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

Japan Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for the six months ended September 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: November 11, 2016
Scheduled date of start of dividend payment: December 1, 2016
Preparation of 2Q earnings presentation material: Yes
Holding of 2Q earnings announcement: Yes (For institutional investors and analysts)

1. Consolidated financial results for six months ended September 30, 2016 (from April 1, 2016 to September 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	%
Six months ended September 30, 2016	52,882	(8.7)	28,258	(19.9)	29,022	(20.0)	19,801	(17.9)	19,597	(17.9)	15,560	(21.1)
Six months ended September 30, 2015	57,952	16.3	35,295	44.5	36,269	43.1	24,122	46.5	23,879	46.6	19,721	7.7

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2016	35.73	—
Six months ended September 30, 2015	43.49	—

* 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 September 30, 2016	36,061,545	259,757	253,975	0.7
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	—	21.00			
Year ending March 31, 2017 (Forecast)			—	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	106,000	(7.6)	54,000	(18.5)	55,500	(18.1)	38,600	(14.6)	38,500	(14.2)	70.27

(Note) Change in earnings forecasts from the most recent announcement: Yes

* 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 September 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 September 30, 2016:	1,839,252 shares
As of March 31, 2016:	7,252 shares

3) Average number of shares:

Six months ended September 30, 2016:	548,523,428 shares
Six months ended September 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 September 30, 2016
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	66,547	48,383
Trade and other receivables	10,096	9,590
Clearing business financial assets	26,395,558	32,594,825
Specified assets for deposits from clearing participants	2,809,433	3,134,193
Specified assets for legal guarantee funds	483	483
Income tax receivables	5,055	7,586
Other financial assets	65,600	77,800
Other current assets	1,163	2,196
Total current assets	29,353,939	35,875,060
Non-current assets		
Property and equipment	6,025	5,327
Goodwill	67,374	67,374
Intangible assets	31,033	30,977
Retirement benefit assets	3,626	3,573
Investments accounted for using the equity method	7,592	8,200
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	38,639	32,511
Other non-current assets	5,854	5,856
Deferred tax assets	4,741	4,716
Total non-current assets	192,836	186,485
Total assets	29,546,776	36,061,545

	As of March 31, 2016	As of September 30, 2016
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,413	3,413
Loans payable	22,500	32,500
Clearing business financial liabilities	26,395,558	32,594,825
Deposits from clearing participants	2,809,433	3,134,193
Legal guarantee funds	483	483
Trading participant security money	7,429	8,167
Income tax payables	10,714	8,838
Other current liabilities	6,403	4,382
Total current liabilities	29,256,937	35,786,804
Non-current liabilities		
Loans payable	10,000	—
Retirement benefit liabilities	7,352	7,444
Other non-current liabilities	3,924	3,600
Deferred tax liabilities	5,650	3,937
Total non-current liabilities	26,926	14,983
Total liabilities	29,283,864	35,801,788
Equity		
Share capital	11,500	11,500
Capital surplus	59,726	59,725
Treasury shares	(9)	(2,660)
Other components of equity	13,321	9,079
Retained earnings	172,656	176,330
Total equity attributable to owners of the parent company	257,194	253,975
Non-controlling interests	5,717	5,781
Total equity	262,912	259,757
Total liabilities and equity	29,546,776	36,061,545

(2) Condensed Consolidated Statement of Income

	Six months ended September 30, 2015	Six months ended September 30, 2016
	Millions of yen	Millions of yen
Revenue		
Operating revenue	57,952	52,882
Other revenue	119	89
Total revenue	58,072	52,972
Expenses		
Operating expenses	23,302	25,593
Other expenses	245	40
Total expenses	23,547	25,634
Share of income of investments accounted for using the equity method	770	920
Operating income	35,295	28,258
Financial income	992	766
Financial expenses	18	2
Income before income tax	36,269	29,022
Income tax expense	12,147	9,220
Net income	24,122	19,801
Net income attributable to		
Owners of the parent company	23,879	19,597
Non-controlling interests	242	204
Net income	24,122	19,801
Earnings per share		
Basic (Yen)	43.49	35.73
Diluted (Yen)	—	—

(3) Condensed Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2015	Six months ended September 30, 2016
	Millions of yen	Millions of yen
Net income	24,122	19,801
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	(4,400)	(4,241)
Share of other comprehensive income of investments accounted for using the equity method	0	(0)
Other comprehensive income, net of tax	(4,400)	(4,241)
Comprehensive income	19,721	15,560
Comprehensive income attributable to		
Owners of the parent company	19,479	15,355
Non-controlling interests	242	204
Comprehensive income	19,721	15,560

(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	—	—	—	(4,400)
Total comprehensive income	—	—	—	(4,400)
Dividends paid	—	—	—	—
Total transactions with the owners	—	—	—	—
Balance as of September 30, 2015	11,500	59,726	(5)	10,427
Balance as of April 1, 2016	11,500	59,726	(9)	13,321
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(4,241)
Total comprehensive income	—	—	—	(4,241)
Purchase of treasury shares	—	(0)	(2,651)	—
Dividends paid	—	—	—	—
Changes of interests in subsidiaries without losing control	—	—	—	—
Total transactions with the owners	—	(0)	(2,651)	—
Balance as of September 30, 2016	11,500	59,725	(2,660)	9,079

	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	23,879	23,879	242	24,122
Other comprehensive income, net of tax	—	(4,400)	—	(4,400)
Total comprehensive income	23,879	19,479	242	19,721
Dividends paid	(8,785)	(8,785)	(8)	(8,793)
Total transactions with the owners	(8,785)	(8,785)	(8)	(8,793)
Balance as of September 30, 2015	164,657	246,305	6,187	252,493
Balance as of April 1, 2016	172,656	257,194	5,717	262,912
Net income	19,597	19,597	204	19,801
Other comprehensive income, net of tax	—	(4,241)	—	(4,241)
Total comprehensive income	19,597	15,355	204	15,560
Purchase of treasury shares	—	(2,651)	—	(2,651)
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)	(18,574)	(140)	(18,715)
Balance as of September 30, 2016	176,330	253,975	5,781	259,757

(5) Notes on Condensed Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Operating Revenue)

The breakdown of “Operating revenue” is as follows:

	Six months ended September 30, 2015	Six months ended September 30, 2016
	Millions of yen	Millions of yen
Trading services revenue	26,958	22,515
Clearing services revenue	11,671	10,866
Listing services revenue	6,472	6,030
Information services revenue	8,780	8,957
Other	4,068	4,512
Total	57,952	52,882

(Operating Expenses)

The breakdown of “Operating expenses” is as follows:

	Six months ended September 30, 2015	Six months ended September 30, 2016
	Millions of yen	Millions of yen
Personnel expenses	7,519	7,492
System maintenance and operation expenses	4,723	3,899
Depreciation and amortization	3,979	6,223
Other	7,079	7,977
Total	23,302	25,593

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