(Reference Translation)
(Excerpt Version)
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July 28, 2016

Japan Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for the three months ended June 30, 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: Mitsuo Miwa, Director, Corporate Communications
Scheduled date of filing of quarterly report: August 10, 2016
Scheduled date of start of dividend payment: ―
Preparation of 1Q earnings presentation material: Yes
Holding of 1Q earnings announcement: None

1. Consolidated financial results for three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(Figures less than a Millions of yen are omitted)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended June 30, 2016	26,721	(3.9)	14,348	(14.3)	14,579	(14.0)	9,665	(11.3)	9,583	(11.0)	6,696	(38.8)
Three months ended June 30, 2015	27,802	12.0	16,737	37.7	16,962	37.4	10,902	36.0	10,773	36.0	10,949	39.0

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2016	17.45	―
Three months ended June 30, 2015	19.62	―

* 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 consolidated accounting year.

(2) Consolidated 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
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2016	31,945,869	253,545	247,885	0.8
As of March 31, 2016	29,546,776	262,912	257,194	0.9

* 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.

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2016	—	42.00	—	29.00	—
Year ending March 31, 2017	—				
Year ending March 31, 2017 (Forecast)		21.00	—	21.00	42.00

(Note) Change in dividend forecasts from the most recent announcement: None

* A 2-for-1 stock split was conducted with an effective date of October 1, 2015. Second-quarter dividend for the year ended March 31, 2016 indicated above is the actual dividend before said stock split.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2017 (from 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		Basic earnings per share
	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

(Note) Change in earnings forecasts from the most recent announcement: None

* 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: None

(3) Number of issued shares (common share)

1) Number of issued shares at the end of the period (including treasury shares):

As of June 30, 2016:	549,069,100 shares
As of March 31, 2016:	549,069,100 shares

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

As of June 30, 2016:	7,252 shares
As of March 31, 2016:	7,252 shares

3) Average number of shares:

Three months ended June 30, 2016:	549,061,848 shares
Three months ended June 30, 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 consolidated accounting year.

* Disclosure regarding the execution of the quarterly review process

This release is outside the scope of the external auditor's quarterly review procedure which is required by the "Financial Instruments and Exchange Act". Therefore, the review process of condensed consolidated financial statements which is required by the "Financial Instruments and Exchange Act" 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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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Condensed Consolidated Statement of Financial Position

	As of March 31, 2016	As of June 30, 2016
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	66,547	56,751
Trade and other receivables	10,096	12,390
Clearing business financial assets	26,395,558	28,306,481
Specified assets for deposits from clearing participants	2,809,433	3,308,429
Specified assets for legal guarantee funds	483	486
Income tax receivables	5,055	12,940
Other financial assets	65,600	59,000
Other current assets	1,163	1,228
Total current assets	29,353,939	31,757,708
Non-current assets		
Property and equipment	6,025	5,444
Goodwill	67,374	67,374
Intangible assets	31,033	30,746
Retirement benefit assets	3,626	3,599
Investments accounted for using the equity method	7,592	8,099
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	38,639	34,345
Other non-current assets	5,854	5,873
Deferred tax assets	4,741	4,729
Total non-current assets	192,836	188,160
Total assets	29,546,776	31,945,869

	As of March 31, 2016	As of June 30, 2016
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,413	3,031
Loans payable	22,500	32,500
Clearing business financial liabilities	26,395,558	28,306,481
Deposits from clearing participants	2,809,433	3,308,429
Legal guarantee funds	483	486
Trading participant security money	7,429	8,142
Income tax payables	10,714	4,421
Other current liabilities	6,403	13,242
Total current liabilities	29,256,937	31,676,736
Non-current liabilities		
Loans payable	10,000	—
Retirement benefit liabilities	7,352	7,464
Other non-current liabilities	3,924	3,783
Deferred tax liabilities	5,650	4,339
Total non-current liabilities	26,926	15,587
Total liabilities	29,283,864	31,692,324
Equity		
Share capital	11,500	11,500
Capital surplus	59,726	59,726
Treasury shares	(9)	(9)
Other components of equity	13,321	10,351
Retained earnings	172,656	166,316
Total equity attributable to owners of the parent company	257,194	247,885
Non-controlling interests	5,717	5,659
Total equity	262,912	253,545
Total liabilities and equity	29,546,776	31,945,869

(2) Condensed Consolidated Statement of Income

	Three months ended June 30, 2015	Three months ended June 30, 2016
	Millions of yen	Millions of yen
Revenue		
Operating revenue	27,802	26,721
Other revenue	18	77
Total revenue	27,821	26,799
Expenses		
Operating expenses	11,498	13,069
Other expenses	32	41
Total expenses	11,531	13,110
Share of income of investments accounted for using the equity method	446	660
Operating income	16,737	14,348
Financial income	234	232
Financial expenses	9	1
Income before income tax	16,962	14,579
Income tax expense	6,060	4,913
Net income	10,902	9,665
Net income attributable to		
Owners of the parent company	10,773	9,583
Non-controlling interests	129	82
Net income	10,902	9,665
Earnings per share		
Basic (Yen)	19.62	17.45
Diluted (Yen)	—	—

(3) Condensed Consolidated Statement of Comprehensive Income

	Three months ended June 30, 2015	Three months ended June 30, 2016
	Millions of yen	Millions of yen
Net income	10,902	9,665
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	47	(2,969)
Share of other comprehensive income of investments accounted for using the equity method	0	(0)
Other comprehensive income, net of tax	47	(2,969)
Comprehensive income	10,949	6,696
Comprehensive income attributable to		
Owners of the parent company	10,820	6,613
Non-controlling interests	129	82
Comprehensive income	10,949	6,696

(4) Condensed Consolidated Statement of Changes in Equity

	Equity attributable to owners of the parent company			
	Share capital	Capital surplus	Treasury shares	Other components of equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2015	11,500	59,726	(5)	14,828
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	47
Total comprehensive income	—	—	—	47
Dividends paid	—	—	—	—
Total transactions with the owners	—	—	—	—
Balance as of June 30, 2015	11,500	59,726	(5)	14,875
Balance as of April 1, 2016	11,500	59,726	(9)	13,321
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(2,969)
Total comprehensive income	—	—	—	(2,969)
Dividends paid	—	—	—	—
Changes of interests in subsidiaries without losing control	—	—	—	—
Total transactions with the owners	—	—	—	—
Balance as of June 30, 2016	11,500	59,726	(9)	10,351

	Equity attributable to owners of the parent company		Non-controlling interests	Total equity
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2015	149,562	235,611	5,954	241,565
Net income	10,773	10,773	129	10,902
Other comprehensive income, net of tax	—	47	—	47
Total comprehensive income	10,773	10,820	129	10,949
Dividends paid	(8,785)	(8,785)	(8)	(8,793)
Total transactions with the owners	(8,785)	(8,785)	(8)	(8,793)
Balance as of June 30, 2015	151,550	237,646	6,074	243,721
Balance as of April 1, 2016	172,656	257,194	5,717	262,912
Net income	9,583	9,583	82	9,665
Other comprehensive income, net of tax	—	(2,969)	—	(2,969)
Total comprehensive income	9,583	6,613	82	6,696
Dividends paid	(15,922)	(15,922)	—	(15,922)
Changes of interests in subsidiaries without losing control	—	—	(140)	(140)
Total transactions with the owners	(15,922)	(15,922)	(140)	(16,063)
Balance as of June 30, 2016	166,316	247,885	5,659	253,545

(5) Notes on Condensed Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Operating Revenue)

The breakdown of “Operating revenue” is as follows:

	Three months ended June 30, 2015	Three months ended June 30, 2016
	Millions of yen	Millions of yen
Trading services revenue	12,912	11,671
Clearing services revenue	5,643	5,573
Listing services revenue	2,900	2,710
Information services revenue	4,358	4,491
Other	1,988	2,274
Total	27,802	26,721

(Operating Expenses)

The breakdown of “Operating expenses” is as follows:

	Three months ended June 30, 2015	Three months ended June 30, 2016
	Millions of yen	Millions of yen
Personnel expenses	3,785	3,684
System maintenance and operation expenses	2,330	2,147
Depreciation and amortization	1,904	3,180
Other	3,478	4,057
Total	11,498	13,069

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