

**Tokyo Stock Exchange Group, Inc. and Consolidated Subsidiaries**  
**Consolidated financial results for the first quarter of FY2011**  
**(Three months ended June 30, 2011, unaudited)**

Company name: **Tokyo Stock Exchange Group, Inc.**  
 URL: <http://www.tse.or.jp/english/>  
 Representative: Atsushi Saito, President and CEO  
 Contact: Akiyoshi Maruyama, Director, Corporate Communications  
 Scheduled date of filing of quarterly report: -  
 Scheduled date of start of dividend payment: -  
 Preparation of 1Q earnings presentation material: None  
 Holding of 1Q earnings announcement: None

1. Consolidated Financial Results for three months ended June 30, 2011  
 (April 1, 2011 to June 30, 2011)

(Figures less than a million yen are omitted)

## (1) Operating results

(Percentages represent year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2011	12,983	(9.2)	2,184	(36.0)	2,614	(33.8)	1,482	(38.9)
Three months ended June 30, 2010	14,303	(4.6)	3,411	(5.0)	3,946	(3.5)	2,425	(19.0)

(Notes)

Comprehensive income:

Three months ended June 30, 2011: ¥ 904 million / (51.0%)

Three months ended June 30, 2010: ¥ 1,846 million / - %

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2011	652.21	-
Three months ended June 30, 2010	1,066.60	-

## (2) Financial position

	Total assets	Total equity	Equity capital ratio
	million yen	million yen	%
As of June 30, 2011	483,177	122,955	24.9
	*1) 141,220	*2) 105,587	*3) 72.7
As of March 31, 2011	514,405	124,782	23.7
	*1) 145,325	*2) 107,414	*3) 71.9

(Reference)

Shareholders' equity:

As of June 30, 2011: ¥ 120,086 million

As of March 31, 2011: ¥ 121,888 million

(Notes)

- 1) Figures marked “\*1)” under “Total assets” exclude “Margin funds for derivatives and when-issued transactions”, “Deposits for clearing funds”, “Deposits as collateral for facilitating settlement”, “Legal guarantee funds”, and “Special assets for default compensation reserve funds”.

## (Reference Translation)

2) Figures marked “\*2)” under “Total equity” exclude “Default compensation reserve funds”.

3) Figures marked “\*3)” under “Equity capital ratio” are calculated excluding “Margin funds for derivatives and when-issued transactions”, “Deposits for clearing funds”, “Deposits as collateral for facilitating settlement”, “Legal guarantee funds”, and “Special assets for default compensation reserve funds” from total assets, and excluding “Default compensation reserve funds” from total equity.

\* The same amount is recorded as “Special assets for default compensation reserve funds” under assets and as “Default compensation reserve funds” under equity.

## 2. Dividends

Record date	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2011	-	-	-	1,200	1,200
Year ending March 31, 2012	-				
Year ending March 31, 2012(Forecast)		-	-	-	-

(Note)

Change in dividend forecasts from the most recent announcement: -

## 3. Forecast for the Fiscal Year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

(Percentages represent year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Net income		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
For six months ending September 30, 2011	-	-	-	-	-	-	-	-	-	-
For Year ending March 31, 2012	-	-	-	-	-	-	-	-	-	-

(Note)

Change in performance forecasts from the most recent announcement : -

## 4. Others (For more details, please see “Other information” in page 5 of the Appendix.)

(1) Changes in significant subsidiaries during the period: None

(2) Adoption of peculiar accounting methods for quarterly consolidated financial statements: None

(3) Change in accounting policies / changes in accounting estimates / restatement

1) Changes pursuant to revision of accounting policies: None

2) Changes other than the above: None

3) Changes in accounting estimates: Yes

4) Restatement: None

(4) Number of issued shares (common stock)

1) Number of issued (or outstanding) shares at the end of the period (including treasury shares):

As of June 30, 2011: 2,300,000 shares

As of March 31, 2011: 2,300,000 shares

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

As of June 30, 2011: 26,260 shares

As of March 31, 2011: 26,260 shares

(Reference Translation)

3) Average number of shares:

Three months ended June 30, 2011: 2,273,740 shares

Three months ended June 30, 2010: 2,273,740 shares

\*Disclosure regarding the execution of the quarterly review process

This release is outside the scope of the external auditor's quarterly review procedure which is required by "Financial Instruments and Exchange Act". Therefore, the quarterly review process has not been completed as of this disclosure in this release.

\*Explanation of appropriate use of forecast and other special items

The Company is not listed. Therefore, the scheduled date for submission of the quarterly report, as well as forecasts of dividend and operating results are not included.

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(Reference Translation)

(Appendix)

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## 1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER

## (1) Qualitative Information on Consolidated Operating Results

The consolidated operating results of the TSE group (the Company, consolidated subsidiaries and affiliated companies accounted for using the equity method) over the first quarter (from April 1, 2011 to June 30, 2011) were affected by the sluggish market conditions due to the Great East Japan Earthquake. Reduced income from trading participation fees and fees related to listing led to operating revenue of ¥12,983 million (9.2 % decrease from the same quarter last year (hereafter "year-on-year")) and operating expenses of ¥10,798 million (0.9% decrease year-on-year), resulting in operating profit of ¥2,184 million (36.0% decrease year-on-year).

The TSE group saw ordinary profit of ¥2,614 million (33.8% decrease year-on-year), quarterly net profit before taxes, etc. of ¥2,614 million (33.2% decrease year-on-year), and net income after taxes, etc. of ¥1,482 million (38.9% decrease year-on-year).

## &lt;Reference&gt;

	1 <sup>st</sup> Quarter of FY2010		1 <sup>st</sup> Quarter of FY2011	
		As of June 30, 2010		As of June 30, 2011
TOPIX	841.42 points ~ 998.90 points	841.42 points	805.34 points ~ 865.55 points	849.22 points
Market capitalization	¥ 290,008.5 billion ~ ¥ 341,611.8 billion	¥ 290,008.5 billion	¥ 280,553.7 billion ~ ¥ 300,017.6 billion	¥ 295,209.7 billion

## (Operating revenue)

## 1) Trading participation fees

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

Trading participation fees for the three months ended June 30, 2011 declined 10.0%, to ¥5,015 million, due to a decrease in equities trading value .

## Breakdown of trading participation fees

(millions of yen)

	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change (%)
Trading participation fees	5,570	5,015	(10.0)
Basic fees	218	214	(2.1)
Transaction fees	4,338	3,772	(13.1)
Access fees	650	637	(1.9)
Trading system facilities usage fees	357	385	7.8
Others	5	5	5.9

## &lt;Reference&gt;

## Equities trading value and derivatives trading volume

	Dairy average			Total		
	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change (%)	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change (%)
Equities trading value (¥ millions)	1,667,171	1,382,661	(17.1)	101,697,429	84,342,320	(17.1)
TOPIX futures trading volume (contracts)	62,165	57,180	(8.0)	3,792,083	3,487,951	(8.0)
JGB futures trading volume (contracts)	30,994	27,984	(9.7)	1,890,619	1,707,000	(9.7)

(Reference Translation)

## 2) Listing fees

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

Due to a decrease in the scale and number of listed company fund-raising in comparison to the previous period, listing fees for the three months ended June 2011 fell 27.3% to ¥1,650 million.

### · Breakdown of listing fees

(millions of yen)

	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change (%)
Listing fees	2,271	1,650	(27.3)
Initial/Additional listing fees	942	309	(67.1)
Annual listing fees	1,329	1,340	0.9

<Reference>

### Number of listed companies and ETFs and REITs

(company)

	New listed companies			Total listed companies		
	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change
	TSE First and Second Sections	9 *3	5 *3	(4) *0	2,129	2,110
Mothers	1 *0	1 *0	0 *0	185	174	(11)
Total	10 *3	6 *3	(4) *0	2,314	2,284	(30)

(issue)

	New listed issues			Total listed issues		
	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change
	ETFs	2	2	0	88	103
REITs	0 *0	0 *0	0 *0	36	35	(1)

(Note)

Figures marked "\*" indicate the number of newly listed companies and newly listed issues, representing companies established and issues newly listed as a result of mergers and stock transfers (technical listings).

### Fund procurement by listed companies

(millions of yen)

	1 <sup>st</sup> Quarter of FY2010	1 <sup>st</sup> Quarter of FY2011	Change (%)
Fund raising by listed companies	529,551	74,687	(85.9)

(Note)

Total amount of fund-raising via shareholder allotments, public offerings (including initial public offerings), third-party allotments, preferred stocks, and convertible bonds exercise and stock options.

## 3) Income from information services

Income from information services is comprised of income related to the provision of corporate action information and various other information, primarily consisting of fees for market information provided to information vendors (market information fees), and also income related to the index business.

During the three months ended June 30, 2011, market information fees increased 2.8%, to ¥2,836 million in comparison to the previous period, due to enhanced services to individual real-time terminals.

(Reference Translation)

4) Income from securities settlement

Income from securities settlement is derived from settlement commissions related to the assumption of financial instrument obligations carried out by Japan Securities Clearing Corporation. During the three months ended June 30, 2011, income from securities settlement decreased 8.6%, to ¥1,699 million in comparison to the previous period, due to a decrease of trading value of equities.

5) Other operating income

Other operating income consists of "arrownet Usage Fees", "Co-location Usage Fees", "Proximity Usage Fees", and fees for system development and operations provided by TOSHO SYSTEM SERVICE CO., LTD. "arrownet Usage Fees" are those related to use of the network which connect TSE's trading system, market information systems, etc. to trading participants and users. "Co-location Usage Fees" are those for using the service which allows trading participants to place their devices, etc. within the TSE system center for the purpose of accelerating trade execution, etc. "Proximity Usage Fees" are those for using the proximity service which diversifies connectivity to domestic and Asian markets, and can be used by trading participants and market-related parties, such as information vendors.

Other operating income for the three months ended June 30, 2011 declined 3.2%, to ¥1,782 million in comparison to the previous period, due to a decrease in revenue from lease transactions by TOSHO SYSTEM SERVICE CO., LTD.

(Operating expenses)

During the three months ended June 30, 2011, salaries and compensation increased 3.8% compared with the previous period, to ¥2,890 million.

Real estate rental fees are primarily rental fees for the Tokyo Stock Exchange building and for system development and operational facilities. These fees declined 0.4%, to ¥1,435 million.

System maintenance and operation costs consist of maintenance and operation costs for arrowhead and other systems, and these costs declined 16.4%, to ¥1,436 million, resulting from a cost reduction.

Depreciation as of three months ended June 30, increased 9.7% to ¥2,841 million due to factors including a revision of the useful life of the current systems in tandem with the decision to migrate futures trading to the Tdex+ System. Other operating expenses declined 6.8%, to ¥2,194 million, due to a reduction of lease cost of TOSHO SYSTEM SERVICE CO., LTD.

(2) Qualitative Information on Consolidated Financial Position

(Assets, liabilities and equity)

Clearing deposit money, etc. (margin funds for derivatives and when-issued transactions, deposits for clearing funds, and deposits as collateral for facilitating settlement; totaling ¥324,261 million as of June 30, 2011), legal guarantee funds (¥328 million as of June 30, 2011), deposits received as trading participants guarantee (¥3,176 million as of June 30, 2011), and default compensation reserve funds (¥17,367 million as of June 30, 2011), all of which hedges risks of securities trading based on various rules, are recorded as assets and liabilities. Out of these assets and liabilities, clearing deposit money, etc. are large in amount and fluctuate daily in line with clearing participants' positions and stock price movements, and, as a result, the amounts of TSE group's assets and liabilities are significantly impacted by fluctuations in these clearing funds (refer to "Section 3. Consolidated Balance Sheets: (4) Notes - Consolidated Balance Sheets - \*4. Assets and liabilities for hedging risks of securities trading" for more information regarding these assets and liabilities)

Total assets as of June 30, 2011 fell ¥31,228 million from the end of the previous fiscal year, to ¥483,177 million, as the result of a decrease in clearing deposit money, etc. Additionally, excluding clearing deposit money, etc., legal guarantee funds, and default compensation reserve funds, assets totaled ¥141,220 million, for a ¥4,104 million decrease from the end of the previous fiscal year, due to the decrease in fixed assets for depreciation.

Total liabilities as of June 30, 2011 decreased ¥29,401 million, to ¥360,222 million on a decrease in clearing deposit money, etc. Excluding clearing deposit money, etc., legal guarantee funds, and deposits

(Reference Translation)

received as trading participant guarantees, liabilities decreased ¥2,341 million, to ¥32,456 million, due to the decrease in accrued income taxes, recorded as of the end of the previous fiscal year.

Net assets as of June 30, 2011 declined ¥1,827 million from the previous fiscal year to ¥122,955 million due to factors including reduced retained earnings due to payment of dividend and decline in net unrealized gain of securities with the fluctuation of the stock price of Singapore Exchange Ltd. Additionally, after excluding default compensation reserve funds, total equity was ¥105,587 million.

2. OTHER INFORMATION

(1) Change in significant subsidiaries during the period

None

(2) Changes in accounting policies / Changes in accounting estimates / Restatement

1 <sup>st</sup> Quarter of FY2011 (April 1, 2011 to June 30, 2011)
(Changes in accounting estimates) The Company revised the useful life of fixed assets for the three months ended June 30, 2011 under which removal accompanying the decision on the launch of the new system is expected to come. Due to this, operating profit, ordinary profit, and net income before taxes, etc. as of June 30, 2011 declined ¥604 million respectively.



(Reference Translation)

3. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

	As of March 31, 2011	(millions of yen) As of June 30, 2011
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and bank deposits	*4 61,101	*4 58,634
Accounts receivable-trade	4,940	5,420
Inventories	253	549
Margin funds for derivatives and when-issued transactions	*4 246,910	*4 229,942
Deposits for clearing funds	*4 81,967	*4 73,808
Deposits as collateral for facilitating settlement	*4 22,510	*4 20,510
Other current assets	2,958	2,388
Allowance for doubtful accounts	(12)	(14)
<b>Total current assets</b>	<b>420,629</b>	<b>391,240</b>
<b>FIXED ASSETS:</b>		
Property and equipment	*1 7,998	*1 7,592
Intangible assets	23,373	22,540
<b>Investments and other assets</b>		
Investments in securities	35,505	34,760
Legal guarantee funds	*4 325	*4 328
Special assets for default compensation reserve funds	*4 17,367	*4 17,367
Others	9,391	9,531
Allowance for doubtful accounts	(184)	(184)
<b>Total investments and other assets</b>	<b>62,404</b>	<b>61,803</b>
<b>Total fixed assets</b>	<b>93,776</b>	<b>91,936</b>
<b>Total</b>	<b>514,405</b>	<b>483,177</b>

(Reference Translation)

	(millions of yen)	
	As of March 31, 2011	As of June 30, 2011
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable-trade	2,195	1,854
Short-term bank loans	17,570	17,570
Income taxes payable	3,132	701
Accrued bonuses	1,014	257
Accrued bonuses for directors	292	9
Margin funds received for derivatives and when-issued transactions	* <sup>4</sup> 246,910	* <sup>4</sup> 229,942
Deposits received for clearing funds	* <sup>4</sup> 81,967	* <sup>4</sup> 73,808
Deposits received as collateral for facilitating settlement	* <sup>4</sup> 22,510	* <sup>4</sup> 20,510
Deposits received as trading participants guarantee	* <sup>4</sup> 3,112	* <sup>4</sup> 3,176
Other current liabilities	1,722	3,596
<b>Total current liabilities</b>	<b>380,427</b>	<b>351,425</b>
<b>NON-CURRENT LIABILITIES:</b>		
Liability for retirement benefits for employees	5,340	5,327
Returnable legal guarantee funds	* <sup>4</sup> 325	* <sup>4</sup> 328
Other	3,529	3,141
<b>Total non-current liabilities</b>	<b>9,195</b>	<b>8,796</b>
<b>Total liabilities</b>	<b>389,623</b>	<b>360,222</b>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock	11,500	11,500
Capital surplus	25,358	25,358
Retained earnings	* <sup>4</sup> 83,621	* <sup>4</sup> 82,376
Treasury stock, at cost	(4,332)	(4,332)
<b>Total shareholders' equity</b>	<b>116,147</b>	<b>114,902</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gain on available-for-sale securities	5,740	5,184
<b>Total accumulated other comprehensive income</b>	<b>5,740</b>	<b>5,184</b>
Minority interests	2,893	2,868
<b>Total equity</b>	<b>124,782</b>	<b>122,955</b>
<b>Total</b>	<b>514,405</b>	<b>483,177</b>

(Reference Translation)

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Operations)

	Three months ended June 30, 2010	(millions of yen) Three months ended June 30, 2011
<b>OPERATING REVENUE:</b>		
Trading participation fees	5,570	5,015
Listing fees	2,271	1,650
Income from information services	2,759	2,836
Income from securities settlement	1,859	1,699
Other operating income	1,841	1,782
<b>Total Operating revenue</b>	<b>14,303</b>	<b>12,983</b>
<b>OPERATING EXPENSES:</b>		
Salaries and compensation	2,785	2,890
Real estate rental fees	1,442	1,435
System maintenance & operation costs	1,718	1,436
Depreciation	2,589	2,841
Other operating expenses	2,355	2,194
<b>Total operating expenses</b>	<b>10,891</b>	<b>10,798</b>
<b>Operating profit</b>	<b>3,411</b>	<b>2,184</b>
<b>NON-OPERATING REVENUE</b>		
Interest income	35	28
Dividend income	130	145
Equity in earnings of affiliated companies	345	263
Other non-Operating revenue	40	5
<b>Total</b>	<b>551</b>	<b>442</b>
<b>NON-OPERATING EXPENSES</b>		
Interest expense	16	13
Other non-operating expenses	0	0
<b>Total</b>	<b>16</b>	<b>13</b>
<b>Ordinary Profit</b>	<b>3,946</b>	<b>2,614</b>
<b>EXTRAORDINARY LOSSES</b>		
Loss on disposal of property and equipment, and intangible assets	4	0
Other extraordinary losses	27	-
<b>Total</b>	<b>31</b>	<b>0</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>3,915</b>	<b>2,614</b>
<b>INCOME TAXES</b>	<b>1,523</b>	<b>1,153</b>
<b>INCOME BEFORE MINORITY INTERESTS</b>	<b>2,392</b>	<b>1,460</b>
<b>MINORITY INTERESTS (LOSS)</b>	<b>(33)</b>	<b>(22)</b>
<b>NET INCOME</b>	<b>2,425</b>	<b>1,482</b>

(Reference Translation)

(Consolidated Statements of Comprehensive Income)

	Three months ended June 30, 2010	(millions of yen) Three months ended June 30, 2011
NET INCOME BEFORE MINORITY INTERESTS	2,392	1,460
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain on available-for-sale securities	(546)	(555)
Share of other comprehensive income of affiliated companies	(0)	(0)
Total other comprehensive income (loss)	(546)	(555)
COMPREHENSIVE INCOME	1,846	904
TOTAL COMPREHENSIVE INCOME ATTRIBUTE TO:		
Owners of the parent	1,879	927
Minority interests	(33)	(22)

## (Reference Translation)

(3) Note on Going-Concern Assumption  
Not applicable

## (4)Notes

## (Consolidated balance sheets)

Fiscal year ended March 31, 2011	Three months ended June 30, 2011
*1 Accumulated depreciation of property and equipment ¥17,286 million	*1 Accumulated depreciation of property and equipment ¥17,756 million
2 Liabilities for guarantees	2 Liabilities for guarantees
Guarantees for housing loans from banks for employees ¥3,308 million	Guarantees for housing loans from banks for employees ¥3,242million
Guarantees for loans from banks for ICJ, Inc. ¥36 million	Guarantees for loans from banks for ICJ, Inc. ¥36 million
<b>Total</b> ¥3,344 million	<b>Total</b> ¥3,278 million
3 Litigation Mizuho Securities Co., Ltd. filed a lawsuit with the Tokyo District Court against TSE Group's consolidated subsidiary Tokyo Stock Exchange, Inc., seeking ¥41,578 million in compensation for damages related to Mizuho Securities Co., Ltd.'s erroneous placement of an order for shares of J-COM Co., Ltd. that occurred on December 8, 2005, and on December 4, 2009, the Court ordered Tokyo Stock Exchange, Inc. to pay compensation (¥10,712 million plus delinquency charges). On December 18, 2009, Tokyo Stock Exchange, Inc. made a payment of ¥13,213 million including delinquency charges through that date in order to avoid the compulsory execution under the Court's ruling with a declaration of provisional execution. In response to this ruling, Mizuho Securities Co., Ltd. has filed an appeal with the Tokyo High Court, and Tokyo Stock Exchange, Inc. has filed an incidental appeal, and the case is currently in litigation.	3 Litigation Same as on the left.
*4 Assets and liabilities for hedging risks of securities trading TSE Group's consolidated subsidiaries Tokyo Stock Exchange, Inc. and Japan Securities Clearing Corporation (collectively, "Exchange") have established various systems including receiving clearing funds, based on the Financial Instruments and Exchange Act and the Exchanges' internal regulations, to hedge the risks of securities trading in the market. Japan Securities Clearing Corporation, as a clearing organization for financial instrument transactions, underwrites the liabilities and acquires the rights from the clearing participants that arise from the conclusion of a transaction when a securities trade is concluded in the market, and bears the risk of nonperformance of obligation by the clearing participants from the time the transaction is concluded until settlement is complete, and therefore receives clearing funds (margin funds for when-issued transactions, margin funds for derivatives, deposits for clearing funds, and deposits as collateral for facilitating settlement) from the clearing participants based on the Financial Instruments and Exchange Act and other laws and regulations. In addition, Tokyo Stock Exchange, Inc. bears the risk of brokers in securities trades from the nonperformance of obligations by trading participants, and therefore receives legal guarantee funds from the trading participants based on the Financial Instruments and Exchange	*4 Assets and liabilities for hedging risks of securities trading TSE Group's consolidated subsidiaries Tokyo Stock Exchange, Inc. and Japan Securities Clearing Corporation (collectively, "Exchange") have established various systems including receiving clearing funds, based on the Financial Instruments and Exchange Act and the Exchanges' internal regulations, to hedge the risks of securities trading in the market. Japan Securities Clearing Corporation, as a clearing organization for financial instrument transactions, underwrites the liabilities and acquires the rights from the clearing participants that arise from the conclusion of a transaction when a securities trade is concluded in the market, and bears the risk of nonperformance of obligation by the clearing participants from the time the transaction is concluded until settlement is complete, and therefore receives clearing funds (margin funds for when-issued transactions, margin funds for derivatives, deposits for clearing funds, and deposits as collateral for facilitating settlement) from the clearing participants based on the Financial Instruments and Exchange Act and other laws and regulations. In addition, Tokyo Stock Exchange, Inc. bears the risk of brokers in securities trades from the nonperformance of obligations by trading participants, and therefore receives legal guarantee funds from the trading participants based on the Financial Instruments and Exchange

(Reference Translation)

Act and other laws and regulations. The assets for all of these deposits are cash or substituted securities (limited to those securities approved under internal regulations), which are kept segregated from other assets, with the cash portion shown separately under assets or liabilities for the respective purpose of the deposit. The market value of securities deposited in place of cash as of March 31, 2011, was as follows:

1) Margin funds for when-issued transactions	¥85 million
2) Margin funds for derivatives	¥793,546 million
3) Deposits for clearing funds	¥187,621 million
4) Deposits as collateral for facilitating settlement	¥100,090 million
5) Legal guarantee funds	¥1,386 million

In addition, Tokyo Stock Exchange, Inc. bears the risk of nonperformance of obligations by trading participants, and therefore receives deposits as trading participants guarantee from trading participants based on its internal regulations. The assets for these deposits are cash or substituted securities (limited to those securities approved under internal regulations), with the cash portion recorded as cash and bank deposits under assets, and as deposits received as trading participants guarantee under liabilities. The market value of securities deposited in place of cash as of March 31, 2011, was ¥2,319 million.

Tokyo Stock Exchange, Inc. has also concluded a loss compensation contract with Japan Securities Clearing Corporation with regard to clearing operations for cash transactions, as well as futures and options transactions. Under this contract, Tokyo Stock Exchange, Inc. (including other exchanges in the case of cash transactions) reimburses Japan Securities Clearing Corporation for losses incurred from the nonperformance of obligations by clearing participants that cannot be covered by the clearing participant's deposited clearing funds, up to an amount stipulated in the contract. Tokyo Stock Exchange, Inc. therefore records special assets for default compensation reserve funds as an asset entry in the same amount as the limit on compensation stipulated in the contract. The amount of these special assets recorded on the consolidated balance sheets is ¥17,367 million.

Act and other laws and regulations. The assets for all of these deposits are cash or substituted securities (limited to those securities approved under internal regulations), which are kept segregated from other assets, with the cash portion shown separately under assets or liabilities for the respective purpose of the deposit. The market value of securities deposited in place of cash as of June 30, 2011, was as follows:

1) Margin funds for when-issued transactions	¥74 million
2) Margin funds for derivatives	¥825,159 million
3) Deposits for clearing funds	¥177,670 million
4) Deposits as collateral for facilitating settlement	¥92,655million
5) Legal guarantee funds	¥1,376million

In addition, Tokyo Stock Exchange, Inc. bears the risk of nonperformance of obligations by trading participants, and therefore receives deposits as trading participants guarantee from trading participants based on its internal regulations. The assets for these deposits are cash or substituted securities (limited to those securities approved under internal regulations), with the cash portion recorded as cash and bank deposits under assets, and as deposits received as trading participants guarantee under liabilities. The market value of securities deposited in place of cash as of June 30, 2011, was ¥2,268 million.

Tokyo Stock Exchange, Inc. has also concluded a loss compensation contract with Japan Securities Clearing Corporation with regard to clearing operations for cash transactions, as well as futures and options transactions. Under this contract, Tokyo Stock Exchange, Inc. (including other exchanges in the case of cash transactions) reimburses Japan Securities Clearing Corporation for losses incurred from the nonperformance of obligations by clearing participants that cannot be covered by the clearing participant's deposited clearing funds, up to an amount stipulated in the contract. Tokyo Stock Exchange, Inc. therefore records special assets for default compensation reserve funds as an asset entry in the same amount as the limit on compensation stipulated in the contract. The amount of these special assets recorded on the consolidated balance sheets is ¥17,367 million.

(Consolidated statements of cash flows)

A consolidated statement of cash flows for the three months ended June 30, 2011 was not prepared. Depreciation (including depreciation of intangible fixed assets excluding goodwill) is as described below.

	Three months ended June 30, 2010	Three months ended June 30, 2011
Depreciation	¥2,619 million	¥2,848 million

(Material Changes in Shareholders' Equity)

None