(Reference Translation)
(Excerpt Version)
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January 30, 2017

Japan Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for the nine months ended December 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: Mitsuo Miwa, Director, Corporate Communications
Scheduled date of filing of quarterly report: February 13, 2017
Scheduled date of start of dividend payment: ―
Preparation of 3Q earnings presentation material: Yes
Holding of 3Q earnings announcement: None

1. Consolidated financial results for nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	80,663	(5.4)	44,814	(13.4)	45,783	(13.6)	32,102	(10.3)	31,832	(10.3)	28,935	(14.2)
Nine months ended December 31, 2015	85,284	8.1	51,745	28.9	52,971	28.4	35,784	32.3	35,504	32.6	33,739	5.6

	Basic earnings per share	Diluted earnings per share
	yen	yen
Nine months ended December 31, 2016	58.10	―
Nine months ended December 31, 2015	64.66	―

* 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 December , 31, 2016	40,450,677	260,297	254,449	0.6
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)	70.32

(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 December 31, 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 December 31, 2016:	2,754,052 shares
As of March 31, 2016:	7,252 shares

3) Average number of shares:

Nine months ended December 31, 2016:	547,924,549 shares
Nine months ended December 31, 2015:	549,063,232 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 December 31, 2016
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	66,547	45,391
Trade and other receivables	10,096	12,762
Clearing business financial assets	26,395,558	36,548,320
Specified assets for deposits from clearing participants	2,809,433	3,572,121
Specified assets for legal guarantee funds	483	474
Income tax receivables	5,055	8,586
Other financial assets	65,600	73,600
Other current assets	1,163	1,926
Total current assets	29,353,939	40,263,182
Non-current assets		
Property and equipment	6,025	5,350
Goodwill	67,374	67,374
Intangible assets	31,033	30,177
Retirement benefit assets	3,626	3,546
Investments accounted for using the equity method	7,592	8,502
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	38,639	34,059
Other non-current assets	5,854	5,833
Deferred tax assets	4,741	4,703
Total non-current assets	192,836	187,494
Total assets	29,546,776	40,450,677

	As of March 31, 2016	As of December 31, 2016
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,413	2,604
Loans payable	22,500	32,500
Clearing business financial liabilities	26,395,558	36,548,320
Deposits from clearing participants	2,809,433	3,572,121
Legal guarantee funds	483	474
Trading participant security money	7,429	8,142
Income tax payables	10,714	4,966
Other current liabilities	6,403	5,620
Total current liabilities	29,256,937	40,174,750
Non-current liabilities		
Loans payable	10,000	—
Retirement benefit liabilities	7,352	7,572
Other non-current liabilities	3,924	3,805
Deferred tax liabilities	5,650	4,252
Total non-current liabilities	26,926	15,630
Total liabilities	29,283,864	40,190,380
Equity		
Share capital	11,500	11,500
Capital surplus	59,726	59,725
Treasury shares	(9)	(4,003)
Other components of equity	13,321	10,154
Retained earnings	172,656	177,073
Total equity attributable to owners of the parent company	257,194	254,449
Non-controlling interests	5,717	5,847
Total equity	262,912	260,297
Total liabilities and equity	29,546,776	40,450,677

(2) Condensed Consolidated Statement of Income

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Millions of yen	Millions of yen
Revenue		
Operating revenue	85,284	80,663
Other revenue	1,726	96
Total revenue	87,010	80,759
Expenses		
Operating expenses	36,103	37,153
Other expenses	234	13
Total expenses	36,338	37,167
Share of income of investments accounted for using the equity method	1,073	1,221
Operating income	51,745	44,814
Financial income	1,253	973
Financial expenses	27	3
Income before income tax	52,971	45,783
Income tax expense	17,186	13,681
Net income	35,784	32,102
Net income attributable to		
Owners of the parent company	35,504	31,832
Non-controlling interests	280	270
Net income	35,784	32,102
Earnings per share		
Basic (Yen)	64.66	58.10
Diluted (Yen)	—	—

(3) Condensed Consolidated Statement of Comprehensive Income

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Millions of yen	Millions of yen
Net income	35,784	32,102
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	(2,045)	(3,166)
Share of other comprehensive income of investments accounted for using the equity method	(0)	(0)
Other comprehensive income, net of tax	(2,045)	(3,166)
Comprehensive income	33,739	28,935
Comprehensive income attributable to		
Owners of the parent company	33,458	28,665
Non-controlling interests	280	270
Comprehensive income	33,739	28,935

(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	—	—	—	(2,045)
Total comprehensive income	—	—	—	(2,045)
Purchase of treasury shares	—	—	(3)	—
Dividends paid	—	—	—	—
Total transactions with the owners	—	—	(3)	—
Balance as of December 31, 2015	11,500	59,726	(9)	12,782
Balance as of April 1, 2016	11,500	59,726	(9)	13,321
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(3,166)
Total comprehensive income	—	—	—	(3,166)
Purchase of treasury shares	—	(1)	(3,994)	—
Dividends paid	—	—	—	—
Changes of interests in subsidiaries without losing control	—	—	—	—
Total transactions with the owners	—	(1)	(3,994)	—
Balance as of December 31, 2016	11,500	59,725	(4,003)	10,154

	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	35,504	35,504	280	35,784
Other comprehensive income, net of tax	—	(2,045)	—	(2,045)
Total comprehensive income	35,504	33,458	280	33,739
Purchase of treasury shares	—	(3)	—	(3)
Dividends paid	(20,315)	(20,315)	(8)	(20,324)
Total transactions with the owners	(20,315)	(20,319)	(8)	(20,327)
Balance as of December 31, 2015	164,750	248,750	6,226	254,976
Balance as of April 1, 2016	172,656	257,194	5,717	262,912
Net income	31,832	31,832	270	32,102
Other comprehensive income, net of tax	—	(3,166)	—	(3,166)
Total comprehensive income	31,832	28,665	270	28,935
Purchase of treasury shares	—	(3,995)	—	(3,995)
Dividends paid	(27,414)	(27,414)	—	(27,414)
Changes of interests in subsidiaries without losing control	—	—	(140)	(140)
Total transactions with the owners	(27,414)	(31,410)	(140)	(31,550)
Balance as of December 31, 2016	177,073	254,449	5,847	260,297

(5) Notes on Condensed Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Operating Revenue)

The breakdown of “Operating revenue” is as follows:

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Millions of yen	Millions of yen
Trading services revenue	38,774	34,337
Clearing services revenue	17,158	16,476
Listing services revenue	10,051	9,357
Information services revenue	13,192	13,423
Other	6,107	7,067
Total	85,284	80,663

(Operating Expenses)

The breakdown of “Operating expenses” is as follows:

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Millions of yen	Millions of yen
Personnel expenses	11,378	11,154
System maintenance and operation expenses	7,077	5,505
Depreciation and amortization	6,733	8,524
Other	10,914	11,968
Total	36,103	37,153

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