(Reference Translation)
(Excerpt Version)
*Please refer to our homepage for the full version.

April 28, 2015

Japan Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for the year ended March 31, 2015 (Based on IFRS), unaudited

Company name: Japan Exchange Group, Inc. Stock Exchange Listings: Tokyo
Code number: 8697 URL: http://www.jpx.co.jp/english/
Representative: Atsushi Saito, Director & Representative Executive Officer, Group CEO
Contact: Akira Tagaya, Director, Corporate Communications
Scheduled date of annual general shareholders meeting: June 16, 2015
Scheduled date of start of dividend payment: May 26, 2015
Scheduled date of filing of annual securities report: June 9, 2015
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, 2015 (April 1, 2014 to March 31, 2015)

(Figures less than a million yen are omitted)

(1) Operating results

(Percentages represent year-on-year change)

	Operating revenue		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent company		Comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2015	106,167	(6.7)	53,529	0.3	54,887	0.2	34,716	3.5	34,427	3.4	41,152	20.4
Year ended March 31, 2014	113,846	—	53,343	—	54,786	—	33,541	—	33,304	—	34,191	—

	Earnings per share (Basic)	Earnings per share (Diluted)	Return on equity attributable to owners of the parent company	Ratio of income before income tax to total assets	Ratio of operating income to operating revenue
	yen	yen	%	%	%
Year ended March 31, 2015	125.41	—	15.6	0.2	50.4
Year ended March 31, 2014	121.31	—	17.1	0.6	46.9

(Reference)
Share of income of investments accounted for using the equity method:
Year ended March 31, 2015: ¥516 million
Year ended March 31, 2014: ¥ 55 million
* Due to a 5-for-1 stock split which was conducted with an effective date of October 1, 2013, the earning per share (basic) for the year ended March 31, 2014 is calculated as if such stock split was implemented at the beginning of the consolidated accounting year.

(2) Financial position

	Total assets	Total equity	Total equity attributable to owners of the parent company	Ratio of total equity attributable to owners of the parent company to total assets	Total equity attributable to owners of the parent company per share
	million yen	million yen	million yen	%	yen
As of March 31, 2015	27,746,771	241,565	235,611	0.8	858.23
As of March 31, 2014	17,479,946	212,777	207,101	1.2	754.38

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	million yen	million yen	million yen	million yen
Year ended March 31, 2015	37,346	(5,563)	(22,364)	60,114
Year ended March 31, 2014	62,722	30,035	(71,362)	50,713

2. Dividends

	Dividends per share					Total cash dividends	Dividend payout ratio	Ratio of dividends to total equity attributable to owners of the parent company
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2014	—	80.00	—	27.00	—	11,804	35.4	6.1
Year ended March 31, 2015	—	18.00	—	32.00	50.00	13,726	39.9	6.2
Year ending March 31, 2016 (Forecast)	—	36.00	—	37.00	73.00		60.7	

* A 5-for-1 stock split was conducted with an effective date of October 1, 2013. Dividends for the second quarter of the year ended March 31, 2014 are actual amounts before said stock split.
* The amount of dividends for the year ended March 31, 2014 is calculated based on the net income of ¥29,835 million according to J-GAAP, and the dividend payout ratio based on such income (consolidated) is 39.6%.

3. Consolidated Earnings Forecast for the Year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Percentages represent year-on-year change)

	Operating revenue		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent company		Earnings per share (Basic)
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2016	100,000	(5.8)	48,500	(9.4)	50,000	(8.9)	33,200	(4.4)	33,000	(4.1)	120.20

* 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
1) Changes in accounting policies due to revisions in accounting standards under IFRS: None
2) Changes in accounting policies other than the above: None
3) Changes in accounting estimates: Yes

(3) Number of issued shares (common share)

1) Number of issued shares at the end of the period (including treasury shares):
As of March 31, 2015: 274,534,550 shares
As of March 31, 2014: 274,534,550 shares

2) Number of treasury shares at the end of period:
As of March 31, 2015: 2,655 shares
As of March 31, 2014: 2,655 shares

3) Average number of shares:
Year ended March 31, 2015: 274,531,895 shares
Year ended March 31, 2014: 274,533,089 shares

* Due to a 5-for-1 stock split which was conducted with an effective date of October 1, 2013, the average number of shares for the year ended March 31, 2014 is calculated as if such stock split was implemented at the beginning of the year.

(Reference) Overview of non-consolidated financial results

1. Non-Consolidated Financial Results for the Year ended March 31, 2015
(April 1, 2014 to March 31, 2015)

(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, 2015	33,102	170.3	27,287	286.0	28,747	240.4	27,728	275.7
Year ended March 31, 2014	12,248	(34.3)	7,068	26.0	8,444	32.8	7,380	102.9

	Earnings per share (Basic)	Earnings per share (Diluted)
	yen	yen
Year ended March 31, 2015	101.00	―
Year ended March 31, 2014	26.88	―

* Due to a 5-for-1 stock split which was conducted with an effective date of October 1, 2013, the earning per share (basic) for the year ended March 31, 2014 is calculated as if such stock split was implemented at the beginning of the non-consolidated accounting year.

(2) Financial position

	Total assets	Total net assets	Ratio of shareholders' equity to total assets	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2015	215,218	102,104	47.4	371.92
As of March 31, 2014	165,956	81,221	48.9	295.86

(Reference)
Shareholders' equity:
As of March 31, 2015: ¥102,104 million As of March 31, 2014: ¥81,221 million

*Note to financial position

"Clearing Business Financial Assets and Liabilities" and "Deposits from Clearing Participants" pertaining to clearing business conducted by consolidated subsidiary Japan Securities Clearing Corporation are included in assets and liabilities of the Group. Due to their sizable amounts, they have a large impact on the assets and liabilities of the Group.

*Disclosure regarding the execution of the quarterly review process

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 on appropriate use of forecast and other special items

1) The Company adopted International Financial Reporting Standards (hereinafter "IFRS") in place of J-GAAP from the full-year consolidated financial results for the year ended March 31, 2015. As such, the consolidated figures for the previous fiscal year are indicated based on IFRS.
2) 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 Statement of Financial Position

	Date of transition to IFRS As of April 1, 2013	As of March 31, 2014	As of March 31, 2015
	Millions of yen	Millions of yen	Millions of yen
Assets			
Current assets			
Cash and cash equivalents	29,308	50,713	60,114
Trade and other receivables	11,188	9,080	10,300
Clearing business financial assets	587,508	16,049,798	25,635,085
Specified assets for deposits from clearing participants	961,304	1,128,362	1,795,095
Specified assets for legal guarantee funds	600	522	492
Income tax receivables	359	1,411	4,693
Other financial assets	91,501	53,903	42,869
Other current assets	1,538	1,282	1,844
Total current assets	1,683,308	17,295,075	27,550,495
Non-current assets			
Property and equipment	8,673	7,066	8,573
Goodwill	67,374	67,374	67,374
Intangible assets	23,370	23,878	27,631
Retirement benefit assets	1,728	3,730	5,424
Investments accounted for using the equity method	8,318	6,443	6,806
Specified assets for default compensation reserve funds	27,948	27,948	27,948
Other financial assets	34,166	32,968	39,682
Other non-current assets	5,868	5,693	5,605
Deferred tax assets	9,243	9,767	7,230
Total non-current assets	186,691	184,871	196,276
Total assets	1,870,000	17,479,946	27,746,771

	Date of transition to IFRS As of April 1, 2013	As of March 31, 2014	As of March 31, 2015
	Millions of yen	Millions of yen	Millions of yen
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	4,551	5,431	4,712
Loans payable	105,069	32,500	32,500
Clearing business financial liabilities	587,508	16,049,798	25,635,085
Deposits from clearing participants	961,304	1,128,362	1,795,095
Legal guarantee funds	600	522	492
Trading participant security money	3,169	4,783	7,437
Income tax payables	6,312	17,600	7,852
Other current liabilities	3,992	5,506	5,626
Total current liabilities	1,672,509	17,244,506	27,488,802
Non-current liabilities			
Loans payable	–	10,000	–
Retirement benefit liabilities	6,888	6,717	7,039
Other non-current liabilities	922	983	2,488
Deferred tax liabilities	5,193	4,961	6,875
Total non-current liabilities	13,004	22,662	16,403
Total liabilities	1,685,514	17,267,169	27,505,206
Equity			
Share capital	11,500	11,500	11,500
Capital surplus	59,726	59,726	59,726
Treasury shares	–	(5)	(5)
Other components of equity	9,732	9,225	14,828
Retained earnings	100,978	126,655	149,562
Total equity attributable to owners of the parent company	181,937	207,101	235,611
Non-controlling interests	2,548	5,675	5,954
Total equity	184,485	212,777	241,565
Total liabilities and equity	1,870,000	17,479,946	27,746,771

(2) Consolidated Statement of Income

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of yen	Millions of yen
Revenue		
Operating revenue	113,846	106,167
Other revenue	206	318
Total revenue	114,052	106,486
Expenses		
Operating expenses	59,244	52,863
Other expenses	1,520	610
Total expenses	60,764	53,473
Share of income of investments accounted for using the equity method	55	516
Operating income	53,343	53,529
Financial income	1,524	1,400
Financial expenses	81	41
Income before income tax	54,786	54,887
Income tax expense	21,244	20,171
Net income	33,541	34,716
Net income attributable to		
Owners of the parent company	33,304	34,427
Non-controlling interests	236	288
Net income	33,541	34,716
Earnings per share		
Basic (Yen)	121.31	125.41
Diluted (Yen)	–	–

(3) Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of yen	Millions of yen
Net income	33,541	34,716
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	(506)	5,631
Remeasurements of defined benefit plan	1,157	803
Share of other comprehensive income of investments accounted for using the equity method	0	(0)
Other comprehensive income, net of tax	650	6,435
Comprehensive income	34,191	41,152
Comprehensive income attributable to		
Owners of the parent company	33,954	40,863
Non-controlling interests	236	288
Comprehensive income	34,191	41,152

(4) Consolidated Statement of Changes in Equity

	Equity attributable to owners of the parent company				
				Other components of equity	
	Share capital	Capital surplus	Treasury shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2013	11,500	59,726	–	9,732	–
Net income	–	–	–	–	–
Other comprehensive income, net of tax	–	–	–	(506)	1,157
Total comprehensive income	–	–	–	(506)	1,157
Acquisitions of treasury shares	–	–	(5)	–	–
Dividends paid	–	–	–	–	–
Changes of interests in subsidiaries without losing control	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	(1,157)
Total transactions with the owners	–	–	(5)	–	(1,157)
Balance as of March 31, 2014	11,500	59,726	(5)	9,225	–
Net income	–	–	–	–	–
Other comprehensive income, net of tax	–	–	–	5,631	803
Total comprehensive income	–	–	–	5,631	803
Dividends paid	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(29)	(803)
Total transactions with the owners	–	–	–	(29)	(803)
Balance as of March 31, 2015	11,500	59,726	(5)	14,828	–

	Equity attributable to owners of the parent company			Non-controlling interests	Total equity
	Other components of equity	Retained earnings	Total		
	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2013	9,732	100,978	181,937	2,548	184,485
Net income	–	33,304	33,304	236	33,541
Other comprehensive income, net of tax	650	–	650	–	650
Total comprehensive income	650	33,304	33,954	236	34,191
Acquisitions of treasury shares	–	–	(5)	–	(5)
Dividends paid	–	(8,785)	(8,785)	(2)	(8,787)
Changes of interests in subsidiaries without losing control	–	–	–	2,892	2,892
Transfer from other components of equity to retained earnings	(1,157)	1,157	–	–	–
Total transactions with the owners	(1,157)	(7,627)	(8,790)	2,890	(5,899)
Balance as of March 31, 2014	9,225	126,655	207,101	5,675	212,777
Net income	–	34,427	34,427	288	34,716
Other comprehensive income, net of tax	6,435	–	6,435	–	6,435
Total comprehensive income	6,435	34,427	40,863	288	41,152
Dividends paid	–	(12,353)	(12,353)	(10)	(12,364)
Transfer from other components of equity to retained earnings	(832)	832	–	–	–
Total transactions with the owners	(832)	(11,521)	(12,353)	(10)	(12,364)
Balance as of March 31, 2015	14,828	149,562	235,611	5,954	241,565

(5) Consolidated Statement of Cash Flows

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of yen	Millions of yen
Cash flows from operating activities		
Income before income tax	54,786	54,887
Depreciation and amortization	13,792	11,365
Impairment losses (or reversal of impairment losses)	1,203	301
Financial income	(1,524)	(1,400)
Financial expenses	81	41
Share of income of investments accounted for using the equity method	(55)	(516)
(Increase) decrease in trade and other receivables	2,224	(1,219)
Increase (decrease) in trade and other payables	(297)	(327)
(Increase) decrease in retirement benefit assets	(2,002)	(1,694)
Increase (decrease) in retirement benefit liabilities	(170)	321
Other	4,504	5,080
Subtotal	72,544	66,840
Interest and dividends received	1,802	1,563
Interest paid	(82)	(42)
Income taxes paid	(11,542)	(31,015)
Cash flows generated from operating activities	62,722	37,346
Cash flows from investing activities		
Payments into time deposits	(65,700)	(65,100)
Proceeds from withdrawal of time deposits	104,100	76,100
Purchase of property and equipment	(1,808)	(3,623)
Purchase of intangible assets	(9,825)	(13,232)
Net cash increase from acquisition of subsidiaries	3,592	–
Other	(322)	292
Cash flows generated from (used in) investing activities	30,035	(5,563)
Cash flows from financing activities		
Proceeds from loans payable	42,500	–
Repayments of loans payable	(105,069)	(10,000)
Dividends paid	(8,785)	(12,353)
Other	(7)	(10)
Cash flows used in financing activities	(71,362)	(22,364)
Net increase (decrease) in cash and cash equivalents	21,395	9,418
Cash and cash equivalents at the beginning of the year	29,308	50,713
Effect of changes in exchange rate on cash and cash equivalents	8	(17)
Cash and cash equivalents at the end of the year	50,713	60,114

(6) Notes on Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Changes in accounting estimates)

During the fiscal year ended March 31, 2015, Tokyo Stock Exchange, Inc., a subsidiary, conducted a review of the useful life of the non-current assets whose period of use became shorter due to the decision to implement the new system.

Due to this review, operating income and income before income tax for the fiscal year ended March 31, 2015 decreased by ¥126 million respectively in comparison with those calculated by the previous method.

(Operating Revenue)

The breakdown of “Operating revenue” is as follows:

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of yen	Millions of yen
Trading services revenue	54,155	48,698
Clearing services revenue	20,334	20,092
Listing services revenue	12,308	12,249
Information services revenue	16,116	16,311
Other	10,931	8,815
Total	113,846	106,167

(Operating Expenses)

The breakdown of “Operating expenses” is as follows:

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of yen	Millions of yen
Personnel expenses	15,101	15,265
System maintenance and operation expenses	11,642	9,947
Depreciation and amortization	13,413	10,803
Rent expenses on real estates	5,900	5,959
Other	13,185	10,888
Total	59,244	52,863

(Segment Information, etc.)

It has been omitted due to single segment of the market operations in the Group.

(Earnings per Share)

Basic earnings per share for the fiscal year ended March 31, 2015 was calculated based on the net income attributable to owners of the parent company of ¥34,427 million (fiscal year ended March 31, 2014: ¥33,304 million) and the weighted-average number of ordinary shares outstanding of 274,531 thousand shares (fiscal year ended March 31, 2014: 274,533 thousand shares). Diluted earnings per share are not presented because there were no potential shares.

Since a 5-for-1 stock split was conducted with an effective date of October 1, 2013, basic earnings per share was calculated based on the number of shares that were adjusted retrospectively on the basis of the number of shares after the stock split.

(Significant Subsequent Events)

Not applicable

(First-time Adoption of International Financial Reporting Standards)

The Group discloses the consolidated financial statements under IFRS for the first time for the fiscal year ended March 31, 2015. The most recent consolidated financial statements prepared in accordance with accounting principles generally accepted in Japan ("Japanese GAAP") are those for the fiscal year ended March 31, 2014. The date of transition to IFRS is April 1, 2013.

Exemption Prescribed in IFRS 1

IFRS requires first-time adopters, in principle, to retrospectively adopt standards required under IFRS. However, for some of the standards required under IFRS, IFRS 1 specifies standards for which the exemption is applied mandatorily and those for which the exemption is applied voluntarily. The effect of the application of these exemptions was adjusted in retained earnings as of the date of transition to IFRS. The items of exemption adopted by the Group in transitioning from Japanese GAAP to IFRS are as follows:

Business Combination

The Group chose not to apply IFRS 3 retrospectively to business combinations carried out before the transition date. Consequently, for goodwill arising from business combinations conducted before the transition date, the amount as of the transition date is the carrying amount under Japanese GAAP as of that date. In addition, an impairment test with regard to goodwill was conducted as of the transition date, regardless of any indication of impairment.

Early Adoption of IFRS 9 (2010)

The Group has early adopted IFRS 9 (2010). The Group assessed business models based on facts and circumstances that existed as of the transition date and determined cash flow requirements in consideration of such as contractual provisions at initial recognition.

Reconciliations that are required to be disclosed under the first-time adoption of IFRS are as follows:

Reconciliation of equity as of April 1, 2013 (the date of transition to IFRS)

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Assets						Assets
Current assets						Current assets
Cash and deposits	120,808	(91,500)	–	29,308	(8)	Cash and cash equivalents
Operating accounts receivable	8,716	4	2,467	11,188	(1)(8)	Trade and other receivables
Work in process	2,467	–	(2,467)	–	(1)	
Deferred tax assets	1,282	(1,282)	–	–	(8)	
	–	–	587,508	587,508	(6)	Clearing business financial assets
	–	960,288	1,015	961,304	(6)(8)	Specified assets for deposits from clearing participants
Margin funds for derivatives, etc. and when-issued transactions	789,201	(789,201)	–	–	(8)	
Deposits for clearing funds	161,086	(161,086)	–	–	(8)	
Deposits as collateral for facilitating settlement	10,000	(10,000)	–	–	(8)	
	–	600	–	600	(8)	Specified assets for legal guarantee funds
	–	359	–	359	(8)	Income tax receivables
	–	91,501	–	91,501	(8)	Other financial assets
Other	1,912	(374)	–	1,538	(8)	Other current assets
Allowance for doubtful accounts	(9)	9	–	–	(8)	
Total current assets	1,095,466	(682)	588,524	1,683,308		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	8,673	–	–	8,673		Property and equipment
Goodwill	67,374	–	–	67,374		Goodwill
Other intangible assets	23,370	–	–	23,370		Intangible assets
	–	8,318	–	8,318	(8)	Investments accounted for using the equity method
Investment securities	41,304	(41,304)	–	–	(8)	
Long-term loans receivable	37	(37)	–	–	(8)	
Deferred tax assets	2,682	1,282	5,278	9,243	(3)(8)	Deferred tax assets
	–	2,917	(1,189)	1,728	(5)(8)	Retirement benefit assets
Legal guarantee funds	600	(600)	–	–	(8)	
Special assets for default compensation reserve funds	27,948	–	–	27,948		Specified assets for default compensation reserve funds
	–	33,166	1,000	34,166	(2)(8)	Other financial assets
Other investments	9,105	(3,237)	–	5,868	(8)	Other non-current assets
Allowance for doubtful accounts	(177)	177	–	–	(8)	
Total non-current assets	180,919	682	5,089	186,691		Total non-current assets
Total assets	1,276,386	–	593,613	1,870,000		Total assets

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Liabilities						Liabilities
Current liabilities						Current liabilities
Operating accounts payable	3,221	1,330	–	4,551	(8)	Trade and other payables
Short-term loans payable	18,670	86,399	–	105,069	(8)	Loans payable
Current portion of long-term loans payable	86,399	(86,399)	–	–	(8)	
Income taxes payable	6,312	–	–	6,312		Income tax payables
Provision for bonuses	1,223	(1,223)	–	–	(8)	
Provision for directors' bonuses	252	(252)	–	–	(8)	
	–	–	587,508	587,508	(6)	Clearing business financial liabilities
	–	960,288	1,015	961,304	(6)(8)	Deposits from clearing participants
Margin funds received for derivatives, etc. and when-issued transactions	789,201	(789,201)	–	–	(8)	
Deposits received for clearing funds	161,086	(161,086)	–	–	(8)	
Deposits received as collateral for facilitating settlement	10,000	(10,000)	–	–	(8)	
	–	600	–	600	(8)	Legal guarantee funds
Deposits received as trading participant security money	3,169	–	–	3,169		Trading participant security money
Other	3,620	145	227	3,992	(4)(8)	Other current liabilities
Total current liabilities	1,083,157	600	588,751	1,672,509		Total current liabilities
Non-current liabilities						Non-current liabilities
Deferred tax liabilities	5,047	–	146	5,193		Deferred tax liabilities
	–	7,580	(692)	6,888	(5)(8)	Retirement benefit liabilities
Provision for retirement benefits	7,580	(7,580)	–	–	(8)	
Returnable legal guarantee funds	600	(600)	–	–	(8)	
Other	922	–	–	922		Other non-current liabilities
Total non-current liabilities	14,151	(600)	(546)	13,004		Total non-current liabilities
Total liabilities	1,097,308	–	588,205	1,685,514		Total liabilities
Net assets						Equity
Capital stock	11,500	–	–	11,500		Share capital
Capital surplus	59,726	–	–	59,726		Capital surplus
Retained earnings	96,213	–	4,764	100,978	(7)	Retained earnings
	—	9,088	643	9,732	(8)	Other components of equity
Total accumulated other comprehensive income	9,088	(9,088)	–	–	(8)	
				181,937	(8)	Total equity attributable to owners of the parent company
Minority interests	2,548	–	–	2,548		Non-controlling interests
Total net assets	179,077	–	5,408	184,485		Total equity
Total liabilities and net assets	1,276,386	–	593,613	1,870,000		Total liabilities and equity

Notes on Reconciliation (April 1, 2013)

(1) Adjustment to Work in Process

With regard to fees for system development, the Group adopted the completed contract method under Japanese GAAP. However, under IFRS, the Group has adopted the cost recovery method and recognizes the costs as expenses when incurred.

(2) Adjustment to Financial Instruments

Listed equity instruments held by the Group were converted at the average market price and exchange rate for one month before the end of the fiscal year under Japanese GAAP. However, such instruments are converted at the market price and exchange rate at the end of fiscal year under IFRS.

Unlisted equity instruments were measured at cost in principle under Japanese GAAP. However, such instruments are measured at fair value in principle under IFRS.

(3) Adjustment to Deferred Tax Assets

Under Japanese GAAP, deferred tax assets are recognized based on the classification of companies specified in the Japanese Institute of Certified Public Accountants Audit Committee Report No. 66, “Audit Treatment on Determining the Recoverability of Deferred Tax Assets.” Under IFRS, deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that the management determined it is probable that future taxable income will be available against which the deductible temporary difference can be utilized.

(4) Adjustment to Unused Paid Absences

The Group recognizes unused paid absences, for which accounting treatment is not required under Japanese GAAP, as liabilities under IFRS and adjustments are made to retained earnings.

(5) Adjustment to Defined Benefit Plans

With regard to actuarial gains or losses under Japanese GAAP, the Group amortized them from the fiscal year following the year in which they incurred, using the straight-line method over a certain number of years determined based on the employees’ average remaining service periods. However, under IFRS, the Group fully recognizes remeasurements of the net defined benefit liabilities (assets) when incurred in other comprehensive income and immediately transfers them to retained earnings. Retirement benefit obligations are recalculated in accordance with IFRS. Adjustments for the gain or loss that incurred due to the periodic allocation method of retirement benefit obligations are made to retained earnings.

(6) Adjustment to Clearing Business Financial Assets and Liabilities

The Group did not recognize clearing business financial assets and liabilities, and variation margin included in deposits from clearing participants under Japanese GAAP. However, under IFRS, the Group recognizes clearing business financial assets and liabilities and aforementioned variation margin.

(7) Adjustment to Retained Earnings

Adjustment of tax effects	5,229 million yen
Adjustment to unused paid absences	(145 million yen)
Adjustment to employee retirement benefits	(319 million yen)
Total adjustment to retained earnings	4,764 million yen

(8) Reclassification

In addition to the above, the Group makes reclassifications to comply with the provisions of IFRS. The major reclassifications are as follows:

・Items presenting “margin funds for derivatives, etc. and when-issued transactions,” “deposits for clearing funds” and “deposits as collateral for facilitating settlement” under Japanese GAAP are reclassified to “specified assets for deposits from clearing participants” under IFRS.

Also, items presenting “margin funds received for derivatives, etc. and when-issued transactions,” “deposits received for clearing funds” and “deposits received as collateral for facilitating settlement” under

Japanese GAAP are reclassified to “deposits from clearing participants” under IFRS.

- All of the current portions of “deferred tax assets” and “deferred tax liabilities” are reclassified to non-current portions.
- Financial assets and financial liabilities are presented separately in accordance with IFRS.
- “Retirement benefit assets” and “retirement benefit liabilities” are partially reclassified based on the definitions and requirements under IFRS.

Reconciliation of equity as of March 31, 2014

(the date of the latest consolidated financial statements prepared under Japanese GAAP)

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Assets						Assets
Current assets						Current assets
Cash and deposits	103,813	(53,100)	–	50,713	(9)	Cash and cash equivalents
Operating accounts receivable	8,995	23	61	9,080	(1)(9)	Trade and other receivables
Securities	802	(802)	–	–	(9)	
Work in process	61	–	(61)	–	(1)	
Deferred tax assets	2,168	(2,168)	–	–	(9)	
	–	–	16,049,798	16,049,798	(7)	Clearing business financial assets
	–	1,112,672	15,690	1,128,362	(7)(9)	Specified assets for deposits from clearing participants
Margin funds for derivatives, etc. and when-issued transactions	913,437	(913,437)	–	–	(9)	
Deposits for clearing funds	188,734	(188,734)	–	–	(9)	
Deposits as collateral for facilitating settlement	10,500	(10,500)	–	–	(9)	
	–	522	–	522	(9)	Specified assets for legal guarantee funds
	–	1,411	–	1,411	(9)	Income tax receivables
	–	53,903	–	53,903	(9)	Other financial assets
Other	2,729	(1,446)	–	1,282	(9)	Other current assets
Allowance for doubtful accounts	(12)	12	–	–	(9)	
Total current assets	1,231,231	(1,645)	16,065,489	17,295,075		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	7,066	–	–	7,066		Property and equipment
Goodwill	63,932	–	3,442	67,374	(2)	Goodwill
Other intangible assets	23,878	–	–	23,878		Intangible assets
	–	6,443	–	6,443	(9)	Investments accounted for using the equity method
Investment securities	37,344	(37,344)	–	–	(9)	
Long-term loans receivable	29	(29)	–	–	(9)	
Net defined benefit asset	2,914	–	815	3,730	(6)	Retirement benefit assets
Legal guarantee funds	522	(522)	–	–	(9)	
Deferred tax assets	3,006	2,168	4,591	9,767	(4)(9)	Deferred tax assets
Special assets for default compensation reserve funds	27,948	–	–	27,948		Specified assets for default compensation reserve funds
	–	31,075	1,893	32,968	(3)(9)	Other financial assets
Other investments	5,977	(283)	–	5,693	(9)	Other non-current assets
Allowance for doubtful accounts	(138)	138	–	–	(9)	
Total non-current assets	172,482	1,645	10,743	184,871		Total non-current assets
Total assets	1,403,713	–	16,076,233	17,479,946		Total assets

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Liabilities						Liabilities
Current liabilities						Current liabilities
Operating accounts payable	2,994	2,436	–	5,431	(9)	Trade and other payables
Short-term loans payable	32,500	–	–	32,500		Loans payable
Income taxes payable	17,600	–	–	17,600		Income tax payables
Provision for bonuses	1,420	(1,420)	–	–	(9)	
Provision for directors' bonuses	366	(366)	–	–	(9)	
	–	–	16,049,798	16,049,798	(7)	Clearing business financial liabilities
	–	1,112,672	15,690	1,128,362	(7)(9)	Deposits from clearing participants
Margin funds received for derivatives, etc. and when-issued transactions	913,437	(913,437)	–	–	(9)	
Deposits received for clearing funds	188,734	(188,734)	–	–	(9)	
Deposits received as collateral for facilitating settlement	10,500	(10,500)	–	–	(9)	
	–	522	–	522	(9)	Legal guarantee funds
Deposits received as trading participant security money	4,783	–	–	4,783		Trading participant security money
Other	5,937	(649)	218	5,506	(5)(9)	Other current liabilities
Total current liabilities	1,178,274	522	16,065,708	17,244,506		Total current liabilities
Non-current liabilities						Non-current liabilities
Long-term loans payable	10,000	–	–	10,000		Loans payable
Deferred tax liabilities	4,448	–	513	4,961		Deferred tax liabilities
Net defined benefit liability	7,465	–	(747)	6,717	(6)	Retirement benefit liabilities
Returnable legal guarantee funds	522	(522)	–	–	(9)	
Other	983	–	–	983		Other non-current liabilities
Total non-current liabilities	23,420	(522)	(234)	22,662		Total non-current liabilities
Total liabilities	1,201,694	–	16,065,473	17,267,169		Total liabilities
Net assets						Equity
Capital stock	11,500	–	–	11,500		Share capital
Capital surplus	59,726	–	–	59,726		Capital surplus
Retained earnings	117,264	–	9,390	126,655	(8)	Retained earnings
Treasury shares	(5)	–	–	(5)		Treasury shares
–	–	7,857	1,367	9,225	(9)	Other components of equity
Total accumulated other comprehensive income	7,857	(7,857)	–	–	(9)	
				207,101	(9)	Total equity attributable to owners of the parent company
Minority interests	5,675	–	–	5,675		Non-controlling interests
Total net assets	202,018	–	10,758	212,777		Total equity
Total liabilities and net assets	1,403,713	–	16,076,233	17,479,946		Total liabilities and equity

Notes on Reconciliation (March 31, 2014)

(1) Adjustment to Work in Process

With regard to fees for system development, the Group adopted the completed contract method under Japanese GAAP. However, under IFRS, the Group has adopted the cost recovery method and recognizes the costs as expenses when incurred.

(2) Adjustment to Amortization of Goodwill

Under Japanese GAAP, the Group estimated substantially the amortization period and goodwill was amortized over the years estimated; however, since amortization is suspended after the date of transition, adjustments are made to retained earnings under IFRS.

(3) Adjustment to Financial Instruments

Listed equity instruments held by the Group were converted at the average market price and exchange rate for one month before the end of the fiscal year under Japanese GAAP. However, such instruments are converted at the market price and exchange rate at the end of fiscal year under IFRS.

Unlisted equity instruments were measured at cost in principle under Japanese GAAP. However, such instruments are measured at fair value in principle under IFRS.

(4) Adjustment to Deferred Tax Assets

Under Japanese GAAP, deferred tax assets are recognized based on the classification of companies specified in the Japanese Institute of Certified Public Accountants Audit Committee Report No. 66, the audit committee of the Japanese Institute of Certified Public Accountants “Audit Treatment on Determining the Recoverability of Deferred Tax Assets.” Under IFRS, deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that the management determined it is probable that future taxable income will be available against which the deductible temporary difference can be utilized.

(5) Adjustment to Unused Paid Absences

The Group recognizes unused paid absences, for which accounting treatment is not required under Japanese GAAP, as liabilities under IFRS and adjustments are made to retained earnings.

(6) Adjustment to Defined Benefit Plans

Retirement benefit obligations are recalculated in accordance with IFRS. Adjustments for the gain or loss that is incurred due to the periodic allocation method of retirement benefit obligations are made to retained earnings.

(7) Adjustment to Clearing Business Financial Assets and Liabilities

The Group did not recognize clearing business financial assets and liabilities, and variation margin included in deposits from clearing participants under Japanese GAAP. However, under IFRS, the Group recognizes clearing business financial assets and liabilities and aforementioned variation margin.

(8) Adjustment to Retained Earnings

Adjustment of tax effects	5,232 million yen
Adjustment to amortization of goodwill	3,442 million yen
Adjustment to unused paid absences	(140 million yen)
Adjustment to employee retirement benefits	857 million yen
Total adjustment to retained earnings	9,390 million yen

(9) Reclassification

In addition to the above, the Group makes reclassifications to comply with the provisions of IFRS. The major reclassifications are as follows:

- Items presenting “margin funds for derivatives, etc. and when-issued transactions,” “deposits for clearing funds” and “deposits as collateral for facilitating settlement” under Japanese GAAP are reclassified to “specified assets for deposits from clearing participants” under IFRS.

Also, items presenting “margin funds received for derivatives, etc. and when-issued transactions,” “deposits received for clearing funds” and “deposits received as collateral for facilitating settlement” under Japanese GAAP are reclassified to “deposits from clearing participants” under IFRS.

- All of the current portions of “deferred tax assets” and “deferred tax liabilities” are reclassified to non-current portions.
- Financial assets and financial liabilities are presented separately in accordance with IFRS.

Reconciliation of profit or loss and comprehensive income (Fiscal year ended March 31, 2014)
(the consolidated financial statements for the latest fiscal year prepared under Japanese GAAP)

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Consolidated Statements of Income						
Operating revenue	116,251	–	(2,405)	113,846	(3)	Operating revenue
	–	206	–	206	(1)	Other revenue
				114,052		Total revenue
Operating expenses	65,131	–	(5,887)	59,244	(2)(3)(4)(5)	Operating expenses
	–	1,520	–	1,520	(1)	Other expenses
				60,764		Total expenses
	–	55	–	55	(1)	Share of income of investments accounted for using the equity method
Operating income	51,120	(1,258)	3,482	53,343		Operating income
	–	1,524	–	1,524	(1)	Financial income
	–	81	–	81	(1)	Financial expenses
Non-operating income	1,786	(1,786)	–	–	(1)	
Non-operating expenses	105	(105)	–	–	(1)	
Extraordinary losses	1,497	(1,497)	–	–	(1)	
Income before income taxes and minority interests	51,304	–	3,482	54,786		Income before income tax
Total income taxes	21,231	–	13	21,244		Income tax expense
Income before minority interests	30,072	–	3,468	33,541		Net income
Minority interests in income	236	–	–	236		Net income (attributable to non-controlling interests)
Net income	29,835	–	3,468	33,304		Net income (attributable to owners of the parent company)
Consolidated Statements of Comprehensive Income						
Income before minority interests	30,072	–	3,468	33,541		Net income
Other comprehensive income						Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	(1,082)	0	575	(506)	(6)	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income
Share of other comprehensive income of entities accounted for using equity method	0	(0)	–	0		Share of other comprehensive income of investments accounted for using the equity method
	–	–	1,157	1,157		Remeasurements of defined benefit plan
Total other comprehensive income	(1,082)	–	1,732	650		Other comprehensive income, net of tax
Comprehensive income	28,990	–	5,201	34,191		Comprehensive income

Notes on Reconciliation (Comprehensive Income for the Fiscal Year Ended March 31, 2014)

(1) Adjustment to Non-Operating Income, Non-Operating Expenses, Extraordinary Losses

Items presenting “non-operating income,” “non-operating expenses,” and “extraordinary losses” under Japanese GAAP are presented as “financial income” or “financial expenses” for financial-related items, and as “other revenue,” “other expenses,” and “share of income of investments accounted for using the equity method” for those other than financial-related items under IFRS.

(2) Adjustment to Amortization of Goodwill

Under Japanese GAAP, the Group estimated the amortization period, and goodwill was amortized over the years estimated; however, amortization is suspended under IFRS.

(3) Adjustment to Fees for and Cost of System Development

With regard to fees for system development, the Group adopted the completed contract method under Japanese GAAP. However, under IFRS, the Group has adopted the cost recovery method and recognizes the cost when incurred.

(4) Adjustment to Unused Paid Absences

The Group recognizes unused paid absences, which is not recognized under Japanese GAAP, as expenses under IFRS and adjustments are made to operating expenses.

(5) Adjustment to Defined Benefit Plans

With regard to actuarial gains or losses under Japanese GAAP, the Group amortized them from the fiscal year following the year in which they incurred, using the straight-line method over certain years determined based on the employees’ average remaining service periods. However, under IFRS, the Group fully recognizes remeasurements of the net defined benefit liabilities (assets) when incurred in other comprehensive income and immediately transfers them to retained earnings.

(6) Adjustment to Financial Instruments

Listed equity instruments held by the Group were converted at the average market price and exchange rate for one month before the end of the fiscal year under Japanese GAAP. However, such instruments are converted at the market price and exchange rate at the end of fiscal year under IFRS.

Unlisted equity instruments were measured at cost in principle under Japanese GAAP. However, such instruments are measured at fair value in principle under IFRS.

Reconciliation of cash flows for the fiscal year ended March 31, 2014 (the latest fiscal year of consolidated financial statements prepared under Japanese GAAP)

There are no material differences between the consolidated statements of cash flows that are disclosed in accordance with Japanese GAAP and the consolidated statements of cash flows that are disclosed in accordance with IFRS.

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