

Overview of Earnings for 3Q FY2013

Japan Exchange Group, Inc.

January 31, 2014

I. Overview of Earnings for 3Q FY2013

(April 1 – December 31, 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 the1st 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. In addition, due to elaboration, etc. of account items, there may be differences in figures and values as compared to those announced on April 30, 2013 and July 30, 2013.



Highlights and FY2013 Forecast

- Both cash equity trading value and derivatives trading volume continue to surpass the previous figures on a year-on-year basis.
- Accompanying the expansion of growth both in revenue and income, the earnings forecast for FY2013 was revised upward.

(JPY mil.)

	3Q (Apr.-Dec.)			Full Year		
	3Q FY2012 (Total of former TSEG & former OSE's 1H)	3Q FY2013	y/y	FY2012 (Total of JPX & former OSE's 1H)	FY2013 (Forecast) (Revised on January 27)	y/y
Operating Revenue	56,731	89,102	+57.1%	82,504	111,500	+35.1%
Operating Expenses	42,764	48,975	+14.5%	59,633	66,500	+11.5%
Operating Income	13,967	40,127	+187.3%	22,871	45,000	+96.8%
Ordinary Income	16,333	42,082	+157.7%	25,259	47,000	+86.1%
Net Income	9,325	24,396	+161.6%	12,953	27,000	+108.4%
EBITDA	24,563	53,702	+118.6%	36,994	-	-

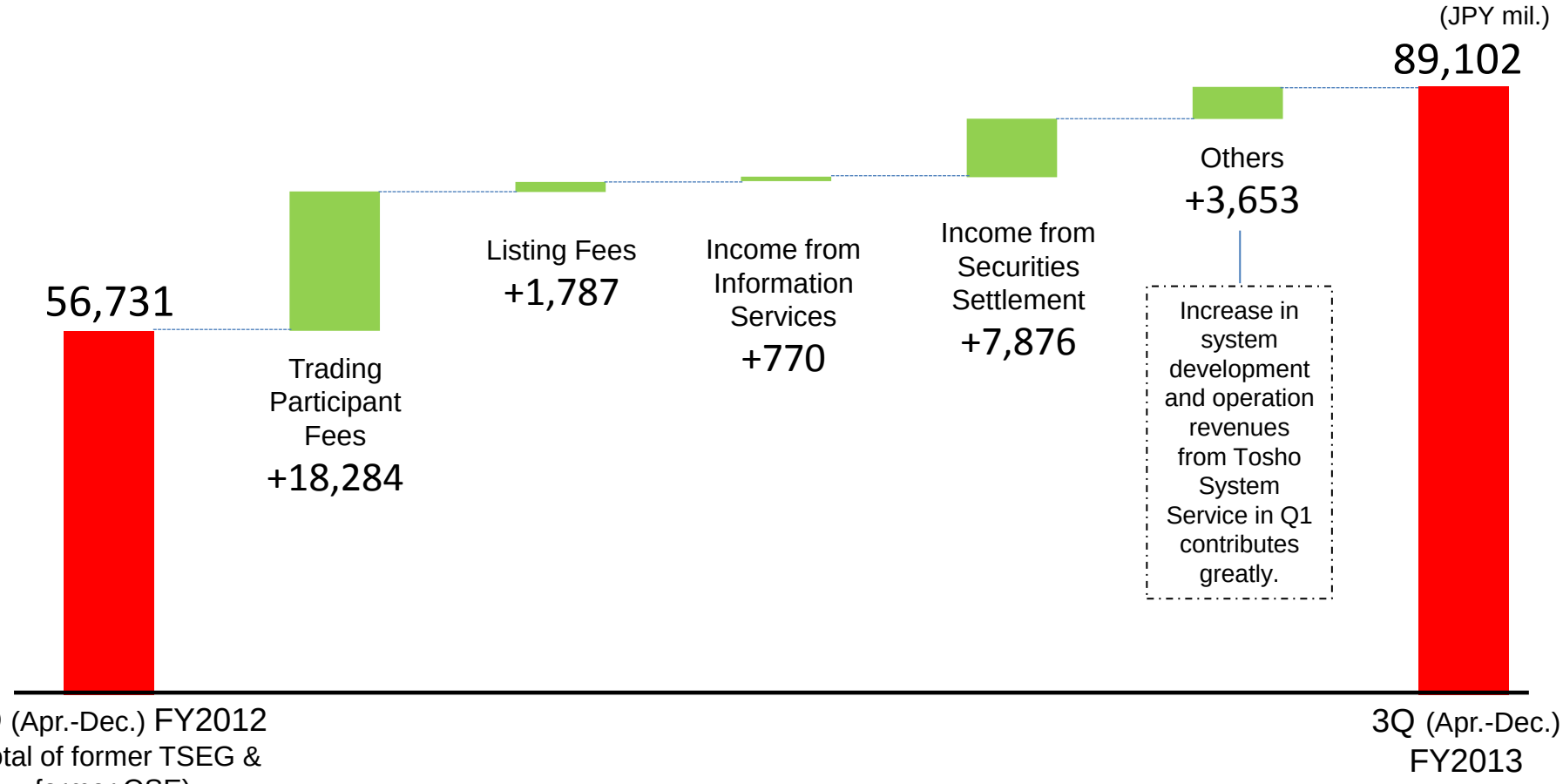
➢ **Average Daily Trading Volume/Value of Major Products**

	3Q (Apr.-Dec.) FY2012	3Q (Apr.-Dec.) FY2013	y/y	FY2012	FY2013 (Assumptions for forecasts)	y/y
Equities (trading value) *1	JPY 1,249.9 bil	JPY 2,968.2 bil	+138%	JPY 1,561.2 bil	JPY 2,800.0 bil	+79%
TOPIX futures (trading volume)	61,572contracts	93,680contracts	+52%	68,204contracts	92,000contracts	+35%
Nikkei 225 Futures *2 (trading volume)	131,441contracts	221,214contracts	+68%	153,087contracts	213,000contracts	+39%
10-year JGB futures (trading volume)	36,326contracts	34,506contracts	(5%)	38,700contracts	32,000contracts	(17%)
Nikkei 225 Options (trading value)	JPY 18.6 bil	JPY 41.8 bil	+124%	JPY 23.5 bil	JPY 38.0 bil	+62%

*1 Total of trading value in TSE 1st /2nd Sections (incl. former OSE 1st /2nd Sections), Mothers, JASDAQ, and TOKYO PRO Market *2 Incl. Nikkei 225 mini (calculated using factor of 1/10)

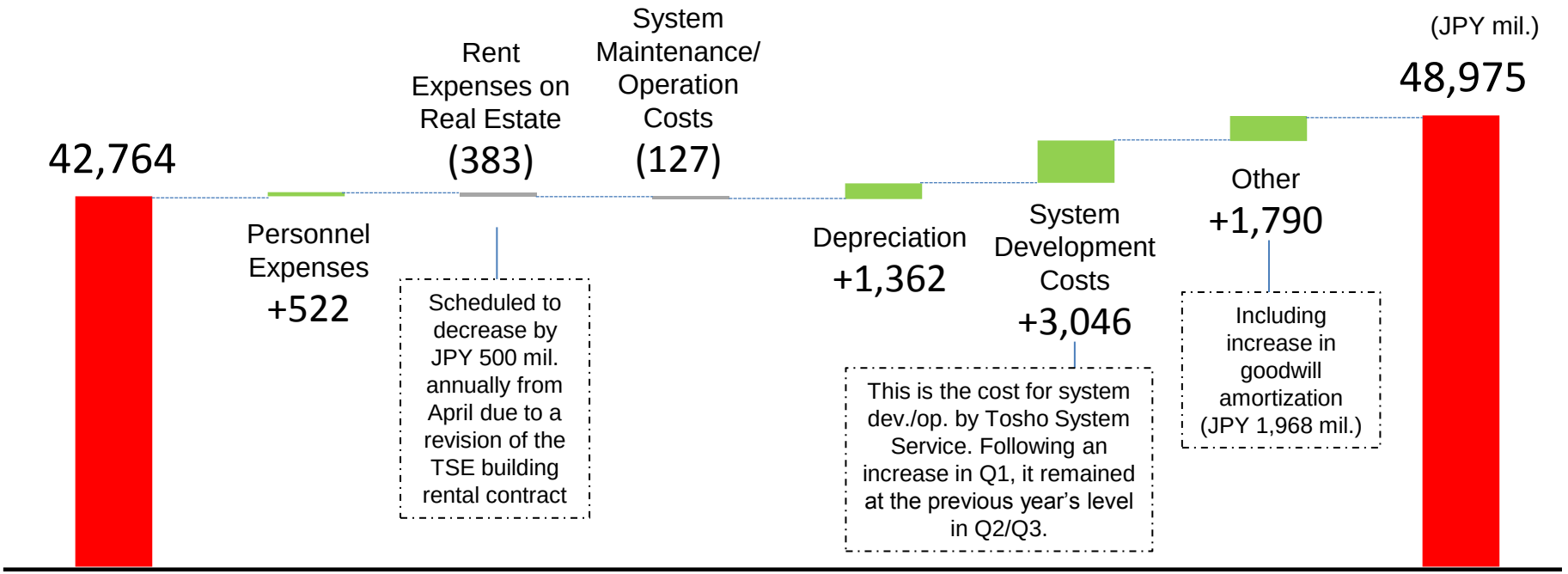
Operating Revenue

- With active trading, trading participant fees and income from securities settlement greatly increased. Increases in clearing of yen-denominated interest rate swaps, etc. also contributed to an increase in income from securities settlement
- Listing fees increased due to increased new listings and public offerings by listed companies and REITs



Operating Expenses

- Increase in depreciation expenses is due to accelerated depreciation accompanying the system integration
- Increase in other operating expenses is owed to goodwill amortization



II. Business Developments



Generating Synergy Effect

- With the success of functional integration of cash equity markets, etc., progress is being made toward the derivatives market integration.



Completed Cash Equity Market Integration, etc.

- **Consolidated cash equities markets under TSE**
  - ✓ Composed of TSE of 1st/2nd Sections, Mothers, JASDAQ, and TOKYO PRO Market
  - ✓ Consolidated trading systems to arrowhead (off-auction: ToSTNeT)
- **Consolidated self-regulatory functions under TSE Regulation**
- **Consolidated clearing functions under JSCC**
  - ✓ Further improve risk management functions
  - ✓ Improve liquidity and participant capital efficiency via unified margin system

Derivatives Market Integration

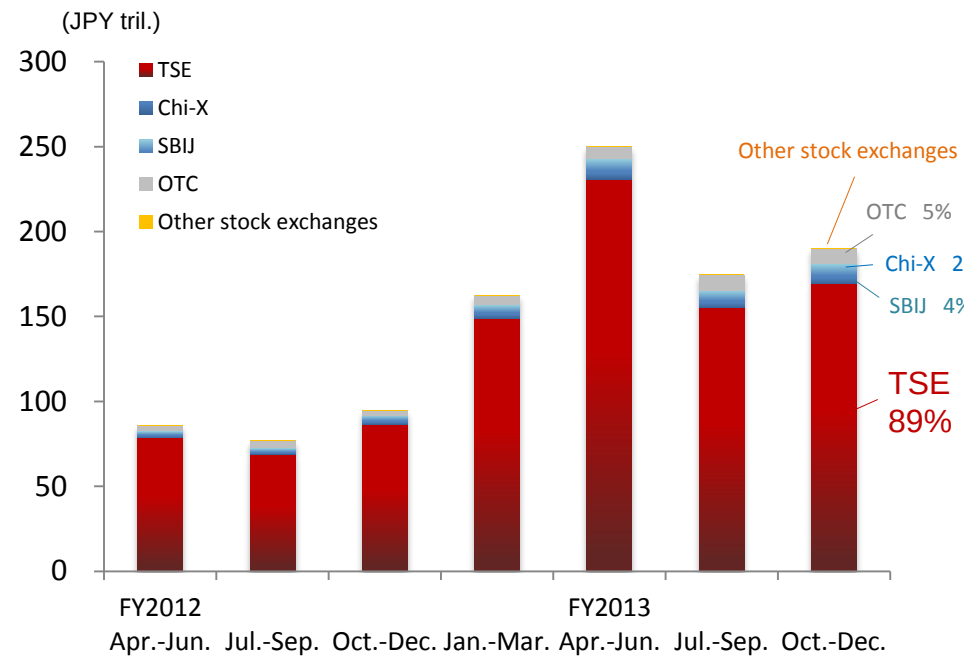
- **Consolidate derivatives markets under OSE**
  - ✓ Consolidate trading systems to J-GATE (using NASDAQ OMX Click XT)
  - ✓ Facilitate trading of a wide-range of derivatives products on a single platform, including Nikkei 225 products, TOPIX products, and JGB products
  - ✓ Facilitate extension of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

Cash Equities

- With active market conditions, the daily average trading value for stocks is nearing JPY 3 trillion.
- Trading value of ETFs and REITs is hovering around new record levels. In particular, ETF trading value increased 6 times year-on-year to become the 4th largest in the world* and the largest in Asia*.

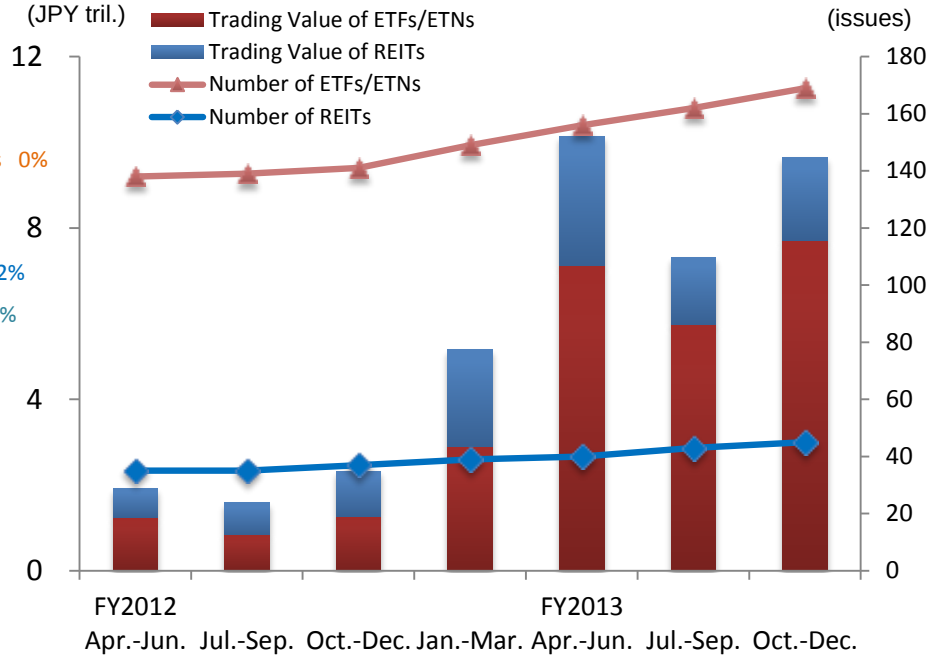
* Source: WFE, 2013 (annual)

➢ Trading Value of Stocks in Japan



TSE: Total trading value in TSE 1st /2nd Sections(incl. former OSE 1st/2nd Sections), Mothers, JASDAQ and TOKYO PRO Market
Source: TSE, Chi-X, SBIJ and JSDA

➢ ETFs/ETNs and J-REITs

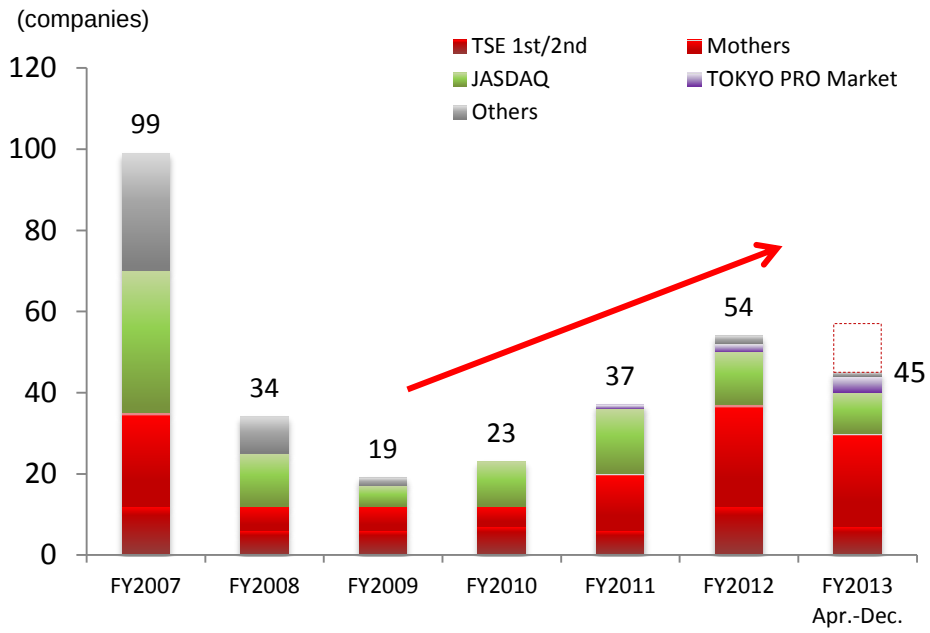


Trading value and the number of ETFs, ETNs and REITs prior to July 16, 2013 are the total of those on TSE markets and former OSE markets
Source: TSE and OSE

Cash Equities

- In addition to fund raising by listed companies, fund raising by REITs was also active.
- Calculation of the new index “JPX-Nikkei Index 400” began on January 6, and ETFs tracking the index have been listed.
- A revision to tick sizes (Phase 1: tick sizes for TOPIX 100 constituents with prices over JPY 3,000) was implemented on January 14.

➢ IPOs in Japan



Source: TSE and each securities exchange

➢ Major Fund Raising

Listed Companies
- Sharp: ¥142,560 mil.
- Ashikaga Holdings: ¥ 23,100 mil.
- Leopalace21: ¥ 22,533 mil.

REITs
- AEON REIT Investment Corporation: ¥ 96,243 mil.
- Japan Retail Fund Investment Corporation: ¥ 44,861 mil.
- Activia Properties Inc.: ¥ 33,744 mil.

*Not including secondary offerings
*REIT IPOs indicate net assets at the time of listing.

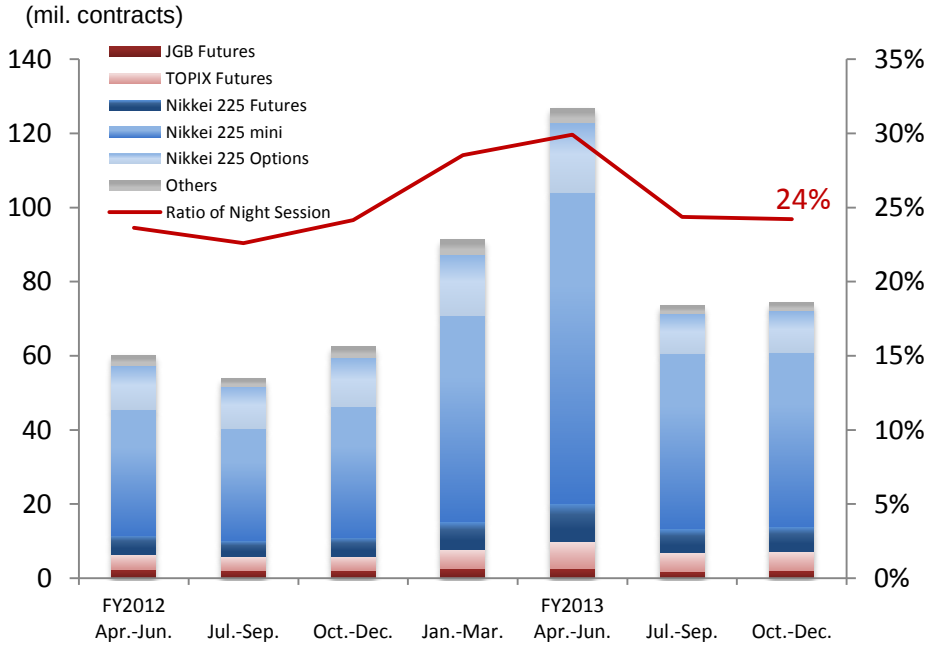
➢ New Products tracking JPX-Nikkei Index 400

New ETFs
- Nomura AM: NEXT FUNDS JPX-Nikkei Index 400 Exchange Traded Fund (Jan. 28)
- Nikko AM: Listed Index Fund JPX-Nikkei Index 400 (Jan. 28)
- Mitsubishi UFJ AM: MAXIS JPX-Nikkei Index 400 ETF (Feb. 6)

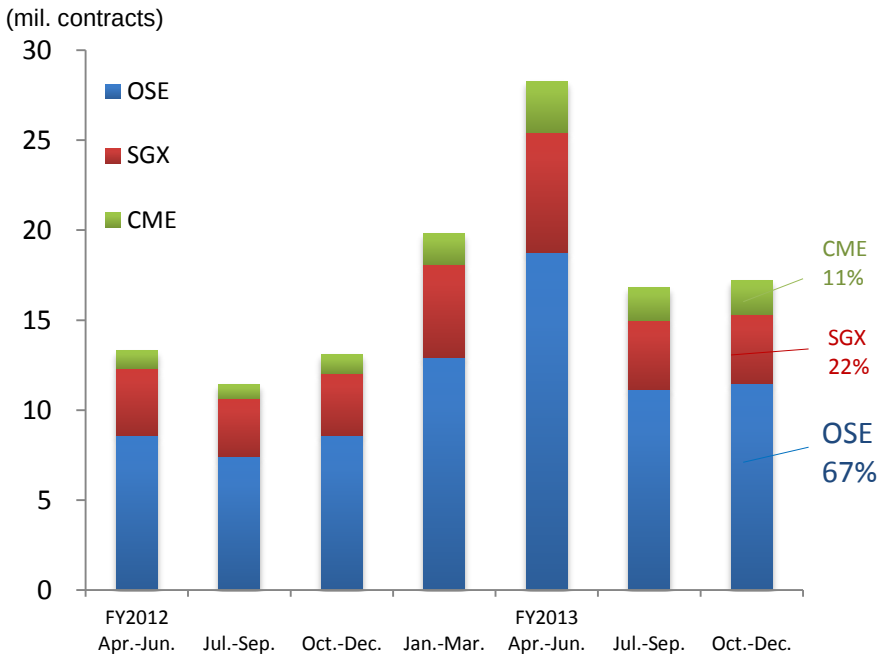
Derivatives

- Derivatives trading volume increased by approx. 20% year-on-year and maintained record levels on a fiscal year basis.
- Scheduled to launch trading of CNX Nifty Futures on March 24 and re-launch trading of 20-year JGB Futures on April 7.

➢ **JPX's Derivatives Trading Volume and Ratio of Night Session**



➢ **Trading Volume of Nikkei 225 Futures**



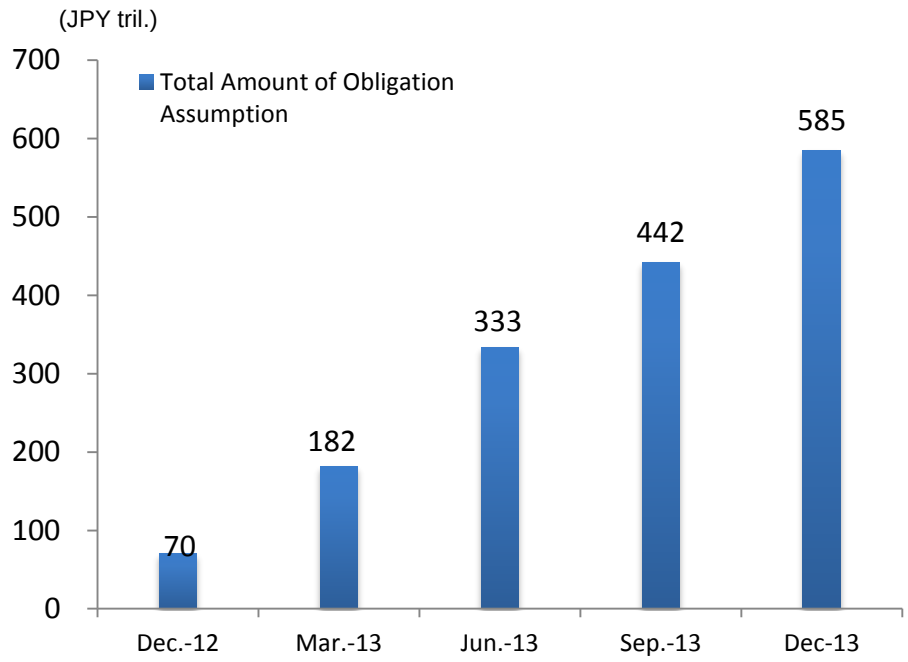
OSE's mini calculation factor is 1/10, SGX's large (incl. USD denominated) is 1/2, mini is 1/10, and CME's USD denominated and JPY denominated contracts are1/2.

Source: Each exchange

Clearing Business

- Outstanding balance of cleared yen-denominated interest rate swaps (IRS) has steadily increased. Client clearing for IRS is scheduled to begin in February 2014.
- Japan Securities Clearing Corporation (JSCC) was awarded Asia Risk's "Clearing House of the Year"
  - Awarded for its achievements in the clearing service for yen-denominated IRS transactions, which has expanded rapidly since its launch on October 2012, and for future prospects expected from the merger with Japan Government Bond Clearing Corporation (JGBCC).

➢ IRS Clearing (Cleared Open Interest)



Source: JSCC

➢ Business fields of JSCC

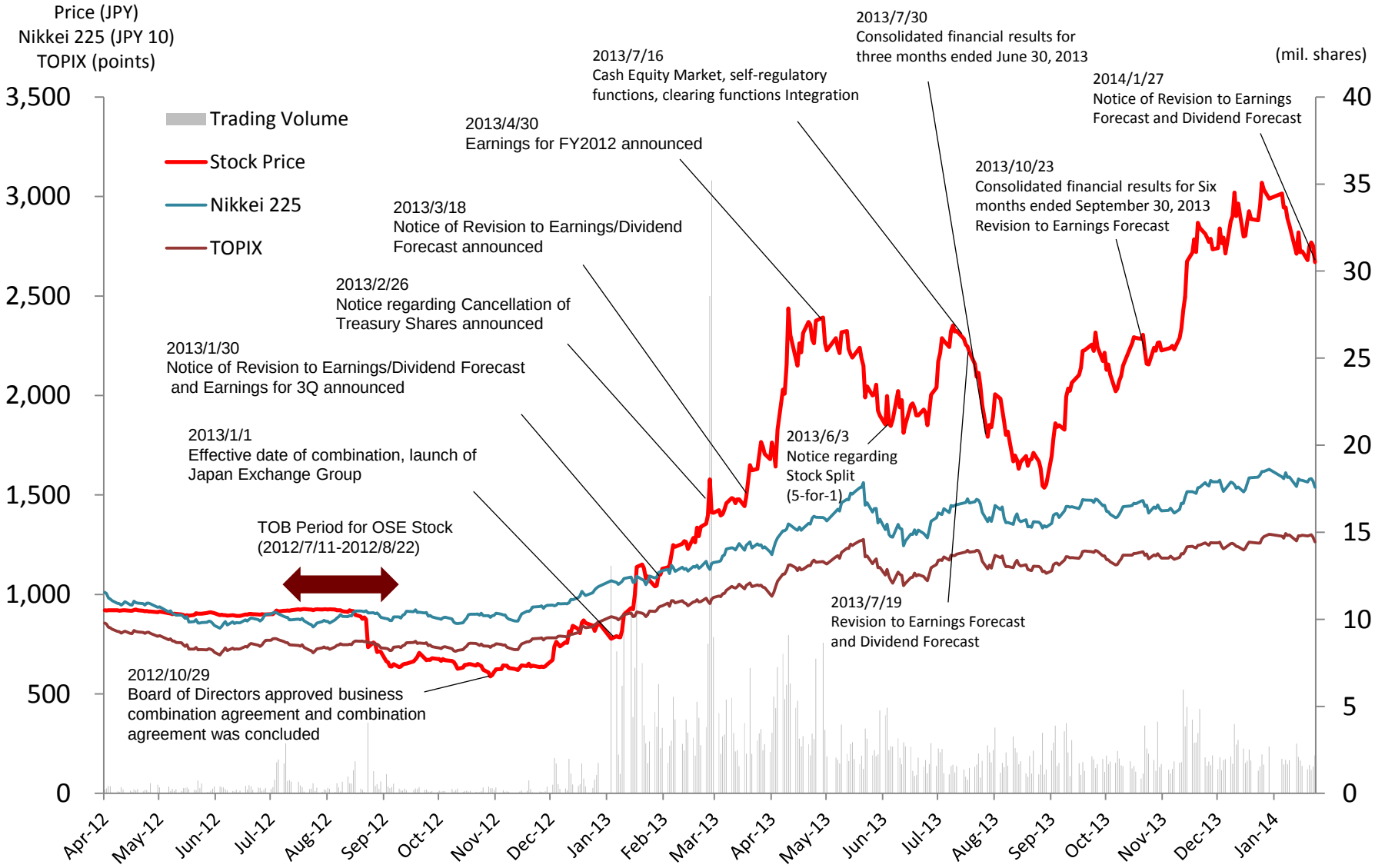
Listed Products

- Cash trading
- Derivatives trading

OTC Products

- CDS (Launched in Jul. 2011)
- Yen-denominated IRS (Launched in Oct. 2012)
- JGBs (JGBCC merged with JSCC to become a JPX subsidiary in Oct. 2013)

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. Due to the 100-for-1 stock split effective on January 1, 2013, and the subsequent 5-for-1 stock split effective on October 1, 2013, the stock prices until December 2012 is calculated as 1/500, and from January to September 2013 as 1/5.

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)	1Q (Apr. 1, 2013- Jun 30, 2013	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)
Operating Revenue	19,179	17,779	19,772	25,773	36,099	25,623	27,379
Operating Expenses	13,960	13,562	15,241	16,869	18,156	15,364	15,454
Operating Income	5,218	4,217	4,531	8,903	17,943	10,258	11,925
Ordinary Income	5,813	4,726	5,792	8,926	18,655	10,261	13,165
Net Income	3,499	3,072	2,753	3,627	11,209	5,341	7,846
EBITDA	8,555	6,965	9,041	12,431	23,089	13,421	17,191

➢ Operating Expenses

(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)	Full Year (Apr.1, 2012- March 31, 2013)	1Q (Apr. 1, 2013- Jun 30, 2013	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)
Personal Expenses	3,509	3,533	3,551	14,499	3,601	3,752	3,763
Rent Expenses on Real Estates	1,582	1,582	1,592	6,349	1,453	1,450	1,470
System Maintenance & Operation Costs	2,996	2,951	2,904	11,695	2,847	2,909	2,976
Depreciation	2,725	2,903	2,938	12,741	3,537	3,242	3,149
Cost of System Development	1,230	789	1,451	4,666	3,830	1,324	1,361
Other	1,915	1,802	2,803	9,680	2,884	2,685	2,732
Total	13,960	13,562	15,241	59,633	18,156	15,364	15,454

* 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)	2Q (Jul. 1, 2012- Sep. 30, 2012)	3Q (Oct. 1, 2012- Dec. 31, 2012)	1Q (Apr. 1, 2013- Jun 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)		
	Amount	Amount	Amount	Amount	Amount	Amount	Ratio	y/y
Trading Participant Fees	**7,859**	**7,093**	**8,211**	**17,317**	**11,772**	**12,358**	**45.1%**	50.5%
Transaction Fees	5,742	5,052	6,110	14,869	9,660	10,266		68.0%
Cash Equities	3,316	2,945	3,649	10,154	7,058	7,367	71.8% *	101.9%
Derivatives	2,426	2,106	2,460	4,714	2,602	2,899	28.2% *	17.9%
TOPIX futures	371	351	350	588	453	444		26.7%
Nikkei 225 futures (incl. mini)	760	651	814	1,605	938	1,086		33.5%
Nikkei 225 Options	752	658	825	1,932	819	932		13.0%
10-year JGB futures	459	393	415	502	339	382		(8.1%)
Others	82	50	53	85	51	53		(1.1%)
Basic Fees	371	365	362	353	284	275		(24.0%)
Access Fees	1,099	1,031	1,088	1,430	1,185	1,165		7.0%
Trading System Facilities Usage Fees	617	619	623	628	620	628		0.8%
Others	27	24	27	35	21	22		(18.3%)
Income from Securities Settlement	**2,538**	**2,183**	**3,046**	**6,430**	**4,211**	**5,003**	**18.3%**	64.2%
Listing Fees	**2,156**	**2,533**	**2,620**	**2,517**	**3,179**	**3,400**	**12.4%**	29.8%
Initial/Additional Listing Fees	473	858	883	786	1,521	1,566		77.2%
Annual Listing Fees	1,683	1,675	1,736	1,730	1,658	1,834		5.6%
Income from Information Services	**3,786**	**3,725**	**3,680**	**4,086**	**3,885**	**3,990**	**14.6%**	8.4%
Other	**2,837**	**2,243**	**2,214**	**5,747**	**2,574**	**2,626**	**9.6%**	18.6%
Total	**19,179**	**17,779**	**19,772**	**36,099**	**25,623**	**27,379**	**100%**	**38.5%**

Figures for Q1 and Q2 FY2012 are total of former TSEG and former OSE.
Figures marked * are indicate percentage of Transaction Fees.

Referential financial data

➢ Consolidated Balance Sheets

(JPY mil.)

		Mar. 31, 2013	Dec. 31, 2013
<Assets>			
Current assets		**1,095,466**	**1,462,482**
Cash and deposits		120,808	88,699
Operating accounts receivable		8,716	11,422
Securities		-	804
Work in Process		2,467	40
*1	Margin funds for derivatives, etc. and when-issued transactions	789,201	1,143,030
Deposits for clearing funds		161,086	197,881
Deposits as collateral for facilitating settlement		10,000	10,500
Other		3,195	10,117
Allowance for doubtful accounts		(9)	(14)
Noncurrent assets		**180,919**	**174,902**
Property, plant and equipment		8,673	6,927
Intangible assets		90,744	87,618
Goodwill		67,374	64,792
Other		23,370	22,825
Investments and other assets		81,501	80,357
Investment securities		41,304	39,808
*2	Legal guarantee funds	600	649
*4	Special assets for default compensation reserve funds	27,948	27,948
Other		11,825	12,091
Allowance for doubtful accounts		(177)	(140)
Total assets		**1,276,386**	**1,637,385**

		Mar. 31, 2013	Dec. 31, 2013
<Liabilities>			
Current liabilities		**1,083,157**	**1,415,282**
Operating accounts payable		3,221	2,766
Short-term loans payable		18,670	32,500
Current portion of long-term loans payable		86,399	―
Income taxes payable		6,312	12,765
Provision for bonuses		1,223	497
Provision for directors' bonuses		252	20
*1	Margin funds received for derivatives, etc. and when-issued transactions	789,201	1,143,030
Deposits received for clearing funds		161,086	197,881
Deposits received as collateral for facilitating settlement		10,000	10,500
*3	Deposits received as trading participant security money	3,169	4,846
Other		3,620	10,473
Noncurrent liabilities		**14,151**	**24,220**
Long-term loans payable		-	10,000
Provision for retirement benefits		7,580	7,497
*2	Returnable legal guarantee funds	600	649
Other		5,970	6,072
Total liabilities		**1,097,308**	**1,439,502**
<Net assets>			
Shareholders' equity		**167,440**	**183,046**
Capital stock		11,500	11,500
Capital surplus		59,726	59,726
Retained earnings		96,213	111,825
Treasury stock		-	(5)
Valuation difference on available-for-sale securities		**9,088**	**9,195**
Total accumulated other comprehensive income		9,088	9,195
Minority interests		**2,548**	**5,641**
Total net assets		**179,077**	**197,883**
Total liabilities and net assets		**1,276,386**	**1,637,385**

***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)	1Q (Apr. 1, 2013- Jun 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)
Cash Equities	3,316	2,945	3,649	6,193	10,154	7,058	7,367
Derivatives	2,426	2,106	2,460	3,597	4,714	2,602	2,899
TOPIX Futures	371	351	350	451	588	453	444
Nikkei 225 Futures (incl. mini)	760	651	814	1,189	1,605	938	1,086
Nikkei 225 Options	752	658	825	1,384	1,932	819	932
10-year JGB Futures	459	393	415	502	502	339	382
Others	82	50	53	69	85	51	53

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)	1Q (Apr. 1, 2013- Jun. 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)
Trading Value of Stocks (JPY mil.) (*1)							
TSE 1st/2nd Section (*2)	76,567,741	67,269,696	83,683,764	141,743,922	214,059,115	143,333,854	151,527,314
Mothers	659,877	661,086	1,129,330	3,348,301	7,453,258	5,545,080	11,499,388
JASDAQ	1,262,229	957,928	1,551,488	3,674,444	9,207,734	6,233,226	6,203,970
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)							
TOPIX Futures	4,008,210	3,729,113	3,776,656	5,196,028	7,207,955	5,118,622	5,191,516
Total Nikkei 225 Futures/mini (*3)	8,592,506	7,413,381	8,573,728	12,926,625	18,764,763	11,139,399	11,462,951
Nikkei 225 Futures	5,206,854	4,389,045	5,058,413	7,369,366	10,373,289	6,408,145	6,756,891
Nikkei225mini	33,856,526	30,243,360	35,153,145	55,572,590	83,914,741	47,312,547	47,060,600
Nikkei 225 Options (JPY mil.)	1,213,137	1,029,247	1,253,161	2,271,580	3,968,040	1,895,032	1,970,855
10-year JGB Futures	2,451,382	2,114,685	2,226,941	2,688,395	2,648,616	1,789,770	2,014,239

➢ 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)	1Q (Apr. 1, 2013- Jun. 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)
Trading Value of Stocks(JPY mil.) (*1) (*4)	1,265,965	1,093,472	1,392,977	2,564,943	3,721,292	2,462,098	2,729,528
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)							
TOPIX Futures	64,649	59,192	60,914	89,587	116,257	81,248	83,734
Total Nikkei 225 Futures/mini (*3)	138,589	117,673	138,286	222,873	302,657	176,816	184,886
Nikkei 225 Futures	83,982	69,667	81,587	127,058	167,311	101,717	108,982
Nikkei225mini	546,073	480,053	566,986	958,148	1,353,464	750,993	759,042
Nikkei 225 Options (JPY mil.)	19,567	16,337	20,212	39,165	64,001	30,080	31,788
10-year JGB Futures	39,538	33,566	35,918	46,352	42,720	28,409	32,488

*1 Trading value of common stocks
*2 Including trading value in former OSE 1st/2nd Sections
*3 Contracts of Nikkei 225 mini are calculated using a factor of 1/10
*4 Total of trading value in TSE 1st /2nd Sections(former OSE 1st /2nd Sections), Mothers, JASDAQ and TOKYO PRO Market

Management and Financial Targets for FY2015
(Medium-Term Management Plan)

■ Management and Financial Targets / Financial (JPY mil.)

	FY2012	FY2015 (Target)
Operating Revenues	82,504	**90,500**
Operating Expenses (excl. goodwill amortization)	59,633 (58,159)	**52,900 (49,500)**
Operating Profit (excl. goodwill amortization)	22,871 (24,345)	**37,600 (41,000)**
Net Income (excl. goodwill amortization)	12,953 (14,427)	**22,600 (26,000)**
EBITDA	36,994	**Approx. 50,000**
ROE *	9.7%	**Approx. 14%**

* Excluding goodwill amortization and special assets

■ Capital Investment (3 years)

JPY 36 billion

(Main breakdown)
Cash Equities System: ¥ 11.0 B
Derivatives System: ¥ 10.0 B
Clearing System: ¥ 8.0 B

< Average Daily Trading Volume/Value of Major Products>

	FY2012	**FY2015** (Assumptions for the Target)	compared to FY2012
Equities (trading value) *1	JPY 1,561.2 bil	JPY 1,700.0 bil	**+138.8** bil
TOPIX futures (trading volume)	68,204contracts	104,000contracts	**+35,796**
Nikkei 225 Futures *2 (trading volume)	153,087contracts	217,000contracts	**+63,913**
10-year JGB futures (trading volume)	38,700contracts	53,000contracts	**+14,300**
Nikkei 225 Options (trading value)	JPY 23.5 bil	JPY 47.0 bil	**+23.5** bil

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

Generating Cost Synergy

FY 2013 | FY 2014 | FY 2015

Sep. 2012 – Jul. 2013
Accelerated amortization of prior OSE's cash equity system

Jul. 16, 2013
Cash equity system integration
Integrating to arrowhead(launched in Jan. 2010)

Plan to replace a cash equity system to next arrowhead

Dec. 2012 – Mar. 2014
Accelerated amortization of prior TSE derivatives system

Mar. 24, 2014
Derivatives system integration
Integrating to J-GATE (launched in Feb. 2011)

Increase depreciation due to accelerated amortization

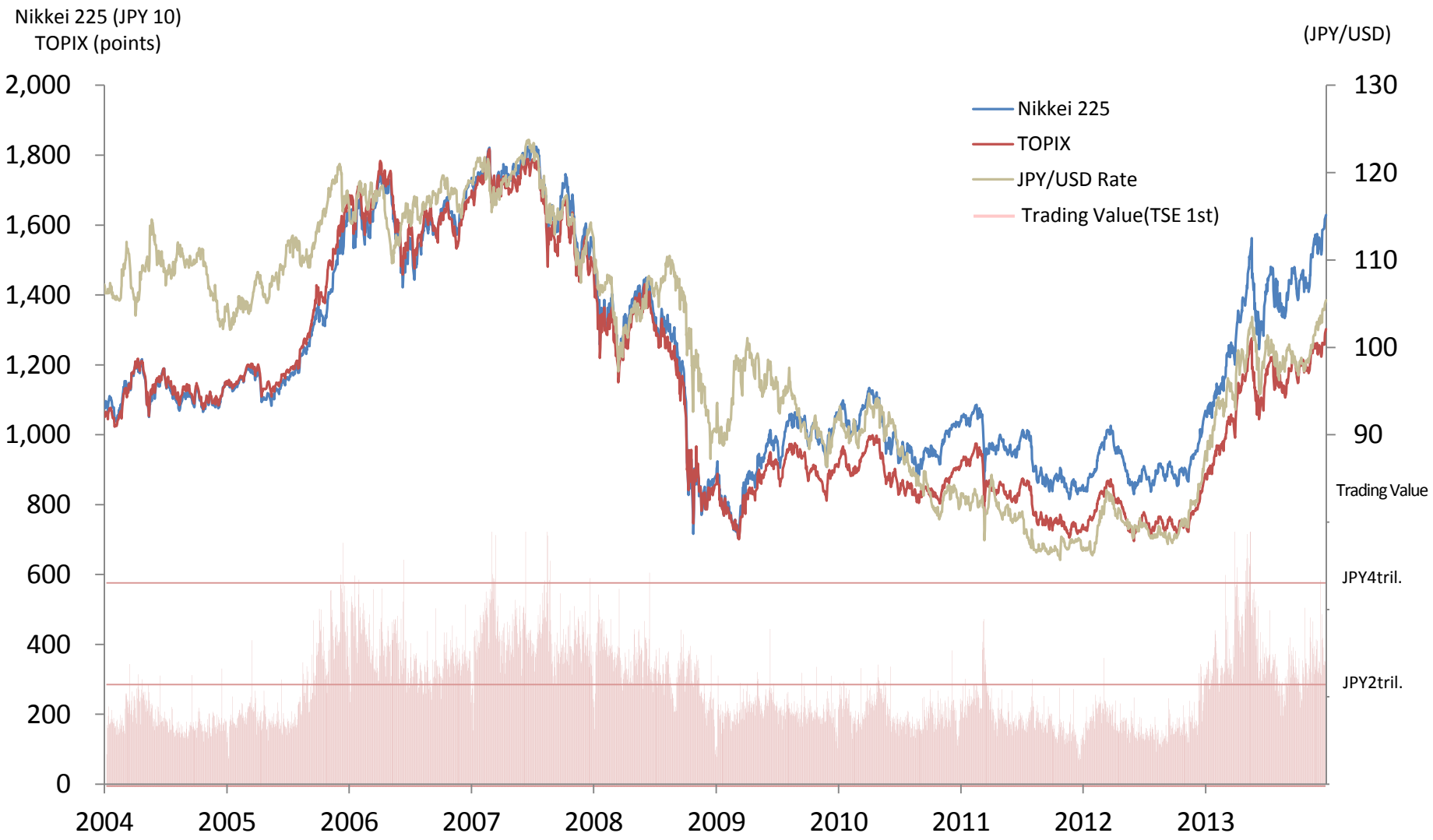
System-related cost reduction (JPY 7 bil. in FY2015)
<Integration of duplicate systems>

Non system-related cost reduction (JPY 1.5 bil in FY2015)
<Improvement of operational efficiency and revision of business bases, etc.>

Target:
Cost Reduction of
JPY 8.5 bil. or More
(15% of Overall Costs)
(compared to FY2012)

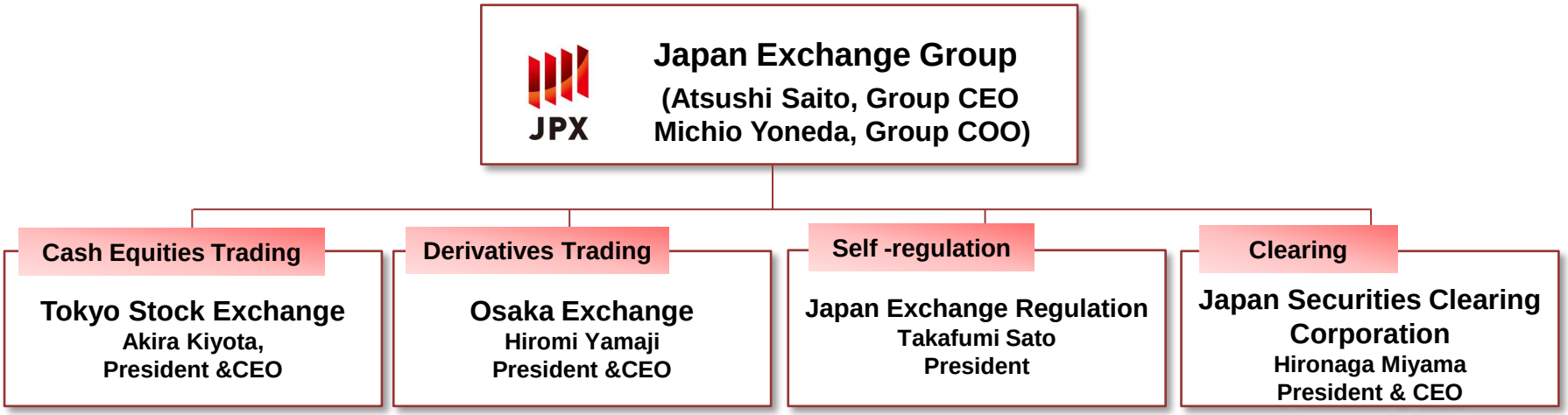
(Note) System-related cost: costs related to system maintenance/operation, depreciation, etc.

Japanese Stock Market



Other topics

<Structure of JPX (after April 2014*) **>**



* Trade/corporate names to be changed

- Osaka Securities Exchange
  → Osaka Exchange (March 24, 2014)
- Tokyo Stock Exchange Regulation
  → Japan Exchange Regulation (April 1, 2014)

Outline of JPX Stock

Stock Code	8697
Listed Exchange	Tokyo Stock Exchange 1st 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(*)	Total number of shares authorized to be issued: 1,090,000,000 shares Total number of shares issued: 274,534,550 shares * A 5-for-1 stock split was conducted with an effective date of Oct. 1, 2013.
Basic Policy on Profit Distribution	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. **Specifically, JPX aims at a target dividend payout ratio of around 40%.**

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