

Tokyo Stock Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for six months ended September 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 2Q earnings presentation material: None
 Holding of 2Q earnings announcement: None

1. Consolidated Financial Results for six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)

(Figures less than a million yen are discarded)

(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	%
Six months ended September 30, 2011	26,668	(6.0)	4,598	(29.5)	5,322	(27.7)	3,160	(29.8)
Six months ended September 30, 2010	28,356	(5.8)	6,520	(16.6)	7,358	(14.5)	4,499	(21.3)

(Notes)

Comprehensive income:

Six months ended September 30, 2011: ¥ 660 million / (87.0%) Six months ended September 30, 2010: ¥ 5,075 million / - %

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2011	1,390.21	-
Six months ended September 30, 2010	1,979.01	-

(2) Financial position

	Total assets	Total equity	Equity capital ratio
	million yen	million yen	%
As of September 30, 2011	373,662	122,704	32.1
	*1) 140,825	*2) 105,336	*3) 72.8
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 September 30, 2011: ¥ 119,878 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”.

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

(Reference Translation)

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 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 September 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 September 30, 2011: 26,260 shares

As of March 31, 2011: 26,260 shares

3) Average number of shares:

Six months ended September 30, 2011: 2,273,740 shares

Six months ended September 30, 2010: 2,273,740 shares

(Reference Translation)

*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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(Reference Translation)

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) during the six months (from April 1, 2011 to September 30, 2011) were affected by the sluggish market conditions due to circumstances such as the Great East Japan Earthquake and concerns over European debt problems. Under these circumstances, reduced revenue from trading participation fees and fees related to listing led to operating revenue of ¥26,668 million (6.0 % decrease from the same period of last year (i.e., year-on-year)) and operating expenses of ¥22,069 million (1.1% increase year-on-year), resulting in operating profit of ¥4,598 million (29.5% decrease year-on-year).

The TSE group saw ordinary profit of ¥5,322 million (27.7% decrease year-on-year), quarterly net profit before taxes, etc. of ¥5,322 million (26.7% decrease year-on-year), and net income after taxes, etc. of ¥3,160 million (29.8% decrease year-on-year).

<Reference>

	Six months ended September 30, 2010		Six months ended September 30, 2011	
		As of September 30, 2010		As of September 30, 2011
TOPIX	804.67 points ~ 998.90 points	829.51 points	728.85 points ~ 874.34 points	761.17 points
Market capitalization	¥ 277,924.6 billion ~ ¥ 341,611.8 billion	¥ 286,019.6 billion	¥ 255,192.9 billion ~ ¥ 303,530.4 billion	¥ 266,137.9 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 six months ended September 30, 2011 declined 3.5%, to ¥10,107 million, due to a decrease in equities trading value.

Breakdown of trading participation fees

(millions of yen)

	Six months ended September 30, 2010		Six months ended September 30, 2011	
				Change (%)
Trading participation fees	10,469		10,107	(3.5)
Basic fees	435		425	(2.2)
Transaction fees	8,039		7,602	(5.4)
Access fees	1,268		1,292	1.9
Trading system facilities usage fees	715		775	8.4
Others	10		11	8.7

<Reference>

Equities trading value and derivatives trading volume

	Daily average			Total		
	Six months ended September 30, 2010	Six months ended September 30, 2011	Change (%)	Six months ended September 30, 2010	Six months ended September 30, 2011	Change (%)
Equities trading value (¥ millions)	1,459,178	1,368,724	(6.2)	180,938,122	169,721,767	(6.2)
TOPIX futures trading volume (contracts)	60,187	59,578	(1.0)	7,463,243	7,387,683	(1.0)
JGB futures trading volume (contracts)	32,680	27,518	(15.8)	4,052,263	3,412,187	(15.8)

(Note)

Trading value of The First and Second Sections and Mothers of Tokyo Stock Exchange.

(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 six months ended September 2011 fell 29.8% to ¥3,611 million.

Breakdown of listing fees

(millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Change (%)
Listing fees	5,143	3,611	(29.8)
Initial/Additional listing fees	2,454	909	(62.9)
Annual listing fees	2,689	2,701	0.5

<Reference>

Number of listed companies, ETFs, ETNs and REITs

(company)

	New listed companies			Total listed companies		
	Six months ended September 30, 2010	Six months ended September 30, 2011	Change	As of September 30, 2010	As of September 30, 2011	Change
TSE First and Second Sections	10 *3	11 *3	1 *0	2,111	2,102	(9)
Mothers	1 *0	4 *0	3 *0	182	176	(6)
Total	11 *3	15 *3	4 *0	2,293	2,278	(15)

(issue)

	New listed issues			Total listed issues		
	Six months ended September 30, 2010	Six months ended September 30, 2011	Change	As of September 30, 2010	As of September 30, 2011	Change
ETFs	7	2	(5)	93	103	10
ETNs	-	10	10	-	10	10
REITs	1 *0	0 *0	(1) *0	37	35	(2)

(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)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Change (%)
Fund raising by listed companies	2,240,253	481,865	(78.5)

(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

(Reference Translation)

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 six months ended September 30, 2011, market information-related revenue increased 1.6%, to ¥5,596 million year-on-year due to an increase in the amount of market information fees owing to an increase in the number of customers and expansion of services pertaining to real-time information.

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 six months ended September 30, 2011, income from securities settlement decreased 3.9%, to ¥3,454 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 profit for the six months ended September 30, 2011 increased 7.2%, to ¥3,898 million year-on-year due to increased revenue from system development projects by TOSHO SYSTEM SERVICE CO., LTD.

(Operating expenses)

During the six months ended September 30, 2011, salaries and compensation increased 1.0% compared with the previous period, to ¥5,722 million.

Real estate rental fees are comprised of primarily rental fees for the Tokyo Stock Exchange building and system development and operations facilities. These fees declined 6.9%, to ¥2,670 million due to a change in rental fees for the Tokyo Stock Exchange building.

System maintenance and operation costs consist of maintenance and operation costs for arrowhead and other systems, and these costs declined 13.1%, to ¥2,887 million, resulting from a cost reduction.

Depreciation as of six months ended September 30, increased 10.4% to ¥5,749 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 increased 5.6% to ¥5,039 million due mainly to increased initial cost for system development projects by 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 ¥215,147 million as of September 30, 2011), legal guarantee funds (¥322 million as of September 30, 2011), deposits received as trading participants guarantee (¥3,543 million as of September 30, 2011), and default compensation reserve funds (¥17,367 million as of September 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: (5) Notes - Consolidated Balance Sheets - *3. Assets and liabilities for hedging risks of securities trading" for

(Reference Translation)

more information regarding these assets and liabilities)

Total assets as of September 30, 2011 fell ¥140,742 million from the end of the previous fiscal year, to ¥373,662 million, as the result of a decrease in clearing deposit money, etc. Additionally, after excluding clearing deposit money, etc., the Guarantee Funds and default compensation reserve funds, assets fell ¥4,499 million to ¥140,825 million from the end of the previous fiscal year, due to a decrease in the value of invested securities with the fluctuation of the stock price of Singapore Exchange Ltd.

Total liabilities as of September 30, 2011 decreased ¥138,665 million, to ¥250,958 million on a decrease in clearing deposit money, etc. Excluding clearing deposit money, etc., legal guarantee funds, and deposits received as trading participant guarantees, liabilities decreased ¥2,853 million, to ¥31,944 million, due to the decrease in accrued income taxes, recorded as of the end of the previous fiscal year.

Net assets as of September 30, 2011 declined ¥2,077 million from the previous fiscal year to ¥122,704 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 ¥105,336 million.

(Cash flows)

Cash and cash equivalents as of September 30, 2011 totaled ¥28,358 million, a ¥743 million decrease from the end of the previous fiscal year.

(Cash flow from operating activities)

Cash flow from operating activities totaled an inflow of ¥8,225 million, after including ¥5,322 million in income before taxes and minority interests, ¥5,791 million in depreciation cost, and investment gains of ¥530 million through the equity investment method.

(Cash flow from investing activities)

Cash flow from investment activities totaled an outflow of ¥6,238 million, after including ¥35,700 million in expenses due to fixed deposits, ¥32,800 million in revenue from withdrawals of fixed deposits, and ¥3,043 million in expenses due to acquisition of intangible fixed assets.

(Cash flow from financing activities)

Cash flow from financing activities totaled an outflow of ¥2,738 million, including ¥2,728 million in dividend payments.

2. OTHER INFORMATION

(1) Change in Significant Subsidiaries during the Period

None

(2) Changes in Accounting Policies / Changes in Accounting Estimates / Restatement

Six months ended September 30, 2011 (April 1, 2011 to September 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. for the six months ended September 30, 2011 each declined ¥1,258 million.

(Reference Translation)

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	(millions of yen)	
	As of March 31, 2011	As of September 30, 2011
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	* ³ 61,101	* ³ 63,258
Accounts receivable-trade	4,940	3,850
Inventories	253	683
Margin funds for derivatives and when-issued transactions	* ³ 246,910	* ³ 113,996
Deposits for clearing funds	* ³ 81,967	* ³ 82,940
Deposits as collateral for facilitating settlement	* ³ 22,510	* ³ 18,210
Other current assets	2,958	2,563
Allowance for doubtful accounts	(12)	(0)
Total current assets	420,629	285,502
FIXED ASSETS:		
Property and equipment	7,998	7,374
Intangible assets	23,373	21,716
Investments and other assets		
Investments in securities	35,505	31,853
Legal guarantee funds	* ³ 325	* ³ 322
Special assets for default compensation reserve funds	* ³ 17,367	* ³ 17,367
Others	9,391	9,721
Allowance for doubtful accounts	(184)	(196)
Total investments and other assets	62,404	59,068
Total fixed assets	93,776	88,159
Total	514,405	373,662

(Reference Translation)

	(millions of yen)	
	As of March 31, 2011	As of September 30, 2011
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable-trade	2,195	2,139
Short-term bank loans	17,570	17,570
Income taxes payable	3,132	2,717
Accrued bonuses	1,014	845
Accrued bonuses for directors	292	19
Margin funds received for derivatives and when-issued transactions	* ³ 246,910	* ³ 113,996
Deposits received for clearing funds	* ³ 81,967	* ³ 82,940
Deposits received as collateral for facilitating settlement	* ³ 22,510	* ³ 18,210
Deposits received as trading participants guarantee	* ³ 3,112	* ³ 3,543
Other current liabilities	1,722	1,456
Total current liabilities	380,427	243,439
NON-CURRENT LIABILITIES:		
Liability for retirement benefits for employees	5,340	5,347
Returnable legal guarantee funds	* ³ 325	* ³ 322
Other	3,529	1,849
Total non-current liabilities	9,195	7,519
Total liabilities	389,623	250,958
EQUITY		
SHAREHOLDERS' EQUITY:		
Common stock	11,500	11,500
Capital surplus	25,358	25,358
Retained earnings	* ³ 83,621	* ³ 84,054
Treasury stock, at cost	(4,332)	(4,332)
Total shareholders' equity	116,147	116,580
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	5,740	3,298
Total accumulated other comprehensive income	5,740	3,298
Minority interests	2,893	2,825
Total equity	124,782	122,704
Total	514,405	373,662

(Reference Translation)

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

(Consolidated Statements of Operations)

	(millions of yen)	
	Six months ended September 30, 2010	Six months ended September 30, 2011
OPERATING REVENUE:		
Trading participation fees	10,469	10,107
Listing fees	5,143	3,611
Income from information services	5,510	5,596
Income from securities settlement	3,596	3,454
Other operating income	3,636	3,898
Total operating revenue	28,356	26,668
OPERATING EXPENSES:		
Salaries and compensation	* 5,665	* 5,722
Real estate rental fees	2,869	2,670
System maintenance & operation costs	3,324	2,887
Depreciation	5,206	5,749
Other operating expenses	4,771	5,039
Total operating expenses	21,836	22,069
Operating profit	6,520	4,598
NON-OPERATING REVENUE		
Interest income	73	56
Dividend income	130	145
Equity in earnings of affiliated companies	549	530
Other non-operating revenue	119	35
Total	873	767
NON-OPERATING EXPENSES		
Interest expense	32	26
Stock issuance cost	-	15
Other non-operating expenses	3	1
Total	35	43
Ordinary Profit	7,358	5,322
EXTRAORDINARY INCOMES		
Gain from prior period adjustment	130	-
Other extraordinary incomes	6	-
Total	137	-
EXTRAORDINARY LOSSES		
Loss on disposal of property and equipment, and intangible assets	211	0
Other extraordinary losses	27	-
Total	239	0
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	7,256	5,322
INCOME TAXES	2,837	2,219
INCOME BEFORE MINORITY INTERESTS	4,419	3,102
MINORITY INTERESTS (LOSS)	(80)	(58)
NET INCOME	4,499	3,160

(Reference Translation)

(Consolidated Statements of Comprehensive Income)

	Six months ended September 30, 2010	(millions of yen) Six months ended September 30, 2011
NET INCOME BEFORE MINORITY INTERESTS	4,419	3,102
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain on available-for-sale securities	656	(2,441)
Share of other comprehensive income of affiliated companies	(0)	(0)
Total other comprehensive income (loss)	656	(2,441)
COMPREHENSIVE INCOME	5,075	660
TOTAL COMPREHENSIVE INCOME ATTRIBUTE TO:		
Owners of the parent	5,156	719
Minority interests	(80)	(58)

(Reference Translation)

(3) Consolidated Statements of Cash Flows

(Consolidated Statements of Cash Flows)

	(millions of yen)	
	Six months ended September 30, 2010	Six months ended September 30, 2011
OPERATING ACTIVITIES:		
Income (loss) before income taxes and minority interests	7,256	5,322
Depreciation	5,243	5,791
Increase (decrease) in allowance for doubtful accounts	4	(0)
Increase (decrease) in accrued bonuses	(125)	(168)
Increase (decrease) in accrued bonuses for directors	(44)	(273)
Increase (decrease) in liability for retirement benefits for employees	29	7
Interest and dividend income	(204)	(202)
Interest expense	32	26
Equity in earnings of affiliated companies	(549)	(530)
Loss on disposal of property and equipment and intangible assets	211	0
Decrease (increase) in accounts receivable	743	1,090
Decrease (increase) in inventories	26	(430)
Decrease in accounts payable-trade	(320)	(56)
Other-net	(943)	91
Sub-total	11,359	10,667
Interest and dividends received	457	288
Interest paid	(32)	(26)
Income taxes refunded (paid)	(1,261)	(2,704)
Net cash provided by operating activities	10,524	8,225
INVESTING ACTIVITIES:		
Acquisition of time deposits	(24,760)	(35,700)
Proceeds from refund of time deposits	17,700	32,800
Proceeds from sales of marketable securities	900	-
Acquisition of property and equipment	(361)	(244)
Acquisition of intangible assets	(1,736)	(3,043)
Acquisition of investments in securities	(2,802)	-
Others	120	(50)
Net cash used in investing activities	(10,939)	(6,238)
FINANCING ACTIVITIES:		
Dividends paid	(682)	(2,728)
Other	(3)	(10)
Net cash provided by (used in) financing activities	(685)	(2,738)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	3	8
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,097)	(743)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	27,693	29,101
CASH AND CASH EQUIVALENTS, END OF YEAR	* 26,595	* 28,358

(Reference Translation)

(4) Note on Going-Concern Assumption
Not applicable

(5)Notes

(Consolidated balance sheets)

Fiscal year ended March 31, 2011	Six months ended September 30, 2011
<p>*1 Liabilities for guarantees</p> <p>Guarantees for housing loans from banks for employees ¥3,308 million</p> <p>Guarantees for loans from banks for ICJ, Inc. ¥36 million</p> <hr/> <p>Total ¥3,344 million</p>	<p>*1 Liabilities for guarantees</p> <p>Guarantees for housing loans from banks for employees ¥3,135million</p> <p>Guarantees for loans from banks for ICJ, Inc. ¥20 million</p> <hr/> <p>Total ¥3,155 million</p>
<p>*2 Litigation</p> <p>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.</p> <p>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.</p>	<p>*2 Litigation</p> <p>Same as on the left.</p>

(Reference Translation)

*3 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 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

*3 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 as well as Exchange rules and regulations, to ensure confidence in securities trading in the market. Since clearing participants assume obligations and obtain rights arising from securities transactions, etc., Japan Securities Clearing Corporation, as a clearing organization for financial instrument transactions, bears the risk of non-performance of obligations by clearing participants until settlement is complete, and therefore receives clearing funds from clearing participants based on the Financial Instruments and Exchange Act and other laws and regulations. In addition, Tokyo Stock Exchange, Inc. hedges the risk borne by entrustors in securities transactions due to the non-performance of obligations by trading participants, and therefore receives the Guarantee Funds from trading participants based on the Financial Instruments and Exchange Act and other laws and regulations. The assets for all of these deposits are cash or securities in lieu of money (limited to those securities approved under Exchange rules and regulations), which are kept segregated from other assets, with the cash portion shown separately under assets or liabilities for its respective deposit purpose. The market value of securities deposited in place of cash as of September 30, 2011, was as follows:

1) Margin funds for when-issued transactions	¥16 million
2) Margin funds for derivatives	¥695,646 million
3) Deposits for clearing funds	¥135,022 million
4) Deposits as collateral for facilitating settlement	¥92,898million
5) Legal guarantee funds	¥1,185million

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 September 30, 2011, was ¥1,523 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

(Reference Translation)

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.

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 operations)

Six months ended September 30, 2010	Six months ended September 30, 2011
* Major elements and amounts included under operating expenses are as follows: Major elements included in salaries and compensation	* Major elements and amounts included under operating expenses are as follows: Major elements included in salaries and compensation
Salaries ¥3,030 million	Salaries ¥3,022 million
Bonus allowance ¥874 million	Bonus allowance ¥794 million
Directors' bonus allowance ¥8 million	Directors' bonus allowance ¥19 million
Net periodic retirement benefit costs ¥700 million	Net periodic retirement benefit costs ¥736 million

(Consolidated statements of cash flows)

Six months ended September 30, 2010	Six months ended September 30, 2011
* The reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and bank deposits in the consolidated balance sheets	* The reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and bank deposits in the consolidated balance sheets
Cash and bank deposits ¥51,575 million	Cash and bank deposits ¥63,258 million
Marketable securities ¥1,099 million	Time deposits with a maturity over three months (¥34,900 million)
Time deposits with a maturity over three months (¥24,980 million)	Cash and cash equivalents ¥28,358 million
JGBs (¥999 million)	
Others (¥100 million)	
Cash and cash equivalents ¥26,595 million	

(Material Changes in Shareholders' Equity)

None