

April 28, 2017

Japan Exchange Group, Inc. and Consolidated Subsidiaries
Consolidated financial results for the fiscal year ended March 31, 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 annual general shareholders meeting:	June 16, 2017		
Scheduled date of start of dividend payment:	May 29, 2017		
Scheduled date of filing of annual securities report:	June 9, 2017		
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, 2017
(April 1, 2016 to March 31, 2017)

(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, 2017	107,885	(6.0)	59,377	(10.4)	60,604	(10.6)	42,363	(6.2)	42,124	(6.1)	41,914	(0.7)
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

	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, 2017	77.00	—	16.4	0.2	55.0
Year ended March 31, 2016	81.74	—	18.2	0.2	57.7

(Reference)

Share of income of investments accounted for using the equity method:

Year ended March 31, 2017: ¥1,525 million

Year ended March 31, 2016: ¥749 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, 2017	41,288,932	263,770	257,955	0.6	477.31
As of March 31, 2016	29,546,776	262,912	257,194	0.9	468.43

* 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. For the Group's financial position excluding "Clearing business financial assets and liabilities," "Deposits from clearing participants," etc., see "1. QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION - (2) Explanation on Financial Position" on Page 6 of the Appendix.

(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, 2017	47,462	(19,330)	(21,119)	73,553
Year ended March 31, 2016	61,069	(33,591)	(21,030)	66,547

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, 2016	—	42.00	—	29.00	—	27,453	61.2	11.1
Year ended March 31, 2017	—	21.00	—	26.00	47.00	25,558	61.0	9.9
Year ending March 31, 2018 (Forecast)	—	24.00	—	24.00	48.00		61.0	

* 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, 2018 (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		Earnings per share (Basic)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Year ending March 31, 2018	112,000	3.8	60,000	1.0	61,500	1.5	42,600	0.6	42,500	0.9	78.64

* 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 March 31, 2017: 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 March 31, 2017: 8,636,052 shares

As of March 31, 2016: 7,252 shares

3) Average number of shares:

Year ended March 31, 2017: 547,051,034 shares

Year ended March 31, 2016: 549,062,888 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.

* The Company introduced a stock-granting employee stock ownership plan ("ESOP") trust in the fiscal year ended March 31, 2017. The shares of the Company held by said stock-granting ESOP trust for the fiscal year ended March 31, 2017 (586,800 shares) are treated as treasury shares.

(Reference) Overview of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2017
(April 1, 2016 to March 31, 2017)

(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, 2017	47,887	36.5	42,424	42.7	43,682	39.5	42,774	41.3
Year ended March 31, 2016	35,072	6.0	29,724	8.9	31,309	8.9	30,275	9.2

	Earnings per share (Basic)	Earnings per share (Diluted)
	yen	yen
Year ended March 31, 2017	78.19	—
Year ended March 31, 2016	55.14	—

* 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, 2017	244,641	111,061	45.4	205.50
As of March 31, 2016	230,071	110,107	47.9	200.54

(Reference)

Shareholders' equity:

As of March 31, 2017: ¥111,061 million

As of March 31, 2016: ¥110,107 million

* This release is outside the scope of the external auditor's audit 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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(Appendix)

Contents of Appendix

1. QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION ...2	
(1) Explanation on Operating Results ...2	
(2) Explanation on Financial Position ...6	
(3) Explanation on Forecast Information such as Consolidated Earnings Forecast, etc. ...8	
2. BASIC RATIONALE TO THE SELECTION OF ACCOUNTING STANDARDS...8	
3. CONSOLIDATED FINANCIAL STATEMENTS ...9	
(1) Consolidated Statement of Financial Position ...9	
(2) Consolidated Statement of Income ...11	
(3) Consolidated Statement of Comprehensive Income...12	
(4) Consolidated Statement of Changes in Equity...13	
(5) Consolidated Statement of Cash Flows...15	
(6) Notes on Consolidated Financial Statements ...16	
(Note on Going-Concern Assumption) ...16	
(Operating Revenue) ...16	
(Operating Expenses) ...16	
(Segment Information, etc.) ...16	
(Earnings per Share) ...17	
(Significant Subsequent Events) ...17	

1. QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION

(1) Explanation on Operating Results

In the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017), the Group recorded operating revenue of ¥107,885 million (6.0% decrease from the same period of the previous fiscal year (i.e. year-on-year)) due to factors such as decreases in cash equity trading value and derivatives trading volume compared with the previous year, while, operating expenses were ¥50,185 million (1.5% year-on-year decrease). As a result, the Group recorded operating income of ¥59,377 million (10.4% year-on-year decrease) and income before income tax of ¥60,604 million (10.6% year-on-year decrease).

In addition, net income attributable to owners of the parent company after tax was ¥42,124 million (6.1% year-on-year decrease).

<Reference>

	Year ended March 31, 2016		Year ended March 31, 2017	
		As of March 31, 2016		As of March 31, 2017
TOPIX	1,196.28 points ~1,691.29 points	1,347.20 points	1,204.48 points ~1,577.40 points	1,512.60 points
Nikkei 225	¥14,952.61 ~¥20,868.03	¥16,758.67	¥14,952.02 ~¥19,633.75	¥18,909.26
JPX Nikkei 400	10,780.40 points ~15,251.93 points	12,161.79 points	10,869.19 points ~14,117.98 points	13,522.45 points

(Operating revenue)

1) Trading services revenue

Trading services revenue comprises "Transaction Fees" based on the value of securities traded or volume of derivatives traded, "Basic Fees" based on the types of the trading participant's trading qualification, "Access Fees" based on the number of orders, and "Trading System Facilities Usage Fees" based on the types of trading system facilities used.

During the fiscal year ended March 31, 2017, trading services revenue decreased 12.9% year-on-year to ¥45,703 million due to decreases in trading of cash equities and derivatives.

Breakdown of trading participant fees

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	
			Change (%)
Trading services revenue	52,471	45,703	(12.9)
Transaction fees	43,294	36,523	(15.6)
Cash equities	30,783	26,168	(15.0)
Derivatives	12,510	10,354	(17.2)
TOPIX futures	1,934	1,841	(4.8)
Nikkei 225 futures*1	5,136	4,231	(17.6)
Nikkei 225 options*2	3,543	2,834	(20.0)
10-year JGB futures	1,597	1,329	(16.8)
Others	298	117	(60.6)
Basic fees	1,061	1,044	(1.6)
Access fees	5,165	4,985	(3.5)
Trading system facilities Usage fees	2,854	3,066	7.4
Others	95	84	(12.1)

*1 Figures include Nikkei 225 mini futures.

*2 Figures exclude Nikkei 225 Weekly Options transactions.

<Reference>

Equities trading value and derivatives trading volume or value (including auction and off-auction trading)

	Daily average			Total		
	Year ended March 31, 2016	Year ended March 31, 2017	Change (%)	Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
【Cash equities】 TSE 1 st and 2 nd Sections Trading value (Millions of yen)	2,914,804	2,572,220	(11.8)	714,126,887	630,193,987	(11.8)
Mothers Trading value (Millions of yen)	97,914	122,500	25.1	23,988,944	30,012,485	25.1
JASDAQ Trading value (Millions of yen)	70,338	47,450	(32.5)	17,232,911	11,625,223	(32.5)
ETFs, ETNs, etc. Trading value (Millions of yen)	286,770	206,552	(28.0)	70,258,699	50,605,141	(28.0)
REITs, etc. Trading value (Millions of yen)	42,805	49,869	16.5	10,487,342	12,217,881	16.5
【Derivatives】 TOPIX futures transactions Trading volume (contracts)	93,824	89,966	(4.1)	22,986,847	22,041,552	(4.1)
Nikkei 225 futures transactions Trading volume (contracts)	120,358	98,128	(18.5)	29,487,683	24,041,367	(18.5)
Nikkei 225 mini futures transactions Trading volume (contracts)	1,100,776	861,224	(21.8)	269,690,101	210,999,767	(21.8)
Nikkei 225 options transactions Value (Millions of yen) *	30,690	24,823	(19.1)	7,519,072	6,081,697	(19.1)
10-year JGB futures transactions Trading volume (contracts)	34,658	28,569	(17.6)	8,491,325	6,999,496	(17.6)

* Figures exclude Nikkei 225 Weekly Options transactions.

2) Clearing services revenue

Clearing services revenue comprises clearing fees related to the assumption of obligations of financial instrument transactions carried out by Japan Securities Clearing Corporation.

During the fiscal year ended March 31, 2017, clearing services revenue decreased 7.3% year-on-year to ¥21,454 million.

3) Listing services revenue

Listing services revenue comprises "Initial/Additional Listing Fees" that are received based on the issue amount when a company initially lists or when a listed company issues additional shares, and "Annual Listing Fees" received from listed companies based on their market capitalization.

During the fiscal year ended March 31, 2017, listing services revenue decreased 2.6% year-on-year to ¥12,903 million due to a decrease in initial/additional listing fees.

Breakdown of listing services revenue

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	
			Change (%)
Listing services revenue	13,250	12,903	(2.6)
Initial/Additional listing fees	5,330	4,317	(19.0)
Annual listing fees	7,919	8,586	8.4

<Reference>

Number of listed companies, ETFs, ETNs, and REITs

(Company/Issue)

	New listed companies (issues)			Total listed companies (issues)		
	Year ended March 31, 2016	Year ended March 31, 2017		As of March 31, 2016	As of March 31, 2017	
			Change			Change
TSE 1 st and 2 nd Sections	23	19	(4)	2,492	2,550	58
Mothers	58	56	(2)	225	237	12
JASDAQ	14	14	0	786	754	(32)
Tokyo Pro Market	4	4	0	14	17	3
Total	99	93	(6)	3,517	3,558	41
ETFs • ETNs	21	17	(4)	225	230	5
REITs	4	7	3	53	58	5

* The number of new listed companies (issues) excludes those that were listed in relation to technical listings (new listings of companies (issues) that were established due to mergers and stock transfers, etc.).

Fund raising by listed companies

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	
			Change (%)
Financing by listed companies	994,291	947,107	(4.7)

* Total amount of funds- raised via public offerings (including initial public offerings), third-party allotments and shareholder allotments.

4) Information services revenue

Information services revenue comprises revenue related to the provision of market information to information vendors, etc. (market information fees), revenue related to the index business, and revenue related to the provision of corporate action information and other information.

During the fiscal year ended March 31, 2017, information services revenue increased 2.3% year-on-year to ¥18,112 million due mainly to increases in market information fees and index business revenue.

5) Other operating revenue

Other operating revenue includes the following main items:

- Usage fees for arrownet, which connects trading, market information and other systems to trading participants and other users;
- Usage fees related to co-location services that allow trading participants, information vendors, and other users to install devices in the system center for the purpose of improving trade execution efficiency by shortening order transmission time, etc.; and
- Revenue from system development and operations conducted by consolidated subsidiary TOSHO SYSTEM SERVICE CO., LTD.

During the fiscal year ended March 31, 2017, other operating revenue increased 18.3% year-on-year to ¥9,711 million due mainly to increases in revenue from usage fees for arrownet and usage fees related to co-location services.

Breakdown of other operating revenue

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	
			Change (%)
Other operating revenue	8,208	9,711	18.3
Arrownets usage fees	2,316	2,848	23.0
Co-location services usage fees	2,886	3,234	12.0
Other	3,005	3,628	20.7

(Operating expenses)

During the fiscal year ended March 31, 2017, personnel expenses decreased 5.0% year-on-year to ¥15,614 million.

System maintenance and operation expenses include expenses related to maintenance and management/operations of various systems including the cash equities and derivatives trading systems.

During the fiscal year ended March 31, 2017, system maintenance and operation expenses increased 14.1% year-on-year to ¥10,813 million.

Depreciation and amortization increased 10.1% year-on-year to ¥10,983 million.

During the fiscal year ended March 31, 2017, other operating expenses decreased 15.0% year-on-year to ¥12,774 million.

(2) Explanation on Financial Position
(Assets, liabilities and equity)

For assets and liabilities of the Group, "clearing business financial assets and liabilities" assumed by Japan Securities Clearing Corporation as a clearing organization and "deposits from clearing participants" deposited by clearing participants as collateral are included under both assets and liabilities. "Clearing business financial assets and liabilities" and "deposits from clearing participants" have a large impact on the amount of assets and liabilities of the Group due to their sizable amounts and daily fluctuations subject to changes in clearing participants' positions. In addition, "legal guarantee funds," "trading participant security money," and "default compensation reserve funds" based on the rules for securing safety of financial instruments transactions are included under assets and liabilities or equity.

Total assets as of March 31, 2017 increased ¥11,742,156 million from the end of the previous fiscal year to ¥41,288,932 million as a result of an increase in clearing business financial assets. Excluding clearing business financial assets, deposits from clearing participants, legal guarantee funds, and default compensation reserve funds, assets increased ¥16,737 million from the end of the previous fiscal year to ¥330,089 million.

Total liabilities as of March 31, 2017 increased ¥11,741,297 million from the end of the previous fiscal year to ¥41,025,161 million as a result of an increase in clearing business financial liabilities. Excluding clearing business financial liabilities, deposits from clearing participants, legal guarantee funds, and trading participant security money, liabilities increased 15,166 million from the end of the previous fiscal year to ¥86,125 million.

Total equity as of March 31, 2017 increased by ¥858 million from the end of the previous fiscal year to ¥263,770 million, due to capital increase from net income attributable to owners of the parent company, and capital reduction due mainly to dividend payment and acquisition of the company's own shares. In addition, after excluding default compensation reserve funds, equity was ¥235,822 million.

<Reference>

	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 March 31, 2017	41,288,932	263,770	257,955	0.6
	*330,089	*235,822	*230,006	*69.7
As of March 31, 2016	29,546,776	262,912	257,194	0.9
	*313,351	*234,964	*229,246	*73.2

	Return on equity attributable to owners of the parent company	Ratio of income before income tax to total assets	Total equity attributable to owners of the parent company per share
	%	%	yen
As of March 31, 2017	16.4	0.2	477.31
	*18.3	*18.8	*425.60
As of March 31, 2016	18.2	0.2	468.43
	*20.5	*22.5	*417.52

(Notes)

Figures marked "*" under "Total assets" exclude "clearing business financial assets", "deposits from clearing participants", "legal guarantee funds", and "default compensation reserve funds", "Total equity" and "Total equity attributable to owners of the parent company" exclude "default compensation reserve funds".

(Cash flows)

During the fiscal year ended March 31, 2017, cash and cash equivalents as of March 31, 2017 increased ¥7,005 million from the end of the previous fiscal year to ¥73,553 million.

1) Cash flows from operating activities

There was cash inflow of ¥47,462 million from operating activities mainly as a result of adding ¥11,784 million in depreciation and amortization and deducting ¥23,473 million in income taxes paid to or from ¥60,604 million in income before income tax.

2) Cash flows from investing activities

There was cash outflow of ¥19,330 million from investment activities due mainly to ¥9,970 million in purchase of intangible assets.

3) Cash flows from financing activities

There was cash outflow of ¥21,119 million from financing activities due mainly to cash outflow of ¥27,414 million in dividends paid, and ¥13,501 million in purchase of treasury shares, and cash inflow of ¥19,932 million in proceeds from issuance of bonds.

<Reference> Cash flow-related indicators

	Year ended March 31, 2016	Year ended March 31, 2017
Ratio of total equity attributable to owners of the parent company to total assets	0.9%	0.6%
	*73.2%	*69.7%
Ratio of interest-bearing debt to cash flow	53.2%	110.5%
Interest coverage ratio	1,578.0	9,254.4

Ratio of total equity attributable to owners of the parent company to total assets: Total equity attributable to owners of the parent company / Total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt / cash flows from operating activities

Interest coverage ratio: cash flows from operating activities / interest payment

* "Ratio of total equity attributable to owners of the parent company to total assets" are calculated excluding "clearing business financial assets", "deposits from clearing participants", "legal guarantee funds", "default compensation reserve funds" from total assets, and excluding "default compensation reserve funds" from "total equity attributable to owners of the parent company".

(3) Explanation on Forecast Information such as Consolidated Earnings Forecast, etc.

(i) Consolidated Earnings Forecast

The consolidated earnings forecast for the fiscal year ending March 31, 2018 is based on the assumptions that the average daily trading values and volumes are ¥3.2 trillion for stocks^{*1}, 28,000 contracts for 10-year JGB futures, 93,000 contracts for TOPIX futures, 204,000 contracts for Nikkei 225 futures^{*2} and ¥30.0 billion for Nikkei 225 options^{*3}. Based on the assumptions, ¥112.0 billion in operating revenue, ¥60.0 billion in operating income, ¥61.5 billion in net income before income tax, ¥42.6 billion in net income and ¥42.5 billion in net income attributable to owners of the parent are expected.

^{*1} The trading value of stocks listed on the TSE 1st and 2nd Sections, Mothers, JASDAQ, and TOKYO PRO Market, and that of ETFs, ETNs, REITs, etc. (includes auction and off-auction trading)

^{*2} Includes Nikkei 225 mini contract volumes converted into large-sized contracts

^{*3} Excludes weekly options

(ii) Dividends Forecast

The Company adopts a dividend policy with a target payout ratio of about 60% tied to business performance while giving due consideration to the importance of internal reserves for the following purposes:

- Maintaining sound financial health as a financial instruments exchange group,
- Preparing for risks as a clearing organization, and
- Enabling the group to pursue investment opportunities to raise the competitiveness of its markets as they arise.

In line with the abovementioned policy, the dividends for the fiscal year ending March 31, 2018 is planned to be ¥48 per share (¥24 per share as of the end of the second quarter).

2. BASIC RATIONALE TO THE SELECTION OF ACCOUNTING STANDARDS

From the perspective of facilitating comparability of financial results of the company with other exchanges located overseas and increasing investor convenience, the Company has voluntarily adopted IFRS to its disclosure material.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Statement of Financial Position

	As of March 31, 2016	As of March 31, 2017
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	66,547	73,553
Trade and other receivables	10,096	9,774
Clearing business financial assets	26,395,558	37,555,555
Specified assets for deposits from clearing participants	2,809,433	3,374,863
Specified assets for legal guarantee funds	483	474
Income tax receivables	5,055	8,507
Other financial assets	65,600	73,800
Other current assets	1,163	1,626
Total current assets	29,353,939	41,098,156
Non-current assets		
Property and equipment	6,025	5,140
Goodwill	67,374	67,374
Intangible assets	31,033	30,596
Retirement benefit assets	3,626	5,202
Investments accounted for using the equity method	7,592	8,809
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	38,639	36,275
Other non-current assets	5,854	5,793
Deferred tax assets	4,741	3,635
Total non-current assets	192,836	190,775
Total assets	29,546,776	41,288,932

	As of March 31, 2016	As of March 31, 2017
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,413	3,190
Bonds and loans payable	22,500	22,500
Clearing business financial liabilities	26,395,558	37,555,555
Deposits from clearing participants	2,809,433	3,374,863
Legal guarantee funds	483	474
Trading participant security money	7,429	8,142
Income tax payables	10,714	9,210
Other current liabilities	6,403	5,339
Total current liabilities	29,256,937	40,979,276
Non-current liabilities		
Bonds and loans payable	10,000	29,933
Retirement benefit liabilities	7,352	7,357
Other non-current liabilities	3,924	3,693
Deferred tax liabilities	5,650	4,900
Total non-current liabilities	26,926	45,884
Total liabilities	29,283,864	41,025,161
Equity		
Share capital	11,500	11,500
Capital surplus	59,726	59,722
Treasury shares	(9)	(13,506)
Other components of equity	13,321	11,604
Retained earnings	172,656	188,634
Total equity attributable to owners of the parent company	257,194	257,955
Non-controlling interests	5,717	5,815
Total equity	262,912	263,770
Total liabilities and equity	29,546,776	41,288,932

(2) Consolidated Statement of Income

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
	Millions of yen	Millions of yen
Revenue		
Operating revenue	114,776	107,885
Other revenue	2,137	161
Total revenue	116,914	108,047
Expenses		
Operating expenses	50,925	50,185
Other expenses	466	9
Total expenses	51,392	50,195
Share of income of investments accounted for using the equity method	749	1,525
Operating income	66,271	59,377
Financial income	1,540	1,235
Financial expenses	36	8
Income before income tax	67,774	60,604
Income tax expense	22,599	18,240
Net income	45,175	42,363
Net income attributable to		
Owners of the parent company	44,877	42,124
Non-controlling interests	297	238
Net income	45,175	42,363
Earnings per share		
Basic (Yen)	81.74	77.00
Diluted (Yen)	—	—

(3) Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
	Millions of yen	Millions of yen
Net income	45,175	42,363
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	(1,491)	(1,717)
Remeasurements of defined benefit plan	(1,484)	1,268
Share of other comprehensive income of investments accounted for using the equity method	0	(0)
Other comprehensive income, net of tax	(2,975)	(448)
Comprehensive income	42,199	41,914
Comprehensive income attributable to		
Owners of the parent company	41,902	41,676
Non-controlling interests	297	238
Comprehensive income	42,199	41,914

(4) Consolidated Statement of Changes in Equity

Equity attributable to owners of the parent company

	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan
	Millions of yen	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	—	—	—	(1,491)	(1,484)
Total comprehensive income	—	—	—	(1,491)	(1,484)
Purchase 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	—
Net income	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(1,717)	1,268
Total comprehensive income	—	—	—	(1,717)	1,268
Purchase of treasury shares	—	(3)	(13,497)	—	—
Dividends paid	—	—	—	—	—
Changes of interests in subsidiaries without losing control	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	(1,268)
Total transactions with the owners	—	(3)	(13,497)	—	(1,268)
Balance as of March 31, 2017	11,500	59,722	(13,506)	11,604	—

	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, 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
Purchase 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
Net income	—	42,124	42,124	238	42,363
Other comprehensive income, net of tax	(448)	—	(448)	—	(448)
Total comprehensive income	(448)	42,124	41,676	238	41,914
Purchase of treasury shares	—	—	(13,500)	—	(13,500)
Dividends paid	—	(27,414)	(27,414)	—	(27,414)
Changes of interests in subsidiaries without losing control	—	—	—	(140)	(140)
Transfer from other components of equity to retained earnings	(1,268)	1,268	—	—	—
Total transactions with the owners	(1,268)	(26,146)	(40,915)	(140)	(41,056)
Balance as of March 31, 2017	11,604	188,634	257,955	5,815	263,770

(5) Consolidated Statement of Cash Flows

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
	Millions of yen	Millions of yen
Cash flows from operating activities		
Income before income tax	67,774	60,604
Depreciation and amortization	10,727	11,784
Financial income	(1,540)	(1,235)
Financial expenses	36	8
Share of income of investments accounted for using the equity method	(749)	(1,525)
Gains on sale of property and equipment	(1,853)	—
(Increase) decrease in trade and other receivables	203	306
Increase (decrease) in trade and other payables	210	(498)
(Increase) decrease in retirement benefit assets	1,797	(1,575)
Increase (decrease) in retirement benefit liabilities	313	4
Other	(247)	1,492
Subtotal	76,673	69,364
Interest and dividends received	1,678	1,575
Interest paid	(38)	(5)
Income taxes paid	(17,243)	(23,473)
Cash flows generated from operating activities	61,069	47,462
Cash flows from investing activities		
Payments into time deposits	(70,600)	(83,100)
Proceeds from withdrawal of time deposits	47,100	74,900
Purchase of property and equipment	(1,624)	(1,111)
Proceeds from sale of property and equipment	3,660	—
Purchase of intangible assets	(11,934)	(9,970)
Purchase of Investment securities	(1,000)	(127)
Other	807	79
Cash flows generated from (used in) investing activities	(33,591)	(19,330)
Cash flows from financing activities		
Proceeds from loans payable	10,000	10,000
Repayments of loans payable	(10,000)	(10,000)
Proceeds from issuance of bonds	—	19,932
Dividends paid	(20,315)	(27,414)
Purchase of treasury shares	(3)	(13,501)
Other	(711)	(136)
Cash flows used in financing activities	(21,030)	(21,119)
Net increase (decrease) in cash and cash equivalents	6,447	7,011
Cash and cash equivalents at the beginning of the year	60,114	66,547
Effect of changes in exchange rate on cash and cash equivalents	(13)	(6)
Cash and cash equivalents at the end of the year	66,547	73,553

(6) Notes on Consolidated Financial Statements
 (Note on Going-concern Assumption)
 Not applicable

(Operating Revenue)

The breakdown of "Operating revenue" is as follows:

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
	Millions of yen	Millions of yen
Trading services revenue	52,471	45,703
Clearing services revenue	23,140	21,454
Listing services revenue	13,250	12,903
Information services revenue	17,706	18,112
Other	8,208	9,711
Total	114,776	107,885

(Operating Expenses)

The breakdown of "Operating expenses" is as follows:

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
	Millions of yen	Millions of yen
Personnel expenses	16,437	15,614
System maintenance and operation expenses	9,480	10,813
Depreciation and amortization	9,973	10,983
Other	15,034	12,774
Total	50,925	50,185

(Segment Information, etc.)

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

(Earnings per Share)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
	Millions of yen	Millions of yen
Net income attributable to owners of the parent company	44,877	42,124
	Thousand shares	Thousand shares
Weighted average number of ordinary shares outstanding	549,062	547,051
	yen	yen
Earnings per share (Basic)	81.74	77.00

*1 Basic earnings per share was calculated based on the net income attributable to owners of the parent company and the weighted average number of ordinary shares outstanding.

*2 Diluted earnings per share is not presented because there were no potential shares.

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

*4 The Company introduced a stock-granting employee stock ownership plan ("ESOP") trust in the fiscal year ended March 31, 2017. The number of shares of the Company held by said stock-granting ESOP trust for the fiscal year ended March 31, 2017 (81 thousand shares) was deducted from the weighted average number of ordinary shares outstanding.

(Significant Subsequent Events)

Not applicable

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