

(Reference Translation)

(Excerpt Version)

*Please refer to our homepage for the full version.

October 30, 2015

Japan Exchange Group, Inc. and Consolidated Subsidiaries
Consolidated financial results for the six months ended September 30, 2015
(Based on IFRS), unaudited

Company name:	Japan Exchange Group, Inc.	Stock Exchange Listings:	Tokyo
Code number:	8697	URL:	http://www.jpx.co.jp/english/
Representative:	Akira Kiyota, Director & Representative Executive Officer, Group CEO		
Contact:	Akira Tagaya, Director, Corporate Communications		
Scheduled date of filing of quarterly report:	November 12, 2015		
Scheduled date of start of dividend payment:	December 1, 2015		
Preparation of 2Q earnings presentation material:	Yes		
Holding of 2Q earnings announcement:	Yes (For institutional investors and analysts)		

1. Consolidated financial results for six months ended September 30, 2015
(from April 1, 2015 to September 30, 2015)

(Figures less than a Millions of yen are omitted)

(1) Consolidated operating results (cumulative)

(Percentages represent year-on-year change)

	Operating revenue		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent company		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	57,952	16.3	35,295	44.5	36,269	43.1	24,122	46.5	23,879	46.6	19,721	7.7
Six months ended September 30, 2014	49,843	—	24,427	—	25,349	—	16,469	—	16,292	—	18,311	—

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2015	43.49	—
Six months ended September 30, 2014	29.67	—

* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the basic earnings per share is calculated as if such stock split was implemented at the beginning of the previous consolidated accounting year.

(2) Consolidated financial position

	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
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2015	29,941,521	252,493	246,305	0.8
As of March 31, 2015	27,746,771	241,565	235,611	0.8

* Sizable amounts of "Clearing business financial assets and liabilities" and "Deposits from clearing participants" pertaining to clearing business conducted by consolidated subsidiary Japan Securities Clearing Corporation are included in assets and liabilities of the Group.

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2015	—	18.00	—	32.00	50.00
Year ending March 31, 2016	—	42.00			
Year ending March 31, 2016 (Forecast)			—	21.00	—

(Note) Change in dividend forecasts from the most recent announcement: None

* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the year-end dividend forecast for the fiscal year ending March 31, 2016 is calculated based on the number of shares after the stock split.

If the stock split is not considered, the year-end dividend forecast for the fiscal year ending March 31, 2016 will be ¥42.00.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentages represent year-on-year change)

	Operating revenue		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Year ending March 31, 2016	108,000	1.7	56,500	5.5	58,000	5.7	38,700	11.5	38,500	11.8	70.12

(Note) Change in earnings forecasts from the most recent announcement: None

* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the basic earnings per share of the consolidated earnings forecast for the year ending March 31, 2016 is calculated based on the average number of shares after the stock split.

If the stock split is not considered, the basic earnings per share of the consolidated earnings forecast for the year ending March 31, 2016 will be ¥140.24.

* Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries that caused changes in the scope of consolidation): None

(2) Changes in accounting policies / changes in accounting estimates

1) Changes in accounting policies due to revisions in accounting standards under IFRS: None

2) Changes in accounting policies other than the above: None

3) Changes in accounting estimates: None

(3) Number of issued shares (common share)

1) Number of issued shares at the end of the period (including treasury shares):

As of September 30, 2015: 549,069,100 shares

As of March 31, 2015: 549,069,100 shares

2) Number of treasury shares at the end of period:

As of September 30, 2015: 5,310 shares

As of March 31, 2015: 5,310 shares

3) Average number of shares:

Six months ended September 30, 2015: 549,063,790 shares

Six months ended September 30, 2014: 549,063,790 shares

* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the number of shares is calculated as if such stock split was implemented at the beginning of the previous consolidated accounting year.

* Disclosure regarding the execution of the quarterly review process

This release is outside the scope of the external auditor's quarterly review procedure which is required by the "Financial Instruments and Exchange Act". Therefore, the review process of condensed consolidated financial statements which is required by the "Financial Instruments and Exchange Act" has not been completed as of this disclosure in this release.

* Explanation on appropriate use of forecast and other special items

This material contains earnings forecast 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, etc. to be materially different from those expressed in these forward-looking statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Condensed Consolidated Statement of Financial Position

	As of March 31, 2015	As of September 30, 2015
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	60,114	66,920
Trade and other receivables	10,300	11,244
Clearing business financial assets	25,635,085	27,217,137
Specified assets for deposits from clearing participants	1,795,095	2,399,350
Specified assets for legal guarantee funds	492	495
Income tax receivables	4,693	5,057
Other financial assets	42,869	48,700
Other current assets	1,844	1,314
Total current assets	27,550,495	29,750,220
Non-current assets		
Property and equipment	8,573	8,573
Goodwill	67,374	67,374
Intangible assets	27,631	31,526
Retirement benefit assets	5,424	5,430
Investments accounted for using the equity method	6,806	7,435
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	39,682	33,862
Other non-current assets	5,605	6,171
Deferred tax assets	7,230	2,978
Total non-current assets	196,276	191,301
Total assets	27,746,771	29,941,521

	As of March 31, 2015	As of September 30, 2015
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,712	4,310
Loans payable	32,500	32,500
Clearing business financial liabilities	25,635,085	27,217,137
Deposits from clearing participants	1,795,095	2,399,350
Legal guarantee funds	492	495
Trading participant security money	7,437	7,437
Income tax payables	7,852	7,194
Other current liabilities	5,626	5,042
Total current liabilities	27,488,802	29,673,469
Non-current liabilities		
Retirement benefit liabilities	7,039	7,118
Other non-current liabilities	2,488	3,444
Deferred tax liabilities	6,875	4,996
Total non-current liabilities	16,403	15,558
Total liabilities	27,505,206	29,689,028
Equity		
Share capital	11,500	11,500
Capital surplus	59,726	59,726
Treasury shares	(5)	(5)
Other components of equity	14,828	10,427
Retained earnings	149,562	164,657
Total equity attributable to owners of the parent company	235,611	246,305
Non-controlling interests	5,954	6,187
Total equity	241,565	252,493
Total liabilities and equity	27,746,771	29,941,521

(2) Condensed Consolidated Statement of Income

	Six months ended September 30, 2014	Six months ended September 30, 2015
	Millions of yen	Millions of yen
Revenue		
Operating revenue	49,843	57,952
Other revenue	158	119
Total revenue	50,001	58,072
Expenses		
Operating expenses	26,198	23,302
Other expenses	18	245
Total expenses	26,216	23,547
Share of income of investments accounted for using the equity method	642	770
Operating income	24,427	35,295
Financial income	945	992
Financial expenses	23	18
Income before income tax	25,349	36,269
Income tax expense	8,880	12,147
Net income	16,469	24,122
Net income attributable to		
Owners of the parent company	16,292	23,879
Non-controlling interests	177	242
Net income	16,469	24,122
Earnings per share		
Basic (Yen)	29.67	43.49
Diluted (Yen)	—	—

(3) Condensed Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2014	Six months ended September 30, 2015
	Millions of yen	Millions of yen
Net income	16,469	24,122
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	1,842	(4,400)
Share of other comprehensive income of investments accounted for using the equity method	(0)	0
Other comprehensive income, net of tax	1,842	(4,400)
Comprehensive income	18,311	19,721
Comprehensive income attributable to		
Owners of the parent company	18,134	19,479
Non-controlling interests	177	242
Comprehensive income	18,311	19,721

(4) Condensed Consolidated Statement of Changes in Equity

Equity attributable to owners of the parent company

	Share capital	Capital surplus	Treasury shares	Other components of equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2014	11,500	59,726	(5)	9,225
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	1,842
Total comprehensive income	—	—	—	1,842
Dividends paid	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(29)
Total transactions with the owners	—	—	—	(29)
Balance as of September 30, 2014	11,500	59,726	(5)	11,038
Balance as of April 1, 2015	11,500	59,726	(5)	14,828
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(4,400)
Total comprehensive income	—	—	—	(4,400)
Dividends paid	—	—	—	—
Total transactions with the owners	—	—	—	—
Balance as of September 30, 2015	11,500	59,726	(5)	10,427

	Equity attributable to owners of the parent company		Non-controlling interests	Total equity
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2014	126,655	207,101	5,675	212,777
Net income	16,292	16,292	177	16,469
Other comprehensive income, net of tax	—	1,842	—	1,842
Total comprehensive income	16,292	18,134	177	18,311
Dividends paid	(7,412)	(7,412)	(10)	(7,422)
Transfer from other components of equity to retained earnings	29	—	—	—
Total transactions with the owners	(7,382)	(7,412)	(10)	(7,422)
Balance as of September 30, 2014	<u>135,564</u>	<u>217,824</u>	<u>5,842</u>	<u>223,666</u>
Balance as of April 1, 2015	149,562	235,611	5,954	241,565
Net income	23,879	23,879	242	24,122
Other comprehensive income, net of tax	—	(4,400)	—	(4,400)
Total comprehensive income	23,879	19,479	242	19,721
Dividends paid	(8,785)	(8,785)	(8)	(8,793)
Total transactions with the owners	(8,785)	(8,785)	(8)	(8,793)
Balance as of September 30, 2015	<u>164,657</u>	<u>246,305</u>	<u>6,187</u>	<u>252,493</u>

(5) Notes on Condensed Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Operating Revenue)

The breakdown of "Operating revenue" is as follows:

	Six months ended September 30, 2014	Six months ended September 30, 2015
	Millions of yen	Millions of yen
Trading services revenue	22,658	26,958
Clearing services revenue	8,969	11,671
Listing services revenue	5,921	6,472
Information services revenue	7,847	8,780
Other	4,446	4,068
Total	49,843	57,952

(Operating Expenses)

The breakdown of "Operating expenses" is as follows:

	Six months ended September 30, 2014	Six months ended September 30, 2015
	Millions of yen	Millions of yen
Personnel expenses	7,342	7,519
System maintenance and operation expenses	5,028	4,723
Depreciation and amortization	5,535	3,979
Rent expenses on real estates	2,987	2,348
Other	5,304	4,730
Total	26,198	23,302

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