



Overview of Earnings for 2Q FY2015

Japan Exchange Group, Inc.

October 30, 2015

I. Overview of Earnings for 2Q FY2015

(April 1 – September 30, 2015)

* This document is not subject to the audit procedures required under the Financial Instruments and Exchange Act. Please note that its contents have not been audited on a consolidated basis in accordance with the Act as of the time of disclosure.



Highlights and FY2015 Forecast

- Net income rose 46.6% year-on-year on the back of increased cash equities and derivatives trading and effective cost-cutting measures.
- The full-year earnings and dividend forecasts were revised upward on September 24, taking into account earnings performance and recent market conditions.
- A 2-for-1 stock split was conducted with an effective date of October 1, 2015.

(JPY mil.)

	1H (April – September)				Full-year (April – March)		
	1H FY2014* ¹	1H FY2015			FY2014	FY2015 (Forecast)	
			y/y	FY2015 %		(Revised on Sep. 24)	y/y
Operating Revenue	49,843	57,952	+ 16.3%	53.7%	106,167	108,000	+ 1.7%
Operating Expenses	26,198	23,302	(11.1%)	44.8%	52,863	52,000	(1.6%)
Operating Income	24,427	35,295	+ 44.5%	62.5%	53,529	56,500	+ 5.5%
Net Income* ²	16,292	23,879	+ 46.6%	62.0%	34,427	38,500	+ 11.8%
EBITDA	30,914	40,271			65,743	-	-
Dividend per share* ³	-	-			25.0 yen	42.0 yen	-

*1 IFRS was adopted from the full-year earnings results for FY2014. 1H FY2014 figures are based on IFRS.

*2 Net income attributable to owners of the parent company.

*3 Total of 2Q-end and year-end figures. Dividend forecast considers the 2-for-1 stock split conducted with an effective date of October 1, 2015.

➤ Average Daily Trading Volume/Value of Major Products

	1H FY2014 (Apr.- Sep.)	1H FY2015		FY2014	FY2015 (Assumptions for forecasts)	
		(Apr.- Sep.)	y/y		(Revised on Sep. 24)	y/y
Cash Equities (trading value) * ¹	JPY 2,455.8 bil.	JPY 3,496.5 bil.	+ 42%	JPY 2,856.4 bil	JPY 3,000.0 bil.	+ 5%
TOPIX Futures (trading volume)	73,099 contracts	92,985 contracts	+ 27%	84,785 contracts	100,000 contracts	+ 18%
Nikkei 225 Futures (trading volume) * ²	147,611 contracts	229,809 contracts	+ 56%	186,565 contracts	223,000 contracts	+ 20%
Nikkei 225 Options (trading value) * ³	JPY 22.1 bil.	JPY 29.3 bil.	+ 33%	JPY 27.8 bil.	JPY 27.0 bil.	(3%)
10-year JGB Futures (trading volume)	34,035 contracts	35,720 contracts	+ 5%	36,745 contracts	39,000 contracts	+ 6%

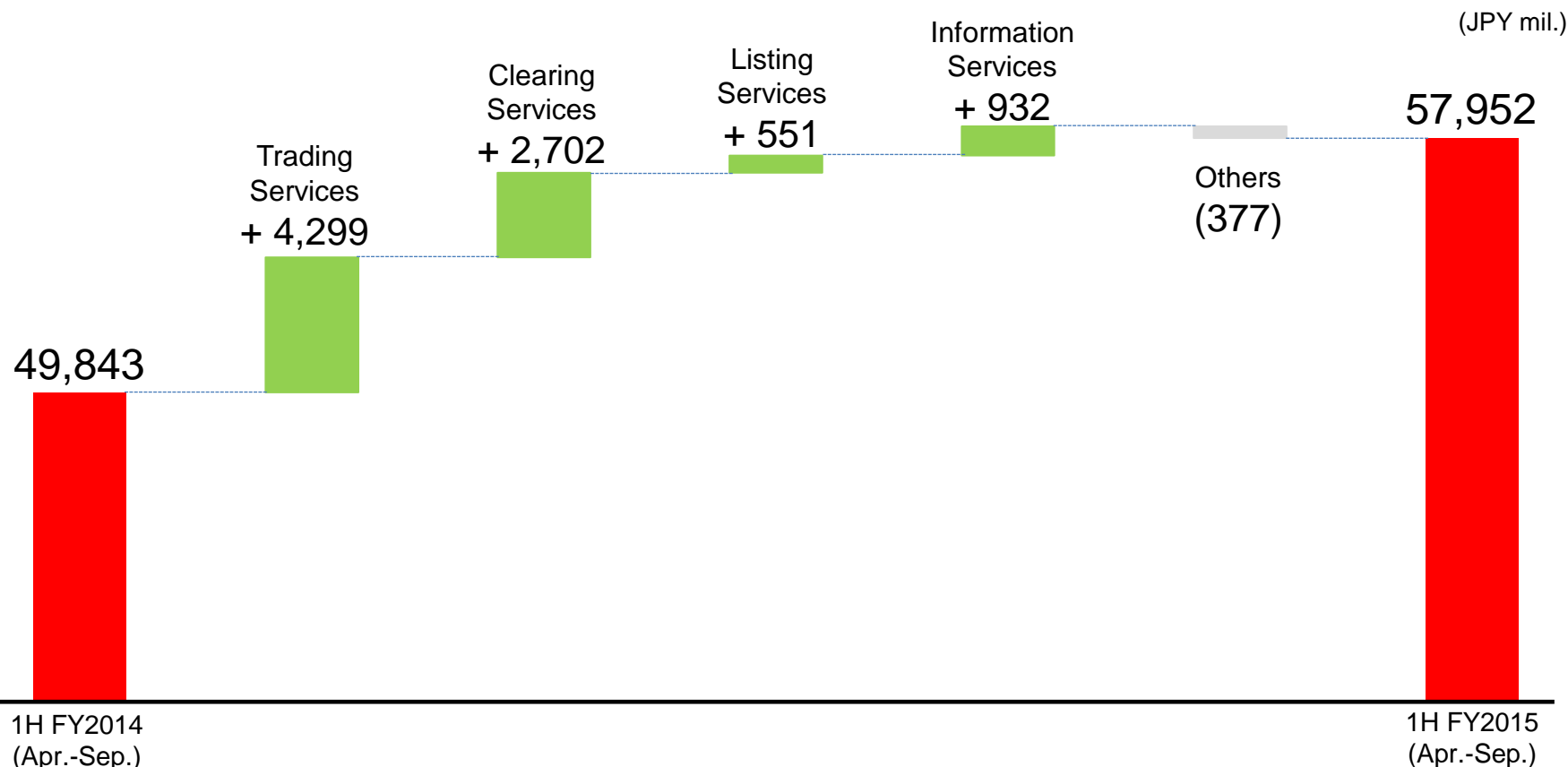
*1 Total value of daily averages of auction and off-auction trading of common stocks on 1st/2nd Sections, Mothers, JASDAQ, TOKYO PRO Market, and ETFs/ETNs, REITs etc.

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

*3 Excluding Weekly Options

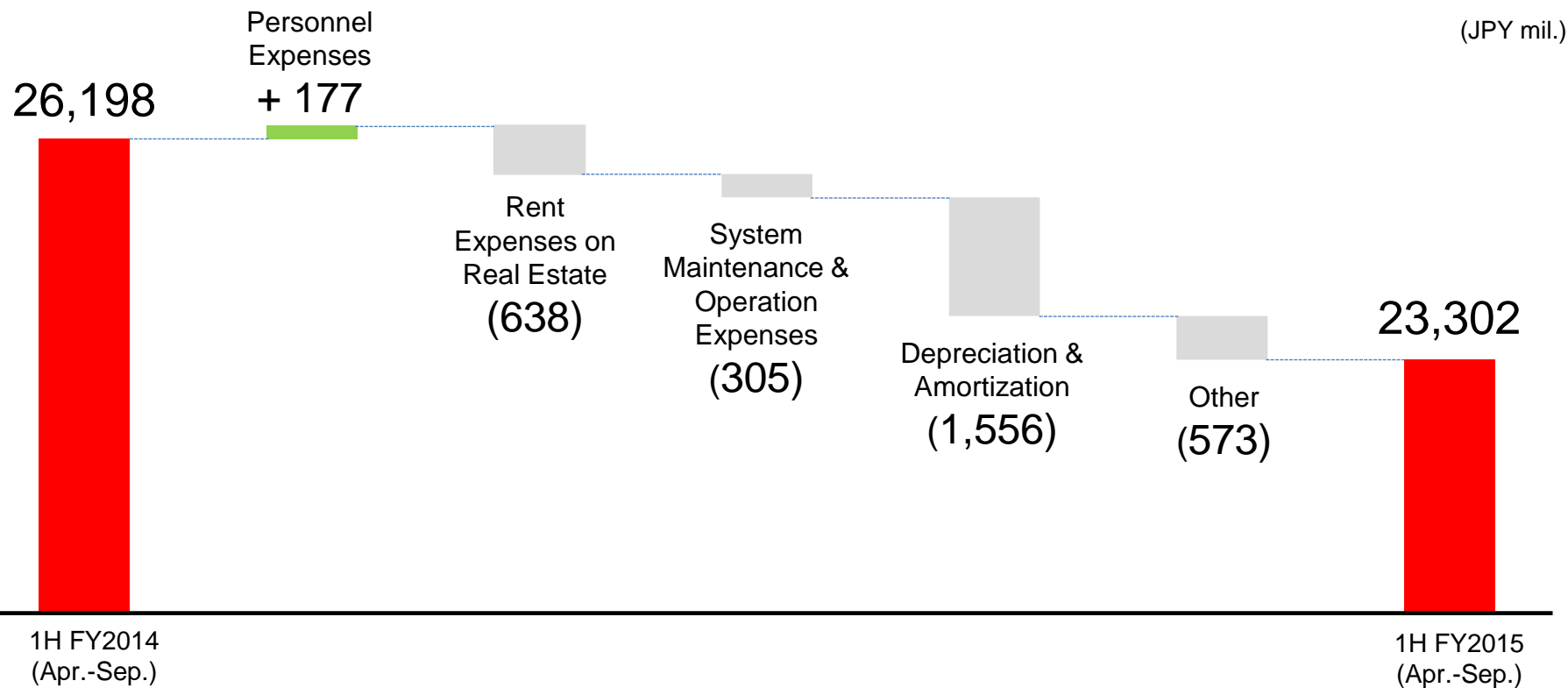
Operating Revenue

- Trading and clearing services revenues grew due to increased cash equities and derivatives trading.
- Listing services revenue also grew due to an increase in public offerings.
- Information services revenue growth was boosted by expanding index licensing business.



Operating Expenses

- Rent expenses on real estate decreased due to lower rent for the TSE building.
- Depreciation and amortization decreased sharply with the end of depreciation of the initial investment in the previous arrowhead cash equities trading system in December 2014. Depreciation for new arrowhead, launched in September, has begun.



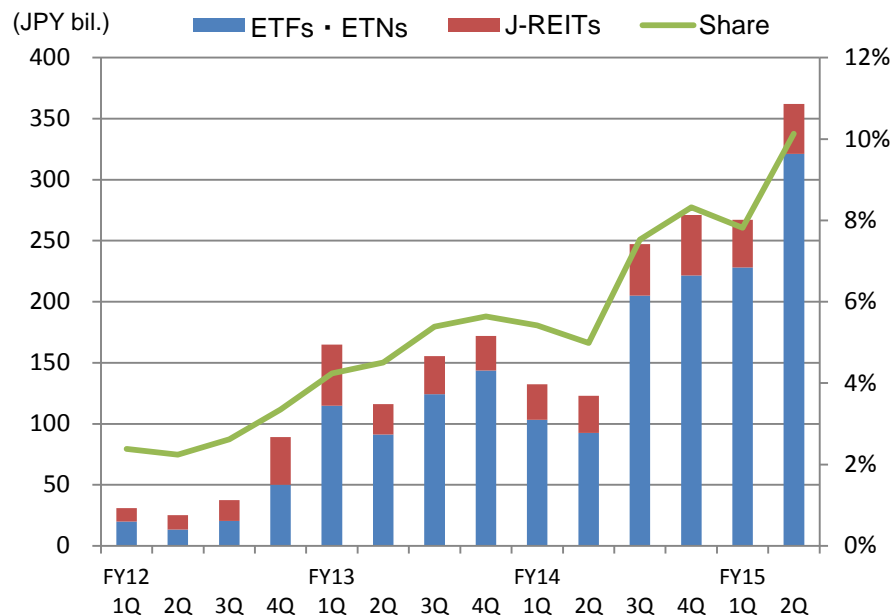
II. Business Developments



Cash Equities

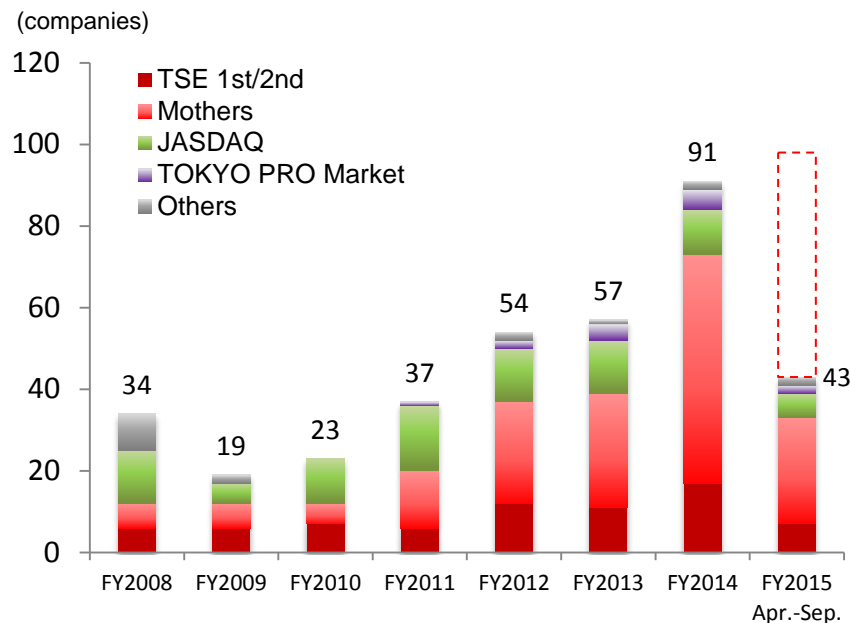
- On September 24, arrowhead was upgraded to offer a more reliable and convenient market.
- On August 25, ETF intraday trading value exceeded JPY 1 trillion for the first time. The combined trading value of ETFs, ETNs, and REITs has grown to over 10% of overall cash equities trading value.
- IPOs recorded a year-on-year increase from 27 to 41 companies.

➤ ADV of ETFs/ETNs and REITs



Share indicates trading value of ETFs, ETNs, and REITs of overall cash equity trading value.
Source: TSE

➤ IPOs in Japan



Source: TSE and other securities exchanges

Derivatives

- TAIEX Futures and FTSE China 50 Index Futures will be launched together with the next derivatives trading system in mid-2016.
- On October 15, calculation and publication of the new S&P/JPX JGB VIX Index began. This will be followed by the launch of the JPX JGB Futures Index Series in mid-2016.

➤ Major derivative products

Japanese Equities

<Index>

- Nikkei 225 Futures
- Nikkei 225 mini
- Nikkei 225 Options
- **Nikkei 225 Weekly Options** (launched on May 25, 2015)
- TOPIX Futures
- mini-TOPIX Futures
- Nikkei 225 VI Futures
- JPX-Nikkei 400 Futures (launched on Nov. 25, 2014)
- **JPX-Nikkei 400 Options** (mid-2016 launch)
- **TSE Mothers Index Futures** (mid-2016 launch)

<Stock>

- Securities Options

Foreign Equities

- U.S. stocks: DJIA Futures
- Indian stocks: CNX Nifty Futures (launched on Mar. 24, 2014)
- **Taiwanese stocks: TAIEX Futures** (mid-2016 launch)
- **Chinese stocks: FTSE China 50 Index Futures** (mid-2016 launch)

Bonds

- 10-year JGB Futures
- Options on 10-year JGB Futures
- 20-year JGB Futures
(Re-launched on Apr. 7, 2014, specifications revised on Jul. 6, 2015)

➤ New JGB indices

S&P/JPX JGB VIX Index

Calculated and published from October 15.
Japan's first ever full-scale fixed income volatility index uses options on 10-year JGB futures to measure the implied volatility of JGBs.

JPX JGB Futures Index Series

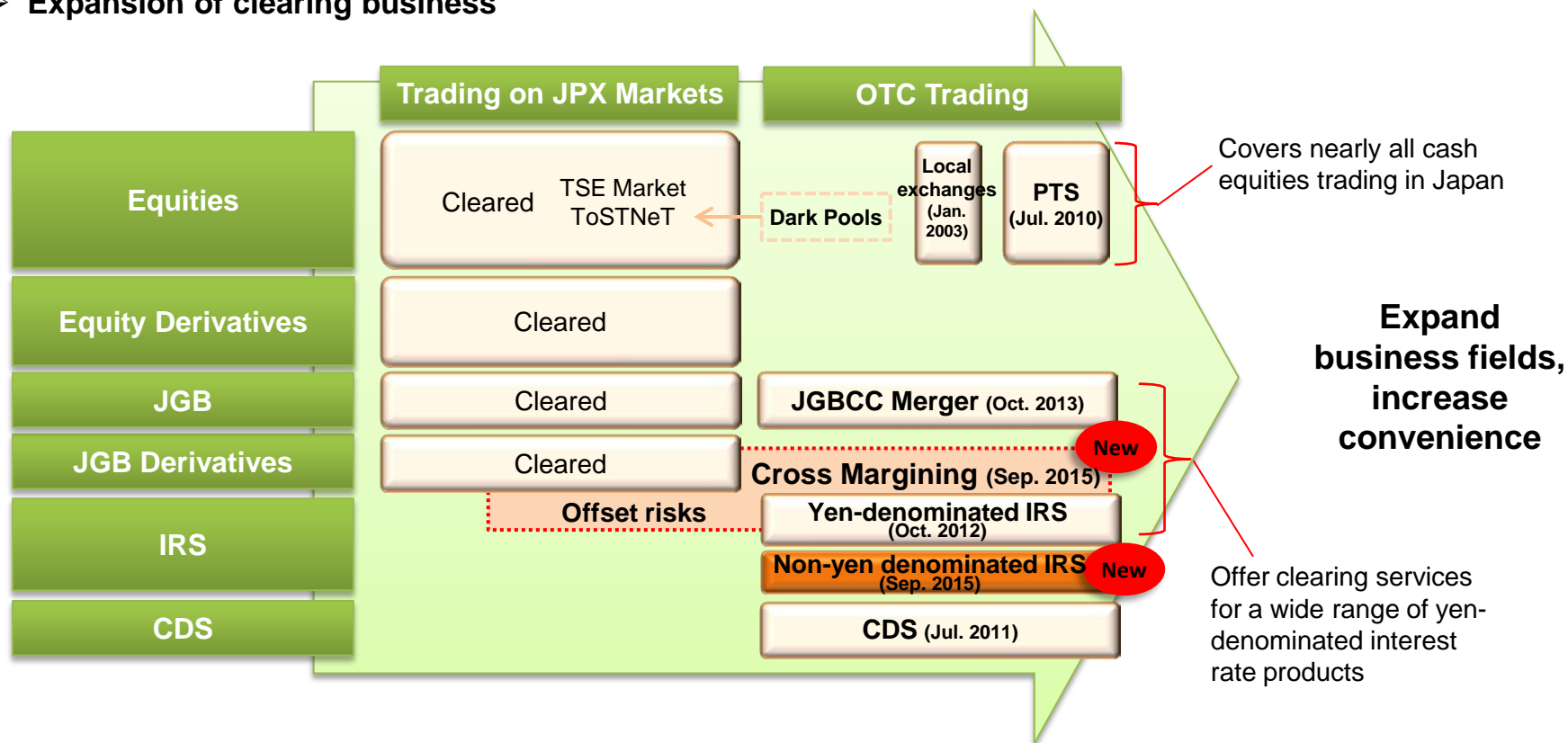
To launch in mid-2016

- ✓ JPX JGB Futures Index
- ✓ JPX JGB Futures Inverse Index
- ✓ JPX JGB Futures Leveraged Index
- ✓ JPX JGB Futures Double Inverse Index

Expansion of Exchange Business Fields

- On September 24, JSCC introduced cross margining between JGB futures and yen-denominated IRS to allow risk offsets. Also, clearing services for non-yen denominated IRS began on the same day.

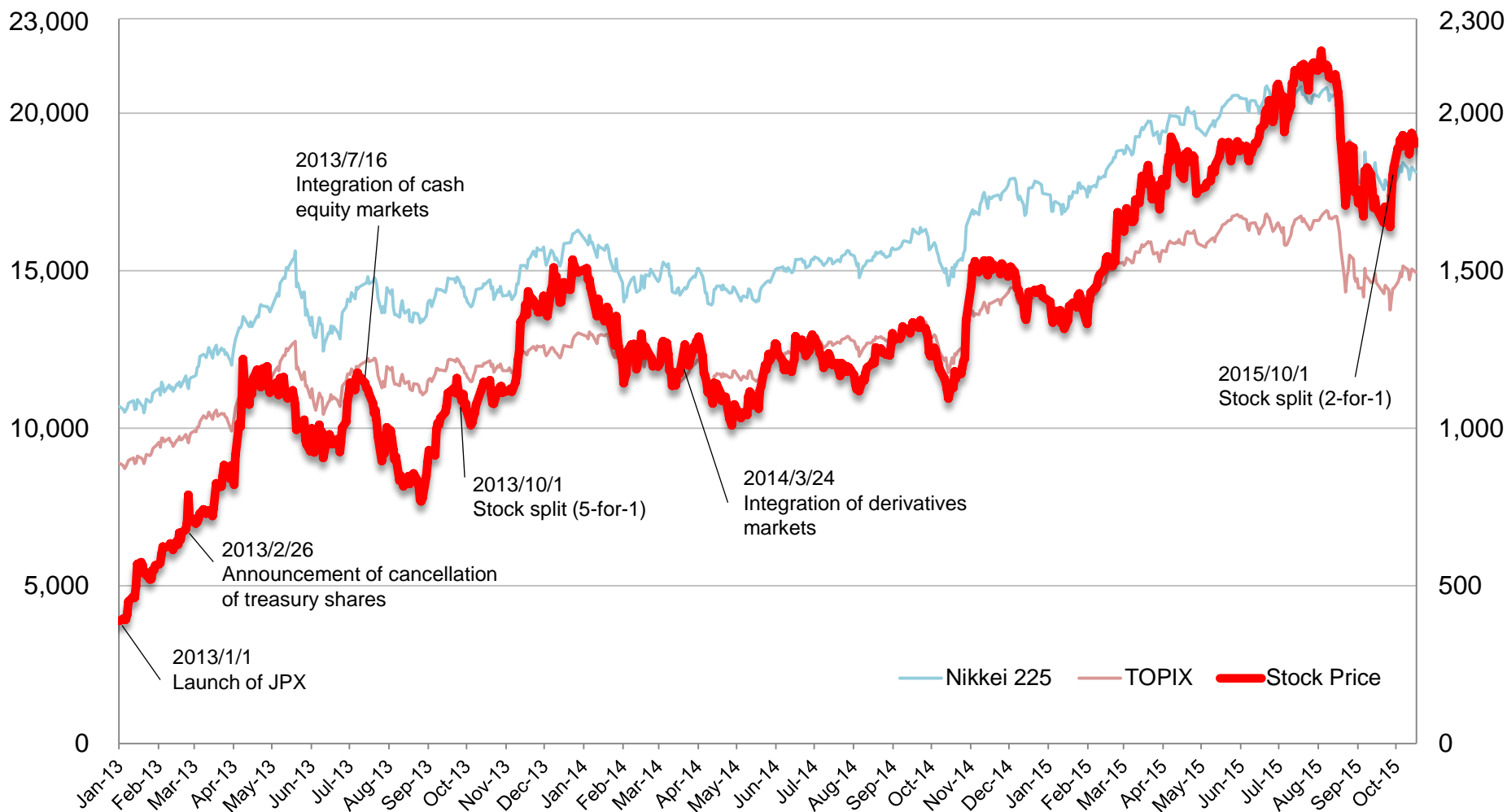
➤ Expansion of clearing business



JPX Stock Price

Nikkei 225 (JPY)

Price (JPY)
TOPIX (points)



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

III. Reference Material



Referential Financial Data

➤ Quarterly Business Performance (IFRS*1)

(JPY mil.)

	FY2014				FY2015	
	1Q (Apr. 1, 2014- Jun. 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)	3Q (Oct. 1, 2014- Dec. 31, 2014)	4Q (Jan. 1, 2015- Mar. 31, 2015)	1Q (Apr. 1, 2015- Jun. 30, 2015)	2Q (Jul. 1, 2015- Sep. 30, 2015)
Operating Revenue	24,826	25,017	29,057	27,266	27,802	30,149
Operating Expenses	13,083	13,114	13,644	13,021	11,498	11,803
Operating Income	12,157	12,269	15,704	13,397	16,737	18,558
Net Income *2	7,921	8,370	10,488	7,647	10,773	13,106
EBITDA	14,997	15,916	19,223	15,606	18,878	21,393

*1 IFRS was adopted from the full-year earnings results for FY2014. Quarterly figures for FY2014 are also based on IFRS.

*2 Net income attributable to owners of the parent company.

Referential Financial Data

➤ Operating Revenue (IFRS*1)

(JPY mil.)

	FY2014				FY2015			
	1Q (Apr.1, 2014- Jun. 30, 2014)	2Q (Jul.1, 2014- Sep.30, 2014)	3Q (Oct. 1, 2014- Dec. 31, 2014)	4Q (Jan.1, 2015- Mar.31, 2015)	1Q (Apr.1, 2015- Jun. 30, 2015)	2Q (Jul.1, 2015- Sep. 30, 2015)		
	Amount	Amount	Amount	Amount	Amount	Amount	Ratio	y/y
Trading services revenue	11,140	11,517	13,475	12,564	12,912	14,045	47%	+ 22%
Transaction Fees	9,092	9,452	11,323	10,352	10,684	11,749		+ 24%
Cash Equities	6,753	6,866	7,583	7,502	7,985	8,117	69%*2	+ 18%
Derivatives	2,339	2,585	3,739	2,849	2,699	3,631	31%*2	+ 40%
TOPIX Futures	396	412	539	468	441	529		+ 28%
Nikkei 225 Futures (incl. mini)	856	966	1,456	1,102	1,069	1,526		+ 58%
Nikkei 225 Options *3	685	725	1,217	746	661	1,099		+ 52%
10-year JGB Futures	355	428	449	446	437	388		(9%)
Others	45	53	77	85	88	86		+ 63%
Basic Fees	268	267	266	265	266	265		(1%)
Access Fees	1,147	1,144	1,218	1,219	1,231	1,306		+ 14%
Trading System Facilities Usage Fees	615	637	642	705	709	700		+ 10%
Others	16	16	24	21	21	24		+ 49%
Clearing services revenue	4,462	4,506	5,962	5,161	5,643	6,028	20%	+ 34%
Listing services revenue	2,875	3,045	3,284	3,043	2,900	3,572	12%	+ 17%
Initial/Additional Listing Fees	1,060	1,196	1,385	1,120	985	1,632		+ 36%
Annual Listing Fees	1,814	1,849	1,899	1,923	1,914	1,940		+ 5%
Information services revenue	4,035	3,811	4,153	4,310	4,358	4,421	15%	+ 16%
Other operating revenue	2,311	2,135	2,181	2,186	1,988	2,080	7%	(3%)
arrownet Usage Fees*4	689	660	598	602	555	591		(10%)
Co-location Usage Fees	622	646	660	683	689	721		+ 12%
Others*5	999	827	922	900	743	767		(7%)
Total	24,826	25,017	29,057	27,266	27,802	30,149	100%	+ 21%

*1 IFRS was adopted from the full-year earnings results for FY2014. Quarterly figures for FY2014 are also based on IFRS.

*2 Figures are indicate percentage of Transaction Fees.

*3 Excluding Weekly Options.

*4 arrownet Usage Fees for 1Q and 2Q FY2014 include usage fees for OSE's GATENET, which was integrated with arrownet.

*5 Including Proximity Usage Fees.

Referential Financial Data

➤ Operating Expenses (IFRS*)

(JPY mil.)

	FY2014				FY2015	
	1Q (Apr. 1, 2014- Jun. 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)	3Q (Oct. 1, 2014- Dec. 31, 2014)	4Q (Jan. 1, 2015- Mar. 31, 2015)	1Q (Apr. 1, 2015- Jun. 30, 2015)	2Q (Jul. 1, 2015- Sep. 30, 2015)
Personnel expenses	3,702	3,639	3,692	4,230	3,785	3,734
System maintenance & operation expenses	2,584	2,443	2,470	2,447	2,330	2,392
Depreciation & amortization	2,637	2,898	3,299	1,968	1,904	2,075
Rent expenses on real estates	1,488	1,498	1,484	1,488	1,174	1,174
Other	2,669	2,634	2,697	2,886	2,304	2,426
Total	13,083	13,114	13,644	13,021	11,498	11,803

* IFRS was adopted from the full-year earnings results for FY2014. Quarterly figures for FY2014 are also based on IFRS.

Referential Financial Data

➤ Consolidated Statement of Financial Position (IFRS)

(JPY mil.)

	As of Mar. 31,2015	As of Sep. 30,2015
Assets		
Current assets		
Cash and cash equivalents	60,114	66,920
Trade and other receivables	10,300	11,244
*1 Clearing business financial assets	25,635,085	27,217,137
*2 Specified assets for deposits from clearing participants	1,795,095	2,399,350
*3 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
*5 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 Mar. 31,2015	As of Sep. 30,2015
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,712	4,310
Loans payable	32,500	32,500
*1 Clearing business financial liabilities	25,635,085	27,217,137
*2 Deposits from clearing participants	1,795,095	2,399,350
*3 Legal guarantee funds	492	495
*4 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
*6 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

*1 Japan Securities Clearing Corporation (JSCC) guarantees settlement as a clearinghouse for financial instruments transactions by assuming obligations for trades by market participants to become the counterparty for such trades, posting claims and obligations for cleared trades under clearing business financial assets and liabilities.

*2 Deposits from clearing participants requested by JSCC for covering the risk of clearing participants defaulting on their obligations.

*3 Deposits from trading participants requested by Tokyo Stock Exchange (TSE) and Osaka Exchange (OSE) for covering the risk at entrusting parties, etc. of trading participants defaulting on their obligations.

*4 Deposits from trading participants requested by TSE and OSE for covering the risk of trading participants defaulting on their obligations.

*5 Reserve funds for compensating losses incurred by JSCC in clearing operations.

*6 Including reserve funds for compensating losses incurred by JSCC in clearing operations.

Major Product Data

➤ Trading Volume/Value

	FY2014				FY2015	
	1Q (Apr. 1, 2014- Jun. 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)	3Q (Oct. 1, 2014- Dec. 31, 2014)	4Q (Jan. 1, 2015- Mar. 31, 2015)	1Q (Apr. 1, 2015- Jun. 30, 2015)	2Q (Jul. 1, 2015- Sep. 30, 2015)
Trading Value of Cash Equities (JPY mil.)						
TSE 1st/2nd Section *1	128,665,627	132,276,215	171,078,880	168,409,808	180,820,436	189,247,280
Mothers *1	8,173,604	9,120,144	9,460,573	5,927,163	5,894,082	5,487,907
JASDAQ *1	6,429,667	6,352,007	4,653,689	4,827,723	5,409,453	4,458,234
ETFs/ETNs and REITs etc. *2	8,205,419	7,749,624	15,082,345	16,264,620	16,299,502	22,455,832
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	4,540,465	4,596,852	6,155,327	5,564,453	5,152,726	6,284,469
Total Nikkei 225 Futures/mini *3	8,889,164	9,562,272	15,184,014	12,259,555	11,551,509	16,714,992
Nikkei 225 Futures	5,111,644	5,422,599	8,402,820	6,656,040	6,041,354	8,736,954
Nikkei225mini	37,775,200	41,396,736	67,811,949	56,035,157	55,101,557	79,780,382
Nikkei 225 Options (JPY mil.) *4	1,414,182	1,345,023	2,397,712	1,693,811	1,471,850	2,137,320
10-year JGB Futures	1,924,624	2,329,798	2,420,837	2,363,988	2,323,310	2,070,202

➤ Average Daily Trading Volume/Value

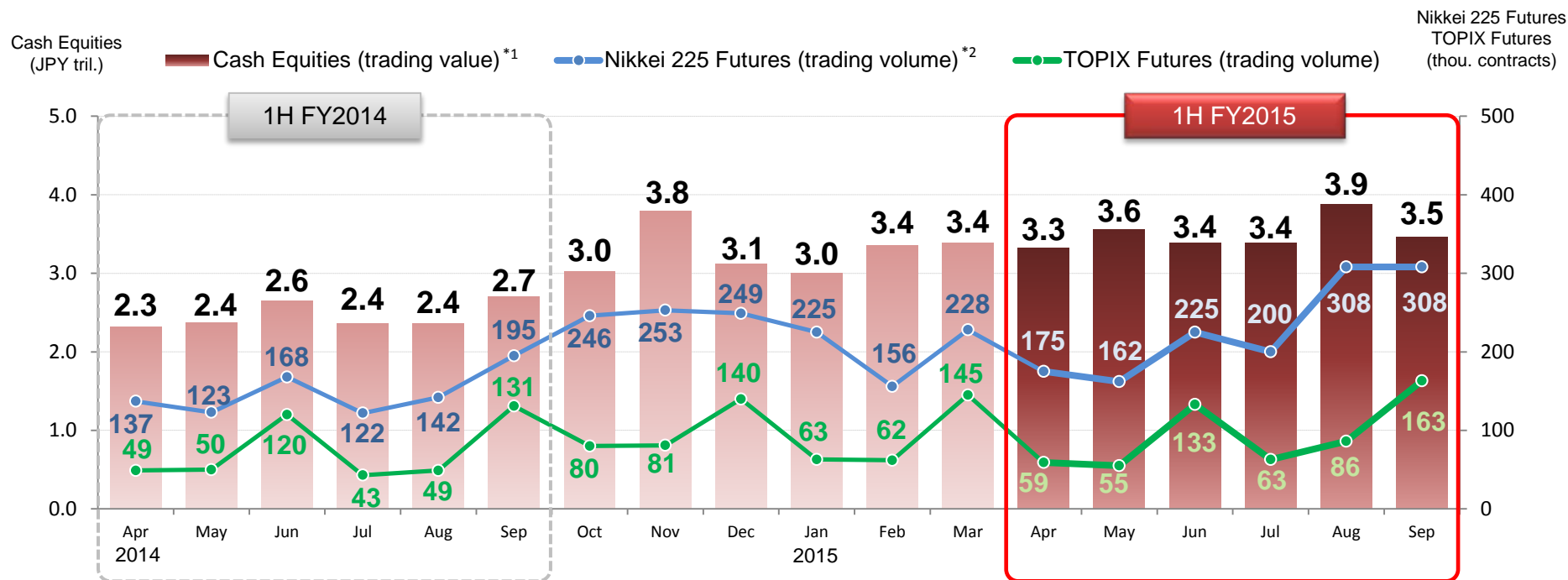
	FY2014				FY2015	
	1Q (Apr. 1, 2014- Jun. 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)	3Q (Oct. 1, 2014- Dec. 31, 2014)	4Q (Jan. 1, 2015- Mar. 31, 2015)	1Q (Apr. 1, 2015- Jun. 30, 2015)	2Q (Jul. 1, 2015- Sep. 30, 2015)
Trading Value of Cash Equities (JPY mil.) *5	2,443,134	2,468,222	3,283,205	3,257,155	3,416,778	3,575,030
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	73,233	72,966	100,907	92,741	84,471	101,362
Total Nikkei 225 Futures/mini *3	143,374	151,782	248,918	204,326	189,369	269,597
Nikkei 225 Futures	82,446	86,073	137,751	110,934	99,039	140,919
Nikkei225mini	609,277	657,091	1,111,671	933,919	903,304	1,286,780
Nikkei 225 Options (JPY mil.) *4	22,809	21,350	39,307	28,230	24,129	34,473
10-year JGB Futures	31,042	36,981	39,686	39,400	38,087	33,390

*1 Value of auction and off-auction trading of common stocks. *2 Total value of auction and off-auction trading. *3 Contracts of Nikkei 225 mini are calculated using a factor of 1/10.

*4 Excluding weekly options. *5 Total value of daily averages of auction and off-auction trading of common stocks on 1st/2nd Sections, Mothers, JASDAQ, TOKYO PRO Market, and ETFs/ETNs, REITs etc.

Average Daily Trading Volume/Value of Major Products

➤ Average daily trading volume/value of major products



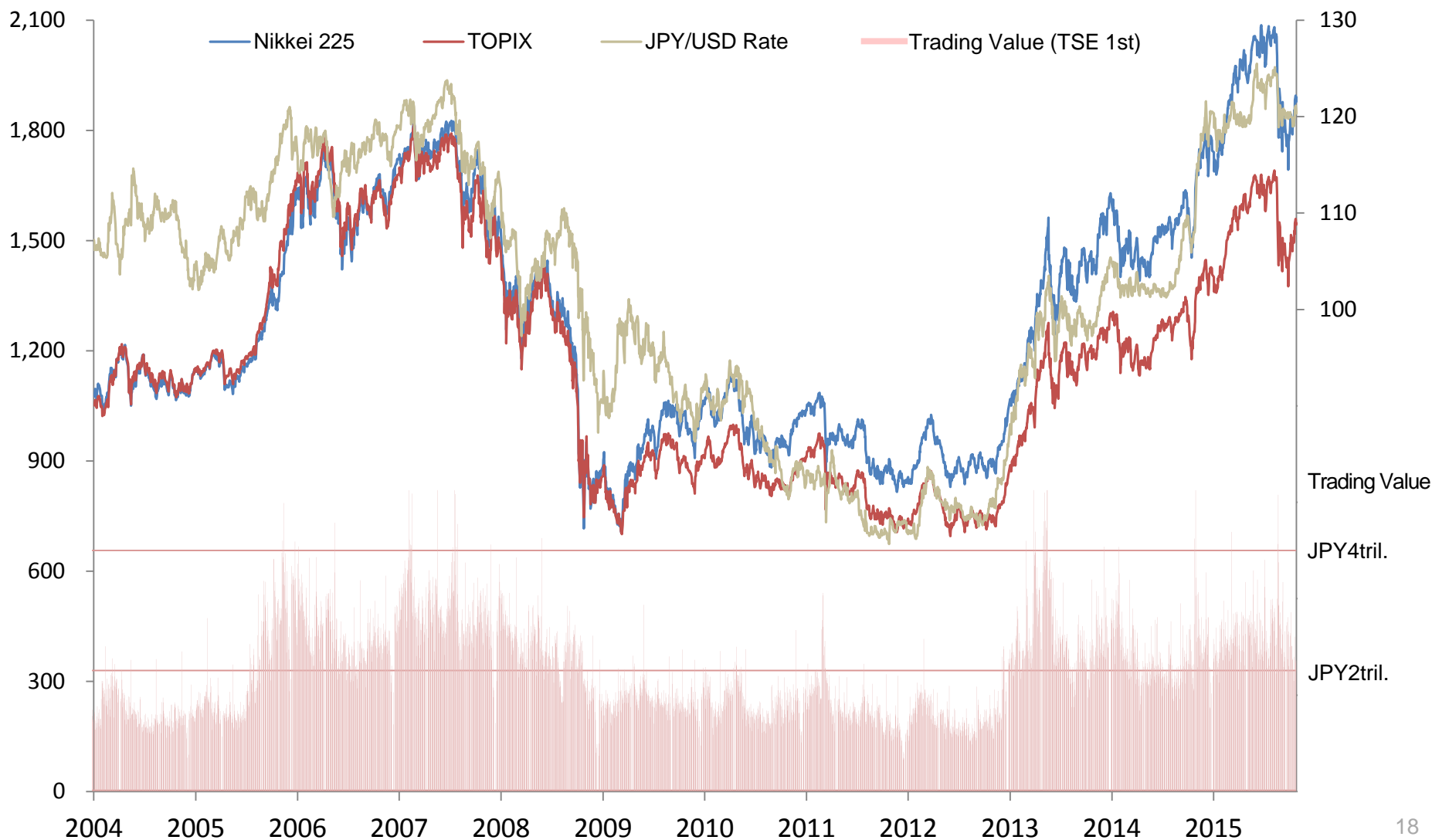
*1 Total value of daily averages of auction and off-auction trading of common stocks on 1st/2nd Sections, Mothers, JASDAQ, TOKYO PRO Market, and ETFs/ETNs, REITs etc.

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

Japanese Stock Market

Nikkei 225 (JPY 10)
TOPIX (points)

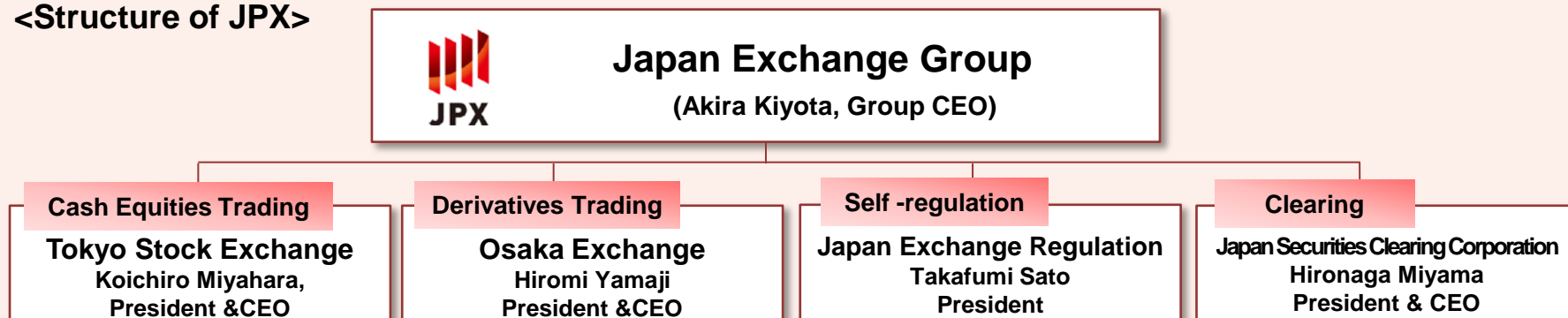
(JPY/USD)



Outline of JPX Stock

Stock Code	8697
Listed Exchange	Tokyo Stock Exchange 1 st Section
Fiscal Year End	March 31
Annual General Shareholders Meeting	June
Record Date	March 31
Number of Shares in One Trading Unit	100 shares
Total number of shares issued	549,069,100 shares
Basic Policy on Profit Distribution	<p>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:</p> <ul style="list-style-type: none"> • 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>



Disclaimer

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.