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

April 28, 2016

Japan Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for the fiscal year ended March 31, 2016 (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: Akira Kiyota , Director & Representative Executive Officer, Group CEO
Contact: Miwa Mitsuo , Director, Corporate Communications
Scheduled date of annual general shareholders meeting: June 21, 2016
Scheduled date of start of dividend payment: May 31, 2016
Scheduled date of filing of annual securities report: June 14, 2016
Preparation of earnings presentation material: Yes
Holding of earnings announcement: Yes (For institutional investors and analysts)

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	114,776	8.1	66,271	23.8	67,774	23.5	45,175	30.1	44,877	30.4	42,199	2.5
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

	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, 2016	81.74	—	18.2	0.2	57.7
Year ended March 31, 2015	62.70	—	15.6	0.2	50.4

(Reference)
Share of income of investments accounted for using the equity method:
Year ended March 31, 2016: ¥749 million
Year ended March 31, 2015: ¥516 million
* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the basic earnings per share is calculated as if such stock split was implemented at the beginning of the previous fiscal 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
	Millions of yen	Millions of yen	Millions of yen	%	yen
As of March 31, 2016	29,546,776	262,912	257,194	0.9	468.43
As of March 31, 2015	27,746,771	241,565	235,611	0.8	429.11

* Sizable amounts of "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 a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the total equity attributable to owners of the parent company per share is calculated as if such stock split was implemented at the beginning of the previous fiscal year.

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	61,069	(33,591)	(21,030)	66,547
Year ended March 31, 2015	37,346	(5,563)	(22,364)	60,114

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	Millions of yen	%	%
Year ended March 31, 2015	—	18.00	—	32.00	50.00	13,726	39.9	6.2
Year ended March 31, 2016	—	42.00	—	29.00	—	27,453	61.2	11.1
Year ending March 31, 2017 (Forecast)	—	21.00	—	21.00	42.00		59.9	

* The year-end dividend for the year ended March 31, 2016 is revised to ¥29 from ¥28 stated in the "Notice of Revision to Earnings Forecast and Dividend Forecast" released on March 18, 2016.
* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the year-end dividend for the fiscal year ended March 31, 2016 is calculated based on the number of shares after the stock split. If the stock split is not considered, the year-end dividend for the fiscal year ended March 31, 2016 would be ¥58.00.

3. Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(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)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Year ending March 31, 2017	108,000	(5.9)	54,000	(18.5)	55,500	(18.1)	38,600	(14.6)	38,500	(14.2)	70.12

* 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

(Note) For details, please refer to “CONSOLIDATED FINANCIAL STATEMENTS, (6) Notes on Consolidated Financial Statements –(Changes in accounting estimates) on page 8.

(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, 2016:	549,069,100 shares
As of March 31, 2015:	549,069,100 shares

2) Number of treasury shares at the end of period:

As of March 31, 2016:	7,252 shares
As of March 31, 2015:	5,310 shares

3) Average number of shares:

Year ended March 31, 2016:	549,062,888 shares
Year ended March 31, 2015:	549,063,790 shares

* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the number of shares is calculated as if such stock split was implemented at the beginning of the previous fiscal year.

(Reference) Overview of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Operating results

(Percentages indicate year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	35,072	6.0	29,724	8.9	31,309	8.9	30,275	9.2
Year ended March 31, 2015	33,102	170.3	27,287	286.0	28,747	240.4	27,728	275.7

	Earnings per share (Basic)	Earnings per share (Diluted)
	yen	yen
Year ended March 31, 2016	55.14	―
Year ended March 31, 2015	50.50	―

* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the basic earnings per share is calculated as if such stock split was implemented at the beginning of the previous fiscal year.

(2) Financial position

	Total assets	Total net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of March 31, 2016	230,071	110,107	47.9	200.54
As of March 31, 2015	215,218	102,104	47.4	185.96

(Reference)
Shareholders' equity:
As of March 31, 2016: ¥110,107 million As of March 31, 2015: ¥102,104 million

* Due to a 2-for-1 stock split which was conducted with an effective date of October 1, 2015, the net assets per share is calculated as if such stock split was implemented at the beginning of the previous fiscal year.

*Disclosure regarding the execution of the audit procedures

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

*Explanation on appropriate use of forecast and other special items

This material contains earnings forecast and other forward-looking statements which are based on available information and certain assumptions that are considered reasonable at the time of preparation. Various factors may cause actual results, etc. to be materially different from those expressed in these forward-looking statements.

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CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Statement of Financial Position

	As of March 31, 2015	As of March 31, 2016
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	60,114	66,547
Trade and other receivables	10,300	10,096
Clearing business financial assets	25,635,085	26,395,558
Specified assets for deposits from clearing participants	1,795,095	2,809,433
Specified assets for legal guarantee funds	492	483
Income tax receivables	4,693	5,055
Other financial assets	42,869	65,600
Other current assets	1,844	1,163
Total current assets	27,550,495	29,353,939
Non-current assets		
Property and equipment	8,573	6,025
Goodwill	67,374	67,374
Intangible assets	27,631	31,033
Retirement benefit assets	5,424	3,626
Investments accounted for using the equity method	6,806	7,592
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	39,682	38,639
Other non-current assets	5,605	5,854
Deferred tax assets	7,230	4,741
Total non-current assets	196,276	192,836
Total assets	27,746,771	29,546,776

	As of March 31, 2015	As of March 31, 2016
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,712	4,413
Loans payable	32,500	22,500
Clearing business financial liabilities	25,635,085	26,395,558
Deposits from clearing participants	1,795,095	2,809,433
Legal guarantee funds	492	483
Trading participant security money	7,437	7,429
Income tax payables	7,852	10,714
Other current liabilities	5,626	6,403
Total current liabilities	27,488,802	29,256,937
Non-current liabilities		
Loans payable	–	10,000
Retirement benefit liabilities	7,039	7,352
Other non-current liabilities	2,488	3,924
Deferred tax liabilities	6,875	5,650
Total non-current liabilities	16,403	26,926
Total liabilities	27,505,206	29,283,864
Equity		
Share capital	11,500	11,500
Capital surplus	59,726	59,726
Treasury shares	(5)	(9)
Other components of equity	14,828	13,321
Retained earnings	149,562	172,656
Total equity attributable to owners of the parent company	235,611	257,194
Non-controlling interests	5,954	5,717
Total equity	241,565	262,912
Total liabilities and equity	27,746,771	29,546,776

(2) Consolidated Statement of Income

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	Millions of yen	Millions of yen
Revenue		
Operating revenue	106,167	114,776
Other revenue	318	2,137
Total revenue	106,486	116,914
Expenses		
Operating expenses	52,863	50,925
Other expenses	610	466
Total expenses	53,473	51,392
Share of income of investments accounted for using the equity method	516	749
Operating income	53,529	66,271
Financial income	1,400	1,540
Financial expenses	41	36
Income before income tax	54,887	67,774
Income tax expense	20,171	22,599
Net income	34,716	45,175
Net income attributable to		
Owners of the parent company	34,427	44,877
Non-controlling interests	288	297
Net income	34,716	45,175
Earnings per share		
Basic (Yen)	62.70	81.74
Diluted (Yen)	—	—

(3) Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	Millions of yen	Millions of yen
Net income	34,716	45,175
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	5,631	(1,491)
Remeasurements of defined benefit plan	803	(1,484)
Share of other comprehensive income of investments accounted for using the equity method	(0)	0
Other comprehensive income, net of tax	6,435	(2,975)
Comprehensive income	41,152	42,199
Comprehensive income attributable to		
Owners of the parent company	40,863	41,902
Non-controlling interests	288	297
Comprehensive income	41,152	42,199

(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 com-prehensive income	Remeasure-ments of defined benefit plan
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 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	—
Net income	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(1,491)	(1,484)
Total comprehensive income	—	—	—	(1,491)	(1,484)
Acquisitions of treasury shares	—	—	(3)	—	—
Dividends paid	—	—	—	—	—
Changes of interests in subsidiaries without losing control	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(15)	1,484
Total transactions with the owners	—	—	(3)	(15)	1,484
Balance as of March 31, 2016	11,500	59,726	(9)	13,321	—

	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, 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
Net income	—	44,877	44,877	297	45,175
Other comprehensive income, net of tax	(2,975)	—	(2,975)	—	(2,975)
Total comprehensive income	(2,975)	44,877	41,902	297	42,199
Acquisitions of treasury shares	—	—	(3)	—	(3)
Dividends paid	—	(20,315)	(20,315)	(8)	(20,324)
Changes of interests in subsidiaries without losing control	—	—	—	(525)	(525)
Transfer from other components of equity to retained earnings	1,468	(1,468)	—	—	—
Total transactions with the owners	1,468	(21,784)	(20,319)	(534)	(20,853)
Balance as of March 31, 2016	13,321	172,656	257,194	5,717	262,912

(5) Consolidated Statement of Cash Flows

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	Millions of yen	Millions of yen
Cash flows from operating activities		
Income before income tax	54,887	67,774
Depreciation and amortization	11,365	10,727
Impairment losses (or reversal of impairment losses)	301	—
Financial income	(1,400)	(1,540)
Financial expenses	41	36
Share of income of investments accounted for using the equity method	(516)	(749)
Gains on sale of property and equipment	—	(1,853)
(Increase) decrease in trade and other receivables	(1,219)	203
Increase (decrease) in trade and other payables	(327)	210
(Increase) decrease in retirement benefit assets	(1,694)	1,797
Increase (decrease) in retirement benefit liabilities	321	313
Other	5,080	(247)
Subtotal	66,840	76,673
Interest and dividends received	1,563	1,678
Interest paid	(42)	(38)
Income taxes paid	(31,015)	(17,243)
Cash flows generated from operating activities	37,346	61,069
Cash flows from investing activities		
Payments into time deposits	(65,100)	(70,600)
Proceeds from withdrawal of time deposits	76,100	47,100
Purchase of property and equipment	(3,623)	(1,624)
Proceeds from sale of property and equipment	2	3,660
Purchase of intangible assets	(13,232)	(11,934)
Purchase of Investment securities	—	(1,000)
Other	290	807
Cash flows generated from (used in) investing activities	(5,563)	(33,591)
Cash flows from financing activities		
Proceeds from loans payable	—	10,000
Repayments of loans payable	(10,000)	(10,000)
Dividends paid	(12,353)	(20,315)
Other	(10)	(715)
Cash flows used in financing activities	(22,364)	(21,030)
Net increase (decrease) in cash and cash equivalents	9,418	6,447
Cash and cash equivalents at the beginning of the year	50,713	60,114
Effect of changes in exchange rate on cash and cash equivalents	(17)	(13)
Cash and cash equivalents at the end of the year	60,114	66,547

(6) Notes on Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Changes in accounting estimates)

Tokyo Stock Exchange, Inc. and Osaka Exchange, Inc. have reviewed the useful lives of property and equipment, and intangible assets that are shortened from the initial estimates for launch of new IT systems.

The effect of this change in estimates for the fiscal year ended March 31, 2016 was to decrease operating income and income before income tax each by ¥1,199 million.

(Operating Revenue)

The breakdown of “Operating revenue” is as follows:

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	Millions of yen	Millions of yen
Trading services revenue	48,698	52,471
Clearing services revenue	20,092	23,140
Listing services revenue	12,249	13,250
Information services revenue	16,311	17,706
Other	8,815	8,208
Total	106,167	114,776

(Operating Expenses)

The breakdown of “Operating expenses” is as follows:

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	Millions of yen	Millions of yen
Personnel expenses	15,265	16,437
System maintenance and operation expenses	9,947	9,480
Depreciation and amortization	10,803	9,973
Other	16,848	15,034
Total	52,863	50,925

(Segment Information, etc.)

This information is omitted since the Group has a single segment of the financial instruments exchange business.

(Earnings per Share)

Basic earnings per share for the fiscal year ended March 31, 2016 was calculated based on the net income attributable to owners of the parent company of ¥44,877 million (fiscal year ended March 31, 2015: ¥34,427 million) and the weighted-average number of ordinary shares outstanding of 549,062 thousand shares (fiscal year ended March 31, 2015: 549,063 thousand shares). Diluted earnings per share are not presented because there were no potential shares.

Since a 2-for-1 stock split was conducted with an effective date of October 1, 2015, 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

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