Overview of Earnings for 3Q FY2014

Japan Exchange Group, Inc.

January 30, 2015

I. Overview of Earnings for 3Q FY2015

(April 1 – December 31, 2014)



Highlights and FY2014 Forecast

- Net income remained strong due to cost reductions offsetting a decline in revenue from last year's booming conditions (IFRS-based figures indicate income gain).
- In consideration of revenue and market conditions, the earnings forecast for FY2014 was revised upward on January 20.

(JPY mil.)

	3Q (Apr.-Dec.) FY2013	3Q (Apr.-Dec.) FY2014		(incl. impact of IFRS adoption)*1			FY 2013	FY 2014 (Forecast) (incl. impact of IFRS adoption)*1	
			y/y		y/y	FY2014 %		(Revised) *2	y/y
Operating Revenue	89,102	78,849	(12%)	78,849	(12%)	78%	116,251	101,000	(13%)
Operating Expenses	48,975	42,472	(13%)	39,890	(19%)	73%	65,131	55,000	(16%)
Operating Income	40,127	36,377	(9%)	38,959	(3%)	85%	51,120	46,000	(10%)
Ordinary Income	42,082	38,580	(8%)	41,162	(2%)	86%	52,801	48,000	(9%)
Net Income	24,396	24,164	(1%)	26,746	10%	89%	29,835	30,000	1%
EBITDA	53,702	50,085					68,241	-	-
Dividend per share*3	-	-					43.00 yen	44.00 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 Figures based on forecast revised on January 20, 2015.
*3 Total of 2Q and end-of-year. (figures include stock split conducted in Oct. 2013)

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

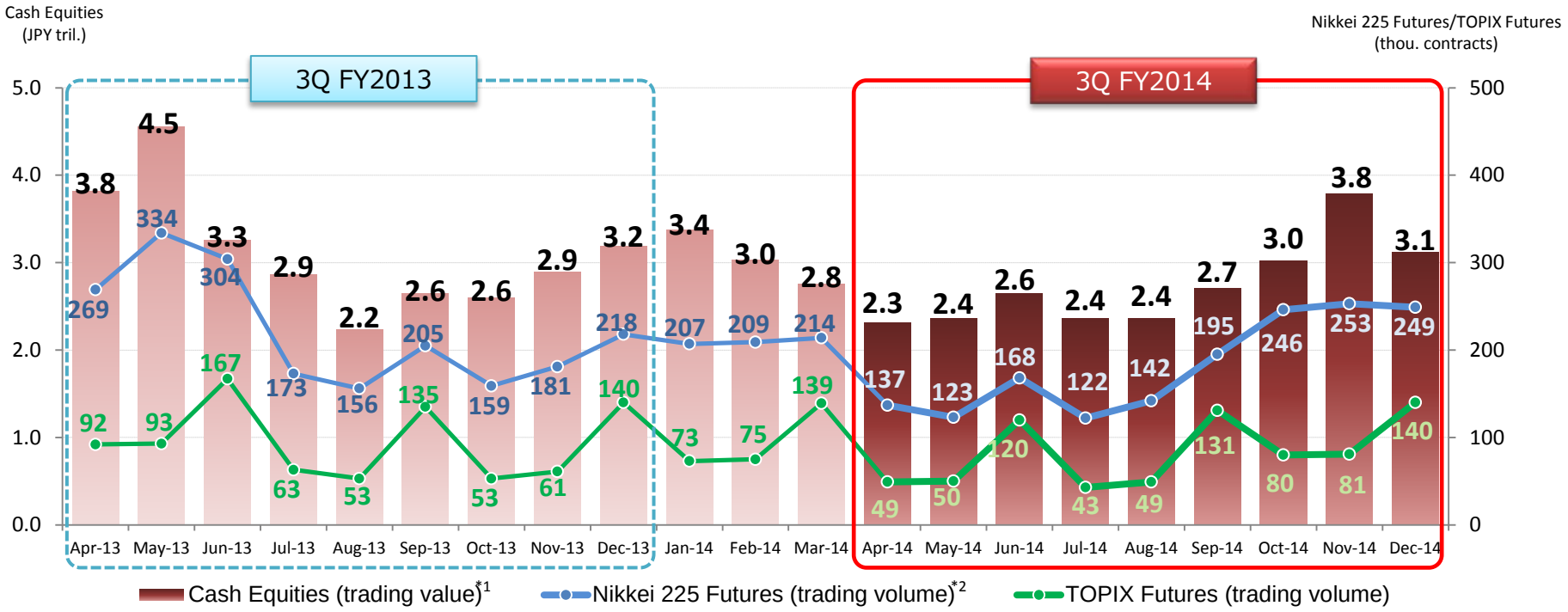
	3Q FY2013	3Q FY2014		FY2013	FY2014 (Assumptions for forecasts)	
			y/y		(Revised) *3	y/y
Cash Equities (trading value) *1	JPY 3,113.6 bil.	JPY 2,727.1 bil.	(12%)	JPY 3,098.8 bil	JPY 2,600.0 bil.	(16%)
TOPIX Futures (trading volume)	93,680 contracts	82,219 contracts	(12%)	94,297 contracts	79,000 contracts	(16%)
Nikkei 225 Futures (trading volume) *2	221,215 contracts	180,836 contracts	(18%)	218,619 contracts	172,000 contracts	(21%)
Nikkei 225 Options (trading value)	JPY 41.9 bil.	JPY 27.7 bil.	(34%)	JPY 40.0 bil.	JPY 27.0 bil.	(32%)
10-year JGB Futures (trading volume)	34,506 contracts	35,888 contracts	4%	34,975 contracts	35,000 contracts	0%

*1 Incl. ETFs/ETNs and REITs, etc. *2 Incl. Nikkei 225 mini (calculated using factor of 1/10) *3 Revised on January 20, 2015

Market Trend

- Equity trading value picked up since October to exceed JPY 3 trillion daily even though the 3Q average remains 12% short of last year's highs.
- Derivatives trading volumes grew on greater volatility but remained lower year-on-year, due to light trading in the first half.

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

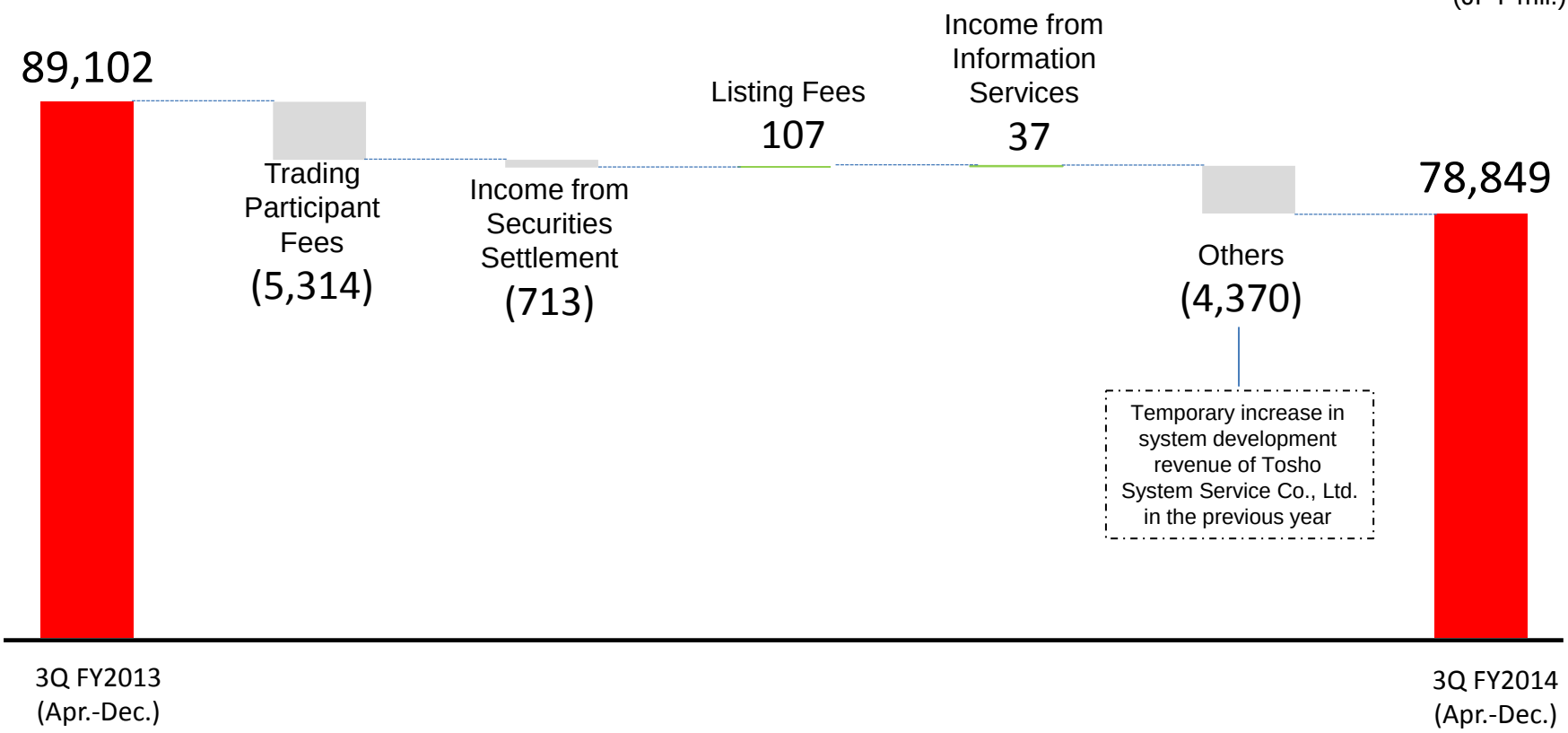


*1 Total of trading value of common stocks on TSE 1st /2nd Sections (including former OSE 1st /2nd Sections), Mothers, JASDAQ, TOKYO PRO Market, and ETFs/ETNs, REITs etc.
*2 Contracts of Nikkei 225 mini are calculated using a factor of 1/10

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.

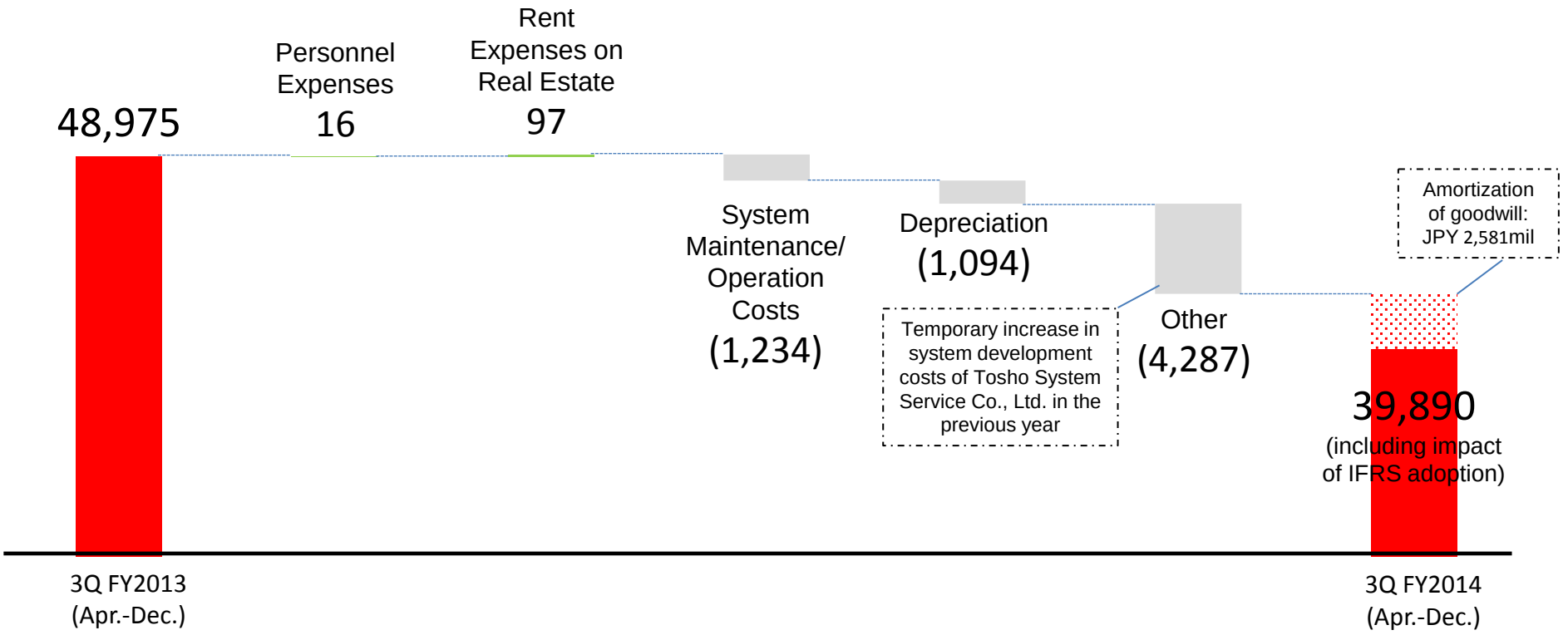
(JPY mil.)



Operating Expenses

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

(JPY mil.)



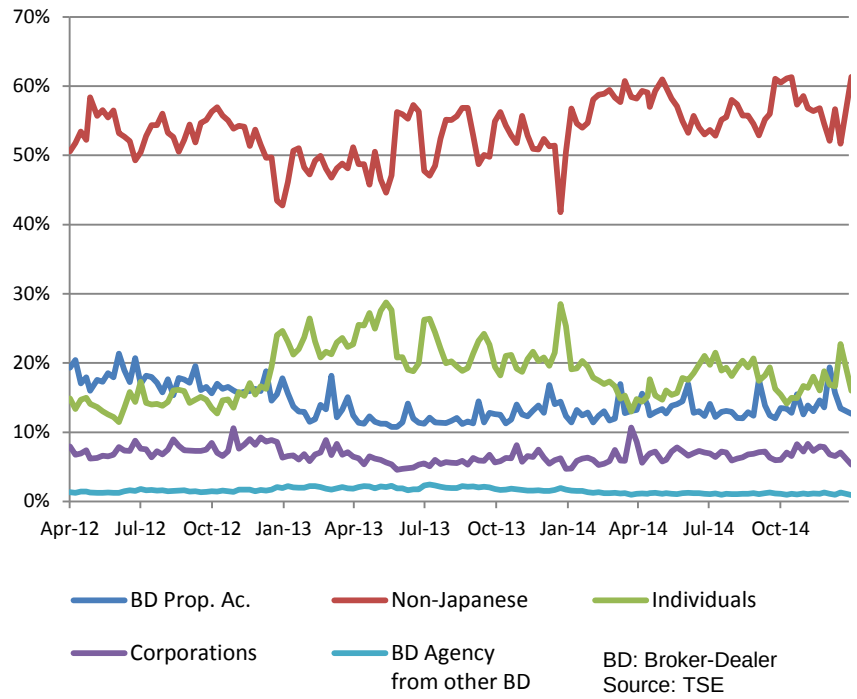
II. Business Developments



Cash Equities

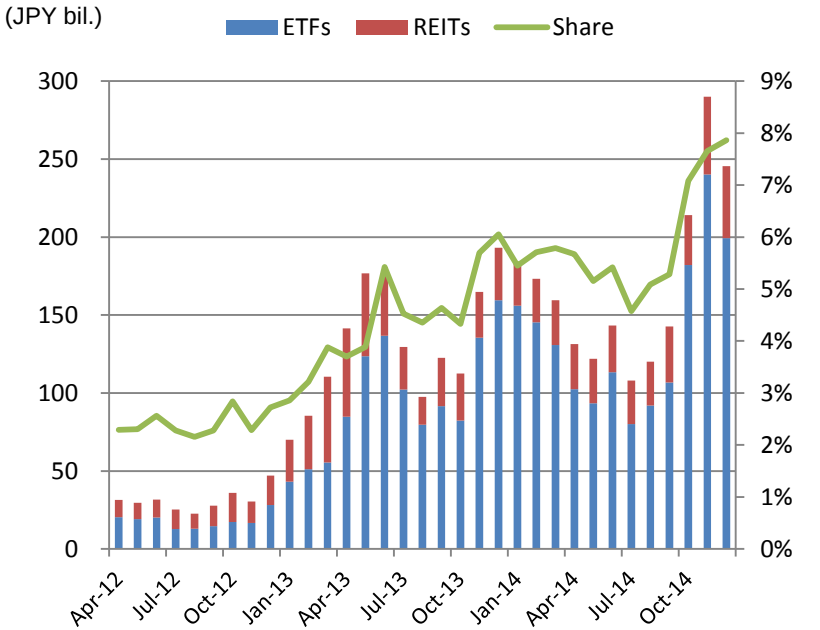
- Cash equity trading value hovered around a daily average of about JPY 2.7 trillion. Market capitalization exceeded JPY 500 trillion for the first time in about 7 years.
- Trading value of ETFs/ETNs and REITs remained strong, with its share of overall cash equity trading breaching 7% to reach an all-time high.

➢ **Trading value by investor type (TSE 1st Stocks)**



BD: Broker-Dealer
Source: TSE

➢ **ADV of ETFs and REITs**

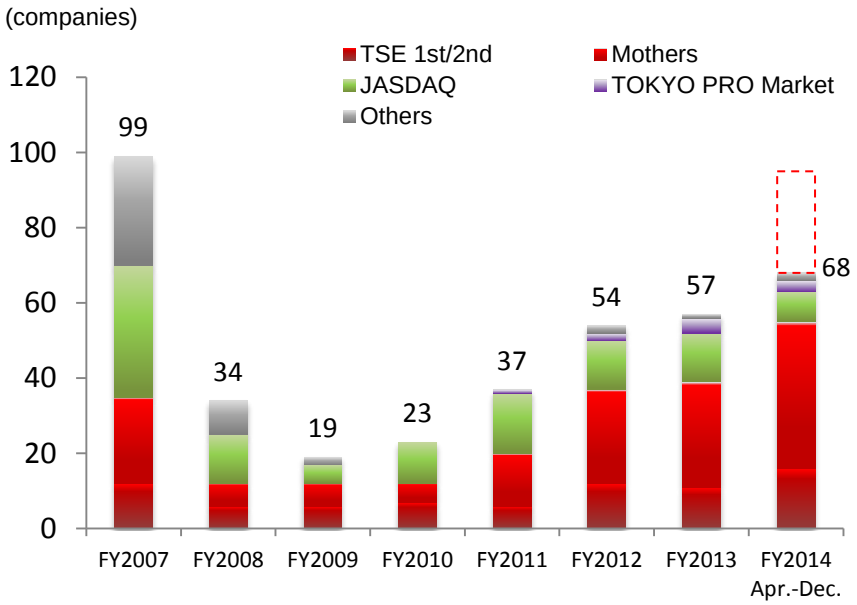


ETFs includes ETNs. Share indicates trading value of ETFs, ETNs, and REITs of overall cash equity trading value.
Source: TSE

Cash Equities

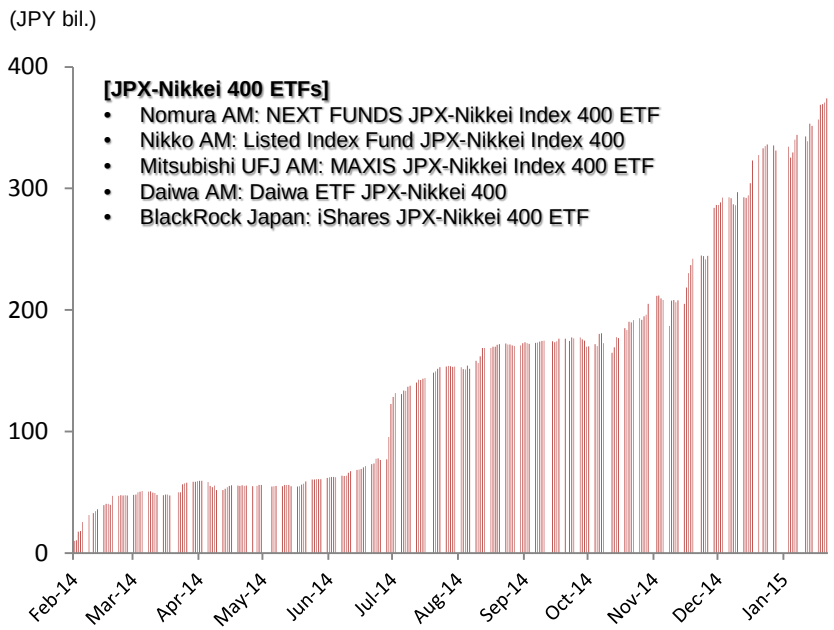
- IPOs on TSE increased to 66 from 44 for the previous year.
- ETFs tracking the JPX-Nikkei 400 grew to 5 issues.
- The exposure draft of Japan's Corporate Governance Code was published in December. Related TSE rule revisions are being prepared for implementation on June 1.

➢ **IPOs in Japan**



Source: TSE and each securities exchange

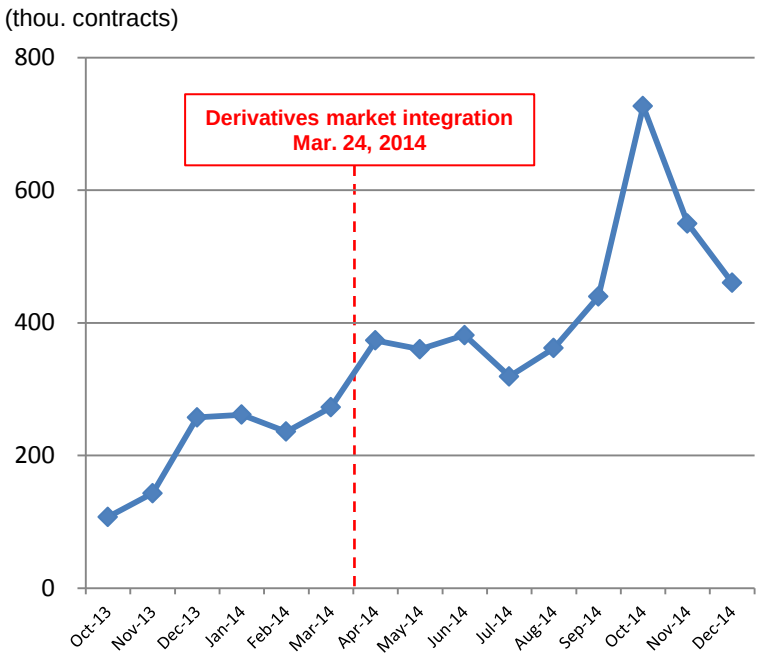
➢ **AUM of JPX-Nikkei 400 ETFs**



Derivatives

- Since the derivatives market integration, mini-TOPIX Futures trading volume has hovered close to record highs.
- JPX-Nikkei 400 Futures started smoothly with more than 50,000 contracts traded daily since launch.

➢ 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 (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 surpassed JPY 1,100 trillion as clearing participants expanded to 23 companies and client clearing grew to 14 companies.
- Started clearing single-name credit default swaps on December 15.

➢ **Business fields of JSCC**

Listed Products

- Cash trading
- Derivatives trading

OTC Products

- CDS (Index CDS: launched in Jul. 2011
  Single-name CDS: launched in Dec. 2014)
- 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)**

Eligible issues of single-name CDS clearing

FUJITSU LIMITED
JFE Holdings, Inc.
Kobe Steel, Ltd.
Mitsui Chemicals, Inc.
Mitsui O.S.K. Lines, Ltd.
Nippon Paper Industries Co.,Ltd..
NIPPON STEEL & SUMITOMO METAL CORPORATION NISSAN MOTOR CO., LTD.
Oji Holdings Corporation
Panasonic Corporation
SONY CORPORATION
TOSHIBA CORPORATION

Asian Strategy

- On November 1, the Hong Kong representative office was established, further strengthening our outreach to investors in Asia to promote the appeal of the Japanese market.
- On December 4, JPX and SGX entered into a Letter of Intent to collaborate in the joint development and promotion of the markets on both exchanges. This cooperation further deepens the exchanges' long-standing relationship and strategic partnership.
- On December 23, a joint venture agreement on establishing Yangon Stock Exchange was concluded in preparation for its launch in 2015.
- Since 2014, JPX has provided technical support for developing derivatives CCP* rules in Vietnam, and will extend support to system development. (*Central Counter Party)

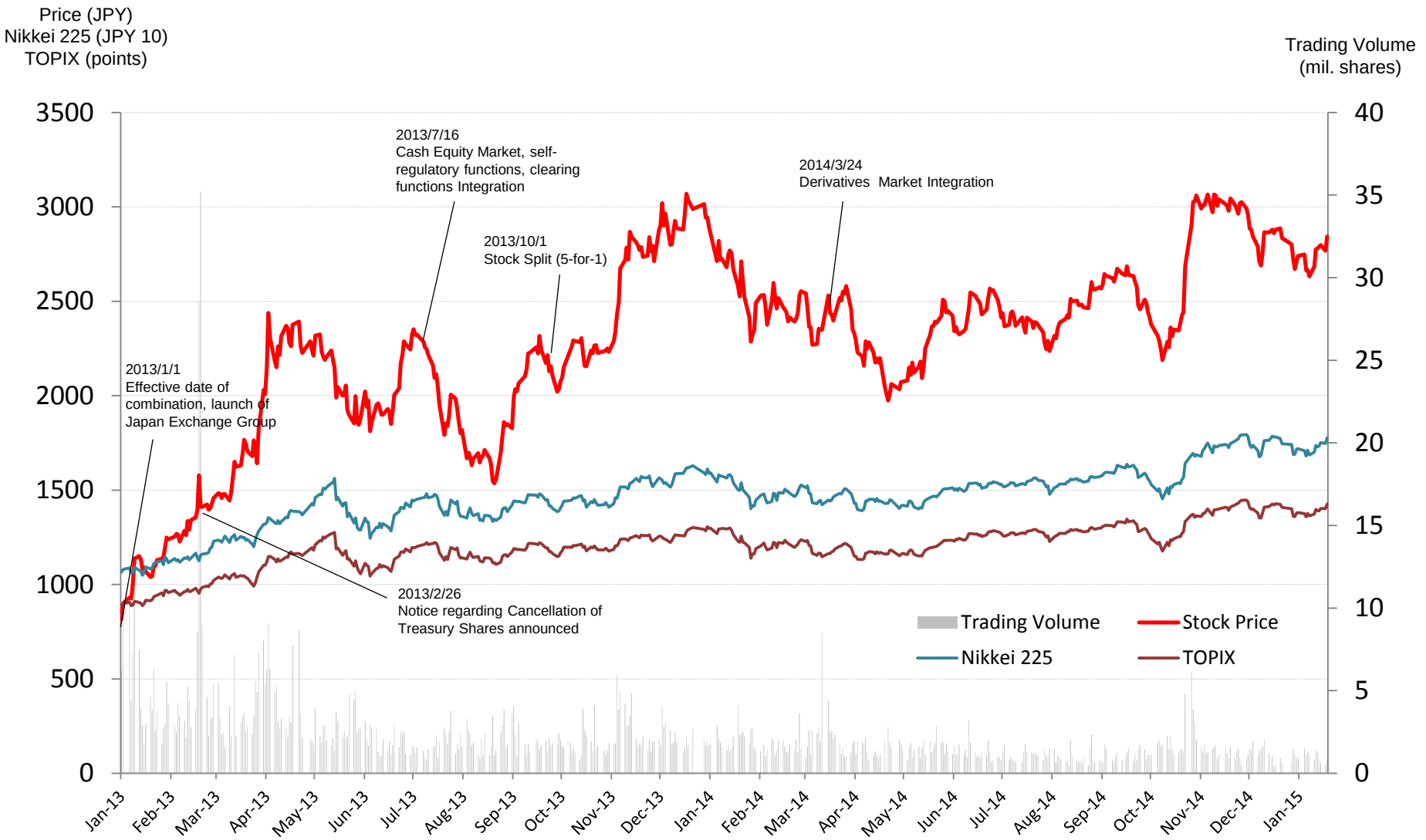
➢ Representative Offices

- New York
- London
- Singapore
- Beijing
- Hong Kong (since Nov. 2014)
  Suite 01, 66/F, The Centre,
  9 Queen's Road Central
  Contact: 852 3965 3050

➢ Overview of the Yangon Stock Exchange

Name	Yangon Stock Exchange Joint-Venture Company Limited (abbreviation: YSX)
Location	Yangon, Myanmar
Shareholders	Myanma Economic Bank, Japan Exchange Group, Daiwa Institute of Research
Capital	32 billion Kyats (approx. JPY 3.7 billion)
Directors	Myanma Economic Bank : Three persons (including the company president) Japan Exchange Group : One person Daiwa Institute of Research : One person

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)	3Q (Oct. 1, 2014- Dec 31, 2014)
Operating Revenue	36,099	25,623	27,379	27,148	24,763	24,987	29,098
Operating Expenses	18,156	15,364	15,454	16,156	13,914	13,978	14,578
(incl. impact of IFRS adoption)					13,053	13,118	13,718
Operating Income	17,943	10,258	11,925	10,992	10,848	11,009	14,519
(incl. impact of IFRS adoption)					11,709	11,869	15,380
Ordinary Income	18,655	10,261	13,165	10,718	11,451	11,399	15,729
(incl. impact of IFRS adoption)					12,312	12,260	16,590
Net Income	11,209	5,341	7,846	5,438	7,068	7,031	10,064
(incl. impact of IFRS adoption)					7,929	7,891	10,924
EBITDA	23,089	13,421	17,191	14,538	15,011	15,172	19,901

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)	3Q (Oct. 1, 2014- Dec. 31, 2014)		
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Ratio	y/y
Trading Participant Fees	**17,317**	**11,772**	**12,358**	**12,707**	**11,140**	**11,517**	**13,475**	**46%**	**9%**
Transaction Fees	14,869	9,660	10,266	10,550	9,092	9,452	11,323		10%
Cash Equities	10,154	7,058	7,367	7,477	6,753	6,866	7,583	67%*	3%
Derivatives	4,714	2,602	2,899	3,072	2,339	2,585	3,739	33%*	29%
TOPIX Futures	588	453	444	466	396	412	539		21%
Nikkei 225 Futures (incl. mini)	1,605	938	1,086	1,165	856	966	1,456		34%
Nikkei 225 Options	1,932	819	932	976	685	725	1,217		30%
10-year JGB Futures	502	339	382	401	355	428	449		18%
Others	85	51	53	62	45	53	77		46%
Basic Fees	353	284	275	270	268	267	266		(3%)
Access Fees	1,430	1,185	1,165	1,197	1,147	1,144	1,218		5%
Trading System Facilities Usage Fees	628	620	628	666	615	637	642		2%
Others	35	21	22	21	16	16	24		12%
Income from Securities Settlement	**6,430**	**4,211**	**5,003**	**4,688**	**4,462**	**4,506**	**5,962**	**20%**	**19%**
Listing Fees	**2,517**	**3,179**	**3,400**	**3,210**	**2,875**	**3,045**	**3,284**	**11%**	**(3%)**
Initial/Additional Listing Fees	786	1,521	1,566	1,413	1,060	1,196	1,385		(12%)
Annual Listing Fees	1,730	1,658	1,834	1,797	1,814	1,849	1,899		4%
Income from Information Services	**4,086**	**3,885**	**3,990**	**4,153**	**4,035**	**3,811**	**4,153**	**14%**	**4%**
Other operating revenue	**5,747**	**2,574**	**2,626**	**2,388**	**2,248**	**2,105**	**2,222**	**8%**	**(15%)**
Network-line Usage Fees	939	875	816	758	689	660	598		(27%)
Co-location Usage Fees, Proximity Usage Fees	609	617	655	683	687	712	725		11%
Others	4,197	1,081	1,154	946	871	732	899		(22%)
Total	**36,099**	**25,623**	**27,379**	**27,148**	**24,763**	**24,987**	**29,098**	**100%**	**6%**

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)	3Q (Oct. 1, 2014- Dec. 31, 2014)
Personal Expenses	3,601	3,752	3,763	4,024	3,735	3,672	3,725
Rent Expenses on Real Estates	1,453	1,450	1,470	1,526	1,488	1,498	1,484
System Maintenance & Operation Costs	2,847	2,909	2,976	2,909	2,584	2,443	2,470
Depreciation	3,537	3,242	3,149	3,484	2,637	2,898	3,299
Amortization of goodwill	860	860	861	860	860	860	860
Other	5,855	3,149	3,233	3,352	2,607	2,604	2,738
Total	18,156	15,364	15,454	16,156	13,914	13,978	14,578

Referential Financial Data

➢ Consolidated Balance Sheets

(JPY mil.)

		Mar. 31, 2014	Dec. 31, 2014
	<Assets>		
	Current assets	**1,231,231**	**1,939,778**
*1	Cash and deposits	103,813	86,864
	Operating accounts receivable	8,995	12,567
	Securities	802	770
	Work in Process	61	115
*2	Margin funds for derivatives, etc. and when-issued transactions	913,437	1,432,923
*2	Deposits for clearing funds	188,734	381,571
*2	Deposits as collateral for facilitating settlement	10,500	17,500
	Other	4,898	7,479
	Allowance for doubtful accounts	(12)	(13)
	Non-current assets	**172,482**	**180,449**
	Property, plant and equipment	7,066	8,663
	Intangible assets	87,810	87,256
	Goodwill	63,932	61,350
	Other	23,878	25,906
	Investments and other assets	77,605	84,529
	Investment securities	37,344	44,614
	Net defined benefit asset	2,914	4,011
*3	Legal guarantee funds	522	492
*4	Special assets for default compensation reserve funds	27,948	27,948
	Other	9,013	7,604
	Allowance for doubtful accounts	(138)	(141)
	Total assets	**1,403,713**	**2,120,227**

		Mar. 31, 2014	Dec. 31, 2014
	<Liabilities>		
	Current liabilities	**1,178,274**	**1,874,753**
	Operating accounts payable	2,994	2,392
	Short-term loans payable	32,500	22,500
	Income taxes payable	17,600	2,604
	Provision for bonuses	1,420	510
	Provision for directors' bonuses	366	22
*2	Margin funds received for derivatives, etc. and when-issued transactions	913,437	1,432,923
*2	Deposits received for clearing funds	188,734	381,571
*2	Deposits received as collateral for facilitating settlement	10,500	17,500
*1	Deposits received as trading participant security money	4,783	7,437
	Other	5,937	7,290
	Non-current liabilities	**23,420**	**25,521**
	Long-term loans payable	10,000	10,000
	Net defined benefit liability	7,465	6,975
*3	Returnable legal guarantee funds	522	492
	Other	5,431	8,052
	Total liabilities	**1,201,694**	**1,900,274**
	<Net assets>		
	Shareholders' equity	**188,485**	**201,302**
	Capital stock	11,500	11,500
	Capital surplus	59,726	59,726
*4	Retained earnings	117,264	130,081
	Treasury shares	(5)	(5)
	Total accumulated other comprehensive income	**7,857**	**12,710**
	Valuation difference on available-for-sale securities	8,006	12,749
	Remeasurements of defined benefit plans	(149)	(38)
	Minority interests	**5,675**	**5,939**
	Total net assets	**202,018**	**219,953**
	Total liabilities and net assets	**1,403,713**	**2,120,227**

***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)	3Q (Oct 1, 2014- Dec. 31, 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	171,078,880
Mothers *2	7,453,258	5,545,080	11,499,388	8,276,773	8,173,604	9,120,144	9,460,573
JASDAQ *2	9,207,734	6,233,226	6,203,970	6,448,238	6,429,667	6,352,007	4,653,689
ETFs/ETNs and REITs etc.	10,220,654	7,320,863	9,635,497	9,978,334	8,205,419	7,749,624	15,082,345
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	6,155,327
Total Nikkei 225 Futures/mini *4	18,764,763	11,139,399	11,462,951	12,194,518	8,889,164	9,562,272	15,184,014
Nikkei 225 Futures	10,373,289	6,408,145	6,756,891	6,980,710	5,111,644	5,422,599	8,402,820
Nikkei225mini	83,914,741	47,312,547	47,060,600	52,138,082	37,775,200	41,396,736	67,811,949
Nikkei 225 Options (JPY mil.)	3,968,040	1,895,032	1,970,855	1,956,052	1,414,182	1,345,023	2,397,712
10-year JGB Futures	2,648,616	1,789,770	2,014,239	2,116,294	1,924,624	2,329,798	2,420,837

➢ 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)	3Q (Oct. 1, 2014- Dec. 31, 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	3,283,205
Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)							
TOPIX Futures	116,257	81,248	83,734	96,286	73,233	72,966	100,907
Total Nikkei 225 Futures/mini *4	302,657	176,816	184,886	210,250	143,374	151,782	248,918
Nikkei 225 Futures	167,311	101,717	108,982	120,357	82,446	86,073	137,751
Nikkei225mini	1,353,464	750,993	759,042	898,932	609,277	657,091	1,111,671
Nikkei 225 Options (JPY mil.)	64,001	30,080	31,788	33,725	22,809	21,350	39,307
10-year JGB Futures	42,720	28,409	32,488	36,488	31,042	36,981	39,686

*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 101.0 bil	JPY 101.0 bil
Operating Expenses	JPY 58.5 bil	JPY 55.0 bil
Operating Income	JPY 42.5 bil	JPY 46.0 bil
Net Income	JPY 26.5 bil	JPY 30.0 bil

Expenses Decreased by JPY 3.5 bil.

Income Increased by JPY 3.5 bil.

* Revised earnings and dividend forecast for FY2014 was announced on January 20, 2015

<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 Jan. 2015)				Japanese Standards **Net Income JPY 26.5 bil.** / <Reference> Net Income Including IFRS Adoption Impact **JPY 30.0 bil.**
Dividend (Forecast) (Announced in Jan. 2015)		Interim Dividend JPY 18		Year-end Dividend (Annual) JPY 26 (JPY 44) (DPR 40%)

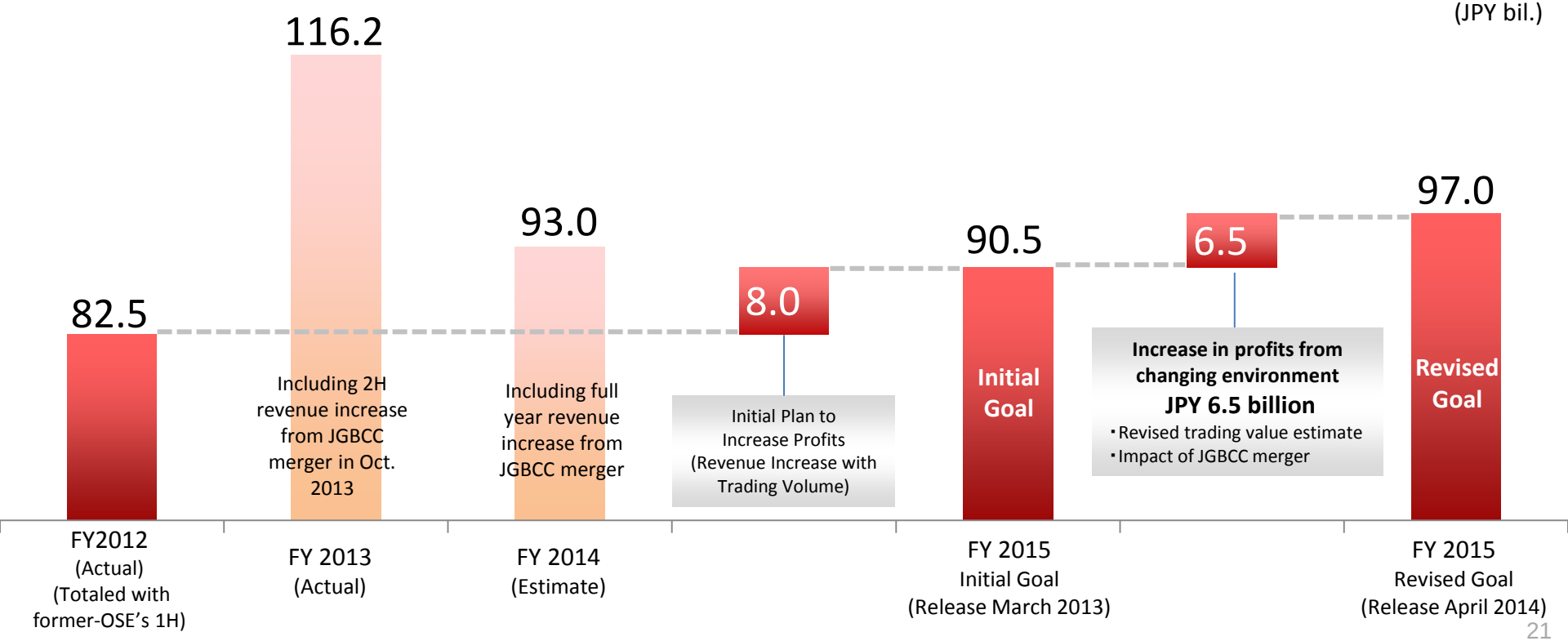
Goals for FY2015 Operating Revenues

(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)

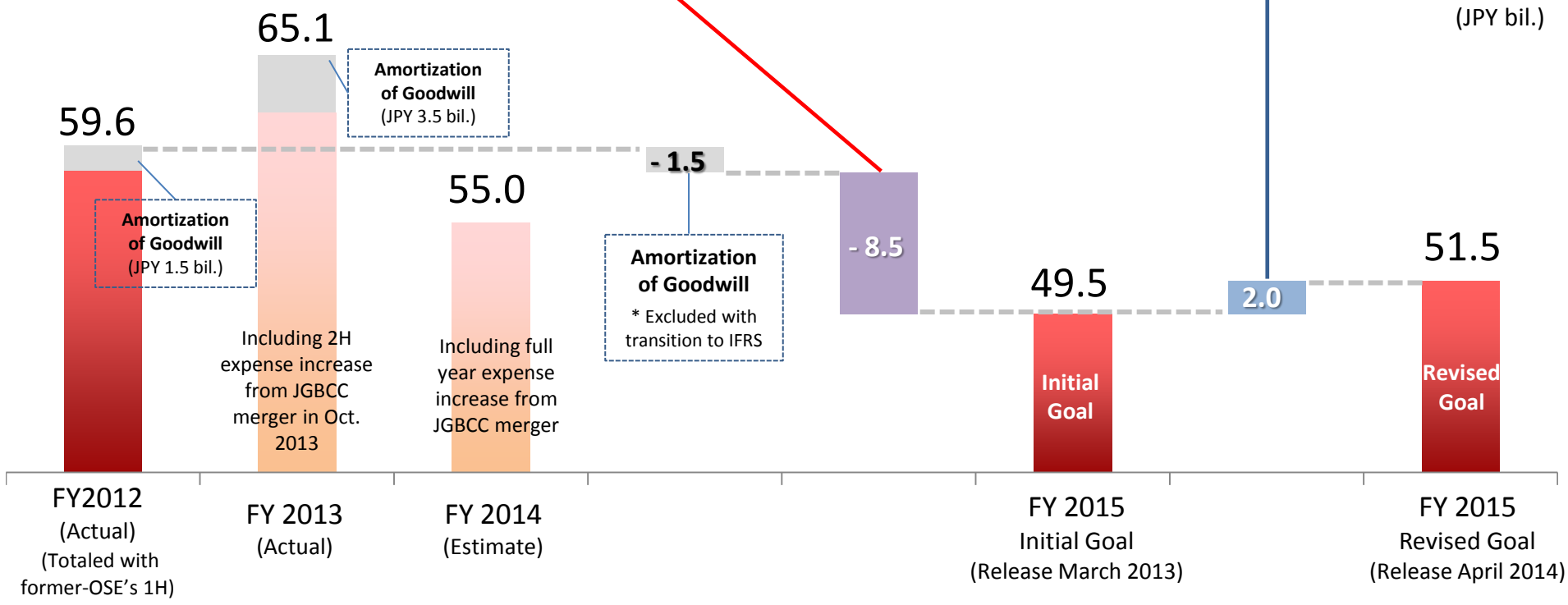
<Cost Reduction from Integration JPY -8.5 billion>

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.

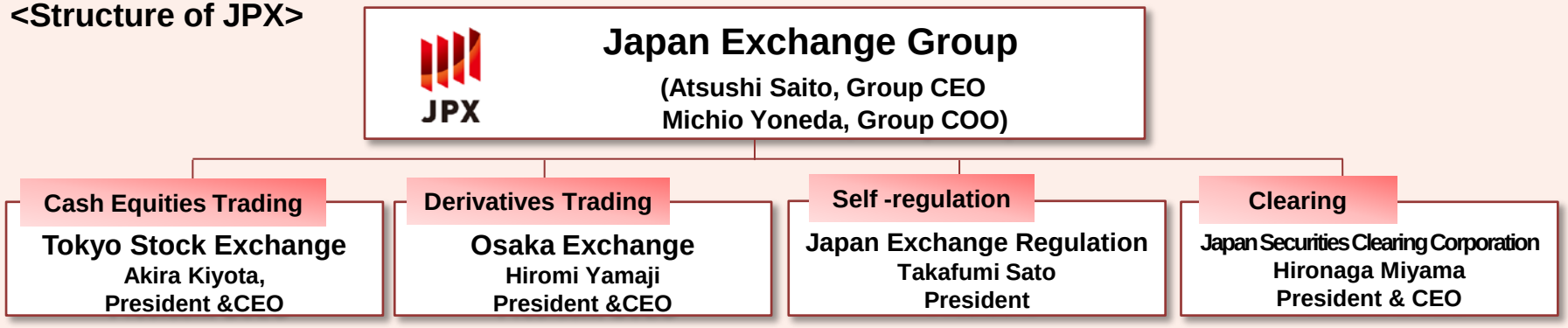
Japanese Stock Market



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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