Overview of Earnings for 2Q FY2014

Japan Exchange Group, Inc.

October 31, 2014

I. Overview of Earnings for 2Q FY2014

(April 1 – September 30, 2014)



Highlights and FY2014 Forecast

- Although revenue declined significantly year-on-year due to a sharp fall in trading from last year's record levels, steady progress on cost reductions contributed to attaining 65% of the net income forecast.
- Forecast assumptions were revised in consideration of 1H earnings and market conditions.

(JPY mil.)

	1H FY2013	1H FY2014 (Apr.-Sep.) (incl. impact of IFRS adoption)*1					FY 2013	FY 2014 (Forecast) (incl. impact of IFRS adoption)*1,2	
			y/y		y/y	FY2014 %			y/y
Operating Revenue	61,723	49,751	(19%)	49,751	(19%)	53%	116,251	93,000	(20%)
Operating Expenses	33,520	27,893	(17%)	26,171	(22%)	48%	65,131	55,000	(16%)
Operating Income	28,202	21,858	(22%)	23,579	(16%)	62%	51,120	38,000	(26%)
Ordinary Income	28,917	22,850	(21%)	24,572	(15%)	61%	52,801	40,000	(24%)
Net Income	16,550	14,100	(15%)	15,821	(4%)	65%	29,835	24,500	(18%)
EBITDA	36,510	30,184					68,241	-	-
Dividend per share*3	16.00 yen	18.00 yen					43.00 yen	36.00 yen	-

*1 IFRS is scheduled to be adopted from the year-end earnings results of FY 2014. Figures include the impact of this adoption. (See slide 20)
*2 No change to forecasted figures.
*3 Total of 2Q and end-of-year. (figures include stock split conducted in Oct. 2013)

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

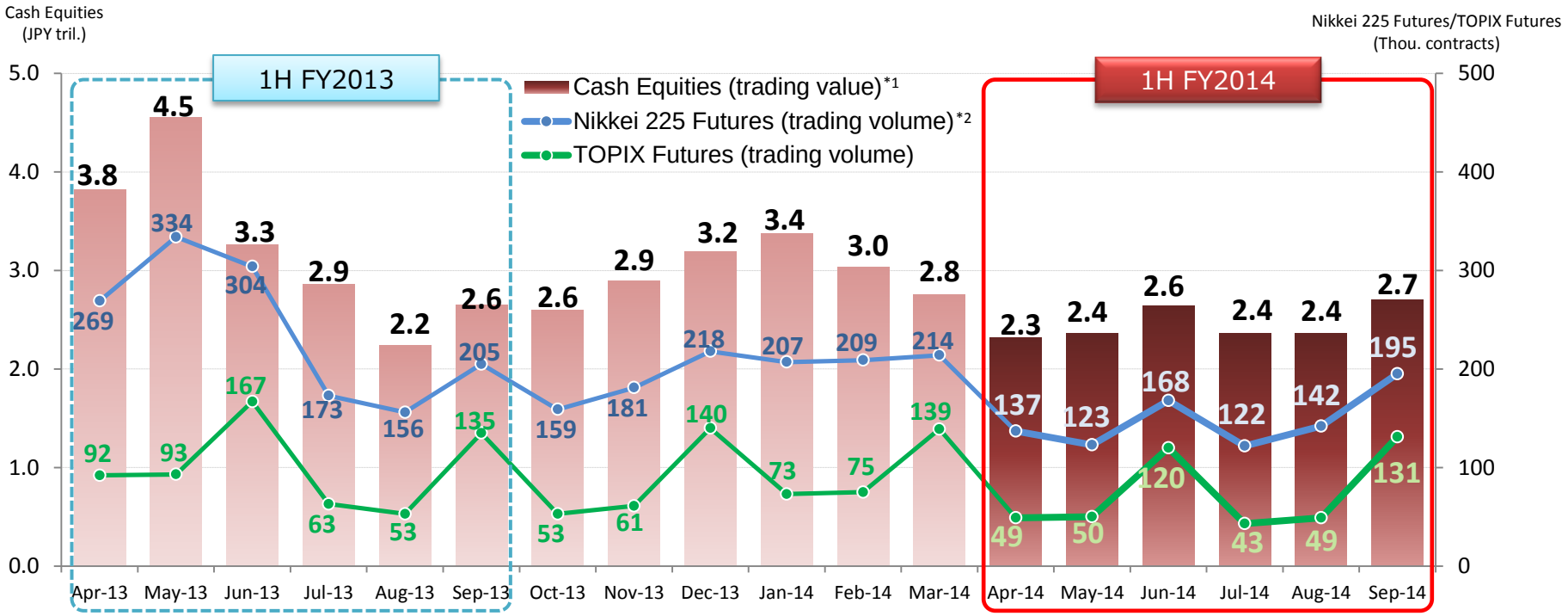
	1H FY2013	1H FY2014		FY2013	FY2014 (Assumptions for forecasts)		
			y/y		(Initial)	(Revised)	y/y
Cash Equities (trading value) *1	JPY 3,226.9 bil.	JPY 2,455.8 bil.	(24%)	JPY 3,098.8 bil	JPY 2,100.0 bil.	JPY2,300.0 bil.	(26%)
TOPIX Futures (trading volume)	98,613 contracts	73,099 contracts	(26%)	94,297 contracts	104,000 contracts	69,000 contracts	(27%)
Nikkei 225 Futures (trading volume) *2	239,233 contracts	147,611 contracts	(38%)	218,619 contracts	211,000 contracts	144,000 contracts	(34%)
Nikkei 225 Options (trading value)	JPY 46.9 bil.	JPY 22.1 bil.	(53%)	JPY 40.0 bil.	JPY 35.5 bil.	JPY 22.5 bil.	(44%)
10-year JGB Futures (trading volume)	35,507 contracts	34,035 contracts	(4%)	34,975 contracts	36,000 contracts	32,000 contracts	(9%)

*1 Incl. ETFs/ETNs and REITs, etc. *2 Incl. Nikkei 225 mini (calculated using factor of 1/10)

Market Trend

- Average daily trading value in cash equities was about JPY 2.5 trillion, down 24% from last year's record levels but surpassing forecast assumptions.
- Derivatives trading volumes grew on greater volatility from August but remained lower year-on-year.

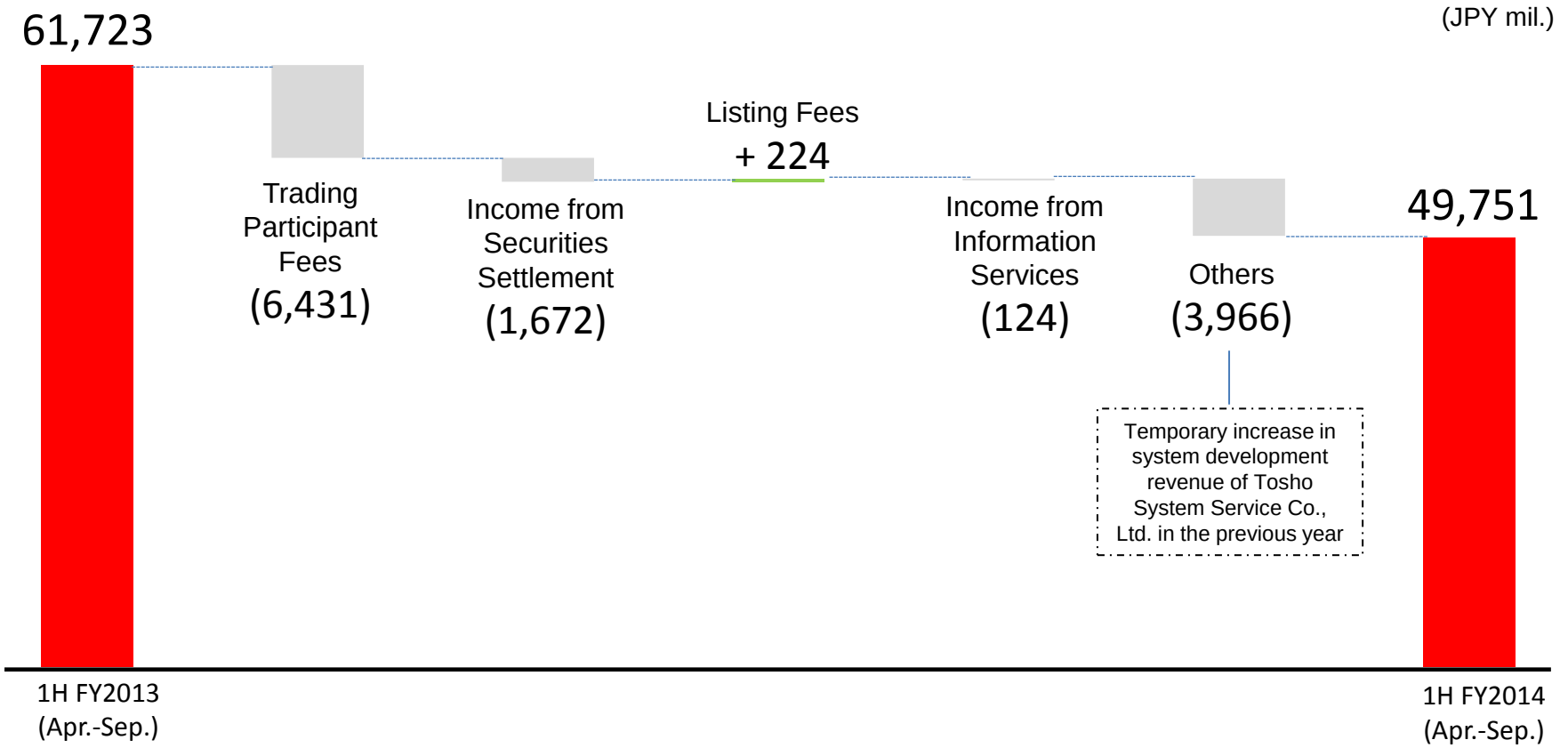
➢ **Average daily trading volume/value of major products**



*1 Total of trading value of common stocks on TSE 1st /2nd Sections (including former OSE 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

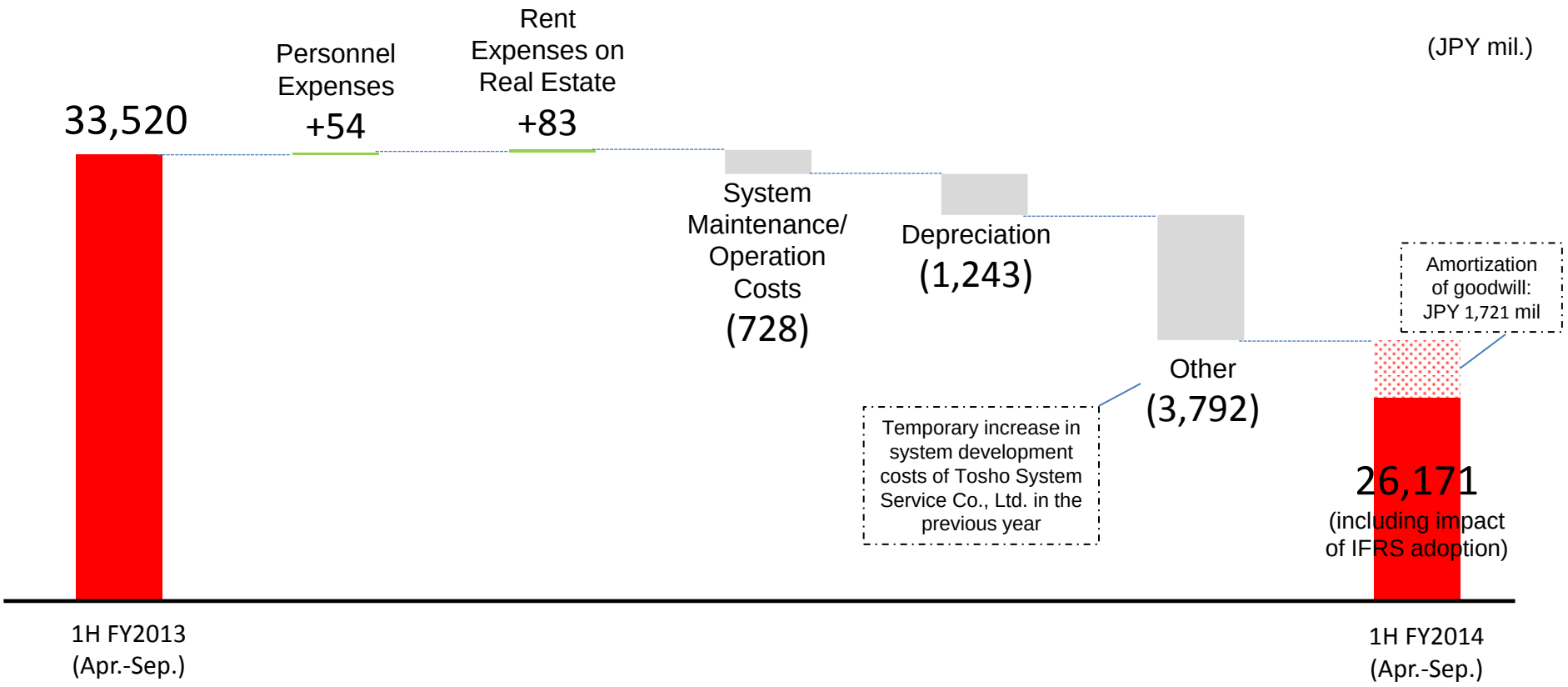
Operating Revenue

- Trading participant fees and income from securities settlement decreased from the previous year due to declines in cash and derivatives trading.
- Listing fees increased due to an increase in annual listing fees mainly from growth in listed company market capitalization.



Operating Expenses

- System maintenance/operation costs and depreciation declined due to system integration for cash equities and derivatives.



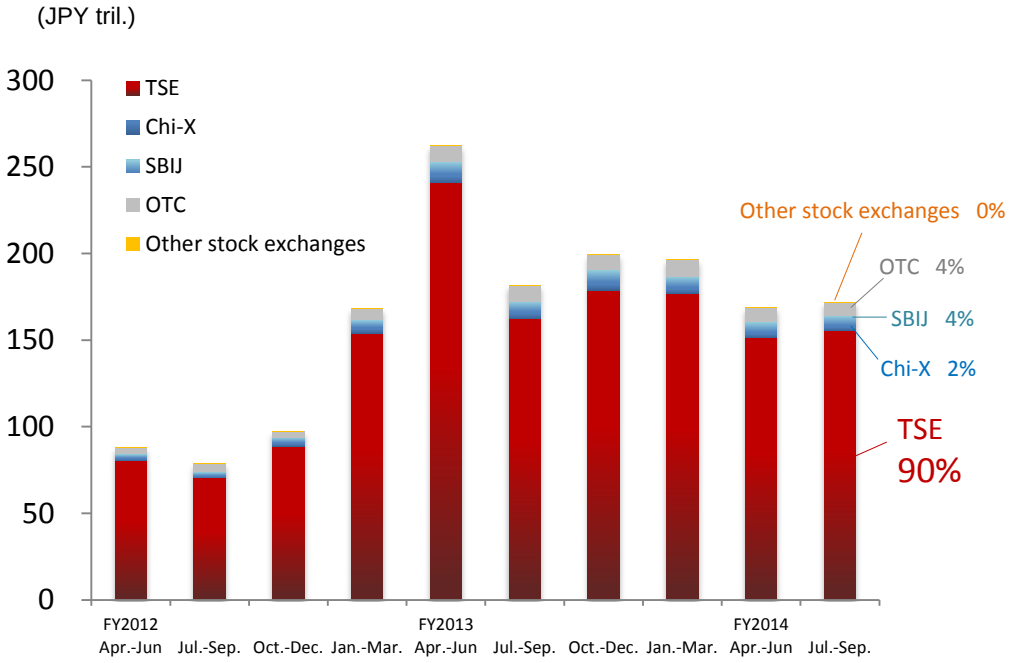
II. Business Developments



Cash Equities

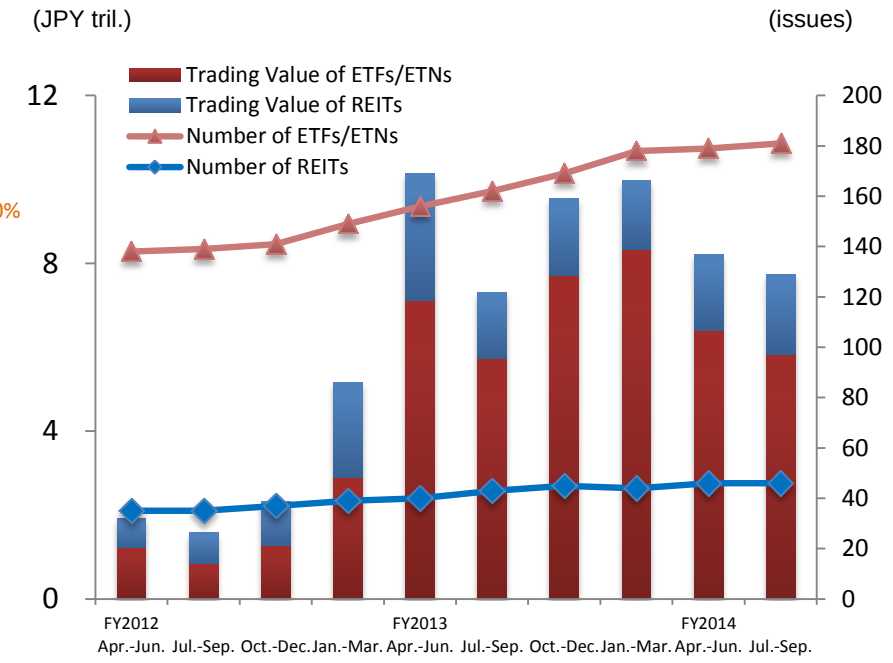
- Cash equity trading hovered around a daily average of approx. JPY 2.5 trillion. The ETF/ETN market grew past 180 issues with trading value also remaining strong.

➢ Trading value of cash equities in Japan



Cash equities: Common stocks, ETFs/ETNs and REITs etc.
TSE: Total trading value of common stocks on TSE 1st /2nd Sections (incl. former OSE 1st/2nd Sections), Mothers, JASDAQ, TOKYO PRO Market, and ETFs/ETNs, REITs etc.
Source: TSE, Chi-X, SBIJ and JSDA

➢ ETFs/ETNs and J-REITs

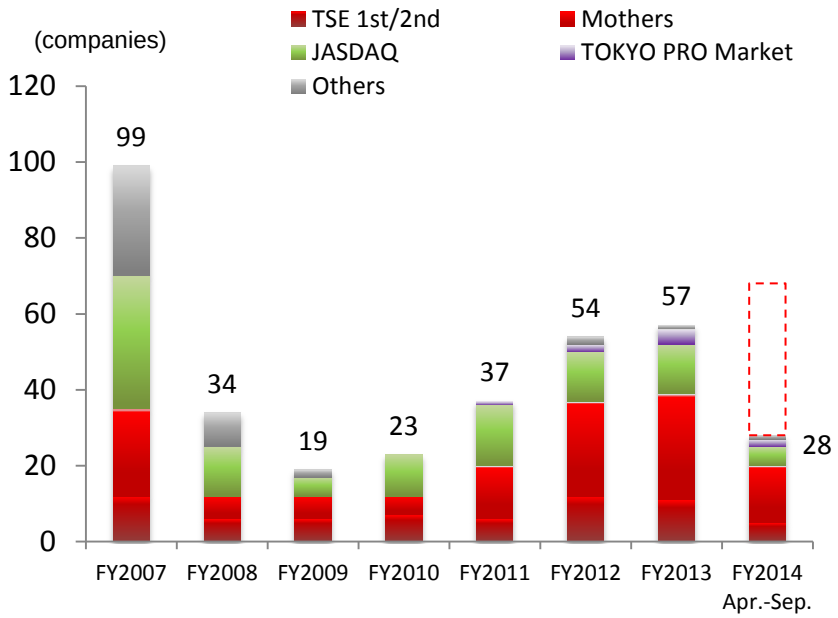


Trading value and the number of ETFs/ETNs and REITs prior to July 16, 2013 are the total of those on TSE markets and former OSE markets
Source: TSE and OSE

Cash Equities

- The number of IPOs increased to 27 from 18 for the previous year.
- Assets under management linked to the JPX-Nikkei 400 surpassed JPY 290 billion.
- Since August, meetings of a council of experts have been held regularly toward drafting the Corporate Governance Code by next year's AGM season.

➢ IPOs in Japan



Source: TSE and each securities exchange

➢ Products tracking JPX-Nikkei Index 400

Total assets under management of JPX-Nikkei 400 ETFs and publicly offered investment trusts: **JPY 295.3 bil.** **(as of Oct. 30, 2014)**

ETFs

- Nomura AM: NEXT FUNDS JPX-Nikkei Index 400 Exchange Traded Fund
- Nikko AM: Listed Index Fund JPX-Nikkei Index 400
- Mitsubishi UFJ AM: MAXIS JPX-Nikkei Index 400 ETF
- Daiwa AM: Daiwa ETF JPX-Nikkei 400

➢ Drafting the Corporate Governance Code

"Japan Revitalization Strategy Revised in 2014" (approved by Cabinet on June 24, 2014)

Drafting the Corporate Governance Code

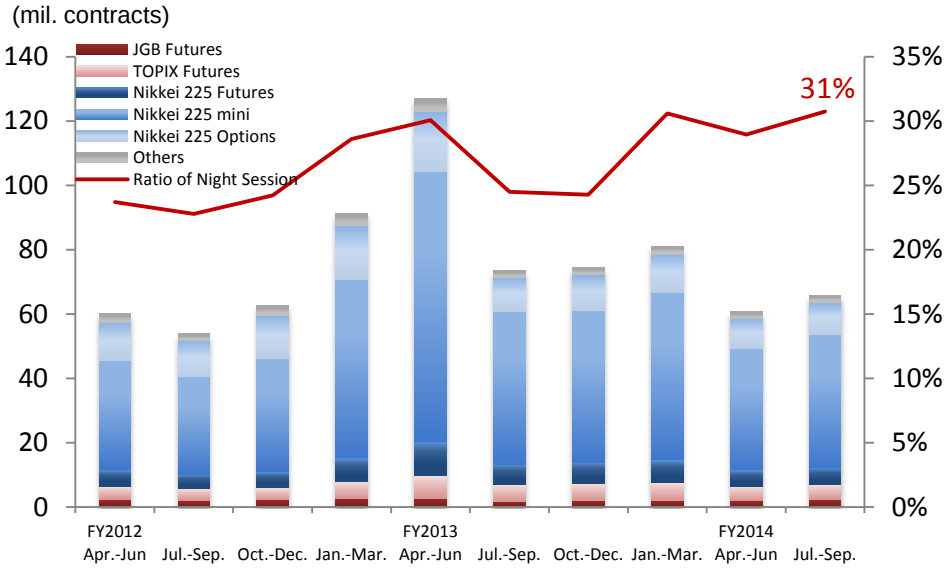
- Tokyo Stock Exchange will draft the Corporate Governance Code to encourage companies' initiatives to attain sustainable growth. Publicly listed companies are asked either to comply with the principles or explain why they are not complied with.

[Drafting in time for the season of general shareholders' meetings next year]

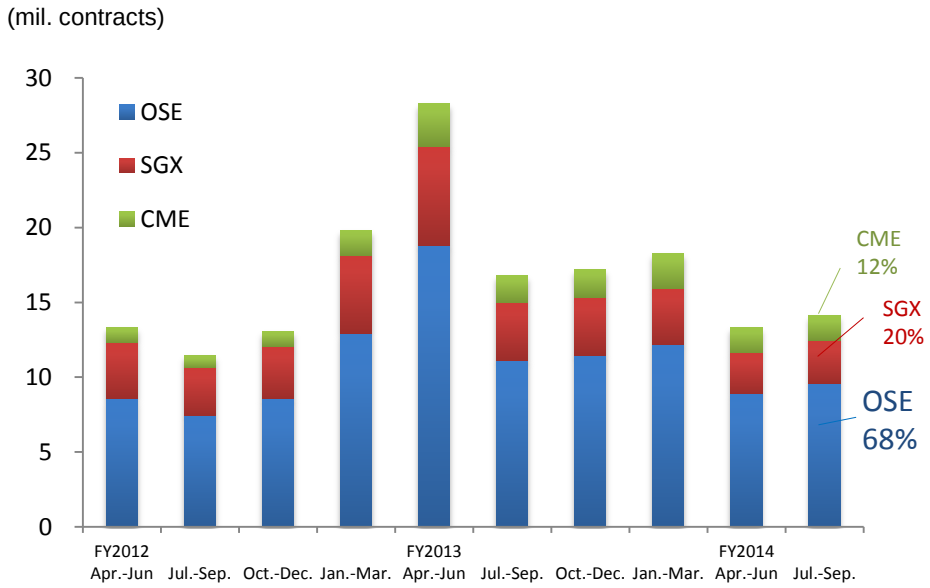
Derivatives

- Close to 70% share of the Nikkei 225 futures market was maintained amid slower trading from shrinking global volatility.
- On September 24, 2014, a basic agreement on derivatives system service provision was concluded between OSE and TOCOM.

➢ **JPX's derivatives trading volume and ratio of night session**



➢ **Trading volume of Nikkei 225 Futures**



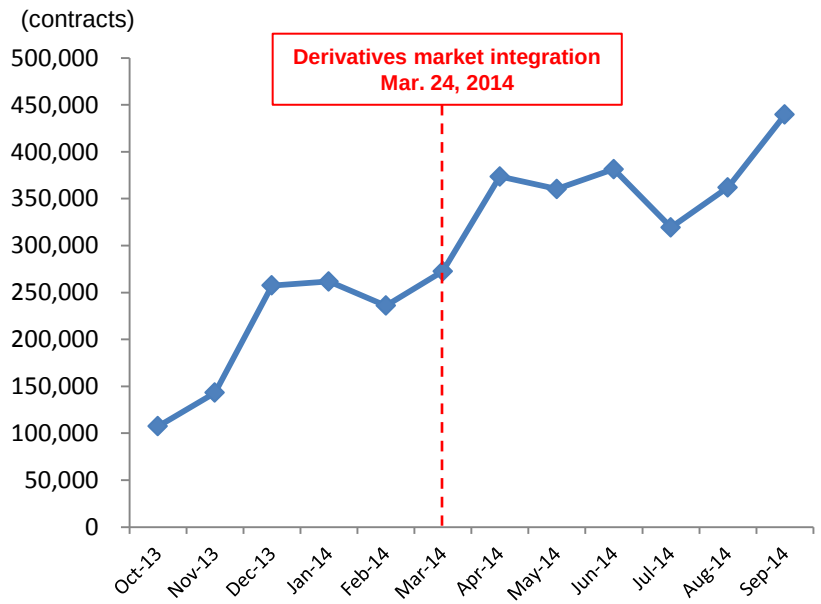
OSE's mini calculation factor is 1/10, SGX's large (incl. USD denominated) is 1/2, mini is 1/10, and CME's USD denominated and JPY denominated contracts are1/2.

Source: Each exchange

Derivatives

- Since the derivatives market integration in March, mini-TOPIX Futures trading volume has hovered close to record highs.
- JPX-Nikkei 400 Futures are scheduled to be launched on November 25.
- Nikkei 225 Weekly Options are scheduled to be launched by the end of May 2015.

➢ Trading volume of mini-TOPIX Futures



➢ Major derivatives products

Japanese Equity

<Index>
- Nikkei 225 Futures
- Nikkei 225 mini
- Nikkei 225 Options
  → **Weekly options (to be launched by the end of May 2015)**
- TOPIX Futures
- mini-TOPIX Futures
- **JPX-Nikkei 400 Futures (To be launched on Nov. 25, 2014)**

<Stock>
Individual Securities Options

Foreign Equity

- DJIA Futures
- **CNX Nifty Futures** (Launched on Mar. 24, 2014)

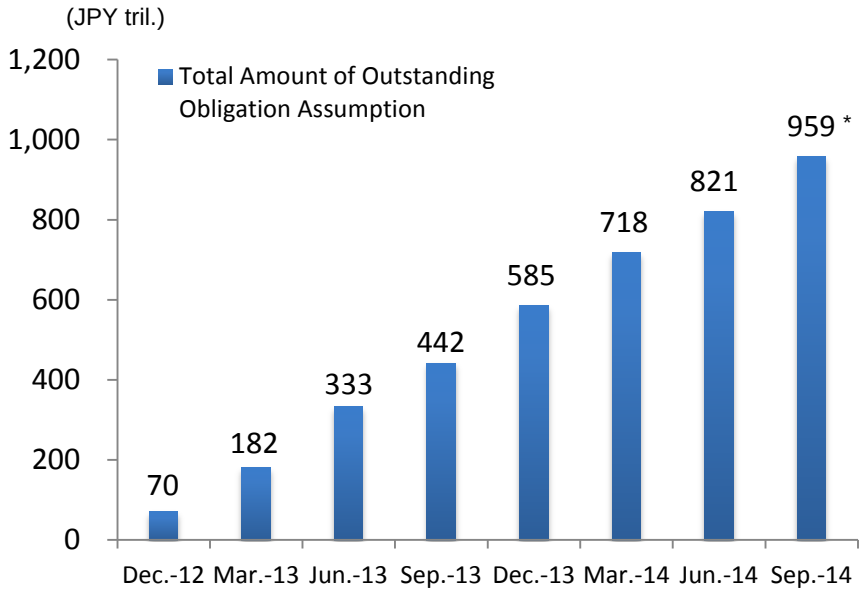
Interest Rate

- 10-year JGB Futures
- Options on 10-year JGB Futures
- **Super long-term (20-year) JGB Futures** (Launched on Apr. 7, 2014)

Expansion of Exchange Business Fields

- Outstanding obligation assumption for yen-denominated interest rate swaps (IRS) has increased steadily and surpassed JPY 1,000 trillion. Client clearing has also grown to 6 companies.

➢ Yen-denominated interest rate swap clearing



* Surpassed JPY 1,000 trillion on October 28, 2014.

Source: JSCC

➢ Business fields of JSCC

Listed Products

- Cash trading
- Derivatives trading

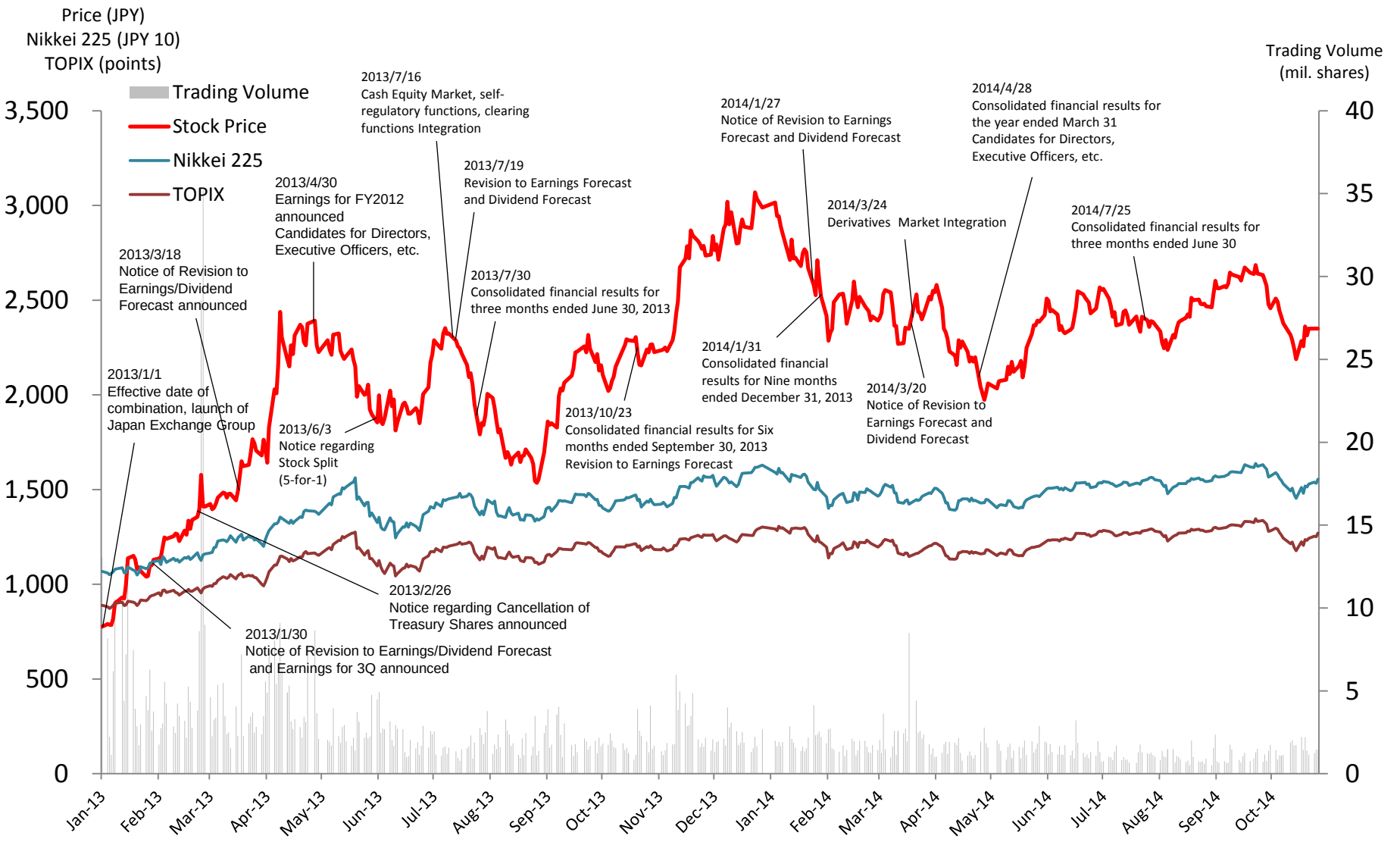
OTC Products

- 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)

Future Plan

- **Cross-margin (FY2015)**
- **Foreign-currency-denominated IRS (FY2015)**

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 5-for-1 stock split effective on October 1, 2013, the stock prices from January to September 2013 are calculated as 1/5.

III. Reference Material



Referential financial data

➢ Quarterly Business Performance

(JPY mil.)

	FY2013				FY2014	
	1Q (Apr. 1, 2013- Jun 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)	4Q (Jan. 1, 2014- Mar. 31, 2014)	1Q (Apr. 1, 2014- Jun 30, 2014)	2Q (Jul. 1, 2014- Sep 30, 2014)
Operating Revenue	36,099	25,623	27,379	27,148	24,763	24,987
Operating Expenses	18,156	15,364	15,454	16,156	13,914	13,978
(incl. impact of IFRS adoption)					13,053	13,118
Operating Income	17,943	10,258	11,925	10,992	10,848	11,009
(incl. impact of IFRS adoption)					11,709	11,869
Ordinary Income	18,655	10,261	13,165	10,718	11,451	11,399
(incl. impact of IFRS adoption)					12,312	12,260
Net Income	11,209	5,341	7,846	5,438	7,068	7,031
(incl. impact of IFRS adoption)					7,929	7,891
EBITDA	23,089	13,421	17,191	14,538	15,011	15,172

Referential financial data

➢ Operating Revenue

(JPY mil.)

	FY2013				FY2014			
	1Q (Apr. 1, 2013- Jun 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)	4Q (Jan. 1, 2014- Mar. 31, 2014)	1Q (Apr. 1, 2014- Jun 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)		
	Amount	Amount	Amount	Amount	Amount	Amount	Ratio	y/y
Trading Participant Fees	**17,317**	**11,772**	**12,358**	**12,707**	**11,140**	**11,517**	**46%**	**(2%)**
Transaction Fees	14,869	9,660	10,266	10,550	9,092	9,452		(2%)
Cash Equities	10,154	7,058	7,367	7,477	6,753	6,866	73%*	(3%)
Derivatives	4,714	2,602	2,899	3,072	2,339	2,585	27%*	(1%)
TOPIX Futures	588	453	444	466	396	412		(9%)
Nikkei 225 Futures (incl. mini)	1,605	938	1,086	1,165	856	966		3%
Nikkei 225 Options	1,932	819	932	976	685	725		(11%)
10-year JGB Futures	502	339	382	401	355	428		26%
Others	85	51	53	62	45	53		3%
Basic Fees	353	284	275	270	268	267		(6%)
Access Fees	1,430	1,185	1,165	1,197	1,147	1,144		(3%)
Trading System Facilities Usage Fees	628	620	628	666	615	637		3%
Others	35	21	22	21	16	16		(25%)
Income from Securities Settlement	**6,430**	**4,211**	**5,003**	**4,688**	**4,462**	**4,506**	**18%**	**7%**
Listing Fees	**2,517**	**3,179**	**3,400**	**3,210**	**2,875**	**3,045**	**12%**	**(4%)**
Initial/Additional Listing Fees	786	1,521	1,566	1,413	1,060	1,196		(21%)
Annual Listing Fees	1,730	1,658	1,834	1,797	1,814	1,849		12%
Income from Information Services	**4,086**	**3,885**	**3,990**	**4,153**	**4,035**	**3,811**	**15%**	**(2%)**
Other operating revenue	**5,747**	**2,574**	**2,626**	**2,388**	**2,248**	**2,105**	**8%**	**(18%)**
Network-line Usage Fees	939	875	816	758	689	660		(25%)
Co-location Usage Fees, Proximity Usage Fees	609	617	655	683	687	712		16%
Others	4,197	1,081	1,154	946	871	732		(32%)
Total	**36,099**	**25,623**	**27,379**	**27,148**	**24,763**	**24,987**	**100%**	**(2%)**

Figures marked * are indicate percentage of Transaction Fees.

Referential financial data

➢ Operating Expenses

(JPY mil.)

	FY2013				FY2014	
	1Q (Apr. 1, 2013- Jun 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)	4Q (Jan. 1, 2014- Mar. 31, 2014)	1Q (Apr. 1, 2014- Jun 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)
Personal Expenses	3,601	3,752	3,763	4,024	3,735	3,672
Rent Expenses on Real Estates	1,453	1,450	1,470	1,526	1,488	1,498
System Maintenance & Operation Costs	2,847	2,909	2,976	2,909	2,584	2,443
Depreciation	3,537	3,242	3,149	3,484	2,637	2,898
Amortization of goodwill	860	860	861	860	860	860
Other	5,855	3,149	3,233	3,352	2,607	2,604
Total	18,156	15,364	15,454	16,156	13,914	13,978

Referential financial data

➢ Consolidated Balance Sheets

(JPY mil.)

		Mar. 31, 2014	Sep. 30, 2014
	<Assets>		
	Current assets	**1,231,231**	**1,255,864**
*1	Cash and deposits	103,813	86,780
	Operating accounts receivable	8,995	8,684
	Securities	802	1,371
	Work in Process	61	157
*2	Margin funds for derivatives, etc. and when-issued transactions	913,437	925,121
	Deposits for clearing funds	188,734	213,323
	Deposits as collateral for facilitating settlement	10,500	12,500
	Other	4,898	7,937
	Allowance for doubtful accounts	(12)	(11)
	Non-current assets	**172,482**	**175,905**
	Property, plant and equipment	7,066	8,817
	Intangible assets	87,810	86,875
	Goodwill	63,932	62,210
	Other	23,878	24,664
	Investments and other assets	77,605	80,212
	Investment securities	37,344	40,431
	Net defined benefit asset	2,914	3,917
*3	Legal guarantee funds	522	501
*4	Special assets for default compensation reserve funds	27,948	27,948
	Other	9,013	7,555
	Allowance for doubtful accounts	(138)	(142)
	Total assets	**1,403,713**	**1,431,769**

		Mar. 31, 2014	Sep. 30, 2014
	<Liabilities>		
	Current liabilities	**1,178,274**	**1,195,566**
	Operating accounts payable	2,994	2,302
	Short-term loans payable	32,500	22,500
	Income taxes payable	17,600	7,232
	Provision for bonuses	1,420	1,281
	Provision for directors' bonuses	366	15
	Margin funds received for derivatives, etc. and when-issued transactions	913,437	925,121
*2	Deposits received for clearing funds	188,734	213,323
	Deposits received as collateral for facilitating settlement	10,500	12,500
*1	Deposits received as trading participant security money	4,783	7,409
	Other	5,937	3,880
	Non-current liabilities	**23,420**	**24,018**
	Long-term loans payable	10,000	10,000
	Net defined benefit liability	7,465	6,850
*3	Returnable legal guarantee funds	522	501
	Other	5,431	6,666
	Total liabilities	**1,201,694**	**1,219,585**
	<Net assets>		
	Shareholders' equity	**188,485**	**196,180**
	Capital stock	11,500	11,500
	Capital surplus	59,726	59,726
*4	Retained earnings	117,264	124,959
	Treasury shares	(5)	(5)
	Total accumulated other comprehensive income	**7,857**	**10,161**
	Valuation difference on available-for-sale securities	8,006	10,237
	Remeasurements of defined benefit plans	(149)	(75)
	Minority interests	**5,675**	**5,842**
	Total net assets	**202,018**	**212,184**
	Total liabilities and net assets	**1,403,713**	**1,431,769**

***1** 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.
***2** JSCC receives 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.
***3** 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.
***4** JPX has reserve funds for the purpose of compensating losses incurred in the clearing operations of JSCC. This amount is recorded under assets as special assets for default compensation reserve funds.

Major Product Data

➢ Trading Volume/Value

	FY2013				FY2014	
	1Q (Apr. 1, 2013- Jun 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)	4Q (Jan. 1, 2014- Mar. 31, 2014)	1Q (Apr. 1, 2014- Jun 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)
Trading Value of Cash Equities (JPY mil.) *1						
TSE 1st/2nd Section *2 *3	214,059,115	143,333,854	151,527,314	152,254,413	128,665,627	132,276,215
Mothers *2	7,453,258	5,545,080	11,499,388	8,276,773	8,173,604	9,120,144
JASDAQ *2	9,207,734	6,233,226	6,203,970	6,448,238	6,429,667	6,352,007
ETFs/ETNs and REITs etc.	10,220,654	7,320,863	9,635,497	9,978,334	8,205,419	7,749,624
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	7,207,955	5,118,622	5,191,516	5,584,606	4,540,465	4,596,852
Total Nikkei 225 Futures/mini *4	18,764,763	11,139,399	11,462,951	12,194,518	8,889,164	9,562,272
Nikkei 225 Futures	10,373,289	6,408,145	6,756,891	6,980,710	5,111,644	5,422,599
Nikkei225mini	83,914,741	47,312,547	47,060,600	52,138,082	37,775,200	41,396,736
Nikkei 225 Options (JPY mil.)	3,968,040	1,895,032	1,970,855	1,956,052	1,414,182	1,345,023
10-year JGB Futures	2,648,616	1,789,770	2,014,239	2,116,294	1,924,624	2,329,798

➢ Average Daily Trading Volume/Value

	FY2013				FY2014	
	1Q (Apr. 1, 2013- Jun 30, 2013)	2Q (Jul. 1, 2013- Sep. 30, 2013)	3Q (Oct. 1, 2013- Dec. 31, 2013)	4Q (Jan. 1, 2014- Mar. 31, 2014)	1Q (Apr. 1, 2014- Jun 30, 2014)	2Q (Jul. 1, 2014- Sep. 30, 2014)
Trading Value of Cash Equities (JPY mil.) *1	3,886,141	2,578,302	2,884,939	3,050,996	2,443,134	2,468,222
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	116,257	81,248	83,734	96,286	73,233	72,966
Total Nikkei 225 Futures/mini *4	302,657	176,816	184,886	210,250	143,374	151,782
Nikkei 225 Futures	167,311	101,717	108,982	120,357	82,446	86,073
Nikkei225mini	1,353,464	750,993	759,042	898,932	609,277	657,091
Nikkei 225 Options (JPY mil.)	64,001	30,080	31,788	33,725	22,809	21,350
10-year JGB Futures	42,720	28,409	32,488	36,488	31,042	36,981

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

Scheduled Adoption of IFRS

- IFRS will be adopted starting with the FY2014 earnings results.
- The primary impact of IFRS adoption is an expected gain of JPY 3.5 billion in incomes mainly due to the exclusion of amortization of goodwill (JPY 3.44 billion annually).
- Earnings forecasts for FY2014 reflecting both Japanese Standards and the impact of IFRS adoption are included for reference below. Dividend forecasts were calculated using these figures.

<FY2014 Forecast>

	Japanese Standards	Including IFRS Adoption Impact
Operating Revenue	JPY 93.0 bil	JPY 93.0 bil
Operating Expenses	JPY 58.5 bil	JPY 55.0 bil
Operating Income	JPY 34.5 bil	JPY 38.0 bil
Net Income	JPY 21.0 bil	JPY 24.5 bil

Expenses Decreased by JPY 3.5 bil.

Income Increased by JPY 3.5 bil.

<Tentative Disclosure Schedule and Dividend Estimates>

	1Q	2Q	3Q	Full Year (Year-end)
Earnings Results (Earnings report, etc.)	Japanese Standards	Japanese Standards	Japanese Standards	IFRS
Forecast (Announced in Apr. 2014)				Japanese Standards **Net Income JPY 21.0 bil.** / <Reference> Net Income Including IFRS Adoption Impact **JPY 24.5 bil.**
Dividend (Forecast) (Announced in Apr. 2014)		Interim Dividend JPY 18		Year-end Dividend (Annual) JPY 18 (JPY 36) (DPR 40%)

* A separate release detailing the differences between use of IFRS and Japanese Standards will be published before the adoption takes place.

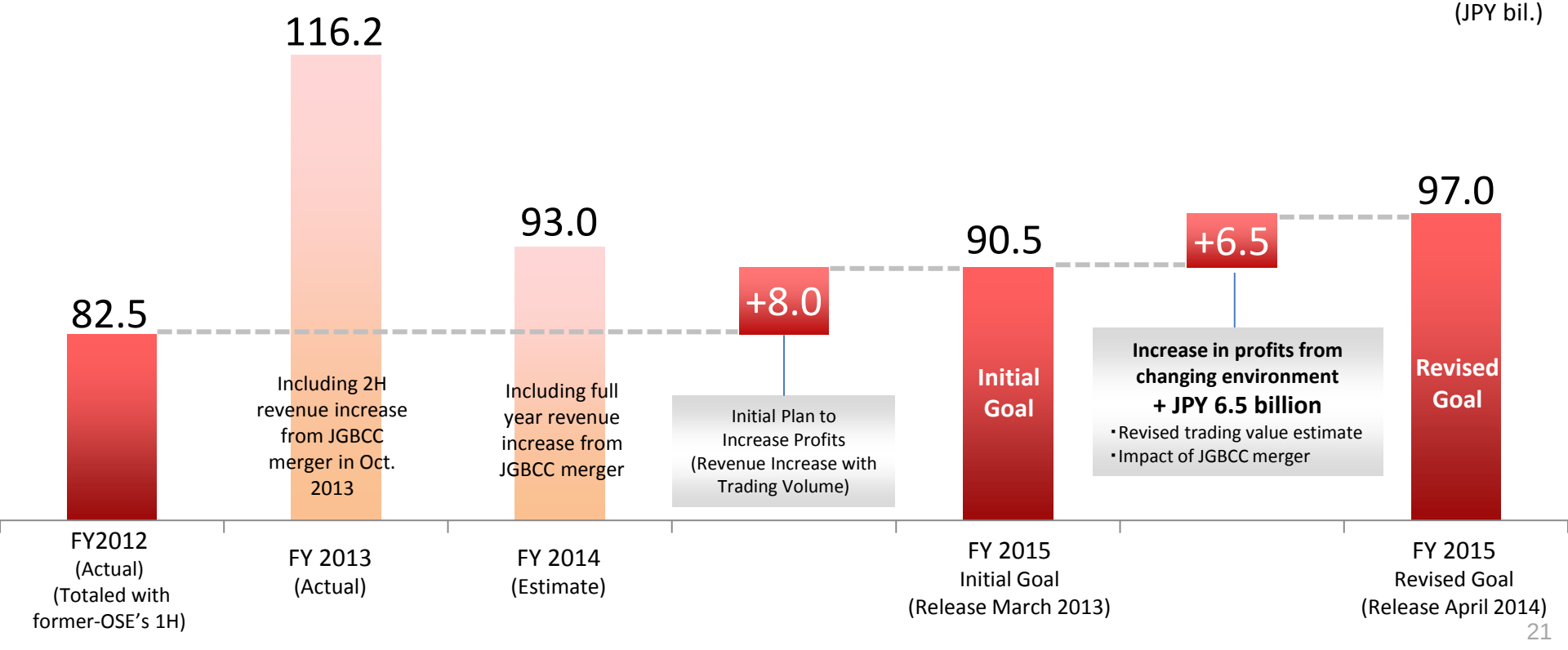
Goals for FY2015 Operating Revenues

(Excerpt from "Update of Medium-Term Management Plan" published on April 28, 2014)

Revised Estimates for Average Daily Trading Value/Volume

	FY2012 (Actual)	FY2013 (Actual)	FY2014 (Estimate)	FY2015 (initial Estimate)	FY2015 (Rev. Estimate)
Stocks (Auction/Off-Auction Market)	JPY 1.6 trillion	JPY 2.9 trillion	JPY 2.1 trillion	JPY 1.7 trillion	**JPY 2.1** trillion
TOPIX Futures	68,200 contracts	94,000 contracts	104,000 contracts	104,000 contracts	**115,000** contracts
Nikkei 225 Futures (Large & Mini Total)	153,000 contracts	218,000 contracts	211,000 contracts	217,000 contracts	**234,000** contracts
Nikkei 225 Options	JPY 23.5 billion	JPY 40.0 billion	JPY 35.5 billion	JPY 47.0 billion	**JPY 41.0** billion
(Derivatives contracts)	(260 million contracts)	(360 million contracts)	(340 million contracts)	(400 million contracts)	(400 million contracts)

(JPY bil.)



Goals for FY2015 Operating Expenses

(Excerpt from "Update of Medium-Term Management Plan" published on April 28, 2014)

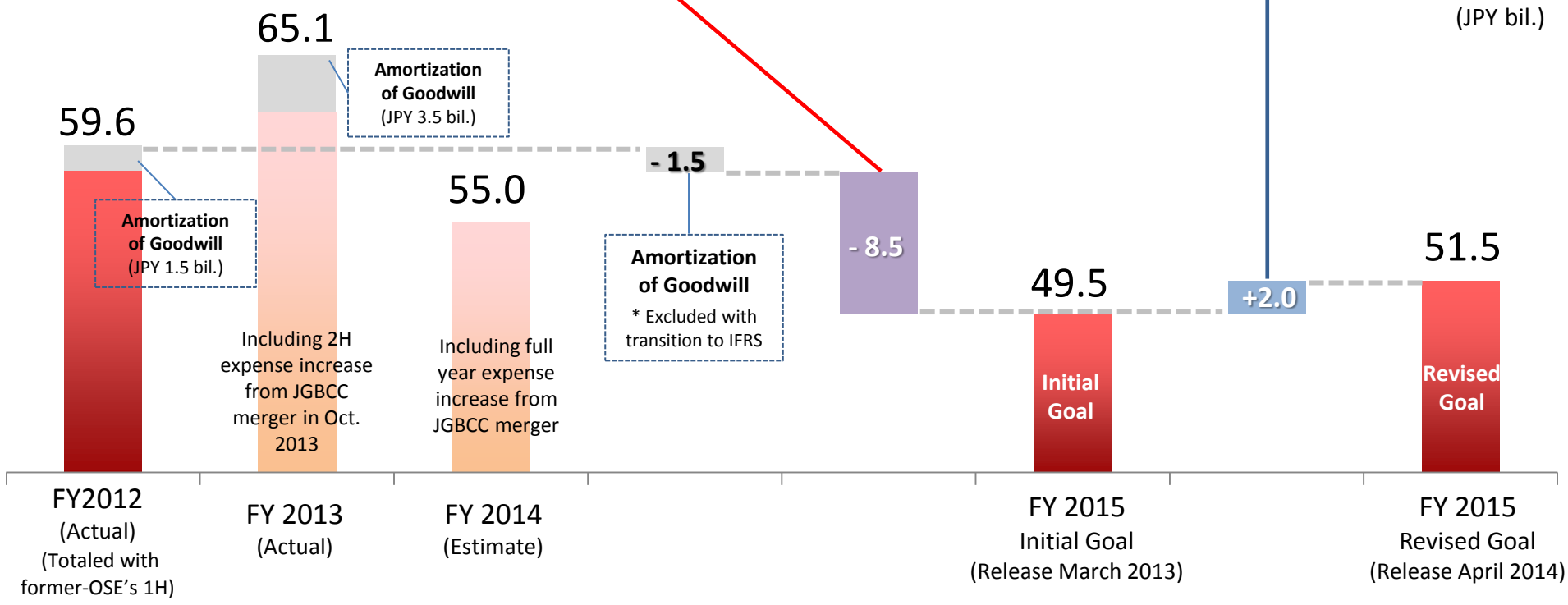
<Cost Reduction from Integration JPY -8.5 billion>

Steady progress on system integration

① System-related Cost Reduction: **Goal JPY 7.0 billion**
② Other Cost Reductions: **Goal JPY 1.5 billion or more**
(Revised facilities, efficient operations, etc.)

<Increase in Expenditures due to Environmental Changes JPY +2 billion>

Impact of JGBCC's merger with JSCC and expanding arrowhead capacity in response to increased trading, etc.



Management and Financial Goals

(Excerpt from "Update of Medium-Term Management Plan" published on April 28, 2014)

	Japan Standards		Including impact of IFRS adoption *2		
	FY2012 (Actual)	FY2013 (Actual)	FY2014 (Estimate)	FY2015 (Revised Goal)	(Ref.) FY2015 (Initial Goal)
Operating Revenue	JPY 82.5 bil.	JPY 116.2 bil.	JPY 93.0 bil.	JPY 97.0 bil.	JPY 90.5 bil.
Operating Expenses (excl. goodwill amortization)	JPY 59.6 bil. (JPY 58.1 bil.)	JPY 65.1 bil. (JPY 61.6bil.)	JPY 55.0 bil.	JPY 51.5 bil.	JPY 49.5 bil.
Operating Profit (excl. goodwill amortization)	JPY 22.8 bil. (JPY 24.3bil.)	JPY 51.1 bil. (JPY 54.5bil.)	JPY 38.0 bil.	JPY 45.5 bil.	JPY 41.0 bil.
Net Income (excl. goodwill amortization)	JPY 12.9 bil. (JPY 14.4 bil.)	JPY 29.8 bil. (JPY 33.2bil.)	JPY 24.5 bil.	JPY 29.5 bil.	JPY 26.0 bil.
Annual Dividends per share	JPY 16	JPY 43	JPY 36		

<Reference>

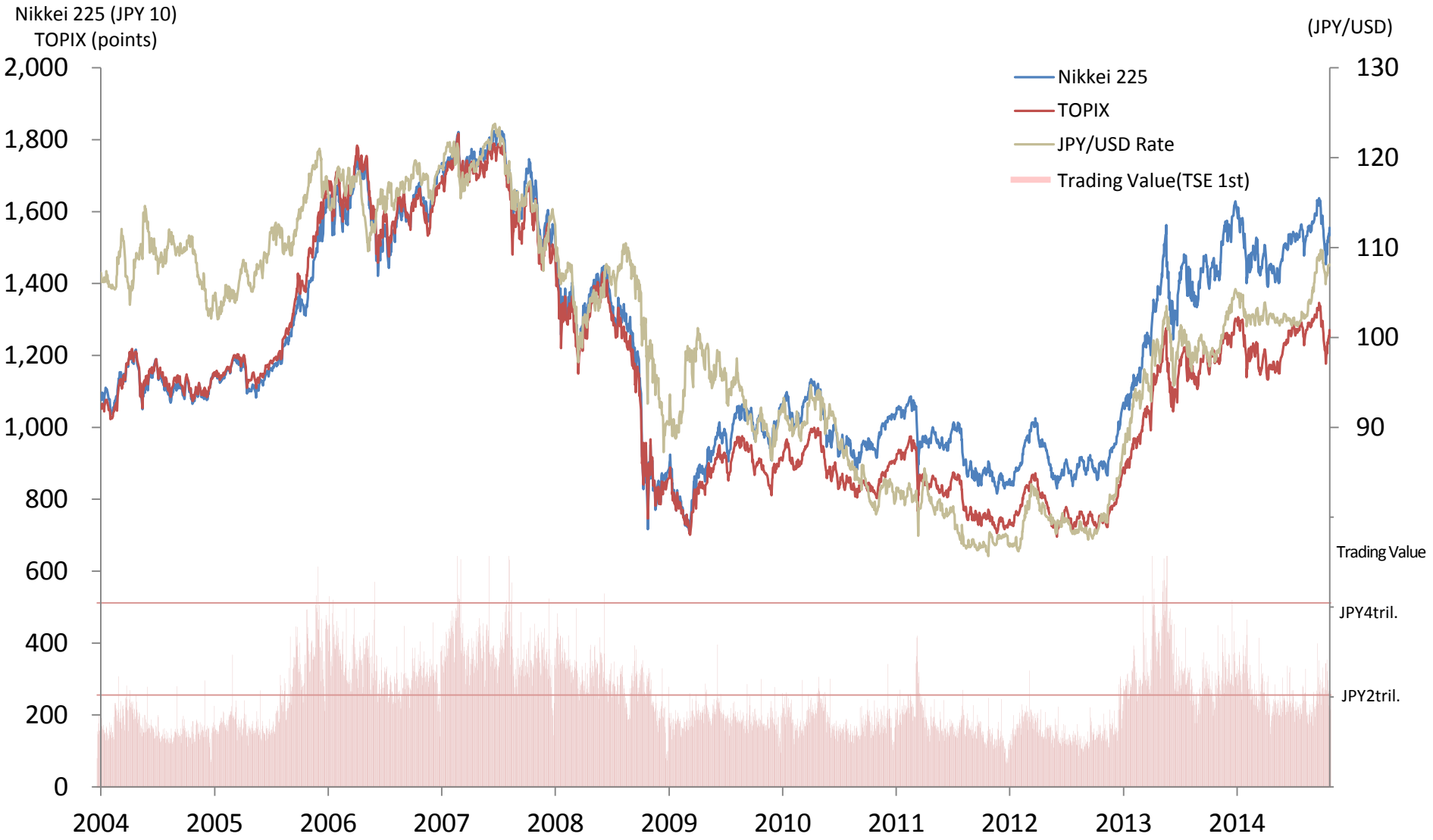
	Revised	Initial
Capital Investment (FY2013 - FY2015)	JPY 40.0 bil. (JPY 36.0 bil. + JPY 4.0 bil.)	JPY 36.0 bil.

Increase in capital investment accompanying entry into JGB (OTC) clearing and system capacity expansion.

		Revised	Initial
FY2015 Financial Indicators	ROE	15% (approx.)	14% (approx.)
	EBITDA	JPY 57.0 bil. (approx.)	JPY 50.0 bil. (approx.)

(Note)
1. The above management and financial goals are based on the average daily trading value/volume and other figures shown on P.21. The average daily trading value/volume figures were set by JPX based on actual past results, but may be largely influenced to market conditions and other external factors.
2. Due to the scheduled adoption of IFRS from the end of FY2014, "amortization of goodwill" will be excluded from operating costs in FY2014 and FY2015.
3. The figure for annual dividends per share includes the 5-for-1 stock split effective on October 1, 2013.
4. ROE is calculated excluding special assets for default.

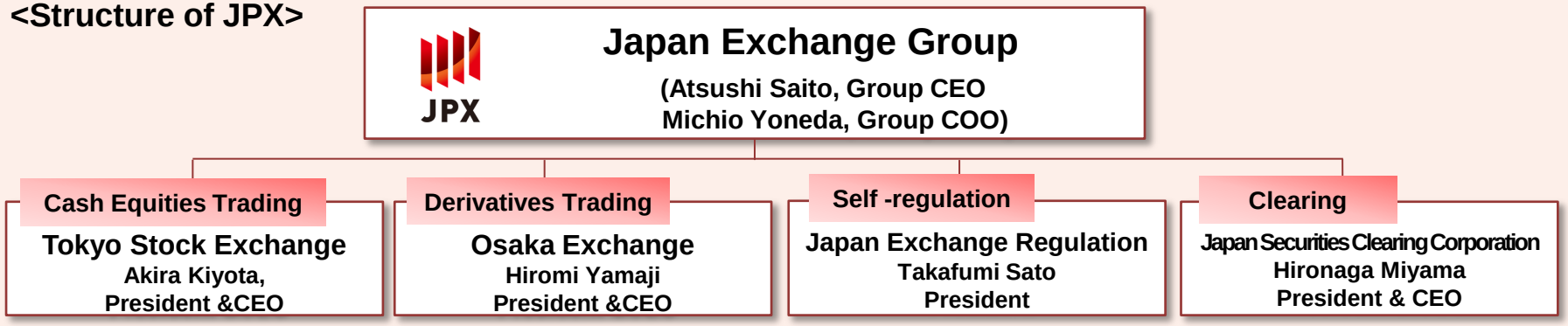
Japanese Stock Market



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%.**

<Structure of JPX>



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