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Financial Results for the Fiscal Year Ended March 31, 2011



April 26, 2011

Company Name **Osaka Securities Exchange Co., Ltd.**
 Code No. 8697
 Representative Michio Yoneda, President & CEO
 Contact Mikio Hinoide, General Manager, Corporate Planning and Communication
 Scheduled date of the ordinary general meeting of shareholders: June 22, 2011
 Scheduled date of filing the annual securities report: June 14, 2011
 Scheduled date of commencement of dividend payment: June 23, 2011
 Supplementary data for financial results: Yes
 Financial results conference: Yes

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(Amounts less than one million yen are rounded down)

1. Business Performance of the Fiscal Year Ended March 31, 2011 (April 1, 2010 - March 31, 2011)

(1) Operating Results

(Percentages shown indicate changes from the previous fiscal year)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	mil yen	%	mil yen	%	mil yen	%	mil yen	%
Fiscal Year ended March 31, 2011	22,984	27.1	7,582	23.9	8,453	10.0	9,156	111.2
Fiscal Year ended March 31, 2010	18,080	Δ4.3	6,121	Δ20.8	7,684	Δ17.6	4,334	Δ31.4

	Net Income per Share	Net Income per Share (adjusted)	Ratio of Net Earnings to Shareholders' Equity	Ratio of Current Earnings to Total Assets	Ratio of Operating Income to Operating Revenues
	yen	yen	%	%	%
Fiscal Year ended March 31, 2011	33,911.49	-	18.4	1.7	33.0
Fiscal Year ended March 31, 2010	16,053.69	-	9.6	1.9	33.9

(Ref.) Investment profit/loss on equity method: Fiscal Year ended March 31, 2011 : - mill yen Fiscal Year ended March 31, 2010 : - mill yen

* Due to a merger of a subsidiary in the fiscal year ended March 31, 2011, OSE prepares only the individual financial statements. Although OSE prepared the consolidated financial statements for the fiscal year ended March 31, 2010, above figures are figures showed in the individual financial statements.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	mil yen	mil yen	%	yen
Fiscal Year ended March 31, 2011	670,811	52,858	7.9	195,773.01
Fiscal Year ended March 31, 2010	317,323	46,439	14.6	171,998.46

(Ref.) Shareholders' Equity: Fiscal Year ended March 31, 2011 : 52,858 mil yen Fiscal Year ended March 31, 2010 : 46,439 mil yen

* Due to a merger of a subsidiary in the fiscal year ended March 31, 2011, OSE prepares only the individual financial statements. Although OSE prepared the consolidated financial statements for the fiscal year ended March 31, 2010, above figures are figures showed in the individual financial statements.

(3) Cash Flow Position

	Net Cash Provided by Operating Activities	Net Cash Provided by Investment Activities	Net Cash Provided by Financing Activities	Cash and Cash Equivalents at End of Current Term
	mil yen	mil yen	mil yen	mil yen
Fiscal Year ended March 31, 2011	3,690	Δ 7,652	Δ 2,700	8,453
Fiscal Year ended March 31, 2010	-	-	-	-

OSE prepares the consolidated cash flow statements, does not prepare the individual cash flow statements. Therefore, the cash flow position for the fiscal year ended March 31, 2010 is not showed.

2. Dividends

	Dividend per Share					Total Dividends Paid (Full Year)	Dividend Payout Ratio	Ratio of Dividends to Net Assets
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-End	Annual			
Fiscal Year ended March 31, 2010	-	3,500.00	-	5,500.00	9,000.00	2,430	38.6	5.0
Fiscal Year ended March 31, 2011	-	4,500.00	-	6,000.00	10,500.00	2,835	39.7	5.7
Fiscal Year ending March 31, 2012 (Forecast)	-	4,500.00	-	4,500.00	9,000.00		40.5	

* Due to a merger of Jasdq Securities Exchange, Inc. on April 1, 2010, a 2,013 million-yen income from the merger is posted on the Profit and Loss Statements for the fiscal year ended March 31, 2011 (individual), but the income was already posted on the Consolidated Profit and Loss Statements for the fiscal year ended March 31, 2009 and the fiscal year ended March 31, 2010 and included in a dividend resource, from which we paid a dividend. Therefore, following the above, OSE projects the dividend for the fiscal year ended March 31, 2011, deducting the worth of the income from a dividend resource. Figures of Dividend Payout Ratio and Ratio of Dividends to Net Assets for the Fiscal Year ended March 31, 2010 are consolidated figures.

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

(Percentages shown on "Full Year "indicate changes from the previous fiscal year and "Second Quarter (Cumulative)" from the same period last year)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share
	mil yen	%	mil yen	%	mil yen	%	mil yen	%	yen
Second Quarter (Cumulative)	12,000	8.0	4,500	1.9	4,700	0.2	3,000	Δ 50.7	11,111.11
Full Year	24,000	4.4	9,000	18.7	9,500	12.4	6,000	Δ 34.5	22,222.22

4. Others

(1) Changes in accounting principles, procedures, preparation methods

1) Changes in accordance with Revision of Accounting Standards, etc. : Yes

2) Changes other than 1) : No

(2) Number of shares outstanding (Ordinary Shares)

1) Number of shares outstanding at term-end (including treasury stock)

As of March 31, 2011: 270,000 shares

As of March 31, 2010: 270,000 shares

2) Number of treasury stock at term-end

As of March 31, 2011: - shares

As of March 31, 2010: - shares

3) Average number of shares outstanding

Fiscal year ended March 31, 2011: 270,000 shares

Fiscal year ended March 31, 2010: 270,000 shares

* Status of Auditing Processes

This financial results are exempt from auditing processes based on the Financial Instruments and Exchange Law, and auditing processes of financial statements based on the Financial Instruments and Exchange Law has not been completed at the time of disclosure of this financial results.

* Explanation for the Proper Use of Earnings Forecast and Other Special Instructions

Earnings forecast shown in this material is just an outlook judged or assumed based on the information available at the moment, and includes risks and uncertainties. Actual performance is subject to substantial changes due to various factors.

1. Operating Results

(1) Analysis on Operating Results

Due to the foreign economical conditions such as the financial crisis in Europe and concerns against the deceleration of US economy, and the rapid rise of the yen, Japan's economy remained in the weak condition. Also, suffering from the Great East Japan Earthquake, the unprecedented disaster, in March of this year, it would be concerned that the Japan's economy would remain uncertain. Under this situation, in stock markets during the current fiscal year, Nikkei 225 moved in a range of the 8,600-yen level to the 11,300-yen level, overview of Operating Revenue by each sector during the current fiscal year is as follows.

(*) Due to a merger of Jasdax Securities Exchange, Inc. (Jasdax), a former consolidated subsidiary, on April 1, 2010, Osaka Securities Exchange (OSE) prepares only the individual financial statements from the first quarter of the fiscal year ended March 31, 2011. Therefore, in the "(1) Analysis on Operating Results", changes of figures on the business performance from the previous consolidated fiscal year, which is before the merger, are shown as a reference.

A. Participant Fees

During the current fiscal year, as for a derivatives market, one of the financial instruments markets operated by OSE (OSE's markets), due to our extended reach of Nikkei 225 mini and Exchange FX Margin Trading (OSE-FX) to retail investors and an extension of Evening Session from July of last year, trading volumes of Nikkei 225 mini, Nikkei 225 Options, and OSE-FX exceeded the volumes of the previous consolidated fiscal year. As a result, the total trading volume of derivatives products became 214.4 million units, increased by 25.5% from the previous consolidated fiscal year. It was the first time to exceed 200 million units. Also, as the trading value of Nikkei 225 mini, Nikkei 225 Options and OSE-FX exceeded the value in the previous consolidated fiscal year, the total trading value of derivatives products became 371 trillion yen, increased by 6.0% from the previous consolidated fiscal year.

As for the equity markets, trading volume both in 1st/2nd Section and JASDAQ (including Hercules and NEO) fell below the volume in the previous consolidated fiscal year, and the total trading volume decreased by 16.5% from the previous consolidated fiscal year. However, as the trading value of JASDAQ greatly exceeded the value in the previous consolidated fiscal year, the total trading value resulted in 19 trillion yen, increased by 3.1% from the previous consolidated fiscal year.

Accordingly, the Participant Fees reached 13,769 million yen (increased by 7.6% on the same period previous year). Its breakdown is the trading fees, 8,548 million yen; the clearing fees, 2,586 million yen; the access fees, 1,870 million yen; the basic fees, 734 million yen; and so on.

B. Equipment and Information Services Fees

Equipment and Information Services Fees, which is mainly from the real-time information of orders and settlements information service, the closed price information service, and the collocation service, reached 7,086 million yen (increased by 3.6% on the same period previous year.) Its breakdown is market information fees, 3,961 million yen; network fees, 1,282 million yen; system connection fees, 803 million yen; and so on.

C. Listing Fees

As for the number of listed companies at the end of the current fiscal year, the total of 1st and 2nd Sections was 743 companies, decreased by 5.2% from the end of previous consolidated fiscal year, and that of JASDAQ was 989 companies, decreased by 3.5% from the end of previous consolidated fiscal year. Accordingly, the Listing Fees resulted in 1,905 million yen (decreased by 37.3% on the same period previous year), and the breakdown is annual listing fees of 1,427 million yen and initial listing fees & fees for issuing new shares of 478 million yen.

D. Others

Other operating revenue in the current fiscal year reached 222 million yen (decreased by 36.3% on the same period previous year.)

Based on the results described above, Operating Revenue resulted in 22,984 million yen, decreased by 0.2% on the same period previous year. And Selling, General and Administrative Expenses resulted in 15,401 million yen, increased by 0.7% on the same period previous year. It is because depreciation expenses was 3,290 million yen, operating expenses was 5,402 million yen, occupancy expenses was 3,183 million yen, and personnel administration expenses was 3,524 million yen, due to a market integration among Hercules, JASDAQ and NEO in October of last year and implementations of infrastructure improvements to provide stable trading systems.

As a result, the Operating Income was 7,582 million yen, decreased by 1.8% from the same period previous year, and Ordinary Income was 8,453 million yen, decreased by 7.7% from the same period previous year. And Net Income resulted in 9,156 million yen, increased by 45.4% from the same period previous year. It is because Gain on Extinguishment of Tie-In Shares of 2,013 million yen is posted for Extraordinary Income, also because the total of corporate tax etc. drastically reduced due to an application of Loss Carryforward from Jasdax and a use of valuation reserve for Allowance for Doubtful Accounts posted by Jasdax for tax accounting of the current fiscal year.

a. Earning Results

(yen in millions)

Category	Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010		Current Fiscal Year From April 1, 2010 to March 31, 2011		
	Amount	Ratio (%)	Amount	Ratio (%)	y / y (%)
Participant Fees	12,797	55.6	13,769	59.9	7.6
Trading fees	7,461	32.4	8,548	37.2	14.6
Clearing fees	2,619	11.4	2,586	11.3	- 1.2
Access fees	1,798	7.8	1,870	8.1	4.0
Basic fees	744	3.2	734	3.2	- 1.3
Others	173	0.8	28	0.1	- 83.8
Equipment and Information Services Fees	6,838	29.7	7,086	30.8	3.6
Market information fees	4,074	17.7	3,961	17.2	- 2.8
Network fees	1,354	5.9	1,282	5.6	- 5.3
System connection fees	801	3.5	803	3.5	0.3
Others	608	2.6	1,038	4.5	70.8
Listing Fees	3,036	13.2	1,905	8.3	- 37.3
Annual listing fees	1,822	7.9	1,427	6.2	- 21.7
Initial listing fees & fees for issuing new shares	1,214	5.3	478	2.1	- 60.6
Others	349	1.5	222	1.0	- 36.3
Total	23,021	100.0	22,984	100.0	- 0.2

(Note) Due to a merger with Jasdaq, which had been its consolidated subsidiary, on April 1, 2010, OSE prepares only the individual financial statements from the first quarter of the fiscal year ended March 31, 2011. Therefore, figures of the previous consolidated fiscal year, which is before the merger, are shown as a reference.

b. Trading and Clearing Fees

(yen in millions)

Category	Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010		Current Fiscal Year From April 1, 2010 to March 31, 2011		
	Amount	Ratio (%)	Amount	Ratio (%)	y / y (%)
Nikkei 225 Futures (Note 1)	3,951	39.2	4,296	38.6	8.7
Nikkei 225 Options	3,919	38.9	4,175	37.5	6.5
Other derivatives (Note 2)	8	0.1	263	2.4	3,112.2
Stocks etc. (Note 3)	2,201	21.8	2,399	21.5	9.0
Total	10,080	100.0	11,135	100.0	10.5

(Note 1) Includes Nikkei 225 mini

(Note 2) Total of Nikkei 300 Futures, Russell/Nomura Prime Index Futures, Nikkei 300 Options, Security Options, and OSE-FX. Trading of Nikkei 300 Options is suspended from May 28, 2010.

(Note 3) Includes ETFs, domestic investment securities, foreign investment securities, covered warrants, investment securities, REITs, and bonds.

(Note 4) Due to a merger with Jasdaq, which had been its consolidated subsidiary, on April 1, 2010, OSE prepares only the individual financial statements from the first quarter of the fiscal year ended March 31, 2011. Therefore, figures of the previous consolidated fiscal year, which is before the merger, are shown as a reference.

c. Trading Value

(yen in 100 millions)

Category	Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010	Current Fiscal Year From April 1, 2010 to March 31, 2011			
		Trading Value	Trading Value		y / y (%)
			Daily Average		
Derivatives	3,506,126	3,717,387	15,156	6.0	
Total of Nikkei 225 Futures/mini	3,449,254	3,600,656	14,696	4.4	
Nikkei 225 Futures	2,366,358	2,282,418	9,315	- 3.5	
Nikkei 225mini	1,082,896	1,318,238	5,380	21.7	
Nikkei 225 Options	47,681	51,840	211	8.7	
OSE-FX (Note 1)	9,137	64,834	248	609.6	
Other derivatives (Note 2)	53	55	0	4.6	
Stocks etc.	184,520	190,220	776	3.1	
1st/2nd Section	117,576	115,634	471	- 1.7	
JASDAQ	47,028	53,612	218	14.0	
ETFs	19,860	20,910	85	5.3	
Others (Note 3)	56	62	0	12.2	

(Note 1) The trading started on July 21, 2009. Trading value of non-yen currency pairs is converted to yen at their settlement value on their trading day.

(Note 2) Total of Nikkei 300 Futures, Russell/Nomura Prime Index Futures, Nikkei 300 Options, and Security Options. Trading of Nikkei 300 Options is suspended from May 28, 2010.

(Note 3) Total of domestic investment securities, foreign investment securities, covered warrants, investment securities, and REITs.

d. Trading Volume

Category	Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010	Current Fiscal Year From April 1, 2010 to March 31, 2011			
		Trading Volume (10,000 units)	Trading Volume (10,000 units)		y / y (%)
			Daily Average (1,000 units)		
Derivatives	17,090	21,440	873	25.5	
Total of Nikkei 225 Futures/mini	13,243	15,692	640	18.5	
Nikkei 225 Futures	2,376	2,313	94	-2.7	
Nikkei 225mini	10,866	13,379	546	23.1	
Nikkei 225 Options	3,731	4,961	202	33.0	
OSE-FX (Note 1)	83	687	26	722.1	
Other derivatives (Note 2)	32	99	4	209.3	

(shares in millions)

Category	Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010	Current Fiscal Year From April 1, 2010 to March 31, 2011			
		Trading Volume	Trading Volume		y / y (%)
			Daily Average		
Stocks etc.	21,189	17,683	72	- 16.5	
1st/2nd Section	10,730	8,820	36	- 17.8	
JASDAQ	10,127	8,611	35	- 15.0	
ETFs	309	250	1	- 19.1	
Others (Note 3)	21	0	0	- 96.1	

(Note 1) The trading started on July 21, 2009.

(Note 2) Total of Nikkei 300 Futures, Russell/Nomura Prime Index Futures, Nikkei 300 Options, and Security Options. Trading of Nikkei 300 Options is suspended from May 28, 2010.

(Note 3) Total of domestic investment securities, foreign investment securities, covered warrants, investment securities, and REITs.

e. Transaction Participants

(companies)

Category	End of Previous Consolidated Fiscal Year as of Mar. 31, 2010	End of Current Fiscal Year as of March 31, 2011	
	Participants	Participants	y/y (%)
Transaction Participants of Cash/Futures Trading etc./FX and JASDAQ	7	10	42.9
Transaction Participants of Cash/Futures Trading etc. and JASDAQ	63	63	-
Transaction Participants of Cash/Futures Trading etc.	6	5	- 16.7
Transaction Participants of Futures Trading etc. and FX	1	1	-
Transaction Participants of Cash Trading and JASDAQ	2	2	-
Transaction Participants of Futures Trading etc. and JASDAQ	10	9	- 10.0
Transaction Participants of Cash Trading	1	0	- 100.0
Transaction Participants of Futures Trading etc.	2	2	-
Transaction Participants of FX	4	6	50.0
Transaction Participants of IPO	2	2	-
Transaction Participants of JASDAQ	16	14	- 12.5
Total	114	114	-

f. Subscribers etc.

Category		End of Previous Consolidated Fiscal Year as of March 31, 2010	End of Current Fiscal Year as of March 31, 2011	
				y / y (%)
Market Information Fees Related (Note1/2)	Number of Subscribers	-	142	-
	Number of Corporate-Use Terminals	216,399	213,709	- 1.2
	Number of Personal-Use Terminals	5,085,329	5,099,253	0.3
Line Fees / System Connection Fees Related (Note 3)	Number of Lines	648	604	- 6.8
	Number of Terminals	4,387	3,185	- 27.4

(Note 1) Due to the launch of J-GATE, the new derivatives trading platform, on February 14, 2011, unified two different contracts on market information services for former OSE markets and former JASDAQ markets.

(Note 2) The number of corporate-use terminals and the number of personal-use terminals are the total of terminals for former OSE's markets and former JASDAQ markets as of December 31, 2009 and December 31, 2010.

(Note 3) The number of lines and the number of terminals are as of February 28, 2010 and February 13, 2011.

g. Listed Issues

Category	End of Previous Consolidated Fiscal Year as of March 31, 2010	End of Current Fiscal Year as of March 31, 2011	
	Listed issues	Listed issues	y / y (%)
Stocks	1,809 companies	1,732 companies	- 4.3
1st/2nd Section	784 companies	743 companies	- 5.2
JASDAQ	1,025 companies	989 companies	- 3.5
ETFs	12 issues	16 issues	33.3

(Note) Other than those above, we have covered warrants, domestic investment securities, foreign investment securities, investment securities, REIT, and bonds.

h. IPOs and POs

Category	Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010	Current Fiscal Year From April 1, 2010 to March 31, 2011	
			y / y (%)
IPO (Note 1)	Stocks	8 companies	11 companies 37.5
	1st/2nd Section	1 company	0 - 100.0
	JASDAQ	7 companies	11 companies 57.1
	ETFs	3 issues	4 issues 33.3
Capital Increase (Note 2)		144 cases	82 cases - 43.1
	1st/2nd Section	58 cases	34 cases - 41.4
	JASDAQ	86 cases	48 cases - 44.2

(Note 1) Not include IPOs due to switching to holding companies system etc.

(Note 2) Cases of POs, allocations of new shares to a third party, or allocations of new shares to shareholders. Not include IPOs.

i. Selling, General and Administration Expenses

(yen in millions)

Category	Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010		Current Fiscal Year From April 1, 2010 to March 31, 2011		
	Amount	Ratio (%)	Amount	Ratio (%)	y / y (%)
Depreciation expenses	4,754	31.1	3,290	21.3	- 30.8
Operating expenses	4,306	28.1	5,402	35.1	25.4
Occupancy expenses	2,533	16.6	3,183	20.7	25.7
Personnel administration expenses	3,702	24.2	3,524	22.9	- 4.8
Total	15,296	100.0	15,401	100.0	0.7

(Note) Due to a merger with Jasdaq, which had been its consolidated subsidiary, on April 1, 2010, OSE prepares only the individual financial statements from the first quarter of the fiscal year ended March 31, 2011. Therefore, figures of the previous consolidated fiscal year, which is before the merger, are shown as a reference.

j. Amount of payment relating to investments on equipments etc.

(yen in millions)

Category	Current Fiscal Year From April 1, 2010 to March 31, 2011	
	Amount	Ratio (%)
J-GATE related	5,314	85.9
Others	871	14.1
Total	6,186	100.0

(Note) There is no comparison with the previous fiscal consolidated year, because each fiscal year has each categorization.

(Outlook for the next fiscal year)

As for earning forecasts for the next fiscal year, Operating Revenue of 24.0 billion yen, Operating Income of 9.0 billion yen, Ordinary Income of 9.5 billion yen, Net Income of 6.0 billion yen are forecasted based on our precondition of average daily trading volume/value at OSE markets; 150,000 units for futures (trading volume of Nikkei 225 mini is converted into that of Nikkei 225 Futures), 22.0 billion yen for options, and 78.0 billion yen for equities.

(2) Analysis on Financial Position

A. Analysis on Assets, Liabilities, Net Assets and Cash Flow Status

a. Status of Asset, Liabilities and Net Assets

(*) Due to a merger of Jasdac Securities Exchange (Jasdac), a former consolidated subsidiary, on April 1, 2010, Osaka Securities Exchange (OSE) prepares only individual financial statements from the first quarter of the fiscal year ended March 31, 2011. Therefore, OSE compares figures on the Balance Sheets of the Individual Financial Statements at the end of the previous consolidated fiscal year and figures on the Balance Sheets of at the end of the current fiscal year.

Total Assets at the end of the current fiscal year amounted to 670,811 million yen, an increase of 353,487 million yen from the end of the previous fiscal year. It is because in addition to an increase in Special Assets for Clearing Margin by 334,856 million yen and an increase in Special Assets for Clearing Deposit by 16,375 million yen, OSE accepted 11,408 million yen of Assets including 2,238 million yen of Cash and Deposits and 7,142 million yen of Investment Securities and Short-Term Investment Securities. Total Liabilities amounted to 617,952 million yen, an increase of 347,068 million yen from the end of the previous fiscal year. It is because, in addition to increases of 334,856 million yen of Clearing Margin and 16,375 million yen of Clearing Deposit, OSE accepted 544 million yen of Negative Goodwill and 1,340 million yen of Liabilities due to the merger described above. In addition, Net Asset was 52,858 million yen, increased by 6,419 million yen at the end of previous fiscal year. It is mainly because 2,700 million yen of Dividends from Surplus and 9,156 million yen of Net Income are posted.

Accordingly, Equity Ratio resulted in 7.9 %, decreased by 6.7 points from the end of the previous fiscal year. Special Assets for Clearing Margin (Clearing Margin), 552,869 million yen; Special Assets for Clearing Deposit (Clearing Deposit) 59,176 million yen; and Special Assets for Guarantee Deposit (Guarantee Deposit), 398 million yen, which are included in Assets (Liabilities) on the Balance Sheets as of the end of the current fiscal year, are deposit from each clearing participant etc as collaterals for risks incurred by clearing participants' defaults. These assets are managed separately from other assets in accordance with rules defined by OSE, and are indicated separately according to the purpose shown on the Balance Sheets.

b. Cash Flows Status

(a) Net Cash Provided by Operating Activities

In the current fiscal year, although Income before Income Taxes was 9,106 million yen and Depreciation and Amortization was 3,290 million yen, as Decrease in Deposits Received was 3,861 million yen and Income Taxes amounted 3,150 million yen, Net Cash Provided by Operating Activities resulted in income of 3,690 million yen (an income of 8,516 million yen in the previous consolidated fiscal year.)

(b) Net Cash Provided by Investment Activities

In the current fiscal year, besides 22,100 million yen of Proceeds from Withdrawal of Time Deposits and 9,000 million yen of Proceeds from Redemption of Securities, Payments into Time Deposits was 31,070 million yen, Payments for Purchase of Securities and Investment Securities was 1,503 million yen, Payment for Purchase of Noncurrent Assets such as systems, was 6,186 million yen. As a result, Net Cash Provided by Investment Activities resulted in payment of 7,652 million yen, (a payment of 3,754 million yen in the previous consolidated fiscal year.) Money for investments is all self-financed.

(c) Net Cash Provided by Financing Activities

Due to 2,699 million yen of Payment of Dividends, Net Cash Provided by Financing Activities resulted in payment of 2,700 million yen (a payment of 2,160 million yen in the previous consolidated fiscal year). As a result, balance at the end of the fiscal year of Cash and Cash Equivalents decreased by 4,423 million yen from the end of the previous fiscal year, which was 12,877 million yen, and ended at 8,453 million yen.

The relation between Cash and Cash Equivalents on the Cash Flows Statement and Cash and Deposits on the Balance Sheet are shown below:

Cash and Bank Deposits Account	27,423 million yen
Fixed-Term Deposits Exceeding 3 months	-18,970 million yen
Cash and Cash Equivalents	8,453 million yen

B. Indicators Related Cash Flows

	Fiscal Year ended March 31, 2007 (Individual)	Fiscal Year ended March 31, 2008 (Individual)	Fiscal Year ended March 31, 2009 (Consolidated)	Fiscal Year ended March 31, 2010 (Consolidated)	Fiscal Year ended March 31, 2011 (Individual)
Equity ratio (%)	14.8	11.2	8.7	15.1	7.9
Market-value based equity ratio (%)	74.2	33.9	16.8	41.2	16.8
Ratio of interest-bearing debt to cash flow (%)	0.1	0.0	0.0	0.0	0.6
Interest coverage ratio (times)	2,469.4	875.3	945.6	703.3	303.5

(*) Equity ratio: Equity / Total assets

Market-value based equity ratio: Market capitalization of shares / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flow / Invest payments

*1. Market capitalization is calculated by multiplying the closing share price at the term-end by the number of outstanding shares at the term-end.

*2. "Cash flow" refers to cash flow from operating activities.

*3. "Interest-bearing debt" covers all the interest-bearing debts in the liabilities recorded on the balance sheet.

*4. For the fiscal year ended March 31, 2007, 2008, and 2011, OSE created individual statements of cash flows. For the fiscal year ended March 31, 2009 and 2010, OSE created consolidated statements of cash flows due to an acquisition of a subsidiary.

(REFERENCE)

	Fiscal Year ended March 31, 2007 (Individual)	Fiscal Year ended March 31, 2008 (Individual)	Fiscal Year ended March 31, 2009 (Consolidated)	Fiscal Year ended March 31, 2010 (Consolidated)	Fiscal Year ended March 31, 2011 (Individual)
Equity ratio (%)	87.8	84.7	77.4	82.1	90.6
Market-value based equity ratio (%)	438.7	256.4	141.9	223.9	193.1

In a case of deducting Special Assets for Clearing Margin, Special Assets for Clearing Deposit, Special Assets for Guarantee Deposit, and Special Assets for Special Clearing Deposit (only for the fiscal year ended March 31, 2007) from Net Asset for calculations of indicators, Equity ratio and Market-value based equity ratio would be described above.

(3) Basic Policy on Profit Distribution and Dividend Payments for the Current and Next Term

OSE recognizes that returning profits to our shareholders is an important task of management. Since our business is growing steadily in the current fiscal year following the previous consolidated fiscal year, OSE revised the year-end dividend forecast to 6,000 yen per share based on additional increase in returning profits to our shareholders (announced on April 26, 2011). As a result, an annual dividend is expected to be 10,500 yen (9,000 yen for the previous consolidated fiscal year). Due to a merger of Jasadq in April of last year, a 2,013 million-yen income from the merger is posted for the current fiscal year, but the income was already posted for the fiscal year ended March 31, 2009 and the fiscal year ended March 31, 2010, and included in a dividend resource, from which OSE paid a dividend.

Considering an importance of retaining earnings internally for the purpose of investing in IT developments to strengthen competitiveness and enhance self-regulatory functions as an exchange, based on stable and continuous dividend payouts, OSE positively returns our profit to investors in accordance with our condition of business results and taking into account for dividend payout ratio. In particular, OSE considers a dividend payout ratio of 40% an appropriate target, and also, takes into consideration that it pays a dividend based on an equity ratio (DOE) (*) of 4% as a floor ratio.

Based on the forecast for the next fiscal year as described above, a dividend for the next fiscal year is forecasted as 9,000 yen per share.

(*) The numeric number is calculated with deducting Default Compensation Reserve for Cash Transactions and Default Compensation Reserve for Futures Trading from Net Assets.

(4) Risks in Business etc.

OSE's income mainly consists of Participant Fees in earnings acquired in proportion to trading value of derivatives or securities from transaction and clearing participants, Listing Fees from listed companies etc., and Equipment and Information Service Fees from providing stock price information, etc. to information vendors, etc. The main risks that may affect the above mentioned are as follows:

- Participant Fees are determined by trading volume and/or trading value of derivatives, and trading value of equities, which is calculated by multiplying stock prices by trading volume. The value may fluctuate significantly due to various factors, which may cause significant impacts on the operating results of OSE.

- Equipment and Information Services Fees are determined by the number of subscribers using OSE's information, such as financial instruments of trading companies, information vendors, and so on. In the event of the number of subscribers decreases due to rationalization among subscribers, etc., the outcome may have a significant impact on the operating results of OSE.
- Listing Fees are determined by the number of listed companies, capital increases, and so on. The primary securities market may fluctuate due to various factors, which may have a significant impact on the operating results of OSE.

2. Status of Corporate Group

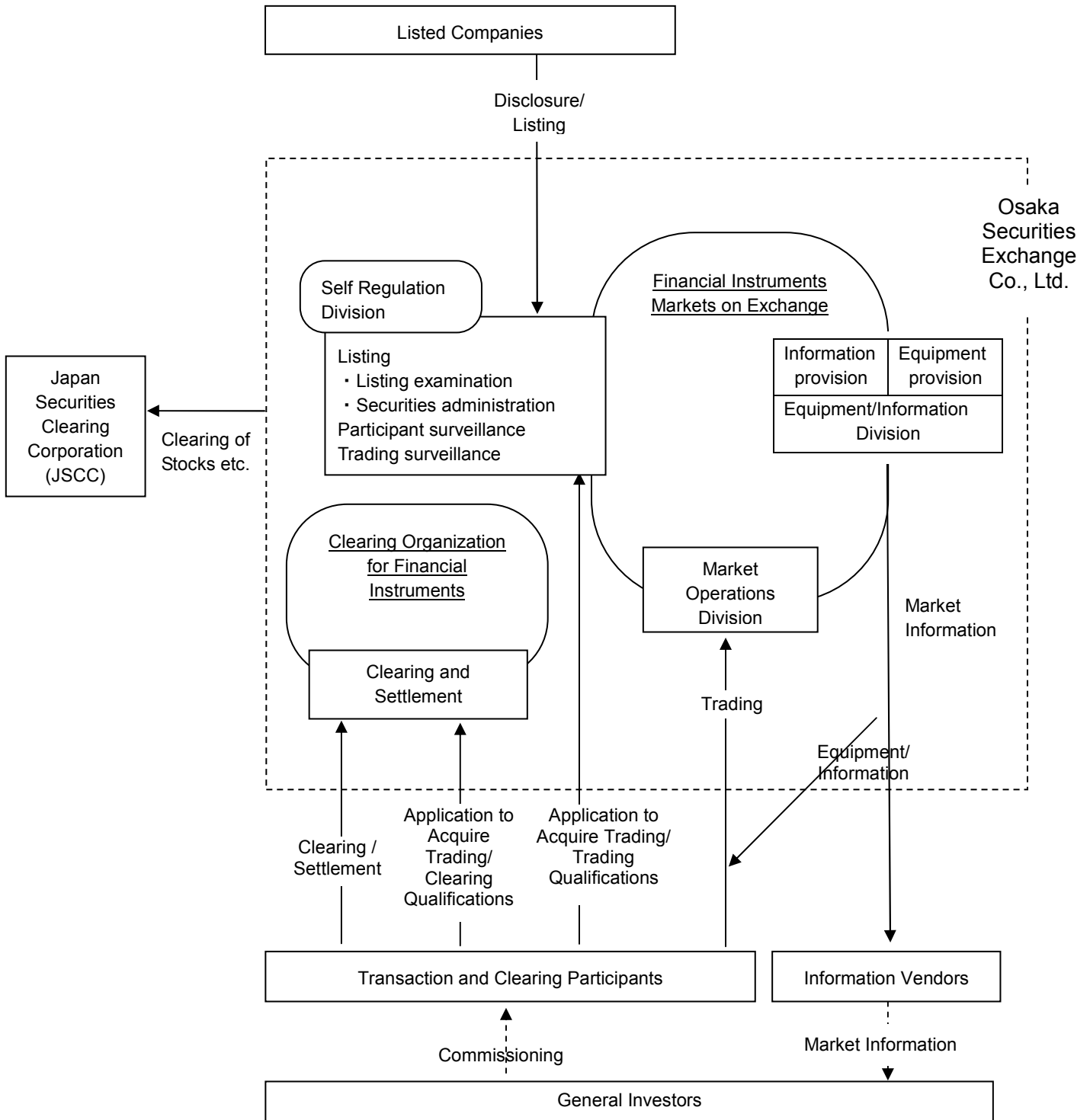
OSE and Jasadq, which was our consolidated subsidiary, merged on April 1, 2010.

OSE is a financial instruments exchange and a clearing organization for financial instruments under the Financial Instruments & Exchange Law and its core business includes creation and operation of a financial instrument market of the exchange and assumption of obligations relating to transactions of financial instruments.

The role of a financial instruments exchange is to create a financial instruments market of the exchange necessary for buying and selling securities, increase liquidity by concentrating demand and supply of a large volume of securities to the market, form fair prices that reflect demand and supply in the market, and publish related prices.

With this role in mind, OSE creates and operates the financial instruments market of the exchange with objectives to ensure that securities are traded in a fair and efficient manner and the public interest and investors are protected.

Business flow related our operation is as follows.



3. Management Policy

(1) Basic Management Policy of the Company

The corporate policies of OSE are to (1) maintain the tradition of a free market economy which flourished in the city of Sakai in the Middle Ages; (2) operate the markets with creative services fairly, efficiently and openly; and (3) maintain a valued market presence recognized by investors globally.

Based on the above corporate philosophies, OSE is making efforts to provide an efficient and convenient market for investors, listed companies and transaction and clearing participants through development and improvement of the products, rules, etc. and infrastructure as well as enhancement of self-regulatory functions and reduction in costs. OSE believes it can fulfill its public role as an exchange through a combination of such efforts, and that will lead to a utilization of the markets by a much wider range of participants and the expansion of profits.

(2) Target Management Indices

OSE suspended a set of numerical targets due to drastic changes of pre-conditions in the process of a merger since a subsidization of Jasdaq. As one year has elapsed since the merger of Jasdaq, OSE starts to set the numerical profit targets again. Specifically, OSE ensures the above-10 %-ROE (*) level, which is the same level as before.

(*) The numeric number is calculated with deducting Default Compensation Reserve for Cash Transactions and Default Compensation Reserve for Futures Trading from Shareholders Equity

(3) Medium- to Long-Term Management Strategies

OSE adopts a strategic principal, "to establish strong presence as a global "comprehensive" exchange contributing to Japan's economy and market, especially with "Derivatives" and "New JASDAQ", according to their midterm business plan, and aims to achieve a position among the top 10 in trading volume ranking among the world's derivative exchanges and to take a role as Japan's largest SME market and establish the positioning of Asia's largest SME market. In particular, we would like to work on the following tactics in each area.

A. Business Development (Derivatives Market)

- Enhancement of usability and competitiveness of equity derivatives
- Enhancement of foundation and promotion of OSE-FX
- Development for a comprehensive exchange
- Enhancement of clearing functions

B. Business Development (Equity Markets)

- Full line-up of services for the New JASDAQ
- Enhancement of equity markets
- Enhancement of securitized products

C. Systems

- Formulation of IT system strategies and an IT master plan aimed at business developments
- Stable operation of exchange platforms of the public mission

C. Self-Regulations / Market Operation

- Improvement of market confidence by enforcing self-regulatory operations
- Implementation and enhancement of steady market operations

D. Organization Operation

- Smooth organizational operations and rationalization/streamlining
- Organizational response to the globalization and 24-hour business
- Response to new risks caused by new business and external environment changes
- Strengthening of corporate management through enhancement of progress management and analysis of budgets, investments and business plans
- Study on capital policies and strengthening of relationship with stakeholders such as participants
- Enhancement of information distribution based on offices in Tokyo and Osaka or on the website

(4) Company Issues

A. Issues on Market Operations

a. Derivatives Market

OSE's stock index futures/options trading prides itself as having the largest share in Japan, especially, Nikkei 225 Futures, Nikkei 225 mini and Nikkei 225 Options represent the Japan's derivatives products. As derivatives markets have high growth potential, domestic and foreign exchanges focus on enhancement of their competitiveness. Accordingly, we assume that intensive competition with SGX, on which Nikkei 225 Futures are traded, and other domestic financial product exchanges.

As for enhancement of competitiveness of the Japan's capital market, the environment surrounding the derivative

market is about to change with a comprehensive exchange vision, designed to synthesize financial and commodities exchanges. Accordingly, in response to these environmental changes, OSE recognizes that it is its responsibility to implement measures to enforce increased competitiveness of our markets.

Accordingly, in July of last year, OSE extended the Evening Session from until 20:00 to until 23:30 for Nikkei 225 Futures/Options, also, launched J-GATE, the new derivatives trading platform, in February of last year. In this way, OSE aims to enforce greater competitiveness in both its system and platform. Moreover, OSE-FX, which was launched as a new business area, is also growing steadily.

b. Equity Markets

Among our equity market businesses, Section 1/2 and JASDAQ remain the core. OSE is working to improve the quality of markets that supports Japan's economic growth, and efficiency/convenience. Especially, JASDAQ made a fresh start in October of last year with the integration of Hercules, JASDAQ and NEO. Such action encourages companies with growth potential to implement an IPO at their early stage, and also plays a role as a stable market, which lists companies with a steady business and healthy profitability.

Accordingly, OSE believes that it contributes to Japan's economic growth through providing financing opportunities with SMEs and venture businesses, and investment opportunities with investors.

On JASDAQ, as many SMEs and venture businesses, which are in the process of their growth, are listed, OSE focuses on supports for listed companies (corporate services), and tries to enforce information distribution of listed companies and improve liquidity of the market by such as "Analyst Report Platform", which is the first trial among Japan's exchanges to encourage report developments by securities analysts. Through this kind of JASDAQ's unique corporate services, OSE realizes an internationally attractive end-market such as NASDAQ in US.

In addition, there are characteristic products, such as ETFs and Venture Funds on our market. Especially, OSE enlisted varieties of ETFs, such as an ETF linked to JASDAQ-TOP20, a stock index consisting of JASDAQ's representing 20 stocks, and an ETF linked to foreign indices, such as NASDAQ-100. OSE continues to develop attractive products to meet investor-needs.

c. Clearing Business

OSE operates a clearing business for our derivatives trading market as a central counterparty. Its roles are to ensure secured executions of settlement by acting as a counterparty to each sell-side or buy-side of trading. A financial-product trading market can function adequately only when a clearing house of financial-product trading plays these roles.

Accordingly, due to destabilization of the financial/capital market, the roles of these clearing functions attract special attention, and requirements for its security become higher. Therefore, OSE also works on continuous implementation of adequate clearing risk management and strengthening of the financial basis to answer the requirements. OSE has a system to monitor total positions of our derivatives trading at regular time intervals for management of clearing participants' positions, and besides, OSE retains sufficient financial resources against defaults of clearing participants through acceptance of trading margin and clearing deposit depending on the quantity of risks. Therefore, even when the market volatility increased drastically and trading concentrated intensively after the recent earthquake, trading at OSE cleared smoothly.

B. Issues on Self-Regulation Business

OSE believes enhancement of self-regulatory operations is one of the critical issues required to realize investor protections through fair securities and derivatives trading. In accordance with the business merger of JASDAQ in April of last year, OSE aims to further synergize effects through integration of their know-how on self-regulatory operations.

In this regard, OSE ensures independence as a self-regulatory body by forming "Self-Regulation Committee", whose majority of members are out-side directors. The committee determines matters concerning self-regulatory operations, such as punishment of participants, approval of new listings or delistings.

As for the new JASDAQ market launched in October of last year, OSE improved its listing system by changes in listing criteria and delisting criteria to enhance confidence for SME markets. In addition, OSE tries to further moderation of listing managements, such as strict listing examinations, thoroughness against listed companies for a timely-manner and adequate disclosures and delisting of companies which lost eligibility while a listed company.

As for market surveillance, working with the Securities and Exchanges Surveillance Commission (SESC), OSE tries to prevent unfair trading by enhancement of surveillance functions against insider trading or market manipulation.

As for supervision of trading participants, OSE enforces its supervision system by development of an inspection system against remote-members in response to internationalization, and implementation of examinations against high-technology and high-speed trading.

OSE continues to strengthen its self-regulatory operations by enhancing information distribution functions.

C. Issues on IT Systems

Rapidly progressing upgrades of exchange platforms based on recent IT developments, such as stability and processing performances of the platforms greatly affect ensuring advantages in market competition.

Under the above circumstances, in February of this year, OSE introduced J-GATE developed with NASDAQ-OMX's package software, and realized stable operations.

OSE aims to implement more convenient and stable market operations through contentions enhancement of capacities and functions of platforms.

D. Issues on the Corporate Structure and HR

Due to the integration of Jasdaq, OSE has expanded human resources and two large offices in Osaka and Tokyo. Leveraging this strength by business integration, OSE enhances exchange functions in each area, such as new product/system planning and developments, self-regulatory functions including market surveillance, participants' administration and listing examinations, and system development. Also, through further business streamlining, OSE plans to exert maximum effect from integration.

Also, OSE plans to establish an HR system to support the fostering of human resources to adopt changes in business environments, employee education, and achievement of business goals.

4. Financial Statements

(1) Balance Sheets

(yen in millions)

	End of Previous Fiscal Year <Not including Jasdaq> (March 31, 2010)	End of Current Fiscal Year (March 31, 2011)
Assets		
Current Assets		
Cash and Deposits	30,877	27,423
Operating Accounts Receivable	1,480	3,055
Short-Term Investment Securities	2,509	1,514
Prepaid Expenses	106	116
Special Assets for Clearing Margin	218,012	552,869
Special Assets for Clearing Deposit	42,801	59,176
Deferred Tax Assets	210	325
Income Taxes Receivable	-	1,754
Other	317	490
Allowance for Doubtful Accounts	△ 4	△ 29
Total Current Assets	296,309	646,697
Noncurrent Assets		
Property, Plant and Equipment		
Buildings, net	1,329	1,188
Structures, net	1	0
Information Equipment, net	817	2,219
Tools, Furniture and Fixtures, net	80	159
Land	96	98
Lease Assets	-	21
Construction in Progress	249	-
Total Property, Plant and Equipment	2,575	3,689
Intangible Assets		
Software	5,306	6,747
Software in Progress	972	9
Other	10	17
Total Intangible Assets	6,289	6,774
Investments and Other Assets		
Investment Securities	1,778	2,148
Stocks of Subsidiaries and Affiliates	7,533	-
Long-Term Loans Receivable from Employees	22	20
Long-Term Prepaid Expenses	22	475
Long-Term Deposits	-	8,000
Guarantee Deposits	173	312
Special Assets for Guarantee Deposit	292	398
Deferred Tax Assets	2,326	2,269
Other	52	83
Allowance for Doubtful Accounts	△ 52	△ 58
Investments and Other Assets	12,149	13,650
Total Noncurrent Assets	21,014	24,114
Total Assets	317,323	670,811

(yen in millions)

	End of Previous Fiscal Year <Not including Jasdac> (March 31, 2010)	End of Current Fiscal Year (March 31, 2011)
Liabilities		
Current Liabilities		
Accounts Payable-Other	324	319
Accrued Expenses	716	1,480
Income Taxes Payable	1,639	-
Accrued Consumption Taxes	150	-
Deposits Received	3,896	115
Clearing Margin	218,012	552,869
Clearing Deposit	42,801	59,176
Lease Obligations	-	5
Provision for Bonuses	112	188
Provision for Directors' Bonuses	29	54
Other	214	444
Total Current Liabilities	267,896	614,655
Noncurrent Liabilities		
Long-Term Loans Payable	1	1
Long-Term Deposits Received	480	452
Guarantee Deposits Received	292	398
Lease Obligations	-	15
Provision for Retirement Benefits	1,514	2,143
Negative Goodwill	-	233
Other	699	52
Total Noncurrent Liabilities	2,987	3,296
Total Liabilities	270,884	617,952
Net Assets		
Shareholders' Equity		
Capital Stock	4,723	4,723
Capital Surplus		
Legal Capital Surplus	4,825	4,825
Total Capital Surplus	4,825	4,825
Retained Earnings		
Legal Retained Earnings	322	322
Other Retained Earnings		
Default Compensation Reserve for Cash Transactions	2,569	3,569
Default Compensation Reserve for Futures Trading	7,011	7,011
General Reserve	5,302	5,302
Retained Earnings Brought Forward	21,643	27,099
Total Retained Earnings	36,849	43,305
Total Shareholders' Equity	46,397	52,854
Valuation and Translation Adjustments		
Valuation Difference on Available-for-Sale Securities	41	4
Total Valuation and Translation Adjustments	41	4
Total Net Assets	46,439	52,858
Total Liabilities and Net Assets	317,323	670,811

(2) Profit and Loss Statements

(yen in millions)

	Previous Fiscal Year <Not including Jasdaq> (From April 1, 2009 To March 31, 2010)	Current Fiscal Year (From April 1, 2010 To March 31, 2011)
Operating Revenue		
Transaction Participants' Fees	10,303	13,769
Listing Fees	2,079	1,905
Income from Equipment and Market Information Service	5,516	7,086
Other	181	222
Total Operating Revenue	18,080	22,984
Selling, General and Administrative Expenses	11,959	15,401
Operating Income	6,121	7,582
Non-Operating Income		
Interest Income	959	495
Dividends Income	48	56
Commissioned Business Income	525	-
Amortization of Negative Goodwill	-	311
Other	54	28
Total Non-Operating Income	1,588	891
Non-Operating Expenses		
Interest Expenses	12	12
Other	12	7
Total Non-Operating Expenses	24	19
Ordinary Income	7,684	8,453
Extraordinary Income		
Gain on Extinguishment of Tie-In Shares	-	2,013
Gain on Sale of Investment Securities	-	37
Fine Paid by Transaction Participants	19	7
Reversal of Allowance for Doubtful Accounts	1	0
Total Extraordinary Income	20	2,058
Extraordinary Loss		
Impairment Loss	371	1,309
Office Transfer Expenses	-	96
Loss on Retirement of Noncurrent Assets	28	-
Total Extraordinary Loss	399	1,405
Income Before Income Taxes	7,305	9,106
Income Taxes-Current	3,447	8
Income Taxes-Deferred	△ 476	△ 58
Total Income Taxes	2,971	△ 49
Net Income	4,334	9,156

(3) Statements of Changes in Net Assets

	(yen in millions)	
	Previous Fiscal Year <Not including Jasdaq> (From April 1, 2009 to March 31, 2010)	Current Fiscal Year (From April 1, 2010 to March 31, 2011)
Shareholders' equity		
Capital Stock		
Balance at the End of Previous Period	4,723	4,723
Changes of Items during the Period		
Total Changes of Items during the Period	-	-
Balance at the End of Current Period	4,723	4,723
Capital Surplus		
Legal Capital Surplus		
Balance at the End of Current Period	4,825	4,825
Changes of Items during the Period		
Total Changes of Items during the Period	-	-
Balance at the End of Current Period	4,825	4,825
Total Capital Surplus		
Balance at the End of Current Period	4,825	4,825
Changes of Items during the Period		
Total Changes of Items during the Period	-	-
Balance at the End of Current Period	4,825	4,825
Retained Earnings		
Legal retained earnings		
Balance at the End of Current Period	322	322
Changes of Items during the Period		
Total Changes of Items during the Period	-	-
Balance at the End of Current Period	322	322
Other retained earnings		
Default compensation reserve for cash transactions		
Balance at the End of Previous Period	2,569	2,569
Changes of Items during the Period		
Transfer due to a merger of a subsidiary	-	1,000
Total Changes of Items during the Period	-	1,000
Balance at the End of Current Period	2,569	3,569
Default compensation reserve for futures trading		
Balance at the End of Previous Period	7,011	7,011
Changes of Items during the Period		
Total Changes of Items during the Period	-	-
Balance at the End of Current Period	7,011	7,011
General reserve		
Balance at the End of Previous Period	5,302	5,302
Changes of Items during the Period		
Total Changes of Items during the Period	-	-
Balance at the End of Current Period	5,302	5,302
Retained earnings brought forward		
Balance at the End of Previous Period	19,468	21,643
Changes of Items during the Period		
Dividends from Surplus	△ 2,160	△ 2,700
Transfer due to a merger of a subsidiary	-	△ 1,000
Net Income	4,334	9,156
Total Changes of Items during the Period	2,174	5,456
Balance at the End of Current Period	21,643	27,099

(yen in millions)

	Previous Fiscal Year <Not including Jasdq> (From April 1, 2009 to March 31, 2010)	Current Fiscal Year (From April 1, 2010 to March 31, 2011)
Total retained earnings		
Balance at the End of Current Period	34,674	36,849
Changes of Items during the Period		
Dividends from Surplus	Δ 2,160	Δ 2,700
Transfer due to a merger of a subsidiary	-	-
Net Income	4,334	9,156
Total Changes of Items during the Period	2,174	6,456
Balance at the End of Current Period	36,849	43,305
Total Shareholders' Equity		
Balance at the End of Previous Period	44,223	46,397
Changes of Items during the Period		
Dividends from Surplus	Δ 2,160	Δ 2,700
Net Income	4,334	9,156
Total Changes of Items during the Period	2,174	6,456
Balance at the End of Current Period	46,397	52,854
Valuation and Translation Adjustments		
Valuation Difference on Available-for-Sale Securities		
Balance at the End of Previous Period	-	41
Changes of Items during the Period		
Net Changes of Items Other than Shareholders' Equity	41	Δ 36
Total Changes of Items during the Period	41	Δ 36
Balance at the End of Current Period	41	4
Total valuation and translation adjustments		
Balance at the End of Previous Period	-	41
Changes of Items during the Period		
Net Changes of Items Other than Shareholders' Equity	41	Δ 36
Total Changes of Items during the Period	41	Δ 36
Balance at the End of Current Period	41	4
Total Net Assets		
Balance at the End of Previous Period	44,223	46,439
Changes of Items during the Period		
Dividends from Surplus	Δ 2,160	Δ 2,700
Net Income	4,334	9,156
Net Changes of Items Other than Shareholders' Equity	41	Δ 36
Total Changes of Items during the Period	2,216	6,419
Balance at the End of Current Period	46,439	52,858

(4) Statements of Cash Flows

(yen in millions)

	Current Fiscal Year (From April 1, 2010 To March 31, 2011)
Net Cash Provided by Operating Activities	
Income before Income Taxes	9,106
Depreciation and Amortization	3,290
Amortization of Negative Goodwill	△311
Loss (Gain) on Extinguishment of Tie-In Shares	△2,013
Loss (Gain) on Sale of Investment Securities	△37
Impairment Loss	1,309
Interest and Dividends Income	△551
Interest Expenses	12
Increase (Decrease) in Allowance for Doubtful Accounts	16
Increase (Decrease) in Provision for Retirement Benefits	△114
Increase (Decrease) in Provision for Bonuses	△28
Increase (Decrease) in Provision for Directors' Bonuses	25
Decrease (Increase) in Operating Receivables	△1,267
Increase (Decrease) in Accrued Expenses	657
Increase (Decrease) in Accrued Consumption Taxes	△150
Increase (Decrease) in Deposits Received	△3,861
Other, net	48
Subtotal	<u>6,129</u>
Interest and Dividends Income Received	722
Interest Expenses Paid	△12
Income Taxes (Paid) Refund	△3,150
Net Cash Provided by Operating Activities	<u>3,690</u>
Net Cash Provided by Investment Activities	
Payments into Time Deposits	△31,070
Proceeds from Withdrawal of Time Deposits	22,100
Purchase of Short-Term Investment Securities	△1,503
Proceeds from Redemption of Securities	9,000
Purchase of Property, Plant and Equipment	△2,141
Purchase of Intangible Assets	△4,045
Collection of Loans Receivable	7
Net Cash Provided by Investment Activities	<u>△7,652</u>
Net Cash Provided by Financing Activities	
Cash Dividends Paid	△2,699
Repayment of Long-Term Loans Payable	△0
Net Cash Provided by Financing Activities	<u>△2,700</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>△6,662</u>
Cash and Cash Equivalents at Beginning of Current Term	12,877
Increase in Cash and Cash Equivalents in Scope of Integration	<u>2,238</u>
Cash and Cash Equivalents at End of Current Term	<u>8,453</u>

<Supplementary Data>

1. Comparative Data to the End of Previous Consolidated Fiscal Year or the Previous Consolidated Fiscal Year

(1) Summarized Comparative Balance Sheets

(yen in millions, %)

	End of Previous Consolidated Fiscal Year (March 31, 2010)	End of Current Fiscal Year (March 31, 2011)	Change	
	Amount	Amount	Amount	Ratio
Assets				
Current Assets	304,932	646,697	341,764	112.1
Cash and Deposits	33,115	27,423	△ 5,692	△ 17.2
Operating Accounts Receivable	1,788	3,055	1,267	70.9
Short-Term Investment Securities	8,528	1,514	△ 7,013	△ 82.2
Prepaid Expenses	142	116	△ 26	△ 18.4
Special Assets for Clearing Margin	218,012	552,869	334,856	153.6
Special Assets for Clearing Deposit	42,801	59,176	16,375	38.3
Deferred Tax Assets	210	325	115	54.8
Income Taxes Receivable	-	1,754	1,754	-
Other	342	490	148	43.3
Allowance for Doubtful Accounts	△ 7	△ 29	△ 21	281.5
Noncurrent Assets	15,429	24,114	8,684	56.3
Property, Plant and Equipment	2,825	3,689	863	30.6
Buildings, net	1,491	1,188	△ 302	△ 20.3
Structures, net	1	0	△ 0	△ 56.3
Information Equipment, net	822	2,219	1,397	169.9
Tools, Furniture and Fixtures, net	154	159	4	3.0
Land	99	98	△ 0	△ 0.3
Lease Assets	-	21	21	-
Construction in Progress	256	-	△ 256	△ 100.0
Intangible Assets	6,385	6,774	388	6.1
Software	5,375	6,747	1,372	25.5
Software in Progress	972	9	△ 963	△ 99.1
Other	37	17	△ 20	△ 53.2
Investments and Other Assets	6,217	13,650	7,432	119.5
Investment Securities	2,902	2,148	△ 753	△ 26.0
Long-Term Loans Receivable from Employees	22	20	△ 1	△ 7.1
Long-Term Prepaid Expenses	24	475	451	1,878.8
Long-Term Deposits	-	8,000	8,000	-
Guarantee Deposits	326	312	△ 14	△ 4.3
Special Assets for Guarantee Deposit	589	398	△ 190	△ 32.3
Deferred Tax Assets	2,326	2,269	△ 56	△ 2.4
Other	90	83	△ 7	△ 7.7
Allowance for Doubtful Accounts	△ 63	△ 58	4	△ 7.9
Total Assets	320,362	670,811	350,448	109.4

(yen in millions, %)

	End of Previous Consolidated Fiscal Year (March 31, 2010)	End of Current Fiscal Year (March 31, 2011)	Change	
	Amount	Amount	Amount	Ratio
Liabilities				
Current Liabilities	268,007	614,655	346,648	129.3
Accounts Payable-Other	324	319	Δ 4	Δ 1.4
Accrued Expenses	845	1,480	635	75.2
Income Taxes Payable	1,642	-	Δ 1,642	Δ 100.0
Accrued Consumption Taxes	150	-	Δ 150	Δ 100.0
Deposits Received	3,949	115	Δ 3,833	Δ 97.1
Clearing Margin	218,012	552,869	334,856	153.6
Clearing Deposit	42,801	59,176	16,375	38.3
Lease Obligations	-	5	5	-
Provision for Bonuses	216	188	Δ 28	Δ 13.0
Provision for Directors' Bonuses	29	54	25	86.2
Deferred Tax Liabilities	9	-	Δ 9	Δ 100.0
Other	25	444	419	1,673.9
Noncurrent Liabilities	3,925	3,296	Δ 628	Δ 16.0
Long-Term Loans Payable	1	1	Δ 0	Δ 28.6
Long-Term Deposits Received	480	452	Δ 27	Δ 5.7
Guarantee Deposits Received	589	398	Δ 190	Δ 32.3
Lease Obligations	-	15	15	-
Provision for Retirement Benefits	2,258	2,143	Δ 114	Δ 5.1
Deferred Tax Liabilities	0	-	Δ 0	Δ 100.0
Negative Goodwill	544	233	Δ 311	Δ 57.1
Other	52	52	-	-
Total Liabilities	271,933	617,952	346,019	127.2
Net Assets				
Shareholders' Equity	48,416	52,854	4,437	9.2
Capital Stock	4,723	4,723	-	-
Capital Surplus	4,825	4,825	-	-
Retained Earnings	38,867	43,305	4,437	11.4
Valuation and Translation Adjustments	13	4	Δ 8	Δ 64.7
Valuation Difference on Available-for-Sale Securities	13	4	Δ 8	Δ 64.7
Total Net Assets	48,429	52,858	4,429	9.1
Total Liabilities and Net Assets	320,362	670,811	350,448	109.4

* OSE acquired and merged Jasdax Securities Exchange, Inc., which was a consolidated subsidiary, on April 1 2010. For a year-to-year comparison of the current figures, the Consolidated Balance Sheets at the end of the previous consolidated fiscal year and the Balance Sheets at the end of current fiscal year are shown in a comparison format.

* OSE is reviewed based on the Rule 193.2, Paragraph 1 of Financial Instruments and Exchange Law on the financial statements for the previous consolidated fiscal year (from April 1, 2009 to March 31, 2010) by KPMG AZSA & CO., and the financial statements for the current fiscal year (from April 1, 2010 to March 31, 2011) by KPMG AZSA LLC, but the reviewing process of the financial statements has not been completed at the time of disclosure of this financial results. Due to a change of a firm category, KPMG AZSA & CO., became KPMG AZSA LLC as of July 1, 2010.

* A 3,569 million-yen of default compensation reserve for cash transactions and a 7,011 million-yen of default compensation reserve for futures trading are included in the retained earnings at the end of the current fiscal year.

<Supplementary Data>

(2) Summarized Profit and Loss Statements

(yen in millions, %)

	Previous Consolidated Fiscal Year From April 1, 2009 To March 31, 2010	Current Fiscal Year From April 1, 2010 To March 31, 2011	Change	
			Amount	Ratio
Participant Fees	12,797	13,769	971	7.6
Listing Fees	3,036	1,905	△ 1,131	△ 37.3
Equipment & Information Services Fees	6,838	7,086	248	3.6
Other	349	222	△ 127	△ 36.3
Operating Revenue	23,021	22,984	△ 37	△ 0.2
Selling, General & Administrative Expenses	15,296	15,401	104	0.7
Operating Income	7,724	7,582	△ 142	△ 1.8
Interest Income	1,035	495	△ 540	△ 52.2
Dividends Income	48	56	7	15.3
Other	375	339	△ 36	△ 9.6
Non-Operating Income	1,460	891	△ 569	△ 39.0
Interest Expenses	12	12	0	△ 0.0
Other	12	7	△ 4	△ 39.5
Non-Operating Expenses	24	19	△ 4	△ 20.0
Ordinary Income	9,160	8,453	△ 706	△ 7.7
Extraordinary Income	659	2,058	1,398	212.0
Extraordinary Loss	458	1,405	947	206.6
Income Before Income Taxes	9,361	9,106	△ 255	△ 2.7
Income Taxes	2,945	△ 49	△ 2,995	△ 101.7
Minority Interests	117	—	△ 117	△ 100.0
Net Income	6,298	9,156	2,857	45.4

* OSE acquired and merged Jasdax Securities Exchange, Inc., which was a consolidated subsidiary, on April 1 2010. For a year-to-year comparison of the current figures, the Consolidated Profit and Loss Statements of the previous consolidated fiscal year and the Profit and Loss Statements of the current fiscal year are shown in a comparison format.

* OSE is reviewed based on the Rule 193.2, Paragraph 1 of Financial Instruments and Exchange Law on the financial statements for the previous consolidated fiscal year (from April 1, 2009 to March 31, 2010) by KPMG AZSA & CO., and the financial statements for the current fiscal year (from April 1, 2010 to March 31, 2011) by KPMG AZSA LLC, but the reviewing process of the financial statements has not been completed at the time of disclosure of this financial results.
Due to a change of a firm category, KPMG AZSA & CO., became KPMG AZSA LLC as of July 1, 2010.

<Supplementary Data>

(3) Statement of Cash Flows

(yen in millions)

	Previous Consolidated Fiscal Year From April 1, 2009 To March 31, 2010	Current Fiscal Year From April 1, 2010 To March 31, 2011
Items	Amount	Amount
I Net Cash Provided by Operating Activities		
Income before Income Taxes	9,361	9,106
Depreciation and Amortization	4,754	3,290
Amortization of Negative Goodwill	△ 311	△ 311
Gain on Negative Goodwill	△ 567	-
Gain on Extinguishment of Tie-In Shares	-	△ 2,013
Loss (Gain) on Sale of Investment Securities	-	△ 37
Impairment Loss	371	1,309
Loss on Retirement of Noncurrent Assets	57	-
Interest and Dividends Income	△ 1,084	△ 551
Interest Expenses	12	12
Increase (Decrease) in Allowance for Doubtful Accounts	△ 13	16
Increase (Decrease) in Provision for Retirement Benefits	△ 95	△ 114
Increase (Decrease) in Provision for Bonuses	20	△ 28
Increase (Decrease) in Provision for Directors' Bonuses	△ 9	25
Increase (Decrease) in Provision for Loss on System Change	△ 1,432	-
Increase (Decrease) in Accumulated Impairment Loss on Leased Assets	△ 874	-
Decrease (Increase) in Operating Receivables	55	△ 1,267
Increase (Decrease) in Accrued Expenses	△ 9	657
Other, net	328	△ 3,963
Subtotal	10,562	6,129
Interest and Dividends Income Received	1,163	722
Interest Expenses Paid	△ 12	△ 12
Income Taxes (Paid) Refund	△ 3,197	△ 3,150
Net cash Provided by Operating Activities	8,516	3,690
II Cash Flows from Investing Activities		
Payments into Time Deposits	△ 18,000	△ 31,070
Proceeds from Withdrawal of Time Deposits	15,530	22,100
Purchase of Short-Term Investment Securities	△ 1,000	△ 1,503
Proceeds from Redemption of Securities	6,000	9,000
Purchase of Property, Plant and Equipment	△ 250	△ 2,141
Purchase of Intangible Assets	△ 2,903	△ 4,045
Purchase of Investment Securities	△ 1,526	-
Purchase of Shares of Consolidated Subsidiaries	△ 1,673	-
Collection of Loans Receivable	49	7
Other, net	21	-
Net Cash Provided by Investment Activities	△ 3,754	△ 7,652
III Net Cash Provided by Financing Activities		
Cash Dividends Paid	△ 2,159	△ 2,699
Repayment of long-term loans payable	△ 0	△ 0
Net Cash Provided by Financing Activities	△ 2,160	△ 2,700
IV Net Increase (Decrease) in Cash and Cash Equivalents	2,602	△ 6,662
V Cash and Cash Equivalents at Beginning of Current Term	12,513	12,877
VI Increase in Cash and Cash Equivalents in Scope of Integration	-	2,238
VII Cash and Cash Equivalents at End of Current Quarter	15,115	8,453

* OSE acquired and merged Jasdq Securities Exchange, Inc., which was a consolidated subsidiary, on April 1 2010. For a year-to-year comparison of the current figures, the Consolidated Quarterly Statement of Cash Flows of the previous consolidated fiscal year and the Quarterly Statement of Cash Flows of the current fiscal year are shown in a comparison format.

* OSE is reviewed based on the Rule 193.2, Paragraph 1 of Financial Instruments and Exchange Law on the financial statements for the previous consolidated fiscal year by KPMG AZSA & CO., and the financial statements for the current fiscal year (from April 1, 2010 to December 31, 2010) by KPMG AZSA LLC, but the reviewing process of the financial statements has not been completed at the time of disclosure of this financial results. Due to a change of a firm category, KPMG AZSA & CO., became KPMG AZSA LLC as of July 1, 2010.

<Supplementary Data>

2. Changes in Latest Business Performance

The Fiscal Year Ended March 31, 2011(Individual)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	Apr. 2010 - June 2010	July 2010 - Sep. 2010	Oct. 2010 - Dec. 2010	Jan. 2011 - Mar. 2011
	mil. yen	mil. yen	mil. yen	mil. yen
Operating Revenue	5,872	5,238	5,226	6,646
Selling, General & Administrative Expenses	3,402	3,589	3,440	4,969
Operating Income	2,470	1,648	1,786	1,677
Ordinary Income	2,793	1,896	2,015	1,748
Income before Income Taxes	4,811	1,815	2,009	470
Net Income	4,416	1,666	1,845	1,228
	yen	yen	yen	yen
Net Income per Share	16,356.63	6,170.95	6,834.78	4,549.14
	mil. yen	mil. yen	mil. yen	mil. yen
Total Assets	354,944	366,135	310,244	670,811
Net Assets	49,354	51,009	51,638	52,858
	yen	yen	yen	yen
Net Assets per Share	182,796.17	188,924.32	191,253.80	195,773.01

The Fiscal Year Ended March 31, 2010 (Consolidated)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	Apr. 2009 - June 2009	July 2009 - Sep. 2009	Oct. 2009 - Dec. 2009	Jan. 2010 - Mar. 2010
	mil. yen	mil. yen	mil. yen	mil. yen
Operating Revenue	5,759	5,984	5,812	5,465
Selling, General & Administrative Expenses	3,829	4,093	3,593	3,780
Operating Income	1,930	1,891	2,218	1,684
Ordinary Income	2,364	2,250	2,555	1,989
Income before Income Taxes	2,351	2,477	2,529	2,003
Net Income	1,457	1,795	1,649	1,395
	yen	yen	yen	yen
Net Income per Share	5,398.30	6,651.23	6,108.99	5,167.87
	mil. yen	mil. yen	mil. yen	mil. yen
Total Assets	364,474	355,917	335,906	320,362
Net Assets	46,771	46,382	47,061	48,429
	yen	yen	yen	yen
Net Assets per Share	165,178.45	171,786.93	174,300.75	179,368.39

As OSE merged and acquired with Jasdaq Securities Exchange, Inc., which was its consolidated subsidiary, on April 1, 2010, OSE prepares individual financial statements from the first quarter of the fiscal year ended March 31, 2011. Therefore, figures of the previous fiscal year ended March 31, 2010 are consolidated figures, and figures of the current fiscal year ended March 31, 2011 are individual figures.