

Tokyo Stock Exchange Group, Inc. and Consolidated Subsidiaries

Consolidated financial results for FY2011 (Year ended March 31, 2012, 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 annual general shareholders meeting: June 19, 2012
 Scheduled date of start of dividend payment: May 31, 2012
 Scheduled date of filing of annual securities report: -
 Preparation of earnings presentation material: None
 Holding of earnings announcement: None

1. Consolidated Financial Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Figures less than a million yen are omitted)

(1) Operating results

(Percentages indicate year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2012	53,045	(7.1)	9,159	(32.6)	10,903	(28.7)	6,311	(28.9)
Year ended March 31, 2011	57,097	(5.9)	13,596	(8.3)	15,302	(12.2)	8,879	-

(Notes)

Comprehensive income:

Year ended March 31, 2012: ¥ 5,379 million / (36.9%) Year ended March 31, 2011: ¥ 8,527 million / 221.3%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenues
	yen	yen	%	%	%
Year ended March 31, 2012	2,775.98	-	5.1 *1) 6.0	2.5 *2) 7.5	17.3
Year ended March 31, 2011	3,905.07	-	7.5 *1) 8.8	3.4 *2) 10.9	23.8

(Reference)

Equity in earnings of affiliated companies:

Year ended March 31, 2012: ¥ 392 million Year ended March 31, 2011: ¥ 321 million

(Notes)

1) Figures marked “*1)” under “Return on equity” are calculated excluding “Default compensation reserve funds”* from shareholders’ equity.

2) Figures marked “*2)” under “Ratio of ordinary profit to total assets” 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.

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

(Reference Translation)

(2) Financial position

	Total assets	Total equity	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2012	345,247	127,122	36.1	54,801.89
	*1) 145,782	*2) 109,754	*3) 73.6	*2) 47,163.47
As of March 31, 2011	514,405	124,782	23.7	53,606.95
	*1) 145,325	*2) 107,414	*3) 71.9	*2) 45,968.53

(Reference)

Shareholders' equity:

As of March 31, 2012: ¥ 124,605 million

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

(Notes)

- 1) Figures marked “*1)” under “Total assets” 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.
- 2) Figures marked “*2)” under “Total equity” and “Net assets per share” are calculated excluding “Default compensation reserve funds” from total equity.
- 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.

(3) Cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the year
	million yen	million yen	million yen	million yen
Year ended March 31, 2012	15,872	(14,464)	(2,731)	27,779
Year ended March 31, 2011	22,497	(20,406)	(686)	29,101

2. Dividends

Record date	Dividend per share					Total cash dividends	Dividends payout ratio	Ratio of dividends to net assets
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual			
Year ended March 31, 2011	yen	yen	yen	yen	yen	million yen	%	%
	-	-	-	1,200	1,200	2,728	30.7	2.3
								*2.7
Year ended March 31, 2012	-	-	-	850	850	1,932	30.6	1.6
								*1.8
Year ending March 31, 2013(Forecast)	-	-	-	-	-		-	

(Note)

Figures marked “*” under “Ratio of dividends to net assets” are calculated excluding “Default compensation reserve funds” from total equity.

(Reference Translation)

3. Forecast for the Fiscal Year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(Percentages indicate 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, 2012	-	-	-	-	-	-	-	-	-	-
For year ending March 31, 2013	-	-	-	-	-	-	-	-	-	-

*Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries that caused changes in the scope of consolidation): None

(2) 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

(3) Number of issued and outstanding shares (common stock)

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

As of March 31, 2012: 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 March 31, 2012: 26,260 shares

As of March 31, 2011: 26,260 shares

3) Average number of shares:

As of March 31, 2012: 2,273,740 shares

As of March 31, 2011: 2,273,740 shares

(Reference Translation)

(Reference) Overview of non-consolidated financial results

Non-Consolidated Financial Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Operating results

(Percentages indicate year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2012	7,465	6.7	2,201	58.8	3,281	30.1	1,686	93.9
Year ended March 31, 2011	6,994	(8.1)	1,386	(31.6)	2,522	(19.9)	869	(53.2)

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2012	741.79	-
Year ended March 31, 2011	382.61	-

(2) Financial position

	Total assets	Total equity	Equity capita ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2012	144,553	106,429	73.6	46,808.23
As of March 31, 2011	139,861	108,337	77.5	47,647.47

(Reference)

Shareholders' equity:

As of March 31, 2012: ¥ 106,429 million

As of March 31, 2011: ¥ 108,337 million

*Disclosure regarding implementation status for auditing procedures

This release is outside the scope of the external auditor's review procedure which is required by "Financial Instruments and Exchange Act". Therefore, the 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 Annual Securities report, as well as forecasts of dividend and operating results are not included.

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(Reference Translation)

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1. OPERATING RESULTS

(1) Analysis of Operating Results

During the fiscal year ended March 2012 (April 1, 2011 to March 31, 2012), TSE group (Tokyo Stock Exchange Group, Inc., its consolidated subsidiaries, and equity-method affiliates) conducted activities to promote and support companies preparing for a listing and revised the listing criteria with the aim of offering attractive investment opportunities to "increase the number of IPOs". In line with its initiative to "expand the derivatives/ETF markets", TSE group successfully integrated futures trading onto Tdex+ System in November 2011 and introduced new trading rules including a market maker scheme for the futures market. In addition, listing rules were developed for ETNs (exchange traded notes), products similar to ETFs whose prices track stock or commodity price indices, ETFs tracking enhanced indicators which reflect investment strategies and achieve specific investment results, and ETFs which track leveraged and inverse indicators.

The consolidated operating results of the fiscal year 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 listing fees led to operating revenue of ¥53,045 million (7.1% decrease from the same period of last year (i.e., year-on-year)) and operating expenses of ¥43,885 million (0.9% increase year-on-year), resulting in operating profit of ¥9,159 million (32.6% decrease year-on-year).

TSE group saw ordinary profit of ¥10,903 million (28.7% decrease year-on-year), income before taxes and minority interest of ¥10,896 million (27.9% decrease year-on-year), and net income of ¥6,311 million (28.9% decrease year-on-year).

<Reference>

	FY2010		FY2011	
		End of FY2010		End of FY2011
TOPIX	766.73 points ~ 998.90 points	869.38 points	706.08 points ~ 874.34 points	854.35 points
Market capitalization	¥ 265,388.6 billion ~ ¥ 341,611.8 billion	¥ 301,251.4 billion	¥ 247,501.3 billion ~ ¥ 304,321.3 billion	¥ 298,358.9 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 in the fiscal year ended March 2012 declined 7.8% to ¥19,842 million due to a decrease in equities trading value.

Breakdown of trading participation fees

(millions of yen)

	FY2010		FY2011	
				Change (%)
Trading participation fees	21,516	19,842	(7.8)	
Basic fees	868	844	(2.8)	
Transaction fees	16,612	14,722	(11.4)	
Access fees	2,553	2,704	5.9	
Trading system facilities usage fees	1,457	1,545	6.1	
Others	24	24	0.7	

(Reference Translation)

<Reference>

Trading value of equities and trading volume of derivatives

	Daily average			Total		
	FY2010	FY2011	Change (%)	FY2010	FY2011	Change (%)
Equities trading value (¥ millions) *	1,553,536	1,305,014	(16.0)	380,616,295	321,033,471	(15.7)
TOPIX futures trading volume (contracts)	60,926	57,840	(5.1)	14,926,980	14,228,547	(4.7)
JGB futures trading volume (contracts)	32,661	29,307	(10.3)	8,001,934	7,209,562	(9.9)

* Trading value of the First and Second Sections and Mothers of Tokyo Stock Exchange

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 year, listing fees for the fiscal year ended March 2012 fell 25.7% to ¥7,329 million.

· Breakdown of listing fees

(millions of yen)

	FY2010	FY2011	Change (%)
Listing fees	9,862	7,329	(25.7)
Initial/Additional listing fees	4,459	1,993	(55.3)
Annual listing fees	5,403	5,336	(1.2)

<Reference>

Number of listed companies, ETFs, ETNs and REITs

(company)

	New listed companies			Total listed companies		
	FY2010	FY2011	Change	FY2010	FY2011	Change
TSE First and Second Sections	28 *6	36 *8	8 *2	2,116	2,109	(7)
Mothers	6 *1	14 *0	8 *(1)	176	178	2
Total	34 *7	50 *8	16 *1	2,292	2,287	(5)

(issue)

	New listed issues			Total listed issues		
	FY2010	FY2011	Change	FY2010	FY2011	Change
ETFs	15	7	(8)	101	108	7
ETNs	-	10	10	-	10	10
REITs	1 *0	0 *0	(1) *0	35	33	(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 share transfers (technical listings).

(Reference Translation)

Fund procurement by listed companies

(millions of yen)

	FY2010	FY2011	Change (%)
Fund raising by listed companies	3,906,915	1,215,119	(68.9)

(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 comprises 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 fiscal year ended March 2012, market information fees decreased 0.2% to ¥11,050 million.

4) Income from securities settlement

Income from securities settlement is derived from settlement commissions related to the assumption of financial instrument obligations carried by Japan Securities Clearing Corporation. During the fiscal year ended March 2012, income from securities settlement decreased 7.8% to ¥6,828 million due to a decrease in 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 primary data 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 fiscal year ended March 2012 increased 10.4% to ¥7,994 million due to increased revenue from system development projects by TOSHO SYSTEM SERVICE CO., LTD.

(Operating expenses)

During the fiscal year ended March 2012, salaries and compensation decreased 0.4% compared with the previous fiscal year, to ¥11,491 million.

Real estate rental fees are primarily those for the Tokyo Stock Exchange building and for system development and operational facilities. These fees declined 6.9% to ¥5,338 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. Cost reduction measures resulted in costs declining 8.3% to ¥5,778 million.

Depreciation expenses increased 5.2% to ¥10,867 million due to factors such as the disposal of the previous systems in tandem with the migration of futures trading to the Tdex+ System.

System development costs consist of costs associated with system development and operation by TOSHO SYSTEM SERVICE CO., LTD, and these costs increased 27.9% to ¥5,039 million due to increase in the number of system development projects.

The migration of futures trading to the Tdex+ System caused increase in transfer of system development costs to assets, causing other operating expenses to decrease 5.1% to ¥5,370 million.

(Reference Translation)

(2) Analysis of 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 ¥181,782 million as of March 31, 2012), legal guarantee funds (¥314 million as of March 31, 2012), deposits received as trading participants guarantee (¥3,525 million as of March 31, 2012), and default compensation reserve funds (¥17,367 million as of March 31, 2012), 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 depending on 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 (For more information regarding these assets and liabilities, refer to "Section 4.

CONSOLIDATED FINANCIAL STATEMENTS: (7) Notes to Consolidated Financial Statements

(Consolidated balance sheets) : *4. Assets and liabilities for hedging risks of securities trading").

Total assets as of March 31, 2012 fell ¥169,157 million from the end of the previous fiscal year to ¥345,247 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 increased ¥457 million to ¥145,782 million from the end of the previous fiscal year.

Total liabilities as of March 31, 2012 decreased ¥171,497 million to ¥218,125 million on a decrease in clearing deposit money, etc. similar to that recorded for assets. Excluding clearing deposit money, etc., legal guarantee funds, and deposits received as trading participant guarantees, liabilities decreased ¥2,296 million to ¥32,502 million as of the end of the previous fiscal year.

Total equity as of March 31, 2012 increased ¥2,340 million from the previous fiscal year to ¥127,122 million due to net income being recorded as earned surplus. Additionally, after excluding default compensation reserve funds total equity was ¥109,754 million.

(Cash flows)

Cash and cash equivalents as of March 31, 2012 decreased ¥1,322 million from the previous fiscal year to ¥27,779 million.

(Cash flow from operating activities)

Net cash provided by operating activities totaled ¥15,872 million, which included ¥10,896 million in income before income taxes and minority interests, ¥10,993 million in depreciation, and ¥4,685 million paid in corporate taxes, etc.

(Cash flow from investing activities)

Net cash used in investing activities totaled ¥14,464 million, which included ¥71,300 million in expenses due to time deposits, ¥63,400 million in revenues from refund of time deposits, and ¥5,576 million in expenses due to acquisition of intangible fixed assets.

(Cash flow from financing activities)

Net cash provided by financing activities totaled ¥2,731 million due to dividend payments of ¥2,728 million.

(Reference Translation)

<Reference> Cash flow-related indices

	FY2007	FY2008	FY2009	FY2010	FY2011
Equity capital ratio (%)	16.1%	16.5%	29.1%	23.7%	36.1%
	*65.7%	*69.5%	*70.7%	*71.9%	*73.6%
Ratio of interest-bearing debt to cash flow	87.3%	101.9%	165.3%	78.1%	110.7%
Interest coverage ratio	200.7	149.9	156.7	383.5	299.7

Equity capital ratio: shareholders' equity / total assets

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

Interest coverage ratio: operating cash flow / interest expense

(Note)

Figures marked "*" 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.

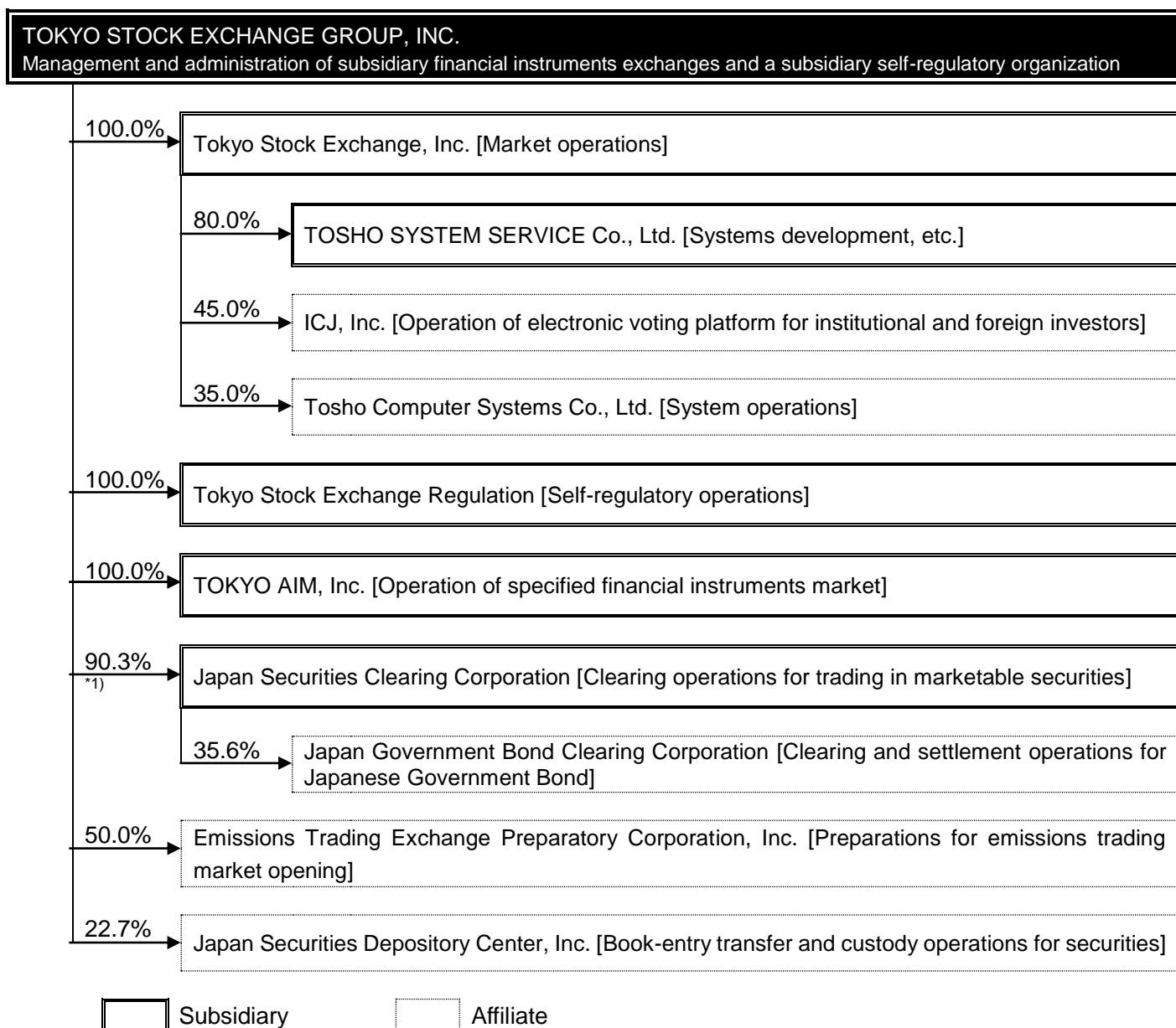
(Reference Translation)

2. INFORMATION REGARDING CORPORATE GROUP

TSE Group's operations are management and administration of subsidiary financial instruments exchanges and a subsidiary self-regulatory organization.

TSE group comprises five subsidiaries and five affiliates, and its primary operations are the development and operation of markets for exchange-traded financial instruments. Specifically, these includes operations such as (i) providing market facilities for securities trading, securities index futures trading, and securities options trading, (ii) publicizing market quotations and ensuring fairness of securities trading, and (iii) providing financial instruments obligation assumption services.

An outline of the Tokyo Stock Exchange Group is shown below.



(As of March 31, 2012)

* Percentages indicate share of ownership.

*1) Class A shares: 87.7% / Class B shares: 100.0%

3. MANAGEMENT POLICIES

(1) Basic Management Policy

TSE group's corporate philosophy asserts our goal "to strive to create a sound market with a high level of reliability and convenience from the standpoint of investors and other market users, thereby contributing to the realization of a more prosperous society." With this in mind, TSE group remains conscious of its social responsibility as a market operator to stably provide opportunities for investors to trade with confidence in the market. While maintaining a transparent system of management that balances the public needs with profitability, our exchange strives to meet the diverse needs of market users.

In pursuit of our targets, we will seek also to expand new layers of investors to complement our ongoing efforts at increasing the number of IPOs and further enriching our services for listed companies. In addition, by strategically applying our top-class system infrastructure and generating synergies with other exchanges, we are making steady progress toward achieving a highly convenient and effective market.

Our core strategy is to (i) supply risk money to a wide variety of growing companies which take a primary role in the future of Japan and now need our support, (ii) highlight the appeal and prospects of individual companies to individual and institutional investors so as to become a market that supports companies In the medium-to-long term, (iii) disseminate information and hold promotional events for new companies and investor classes, and (iv) revise rules and develop an infrastructure for the invigoration and rejuvenation of the Japanese stock market. In connection with these efforts, TSE group will, make steady strides toward our next-generation market with performance upgrades and capacity augmentation of arrowhead and strategic application of arrownet toward enhancing the convenience and reliability of the market infrastructure.

A resolution on the business combination with Osaka Securities Exchange, Inc. was reached at the TSE Group board of directors meeting held on November 22, 2011, and an agreement on the business combination was concluded on the same day. By conducting a business combination between two companies possessing unique strengths in the equities and derivatives markets which contribute to a mutually complementary relationship, we aim to generate synergy through system consolidation so as to raise our profile as a global financial center and contribute to the increased overall competitiveness of the Japanese financial and capital markets.

(2) Medium-term Management Strategy

The expectations, forecasts, estimations, outlook, plans, etc. related to future matters in this section are based on TSE group's judgment at the time of this document's submission. Actual outcomes may vary widely.

In March 2011, TSE group formulated its Medium-term Management Plan (for FY2011 through FY2013), and in March 2012, the Business Plan for FY2012 was drawn up for the second year of the Medium-term Management Plan. TSE group will strive to achieve the core business initiatives of "Revitalization of the Japanese Stock Market" and "Further Improvement of Market Infrastructure Convenience and Reliability" set forth in the Medium-term Management Plan by implementing measures based on the following five primary themes.

- i. Increase the Number of IPOs/Enhance Services for Listed Companies
- ii. Expand New Layers of Investors
- iii. Expand ETF/Derivatives Market
- iv. Fulfill Self-Regulatory Functions Responding to Evolving Environments
- v. Expand and Strengthen Function of Market Infrastructure

(3) Issues Facing the TSE group

The following are the central matters related to management which TSE group should address, based on the "(1) Basic Management Policy" and "(2) Medium-term Management Strategy."

- i. Increase the Number of IPOs/Enhance Services for Listed Companies
 - Encourage both foreign and domestic companies with investment appeal to list through promotion activities targeting parties such as companies preparing for a listing, securities companies, and audit firms.
 - Enhance services for listed companies including increasing analyst coverage, improving English document dissemination services for overseas investors, and enriching the Listed Company Award System.
 - Encourage IPOs through communication with municipal entities and local corporations, and promotion of listed company PR.
- ii. Expand New Layers of Investors
 - Encourage promotion activities in collaboration with securities companies, listed companies, IR companies or

(Reference Translation)

others for Japanese stocks, ETF, and REIT targeting both domestic and foreign institutional investors with varying investment styles.

- Encourage new consumer-level promotion activities and engage in comprehensive initiatives to improve financial literacy to expand new individual investor bases.
- Engage in activities beyond TSE group's original scope with measures aimed at expanding new investor bases and improving the competitiveness of the Japanese stock market, including revisions to rules.

iii. Expand ETF/Derivatives Market

- Capture active overseas market makers and increase issues handled by designated trading participants through marketing aimed at increasing liquidity, and enrich new product lineup through discovery of and continued marketing for new asset companies for ETFs and other products.
- Increase trading volume through continuous marketing activities targeting market makers and retail securities companies, and enhance rules and product lineup by enriching trading rules, and developing new JGB and equity related products.

iv. Fulfill Self-Regulatory Functions Responding to Evolving Environments

- Promote balanced listing examination operations by revising listing examination items and the listing examination process, and promote approach toward preventative listing compliance through continued "monitoring visits".
- Introduce inspection methods conforming to changes in the market environment through placing emphasis on inspections in response to developments such as high speed trading, and expand the functionalities of new market surveillance systems through increasing the sophistication and efficiency of market surveillance activities which conform to changes in the market environment.

v. Expand and Strengthen Function of Market Infrastructure

- Promote next-generation market design including construction of next-generation arrowhead, expand scope of arrownet provision such as developing global connectivity, and strengthen system operational structure which considers system malfunctions by drawing up concrete stages and steady implementation.
- Commence clearing operations for interest rate swaps in October 2012, and increase users of CDS clearing business.
- Further enrich information services by implementing new services for corporate action information.

(Reference Translation)

4. CONSOLIDATED FINANCIAL STATEMENTS
(1) Consolidated Balance Sheets

	(millions of yen)	
	As of March 31, 2011	As of March 31, 2012
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	*4 61,101	*4 67,679
Accounts receivable-trade	4,940	4,656
Inventories	253	1,313
Deferred tax assets	913	934
Margin funds for derivatives and when-issued transactions	*4 246,910	*4 111,296
Deposits for clearing funds	*4 81,967	*4 59,376
Deposits as collateral for facilitating settlement	*4 22,510	*4 11,110
Other current assets	2,045	1,489
Allowance for doubtful accounts	(12)	(0)
Total current assets	420,629	257,854
FIXED ASSETS:		
Property and equipment		
Buildings and structures	5,770	5,924
Accumulated depreciation	(3,801)	(4,042)
Net buildings and structures	1,969	1,881
Land	2,399	2,399
Construction in progress	13	-
Other property and equipment	17,102	15,687
Accumulated depreciation	(13,485)	(13,229)
Net other property and equipment	3,616	2,457
Net property and equipment	7,998	6,738
Intangible assets		
Software	20,718	18,135
Other intangible assets	2,654	1,966
Net intangible assets	23,373	20,102
Investments and other assets		
Investments in securities	*1 35,505	*1 33,745
Long-term loans	20	23
Deferred tax assets	398	465
Legal guarantee funds	*4 325	*4 314
Special assets for default compensation reserve funds	*4 17,367	*4 17,367
Others	8,972	8,834
Allowance for doubtful accounts	(184)	(199)
Total investments and other assets	62,404	60,552
Total fixed assets	93,776	87,393
Total	514,405	345,247

(Reference Translation)

	(millions of yen)	
	As of March 31, 2011	As of March 31, 2012
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable-trade	2,195	1,865
Short-term bank loans	17,570	17,570
Income taxes payable	3,132	2,667
Accrued bonuses	1,014	951
Accrued bonuses for directors	292	179
Margin funds received for derivatives and when-issued transactions	* ⁴ 246,910	* ⁴ 111,296
Deposits received for clearing funds	* ⁴ 81,967	* ⁴ 59,376
Deposits received as collateral for facilitating settlement	* ⁴ 22,510	* ⁴ 11,110
Deposits received as trading participants guarantee	* ⁴ 3,112	* ⁴ 3,525
Other current liabilities	1,722	1,447
Total current liabilities	380,427	209,990
NON-CURRENT LIABILITIES:		
Deferred tax liabilities	3,096	2,028
Liability for retirement benefits for employees	5,340	5,372
Returnable legal guarantee funds	325	314
Other	433	419
Total non-current liabilities	9,195	8,135
Total liabilities	389,623	218,125
EQUITY		
SHAREHOLDERS' EQUITY:		
Common stock	11,500	11,500
Capital surplus	25,358	25,358
Retained earnings	* ⁴ 83,621	* ⁴ 87,205
Treasury stock, at cost	(4,332)	(4,332)
Total shareholders' equity	116,147	119,731
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	5,740	4,873
Total accumulated other comprehensive income	5,740	4,873
Minority interests	2,893	2,516
Total equity	124,782	127,122
Total	514,405	345,247

(Reference Translation)

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

(Consolidated Statements of Operations)

	(millions of yen)	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
OPERATING REVENUE:		
Trading participation fees	21,516	19,842
Listing fees	9,862	7,329
Income from information services	11,071	11,050
Income from securities settlement	7,407	6,828
Other operating income	7,238	7,994
Total Operating revenue	57,097	53,045
OPERATING EXPENSES:		
Salaries and compensation	*1 11,534	*1 11,491
Real estate rental fees	5,736	5,338
System maintenance & operation costs	6,298	5,778
Depreciation	10,334	10,867
System development costs	3,939	5,039
Other operating expenses	5,658	5,370
Total operating expenses	43,501	43,885
Operating profit	13,596	9,159
NON-OPERATING REVENUE		
Interest income	140	113
Dividend income	922	875
Equity in earnings of affiliated companies	321	392
Subsidy income	246	246
Other non-Operating revenue	144	185
Total	1,774	1,813
NON-OPERATING EXPENSES		
Interest expense	58	52
Stock issuance cost	6	15
Other non-operating expenses	3	1
Total	68	69
Ordinary Profit	15,302	10,903
EXTRAORDINARY PROFITS		
Gain from prior period adjustment	142	-
Other extraordinary profits	2	-
Total	145	-

(Reference Translation)

	Fiscal year ended March 31, 2011	(millions of yen) Fiscal year ended March 31, 2012
EXTRAORDINARY LOSSES		
Impairment loss	*2 54	*2 6
Special depreciation of property and equipment, and intangible assets	38	-
Other extraordinary losses	233	0
Total	326	6
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	15,121	10,896
Income taxes-current	3,988	4,568
Income taxes-deferred	2,414	82
Total income taxes	6,402	4,650
INCOME BEFORE MINORITY INTERESTS	8,718	6,245
MINORITY INTERESTS	(160)	(66)
NET INCOME (LOSS)	8,879	6,311

(Consolidated Statements of Comprehensive Income)

	Fiscal year ended March 31, 2011	(millions of yen) Fiscal year ended March 31, 2012
INCOME BEFORE MINORITY INTERESTS	8,718	6,245
OTHER COMPREHENSIVE INCOME		
Net unrealized gain or loss on available-for-sale securities	(190)	(866)
Share of other comprehensive income of affiliated companies	(0)	(0)
Total other comprehensive income	(190)	* (866)
COMPREHENSIVE INCOME	8,527	5,379
Comprehensive income attribute to:		
Owners of the parent	8,688	5,445
Minority interests	(160)	(66)

(Reference Translation)

(3) Consolidated Statement of Change in Equity

	(millions of yen)	
	As of March 31, 2011	As of March 31, 2012
Shareholders' equity		
Common Stock		
Balance at beginning of year	11,500	11,500
Changes of items during the period		
Total changes of items during the period	-	-
Balance at end of year	11,500	11,500
Capital surplus		
Balance at beginning of year	25,358	25,358
Changes of items during the period		
Total changes of items during the period	-	-
Balance at end of year	25,358	25,358
Retained earnings		
Balance at beginning of year	75,424	83,621
Changes of items during the period		
Cash dividends paid	(682)	(2,728)
Net income (loss)	8,879	6,311
Total changes of items during the period	8,196	3,583
Balance at end of year	83,621	87,205
Treasury stock		
Balance at beginning of year	(4,332)	(4,332)
Changes of items during the period		
Total changes of items during the period	-	-
Balance at end of year	(4,332)	(4,332)
Total shareholders' equity		
Balance at beginning of year	107,950	116,147
Changes of items during the period		
Cash dividends paid	(682)	(2,728)
Net income (loss)	8,879	6,311
Total changes of items during the period	8,196	3,583
Balance at end of year	116,147	119,731

(Reference Translation)

	(Millions of yen)	
	As of March 31, 2011	As of March 31, 2012
Accumulated other comprehensive income		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of year	5,931	5,740
Changes of items during the period		
Net changes of items other than shareholders' equity	(190)	(866)
Total changes of items during the period	(190)	(866)
Balance at end of year	5,740	4,873
Total accumulated other comprehensive income		
Balance at beginning of year	5,931	5,740
Changes of items during the period		
Net changes of items other than shareholders' equity	(190)	(866)
Total changes of items during the period	(190)	(866)
Balance at end of year	5,740	4,873
Minority interests		
Balance at beginning of year	3,058	2,893
Changes of items during the period		
Net changes of items other than shareholders' equity	(164)	(376)
Total changes of items during the period	(164)	(376)
Balance at end of year	2,893	2,516
Total Equity		
Balance at beginning of year	116,940	124,782
Changes of items during the period		
Cash dividends paid	(682)	(2,728)
Net income (loss)	8,879	6,311
Net changes of items other than shareholders' equity	(355)	(1,243)
Total changes of items during the period	7,841	2,340
Balance at end of year	124,782	127,122

(Reference Translation)

(4) Consolidated Statements of Cash Flows

	(millions of yen)	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
OPERATING ACTIVITIES:		
Income (loss) before income taxes and minority interests	15,121	10,896
Depreciation	10,391	10,993
Impairment loss	54	6
Increase (decrease) in allowance for doubtful accounts	4	2
Increase (decrease) in accrued bonuses	(31)	(62)
Increase (decrease) in accrued bonuses for directors	239	(113)
Increase (decrease) in liability for retirement benefits for employees	58	31
Interest and dividends income	(1,063)	(989)
Interest expense	58	52
Equity in earnings of affiliated companies	(321)	(392)
Decrease (increase) in accounts receivable	(278)	284
Decrease (increase) in inventories	(190)	(1,060)
Decrease in accounts payable-trade	(44)	(330)
Other-net	(261)	217
Sub-total	23,737	19,536
Interest and dividends received	1,328	1,073
Interest paid	(58)	(52)
Income taxes refunded (paid)	(2,509)	(4,685)
Net cash provided by operating activities	22,497	15,872
INVESTING ACTIVITIES:		
Acquisition of time deposits	(61,760)	(71,300)
Proceeds from refund of time deposits	47,680	63,400
Acquisition of marketable securities	(499)	-
Proceeds from sales of marketable securities	2,500	-
Acquisition of property and equipment	(1,151)	(765)
Proceeds from sale of property and equipment	3	-
Acquisition of intangible assets	(3,914)	(5,576)
Acquisition of investments in securities	(3,384)	(4)
Acquisition of investments in subsidiaries	-	(177)
Others	120	(39)
Net cash used in investing activities	(20,406)	(14,464)
FINANCING ACTIVITIES:		
Dividends paid	(682)	(2,728)
Other	(4)	(3)
Net cash provided by (used in) financing activities	(686)	(2,731)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS		
	3	1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,408	(1,322)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	27,693	29,101
CASH AND CASH EQUIVALENTS, END OF YEAR	* 29,101	* 27,779

(Reference Translation)

(5) Note on Going-Concern Assumption
Not applicable

(6) Changes in Basis of Presenting

(Change in Presentation)

(Related to Consolidated Balance Sheets)

"Software" was included in "Other intangible assets" under "Intangible assets" in the previous fiscal year, but is shown separately from the fiscal year ended March 2012 because they constitute more than 5% of total assets. Certain amounts in the consolidated financial statements for the previous fiscal year have been reclassified to conform to current fiscal year presentation.

As a result, ¥23,373 million under "Other intangible assets" in the previous consolidated balance sheet has been reclassified as ¥20,718 million under "Software" and ¥2,654 million under "Other intangible assets".

(Related to Consolidated Statements of Operations)

"System development costs" were included in "Other operating expenses" under "OPERATING EXPENSES" in the previous fiscal year, but are shown separately from the fiscal year ended March 2012 because they constitute more than 10% of total operating expenses. Certain amounts in the consolidated financial statements for the previous fiscal year have been reclassified to conform to current fiscal year presentation.

As a result, ¥9,597 million under "Other operating expenses" in the previous consolidated statement of operations has been reclassified as ¥3,939 million under "System development costs" and ¥5,658 million under "Other operating expenses".

"Stock issuance cost" was included in "Other non-operating expenses" under "NON-OPERATING EXPENSES" in the previous fiscal year, but is shown separately from the fiscal year ended March 2012 because they constitute more than 10% of total operating expenses. Certain amounts in the consolidated financial statements for the previous fiscal year have been reclassified to conform to current fiscal year presentation.

As a result, ¥9 million under "Other non-operating expenses" in the previous consolidated statement of operations has been reclassified as ¥6 million under "Stock issuance cost" and ¥3 million under "Other non-operating expenses".

"Loss on disposal of property and equipment, and intangible assets" was shown separately in the previous fiscal year, but is included in "Other extraordinary losses" under "EXTRAORDINARY LOSSES" from the fiscal year ended March 31, 2012 because it constitutes no more than 10% of total extraordinary losses. Certain amounts in the consolidated financial statements for the previous fiscal year have been reclassified to conform to current fiscal year presentation.

As a result, ¥222 million under "Loss on disposal of property and equipment, and intangible assets" in the consolidated statement of operations has been reclassified as ¥222 million under "Other extraordinary losses".

(Related to Consolidated Statements of Cash Flows)

"Loss on disposal of property and equipment, and intangible assets" was shown separately in the previous fiscal year, but is included in "Other-net" under "OPERATING ACTIVITIES" from the fiscal year ended March 31, 2012 to reflect the decreased importance. Certain amounts in the consolidated financial statements for the previous fiscal year have been reclassified to conform to current fiscal year presentation.

As a result, ¥222 million under "Loss on disposal of property and equipment, and intangible assets" in the previous consolidated statement of cash flows has been reclassified as ¥222 million under "Other-net" of "OPERATING ACTIVITIES".

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

(Changes in accounting estimates)

The company made a revision, in 1st quarter of the fiscal year ended March 31, 2012, to the useful life of fixed assets whose period of use was shorter than initially expected due to the decision to launch a new system. Due to this, operating profit and ordinary profit for the fiscal year ended March 2012 each declined ¥1,802 million.

During the fiscal year ended March 2012, the company disposed a part of such fixed assets. Due to this income before taxes and minority interest declined ¥325 million.

(Reference Translation)

(Additional Information)

The “Accounting Standard for Changes and Error Corrections” (ASBJ Statement No.24; December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No.24; December 4, 2009) are being applied to the accounting changes and error corrections conducted from the beginning of the fiscal year ended March 31, 2012.

(7) Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
<p>*1 Investments in affiliated companies Investments in securities (equity securities) ¥7,415 million</p> <p>2 Liabilities for guarantees Guarantees for housing loans from banks for employees ¥3,308 million Guarantees for loans from banks for ICJ, Inc. ¥36 million</p> <hr/> <p>Total ¥3,344 million</p>	<p>*1 Investments in affiliated companies Investments in securities (equity securities) ¥7,769 million</p> <p>2 Liabilities for guarantees Guarantees for housing loans from banks for employees ¥2,998 million</p> <hr/> <p>Total ¥2,998 million</p>
<p>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.</p>	<p>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.</p>
<p>*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 non-performance of obligation by the clearing participants from the time the transaction is concluded until settlement completes, 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</p>	<p>*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 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 completes, 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</p>

(Reference Translation)

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 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.

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 March 31, 2012 was as follows:

1) Margin funds for when-issued transactions	¥-	million
2) Margin funds for derivatives	¥673,708	million
3) Deposits for clearing funds	¥125,810	million
4) Deposits as collateral for facilitating settlement	¥70,648	million
5) Legal guarantee funds	¥1,212	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, 2012 was ¥1,583 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 Operations)

Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
*1 Major elements and amounts included under operating expenses are as follows: Major elements included in salaries and compensation	*1 Major elements and amounts included under operating expenses are as follows: Major elements included in salaries and compensation
Salaries	Salaries
Bonus allowance	Bonus allowance
Directors' bonus allowance	Directors' bonus allowance
Net periodic retirement benefit costs	Net periodic retirement benefit costs
*2 Impairment loss on the assets of TSE Group's consolidated subsidiaries is as follows:	*2 Impairment loss on the assets of TSE Group's consolidated subsidiaries is as follows:

(Reference Translation)

<p>(1) Company which recognized impairment losses TOKYO AIM, Inc.</p> <p>(2) Assets which recognized impairment losses and amount of the impairment losses</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Category</th> <th>Impairment loss</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Business asset</td> <td>Buildings and structures</td> <td>¥6 million</td> </tr> <tr> <td>Other property and equipment</td> <td>¥10 million</td> </tr> <tr> <td>Software</td> <td>¥37 million</td> </tr> </tbody> </table> <p>(3) Background of recognition of impairment losses The revenues initially estimated in the business plan determined at the time of establishment were unable to be realized, and thus were recorded as impairment losses.</p> <p>(4) Method of grouping the asset Because TSE group is engaged in a single business, there is no segment for business assets and each company is categorized as a single asset group. Idle assets are categorized as a minimum asset group for each asset.</p> <p>(5) Calculation methods of recoverable value Full amount of book value is recognized as impairment loss. Value in use and net selling price are expected to be zero, therefore recoverable value will be recognized as zero..</p>	Use	Category	Impairment loss	Business asset	Buildings and structures	¥6 million	Other property and equipment	¥10 million	Software	¥37 million	<p>(1) Company which recognized impairment losses TOKYO AIM, Inc.</p> <p>(2) Assets which recognized impairment losses and amount of the impairment losses</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Category</th> <th>Impairment loss</th> </tr> </thead> <tbody> <tr> <td>Business asset</td> <td>Software</td> <td>¥6 million</td> </tr> </tbody> </table> <p>(3) Background of recognition of impairment losses Impairment loss is recognized due to TSE Group reaching a resolution to integrate TOKYO AIM, Inc. into Tokyo Stock Exchange, Inc. through an absorption-type merger and making a revision to the usage of fixed assets.</p> <p>(4) Method of grouping the asset Because TSE group is engaged in a single business, there is no segment for business assets and each company is categorized as a single asset group. Idle assets are categorized as a minimum asset group for each asset.</p> <p>(5) Calculation methods of recoverable value Full amount of book value is recognized as impairment loss. Value in use and net selling price are expected to be zero, therefore recoverable value will be recognized as zero..</p>	Use	Category	Impairment loss	Business asset	Software	¥6 million
Use	Category	Impairment loss															
Business asset	Buildings and structures	¥6 million															
	Other property and equipment	¥10 million															
	Software	¥37 million															
Use	Category	Impairment loss															
Business asset	Software	¥6 million															

(Consolidated Statements of Comprehensive Income)

Fiscal year ended March 31, 2012	
* Amount for reclassification adjustment pertaining to other comprehensive income, and tax effect	
Net unrealized gain or loss on available-for-sale securities:	
Gain (loss) in current year	(¥2,105 million)
Reclassification adjustment	-
Before tax effect adjustment	(¥2,105 million)
Tax effect	¥1,239 million
Net unrealized gain or loss on available-for-sale securities	(¥866 million)
Share of other comprehensive income of affiliated companies:	
Income in current year	(¥0 million)
Total other comprehensive income	(¥866 million)

(Consolidated Statements of Cash Flows)

Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
* 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	¥61,101 million
Time deposits with a maturity over three months	(¥32,000 million)
Cash and cash equivalents	¥29,101 million
* 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	¥67,679 million
Time deposits with a maturity over three months	(¥39,900 million)
Cash and cash equivalents	¥27,779 million

(Reference Translation)

(Financial Instruments)

1. Items related to financial instruments

(1) Policy for financial instruments

TSE group limits investments to secure financial instruments and finance the investments, etc. through borrowings.

(2) Details, risks, and risk management structure for financial instruments

Accounts receivable—trade is an operating claim, and exposes TSE group to the credit risk of the market participants that are its customers. TSE group continuously monitors the financial condition of those market participants based on internal regulations.

Marketable securities and investments in securities comprise government bonds held for the purpose of fund management and equities held in connection with business alliances. The market value of equities, which fluctuates based on market prices, is regularly reported to the Board of Directors.

Margin funds for derivatives and when-issued transactions, deposits for clearing funds, deposits as collateral for facilitating settlement, legal guarantee funds, deposits received as trading participants guarantee, and special assets for default compensation reserve funds constitute assets and liabilities based on various structures for hedging risks of securities trading (For more information regarding these assets and liabilities, refer to "Section 4.

CONSOLIDATED FINANCIAL STATEMENTS: (7) Notes to Consolidated Financial Statements (Consolidated balance sheets): *4. Assets and liabilities for hedging risks of securities trading").

2. Market value of financial instruments

I Fiscal year ended March 31, 2011

Amounts as of March 31, 2011 shown on the consolidated balance sheets, market values, and the difference between these values are as follows. Instruments for which a market value is not available are not included below (see [Note 2]).

(millions of yen)

	Carrying account (*)	Market value (*)	Unrealized gains
(1) Cash and bank deposits	61,101	61,101	-
(2) Accounts receivable—trade	4,940	4,940	-
(3) Marketable securities and investments in securities			
1) Held-to-maturity securities	1,599	1,604	4
2) Available-for-sale securities	26,390	26,390	-
(4) Margin funds for derivatives and when-issued transactions	246,910	246,910	-
(5) Deposits for clearing funds	81,967	81,967	-
(6) Deposits as collateral for facilitating settlement.	22,510	22,510	-
(7) Legal guarantee funds	325	325	-
(8) Special assets for default compensation reserve funds	17,367	17,367	-
Total assets	463,112	463,117	4
(9) Margin funds received for derivatives and when-issued transactions	(246,910)	(246,910)	-
(10) Deposits received for clearing funds	(81,967)	(81,967)	-
(11) Deposits received as collateral for facilitating settlement	(22,510)	(22,510)	-
(12) Deposits received as trading participants guarantee	(3,112)	(3,112)	-
Total liabilities	(354,499)	(354,499)	-

* Amounts representing liabilities are shown in parentheses.

(Reference Translation)

(Note 1) Methods for calculating market value of financial instruments and items related to marketable securities

(1) Cash and bank deposits and (2) Accounts receivable–trade

Deposits and accounts receivable–trade are all short-term; the market value and book value are essentially equivalent, and the book value is used.

(3) Marketable securities and investments in securities

The exchange price is used for the market value for equities, and the quoted price provided by the Japan Securities Dealers Association is used for debt securities.

The amount shown on the consolidated balance sheets for held-to-maturity debt securities, the market value and those differences, and the differences between the acquisition cost and the amount shown on the consolidated balance sheets for other securities are as follows:

1) Held-to-maturity debt securities

(millions of yen)

	Type	Carrying amount	Market value	Unrealized gains
Market value over book value	Government bonds, municipal bonds, etc.	1,599	1,604	4
Market value less than book value	Government bonds, municipal bonds, etc.	-	-	-
Total		1,599	1,604	4

2) Other securities

(millions of yen)

	Type	Acquisition cost	Carrying amount	Unrealized gains
Book value over acquisition cost	Equities	16,712	26,390	9,678
Book value less than acquisition cost	Equities	-	-	-
Total		16,712	26,390	9,678

(4) – (12) Assets and liabilities for hedging risks of securities trading

The market value is as per the book value.

(13) Derivatives transactions

None applicable.

(Note 2)

Unlisted equity securities (amount shown on consolidated balance sheets: ¥7,514 million) do not have a market price and future cash flows cannot be estimated, making it extremely difficult to derive a market value. These securities are therefore not included in “(3) Marketable securities and investments in securities: 2) Other securities”.

For the same reason, returnable legal guarantee funds (amount shown on consolidated balance sheets: ¥325 million) are not shown under market value of financial instruments.

(Note 3)

Scheduled redemptions of monetary claims and marketable securities with maturities after March 31, 2011, are as follows:

(Reference Translation)

(millions of yen)

	Due in within 1 year	Due between 1 and 5 years
Cash and bank deposits	61,101	-
Accounts receivable—trade	4,940	-
Marketable securities and investments in securities:		
Held-to-maturity securities (government bonds, municipal bonds).	-	1,568,1568
Total	66,041	1,568

II Fiscal year ended March 31, 2012

Amounts as of March 31, 2012, shown on the consolidated balance sheets, market values, and the difference between these values are as follows. Instruments for which a market value is not available are not included below (see [Note 2]).

(millions of yen)

	Carrying account (*)	Market value (*)	Unrealized gains
(1) Cash and bank deposits	67,679	67,679	-
(2) Accounts receivable—trade	4,656	4,656	-
(3) Marketable securities and investments in securities			
1) Held-to-maturity securities	1,591	1,607	16
2) Available-for-sale securities	24,285	24,285	-
(4) Margin funds for derivatives and when-issued transactions	111,296	111,296	-
(5) Deposits for clearing funds	59,376	59,376	-
(6) Deposits as collateral for facilitating settlement.	11,110	11,110	-
(7) Legal guarantee funds	314	314	-
(8) Special assets for default compensation reserve funds	17,367	17,367	-
Total assets	297,677	297,693	16
(9) Margin funds received for derivatives and when-issued transactions	(111,296)	(111,296)	-
(10) Deposits received for clearing funds	(59,376)	(59,376)	-
(11) Deposits received as collateral for facilitating settlement	(11,110)	(11,110)	-
(12) Deposits received as trading participants guarantee	(3,525)	(3,525)	-
Total liabilities	(185,308)	(185,308)	-

* Amounts representing liabilities are shown in parentheses.

(Note 1) Methods for calculating market value of financial instruments and items related to marketable securities

(1) Cash and bank deposits and (2) Accounts receivable—trade

Deposits and accounts receivable—trade are all short-term; the market value and book value are essentially equivalent, and the book value is used.

(3) Marketable securities and investments in securities

The exchange price is used for the market value for equities, and the quoted price provided by the Japan Securities Dealers Association is used for debt securities.

The amount shown on the consolidated balance sheets for held-to-maturity debt securities, the market value and

(Reference Translation)

those differences, and the differences between the acquisition cost and the amount shown on the consolidated balance sheets for other securities are as follows:

1) Held-to-maturity debt securities

(millions of yen)

	Type	Carrying amount	Market value	Unrealized gains
Market value over book value	Government bonds, municipal bonds, etc.	1,591	1,607	16
Market value less than book value	Government bonds, municipal bonds, etc.	-	-	-
Total		1,591	1,607	16

2) Other securities

(millions of yen)

	Type	Acquisition cost	Carrying amount	Unrealized gains
Book value over acquisition cost	Equities	16,712	24,285	7,573
Book value less than acquisition cost	Equities	-	-	-
Total		16,712	24,285	7,573

(4) – (12) Assets and liabilities for hedging risks of securities trading

The market value is as per the book value.

(13) Derivatives transactions

None applicable.

(Note 2)

Unlisted equity securities (amount shown on consolidated balance sheets: ¥7,869 million) do not have a market price and future cash flows cannot be estimated, making it extremely difficult to derive a market value. These securities are therefore not included in “(3) Marketable securities and investments in securities: 2) Other securities”.

For the same reason, returnable legal guarantee funds (amount shown on consolidated balance sheets: ¥314 million) are not shown under market value of financial instruments.

(Note 3)

Scheduled redemptions of monetary claims and marketable securities with maturities after March 31, 2012, are as follows:

(millions of yen)

	Due within 1 year	Due between 1 and 5 years
Cash and bank deposits	67,679	-
Accounts receivable—trade	4,656	-
Marketable securities and investments in securities: Held-to-maturity securities (government bonds, municipal bonds).	-	1,568
Total	72,335	1,568

(Reference Translation)

(Segment Information, etc)

a. Segment information

Fiscal year ended March 31, 2011 and fiscal year ended March 31, 2012
TSE group is engaged in financial instruments exchange business, which is its only business segment. Accordingly, the presentation of information by business segment has been omitted.

b. Related information

Fiscal year ended March 31, 2011 and fiscal year ended March 31, 2012

1. Products and services

This information has been omitted due to its inclusion on "Section 4. CONSOLIDATED FINANCIAL STATEMENTS: (2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income: Consolidated Statements of Operations".

2. Geographic location

(1) Sales

This information has been omitted due to sales to customers outside of Japan surpassing 90% of sales on the Consolidated Statements of Operations.

(2) Property and equipment

This information has been omitted due to the value of property and equipment in Japan surpassing 90% of the properties and equipment on the Consolidated Balance Sheet.

3. Major customers

This information has been omitted due to outside sales to specified customers being less than 10% of sales on the Consolidated Statements of Operations.

(Per Share Information)

Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net assets per share ¥53,606.95	Net assets per share ¥54,801.89
Net loss per share ¥3,905.07	Net income per share ¥2,775.98

(Notes)

1. Diluted net income and loss per share is not shown because of the fact that no residual securities exist.
2. The basis for calculation of the net income and loss per share are as follows:

(millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net Income (loss)	8,879	6,311
Less components not pertaining to common shareholders	-	-
Net Income (loss) pertaining to common stock	8,879	6,311
Average outstanding shares of common stock (thousand of shares)	2,273	2,273

(Significant Subsequent Events)

Fiscal year ended March 31, 2011 and fiscal year ended March 31, 2012

No items.