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

Japan Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for the six months ended September 30, 2017 (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 13, 2017
Scheduled date of start of dividend payment: December 1, 2017
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, 2017 (from April 1, 2017 to September 30, 2017)

(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, 2017	55,762	5.4	32,808	16.1	33,554	15.6	22,856	15.4	22,692	15.8	22,696	45.9
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)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2017	42.30	—
Six months ended September 30, 2016	35.73	—

(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, 2017	42,523,504	264,947	258,968	0.6
As of March 31, 2017	41,288,932	263,770	257,955	0.6

* 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, 2017	—	21.00	—	26.00	47.00
Year ending March 31, 2018	—	24.00			
Year ending March 31, 2018 (Forecast)			—	24.00	48.00

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

3. Consolidated earnings forecast for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2018	110,000	2.0	60,000	1.0	61,500	1.5	42,600	0.6	42,500	0.9	79.27

(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, 2017:	549,069,100 shares
As of March 31, 2017:	549,069,100 shares

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

As of September 30, 2017:	13,303,807 shares
As of March 31, 2017:	8,636,052 shares

3) Average number of shares:

Six months ended September 30, 2017:	536,483,009 shares
Six months ended September 30, 2016:	548,523,428 shares

* Disclosure regarding the execution of the quarterly review process

This release is outside the scope of the external auditor's quarterly review procedure.

* 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 AND NOTES

(1) Condensed Consolidated Statement of Financial Position

	As of March 31, 2017	As of September 30, 2017
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	73,553	46,580
Trade and other receivables	9,774	10,704
Clearing business financial assets	37,555,555	38,759,584
Specified assets for deposits from clearing participants	3,374,863	3,402,518
Specified assets for legal guarantee funds	474	490
Income tax receivables	8,507	6,190
Other financial assets	73,800	102,600
Other current assets	1,626	2,724
Total current assets	41,098,156	42,331,393
Non-current assets		
Property and equipment	5,140	5,395
Goodwill	67,374	67,374
Intangible assets	30,596	31,153
Retirement benefit assets	5,202	5,174
Investments accounted for using the equity method	8,809	9,431
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	36,275	36,158
Other non-current assets	5,793	5,848
Deferred tax assets	3,635	3,626
Total non-current assets	190,775	192,110
Total assets	41,288,932	42,523,504

	As of March 31, 2017	As of September 30, 2017
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	3,190	4,377
Bonds and loans payable	22,500	32,500
Clearing business financial liabilities	37,555,555	38,759,584
Deposits from clearing participants	3,374,863	3,402,518
Legal guarantee funds	474	490
Trading participant security money	8,142	7,422
Income tax payables	9,210	10,281
Other current liabilities	5,339	5,510
Total current liabilities	40,979,276	42,222,686
Non-current liabilities		
Bonds and loans payable	29,933	19,936
Retirement benefit liabilities	7,357	7,520
Other non-current liabilities	3,693	3,368
Deferred tax liabilities	4,900	5,043
Total non-current liabilities	45,884	35,869
Total liabilities	41,025,161	42,258,556
Equity		
Share capital	11,500	11,500
Capital surplus	59,722	59,720
Treasury shares	(13,506)	(20,957)
Other components of equity	11,604	11,444
Retained earnings	188,634	197,260
Total equity attributable to owners of the parent company	257,955	258,968
Non-controlling interests	5,815	5,979
Total equity	263,770	264,947
Total liabilities and equity	41,288,932	42,523,504

(2) Condensed Consolidated Statement of Income

	Six months ended September 30, 2016	Six months ended September 30, 2017
	Millions of yen	Millions of yen
Revenue		
Operating revenue	52,882	55,762
Other revenue	89	195
Total revenue	52,972	55,957
Expenses		
Operating expenses	25,593	23,984
Other expenses	40	0
Total expenses	25,634	23,984
Share of income of investments accounted for using the equity method	920	835
Operating income	28,258	32,808
Financial income	766	787
Financial expenses	2	41
Income before income tax	29,022	33,554
Income tax expense	9,220	10,698
Net income	19,801	22,856
Net income attributable to		
Owners of the parent company	19,597	22,692
Non-controlling interests	204	163
Net income	19,801	22,856
Earnings per share		
Basic (Yen)	35.73	42.30
Diluted (Yen)	—	—

(3) Condensed Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2016	Six months ended September 30, 2017
	Millions of yen	Millions of yen
Net income	19,801	22,856
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	(4,241)	(159)
Share of other comprehensive income of investments accounted for using the equity method	(0)	0
Other comprehensive income, net of tax	(4,241)	(159)
Comprehensive income	15,560	22,696
Comprehensive income attributable to		
Owners of the parent company	15,355	22,532
Non-controlling interests	204	163
Comprehensive income	15,560	22,696

(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, 2016	11,500	59,726	(9)	13,321
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(4,241)
Total comprehensive income	—	—	—	(4,241)
Acquisition 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
Balance as of April 1, 2017	11,500	59,722	(13,506)	11,604
Net income	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(159)
Total comprehensive income	—	—	—	(159)
Acquisition of treasury shares	—	(2)	(7,452)	—
Dividends paid	—	—	—	—
Other	—	—	1	—
Total transactions with the owners	—	(2)	(7,450)	—
Balance as of September 30, 2017	11,500	59,720	(20,957)	11,444

	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, 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
Acquisition 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
Balance as of April 1, 2017	188,634	257,955	5,815	263,770
Net income	22,692	22,692	163	22,856
Other comprehensive income, net of tax	—	(159)	—	(159)
Total comprehensive income	22,692	22,532	163	22,696
Acquisition of treasury shares	—	(7,454)	—	(7,454)
Dividends paid	(14,066)	(14,066)	—	(14,066)
Other	—	1	—	1
Total transactions with the owners	(14,066)	(21,519)	—	(21,519)
Balance as of September 30, 2017	197,260	258,968	5,979	264,947

(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, 2016	Six months ended September 30, 2017
	Millions of yen	Millions of yen
Trading services revenue	22,515	23,673
Clearing services revenue	10,866	10,975
Listing services revenue	6,030	6,032
Information services revenue	8,957	9,733
Other	4,512	5,347
Total	52,882	55,762

(Operating Expenses)

The breakdown of “Operating expenses” is as follows:

	Six months ended September 30, 2016	Six months ended September 30, 2017
	Millions of yen	Millions of yen
Personnel expenses	7,492	7,661
System maintenance and operation expenses	3,899	5,645
Depreciation and amortization	6,223	4,601
Other	7,977	6,075
Total	25,593	23,984

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