

Notice of the 3rd Annual General Shareholders Meeting

June 1, 2010

Dear Shareholder,

You are cordially invited to attend the 3rd Annual General Shareholders Meeting to be held as described below.

If you are unable to attend, you may exercise your voting rights in writing or via the Internet. To vote in writing, please review the item in this Notice entitled “Reference Documents for the General Shareholders Meeting.” Then indicate your approval or disapproval on the enclosed form for the exercise of voting rights and return it to us by 4:45 p.m., Monday, June 21, 2010. To vote via the Internet, please review the item entitled “Instructions for the Exercise of Voting Rights, etc.” on page 3, and then go to the Web site designated by Tokyo Stock Exchange Group, Inc. (the Company) at <http://www.evot.jp/> to exercise your voting rights. Votes via the Internet must also be received by 4:45 p.m., Monday, June 21, 2010.

Sincerely yours,

Atsushi Saito
President and CEO
Tokyo Stock Exchange Group, Inc.
2-1, Nihombashi Kabutocho,
Chuo-ku, Tokyo

MEETING AGENDA

1. Date and Time: 10:00 a.m., Tuesday, June 22, 2010

2. Place: Tosho Hall
2nd Floor, Tokyo Stock Exchange, Inc. Building
2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo

3. Objectives of Meeting

- Reports:
1. Business Report, the Consolidated Financial Statements and the report on the audit of the consolidated accounts by the Independent Auditor and the Audit Committee for the 3rd term (the period from April 1, 2009 to March 31, 2010)
 2. The Non-consolidated Financial Statements for the 3rd term (the period from April 1, 2009 to March 31, 2010)

Proposal: Regarding the election of fifteen (15) Directors

4. Rules established for the General Shareholders Meeting

- (1) When a shareholder who votes in writing fails to indicate approval or disapproval on a proposal, the Company shall deem this to be an expression of intent to approve such proposal.
- (2) When a shareholder votes multiple times, either in writing or via the Internet, the Company shall consider the final vote cast to be the effective vote.
- (3) When a shareholder votes twice, once in writing and again via the Internet, and, when the shareholder has taken different positions in the two votes, the Company shall consider the vote cast over the Internet to be the effective vote.
- (4) If you are unable to attend the General Shareholders Meeting, you may attend by proxy, which shall mean appointing one other shareholder with voting rights to act on your behalf. The proxy will be asked to submit a statement in writing attesting to his or her appointment as proxy.
- (5) If a shareholder intends to split a vote on any proposal, the Company requests that it be notified in writing of this intention at least three days before the General Shareholders Meeting and that it be provided with an explanation of the reasons for the split vote.

Those attending the General Shareholders Meeting are kindly requested to submit the enclosed “Form for the Exercise of Voting Rights” at the reception desk. Please see the section entitled “Instructions for the Exercise of Voting Rights” on the following page for additional information on voting rights.

If a need arises to amend either the section entitled “Reference Documents for the General Shareholders Meeting,” Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements in the Company’s business report and financial reports, the Company will inform shareholders through its Web site at <http://www.tse.or.jp/about/ir/meeting/soukai/>. Please note that this will be considered the formal announcement of any such changes.

Instructions for the Exercise of Voting Rights, etc.

1. Instructions related to the exercise of voting rights via the Internet

- (1) You may exercise your voting rights via the Internet only on the Web site designated by the Company, which is at <http://www.evotep.jp/> (unavailable between 2:00 a.m. and 5:00 a.m. every day).
- (2) Although the Company will accept all votes cast by 4:45 p.m. on the day before the General Shareholders Meeting (up to the Company's closing time), it encourages shareholders to vote as early as possible to facilitate the counting of votes. If you have any questions regarding procedures, please inquire at the Help Desk shown below.

2. Site for the exercise of voting rights and method of voting over the Internet

- (1) On the top page of the site designated above, use the "login ID" and "temporary password" found on the form for the exercise of voting rights to gain access to the site. Then follow the instructions on the screen to enter your approval or disapproval for each proposal.
- (2) Depending on the shareholder's user environment, it may not be possible to vote via personal computer. This situation may arise, for example, if a firewall is being used, if antivirus software has been installed, or if the shareholder is attempting to gain access to the Company site via a proxy server. Shareholders should bear this in mind and allow for this possibility.
- (3) Please also note that, in the interest of preventing unlawful access to the site by persons other than shareholders ("impersonation") or preventing any alterations to the content of a vote, the Company will require shareholders to change their temporary passwords at the site.
- (4) All dial-up connection charges or fees paid to telecommunication companies that are incurred by the shareholder when using the voting Web site shall be borne by the shareholder.

3. Method of receiving the shareholders' meeting notice

Beginning with the next shareholders' meeting, shareholders will be given the option of receiving their meeting notifications via email. If you wish to receive your notifications in this manner, please use a personal computer to access the voting Web site and fill in the required information. (You will not be able to access the site from a mobile phone. You will also not be permitted to use a mobile phone email address as your email address.)

For inquiries regarding computer systems, please contact:
Mitsubishi UFJ Trust and Banking Corporation, Custody Department (Help Desk)
Tel.: 0120-173-027 (9:00 a.m. to 9:00 p.m., toll free)

Business Report

(From April 1, 2009 to March 31, 2010)

I. Overview of Corporate Group

1. Business Report

(1) Review and results of operations

While the conditions for continuous recovery are still uncertain with risks which weigh down the economy, such as sinking concern over overseas economic conditions and the effects of deflation, the Japanese economy is steadily improving thanks to the effects of emergency economic measures and economic improvement abroad.

Under these conditions, the TSE group (which, for the purposes of this Business Report, shall refer to the corporate group comprising the Company and its subsidiaries) recognized that its essential responsibility as an operator of securities markets is to provide market users with opportunities to trade with confidence, and to do so in a consistent and reliable manner. As a core component of the infrastructure of the nation's financial and capital markets, the group endeavored to improve market functions by establishing a foundation for stable market operations to overcome the recent financial crisis from the perspective of a market operator, enhancing market transparency and fairness, and providing market users with sufficient liquidity. On this basis, it implemented the following measures to strengthen the nation's financial and capital markets.

1) Enhancing the user-friendliness and efficiency of the market infrastructure

Amid the recent acceleration of financial technologies and the spread of online trading by individual investors and algorithmic trading by securities companies and institutional investors, the TSE group has a keen awareness of its important responsibility as a market operator to appropriately respond to changes in the market environment and forms of transactions. With this understanding in order to respond to investor needs such as accelerated order processing and execution, reduced order sizes, and the rapid growth in order numbers, it introduced "arrowhead", a next-generation trading system for the cash market which meets the world's highest standard in speed, reliability, and scalability, in January 2010. In addition to the launch of "arrowhead", it has greatly expanded the market data service to include faster dissemination, increase in quotes from 5 prices above and below current price to 8, and the provision of real-time order information for all issues through the new FLEX Full service. Additionally, from the standpoint of simplifying trading rules and procedures, it has proceeded with a revision of the trading system in order to promote smooth price formation and improve liquidity. This revision includes altering the allocation rule for simultaneously placed orders, eliminating half-day

trading, tightening tick sizes, and revising daily price limits and special quote renewal intervals.

Regarding the derivatives market, the TSE group launched the new options trading system “Tdex+” in October 2009, constructed based on LIFFE CONNECT® of the major European options exchange LIFFE. In doing so, in addition to fundamentally improving the order processing abilities of the options market, it also implemented core revisions to the trading rules in order to improve the usability of the options market, including a market maker scheme, like those that are common overseas, and strategy trading which allows for the combination of simultaneous transactions over multiple issues.

Moreover, the TSE group has aggressively pursued a variety of initiatives to answer the demands of various market participants and bring new liquidity to the market. It began providing a Co-Location Service in May 2009 where trading participants may place their trading servers in the TSE Data Center, etc. in order to realize faster trading speeds by decreasing the physical distance to the trading system. Also, from the standpoint of improving the usability of the ToSTNeT market, the trading hours for individual issue and basket trading were extended by an hour, to 5:30PM, in November 2009. In order to revise the index infrastructure, improve its convenience, and respond to various needs regarding stock indices, the TSE group began calculating and publicizing a new index focused on dividend yields called the “TSE Dividend Focus 100 Index” in March 2010.

In addition to the above, the TSE group promoted strategies geared toward providing a market infrastructure that makes stable trading possible for market users. This was achieved by preparing a secondary site to improve its business continuity plan, and also implementing immediate examination and response measures to identify the causes of system malfunctions and thoroughly prevent reoccurrences.

In the area of clearing and settlement for securities transactions, preparations began May 2009 for the start of clearing of interest-rate swaps and CDS in Japan with the establishment of the “Working Group on Clearing Operations for OTC Derivatives Trades” in cooperation with the Japan Securities Clearing Corporation. This group is discussing risk management and other details of the clearing system.

In June 2009, the TSE group established the new market “TOKYO AIM” in a joint venture with the London Stock Exchange. It is a market with participation limited to professional investors, established with the purpose of expanding fund-raising opportunities for corporations ripe for growth, as well as providing investment opportunities for professional investors including institutional investors with the proper risk-taking know-how.

The TSE group celebrated the 10-year anniversary of its Mothers market in November 2009. With this milestone and based on recent developments, including the establishment of the market for professionals “TOKYO AIM”, it has revised the rules of the Mothers market in order to improve its reliability. In order to do so, the TSE has reaffirmed the concept of the market and its role as a place for growth corporations seeking to step up to listing in the 1st Section. Additionally, by adjusting the handling of listing examination, the TSE group hopes to promote the listing of growth companies. It has also revised the delisting criteria from the standpoint of preventing a change in the quality of management shortly after listing.

Furthermore, with the increasing awareness of the issue of global warming, the TSE group has been pursuing action from the standpoint of contributing to the reduction of greenhouse gasses as an exchange and facilitating emissions trading, an economic means of reducing greenhouse gases. In October 2009, the TSE group and Tokyo Commodities Exchange agreed to establish a joint-venture company for the creation of an emissions exchange and are proceeding with detailed deliberations.

2) Diversifying the lineup of listed products

In order to respond to the varied needs of investors, the TSE group has worked toward diversifying its listed products and promoted the expansion of its ETF line-up, which allow for diversified investment across many issues with small denominations and low costs. This fiscal year saw the listing of 28 ETFs. These include the following: in April 2009, an ETF linked to an environmental index; in June 2009, an ETF linked to a bond index; in July 2009, an ETF focused on a corporate group; and in August 2009, the 5 types of commodity ETFs, which are the first company-type ETFs, linked to the prices of gold, silver, platinum, palladium, and a precious metals basket. Other listings include the following: in November 2009, an ETF linked to an Indian index; in December 2009, an ETF linked to the New York Dow index; in January 2010, an ETF linked to a developed country index; in February 2010, an ETF linked to an emerging countries index; and in March 2010, 14 types of commodity ETFs. With these listings the total number of listed ETFs rose to 86 issues in the fiscal year under review.

Additionally, in order to support the initial listing of high quality companies that are attractive to investors, the group continued promotional efforts such as individual visits to unlisted companies, and seminars regarding initial listing.

The number of initial listings for the fiscal year under review included 18 listings in the First and Second Sections and 6 listings in Mothers (*). This brought the total number of

* This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail.

listed companies in the First and Second sections to 2,127 (a loss of 49 companies from the prior year) and 186 for Mothers (a loss of 8 companies).

* Including the listing of a company created through merger or stock-swap of existing companies (so-called technical listing). The number of such companies is 9 for the First and Second Sections and 0 for Mothers.

- 3) Developing an environment in which investors can make investments with confidence in the market

The TSE group adjusted the market rules in order to develop a market environment in which investors can make investments with confidence. These revisions included adding responses in the listing regulations regarding corporate actions including third party allotments which could cause great harm to the rights of existing shareholders as measures to improve listed company corporate governance. Additionally, to promote communication between shareholders and listed companies, methods were developed for accessing general shareholders meeting invitations at an early date. In order to better realize the execution of timely disclosure, the system was revised to specify the standpoint of disclosure examinations of company information.

Moreover, as a part of preparing an environment for the improvement of listed company corporate governance, the group began requiring that issuers of listed domestic stocks to secure at least one (1) independent director. In addition to this, rules were revised to clarify the minimum required items to be disclosed in a listed company's timely disclosure, from the perspective of revising the timely disclosure system based on recent developments.

In preparing for rule revisions for the implementation of International Financial Accounting Standards (IFRS), which became available for voluntary use in March 2010, the group set up the "Sectional Committee on Corporate Disclosure" under the Advisory Group on Improvements to the TSE Listing System which is deliberating on listing system measures based on efficient and effective quarterly reporting practices and the voluntary use of IFRS. This body released a proposal in March 2010 entitled "Review of Timely Disclosure Related to Quarterly Financial Statements and Listing System Based on Voluntary IFRS Adoption". In line with the proposal, the TSE group will revise related rules, the form of quarterly earnings digests and the outline of preparing such digests, etc.

Regarding initiatives for the prevention of unfair trading, the TSE group conducted educational activities through the "TSE-R Compliance Learning Center (TSE COMLEC)". In addition to holding compliance-related seminars, such as seminars for insider trading regulation and listed company compliance forums, it also provides an

e-Learning service, and dispatches instructors for in-company training for listed companies, trading participants, etc.

- 4) Endeavoring to expand the base of individual investors through improvement in financial literacy

The TSE group established the TSE Academy to create an environment that encourages more individuals to participate in securities investment and expand the base of the securities market. Through the Academy, the TSE group sought to disseminate knowledge and increase understanding of securities markets and investment as well as expand the base of self-reliant investors in a manner befitting the growing diversity of financial products by holding 169 seminars aimed at expanding the base of autonomous and independent investors.

The TSE group also proactively introduced school-focused securities education initiatives, seeking to disseminate knowledge of basic economics and finance in educational settings by conducting wider-ranging and more comprehensive classes at the exchange for visiting elementary, junior high, and high school students and at schools by dispatching staff to teach children in their classrooms or in specially arranged parent/child sessions during such times as the summer holidays. Its school-related programs also included seminars for university students and school teachers.

Under these conditions, the average daily trading value for equities on the TSE market fell 23.5% year-on-year to JPY 1.5535 trillion. Trading in futures was sluggish, with the average daily trading volume for TOPIX futures dropping 15% to 61,076 contracts. Average daily trading volume for Japanese government bond futures also declined 18.2% to 29,000 contracts. In contrast to this, funds raised by listed companies rose 242.4% to JPY 7.4581 trillion due to a series of large-scale offerings.

Additionally, TOPIX reached 978.81 points as of the end of March 2010, with a market capitalization of JPY 330.2810 trillion.

As a result, the TSE group's operating revenue declined JPY 6,424 million to JPY 60,665 million (down 9.6% year-on-year), operating profit increased JPY 649 million to JPY 14,824 million (up 4.6%), and ordinary profit increased JPY 1,165 million to JPY 17,425 million (up 7.2%). However, due to the recognition of JPY 13,213 million in extraordinary losses related to the compensation of damages related to litigation by Mizuho Securities Co. Ltd., the TSE group reported an income of JPY 2,607 million before income taxes and minority interest and a net loss of JPY 3,602 million.

Under non-operating revenue of this fiscal year under review, penalties and fines from

trading participants accounted for JPY 191 million, which the TSE group applied to the operations of the market surveillance system of Tokyo Stock Exchange Regulation (“TSER”), in order to cultivate a healthy stock market.

(2) Capital expenditures

During the year under review, the TSE group worked on development of the next-generation trading system “arrowhead”, the new option trading system “Tdex+”, and other projects. Overall, capital investments for infrastructure during the year amounted to approximately JPY 11 billion.

(3) Financing

There are no matters to report.

(4) Business transfer, mergers and demergers

There are no matters to report.

(5) Acquisition of operations from other companies

There are no matters to report.

(6) Assumption of the rights and obligations of other corporate entities as a result of absorption-typed mergers or demergers

There are no matters to report.

(7) Acquisition or disposition of shares or equities in other companies, or stock subscription warrants, etc.

There are no matters to report.

2. Assets and Earnings in the Three Years Prior to the Year under Review

The TSE group

	March 2007 term (Apr. 2006 to Mar. 2007)	March 2008 term (Apr. 2007 to Mar. 2008)	March 2009 term (Apr. 2008 to Mar. 2009)	March 2010 term (Apr. 2009 to Mar. 2010)
Million JPY				
Operating revenues	75,478	75,505	67,090	60,665
Operating profit	33,016	28,786	14,174	14,824
Ordinary profit	34,260	31,064	16,259	17,425
Net income (loss)	19,985	17,701	(3,696)	(3,602)
Net income (loss) per share (JPY)	8,789.64	7,785.04	(1,625.65)	(1,584.27)
Total assets	565,518	717,676	677,163	391,075
Net assets	111,246	117,776	114,088	116,940
Net assets per share (JPY)	48,289.71	50,859.77	49,113.92	50,085.81

(Operating revenue)

	March 2009 term (Apr. 2008 to Mar. 2009)	March 2010 term (Apr. 2009 to Mar. 2010)	Year-on-year change	%
Million JPY				
Trading participant fees	26,204	21,727	(4,476)	(17.1)%
Listing fees	8,073	13,271	5,198	64.4%
Income from Information services	11,139	10,727	(412)	(3.7)%
Income related to clearing	10,611	7,247	(3,364)	(31.7)%
Other operating revenues	11,060	7,691	(3,368)	(30.5)%
Total	67,090	60,665	(6,424)	(9.6)%

The Company

	1st term (Aug. 2007 to Mar. 2008)	2nd term (Apr. 2008 to Mar. 2009)	3rd term (Apr. 2009 to Mar. 2010)
Million JPY			
Operating revenues	10,894	9,068	7,606
Operating profit	7,128	3,209	2,026
Ordinary profit	7,294	3,453	3,148
Net income	6,541	2,544	1,858
Net income per share (JPY)	2,844.11	1,119.15	817.35
Total assets	113,855	129,852	141,054
Net assets	104,145	100,670	108,340
Net assets per share (JPY)	45,803.69	44,275.07	47,648.76

3. Information Concerning the Parent Company and Major Subsidiaries

(1) Relationship with parent company

There are no matters to report.

(2) Major subsidiaries

Million JPY	Address	Paid-in capital	Percentage of total (%) [indirect]	Principal businesses
Tokyo Stock Exchange, Inc.	Chuo-ku, Tokyo	11,500	100.0	Market operations
Tokyo Stock Exchange Regulation	Chuo-ku, Tokyo	3,000	100.0	Self-regulatory operations
Japan Securities Clearing Corporation	Chuo-ku, Tokyo	1,700	86.3	Clearing operations for trading in marketable securities
TOKYO AIM, Inc.	Chuo-ku, Tokyo	1,000	51.0	Specialized market operations
Japan Securities Settlement & Custody, Inc.	Chuo-ku, Tokyo	300	100.0 [100.0]	Securities settlement operations
TOSHO SYSTEM SERVICE CO., LTD.	Koto-ku, Tokyo	100	80.0 [80.0]	Systems development, etc.

1. Japan Securities Settlement & Custody Service was completely liquidated as of March 31, 2010.

2. The amount in the "paid-in capital" column for Tokyo Stock Exchange Regulation refers to the non-stock capital of non-profit organizations.

4. Issues Requiring Action

The TSE group recognizes that, as a market operator, it has been entrusted with the social mission of providing market users with opportunities to trade with confidence, and that it must provide such opportunities consistently and reliably. While striving to perform its business in a transparent manner and strike a balance between the exchange's public nature and its need for profitability, the group is intent on evolving into a "universal exchange" capable of responding to a wide range of user needs. In this way, the TSE group is seeking to grow into a market that supports wealth accumulation for a wide variety of life plans as well as a market that serves as a conduit for risk money from around the world.

Its basic strategies for achieving these goals will involve both quantitative expansion and qualitative enhancement. On one hand, the TSE group will seek to achieve quantitative expansion by diversifying its trading product lineup and by providing top caliber trading systems. On the other, it will seek to facilitate enhanced corporate governance of listed companies and strengthen the self-regulatory functions of the market and market participants. Through the combined effects of this quantitative expansion and qualitative enhancement, the group will strive to expand the size of its market and to evolve into a core market for capital flows in Asia.

In light of the foregoing management policies, major management goals that the group will work to

achieve are as follows.

(1) Strengthen derivatives markets

- While examining possibilities in new product areas, the group will continue to expand the range of listed products which meet the needs of market users.
- The group will endeavor to improve convenience by ensuring a wide variety of trading opportunities, such as expanding access methods for individual investors and exploring initiatives in response to the needs of overseas investors.

(2) Increase the depth of the cash market

- The TSE group will seek to increase the range of its ETF listings, which will contribute to the formation of individual investors' asset portfolios; promote the listing of high-quality domestic and foreign corporations which present attractive investment opportunities; and, diversify the range of listed products.
- While focusing on improving services for listed companies and promoting appropriate and flexible disclosure with consideration of the responsibilities of listed companies and investor needs, the group will devote itself to improving convenience and efficiency for market users through responses to off-exchange trading which take into account the trends in overseas markets, and research into establishing a carbon emissions exchange market.

(3) Provide a safe, high-performance trading system

- The TSE group will provide stable and high-performance trading systems, encouraging exploration of improvements to the futures trading system, while promoting functional advancements to ensure stable operation of "Tdex+" and "arrowhead".

(4) Promote new businesses

- In order to establish a framework for growth through diversifying revenue bases, the group will promote new fields of business, such as providing clearing and settlement services for OTC derivatives; expanding its index and information business; developing co-location services; and, providing system resources to outside entities.

(5) Protect rights and interests of shareholders and investors

- The TSE group will promote the development of an environment which improves the corporate governance of listed companies..

(6) Enhance the fairness and reliability of the TSE's markets

- The group will improve the fairness and reliability of the TSE market by promoting "preventative" listing supervision and market surveillance with greater quality and

efficiency, in line with the change in trading conditions following the launch of the next-generation system “arrowhead”.

- By increasing its support for compliance by market participants through such programs as the TSE-R Compliance Learning Center (TSE COMLEC), the group will endeavor to strengthen its ability to prevent unfair trading and other undesirable market practices.

(7) Enhance corporate efficiency and customer satisfaction

- The TSE group will seek to enhance its corporate efficiency and the satisfaction of customers by reforming business processes company-wide, improving the process through better use of in-company systems, and employing thoroughly customer-oriented strategic marketing.

(8) Expand the base of individual investors through improvements in financial literacy

- By disseminating knowledge and enhancing basic understanding of the securities markets and securities investment through the TSE Academy, the TSE group will endeavor to expand the base of self-reliant investors. In addition, through these efforts and other public relations activities, it will seek to enhance public awareness of the TSE’s markets.

5. Principal Business (as of March 31, 2010)

The principal business of the TSE group is to provide and operate financial instruments exchange markets. Specifically, the group provides market facilities for securities trading and market derivatives trading (“securities trading, etc.”), publicizes market information such as quotes and prices, and engages in operations that ensure the fairness of securities trading, etc. It also provides the service of assuming securities liabilities, etc.

6. Main Offices (as of March 31, 2010)

The Company

Name	Address
Head office	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo

Subsidiaries

Name	Address
Tokyo Stock Exchange, Inc.	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo
Tokyo Stock Exchange Regulation	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo
Japan Securities Clearing Corporation	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo
TOKYO AIM, Inc.	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo
TOSHO SYSTEM SERVICE CO., LTD.	2-1-1, Nihombashi Kabutocho, Chuo-ku, Tokyo

7. Employees (as of March 31, 2010)***The TSE group***

Number of employees	Average age	Average years of service
886	41.1	16.2

(Note) The number of employees refers to persons working on a regular basis (excluding persons assigned temporarily by the TSE group but including persons assigned to work temporarily in the TSE group); temporary employees (part-time workers and persons dispatched from temporary employment agencies) are not included.

The Company

Number of employees	Average age	Average years of service
170	44.0	19.11

(Note) The number of employees refers to persons working on a regular basis (excluding persons assigned temporarily by the Company but including persons assigned to work temporarily in the Company); temporary employees (part-time workers and persons dispatched from temporary employment agencies) are not included.

8. Lenders, Loans and Shares Held by Lenders (as of March 31, 2010)

Lenders	Type of loan	Account of loan (Million JPY)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Short-term borrowings	17,570

9. Other Important Items Related to the Corporate Group

On December 8, 2005, Mizuho Securities Co., Ltd. (Mizuho Securities) issued an erroneous order for the sale of the shares of J-COM Co., Ltd. Mizuho Securities filed a lawsuit against the TSE in the Tokyo District Court claiming damages of approximately JPY 41.5 billion with respect to this incident. However, on December 4, 2009, the court decided to order the TSE to pay damages (approximately JPY 10.7 billion and delinquency charges). On December 18, 2009, the TSE made a payment of JPY 13.2 billion, including delinquency charges up until that date, in order to exempt compulsory execution based on the court ruling with declaration of provisional execution.

In response to this court ruling, Mizuho Securities has filed an appeal with the Tokyo High Court, and the TSE has filed an incidental appeal with the court accordingly. The case is currently under litigation.

II. Status of Shares (as of March 31, 2010)

1. Total Number of Shares Authorized 9,200,000

2. Number of Shares Issued and Outstanding 2,300,000

3. Number of Shareholders 111

4. Twelve Largest Shareholders

Name of shareholders	Number of shares (Thousands)	Percentage of total (%)
Morgan Stanley Securities Co., Ltd.	100	4.40
SMBC Friend Securities Co., Ltd.	60	2.64
Mitsubishi UFJ Securities Co., Ltd.	55	2.42
Retela Crea Securities Co. Ltd.	41	1.80
AIZAWA SECURITIES CO., LTD.	40	1.76
SBI SECURITIES Co., Ltd.	40	1.76
Okachi Securities Co., Ltd.	40	1.76
KYOKUTO SECURITIES CO., LTD.	40	1.76
Goldman Sachs Co., Ltd.	40	1.76
Securities Japan, Inc.	40	1.76
Mizuho Securities Co. Ltd.	40	1.76
BNP PARIBAS Securities (Japan) Limited	40	1.76

(Note) Calculations of the "percentage of total" exclude treasury shares (26,260 shares).

III. Status of Stock Acquisition Rights, etc. (as of March 31, 2010)

There are no matters to report.

IV. Directors and Executive Officers of the Company

1. Directors and Executive Officers (as of March 31, 2010)

1) Board of Directors

Position	Name	Areas of responsibility, primary position	Representation of other companies, etc.
Chairman of the Board	Taizo Nishimuro	Chairman of the Nomination Committee; Member of the Compensation Committee	Chairman of the Board, Tokyo Stock Exchange, Inc. Executive Adviser, Toshiba Corporation;
Director	Atsushi Saito	President and CEO	President and CEO, Tokyo Stock Exchange, Inc.
Director	Hiroyuki Iwakuma	Executive Vice President and COO	Executive Vice President and COO, Tokyo Stock Exchange, Inc.
Director	Hiroshi Okuda	Member of the Nomination Committee	Outside Director, Tokyo Stock Exchange, Inc.; Senior Adviser, Toyota Motor Corporation; Outside Director, Japan Post Holdings Co., Ltd.
Director	Toshiaki Katsushima	Member of the Audit Committee	Outside Statutory Auditor, Tokyo Stock Exchange, Inc; Auditor, Tokyo Stock Exchange Regulation; CPA; Tax Accountant; Outside Director, Japan Post Insurance Co., Ltd.; Outside Auditor, Avex Group Holdings Inc.; Outside Auditor, SKY Perfect JSAT Holdings Inc.
Director	Eiko Kono		Outside Director, Tokyo Stock Exchange, Inc.; Outside Director, HOYA CORPORATION; Outside Director, Mitsui Sumitomo Insurance Company Limited; Outside Director, Mitsui Sumitomo Insurance Group Holdings, Inc. (currently, MS&AD Insurance Group Holdings, Inc.); Outside Director, DIC Corporation
Director	Satoshi Shiibashi	Chairman of the Audit Committee	Standing Outside Statutory Auditor, Tokyo Stock Exchange, Inc.
Director	Masakazu Hayashi		President, Tokyo Stock Exchange Regulation
Director	Yoshinari Hara	Chairman of the Compensation Committee	Outside Director, Tokyo Stock Exchange, Inc.; Chief Corporate Adviser, Daiwa Securities Group Inc.; Outside Director, NEC Corporation; Outside Corporate Auditor, KYOCERA Corporation
Director	Masayuki Hirose	Member of the Audit Committee	Statutory Auditor, Tokyo Stock Exchange, Inc.

Position	Name	Areas of responsibility, primary position	Representation of other companies, etc.
Director	Tsuguoki Fujinuma		Governor, Tokyo Stock Exchange Regulation; CPA; Professor, Chuo University Graduate School; Outside Director, Sumitomo Life Insurance Company; Outside Director, Nomura Holdings, Inc.; Outside Corporate Auditor, Sumitomo Corporation; Outside Auditor, Takeda Pharmaceutical Company Limited
Director	Katsuhiko Honda	Member of the Compensation Committee	Outside Director, Tokyo Stock Exchange, Inc.; Corporate Counselor, Japan Tobacco Inc.; Outside Director, Tokyo Gas Co. Ltd.
Director	Hitoshi Maeda	Member of the Nomination Committee	Outside Director, Tokyo Stock Exchange, Inc.; Professor Emeritus, Gakushuin University; Outside Statutory Auditor, The Sumitomo Trust & Banking Co., Ltd.
Director	Kunihiro Matsuo	Member of the Audit Committee	Outside Statutory Auditor, Tokyo Stock Exchange, Inc.; Attorney-at-law; Independent Director, Asahi Glass Co., Ltd.; Outside Corporate Auditor, Komatsu Ltd.; Outside Statutory Auditor, Sompo Japan Insurance Inc.; Outside Corporate Auditor, Toyota Motor Corporation; Outside Corporate Auditor, Mitsui & Co., Ltd.
Director	Oki Matsumoto		Outside Director, Tokyo Stock Exchange, Inc.; President and CEO, Monex Group, Inc.; President and CEO, Monex, Inc.; Outside Director, Shinsei Bank, Limited
Director	Charles Ditmars Lake II		Outside Director, Tokyo Stock Exchange, Inc.; Representative and Chairman, American Family Life Assurance Company of Columbus (Japan Branch)

(Notes)

1. The following eleven (11) persons are Outside Directors: Hiroshi Okuda, Toshiaki Katsushima, Eiko Kono, Satoshi Shiibashi, Yoshinari Hara, Tsuguoki Fujinuma, Katsuhiko Honda, Hitoshi Maeda, Kunihiro Matsuo, Oki Matsumoto, and Charles Ditmars Lake II.
2. Audit Committee Member Toshiaki Katsushima is a certified public accountant with considerable knowledge of finance and accounting.
3. Director Hiroshi Okuda resigned from the following positions at the general shareholders meetings on the following dates: Director, Toyota Motor Corporation on June 23, 2009; Outside Director, KDDI Corporation on June 18, 2009; Outside Corporate Auditor, Toyota Industries Corporation on June 19, 2009.

2) Executive Officers

Position	Name	Areas of responsibility, primary position	Representation of other companies, etc.
President and CEO	Atsushi Saito	Chief Executive Officer	Same as 1) Board of Directors
Executive Vice President and COO	Hiroyuki Iwakuma	Chief Operating Officer	Same as 1) Board of Directors
Senior Executive Officer and CIO	Yoshinori Suzuki	Chief Information Officer; IT Planning (concurrently Director)	Managing Director and CIO, Tokyo Stock Exchange, Inc.
Senior Executive Officer	Tomoyoshi Uranishi	CSR Promotion	Managing Director, Tokyo Stock Exchange, Inc.
Senior Executive Officer	Koichiro Miyahara	Corporate Strategy, Human Resources and Corporate Communications	
Executive Officer and CFO	Norio Iwasaki	General Administration and Treasury (concurrently Director)	

2. New and Retiring Directors and Executive Officers during the Fiscal Year

1) Newly elected

All directors were elected at the 2nd Annual General Shareholders Meeting held on June 24, 2009 and took office respectively on that day; all executive officers were elected at the regular meeting of the Board of Directors held on the same day and took office respectively on that day.

2) Retired

Director and Executive Vice President & COO Yasuo Tobiyama resigned as director effective the end of the 2nd Annual General Shareholders Meeting held on June 24, 2009, and as executive vice president & COO effective the end of the regular meeting of the Board of Directors held on the same date.

Directors Shigeaki Itsuki, Yasuhiro Sato, Koji Shindo, and Nobuko Takahashi resigned effective the end of the 2nd Annual General Shareholders Meeting held on June 24, 2009.

Chairman of the Board Taizo Nishimuro and Executive officer Moriyuki Iwanaga resigned effective the end of the regular meeting of the Board of Directors held on June 24, 2009.

3. Policies Regarding Decisions on Compensation for Directors and Executive Officers

The compensation received by the Company's directors and executive officers shall be determined by the Compensation Committee in accordance with the following policies:

- In addition to being appropriate for the work responsibilities of directors and executive officers, compensation must also contribute to enhanced awareness of the need to achieve the Company's management goals.
- Compensation must be competitive and adequate to attract the talent necessary to build a market that offers excellent reliability and convenience.
- In light of the Company's special nature as a part of the social infrastructure, compensation must be appropriate in light of the social situation, and compensation decision procedures and other aspects must be transparent.

4. Compensation Paid to Directors and Executive Officers

	No. of Recipients	Amount Paid (Million JPY)
Directors	16	134
[of which Outside Directors]	[13]	[80]
Executive Officers	9	229

(Note)

1. The compensation, etc. for persons serving as both Executive Officers and Directors is listed on the Executive Officer line.
2. The above amounts include JPY 19 million paid in bonuses to Executive Officers as decided in the Compensation Committee on April 12, 2010.
3. During the fiscal year under review, JPY 3 million in total was separately paid out to Outside Directors as compensation by Tokyo Stock Exchange Regulation.

5. Item Related to Outside Directors and Outside Statutory Auditors

(1) Persons serving as Outside Directors and Outside Statutory Auditors at other companies

Position	Name	Company/Corporation/etc. name	Relation to TSE
Director	Hiroshi Okuda	Outside Director, Tokyo Stock Exchange, Inc. Outside Director, Japan Post Holdings Co., Ltd.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. There is no particular relation to any other corporation, etc.
Director	Toshiaki Katsushima	Outside Statutory Auditor, Tokyo Stock Exchange, Inc. Auditor, Tokyo Stock Exchange Regulation Outside Director, Japan Post Insurance Co., Ltd. Outside Auditor, Avex Group Holdings Inc. Outside Auditor, SKY Perfect JSAT Holdings Inc.	Tokyo Stock Exchange, Inc. and Tokyo Stock Exchange Regulation are wholly-owned subsidiaries of the Company. Avex Group Holdings Inc. and SKY Perfect JSAT Holdings Inc. are listed companies of Tokyo Stock Exchange, Inc. There is no particular relation to any other corporation, etc..
Director	Eiko Kono	Outside Director, Tokyo Stock Exchange, Inc. Outside Director, HOYA CORPORATION Outside Director, Mitsui Sumitomo Insurance Company Limited Outside Director, Mitsui Sumitomo Insurance Group Holdings, Inc. (currently, MS&AD Insurance Group Holdings, Inc.) Outside Director, DIC Corporation	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. HOYA CORPORATION, Mitsui Sumitomo Insurance Group Holdings, Inc., and DIC Corporation are listed companies of Tokyo Stock Exchange, Inc. There is no particular relation to any other corporation, etc..
Director	Satoshi Shiibashi	Standing Outside Statutory Auditor, Tokyo Stock Exchange, Inc.	Tokyo Stock Exchange, Inc. is a wholly owned subsidiary of the Company.
Director	Yoshinari Hara	Outside Director, Tokyo Stock Exchange, Inc. Outside Director, NEC Corporation Outside Corporate Auditor, KYOCERA Corporation	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. NEC Corporation and KYOCERA Corporation are listed companies of Tokyo Stock Exchange, Inc.

Position	Name	Company/Corporation/etc. name	Relation to TSE
Director	Tsuguoki Fujinuma	Governor, Tokyo Stock Exchange Regulation Outside Director, Sumitomo Life Insurance Company Outside Director, Nomura Holdings, Inc. Outside Corporate Auditor, Sumitomo Corporation Outside Auditor, Takeda Pharmaceutical Company Limited	Tokyo Stock Exchange Regulation is a wholly-owned subsidiary of the Company. Sumitomo Corporation, Takeda Pharmaceutical Company Limited and Nomura Holdings, Inc. are listed companies of Tokyo Stock Exchange, Inc. There is no particular relation to any other corporation, etc.
Director	Katsuhiko Honda	Outside Director, Tokyo Stock Exchange, Inc. Outside Director, Tokyo Gas Co. Ltd.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. Tokyo Gas Co. Ltd. is a listed company of Tokyo Stock Exchange, Inc.
Director	Hitoshi Maeda	Outside Director, Tokyo Stock Exchange, Inc.; Outside Statutory Auditor, The Sumitomo Trust & Banking Co., Ltd.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. The Sumitomo Trust & Banking Co., Ltd. is a listed company of Tokyo Stock Exchange, Inc.
Director	Kunihiro Matsuo	Outside Statutory Auditor, Tokyo Stock Exchange, Inc. Independent Director, Asahi Glass Co., Ltd. Outside Corporate Auditor, Komatsu Ltd. Outside Statutory Auditor, Sampo Japan Insurance Inc. Outside Corporate Auditor, Toyota Motor Corporation Outside Corporate Auditor, MITSUI & CO., LTD.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. Asahi Glass Co., Ltd., Komatsu Ltd., Sampo Japan Insurance Inc., Toyota Motor Corporation and MITSUI & CO., LTD. are listed companies of Tokyo Stock Exchange, Inc.
Director	Oki Matsumoto	Outside Director, Tokyo Stock Exchange, Inc. President and CEO, Monex Group, Inc. President and CEO, Monex, Inc. Outside Director, Shinsei Bank, Limited	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. Monex, Inc. is a trading participant of the TSE and holds shares in the Company. Monex Group, Inc. and Shinsei Bank, Limited are listed companies of Tokyo Stock Exchange, Inc.

Position	Name	Company/Corporation/etc. name	Relation to TSE
Director	Charles Ditmars Lake II	Outside Director, Tokyo Stock Exchange, Inc. Representative and Chairman, American Family Life Assurance Company of Columbus (Japan Branch)	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. There is no particular relation to any other corporation, etc.

(2) Family relationships with persons involved in the execution of business operations, etc. of the Company or “specified related parties” to the Company

There are no matters to report.

(3) Primary activities during fiscal year

Rank	Name	Primary activities
Director	Hiroshi Okuda	Attended 8 of the 12 Board of Directors meetings held during the business year under review; attended all 2 Nomination Committee meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Toshiaki Katsushima	Attended 10 of the 12 Board of Directors meetings held during the business year under review; attended all 12 Audit Committee meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Eiko Kono	Since taking office on June 24, 2009, attended 8 of the 10 subsequent Board of Directors meetings; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Satoshi Shiibashi	Attended all 12 Board of Directors meetings held during the business year under review; attended all 12 Audit Committee meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Yoshinari Hara	Attended 11 of the 12 Board of Directors meetings held during the business year under review; attended all 2 Compensation Committee meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Tsuguoki Fujinuma	Attended 11 of the 12 Board of Directors meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Katsuhiko Honda	Since taking office on June 24, 2009, attended all 10 subsequent Board of Directors meetings; attended 1 and only Compensation Committee meeting held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Hitoshi Maeda	Attended all 12 Board of Directors meetings held during the business year under review; attended all 2 Nomination Committee meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Kunihiro Matsuo	Since taking office June 24, 2009, attended 6 of the 10 subsequent Board of Directors meetings; attended 7 of 9 subsequent Audit Committee meetings; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Oki Matsumoto	Attended all 12 Board of Directors meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.
Director	Charles Ditmars Lake II	Attended 9 of the 12 of the Board of Directors meetings held during the business year under review; made statements that were relevant to the deliberations on agenda items, contributed such statements in an appropriate way.

(4) Summary of agreements limiting liability

To enable its directors to concentrate on their duties and to perform the work expected of them without undue deference to their peers, the Company prescribes in the Articles of Incorporation that it may enter into agreements with outside directors that will limit their liability for damages to a certain extent. Accordingly, the Company has entered into such agreements with the following ten outside directors: Hiroshi Okuda, Toshiaki Katsushima, Eiko Kono, Yoshinari Hara, Tsuguoki Fujinuma, Katsuhiko Honda, Hitoshi Maeda, Kunihiro Matsuo, Oki Matsumoto and Charles Ditmars Lake II.

The agreements limiting liability shall be generally structured as follows:

- In the event that an outside director of the Company has to assume responsibility under Article 423, Paragraph 1 of the Companies Act, and provided that the outside director has conducted his or her actions in good faith and without gross negligence, said outside director shall accept responsibility for liability to the Company up to the limit provided for herein.
- The amount established as a limit for the liability of outside directors shall be arrived at by multiplying by 2 the figure which results from applying the formula prescribed by Ministry of Justice ordinance, as stipulated under Article 425, Paragraph 1, Item 1 of the Companies Act, and adding the amount stipulated under Item 2 of the same paragraph.

V. Accounting Auditor

1. Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(Note) Deloitte Touche Tohmatsu was reorganized as a limited liability company on July 1, 2009. It is now called Deloitte Touche Tohmatsu LLC.

2. Compensation Paid to Accounting Auditor

- | | |
|--|----------------|
| 1) Total fees paid to the Accounting Auditor by the Company and its subsidiaries | JPY 84 million |
| 2) Of the total in 1), the amount of fees paid as consideration for audit certification under Article 2, Paragraph 1 of the Certified Public Accountants Act | JPY 73 million |
| 3) Of the total paid in 2), the total amount of fees paid by the Company to its Accounting Auditor as defined under the Companies Act and the Financial Instruments and Exchange Act | JPY 25 million |

(Note) In the auditing agreement entered into between the Company and the Accounting Auditor, no distinction is made between compensation paid for audits made in accordance with the Companies Act and compensation paid for audits made in accordance with the Financial Instruments and Exchange Act; in practical terms, this distinction cannot be made, and thus the amounts shown as paid during the year under review are the total of these two amounts.

3. Nature of Non-Auditing-related Professional Duties

The Company pays compensation to the Accounting Auditor for advice and guidance on matters other than those provided for under Article 2, Paragraph 1 of the Certified Public Accountants Act. These matters concern advice and guidance on International Financial Reporting Standards (IFRS) related to financial reports.

4. Policy Regarding Decisions to Dismiss or Not Reappoint the Accounting Auditor

The Audit Committee shall submit a resolution to the General Shareholders Meeting proposing the dismissal of the Accounting Auditor or recommending against its reappointment in the event that the Committee determines that such action is necessary in light of a comprehensive assessment of the Accounting Auditor's independence, trustworthiness, or other conditions related to the performance of its duties.

In addition, if the provisions of items of Article 340, Paragraph 1 of the Companies Act are found to apply to the Accounting Auditor, the Company shall dismiss the Accounting Auditor.

5. Matters Related to Agreements to Limit Liability

There are no matters to report.

VI. Matters Related to Organizational Improvements Designed to Ensure Appropriate Execution of Operations

The Company has made a number of decisions regarding its structures to ensure that executive officers carry out their duties in compliance with the law and with the Articles of Incorporation, and that other company operations are conducted appropriately.

1. Matters Related to Directors and Employees who Support the Audit Committee in Performing Its Duties

- The Company shall establish a set of internal rules known as “Regulations Regarding Employees who Support the Audit Committee in Performing Its Duties” to prescribe certain matters for employees who support the Audit Committee in its operations, and shall apply these rules appropriately. These regulations shall include the following provisions:
 - (1) Employees attached to the Audit Committee Office shall assist the Audit Committee in performing its duties and shall obey directions and orders issued by the committee.
 - (2) There shall be at least four employees attached to the Audit Committee Office, including one director of the office.

2. Matters Related to the Independence of Directors and Employees from Executive Officers

- In order to ensure the independence of employees attached to the Audit Committee Office, the Company shall establish a set of internal rules known as “Regulations Regarding Employees who Support the Audit Committee in Performing Its Duties” and shall apply them appropriately. These regulations shall include the following provisions:
 - (1) Prior approval shall be obtained from the Audit Committee (or from a specified committee member in the event that the Audit Committee has appointed such a member) regarding matters concerned with hiring, transfer, performance evaluations, salaries, or reprimands of employees attached to the Audit Committee Office.
 - (2) Executive officers and employees shall be careful not to undermine the independence of employees attached to the Audit Committee Office through actions that may unfairly restrict the execution of duties by such employees.

3. System Governing Reporting by Executive Officers and Employees to the Audit Committee; System Related to Other Reporting to the Audit Committee

- To develop a system for reporting to the Audit Committee, the Company shall establish a set of internal rules known as “Regulations Regarding Reporting, etc. to the Audit Committee” and shall apply them appropriately. These regulations shall include the following provisions:

- (1) When the Audit Committee or a member of the Audit Committee who has been designated by the committee requests a report on operations, executive officers and employees shall promptly submit such a report.
- (2) In the event that any executive officer or employee discovers something that may significantly affect the operations or the financial condition of the Company, its subsidiaries, or its affiliates, such officer or employee shall immediately report the details of the problem to the Audit Committee or to a member of the Audit Committee who has been designated by the committee.

4. System for Ensuring that Audits by the Audit Committee are Carried Out Effectively

- To ensure that audits by the Audit Committee are carried out effectively, the Company shall establish a set of internal rules known as “Regulations Regarding Reporting, etc. to the Audit Committee” and shall apply them appropriately. These regulations shall include the following provisions:
 - (1) The President and CEO shall hold periodic meetings with the Audit Committee, or with a member of the Audit Committee who has been designated by the committee, to exchange opinions on the following: management policies; issues requiring a response by the Company; significant risks that could affect the Company; creating an environment favorable for conducting audits; and important audit-related issues, etc.
 - (2) When the Audit Committee or a member of the Audit Committee requests payment of expenses for advice sought from lawyers, CPAs or other outside experts to conduct an audit, or for the commissioning of research, appraisals or other activities to such outside experts, the executives officers and employees concerned shall not refuse such requests, except when it is clear that the expenses related to such requests are unnecessary for the execution of duties by the Audit Committee or by a member of the Audit Committee.

5. System to Ensure that Executive Officers and Employees Fulfill their Duties in Accordance with Applicable Laws and Regulations, and with the Company’s Articles of Incorporation

- The Company shall establish regulations for the Board of Directors, regulations for the Committee of Executive Officers, job function-related regulations, etc., and it shall conduct its operations based on the separation of duties and authorities provided for under these regulations.
- The Company shall adopt a compliance program and implement the following measures:
 - (1) Establish internal regulations on compliance (including regulations related to information management), including a Charter of Corporate Behavior and code of conduct for

employees, which shall stipulate universal values and specific action guidelines with which persons belonging to the respective TSE group companies comprising the Company, the TSE, and TSER (the respective TSE group companies) must comply from the standpoint of corporate ethics; and require that the respective TSE group companies share and adhere to these internal regulations.

- (2) As part of its internal compliance system, establish the positions of Chief Compliance Officer (President and CEO), Director in Charge of Compliance (Executive Officer in Charge of General Affairs), and Secretariat for Compliance-related Operations (within the Department of General Affairs).
 - (3) Establish and operate a “TSE Compliance Hotline” to provide whistleblowers with protection that is accessible to persons working in the Company and its subsidiaries.
 - (4) As part of an ongoing program of familiarization and education, hold liaison meetings comprising persons in charge of compliance in the various departments and offices of the respective TSE group companies, distribute information related to compliance over the Company intranet, and conduct training through e-learning.
- Based on its Charter of Corporate Behavior, the TSE group shall respond in the following resolute manner to rid the market of criminal and extremist elements:
 - (1) It shall confront and deal resolutely with criminal and extremist elements that threaten the order and safety of civil society; when it receives unreasonable demands from such organizations, the TSE group shall face these groups down and deal with the situation firmly.
 - (2) By preventing criminal and extremist elements from becoming involved in the financial products markets, the TSE group shall endeavor to build sound and fair markets.
 - The Company shall establish an Internal Auditing Office under the direct jurisdiction of the President and CEO and conduct internal audits.

6. System for Storing and Managing Information on the Execution of Duties by Executive Officers

- Based on standards for the securing of information shared by the respective TSE group companies, the Company shall establish regulations on the handling of documents related to the execution of duties by executive officers, including minutes of Board of Directors meetings; and apply such regulations appropriately.

7. Regulations and Other Systems Related to Risk Management

- To ensure appropriate risk management, the Company shall carry out its operations in accordance with the occupational duties and authorities clearly defined in its internal regulations. Fundamentally, operations shall be carried out with the understanding that each group – directors, executive officers, and employees – is responsible for risk management in accordance with its members’ specific duties and authorities.
- The Company shall establish rules for a Risk Management Committee that the respective TSE group companies can agree to and accept. With respect to risks affecting the respective TSE group companies, each company shall take steps to improve its ability to recognize risk-related phenomena and take appropriate action from the standpoint of prevention. In the event that risks materialize or appear set to materialize, the Risk Management Committee, headed by the President and CEO, shall take action that results in gaining “a comprehensive grasp of the situation” and in the implementation of “responses aimed at a rapid resolution of the situation.”
- In particular, the TSE group shall remain fully cognizant of the fact that its essential duty as a market operator is to provide market participants with the opportunity to trade with confidence, and to do so in a stable and reliable manner. With respect to the risks of systems failing to operate in a stable manner, the group shall take all necessary steps to minimize such risks as it proceeds with the development and operation of these systems. These steps shall include adopting standardized development methods and performing a sufficient number of operational tests to confirm reliability, developing detailed operations manuals and requiring strict adherence to these manuals, ensuring development by specialized departments established for this purpose, and strictly enforcing quality control in operations. In addition, to deal with situations in which continuation of market operations is threatened by natural disasters, terrorist acts, or other such problems, the TSE group shall endeavor to respond appropriately by developing a “Basic Plan for Business Continuity” for the respective TSE group companies under this plan. It shall seek to minimize the impact on related parties and to put into place beforehand the necessary systems and procedures that will enable the resumption of operations in the shortest possible time.
- In view of the importance of the self-regulatory function of a market operator such as the TSE group, as well as of society’s significant expectations for greater efficacy of its self-regulatory function, there is a risk that the group will be unable to effectuate self-regulation in an appropriate manner (including a risk to the reputation of the group if self-regulation is not conducted appropriately). In this regard, the group shall take every possible step to prevent such situations from arising, including implementing organizational measures designed to ensure the independence of its self-regulatory operations and guarantee

fairness, and aggressively investing management resources into measures that enhance the quality of its self-regulatory operations. The latter shall include developing detailed operational manuals and requiring strict adherence to these manuals, while also providing for improved and more effective education and training.

8. System for Ensuring that Executive Officers Fulfill their Duties Efficiently

- The respective TSE group companies shall operate according to a system in which work is performed in accordance with duties and authorities that are clearly defined in each company's internal regulations, and shall aim to increase its areas of expertise and sophistication through such division of responsibility. At the same time, the system shall enable delegation of occupational authority according to the degree of importance of the respective tasks and with the aim of increasing the speed and agility of the decision-making processes. The respective TSE group companies shall also seek to improve their operating efficiency through the adoption of EA.
- The group shall develop and adopt a medium-term management plan and annual budgets for the Company and all its affiliates, including its subsidiaries and affiliated companies. It will formulate these plans and budgets by appropriately combining top-down directives from management with bottom-up input from the operations divisions, and shall seek to increase its operating efficiency through appropriate reviews of the progress made under these plans and budgets.

9. System for Ensuring the Appropriateness of Business Operations of the Corporate Group Comprising the Company, Its Parent Company, and Its Subsidiaries

- The fundamental idea of this system is to establish organizational frameworks that enable the Company and the group's subsidiaries to take appropriate action autonomously. Upon achieving this, the Company shall endeavor to ensure appropriate corporate group operations by implementing suitable management and support for its subsidiaries.
- Each subsidiary shall conduct its operations in accordance with operational duties and authorities that are clearly defined in the internal regulations of the respective companies; they shall establish codes of conduct for their employees and apply these codes in an appropriate manner.
- Based on regulations related to managing affiliates, the Company shall receive reports and engage in monitoring qualitative information from its affiliates, and provide advice as necessary on matters related to risk management and compliance.

- The directors and employees of the subsidiaries shall have access to the “TSE Compliance Hotline,” which the Company shall establish to provide a reporting system for whistleblowers.
- Depending on the nature of its operations and the size of such operations, each subsidiary shall carry out its own internal audits or shall have the Company’s Internal Auditing Office conduct internal audits of its operations.

VII. Policy Regarding Decisions on Dividends Paid Out of Retained Earnings, etc.

-Omitted-

VIII. Basic Policy Regarding Control of the Company

There are no matters to report.

(Regarding the figures presented in this report on operations: monetary values and numbers of shares are rounded off to the nearest whole number of the units used; percentages are rounded off to the nearest decimal place.)

Consolidated Balance Sheet

(As of March 31, 2010)

(million yen)

Assets		Liabilities	
Current assets	294,462	Current liabilities	265,166
Cash and bank deposits	45,613	Accounts payable - trade	2,240
Accounts receivable - trade	4,661	Short-term bank loans	17,570
Lease payment receivables	18	Current portion of long-term lease obligations	18
Marketable securities	1,999	Income taxes payable	1,944
Inventories	63	Accrued bonuses	1,045
Deferred income taxes	2,979	Accrued bonuses for directors	53
Margin funds for derivatives and when-issued transactions	136,333	Margin funds received for derivatives and when-issued transactions	136,333
Deposits for clearing funds	87,442	Deposits received for clearing funds	87,442
Deposits as collateral for facilitating settlement	13,011	Deposits received as collateral for facilitating settlement	13,011
Other current assets	2,344	Deposits received as trading participants guarantee	3,763
Allowance for doubtful accounts	(3)	Other current liabilities	1,744
Fixed assets	96,612	Non-current liabilities	8,967
Property and equipment	9,555	Long-term lease obligations	24
Buildings and structures	2,091	Deferred tax liabilities	2,897
Land	2,399	Liability for retirement benefits for employees	5,282
Construction in progress	17	Returnable legal guarantee funds	334
Others	5,046	Other non-current liabilities	429
Intangible assets	27,188	Total liabilities	274,134
Software	26,776		
Others	411		
Investments and other assets	59,868		
Investments in securities	32,343		
Long-term loans	23		
Deferred income taxes	417		
Legal guarantee funds	334		
Special assets for default compensation reserve funds	17,367		
Others	9,570		
Allowance for doubtful accounts	(189)		
Total assets	391,075		
		Net assets	
		Shareholders' equity	107,950
		Common stock	11,500
		Capital surplus	25,358
		Retained earnings	75,424
		Treasury stock	(4,332)
		Revaluation and translation adjustments	5,931
		Unrealized gains (losses) on available-for-sale securities	5,931
		Minority interest	3,058
		Total net assets	116,940
		Total liabilities and net assets	391,075

* This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail.

Consolidated Statement of Income

(From April 1, 2009 to March 31, 2010)

	(million yen)
Operating revenues	60,665
Trading participation fees	21,727
Listing fees	13,271
Income from information services	10,727
Income from securities settlement	7,247
Other operating income	7,691
Operating expenses	45,840
Operating profit	14,824
Non-operating revenues	2,706
Interest income	163
Dividend income	896
Equity in earnings of affiliated companies	915
Other non-operating revenues	731
Non-operating expenses	106
Interest expense	67
Rent expense	32
Other non-operating expenses	6
Ordinary profit	17,425
Extraordinary profits	966
Gain on reversal of allowance for loss on real estate rental contract	912
Other extraordinary profits	53
Extraordinary losses	15,783
Loss on disposal of property and equipment, and intangible assets	33
Loss on Litigation	13,213
Special depreciation of property and equipment, and intangible assets	2,503
Other extraordinary losses	32
Income before income taxes and minority interest	2,607
Income taxes - current	2,523
Income taxes - deferred	3,925
Minority interest in loss	238
Net loss	3,602

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2009 to March 31, 2010)

	(million yen)
Shareholders' equity	
Common stock	
Balance at beginning of year	11,500
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	11,500
Capital surplus	
Balance at beginning of year	25,358
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	25,358
Retained earnings	
Balance at beginning of year	79,709
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	(3,602)
Change of scope of consolidation	(0)
Total changes of items during the period	(4,284)
Balance at end of year	75,424
Treasury stock	
Balance at beginning of year	(4,332)
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	(4,332)
Total shareholders' equity	
Balance at beginning of year	112,235
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	(3,602)
Change of scope of consolidation	(0)
Total changes of items during the period	(4,284)
Balance at end of year	107,950

(million yen)

Revaluation and translation adjustments**Unrealized gain (loss) on available-for-sale securities**

Balance at beginning of year	(563)
Changes of items during the period	
Net changes of items other than shareholders' equity	6,494
Total changes of items during the period	6,494
Balance at end of year	5,931

Total revaluation and translation adjustments

Balance at beginning of year	(563)
Changes of items during the period	
Net changes of items other than shareholders' equity	6,494
Total changes of items during the period	6,494
Balance at end of year	5,931

Minority interest

Balance at beginning of year	2,416
Changes of items during the period	
Net changes of items other than shareholders' equity	642
Total changes of items during the period	642
Balance at end of year	3,058

Total net assets

Balance at beginning of year	114,088
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	(3,602)
Change of scope of consolidation	(0)
Net changes of items other than shareholders' equity	7,137
Total changes of items during the period	2,852
Balance at end of year	116,940

Notes to Consolidated Financial Statements

(Assumptions underlying the preparation of the consolidated financial statements)

I. Item related to the scope of consolidation

Number of consolidated subsidiaries and names

Number of consolidated subsidiaries: 5

Names of consolidated subsidiaries:

Tokyo Stock Exchange, Inc., Tokyo Stock Exchange Regulation, Japan Securities Clearing Corporation, TOKYO AIM, Inc., and TOSHO SYSTEM SERVICE CO., LTD.

Japan Securities Settlement & Custody, Inc.(JSSC), a consolidated subsidiary until the previous fiscal year, is excluded from the scope of consolidation from the fiscal year under review upon completion of the liquidation on March 31, 2010. However, it is consolidated as a subsidiary in the statement of income until completion of the liquidation.

II. Item related to application of the equity method

Number of affiliates accounted for by the equity method: 3

Names of affiliates accounted for by the equity method:

Japan Securities Depository Center, Inc., ICJ, Inc. and Tosho Computer Systems Co., Ltd.

III. Items related to accounting standards

1. Standards and methods of valuation of important assets

(1) Marketable securities:

1) Held-to-maturity debt securities: amortized cost method (straight-line method)

2) Other securities:

Securities with market value: market value method based on average market prices in the month prior to the end of the fiscal year (differences in valuation are included at net assets, and the cost of securities sold is calculated using the moving average method)

Securities without market value: cost method based on the periodic average method

(2) Inventories:

Work in progress: cost method based on the specific-cost method (method by which the book value is reduced based on decline in the profitability of inventories shown on the balance sheet)

2. Method of depreciating fixed assets

(1) Property and equipment (excluding lease assets):

The declining-balance method is used. However, the straight-line method is used for buildings (excluding facilities attached to the buildings) acquired on or after April 1, 1998.

(2) Intangible fixed assets (excluding lease assets):

The straight-line method is used. The straight-line method based on the expected period of use (5 years) is used for software for internal use.

(3) Lease assets:

Accounting treatment for finance lease transactions, not including those where the title of the leased property is transferred to the lessee, commenced before the application of “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) shall apply the method for ordinary rental transactions.

3. Standards for allowances

(1) Allowance for doubtful accounts:

An allowance for doubtful accounts is provided to protect against potential losses on collection. For ordinary debt, the amount is calculated using the historical bad debt ratio; for specific debt with a possibility of default, the estimated irrecoverable amount is calculated considering the possibility of recovery of the individual debt.

(2) Accrued bonuses:

For payment of employee bonuses, an allowance is provided for that portion of the total anticipated bonuses that is applicable to the current period.

(3) Accrued bonuses for directors:

For payment of bonuses to directors, governors, and executive officers, an allowance is provided for that portion of total anticipated bonuses that is applicable to the current period.

(4) Liability for retirement benefits for employees:

The amount in liabilities for retirement benefits for employees is provided in an amount deemed to have accrued at the fiscal year-end, based on projected benefit obligations and pension plan assets at the end of the said period in order to cover the required retirement benefits for employees.

Unrecognized differences arising from adoption of new accounting standards are accounted for in expenses using the straight-line method over a fixed period (15 years).

Unrecognized actuarial gains and losses are accounted for in expenses over a fixed period (10 years) using the straight-line method, which is within the average remaining service

period of employees.

Unrecognized prior service costs are accounted for in expenses using the straight-line method over a fixed period (10 years), which is within the average effective remaining service period of employees as of the date of their accrual.

4. Accounting for obligation assumption

Obligations and credits that the Japan Securities Clearing Corporation assumes and acquires in the securities obligation assumption business and the business specified under Article 156-6, Paragraph 1 of the Financial Instruments and Exchange Act are accounted for at the point of settlement.

5. Conversion of foreign currency-denominated assets and liabilities into yen

Foreign currency-denominated assets and liabilities are converted into yen based on the exchange rate on the closing date of the fiscal period for consolidated accounts. Other securities are converted into yen based on the average exchange rate over a one-month period prior to the closing date.

6. Accounting for consumption taxes, etc.

Consumption taxes and local consumption taxes are not included.

7. Changes in important items underlying preparation of the consolidated financial statements

(1) Change in accounting policies related to employee retirement benefits

From the fiscal year under review, the Company shall adopt "ASBJ Statement No.19 Partial Amendments to Accounting Standard for Retirement Benefits (Part3) (July 31, 2008)". This change has no impact on profit during the fiscal year under review. There is no difference in liabilities for retirement benefits for employees arising from adoption of the new accounting standard.

(2) Change in presentation of software

The item "Software" was included in "Others" of "Intangible fixed assets" in the previous fiscal year. Due to its increasing significance, however, "Software" is classified in "Intangible fixed assets" from the fiscal year under review. In the previous fiscal year, the amount of "Software" was JPY 15,320 million.

(3) Change in presentation of special depreciation of fixed assets

The item "Special depreciation of fixed assets" was included in "Others" of "Extraordinary losses" in the previous fiscal year. Due to its increasing significance, however, "Special depreciation of fixed assets" is classified in "Extraordinary losses" from the fiscal year under review. In the previous fiscal year, the amount of "Special depreciation of fixed assets" was JPY 270 million.

IV. Notes to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: JPY 17,794 million

2. Guarantee liabilities:

Guarantee liabilities for employee housing loans from financial institutions:

JPY 3,547 million

Guarantee liabilities for ICJ, Inc. from financial institutions: JPY 68 million

3. Legal disputes

On December 8, 2005, Mizuho Securities Co., Ltd. (Mizuho Securities) issued an erroneous order for trading of shares of J-COM Co., Ltd. Mizuho Securities filed a lawsuit against the TSE, a consolidated subsidiary of the Company, in the Tokyo District Court claiming damages of JPY 41,578 million with respect to this incident. However, on Dec. 4, 2009, the court decided to order the TSE to pay damages (JPY 10,712 million and delinquency charges). On Dec. 18, 2009, the TSE made a payment of JPY 13,213 million, including delinquency charges up until that date, in order to exempt compulsory execution based on the court ruling with declaration of provisional execution.

In response to this court ruling, Mizuho Securities has filed an appeal with the Tokyo High Court, and the TSE has filed an incidental appeal with the court accordingly. The case is currently under litigation.

4. Assets and liabilities based on systems designed to ensure the safety of securities trading

Two of the Company's subsidiaries, Tokyo Stock Exchange, Inc. and Japan Securities Clearing Corporation (hereinafter, "the Exchange, etc."), consolidated subsidiaries of the Company, have established clearing deposits and other systems based on the Financial Instruments and Exchange Act and related regulations of the Exchange, etc., as a means of ensuring the safety of securities trading in the market. Acting as a clearing organization for trades in financial products, Japan Securities Clearing Corporation assumes obligations and acquires credits that arise from the execution of trades in the market by its clearing participants. To provide security against risks of the clearing participants defaulting on their liabilities for settlement of the trades, Japan Securities Clearing Corporation receives clearing deposits, etc. (margin funds for when-issued and derivatives transactions, clearing funds, collateral for facilitating settlement) from the participants based on the Financial Instruments and Exchange Act and other regulations. In addition, Tokyo Stock Exchange, Inc. receives legal guarantee funds from trading participants based on the Financial Instruments and Exchange Act and other regulations in order to provide security against risk of default by trading participants that are incurred by their customers, etc. These deposits are in the form of cash or securities (which are restricted to securities that are permitted under the regulations of the Exchange, etc.) and are managed separately from the assets

of the Exchange, etc. When the deposit is in the form of cash, the Exchange, etc., classifies these in separate asset and liability accounts which indicate the objectives of the deposits. The market value of the deposited securities as of the end of the fiscal year under review was as follows:

- | | |
|---|---------------------|
| 1) Margin funds for when-issued transactions: | JPY 142 million |
| 2) Margin funds for derivatives transactions: | JPY 791,409 million |
| 3) Deposits for clearing funds: | JPY 169,002million |
| 4) Deposits as collateral for facilitating settlements: | JPY 129,382 million |
| 5) Deposits for legal guarantee funds: | JPY 1,668 million |

In addition, to provide security against risk incurred by Tokyo Stock Exchange, Inc. arising from defaults by trading participants, the TSE group receives security deposits from the trading participants based on the relevant rules of Tokyo Stock Exchange, Inc. The assets that are deposited are recorded as cash or collateral securities (which are restricted to securities that are permitted under the regulations of Tokyo Stock Exchange, Inc.). When the deposit is in the form of cash, the group records it on the asset side of the balance sheet in the cash and bank deposits accounts, while recognizing a liability referred to as “deposits received as trading participants’ guarantee.” The market value of these collateral securities as of the end of the fiscal year under review was JPY 2,842 million.

With respect to clearing and settlement operations for cash transactions and futures and options transactions, Tokyo Stock Exchange, Inc. has entered into an indemnity agreement with Japan Securities Clearing Corporation. In accordance with this agreement, if losses incurred by Japan Securities Clearing Corporation as a result of defaults or the like by parties clearing through the corporation cannot be covered by the participant-clearing deposits, etc. of the parties involved in the clearing transactions, Tokyo Stock Exchange, Inc. (and other exchanges for transactions in the cash market) are obligated to compensate for these losses up to the amounts specified in this indemnity agreement. Tokyo Stock Exchange, Inc. consequently recognizes as an asset an account referred to as “special assets for default compensation reserve funds” in an amount equal to the limit set by the indemnification agreement. The amount recognized for this asset on the consolidated balance sheet is JPY 17,367 million.

V. Notes to Statement of Changes in Shareholders' Equity

1. Number of shares outstanding at the end of the fiscal year: 2,300,000 shares of common stock

2. Dividends

(1) Dividend paid

Resolution	Share type	Total amount of dividend (million JPY)	Dividend per share (JPY)	Record date	Effective date
Board Meeting of May 19, 2009	Common stock	682	300.00	March 31, 2009	June 4, 2009

(2) Dividends with a record date that falls in the current period but whose effective date falls in the next period.

Resolution	Share type	Total amount of dividend (million JPY)	Source	Dividend per share (JPY)	Record date	Effective date
Board Meeting of May 18, 2010	Common stock	682	Retained earnings	300.00	March 31, 2010	June 2, 2010

VI. Notes to Financial Instruments

1. Items related to financial instruments

(1) Policies related to investments in financial instruments

The TSE group limits investments to secure financial instruments and finances the investments, etc. through borrowing.

(2) Financial instruments and the risks as well as risk management systems

Accounts receivable that are trade receivables are exposed to credit risk for trading participants, etc, clients of the TSE group. Therefore, the TSE group continues to conduct monitoring, etc. on the financial position based on the rules and regulations of the TSE group.

Marketable securities and investments in securities include government bonds for fund management, and stocks held in relation to a business alliance, etc. The TSE group reports to the board of directors on a regular basis on market value, etc. of these stocks that fluctuates depending on market price. Margin funds for when-issued transactions, margin funds for derivatives transactions, deposits for clearing funds, deposits as collateral for facilitating settlements, legal guarantee funds, security deposits from the trading participants, and default compensation reserve funds are assets and liabilities based on systems designated to ensure the safety of securities trading (please refer to "4. Assets and liabilities based on systems designed to ensure the safety of securities trading" in "IV. Notes to Consolidated Balance Sheet").

2. Items related to market value, etc. of financial instruments

The following are the amount recognized on the consolidated balance sheet, the market value, and the difference. However, financial instruments that are deemed extremely difficult to obtain market value are not included in the table (please refer to (Note 2)).

(Unit: million JPY)

	Amount recognized on balance sheet (*)	Market value (*)	Difference
(1) Cash and bank deposits	45,613	45,613	-
(2) Accounts receivable	4,661	4,661	-
(3) Marketable securities and investments in securities			
Held-to-maturity debt securities	1,999	2,006	6
Other securities	26,712	26,712	-
(4) Special assets for margin funds for derivatives and when-issued transactions	136,333	136,333	-
(5) Special assets for deposits for clearing funds	87,442	87,442	-
(6) Special assets for deposits as collateral for facilitating settlements	13,011	13,011	-
(7) Special assets for legal guarantee funds	334	334	-
(8) Special assets for default compensation reserve funds	17,367	17,367	-
Total assets	333,476	333,482	6
(9) Margin funds received for derivatives and when-issued transactions	(136,333)	(136,333)	-
(10) Deposits received for clearing funds	(87,442)	(87,442)	-
(11) Deposits received as collateral for facilitating settlements	(13,011)	(13,011)	-
(12) Deposits received as trading participants' guarantee	(3,763)	(3,763)	-
Total liabilities	(240,550)	(240,550)	-

(*) The figures shown in parentheses are recorded as liabilities.

(Note 1) Items related to the computation method of market value of financial instruments and marketable securities

(1) Cash and bank deposits and (2) accounts receivable

Bank deposits and accounts receivable are all short-term. The market value is based on book value as it is almost equivalent to said book value.

(3) Marketable securities and investments in securities

The market value for stocks and bonds is based on prices at stock exchanges and the "Reference Prices (Yields) for OTC Bond Transactions" publicized by Japan Securities Dealers Association, respectively.

The following are the difference between the amount recognized for held-to-maturity debt securities on the balance sheet and the market value, and the difference between the acquisition costs for other securities and the amount recognized on the balance sheet.

Bonds held to maturity

(Unit : million JPY)

	Type of bonds	Amount recognized on balance sheet	Market value	Difference
Bonds whose market value exceeds the amount recognized on the balance sheet	Government bonds and municipal bonds, etc.	1,099	1,106	6
Bonds whose market value does not exceed the amount recognized on the balance sheet	Government bonds and municipal bonds, etc.	899	899	(0)
Total		1,999	2,006	6

Other securities

(Unit : million JPY)

	Type of securities	Acquisition costs	Amounts posted in balance sheet	Difference
Securities whose amounts recognized on the balance sheet exceed acquisition costs	Stocks	16,712	26,712	10,000
Securities whose amounts recognized on the balance sheet do not exceed acquisition costs	Stocks	-	-	-
Total		16,712	26,712	10,000

(4) to (12) Assets and liabilities based on systems to ensure the safety of securities trading
The market value is based on book value.

(13) Derivatives trading

There are no matters to report.

(Note 2) Unlisted stocks (JPY 5,631 million recognized on the balance sheet) are deemed extremely difficult to obtain market value as these stocks have no market value and the future cash flow are unable to be estimated; therefore, the TSE group does not include the unlisted stocks in "(3) Marketable securities and investments in securities". The items

related to market value, etc. of financial instruments are not disclosed for "Deposits received for legal guarantee fund" (JPY 334 million on the consolidated balance sheet) for the same reason.

(Note 3) Scheduled redemption amounts after the fiscal year end for monetary claims and securities with maturities

(Unit : million JPY)

	Within one year
Cash and bank deposits	45,613
Accounts receivable	4,661
Marketable securities and investments in securities	
Held-to-maturity debt securities (government bonds, municipal bonds, etc.)	2,000
Total	52,274

(Additional information)

From the fiscal year under review, the TSE group shall adopt "ASBJ Statement No. 10 Accounting Standard for Financial Instruments and its Implementation Guidance (March 10, 2008)" and "ASBJ Guidance No.19 Guidance on Disclosures about Fair Value of Financial Instruments (March 10, 2008)".

VII. Per Share Information

1. Net assets per share: JPY 50,085.81
2. Net loss per share: JPY 1,584.27

VIII. Significant Subsequent Events

There are no matters to report.

Non-consolidated Balance Sheet

(As of March 31, 2010)

(million yen)

Assets		Liabilities	
Current assets	6,141	Current liabilities	24,809
Cash and bank deposits	5,547	Accounts payable - trade	159
Accounts receivable - trade	3	Short-term bank loans	17,570
Prepaid expenses	130	Current portion of long-term loans payable	5,100
Deferred income taxes	217	Accounts payable - other	15
Other current assets	240	Accrued expenses payable	111
Fixed assets	134,913	Income taxes payable	1,465
Property and equipment	36	Deposits received	74
Buildings	6	Accrued bonuses	236
Vehicles and delivery equipment	10	Accrued bonuses for directors	20
Tools, furniture and fixtures	19	Other current liabilities	56
Intangible assets	23	Non-current liabilities	7,904
Software	23	Deferred tax liabilities	2,897
Investments and other assets	134,853	Retirement benefits for employees	5,007
Investment in securities	26,712	Total liabilities	32,713
Stocks of subsidiaries and affiliates	102,995	Net assets	
Investments in capital of subsidiaries and affiliates	3,000	Shareholders' equity	102,409
Long-term prepaid expenses	9	Common stock	11,500
Prepaid pension costs	2,129	Capital surplus	90,437
Others	6	Capital reserve	22,874
		Other capital surplus	67,562
		Retained earnings	4,805
		Other retained earnings	4,805
		Retained earnings brought forward	4,805
		Treasury stock	(4,332)
		Revaluation and translation adjustments	5,931
		Unrealized gain (loss) on available-for-sale securities	5,931
		Total net assets	108,340
Total assets	141,054	Total liabilities and net assets	141,054

* This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail.

Non-consolidated Statement of Income

(From April 1, 2009 to March 31, 2010)

	(million yen)
Operating revenues	7,606
Income from management control fees	7,560
Other operating income	46
Operating expenses	5,580
Operating profit	2,026
Non-operating income	1,223
Interest income	1
Dividend income	983
Subsidy income	220
Other non-operating income	18
Non-operating expenses	101
Interest expense	101
Other non-operating expenses	0
Ordinary profit	3,148
Income before income taxes	3,148
Income taxes - current	1,899
Income taxes - deferred	(609)
Net income	1,858

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2009 to March 31, 2010)

	(million yen)
Shareholders' equity	
Common stock	
Balance at beginning of year	11,500
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	11,500
Capital surplus	
Capital Reserve	
Balance at beginning of year	22,874
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	22,874
Other capital surplus	
Balance at beginning of year	67,562
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	67,562
Total capital surplus	
Balance at beginning of year	90,437
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	90,437
Retained earnings	
Other retained earnings	
Retained earnings brought forward	
Balance at beginning of year	3,628
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	1,858
Total changes of items during the period	1,176
Balance at end of year	4,805

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	(million yen)
Total retained earnings	
Balance at end of previous period	3,628
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	1,858
Total changes of items during the period	1,176
Balance at end of year	4,805
Treasury stock	
Balance at beginning of year	(4,332)
Changes of items during the period	
Total changes of items during the period	–
Balance at end of year	(4,332)
Total shareholders' equity	
Balance at beginning of year	101,233
Changes of items during the period	
Cash dividends paid	(682)
Net income	1,858
Total changes of items during the period	1,176
Balance at end of year	102,409
Revaluation and translation adjustments	
Unrealized gain (loss) on available-for-sale securities	
Balance at beginning of year	(563)
Changes of items during the period	
Net changes of items other than shareholders' equity	6,494
Total changes of items during the period	6,494
Balance at end of year	5,931
Total revaluation and translation adjustments	
Balance at beginning of year	(563)
Changes of items during the period	
Net changes of items other than shareholders' equity	6,494
Total changes of items during the period	6,494
Balance at end of year	5,931

	(million yen)
Total net assets	
Balance at beginning of year	100,670
Changes of items during the period	
Cash dividends paid	(682)
Net income	1,858
Net changes of items other than shareholders' equity	6,494
Total changes of items during the period	7,670
Balance at end of year	108,340

Notes to Non-consolidated Financial Statements

I. Accounting Policies

1. Standards and methods of valuation for assets

Marketable securities

- 1) Shares in subsidiaries and affiliated companies: cost method based on the periodic average method

- 2) Available-for-sale securities:

Securities with market value: market value method based on average market prices in the month prior to the end of the fiscal year (differences in valuation are included in net assets and the cost of securities sold is calculated using the moving average method)

2. Methods of depreciation of fixed assets

- (1) Property and equipment:

The declining-balance method is used.

- (2) Intangible fixed assets:

The straight-line method is used. The straight-line method based on the available period of use (5 years) is adopted for software for use within the company.

3. Standards for allowances

- (1) Accrued bonuses:

For payment of employee bonuses, an allowance is provided for that portion of the total anticipated bonuses payable in the next period that is applicable to the current period.

- (2) Accrued bonuses for directors:

For payment of bonuses to directors and executive officers, an allowance is provided for that portion of the total anticipated bonuses payable in the next period that is applicable to the current period.

- (3) Liability for employee retirement benefits:

The amount in liabilities for retirement benefits for employees is an amount accrued at the fiscal year-end, based on projected benefit obligations and pension plan assets at the end of the said period in order to cover the required retirement benefits for employees.

Unrecognized differences arising from adoption of new accounting standards are accounted for in expenses using the straight-line method over a fixed period (15 years).

Unrecognized actuarial gains and losses are accounted for in expenses over a fixed period (10 years) using the straight-line method, which is within the average remaining service period of

employees.

4. Conversion basis for foreign currency-denominated assets and liabilities into yen

Foreign currency-denominated assets and liabilities are converted into yen based on the exchange rate on the closing date of the fiscal period. Other securities are converted into yen based on the average exchange rate over a one-month period prior to the closing date.

5. Accounting for consumption taxes, etc.

Consumption taxes and local consumption taxes are not included in any amounts in the accompanying statement of income.

6. Significant change in accounting policies

Change in accounting policies related to employee retirement benefits

Starting from this fiscal year, the Company adopted "ASBJ Statement No.19 Partial Amendments to Accounting Standard for Retirement Benefits (Part3) (July 31, 2008)". This change had no impact on profit during the fiscal year under review. There was no difference in liabilities for retirement benefits for employees arising from adoption of the new accounting standard.

II. Notes to Non-consolidated Balance Sheet

1. Accumulated depreciation on property and equipment: JPY 105 million

2. Guarantee liabilities:

Guarantee liabilities for employee housing loans from financial institutions:
JPY 3,517 million

3. Monetary claims and monetary liabilities vis-à-vis affiliated companies (excluding those presented separately)

Short-term monetary claims: JPY 209 million
Short-term monetary liabilities: JPY 5,106 million

III. Notes to Non-consolidated Statement of Income

• Transactions with affiliates

Operating revenues:	JPY 7,560million
Operating expenses:	JPY 1,458 million
Non-operating transactions:	JPY 8,634 million

IV. Notes to Non-consolidated Statement of Changes in Shareholders' Equity

Type and number of treasury stock as of the end of the fiscal year under review

Common stock	26,260 shares
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V. Note Regarding Tax Effect Accounting

Breakdown of main reasons for accrual of deferred tax assets and liabilities

Deferred tax assets:

Allowance for retirement benefits:	JPY 1,171 million
Accrued bonuses:	JPY 96 million
Others:	<u>JPY 130 million</u>
Total of deferred tax assets:	JPY 1,397 million

Deferred tax liability:

Other unrealized gain (loss) on available-for-sale securities:	JPY (4,069) million
Others	<u>JPY (8) million</u>
Total deferred tax liabilities	<u>JPY (4,077) million</u>
Net amounts of deferred tax assets (liabilities)	JPY (2,679) million

Net amounts of deferred tax assets (liabilities) are included in the following items in the non-consolidated balance sheet.

Current assets - deferred tax assets:	JPY 217 million
Non-current liabilities - deferred tax liabilities:	JPY (2,897) million

VI. Note Regarding Transactions with Related Parties

• Subsidiaries and affiliated companies

Name of company, etc.	Percentage of voting rights, etc. held (held by others)	Business relationship	Type of transaction	Value of transactions (million JPY)	Accounting classification	Balance at end of period (million JPY)
Subsidiaries						
Tokyo Stock Exchange, Inc.	Directly held 100.0%	Management control; secondment of employees; use of facilities and equipment; leasing of real estate; financing through borrowings; guarantee of liabilities; shared directors	Receipt of fees for management control (Note 1)	5,580		—
			Receipt of fee for seconded employees from the Company (Note 2)	5,376	Accounts receivable	152
			Payment of charges for use of facilities and equipment (Note 3)	693	Operating accounts payable - trade	5
			Borrowings (Note 4)	—	Long-term loans payable within one year	5,100
			Payment of interest (Note 4)	33	Accrued interest expense	0
			Guarantees for bank loans borrowed by the Company (Note 5)	17,570	—	—
Tokyo Stock Exchange Regulation	Directly held 100.0%	Management control; secondment of employees; shared directors	Receipt of fees for management control (Note 1)	1,980		—
			Receipt of fee for seconded employees from the Company (Note 2)	1,959	Accounts receivable	55
Affiliates						
Japan Securities Depository Center, Inc.	Directly held 22.6%	Secondment of employees	Receipt of fee for seconded employees from the Company (Note 2)	559	Accounts receivable	0

The transaction amounts shown above do not include consumption taxes, etc.; year-end balances include consumption taxes, etc.

Transaction-related conditions and policies, etc. for determining such conditions

Note 1: The Company determines management control fees based on the expenses related to the management control of group companies.

Note 2: The Company determines amounts received as payments for seconded personnel based on the personnel expenses incurred in the Company.

Note 3: The Company determines the charges for use of facilities and equipments based on the expenses for maintenance and operation of such facilities and equipment

Note 4: To determine interest rates on loans, the Company takes into consideration market rates of interest and other factors.

Note 5: When it borrows from banks, the Company receives guarantee of liability from Tokyo Stock Exchange, Inc. It does not pay Tokyo Stock Exchange, Inc. fees for such guarantees.

VII. Per Share Information

1. Net assets per share:	JPY 47, 648.76
2. Net income per share:	JPY 817.35

The Auditor's Report on the Consolidated Financial Documents

Independent Auditor's Report

May 7, 2010

The Board of Directors

Tokyo Stock Exchange Group, Inc.

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,

Engagement Partner

Certified Public Accountant

Yukio Ono

Designated Unlimited Liability Partner,

Engagement Partner

Certified Public Accountant

Kazuhiro Kido

Designated Unlimited Liability Partner,

Engagement Partner

Certified Public Accountant

Masaya Shibata

We have audited the consolidated statutory report (i.e. the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements) of Tokyo Stock Exchange Group, Inc. (the Company) for the fiscal year from April 1, 2009 to March 31, 2010 in accordance with Article 444, Paragraph 4 of the Companies Act. Creation of this consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated statutory report is free from material false statement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

We are of the opinion that the above consolidated financial statements fairly present, in all material aspects, the financial position and the results of its operations of the business group consisting of the Company and its consolidated subsidiaries for the period under review in conformity with corporate accounting standards generally accepted in Japan.

(Additional information)

As described in "3. Legal disputes" of "IV. Notes to Consolidated Balance Sheet", on Dec. 4, 2009, Tokyo District Court decided to order Tokyo Stock Exchange, Inc. (TSE), a consolidated subsidiary of the Company, to pay damages regarding an erroneous order for trading of shares of J-COM Co., Ltd. placed by Mizuho Securities Co., Ltd. The TSE paid the damages on Dec. 18, 2009. In response to this court ruling, Mizuho Securities has filed an appeal with the Tokyo High Court, and the TSE has filed an incidental appeal with the court accordingly. The case is currently under litigation.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Note) Deloitte Touche Tohmatsu was reorganized as a limited liability company on July 1, 2009. It is now called Deloitte Touche Tohmatsu LLC.

The Auditor's Report on the Non-consolidated Financial Documents

Independent Auditor's Report

May 7, 2010

The Board of Directors
Tokyo Stock Exchange Group, Inc.

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner
Certified Public Accountant
Yukio Ono

Designated Unlimited Liability Partner,
Engagement Partner
Certified Public Accountant
Kazuhiro Kido

Designated Unlimited Liability Partner,
Engagement Partner
Certified Public Accountant
Masaya Shibata

We have audited the statutory report (i.e. the Balance Sheet, the Statement of Income, the Statement of Changes in Shareholders' Equity and Notes to Non-Consolidated Financial Statements, and its supporting schedules) of Tokyo Stock Exchange Group, Inc. (the Company) for the 3rd business year from April 1, 2009 to March 31, 2010 in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act. Creation of the statutory report and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require us to obtain reasonable assurance about whether the statutory report and supporting schedules are free from material false statement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

We are of the opinion that the above non-consolidated financial statements fairly present, in all material aspects, the financial position and the results of its operations of the Company for the period under review in conformity with corporate accounting standards generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Note) Deloitte Touche Tohmatsu was reorganized as a limited liability company on July 1, 2009. It is now called Deloitte Touche Tohmatsu LLC.

Auditor's Report of the Audit Committee

Auditors' Report

The Audit Committee of Tokyo Stock Exchange Group, Inc. (the Company) has audited the execution of official duties by the Directors and executive officers of the Company during its 3rd business year, the period from April 1, 2009 to March 31, 2010. Our audit methods and results are as follows.

1. Auditing Methods and Content thereof

The Audit Committee monitored and examined the resolutions of the Board of Directors and the status of the system (Internal Control System) developed under such resolutions with regard to Article 416, Paragraph 1, Item 1, sub-items (b) and (e) of the Companies Act. Furthermore, in accordance with auditing policies, auditing plans, etc., conforming to the auditing standards established by the Audit Committee, and in cooperation with the internal control department of the Company, the Audit Committee attended important meetings, received reports from Directors, executive officers, etc. on the execution of their duties and asked them details when necessary, examined important documents, etc. related to Company decisions, and evaluated the Company's operational and financial condition. Regarding subsidiaries, the Committee endeavored to maintain communication and exchange information with Directors, Auditors, etc. of subsidiaries, and received business reports of subsidiaries when necessary.

Furthermore, the Audit Committee monitored and inspected whether the Accounting Auditor performed proper audits while assuring said Auditor's independence, and received reports from the Accounting Auditor on the execution of said Auditor's duties and asked details when necessary. The Audit Committee was also informed by the Accounting Auditor that the "System to ensure proper execution of its duties" (matters described in each item of Article 131 of the Corporate Accounting Rules) has been developed in accordance with "Quality Control Standards for Audits" issued by the Business Accounting Council on October 28, 2005, and others, and asked details when necessary.

Through the above methods, the Audit Committee reviewed the business report, financial documents (balance sheet, statement of income, statement of changes in shareholders' equity and notes to non-consolidated financial documents) and supplementary statements, and consolidated financial documents (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity and notes to consolidated financial documents) for said business year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We certify that the business report and its supplementary statements fairly present the situation of the Company in accordance with laws and the Articles of Incorporation.

- (ii) We found no wrongful act or material fact in violation of laws or the Articles of Incorporation with respect to the performance of duties by the Directors and executive officers.
- (iii) We certify that the resolutions of the Board of Directors with respect to the internal control system are proper and correct. In addition, we found no matter that needed to be addressed regarding the performance of duties by the Directors and executive officers with respect to the internal control system.

(2) Audit Results of Financial Documents and Supplementary Statements

We certify that the auditing method of Deloitte Touche Tohmatsu LLC, the Accounting Auditor, and the results of its audit are proper and correct.

(3) Audit Results of Consolidated Financial Documents

We certify that the auditing method of Deloitte Touche Tohmatsu LLC, the Accounting Auditor, and the results of its audit are proper and correct.

May 14, 2010

Audit Committee of
Tokyo Stock Exchange Group, Inc.

Masayuki Hirose
Standing Member of the Audit Committee

Toshiaki Katsushima
Member of the Audit Committee

Satoshi Shiibashi
Member of the Audit Committee

Kunihiro Matsuo
Member of the Audit Committee

(Note) Members of the Audit Committee Toshiaki Katsushima, Satoshi Shiibashi and Kunihiro Matsuo are outside directors as stipulated in Article 2, Item 15, and Article 400, Paragraph 3 of the Companies Act.