(Reference Translation)
(Excerpt Version)
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April 28, 2014

Japan Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for the year ended March 31, 2014, unaudited

Company name: **Japan Exchange Group, Inc.**
Code number: 8697 URL: http://www.jpx.co.jp/en/index.html
Stock Exchange Listings: Tokyo
Representative: Atsushi Saito, Director & Representative Executive Officer, Group CEO
Contact: Akira Tagaya, Director, Corporate Communications
Scheduled date of annual general shareholders meeting: June 17, 2014
Scheduled date of start of dividend payment: May 28, 2014
Scheduled date of filing of annual securities report: June 11, 2014
Preparation of earnings presentation material: Yes
Holding of earnings announcement: Yes (For institutional investors and analysts)

1. Consolidated Financial Results for the year ended March 31, 2014
(April 1, 2013 to March 31, 2014)

(Figures less than a million yen are discarded)

(1) Operating results

(Percentages represent year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2014	116,251	62.1	51,120	161.4	52,801	144.1	29,835	172.7
Year ended March 31, 2013	71,708	—	19,555	—	21,631	—	10,941	—

(Note)
Comprehensive income:
Year ended March 31, 2014: ¥28,990 million / 86.4% Year ended March 31, 2013: ¥15,550 million / —%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenue
	yen	yen	%	%	%
Year ended March 31, 2014	108.68	—	16.0	3.9	44.0
Year ended March 31, 2013	64.59	—	6.2	1.7	27.3

(Reference)
Share of profit (loss) of entities accounted for using equity method:
Year ended March 31, 2014: ¥55 million Year ended March 31, 2013: ¥395 million
* Due to a 5-for-1 stock split which was conducted with an effective date of October 1, 2013, the net income per share and the net assets per share are calculated as if such stock split was implemented at the beginning of the previous consolidated accounting year.

(2) Financial position

	Total assets	Total net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2014	1,403,713	202,018	14.0	715.19
As of March 31, 2013	1,276,386	179,077	13.8	643.01

(Reference)
Shareholders' equity:
As of March 31, 2014: ¥196,342 million As of March 31, 2013: ¥176,529 million
*Clearing deposit money, etc. based on various rules which secure the safety of securities trading, etc. are recorded as the JPX group's assets and liabilities. Clearing deposit money, etc. are large in amount and fluctuate daily and, as a result, the above amounts are significantly impacted by such fluctuations.

(3) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2014	62,722	30,035	(71,362)	50,713
Year ended March 31, 2013	23,928	(109,659)	87,248	29,308

2. Dividends

	Dividends per share					Total cash dividends	Dividend payout ratio	Ratio of dividends to net assets
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2013	—	—	—	80.00	80.00	4,392	24.8	2.5
Year ended March 31, 2014	—	80.00	—	27.00	—	11,804	39.6	6.3
Year ending March 31, 2015 (Forecast)	—	18.00	—	18.00	36.00		47.1	

* Dividends payout ratio is calculated based on the average number of shares outstanding (33,881,156 shares) during the period from April 1, 2012 to March 31, 2013, which includes the period before the business combination. Based on the average number of shares outstanding (54,906,910 shares) during the period after the business combination from January 1, 2013 to March 31, 2013, the dividends payout ratio will be 40.1 %.

A 5-for-1 stock split was conducted with an effective date of October 1, 2013. Dividends for the year ended March 31, 2013 and the end of the second quarter of the year ended March 31, 2014 are actual amounts before said stock split. The dividend payout ratio (consolidated) and the ratio of dividends to net assets (consolidated) for the year ended March 31, 2014 are calculated based on the assumption that said stock split was conducted at the beginning of the consolidated accounting year.

JPX is scheduled to adopt International Financial Reporting Standards (hereafter "IFRS") to its financial reports from the year-end earnings results for the year ending March 31, 2015. The dividend forecasts for said fiscal period were calculated based on net income of ¥24.5 billion with impact from IFRS adoption, and the corresponding dividend payout ratio is 40.3%.

3. Forecast for the Fiscal Year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(Percentages represent year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For Year ending March 31, 2015	93,000	(20.0)	34,500	(32.5)	36,500	(30.9)	21,000	(29.6)	76.49

* The above consolidated forecast is based on the Japanese standards. JPX is scheduled to adopt IFRS from the year-end earnings results for the year ending March 31, 2015. If the forecast were to be calculated with impact from IFRS adoption, each income figure is expected to increase by ¥3.5 billion, resulting in net income of ¥24.5 billion.

* 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 / restatements

1) Changes pursuant to revision of accounting policies: Yes
2) Changes other than the above: None
3) Changes in accounting estimates: Yes
4) Restatements: None

(3) Number of issued shares (common stock)

1) Number of issued shares at the end of the period (including treasury shares):
As of March 31, 2014: 274,534,550 shares
As of March 31, 2013: 274,534,550 shares

2) Number of treasury shares at the end of period:
As of March 31, 2014: 2,655 shares
As of March 31, 2013: ― shares

3) Average number of shares:
Twelve months ended March 31, 2014: 274,533,089 shares
Twelve months ended March 31, 2013: 169,405,780 shares

(Reference) Overview of non-consolidated financial results

Non- Consolidated Financial Results for the year ended March 31, 2014

(1) Operating results

(Percentages indicate year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2014	12,248	(34.3)	7,068	26.0	8,444	32.8	7,380	102.9
Year ended March 31, 2013	18,643	―	5,612	―	6,358	―	3,637	―

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2014	26.88	―
Year ended March 31, 2013	21.47	―

*Results for the preceding fiscal year state the total of Osaka Securities Exchange Co., Ltd. results for the nine months from April 1, 2012 to December 31, 2012 and Japan Exchange Group, Inc. results during the fourth quarter (from January 1, 2013 to March 31, 2013). Additionally, due to a 5-for-1 stock split which was conducted with an effective date of October 1, 2013, the net income per share and the net assets per share are calculated as if such stock split was implemented at the beginning of the preceding fiscal year.

(2) Financial position

	Total assets	Total net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2014	165,956	81,221	48.9	295.86
As of March 31, 2013	193,658	83,714	43.2	304.93

(Reference)
Shareholders' equity:
As of March 31, 2014: ¥81,221 million As of March 31, 2013: ¥83,714 million

*Disclosure regarding implementation status for auditing procedures

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

*Explanation of 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.

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4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(millions of yen)

	As of March 31,2013	As of March 31,2014
Assets		
Current assets		
Cash and deposits	120,808	103,813
Operating accounts receivable	8,716	8,995
Securities	—	802
Work in process	2,467	61
Deferred tax assets	1,282	2,168
Margin funds for derivatives,etc. and when-issued transactions	789,201	913,437
Deposits for clearing funds	161,086	188,734
Deposits as collateral for facilitating settlement	10,000	10,500
Other	1,912	2,729
Allowance for doubtful accounts	(9)	(12)
Total current assets	1,095,466	1,231,231
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,207	8,170
Accumulated depreciation	(6,681)	(6,750)
Buildings and structures, net	2,525	1,419
Land	1,587	1,297
Construction in progress	—	26
Other	19,776	16,867
Accumulated depreciation	(15,216)	(12,544)
Other, net	4,560	4,322
Total property, plant and equipment	8,673	7,066
Intangible assets		
Goodwill	67,374	63,932
Other	23,370	23,878
Total intangible assets	90,744	87,810
Investments and other assets		
Investment securities	41,304	37,344
Long-term loans receivable	37	29
Deferred tax assets	2,682	3,006
Net defined benefit asset	—	2,914
Legal guarantee funds	600	522
Special assets for default compensation reserve funds	27,948	27,948
Other	9,105	5,977
Allowance for doubtful accounts	(177)	(138)
Total investments and other assets	81,501	77,605
Total non-current assets	180,919	172,482
Total assets	1,276,386	1,403,713

(millions of yen)

	As of March 31,2013	As of March 31,2014
Liabilities		
Current liabilities		
Operating accounts payable	3,221	2,994
Short-term loans payable	18,670	32,500
Current portion of long-term loans payable	86,399	—
Income taxes payable	6,312	17,600
Provision for bonuses	1,223	1,420
Provision for directors' bonuses	252	366
Margin funds received for derivatives,etc. and when-issued transactions	789,201	913,437
Deposits received for clearing funds	161,086	188,734
Deposits received as collateral for facilitating settlement	10,000	10,500
Deposits received as trading participant security money	3,169	4,783
Other	3,620	5,937
Total current liabilities	1,083,157	1,178,274
Non-current liabilities		
Long-term loans payable	—	10,000
Deferred tax liabilities	5,047	4,448
Provision for retirement benefits	7,580	—
Net defined benefit liability	—	7,465
Returnable legal guarantee funds	600	522
Other	922	983
Total non-current liabilities	14,151	23,420
Total liabilities	1,097,308	1,201,694
Net assets		
Shareholders' equity		
Capital stock	11,500	11,500
Capital surplus	59,726	59,726
Retained earnings	96,213	117,264
Treasury shares	—	(5)
Total shareholders' equity	167,440	188,485
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,088	8,006
Remeasurements of defined benefit plans	—	(149)
Total accumulated other comprehensive income	9,088	7,857
Minority interests	2,548	5,675
Total net assets	179,077	202,018
Total liabilities and net assets	1,276,386	1,403,713

(2) Consolidated Statements of Income
and Consolidated Statements of Comprehensive Income
（Consolidated Statements of Income）

（millions of yen）

	Financial year ended March 31,2013	Financial year ended March 31,2014
Operating revenue		
Trading participant fees	29,868	54,155
Listing fees	9,216	12,308
Income from information services	12,828	16,116
Income from securities settlement	10,916	20,334
Other	8,879	13,336
Total operating revenue	71,708	116,251
Operating expenses		
Personnel expenses	12,945	15,141
System maintenance & operation costs	8,699	11,642
Depreciation	11,275	13,413
Cost of system development	4,666	7,608
Other	14,565	17,325
Total operating expenses	52,152	65,131
Operating income	19,555	51,120
Non-operating income		
Interest income	306	248
Dividend income	949	1,275
Share of profit of entities accounted for using equity method	395	55
Other	604	206
Total non-operating income	2,255	1,786
Non-operating expenses		
Interest expenses	110	81
Share issuance cost	17	14
Office transfer related expenses	44	－
Other	6	8
Total non-operating expenses	180	105
Ordinary income	21,631	52,801
Extraordinary losses		
Impairment loss	1,554	1,203
Extra retirement payments	－	203
Business consolidation costs	673	－
Other	－	89
Total extraordinary losses	2,227	1,497
Income before income taxes and minority interests	19,404	51,304
Income taxes - current	8,640	22,357
Income taxes - deferred	(571)	(1,125)
Total income taxes	8,068	21,231
Income before minority interests	11,336	30,072
Minority interests in income	394	236
Net income	10,941	29,835

（Consolidated Statements of Comprehensive Income）

（millions of yen）

	Financial year ended March 31,2013	Financial year ended March 31,2014
Income before minority interests	11,336	30,072
Other comprehensive income		
Valuation difference on available-for-sale securities	4,214	(1,082)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	4,214	(1,082)
Comprehensive income	15,550	28,990
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,156	28,753
Comprehensive income attributable to minority interests	394	236

(3)Consolidated Statements of Change in Equity

Financial year ended March 31, 2013

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,500	25,358	87,205	(4,332)	119,731
Changes of items during period					
Dividends of surplus			(1,932)		(1,932)
Net income			10,941		10,941
Increase by merger		34,367		4,332	38,700
Net changes of items other than shareholders' equity					―
Total changes of items during period	―	34,367	9,008	4,332	47,708
Balance at end of current period	11,500	59,726	96,213	―	167,440

	Accumulated other comprehensive income		Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of current period	4,873	4,873	2,516	127,122
Changes of items during period				
Dividends of surplus		―		(1,932)
Net income		―		10,941
Increase by merger		―		38,700
Net changes of items other than shareholders' equity	4,214	4,214	31	4,246
Total changes of items during period	4,214	4,214	31	51,955
Balance at end of current period	9,088	9,088	2,548	179,077

Financial year ended March 31, 2014

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,500	59,726	96,213	―	167,440
Changes of items during period					
Dividends of surplus			(8,785)		(8,785)
Net income			29,835		29,835
Purchase of treasury shares				(5)	(5)
Net changes of items other than shareholders' equity					―
Total changes of items during period	―	―	21,050	(5)	21,045
Balance at end of current period	11,500	59,726	117,264	(5)	188,485

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	9,088	―	9,088	2,548	179,077
Changes of items during period					
Dividends of surplus			―		(8,785)
Net income			―		29,835
Purchase of treasury shares			―		(5)
Net changes of items other than shareholders' equity	(1,082)	(149)	(1,231)	3,127	1,896
Total changes of items during period	(1,082)	(149)	(1,231)	3,127	22,941
Balance at end of current period	8,006	(149)	7,857	5,675	202,018

(4) Consolidated Statements of Cash Flows

(millions of yen)

	Financial year ended March 31,2013	Financial year ended March 31,2014
Cash flows from operating activities		
Income before income taxes and minority interests	19,404	51,304
Depreciation	11,523	13,792
Impairment loss	1,554	1,203
Amortization of goodwill	1,474	3,442
Increase (decrease) in allowance for doubtful accounts	(23)	(8)
Increase (decrease) in provision for bonuses	87	197
Increase (decrease) in provision for directors' bonuses	55	113
Increase (decrease) in provision for retirement benefits	210	—
Increase (decrease) in net defined benefit liability	—	(337)
Decrease (increase) in net defined benefit asset	—	(5)
Interest and dividend income	(1,256)	(1,524)
Interest expenses	110	81
Share of (profit) loss of entities accounted for using equity method	(395)	(55)
Decrease (increase) in operating receivables	(2,755)	(166)
Decrease (increase) in inventories	(1,153)	2,405
Increase (decrease) in operating debt	25	(245)
Other, net	1,075	2,345
Subtotal	29,936	72,544
Interest and dividend income received	1,420	1,802
Interest expenses paid	(108)	(82)
Income taxes paid	(7,321)	(11,542)
Net cash provided by (used in) operating activities	23,928	62,722
Cash flows from investing activities		
Payments into time deposits	(121,300)	(65,700)
Proceeds from withdrawal of time deposits	95,900	104,100
Proceeds from redemption of securities	1,011	—
Purchase of property, plant and equipment	(994)	(1,808)
Proceeds from sales of property, plant and equipment	—	0
Purchase of intangible assets	(5,583)	(9,825)
Purchase of investment securities	(135)	(533)
Proceeds from sales of investment securities	—	100
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(81,621)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	3,592
Proceeds from withdrawal of long-term deposits	3,000	—
Other, net	64	109
Net cash provided by (used in) investing activities	(109,659)	30,035
Cash flows from financing activities		
Increase in short-term loans payable	18,670	32,500
Decrease in short-term loans payable	(17,570)	(18,670)
Proceeds from long-term loans payable	86,399	10,000
Repayments of long-term loans payable	(0)	(86,399)
Purchase of treasury shares	—	(5)
Cash dividends paid	(1,932)	(8,785)
Cash dividends paid to minority shareholders	(407)	(2)
Proceeds from share issuance to minority shareholders	2,090	—
Net cash provided by (used in) financing activities	87,248	(71,362)
Effect of exchange rate change on cash and cash equivalents	11	8
Net increase (decrease) in cash and cash equivalents	1,529	21,404
Cash and cash equivalents at beginning of period	27,779	29,308
Cash and cash equivalents at end of period	29,308	50,713