16.7%
Initial/Additional Listing Fees	473		786		+66.3%
Annual Listing Fees	1,683		1,730		+2.8%
Income from Information Services	3,786	19.7%	4,086	11.3%	+7.9%
Other	2,837	14.8%	5,747	15.9%	+102.6%
Total	19,179	100.0%	36,099	100.0%	+88.2%

Figures for FY2012 are total of former TSEG and former OSE.

Figures marked * are indicate percentage of Transaction Fees.

Referential financial data

➤ Consolidated Balance Sheets (Summarized)

As of June 30, 2013 (JPY 1mil.)

<Assets>	
Current assets	1,697,082
Cash and deposits	130,321
Operating accounts receivable	11,714
*1 Margin funds for derivatives and when-issued transactions	1,301,234
Deposits for clearing funds	239,075
Deposits as collateral for facilitating settlement	11,000
Other	3,749
Allowance for doubtful accounts	(12)
Noncurrent assets	178,103
Property, plant and equipment	8,338
Intangible assets	88,763
Goodwill	66,513
Other	22,249
Investments and other assets	81,001
Investment securities	40,665
*2 Legal guarantee funds	665
*4 Special assets for default compensation reserve funds	27,948
Other	11,861
Allowance for doubtful accounts	(138)
Total assets	1,875,185

<Liabilities>	
Current liabilities	1,676,362
Operating accounts payable	2,996
Short-term loans payable	17,570
Current portion of long-term loans payable	86,399
Income taxes payable	7,193
Provision for bonuses	324
Provision for directors' bonuses	6
*1 Margin funds received for derivatives and when issued transactions	1,301,234
Deposits received for clearing funds	239,075
Deposits received as collateral for facilitating settlement	11,000
*3 Deposits received as trading participant security money	3,669
Other	6,893
Noncurrent liabilities	13,703
Provision for retirement benefits	7,514
*2 Returnable legal guarantee funds	665
Other	5,524
Total liabilities	1,690,066
<Net assets>	
Shareholders' equity	174,255
Capital stock	11,500
Capital surplus	59,726
Retained earnings	103,030
Treasury stock	(0)
Valuation difference on available-for-sale securities	8,217
Total accumulated other comprehensive income	8,217
Minority interests	2,645
Total net assets	185,119
Total liabilities and net assets	1,875,185

*1 JSCC and OSE receive deposits of money from their clearing participants for the purpose of covering the risk of the clearing participants defaulting on their obligations. These amounts are recorded under both assets and liabilities in the corresponding items indicated for deposits.

*2 TSE and OSE receive deposits of money from their trading participants for the purpose of covering the risk of entrustors of securities trading, etc. that arises from the trading participants defaulting on their obligations. These amounts are recorded under both assets and liabilities.

*3 TSE receives deposits of money from its trading participants for the purpose of covering the risk of the trading participants defaulting on their obligations. This amount is recorded under assets as cash and deposits and under liabilities as deposits received as trading participant security money.

*4 JPX has reserve funds for the purpose of compensating losses incurred in the clearing operations of JSCC and OSE. This amount is recorded under assets as special assets for default compensation reserve funds.

Referential financial data (combined basis)

➤ Quarterly Transaction Fees (out of Trading Participant Fees)

(JPY mil.)

	FY2012					FY2013
	1Q (Apr. 1, 2012- Jun 30, 2012)	2Q (Jul. 1, 2012- Sep. 30, 2012)	3Q (Oct. 1, 2012- Dec. 31, 2012)	4Q (Jan 1, 2013- Mar. 31, 2013)	Full Year (Apr. 1, 2012- Mar. 31, 2013)	1Q (Apr. 1, 2013- Jun 30, 2013)
Cash Equities	3,316	2,945	3,649	6,193	16,105	10,154
Derivatives	2,426	2,106	2,460	3,597	10,590	4,714
TOPIX Futures	371	351	350	451	1,526	588
Nikkei 225 Futures (incl. mini)	760	651	814	1,189	3,415	1,605
Nikkei 225 Options	752	658	825	1,384	3,621	1,932
10-year JGB Futures	459	393	415	502	1,770	502
Others	82	50	53	69	256	85

Major Product Data

➤ Trading Volume/Value

	FY2012					FY2013
	1Q (Apr. 1, 2012- Jun. 30, 2012)	2Q (Jul. 1, 2012- Sep. 30, 2012)	3Q (Oct. 1, 2012- Dec. 31, 2012)	4Q (Jan 1, 2013- Mar. 31, 2013)	Full Year (Apr. 1, 2012- Mar. 31, 2013)	1Q (Apr. 1, 2013- Jun. 30, 2013)
Trading Value of Stocks (JPY 1mil.)						
TSE 1st/2nd Section	74,945,391	65,898,132	81,855,597	138,975,698	361,674,820	210,416,329
OSE 1st/2nd Section	1,622,350	1,371,564	1,828,167	2,768,224	7,590,305	3,644,493
Mothers	659,877	661,086	1,129,330	3,348,301	5,798,596	7,453,258
JASDAQ	1,262,229	957,928	1,551,582	3,674,444	7,446,185	9,208,868
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	4,008,210	3,729,113	3,776,656	5,196,028	16,710,007	7,207,955
Total Nikkei 225 Futures/mini (*1)	8,592,506	7,413,381	8,573,728	12,926,625	37,506,240	18,764,763
Nikkei 225 Futures	5,206,854	4,389,045	5,058,413	7,369,366	22,023,678	10,373,289
Nikkei225mini	33,856,526	30,243,360	35,153,145	55,572,590	154,825,621	83,914,741
Nikkei 225 Options (JPY mil.)	1,213,137	1,029,247	1,253,161	2,271,580	5,767,127	3,968,040
10-year JGB Futures	2,451,382	2,114,685	2,226,941	2,688,395	9,481,403	2,648,616

➤ Average Daily Trading Volume/Value

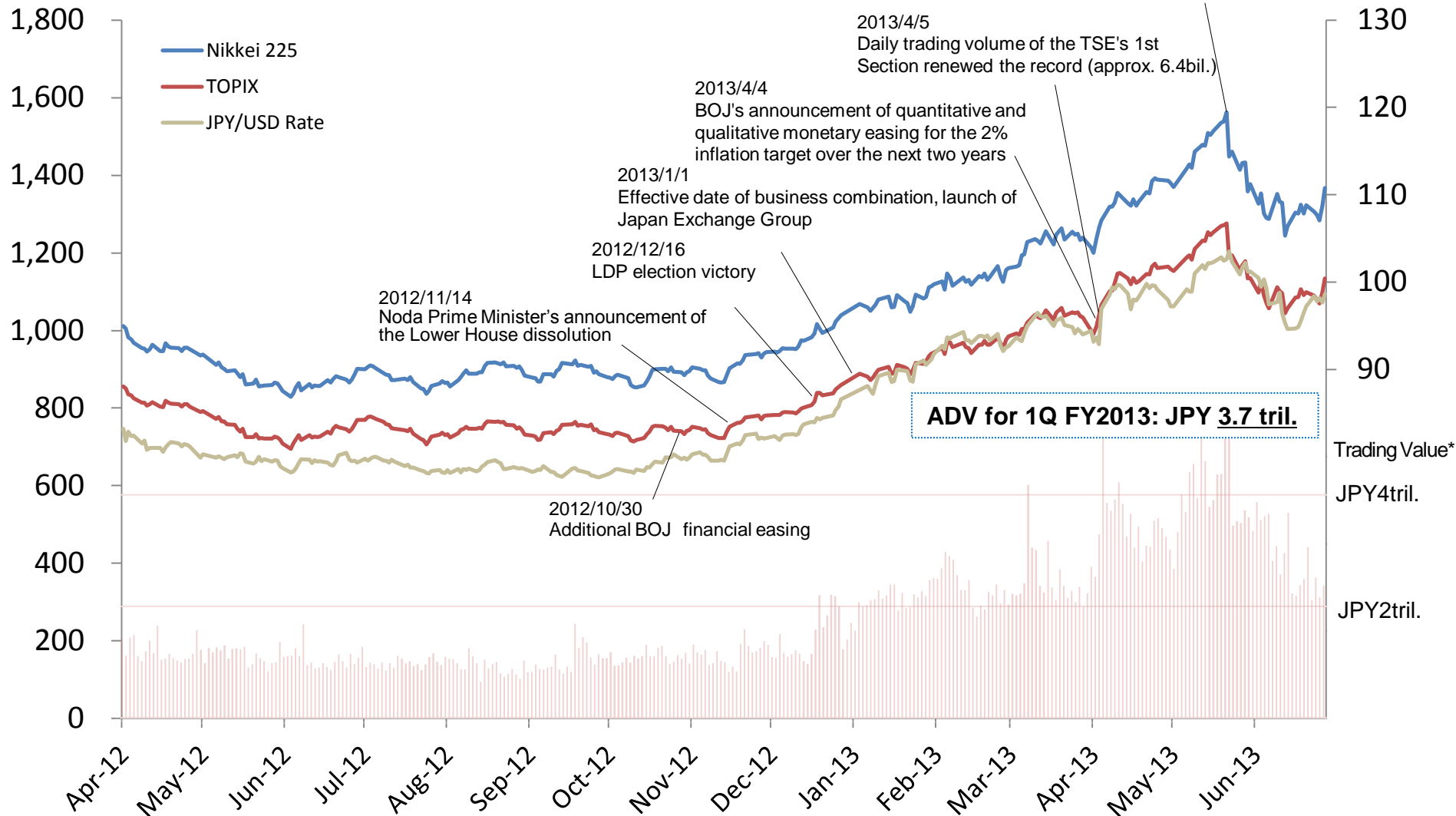
	FY2012					FY2013
	1Q (Apr. 1, 2012- Jun. 30, 2012)	2Q (Jul. 1, 2012- Sep. 30, 2012)	3Q (Oct. 1, 2012- Dec. 31, 2012)	4Q (Jan 1, 2013- Mar. 31, 2013)	Full Year (Apr. 1, 2012- Mar. 31, 2013)	1Q (Apr. 1, 2013- Jun. 30, 2013)
Trading Value of Stocks (JPY mil.) (*2)						
	1,265,965	1,093,472	1,392,979	2,564,943	1,561,265	3,721,338
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	64,649	59,192	60,914	89,587	68,204	116,257
Total Nikkei 225 Futures/mini (*1)	138,589	117,673	138,286	222,873	153,087	302,657
Nikkei 225 Futures	83,982	69,667	81,587	127,058	89,893	167,311
Nikkei225mini	546,073	480,053	566,986	958,148	631,941	1,353,464
Nikkei 225 Options (JPY mil.)	19,567	16,337	20,212	39,165	23,539	64,001
10-year JGB Futures	39,538	33,566	35,918	46,352	38,700	42,720

*1 Contracts of Nikkei 225 mini are calculated using a factor of 1/10

*2 Total of trading value in TSE 1st /2nd Sections, Mothers, former OSE 1st /2nd Sections and JASDAQ

Japanese Stock Market

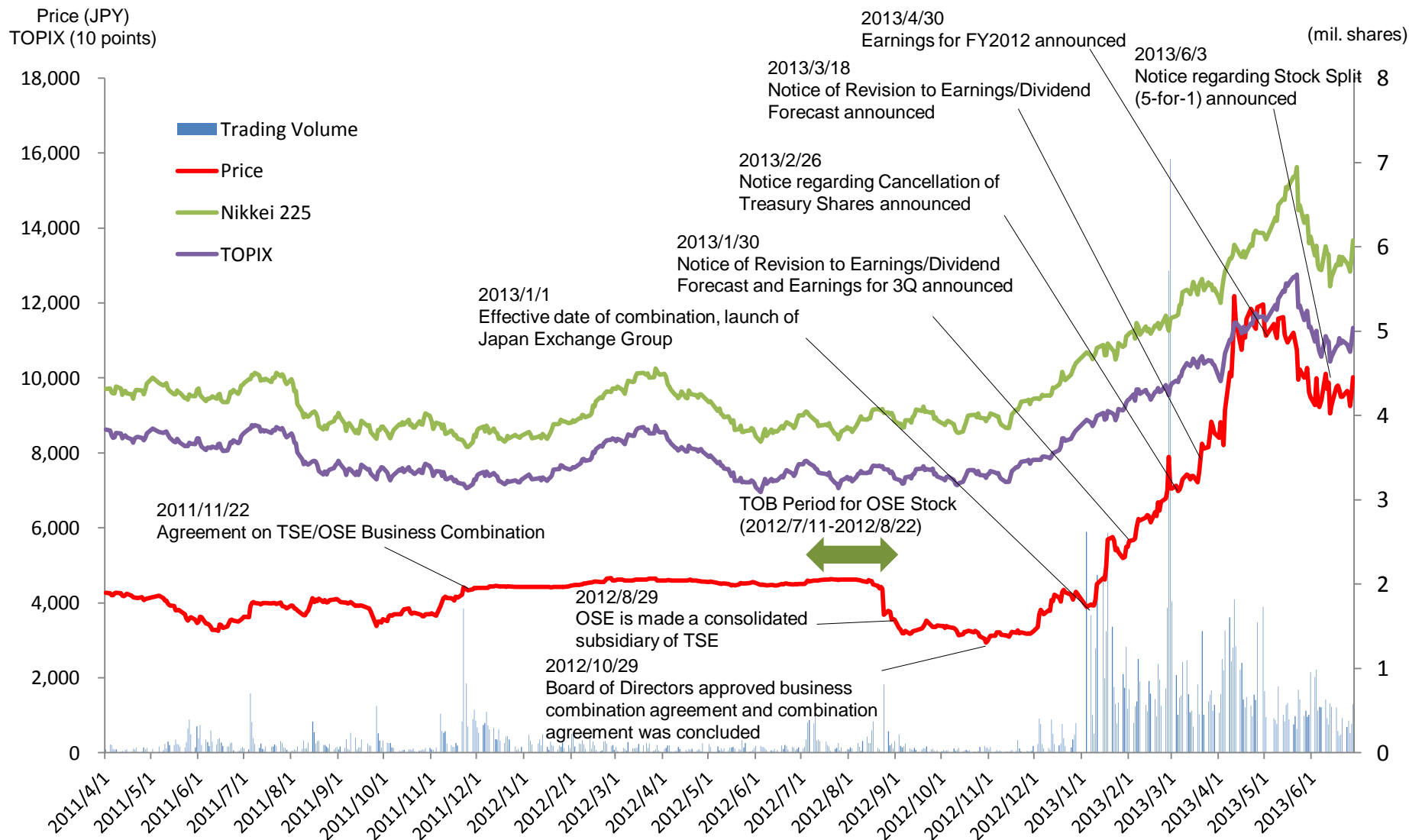
Nikkei 225 (JPY 10)
TOPIX (points)



* Average Daily Trading Value on TSE (Before July 16, 2013, including former OSE 1st/2nd Sections and JASDAQ)



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. Also, prices and trading volumes before the 100-for-1 stock split as of Jan. 1, 2013 are converted into those after the stock split.

Outline of JPX Stock

Stock Code	8697
Listed Exchange	Tokyo Stock Exchange 1 st Section
Fiscal Year	From April 1 to March 31
Annual General Shareholders Meeting	In June
Record Date	March 31
Number of Shares in One Trading Unit	100 shares
Number of Shares(*)	<p>Total number of shares authorized to be issued: 290,000,000 shares (after stock split: 1,090,000,000 shares)</p> <p>Total number of shares issued: 54,906,910 shares (after stock split: 274,534,550 shares)</p> <p>* A 5-for-1 stock split will be conducted with an effective date of Oct. 1, 2013.</p>
Basic Policy on Profit Distribution	<p>Giving due consideration to the importance of internal reserves for the purpose of development of the system for strengthening competitiveness, etc. as an exchange, and for the purpose of being prepared for the risks as the clearing organization, JPX makes it a principle to conduct stable and continuous payment of dividends. <u>Specifically, JPX aims at a target dividend payout ratio of around 40%.</u></p>