

Notice of the 4th Annual General Shareholders Meeting

May 31, 2011

Dear Shareholder,

We would like to offer our deepest condolences to the shareholders affected by the Great East Japan Earthquake in March.

You are cordially invited to attend the 4th Annual General Shareholders Meeting to be held as described below.

If you are unable to attend, you may exercise your voting rights in writing or via the Internet. To vote in writing, please review the item in the Notice entitled "Reference Documents for the General Shareholders Meeting." Then indicate your approval or disapproval on the enclosed form for the exercise of voting rights and return it to us by 4:45 p.m., Monday, June 20, 2011. To vote via the Internet, please review the item entitled "Instructions for the Exercise of Voting Rights, etc". on page 3, and then go to the web site designated by Tokyo Stock Exchange Group, Inc. (the Company) at <http://www.evotep.jp/> to exercise your voting rights. Votes via the Internet must also be received by 4:45 p.m., Monday, June 20, 2011.

Sincerely yours,

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

MEETING AGENDA

1. **Date and Time** 10:00 a.m., Tuesday, June 21, 2011
2. **Place** Tosho Hall
2nd Floor, Tokyo Stock Exchange, Inc. Building
2-1 Nihombashi-Kabuto-cho, Chuo-ku, Tokyo
3. **Objectives of Meeting**
 - Reports
 1. Business Report, the Consolidated Financial Statements and the report on the audit of the consolidated accounts by the Independent Auditor and the Audit Committee for the 4th term (the period from April 1, 2010 to March 31, 2011)
 2. The Non-consolidated Financial Statements for the 4th term (the period from April 1, 2010 to March 31, 2011)
 - Proposal Regarding the election of fifteen (15) Directors

4. Rules established for the General Shareholders Meeting

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

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

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

Instructions for the Exercise of Voting Rights, etc.

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

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

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

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

3. Method of receiving the shareholders' meeting notice

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

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

Business Report

(From April 1, 2010 to
March 31, 2011)

I. Overview of Current Status of Corporate Group

1. Business Report

(1) Review and results of business and operations

With improvements in overseas economies and the results of various government measures, recovery had been seen in the Japanese economy. However, such momentum has been weakened by the limited supply of electricity and delays in the repair of supply chains due to the Great East Japan Earthquake and the effects of rising oil prices.

Under such circumstances, TSE group (meaning the corporate group comprising Tokyo Stock Exchange Group, Inc. and its subsidiaries in this Business Report) remains conscious of its social mission as a market operator to stably provide reliable trading opportunities to market users. In addition to establishing a stable market operation base as the core infrastructure of the Japanese capital market, we planned to further improve market functions by enhancing market transparency and fairness and providing rich liquidity to market users. With this in mind, TSE group will pursue the following measures to contribute to enhancing the functions of the capital market of Japan.

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

While making appropriate responses to the diversification and acceleration of trading methods, TSE group is working toward constructing a market infrastructure with a high level of user-friendliness and efficiency, in order to develop a vibrant market which acts as a destination for the world's investment capital (risk money). However, market user needs are continuously evolving in response to the remarkable changes occurring in securities markets recently. Traditional exchanges in the US and Europe have lost a large part of their market share compared to several years ago due to progressing market fragmentation. While trading in Japan remains concentrated at TSE, Proprietary Trading Systems (PTS) are gradually expanding their market share.

Given this situation, from the perspective of expanding trading opportunities for a wide variety of investors as a market operator, TSE group publicized the "Discussion Paper Regarding the Extension of Trading Hours" in July 2010 and sought public comments for two months to aid in continuing deliberations. Based on the comments received, the morning trading hours for the cash market will be extended 30 minutes until 11:30 a.m., from the current hours of 9:00 a.m. to 11:00 a.m. The morning trading hours for index futures and options will also be extended to 11:30 a.m., and the afternoon session will begin 15 minutes later, at 11:45 a.m. These changes are scheduled to be implemented in autumn this year, in consideration of the electricity demands this summer. Furthermore, from the perspective of improving market functions and user-friendliness, the period of trading halts was shortened from 30 minutes to 15 minutes and the special quote renewal time interval was shortened from 5 minutes to 3 minutes as of May 9, 2011.

Regarding strengthening the derivatives market, TSE became the first market in Japan to introduce dividend index futures in July 2010, listing not only TOPIX dividend index futures, but also dividend index futures linked to Nikkei 225 and TOPIX Core30, in order to respond to market participant needs. Additionally, in October of the same year, TOPIX futures were listed on the NYSE Liffe market and a position transfer scheme was introduced in order to increase trading opportunities. The position transfer scheme allows for the unified management of positions and greater efficiency regarding collateral and other funds. In order to further improve convenience for investors, we are proceeding with preparations to migrate futures trading onto Tdex+ System in the fall of 2011. The migration is expected

to lessen the difference in latency between trading of futures and trading via arrowhead, making cash/futures trading easier to perform, and increasing arbitrage transactions. Furthermore, in addition to enhancing the speed of the system, a market maker scheme will be introduced, thereby improving conditions for low-liquidity products.

Regarding enhancing trading systems, performance of arrowhead was improved by accelerating processing of simultaneous orders as a post-launch measure in August 2010. In January 2011, support for IOC orders was introduced in order to flexibly respond to new investor needs accompanying diversified investment methods. Furthermore, the TSE Proximity Service was launched in October 2010, allowing users to place devices which receive market information or place orders at the access points of TSE's backbone network, arrownet. This service is available to trading participants and other market users, such as information vendors.

In order to enhance our index infrastructure and increase user-friendliness, TOPIX and other indices will be calculated at the millisecond level, as changes occur in the prices of constituent stocks, and disseminated through the "High-Speed Index Service" starting from February 2011. Also, the indicative net asset value (indicative NAV) per unit of listed ETFs has been calculated and disseminated in real-time since April 2011.

In addition to these initiatives, TSE group will continue to pursue further sophistication of the system infrastructure which forms the base of our market's competitiveness, while promoting stream-lining of our business continuity plan to allow for even smoother responses to emergencies.

In the area of clearing and settlement of securities transactions, from the perspective of expanding our business portfolio through the provision of clearing services to off-exchange markets, Japan Securities Clearing Corporation (JSCC) commenced assumption of obligations for securities transactions executed on PTS in July 2010. Additionally, in relation to clearing of over-the-counter (OTC) government bond transactions, an investment was made in Japanese Government Bond Clearing Corporation (JGBCC) through JSCC, thus, strengthening cooperation with JGBCC. In relation to providing clearing operations for OTC derivatives transactions we are preparing to begin clearing of credit default swap (CDS) transactions in July 2011, as well as other initiatives aimed at expanding our business field.

Furthermore, aimed at creating a bond market within Japan that will rival the European market and developing the core market within Asia, TOKYO AIM is advancing preparations to establish the "TOKYO PRO-BOND Market", a bond market for professionals. A system outline for this market was publicized in November 2010.

2) Diversifying the lineup of listed products

TSE group is pro-actively working to diversify listed products in order to meet the varied needs of investors. We are promoting an expansion of our lineup of ETFs, which facilitate diversified investment across a wide range of issues at small amounts and low cost.

As a result, 15 ETFs were newly listed during this fiscal year. Specifically, in the area of domestic funds, the "Tokyo Stock Exchange Dividend Focus 100 Index" ETF focused on dividend returns, and the "Nikkei China Related Stock 50" ETF focused on corporations actively pursuing business in China were both listed. For foreign funds, ETFs linked to the "S&P 500", the representative US stock price index; the "Hang Seng China Enterprises Index", comprised of mainland Chinese companies listed in Hong Kong; the "MSCI ACWI ex Japan", composed of corporations from 44 countries excluding Japan; and the Australian REIT index "S&P/ASX200 A-REIT" were among those listed this year. Also, in the area of commodities, ETFs linked to oil prices and precious metal ETFs which can be exchanged domestically for physical gold, silver, platinum, and palladium were listed.

With these listings, the total number of listed ETFs reached 101 during this fiscal year. We have achieved our goal of "100 listed ETFs" set out in the Medium-Term Management Plan (FY2008 – FY2010) and the enrichment of our listed product lineup.

TSE group is also pursuing promotion activities, such as conducting individual visits to candidates for listing and holding seminars related to initial listing, in order to promote the listing of high-quality companies which would be attractive investments

*This fiscal year, there were 28 companies which listed to the 1st/2nd Section, and 6 companies which listed to Mothers (note), bringing the total companies in the 1st/2nd Section to 2,116 (down 11 companies year-on-year), and 176 companies on Mothers (down 10 companies year-on-year).

(Note) Includes the listing of companies established from merger or stock transfer of already listed companies. The number of companies listed in such way was 6 companies to the 1st/2nd Section and 1 company to Mothers.

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

In order to develop an environment in which investors can make investments with confidence in the market, TSE group has focused on promoting measures to ensure the fairness and reliability of the market.

The market environment is undergoing large changes with rapid increases in trading speeds and diversification of trading methods. The launch of arrowhead was used as an opportunity to respond to these conditions and introduce measures to prevent unfair transactions. The market surveillance system which extracts evidence of unfair trading, such as market manipulation, was reformed in June 2010 with the aim of increasing the sophistication and effectiveness of surveillance activities by flexibly responding to diversified trading conditions and checking transactions from a wide range of perspectives.

Additionally, the "TSE-R Compliance Learning Center (TSE COMLEC)", which specializes in supporting market participant compliance, actively engaged in support activities for listed company compliance. These activities included creating an "Insider Trading Prevention Rules Case Study" in June 2010 and holding a Compliance Forum.

Furthermore, we have worked to maintain the market's reliability through the proper execution of listed company compliance. In order to promote the development of an environment in which problems with listing rules do not occur on the side of listed companies, TSE group is enacting a variety of measures to promote "preventative" listing management. As a part of this, we created a "Listed Company Compliance Operations" handbook which introduces our listed company compliance operations, and released explanations of inspections of false statements and prevention of improper third-party allotments in August and September of 2010, respectively. In addition, we have held explanatory meetings for listed companies and strengthened cooperation with the Securities and Exchange Surveillance Commission, other exchanges, and other specialized outside organizations.

On the other hand, based on the discovery of cases of false statements made on financial statements before listing, and the strategy to proceed with broad "deliberations for restoring the reliability and revitalizing growth markets" in the "new growth strategy" determined by the Cabinet Office in June 2010, TSE group revised the listing rules in order to increase the reliability and revitalize the Mothers market. Specifically, we are working to improve the reliability of the Mothers market via measures which strengthen cooperation with market participants and improve the effectiveness of listing examination. Also, in order to fulfill the role of a growth market in providing fund-raising opportunities to growing corporations, we

have revised the viewpoint of Mothers listing inspection and clarified the standard period of examination, in order to improve assessment of a company's eligibility during the listing examination process, thereby serving as a revitalization measure for the Mothers market.

Also, from the perspective of effective and efficient timely disclosure of quarterly reports, TSE group conducted revision based on the proposals contained in the "Report by the Sectional Committee on Corporate Disclosure under the Advisory Group on Listing System Improvement – How Listing Rules and Regulations should be in light of Timely Disclosure of Quarterly Financial Results and Voluntary Adoption of IFRS". In June 2010, the rules were amended to allow listed companies to disclose information in quarterly reports other than that required by the Exchange as minimum criteria for uniform disclosure based on their own judgment, in order to allow listed companies to flexibly conduct proper disclosure in accordance with investor needs. The same revisions will be applied to annual reports, with application planned to start from financial statements in the March period of this year.

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

In order to facilitate the participation of a greater number of individual investors, TSE group has held 164 seminars to increase knowledge and understanding related to the securities market and securities investment through our "TSE Academy".

In addition, we are actively conducting securities education targeted to schools, conducting in-house and dispatch classes for elementary, junior high, and high school students, economic classes for parents and children during summer vacation periods, and seminars geared toward college students and instructors. In these ways, TSE group is working to spread basic economic and financial education.

Under these conditions, average daily trading value for equities during this fiscal year maintained the same level as last year, at JPY1.5535 trillion (0.0% change year-on-year). Also, average daily trading volume was 60,926 contracts for TOPIX Futures (down 0.2% year-on-year) and 32,661 contracts for JGB Futures (up 12.6% year-on-year).

Funds raised by listed companies largely dropped versus the previous fiscal year, falling to JPY 3.9069 trillion (down 47.6% year-on-year). At the end of March 2011, TOPIX stood at 869.38 points, with a market capitalization of JPY 301.2514 trillion

As a result, TSE group's operating revenue was JPY 57,097 million (down 5.9% year-on-year), operating expenses were JPY 43,501 million (down 5.1% year-on-year), operating profit was JPY 13,596 million (down 8.3% year-on-year), and ordinary profit was JPY 15,302 million (down 12.2% year-on-year).

In contrast, due to the recognition of JPY 13,213 million in extraordinary losses in the previous fiscal year related to the compensation of damages related to litigation by Mizuho Securities Co. Ltd., TSE group reported an income of JPY 15,121 million (up 479.8% year-on-year) before income taxes and minority interest and a net profit of JPY 8,879 million.

Under non-operating revenue of this fiscal year under review, penalties and fines from trading participants accounted for JPY 25 million, which TSE group applied to the operations of the market surveillance system of Tokyo Stock Exchange Regulation ("TSER"), in order to build a sound stock market.

(2) Capital expenditures

During the year under review, TSE group worked on development of trading systems and other projects. Overall, capital investments for infrastructure during the year amounted to approximately JPY 5 billion.

(3) Financing

There are no matters to report.

(4) Business transfer, mergers and demergers

There are no matters to report.

(5) Acquisitions of operations from other companies

There are no matters to report.

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

There are no matters to report.

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

In order to strengthen the collaborative relationship between Japan Securities Clearing Corporation (JSCC) and Japanese Government Bond Clearing Corporation (JGBCC) and improve the securities clearing and settlement system, JGBCC conducted a third-party allotment in September 2010, of which JSCC acquired all shares, in addition to JSCC acquiring outstanding shares in JGBCC from existing shareholders. In doing so, JSCC holds 32,055 shares in JGBCC, a 35.6% stake.

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

· TSE Group

(Million JPY)

	March 2008 term (Apr. 2007 to Mar. 2008)	March 2009 term (Apr. 2008 to Mar. 2009)	March 2010 term (Apr. 2009 to Mar. 2010)	March 2011 Term (Apr. 2010 to Mar. 2011)
Operating revenue	75,505	67,090	60,665	50,097
Operating profit	28,786	14,174	14,824	13,596
Ordinary profit	31,064	16,259	17,425	15,302
Net income (loss)	17,701	(3,696)	(3,602)	8,879
Net income (loss) per share (JPY)	7,785.04	(1,625.65)	(1,584.27)	3,905.07
Total assets	717,676	677,163	391,075	514,405
Net assets	117,776	114,088	116,940	124,782
Net assets per share (JPY)	50,859.77	49,113.92	50,085.81	53,606.95

(Operating revenue)

(Million JPY)

	March 2010 term (Apr. 2009 to Mar. 2010)	March 2011 term (Apr. 2010 to Mar. 2011)	Year-on-year change %	
Trading participation fees	21,727	21,516	(211)	(1.0)%
Listing fees	13,271	9,862	(3,409)	(25.7)%
Income from Information services	10,727	11,071	344	3.2%
Income related to clearing and settlement	7,247	7,407	160	2.2%
Other operating revenues	7,691	7,238	(453)	(5.9)%
Total	60,665	57,097	(3,568)	(5.9)%

(Reference Translation)

· *The Company*

(Million JPY)

	March 2008 term (Aug. 2007 to Mar. 2008)	March 2009 term (Apr. 2008 to Mar. 2009)	March 2010 term (Apr. 2009 to Mar. 2010)	March 2011 Term (Apr. 2010 to Mar. 2011)
Operating revenues	10,894	9,068	7,606	6,994
Operating profit	7,128	3,209	2,026	1,386
Ordinary profit	7,294	3,453	3,148	2,522
Net income	6,541	2,544	1,858	869
Net income per share (JPY)	2,844.11	1,119.15	817.35	382.61
Total assets	113,855	129,852	141,054	139,861
Net assets	104,145	100,670	108,340	108,337
Net assets per share (JPY)	45,803.69	44,275.07	47,648.76	47,647.47

3. Information Concerning the Parent Company and Major Subsidiaries

(1) Relationship with parent company

There are no matters to report.

(2) Major subsidiaries

	Address	Paid-in Capital (Million JPY)	Percentage of total (%) [indirect]	Principal businesses
Tokyo Stock Exchange, Inc.	Chuo-ku, Tokyo	11,500	100.0	Financial Instruments Exchange Market operations
Tokyo Stock Exchange Regulation	Chuo-ku, Tokyo	3,000	100.0	Self-regulatory operations
Japan Securities Clearing Corporation	Chuo-ku, Tokyo	2,600	87.7	Clearing and settlement operations for trading in securities
TOKYO AIM, Inc.	Chuo-ku, Tokyo	1,000	51.0	Specified Financial Instruments Exchange Market operations
TOSHO SYSTEM SERVICE CO., LTD.	Chuo-ku, Tokyo	100	80.0 [80.0]	Systems development, etc.

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

4. Issues Requiring Action

TSE group recognizes that, as a market operator, it has been entrusted with the social mission of providing market users with opportunities to trade with confidence, and that it must provide such opportunities consistently and reliably. While striving to perform its business in a transparent manner and strike a balance between the exchange's public nature and its need for profitability, the group is intent on evolving into an exchange capable of responding to a wide range of user needs. In order to realize this goal, TSE group will further develop the existing market infrastructure and utilize it to expand the user base, including individual investors, and achieve a high level of liquidity. Additionally, it will advance its position as an international financial center, while exploring all available options, including strategic alliances with overseas exchanges, etc. in light of recent cross-border merger and acquisition trends.

As a core strategy toward that goal, TSE group plans to "increase IPOs" by fulfilling its function of providing risk-money and "expand the derivatives/ETF markets" by improving its function as a one-stop market via a diverse product lineup. In order to promote and realize these initiatives, efforts will be channeled to boost marketing and sales activities and fulfill self-regulatory functions in response to the changing market environment. Additionally, TSE group will propose policy measures and actively provide information and releases to improve competitiveness in the overall financial market.

Furthermore, with the advent of the Great East Japan Earthquake, TSE group is even more aware of the role expected of it as the central market operator of Japan. In addition to working to stably operate the market as a part of the important social infrastructure supporting the Japanese financial market, TSE group is promptly implementing measures to support the recovery of afflicted corporations and regions, such as facilitating smooth recovery fund-raising.

In light of the foregoing management policies, major management goals that the group will work to achieve are as follows.

- (1) Increase IPOs
 - Create an environment to provide continuous and stable IPO corporations, in light of the capital market's role to provide growing companies with risk-money from investors.
 - Expand a variety of services to add intrinsic value to TSE listing, such as improving convenience of timely disclosure systems for listed companies.
 - Promote listing of domestic and overseas companies attractive to investors via promotion activities to related parties such as companies preparing for listing, securities companies, and audit corporations.
- (2) Expand Derivatives/ETF Market
 - Expand user base and improve liquidity by ensuring diverse investment opportunities, such as enhancing individual investor access methods, and pro-active promotion activities.
 - Act as a one-stop market by promoting further diversification of the product lineup based on market needs with overseas and commodity-linked ETFs and derivatives products.
- (3) Improve Marketing and Sales Activities
 - Promote pro-active business activities on a company-wide basis, centered around the newly created Marketing and Promotion Unit, to discover new areas of needs in cooperation with customers and pursue user-oriented services based on the opinions of market users.
- (4) Fulfill Self-Regulatory Functions Responding to Evolving Environments
 - Increase market reliability and create an environment in which investors can invest with confidence through self-regulatory operations which properly conform to diversified trading styles, products, and corporations.
 - Create a self-regulatory system which conforms to the changing environment and effectively execute such system in collaboration with the market operation company and the self-regulatory company in an appropriate manner.
- (5) Propose Policy Measures/Actively Provide Information and Releases
 - Promote revitalization of the Japanese capital market in order to support recovery of the Japanese economy and increase TSE's presence by proposing policy measures through research, seminars, and reports related to environmental changes and regulatory conditions surrounding the market.
 - Improve user confidence in the market by promoting proper understanding of TSE's role and initiatives via information dissemination using SNS and other various methods while also expanding the investor base through active provision of information and releases regarding listed products and services.
- (6) Expand and Strengthen Function of Market Infrastructure
 - Given the difficult conditions surrounding TSE group, increase efforts through cooperation within the group to expand the clearing and settlement business field while promoting new business such as indexing and other information services, from the perspective of securing a business foundation capable of addressing the changing environment.
 - Additionally enhance efficiency and convenience of the cash market through sophistication of the cash market system, TSE group's core business, and the trading rules, as well as strategically utilizing the existing system infrastructure.

5. Principal Business (as of March 31, 2011)

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

6. Main Offices (as of March 31, 2011)**• The Company**

Name	Address
Head Office	2-1, Nihombashi-Kabuto-cho, Chuo-ku, Tokyo

• Subsidiaries

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

7. Employees (as of March 31, 2011)**• TSE group**

Number of employees	Compared to the previous fiscal year	Average age	Average year of employment
854	(32)	40 years 10 months	16 years 2 months

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

• The Company

Number of employees	Compared to the previous fiscal year	Average age	Average year of employment
152	(18)	43 years 4 months	19 years 3 months

(Note) The number of employees refers to persons working on a regular basis (excluding persons assigned to outside entities temporarily by the Company but including persons assigned to work temporarily in the Company); temporary employees (part-time workers and persons dispatched from temporary employment agencies) are not included. Furthermore, 18 employees, including staff studying abroad and those on leave, were included in the number of employees for the previous year. Such employees have not been included in the year under review.

8. Lenders, Loans and Shares Held by Lenders (as of March 31, 2011)

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

9. Other Important Items Related to the Corporate Group

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

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

II. Status of Shares (as of March 31, 2011)

1. Total Authorized Number of Shares to be Issued	9,200,000
2. Total Number of Shares Issued	2,300,000
3. Number of Shareholders	107

4. 14 Largest Shareholders

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

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

III. Status of Subscription Warrants (shinkabu-yoyakuken), etc. (as of March 31, 2011)

There are no matters to report.

IV. Directors and Executive Officers of the Company**1. Directors and Executive Officers (as of March 31, 2011)**

1) Board of Directors

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

(Reference Translation)

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

(Notes)

1. The following eleven (11) persons are Outside Directors: Hiroshi Okuda, Toshiaki Katsushima, Eiko Kono, Satoshi Shiibashi, Yoshinari Hara, Tsuguoki Fujinuma, Katsuhiko Honda, Hitoshi Maeda, Kunihiro Matsuo, Oki Matsumoto, and Charles Ditmars Lake II.
2. Audit Committee Member Toshiaki Katsushima is a certified public accountant with considerable knowledge of finance and accounting.
3. Director Eiko Kono resigned from the following position at the board of directors meeting on the following date: Outside Director, Mitsui Sumitomo Insurance Group Holdings, Inc. (Currently: MS&AD Insurance Group Holding, Inc.) on April 1, 2010.
Director Tsuguoki Fujinuma was elected for and assumed the following positions at the general shareholders meeting on the following date: Outside Auditor, Seven & i Holdings, Inc. on May 27, 2010.
Director Oki Matsumoto was elected for and assumed the following position at the general shareholders meeting on the following date: Outside Director, Kakaku.com, Inc. on June 25, 2010.

(Reference Translation)

2) Executive Officers

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

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

1) Newly elected

All directors were elected at the 3rd Annual General Shareholders Meeting held on June 22, 2010 and took office respectively on that day; all executive officers were elected at the regular meeting of the Board of Directors held on the same day and took office respectively on that day.

2) Retired

Chairman of the Board Taizo Nishimuro resigned as director effective the end of the 3rd Annual General Shareholders Meeting held on June 22, 2010.

3) Position transfer

Senior Executive Officer Yoshinori Suzuki was elected for the position of Executive Vice President at the meeting of the Board of Directors held on June 22, 2010 and took office respectively on that day.

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

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

- In addition to being appropriate for the work responsibilities of directors and executive officers, compensation must also contribute to enhanced awareness of the need to achieve the Company's management goals.

(Reference Translation)

- Compensation must be competitive and adequate to attract the talent necessary to build a market that offers excellent reliability and convenience.
- In light of the Company's special nature as a part of the social infrastructure, compensation must be appropriate in light of the social situation, and compensation decision procedures and other aspects must be transparent.

4. Compensation Paid to Directors and Executive Officers

	No. of Recipients	Amount Paid (Million JPY)
Directors	12	117
[of which Outside Directors]	[10]	[80]
Executive Officers	6	349

(Notes)

1. The compensation, etc. for persons serving as both Executive Officers and Directors is listed on the Executive Officer line.
2. The above amounts include JPY 138 million paid in bonuses to Executive Officers as decided in the Compensation Committee on April 20, 2011.
3. During the fiscal year under review, JPY 9 million in total was separately paid out to Outside Directors as compensation by Tokyo Stock Exchange Regulation.

5. Item Related to Outside Directors and Outside Statutory Auditors

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

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

(Reference Translation)

Position	Name	Company/Corporation/etc. name	Relation to TSE
Director	Satoshi Shiihashi	Standing Outside Statutory Auditor, Tokyo Stock Exchange, Inc.	Tokyo Stock Exchange, Inc. is a wholly owned subsidiary of the Company.
Director	Yoshinari Hara	Outside Director, Tokyo Stock Exchange, Inc. Outside Director, NEC Corporation Outside Corporate Auditor, KYOCERA Corporation	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. NEC Corporation and KYOCERA Corporation are listed companies of Tokyo Stock Exchange, Inc.
Director	Tsuguoki Fujinuma	Governor, Tokyo Stock Exchange Regulation Outside Director, Sumitomo Life Insurance Company Outside Director, Nomura Holdings, Inc. Outside Corporate Auditor, Sumitomo Corporation Outside Corporate Auditor, Takeda Pharmaceutical Company Limited Outside Corporate Auditor, Seven & i Holdings, Inc.	Tokyo Stock Exchange Regulation is a wholly-owned subsidiary of the Company. Sumitomo Corporation, Takeda Pharmaceutical Company Limited, Nomura Holdings, Inc. and Seven & i Holdings, Inc. are listed companies of Tokyo Stock Exchange, Inc. There is no particular relation to any other corporation.
Director	Katsuhiko Honda	Outside Director, Tokyo Stock Exchange, Inc. Outside Director, Tokyo Gas Co. Ltd.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. Tokyo Gas Co. Ltd. is a listed company of Tokyo Stock Exchange, Inc.
Director	Hitoshi Maeda	Outside Director, Tokyo Stock Exchange, Inc.; Outside Statutory Auditor, The Sumitomo Trust & Banking Co., Ltd.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. The Sumitomo Trust & Banking Co., Ltd. is a listed company of Tokyo Stock Exchange, Inc.
Director	Kunihiro Matsuo	Outside Statutory Auditor, Tokyo Stock Exchange, Inc. Independent Director, Asahi Glass Co., Ltd. Outside Corporate Auditor, Komatsu Ltd. Outside Corporate Auditor, Sompo Japan Insurance Inc. Outside Corporate Auditor, Toyota Motor Corporation Outside Corporate Auditor, MITSUI & CO., LTD.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. Asahi Glass Co., Ltd., Komatsu Ltd., Toyota Motor Corporation and MITSUI & CO., LTD. are listed companies of Tokyo Stock Exchange, Inc. There is no particular relation to any other corporation.
Director	Okii Matsumoto	Outside Director, Tokyo Stock Exchange, Inc. Representative Director, Chairman and CEO, Monex Group, Inc. Representative Director and President CEO, Monex, Inc. Outside Director, Shinsei Bank, Limited Outside Director, Kakaku.com, Inc.	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. Monex, Inc. is a trading participant of the TSE and holds shares in the Company. Monex Group, Inc., Shinsei Bank, Limited and Kakaku.com, Inc. are listed companies of Tokyo Stock Exchange, Inc.
Director	Charles Ditmars Lake II	Outside Director, Tokyo Stock Exchange, Inc. Representative and Chairman, American Family Life Assurance Company of Columbus (Japan Branch)	Tokyo Stock Exchange, Inc. is a wholly-owned subsidiary of the Company. There is no particular relation to any other corporation.

(Reference Translation)

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

There are no matters to report.

(3) Primary activities during the fiscal year

Rank	Name	Primary activities
Director	Hiroshi Okuda	Attended 11 of the 12 Board of Directors meetings held during the business year under review; attended all 2 Nomination Committee meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Toshiaki Katsushima	Attended 11 of the 12 Board of Directors meetings held during the business year under review; attended 12 of 13 Audit Committee meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Eiko Kono	Attended 11 of the 12 Board of Directors meetings; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Satoshi Shiibashi	Attended all 12 Board of Directors meetings held during the business year under review; attended all 13 Audit Committee meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Yoshinari Hara	Attended 10 of the 12 Board of Directors meetings held during the business year under review; attended all 2 Compensation Committee meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Tsuguoki Fujinuma	Attended 11 of the 12 Board of Directors meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Katsuhiko Honda	Attended all 12 Board of Directors meetings held during the business year under review; attended all 2 Compensation Committee meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Hitoshi Maeda	Attended all 12 Board of Directors meetings held during the business year under review; attended all 2 Nomination Committee meeting held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Kunihiro Matsuo	Attended 9 of the 12 Board of Directors meetings; attended 10 of the 13 Audit Committee meetings; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Oki Matsumoto	Attended 11 of the 12 Board of Directors meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.
Director	Charles Ditmars Lake II	Attended 9 of the 12 of the Board of Directors meetings held during the business year under review; made statements that were relevant to the Board's deliberation of agenda items, contributed such statements in an appropriate way.

(4) Summary of agreements limiting liability

The Articles of Incorporation of the Company stipulate that it shall be able to conclude an agreement with outside directors which limits such outside directors' liabilities for damages to the Company so as to facilitate commitment to their duties without unnecessary negligence, and appropriate execution of duties expected of them. The Company has concluded such agreements limiting liability with the following ten individuals: Outside Directors Hiroshi Okuda, Toshiaki Katsushima, Eiko Kono, Yoshinari Hara, Tsuguoki Fujinuma, Katsuhiko Honda, Hitoshi Maeda, Kunihiro Matsuo, Oki Matsumoto and Charles Ditmars Lake II.

The agreements limiting liability shall be generally structured as follows:

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

V. Accounting Auditor

1. Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

2. Compensation Paid to Accounting Auditor

	Amount Paid
1) Total fees paid to the Accounting Auditor by the Company and its subsidiaries	JPY 76 million
2) Of the total in 1), the amount of fees paid as a consideration for audit certification under Article 2, Paragraph 1 of the Certified Public Accountants Act	JPY 74 million
3) Of the total paid in 2), the total amount of fees paid by the Company to its Accounting Auditor as defined under the Companies Act and the Financial Instruments and Exchange Act	JPY 25 million

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

3. Nature of Non-Auditing-related Professional Duties

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

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

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

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

5. Matters Related to Agreements to Limit Liability

There are no matters to report.

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

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

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

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

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

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

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

- To develop a system for reporting to the Audit Committee, the Company shall establish a set of internal rules known as "Regulations Regarding Reporting, etc. to the Audit Committee" and shall apply them appropriately. These regulations shall include the following provisions:
 - (1) When the Audit Committee or a member of the Audit Committee who has been designated by the committee requests a report on operations, executive officers and employees shall promptly submit such a report.
 - (2) In the event that any executive officer or employee discovers something that may significantly affect the operations or the financial condition of the Company, its subsidiaries, or its affiliates, such officer or employee shall immediately report the details of the problem to the Audit Committee or to a member of the Audit Committee who has been designated by the committee.

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

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

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

- The Company shall establish regulations for the Board of Directors, regulations for the Committee of Executive Officers, job function-related regulations, etc., and it shall conduct its operations based on the separation of duties and authorities provided for under these regulations.
- The Company shall adopt a compliance program and implement the following measures:
 - (1) Establish internal regulations on compliance (including regulations related to information management), including a Charter of Corporate Behavior and code of conduct for employees, which shall stipulate universal values and specific action guidelines with which persons belonging to the Company, the TSE, and TSE group companies) must comply from the standpoint of corporate ethics; and require that the respective TSE group companies share and adhere to these internal regulations.
 - (2) As part of its internal compliance system, establish the positions of Chief Compliance Officer (President and CEO), Director in Charge of Compliance (Executive Officer in Charge of General Affairs), and Secretariat for Compliance-related Operations (within the Department of General Affairs).
 - (3) Establish and operate a "TSE Compliance Hotline" to provide whistleblowers with protection that is accessible to persons working in the Company and its subsidiaries.
 - (4) As part of an ongoing program for awareness and education, hold liaison meetings comprising persons in charge of compliance in the various departments and offices of the respective TSE group companies, distribute information related to compliance over the Company intranet, and conduct training through e-learning.
- Based on its Charter of Corporate Behavior, the TSE group shall respond in the following resolute manner to rid the market of criminal and extremist elements:
 - (1) It shall confront and deal resolutely with criminal and extremist elements that threaten the order and safety of civil society; when it receives unreasonable demands from such

organizations, the TSE group shall face these groups down and deal with the situation firmly.

(2) By preventing criminal and extremist elements from becoming involved in the financial products markets, the TSE group shall endeavor to build sound and fair markets.

- The Company shall establish an Internal Auditing Office under the direct jurisdiction of the President and CEO and conduct internal audits.

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

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

7. Regulations and Other Systems Related to Risk Management

- To ensure appropriate risk management, the Company shall carry out its operations in accordance with the occupational duties and authorities clearly defined in its internal regulations. Fundamentally, operations shall be carried out with the understanding that each group – directors, executive officers, and employees – is responsible for risk management in accordance with its members' specific duties and authorities.
- The Company shall establish rules for a Risk Management Committee that the respective TSE group companies can agree to and accept. With respect to risks affecting the respective TSE group companies, each company shall take steps to improve its ability to recognize risk-related phenomena and take appropriate action from the standpoint of prevention. In the event that risks materialize or are likely to materialize, the Risk Management Committee, headed by the President and CEO, shall take action that results in gaining "a comprehensive grasp of the situation" and in the implementation of "responses aimed at a rapid resolution of the situation."
- In particular, the TSE group shall remain fully cognizant of the fact that its essential duty as a market operator is to provide market participants with the opportunity to trade with confidence, and to do so in a stable and reliable manner. With respect to the risks of systems failing to operate in a stable manner, the group shall take all necessary steps to minimize such risks as it proceeds with the development and operation of these systems. These steps shall include adopting standardized development methods and performing a sufficient number of operational tests to confirm reliability, developing detailed operations manuals and requiring strict adherence to these manuals, ensuring development by specialized departments established for this purpose, and strictly enforcing quality control in operations. In addition, to deal with situations in which continuation of market operations is threatened by natural disasters, terrorist acts, or other such problems, the TSE group shall endeavor to respond appropriately by developing a "Basic Plan for Business Continuity" for the respective TSE group companies under this plan. It shall seek to minimize the impact on related parties and to put into place beforehand the necessary systems and procedures that will enable the resumption of operations in the shortest possible time.
- In view of the importance of the self-regulatory function of a market operator such as the TSE group, as well as of society's significant expectations for greater efficacy of its self-regulatory function, there is a risk that the group will be unable to effectuate self-regulation in an

appropriate manner (including a risk to the reputation of the group if self-regulation is not conducted appropriately). In this regard, the group shall take every possible step to prevent such situations from arising, including implementing organizational measures designed to ensure the independence of its self-regulatory operations and guarantee fairness, and aggressively investing management resources into measures that enhance the quality of its self-regulatory operations. The latter shall include developing detailed operational manuals and requiring strict adherence to these manuals, while also providing for improved and more effective education and training.

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

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

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

- The fundamental idea of this system is to establish organizational frameworks that enable the Company and the group's subsidiaries to take appropriate action autonomously. Upon achieving this, the Company shall endeavor to ensure appropriate corporate group operations by implementing suitable management and support for its subsidiaries.
- Each subsidiary shall conduct its operations in accordance with operational duties and authorities that are clearly defined in the internal regulations of the respective companies; they shall establish codes of conduct for their employees and apply these codes in an appropriate manner.
- Based on regulations related to managing affiliates, the Company shall receive reports and engage in monitoring qualitative information from its affiliates, and provide advice as necessary on matters related to risk management and compliance.
- The directors and employees of the subsidiaries shall have access to the "TSE Compliance Hotline," which the Company shall establish to provide a reporting system for whistleblowers.
- Depending on the nature of its operations and the size of such operations, each subsidiary shall carry out its own internal audits or shall have the Company's Internal Auditing Office conduct internal audits of its operations.

(Reference Translation)

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

-Omitted-

VIII. Basic Policy Regarding Control of the Company

There are no matters to report.

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

Consolidated Balance Sheet

(As of March 31, 2011)

(million yen)

Assets		Liabilities	
Current assets	420,629	Current liabilities	380,427
Cash and bank deposits	61,101	Accounts payable - trade	2,195
Accounts receivable - trade	4,940	Short-term bank loans	17,570
Inventories	253	Income taxes payable	3,132
Deferred tax assets	913	Accrued bonuses	1,014
Margin funds for derivatives and when-issued transactions	246,910	Accrued bonuses for directors	292
Deposits for clearing funds	81,967	Margin funds received for derivatives and when-issued transactions	246,910
Deposits as collateral for facilitating settlement	22,510	Deposits received for clearing funds	81,967
Other current assets	2,045	Deposits received as collateral for facilitating settlements	22,510
Allowance for doubtful accounts	(12)	Deposits received as trading participants' guarantee	3,112
		Other current liabilities	1,722
Fixed assets	93,776	Non-current liabilities	9,195
Property and equipment	7,998	Deferred tax liabilities	3,096
Buildings and structures	1,969	Liability for retirement benefits for employees	5,340
Land	2,399	Returnable legal guarantee funds	325
Construction in progress	13	Other non-current liabilities	433
Other property and equipment	3,616		
Intangible fixed assets	23,373	Total liabilities	389,623
Other intangible assets	23,373		
Investments and other assets	62,404	Net assets	
Investments in securities	35,505	Shareholders' equity	116,147
Long-term loans	20	Common stock	11,500
Deferred tax assets	398	Capital surplus	25,358
Legal guarantee funds	325	Retained earnings	83,621
Special assets for default compensation reserve funds	17,367	Treasury stock, at cost	(4,332)
Others	8,972		
Allowance for doubtful accounts	(184)	Accumulated other comprehensive income	5,740
		Unrealized gains on available-for-sale securities	5,740
		Minority interest	2,893
		Total net assets	124,782
Total assets	514,405	Total liabilities and net assets	514,405

Consolidated Statement of Income

(From April 1, 2010 to March 31, 2011)

	(million yen)
Operating revenues	57,097
Trading participation fees	21,516
Listing fees	9,862
Income from information services	11,071
Income from securities settlement	7,407
Other operating income	7,238
Operating expenses	43,501
Operating profit	13,596
Non-operating revenues	1,774
Interest income	140
Dividend income	922
Equity in earnings of affiliated companies	321
Subsidy income	246
Other non-operating revenues	144
Non-operating expenses	68
Interest expense	58
Other non-operating expenses	9
Ordinary profit	15,302
Extraordinary profits	145
Gain from prior period adjustment	142
Other extraordinary profits	2
Extraordinary losses	326
Impairment loss	54
Loss on disposal of property and equipment, and intangible assets	222
Special depreciation of property and equipment, and intangible assets	38
Other extraordinary losses	10
Income before income taxes and minority interest	15,121
Income taxes - current	3,988
Income taxes - deferred	2,414
Income before minority interest	8,718
Minority interest	160
Net Income	8,879

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2010 to March 31, 2011)

(million yen)

Shareholders' equity	
Common stock	
Balance at beginning of year	11,500
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	11,500
Capital surplus	
Balance at beginning of year	25,358
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	25,358
Retained earnings	
Balance at beginning of year	75,424
Changes of items during the period	
Cash dividends paid	(682)
Net income	8,879
Total changes of items during the period	8,196
Balance at end of year	83,621
Treasury stock	
Balance at beginning of year	(4,332)
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	(4,332)
Total shareholders' equity	
Balance at beginning of year	107,950
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	8,879
Total changes of items during the period	8,196
Balance at end of year	116,147

(million yen)

Accumulated other comprehensive income	
Unrealized gain (loss) on available-for-sale securities	
Balance at beginning of year	5,931
Changes of items during the period	
Net changes of items other than shareholders' equity	(190)
Total changes of items during the period	(190)
Balance at end of year	5,740
Total accumulated other comprehensive income	
Balance at beginning of year	5,931
Changes of items during the period	
Net changes of items other than shareholders' equity	(190)
Total changes of items during the period	(190)
Balance at end of year	5,740
Minority interests	
Balance at beginning of year	3,058
Changes of items during the period	
Net changes of items other than shareholders' equity	(164)
Total changes of items during the period	(164)
Balance at end of year	2,893
Total net assets	
Balance at beginning of year	116,940
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	8,879
Net changes of items other than shareholders' equity	(355)
Total changes of items during the period	7,841
Balance at end of year	124,782

Notes to Consolidated Financial Statements

(Notes regarding important items underlying the preparation of the consolidated financial statements)

I. Item related to the scope of consolidation

Number of consolidated subsidiaries and names

Number of consolidated subsidiaries: 5

Names of consolidated subsidiaries:

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

II. Item related to application of the equity method

1. Number of affiliates accounted for by the equity method: 4

Names of affiliates accounted for by the equity method:

Japan Securities Depository Center, Inc., ICJ, Inc., Tosho Computer Systems Co., Ltd., and Japanese Government Bond Clearing Corporation

(Note) Due to newly acquiring Japanese Government Bond Clearing Corporation, the corporation is included in the scope of the application of the equity method.

2. Number of affiliate not accounted for by the equity method:

From the perspective of current net income and loss (amount corresponding to equity holdings) and retained earnings (amount corresponding to equity holdings), the influence of Emissions Trading Exchange Preparatory Corporation, Inc. on consolidated financial statements is minimal, even if excluded from the equity method, and because it has no overall importance, the corporation shall be excluded from the application of the equity method.

III. Items related to accounting standards

1. Standards and methods of valuation of important assets

(1) Marketable securities:

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

2) Other securities:

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

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

(2) Inventories:

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

2. Method of depreciating fixed assets

(1) Property and equipment:

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

(2) Intangible fixed assets:

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

3. Standards for allowances

(1) Allowance for doubtful accounts:

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

(2) Accrued bonuses:

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

(3) Accrued bonuses for directors:

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

(4) Liability for retirement benefits for employees:

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

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

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

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

4. Method of handling deferred assets

Deferred assets will be accounted in their full amount at the time of payment.

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

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

6. Accounting for obligation assumption

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

7. Accounting for consumption taxes, etc.

Consumption taxes and local consumption taxes are not included.

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

(1) Change in accounting policies related to application of the equity method

Change of affiliates accounted for by the equity method

Due to newly acquiring Japan Securities Clearing Corporation, the corporation is included in the scope of the application of the equity method.

Number of affiliates accounted for by the equity method after change

4

(2) Application of "Accounting standards related to the equity method" and "Current Handling related to Accounting for Affiliates accounted for by the Equity Method"

"Accounting standards related to the equity method" (Corporate Accounting Standards #16, March 10, 2008)

(Reference Translation)

and "Current Handling related to Accounting for Affiliates accounted for by the Equity Method" (Practical Response Report #24, March 10, 2008) shall be applied from the year under review.

Furthermore, there is no effect on the income/loss due to this.

(3) Application of Accounting Standards related to Asset Retirement Obligation

"Accounting Standards related to Asset Retirement Obligation" (Corporate Accounting Standards #18, March 31, 2008) and "Application of Accounting Standards related to Asset Retirement Obligation" (Corporate Accounting Standards Application #21, March 21, 2008) shall be applied from the year under review.

Furthermore, there is no effect on the income/loss due to this.

(4) Change in the Display Method for Software

Because of the decrease in importance of the item "Software" included in the previous year's consolidated financial statements, it has been included in "Other". Furthermore, "Software" for the year under review was JPY 20,718 million.

(5) Change in Display Method for Subsidy Income

Because of the increase in importance of the item "Subsidy income" which was included in "Other" within non-operating income in the previous year's consolidated financial statements, it shall be listed separately from the year under review. Furthermore, the "Subsidy income" during the previous year was JPY 220 million.

(6) Change in Display Method for Income Before Minority Interest

From the year under review, the item "Income Before Minority Interest" shall be displayed according to application of the Cabinet Office Ordinance (Cabinet Office Ordinance #5, March 24, 2008) which partially amended financial statement regulations in accordance with "Accounting Standards Related to Consolidated Financial Statements" (Corporate Accounting Standards #22, December 26, 2008).

(Additional information)

"Accounting Standards related to the Display of Comprehensive Profits" (Corporate Accounting Standards #25, June 30, 2010) shall be applied from the year under review. However, the previous year's amounts for "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" were those under "Revaluation and translation adjustments" and "Total revaluation and translation adjustments".

IV. Notes to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: JPY 17,286 million
2. Guarantee liabilities:
Guarantee liabilities for employee housing loans from financial institutions: JPY 3,308 million

Guarantee liabilities for ICJ, Inc. from financial institutions: JPY 36 million

3. Legal disputes

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

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

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

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

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

In addition, to provide security against risk incurred by Tokyo Stock Exchange, Inc. arising from defaults by trading participants, the TSE group receives security deposits from the trading participants based on the relevant rules of Tokyo Stock Exchange, Inc. The assets that are deposited are recorded as cash or collateral securities (which are restricted to securities that are permitted under the regulations of Tokyo Stock Exchange, Inc.). When the deposit is in the form of cash, the group records it on the asset side of the balance sheet in the cash and bank deposits accounts, while recognizing a liability referred to as "deposits received as trading participants' guarantee." The market value of these collateral securities as of the end of the fiscal year under review was JPY 2,319 million.

With respect to clearing and settlement operations for cash transactions and futures and options transactions, Tokyo Stock Exchange, Inc. has entered into an indemnity agreement with Japan Securities Clearing Corporation. In accordance with this agreement, if losses incurred by Japan Securities Clearing Corporation as

a result of defaults or the like by parties clearing through the corporation cannot be covered by the participant-clearing deposits, etc. of the parties involved in the clearing transactions, Tokyo Stock Exchange, Inc. (and other exchanges for transactions in the cash market) are obligated to compensate for these losses up to the amounts specified in this indemnity agreement. Tokyo Stock Exchange, Inc. consequently recognizes as an asset an account referred to as "special assets for default compensation reserve funds" in an amount equal to the limit set by the indemnification agreement. The amount recognized for this asset on the consolidated balance sheet is JPY 17,367 million.

V. Notes to Statement of Changes in Shareholders' Equity

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

2. Dividends

(1) Dividend paid

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

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

Resolution	Share type	Total amount of dividend (million JPY)	Source	Divided per share (JPY)	Record date	Effective date
Board Meeting of May 17, 2011	Common stock	2,728	Retained earnings	1,200.00	March 31, 2011	June 1, 2011

VI. Notes to Financial Instruments

1. Items related to financial instruments

(1) Policies related to investments in financial instruments

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

(2) The financial instruments and the risks as well as accounts receivable that are trade receivables for risk management systems are exposed to credit risk for trading participants, etc. clients of the TSE group. Therefore, the TSE group continues to conduct monitoring, etc. on the financial position based on the rules and regulations of the TSE group.

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

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

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

(Reference Translation)

(Unit: million JPY)

	Amount recognized on balance sheet (*)	Market value (*)	Difference
(1) Cash and bank deposits	61,101	61,101	-
(2) Accounts receivable	4,940	4,940	-
(3) Marketable securities and investments in securities			
① Held-to-maturity debt securities	1,599	1,604	4
② Other securities	26,390	26,390	-
(4) Special assets for margin funds for derivatives and when-issued transactions	246,910	246,910	-
(5) Special assets for deposits for clearing funds	81,967	81,967	-
(6) Special assets for deposits as collateral for facilitating settlements	22,510	22,510	-
(7) Special assets for 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 settlements	(22,510)	(22,510)	-
(12) Deposits received as trading participants' guarantee	(3,112)	(3,112)	-
Total liabilities	(354,499)	(354,499)	-

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

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

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

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

(3) Marketable securities and investments in securities

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

(Reference Translation)

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

1) Bonds held to maturity
(Unit : million JPY)

	Type of bonds	Amount recognized on balance sheet	Market value	Difference
Bonds whose market value exceeds the amount recognized on the balance sheet	Government bonds and municipal bonds, etc.	1,599	1,604	4
Bonds whose market value does not exceed the amount recognized on the balance sheet	Government bonds and municipal bonds, etc.	-	-	-
Total		1,599	1,604	4

2) Other securities
(Unit : million JPY)

	Type of securities	Acquisition costs	Amounts posted in balance sheet	Difference
Securities whose amounts recognized on the balance sheet exceed acquisition costs	Stocks	16,712	26,390	9,678
Securities whose amounts recognized on the balance sheet do not exceed acquisition costs	Stocks	-	-	-
Total		16,712	26,390	9,678

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

(13) Derivatives trading
There are no matters to report.

(Note 2) Unlisted stocks (JPY 7,514 million recognized on the balance sheet) are deemed extremely difficult to obtain market value as these stocks have no market value and the future cash flow are unable to be estimated; therefore, the TSE group does not include the unlisted stocks in "(3) Marketable securities and investments in securities, □ Other Securities". The items related to market value, etc. of financial instruments are not disclosed for "Deposits received for legal guarantee fund" (JPY 325 million on the consolidated balance sheet) for the same reason.

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

(Unit : million JPY)

	Within one year	Over 1 year to 5 years
Cash and bank deposits	61,101	-

(Reference Translation)

Accounts receivable	4,940	-
Marketable securities and investments in securities	-	1,568
Held-to-maturity debt securities (government bonds, municipal bonds, etc.)		
Total	66,041	1,568

VII. Per Share Information

1. Net assets per share: JPY 53,606.95
2. Net Income per share: JPY 3,905.07

Non-consolidated Balance Sheet

(As of March 31, 2011)

(million yen)

Assets		Liabilities	
Current assets	3,277	Current liabilities	23,423
Cash and bank deposits	2,495	Accounts payable - trade	182
Accounts receivable - trade	14	Short-term debt	17,570
Prepaid expenses	122	Current portion of long-term loans payable	5,100
Deferred income taxes	103	Accounts payable - other	10
Other current assets	541	Accrued expenses payable	117
Fixed assets	136,583	Deposits received	73
Property and equipment	30	Accrued bonuses	216
Buildings	4	Accrued bonuses for directors	138
Vehicles and delivery equipment	14	Other current liabilities	16
Tools, furniture and fixtures	10	Non-current liabilities	8,099
Intangible fixed assets	15	Deferred tax liabilities	3,096
Software	15	Retirement benefits for employees	5,002
Investments and other assets	136,537	Total liabilities	31,523
Investment in securities	26,390	Net assets	
Stocks of subsidiaries and affiliates	104,203	Shareholders' equity	102,597
Investments in capital of subsidiaries and affiliates	3,000	Common stock	11,500
Long-term prepaid expenses	2	Capital surplus	90,437
Prepaid pension costs	2,935	Capital reserve	22,874
Others	6	Other capital surplus	67,562
		Retained earnings	4,992
		Other retained earnings	4,992
		Retained earnings brought forward	4,992
		Treasury stock	(4,332)
		Revaluation and translation adjustments	5,740
		Unrealized gain (loss) on available-for-sale securities	5,740
		Total net assets	108,337
Total assets	139,861	Total liabilities and net assets	139,861

Non-consolidated Statement of Income

(From April 1, 2010 to March 31, 2011)

	(million yen)
Operating revenues	6,994
Income from management control fees	6,966
Other operating income	28
Operating expenses	5,607
Operating profit	1,386
Non-operating income	1,218
Interest income	3
Dividend income	997
Subsidy income	199
Other non-operating income	18
Non-operating expenses	83
Interest expense	83
Other non-operating expenses	0
Ordinary profit	2,522
Extraordinary profits	1
Gain from disposal of property and equipment, and intangible assets	1
Extraordinary losses	570
Appraised loss from sales of subsidiary companies	570
Income before income taxes	1,952
Income taxes - current	637
Income taxes - deferred	445
Net income	869

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2010 to March 31, 2011)

	(million yen)
Shareholders' equity	
Common stock	
Balance at beginning of year	11,500
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	11,500
Capital surplus	
Capital Reserve	
Balance at beginning of year	22,874
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	22,874
Other capital surplus	
Balance at beginning of year	67,562
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	67,562
Total capital surplus	
Balance at beginning of year	90,437
Changes of items during the period	
Total changes of items during the period	—
Balance at end of year	90,437
Retained earnings	
Other retained earnings	
Retained earnings brought forward	
Balance at beginning of year	4,805
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	869
Total changes of items during the period	187
Balance at end of year	4,992

	(million yen)
Total retained earnings	
Balance at end of previous period	4,805
Changes of items during the period	
Cash dividends paid	(682)
Net income (loss)	869
Total changes of items during the period	187
Balance at end of year	4,992
Treasury stock	
Balance at beginning of year	(4,332)
Changes of items during the period	
Total changes of items during the period	-
Balance at end of year	(4,332)
Total shareholders' equity	
Balance at beginning of year	102,409
Changes of items during the period	
Cash dividends paid	(682)
Net income	869
Total changes of items during the period	187
Balance at end of year	102,597
Revaluation and translation adjustments	
Unrealized gain (loss) on available-for-sale securities	
Balance at beginning of year	5,931
Changes of items during the period	
Net changes of items other than shareholders' equity	(190)
Total changes of items during the period	(190)
Balance at end of year	5,740
Total revaluation and translation adjustments	
Balance at beginning of year	5,931
Changes of items during the period	
Net changes of items other than shareholders' equity	(190)
Total changes of items during the period	(190)
Balance at end of year	5,740

(Reference Translation)

	(million yen)
Total net assets	
Balance at beginning of year	108,340
Changes of items during the period	
Cash dividends paid	(682)
Net income	869
Net changes of items other than shareholders' equity	(190)
Total changes of items during the period	(2)
Balance at end of year	108,337

Notes to Non-consolidated Financial Statements

I. Accounting Policies

1. Standards and methods of valuation for assets

Marketable securities

- 1) Shares in subsidiaries and affiliated companies: cost method based on the periodic average method
- 2) Available-for-sale securities:
Securities with market value: market value method based on average market prices in the month prior to the end of the fiscal year (differences in valuation are included in net assets and the cost of securities sold is calculated using the moving average method)

2. Methods of depreciation of fixed assets

(1) Property and equipment:

The declining-balance method is used.

(2) Intangible fixed assets:

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

3. Standards for allowances

(1) Accrued bonuses:

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

(2) Accrued bonuses for directors:

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

(3) Liability for employee retirement benefits:

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

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

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

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

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

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

5. Accounting for consumption taxes, etc.

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

6. Significant change in accounting policies

Application of Accounting Standards related to Asset Retirement Obligation

"Accounting Standards related to Asset Retirement Obligation" (Corporate Accounting Standards #18, March

(Reference Translation)

31, 2008) and "Application Guideline of Accounting Standards related to Asset Retirement Obligation" (Corporate Accounting Standards Application #21, March 21, 2008) shall be applied from the year under review.

Furthermore, there is no effect on the profit/loss due to this.

II. Notes to Non-consolidated Balance Sheet

1. Accumulated depreciation on property and equipment:	JPY 118 million
2. Guarantee liabilities:	
Guarantee liabilities for employee housing loans from financial institutions:	JPY 3,284 million
3. Monetary claims and monetary liabilities vis-à-vis affiliated companies (excluding those presented separately)	
Short-term monetary claims:	JPY 201 million
Short-term monetary liabilities:	JPY 10 million

III. Notes to Non-consolidated Statement of Income

Transaction volume with affiliates	
Transaction volume from operating transactions	
Operating revenues:	JPY 6,966million
Operating expenses:	JPY 1,486 million
Transaction volume from non-operating transactions:	JPY 8,403 million

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

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

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

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

Deferred tax assets:

Denied allowance for retirement benefits:	JPY 841 million
Denied accrued bonuses:	JPY 88 million
Others:	JPY 25 million
Total of deferred tax assets:	<u>JPY 955 million</u>

Deferred tax liability:

Other unrealized gain (loss) on available-for-sale securities:	JPY (3,938) million
Others	<u>JPY (10) million</u>
Total deferred tax liabilities	JPY <u>(3,948) million</u>
Net amounts of deferred tax assets (liabilities)	JPY (2,993) million

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

Current assets - deferred tax assets:	JPY 103 million
Non-current liabilities - deferred tax liabilities:	JPY 3,096 million

VI. Note Regarding Transactions with Related Parties

• Subsidiaries and affiliated companies

Name of company, etc.	Percentage of voting rights, etc. held (held by others)	Business relationship	Type of transaction	Value of transactions (million JPY)	Accounting classification	Balance at end of period (million JPY)
Subsidiaries						
Tokyo Stock Exchange, Inc.	Directly held 100.0%	Management control; secondment of employees; use of facilities and equipment; leasing of real estate; financing through borrowings; guarantee of liabilities; shared directors	Receipt of fees for management control (Note 1)	5,106		–
			Receipt of fee for seconded employees from the Company (Note 2)	5,297	Other liquid assets	147
			Payment of charges for use of facilities and equipment (Note 3)	697	Operating accounts payable – trade	3
			Borrowings (Note 4)	–	Affiliate company short-term loans	5,100
			Payment of interest (Note 4)	24	Accrued expense	0
			Guarantees for bank loans borrowed by the Company (Note 5)	17,570		–
Tokyo Stock Exchange Regulation	Directly held 100.0%	Management control; secondment of employees; shared directors	Receipt of fees for management control (Note 1)	1,860		–
			Receipt of fee for seconded employees from the Company (Note 2)	1,944	Other liquid assets	54

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

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

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

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

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

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

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

VII. Per Share Information

1. Net assets per share:	JPY 47,647.47
2. Net income per share:	JPY 382.61

(Reference Translation)

Copy of the Auditor's Report on the Consolidated Financial Documents

Independent Auditor's Report

May 11, 2011

To The Board of Directors

Tokyo Stock Exchange Group, Inc.

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner
Certified Public Accountant

Yukio Ono

Designated Unlimited Liability Partner,
Engagement Partner
Certified Public Accountant

Kazuhiro Kido

Designated Unlimited Liability Partner,
Engagement Partner
Certified Public Accountant

Masaya Shibata

We have audited the consolidated statutory report (i.e. the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements) of Tokyo Stock Exchange Group, Inc. (the Company) for the fiscal year from April 1, 2010 to March 31, 2011 in accordance with Article 444, Paragraph 4 of the Companies Act. Creation of this consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

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

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

(Additional information)

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

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

(Reference Translation)

Copy of the Auditor's Report on the Non-consolidated Financial Documents

Independent Auditor's Report

May 11, 2011

To The Board of Directors
Tokyo Stock Exchange Group, Inc.

Deloitte Touche Tohmatsu LLC

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

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

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

We have audited the statutory report (i.e. the Balance Sheet, the Statement of Income, the Statement of Changes in Shareholders' Equity and Notes to Non-Consolidated Financial Statements, and its supporting schedules) of Tokyo Stock Exchange Group, Inc. (the Company) for the 4th business year from April 1, 2010 to March 31, 2011 in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act. Creation of the statutory report and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors.

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

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

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

Copy of Auditor's Report of the Audit Committee

Auditors' Report

The Audit Committee of Tokyo Stock Exchange Group, Inc. (the Company) has audited the execution of official duties by the Directors and executive officers of the Company during its 4th business year, the period from April 1, 2010 to March 31, 2011. Our audit methods and results are as follows.

1. Auditing Methods and Content thereof

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

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

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

2. Results of Audit

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

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

(2) Audit Results of Financial Documents and Supplementary Statements

We certify that the auditing method of Deloitte Touche Tohmatsu LLC, the Accounting Auditor, and the

(Reference Translation)

results of its audit are proper and correct.

(3) Audit Results of Consolidated Financial Documents

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

May 13, 2011

Audit Committee of
Tokyo Stock Exchange Group, Inc.
Masayuki Hirose
Standing Member of the Audit Committee
Toshiaki Katsushima
Member of the Audit Committee
Satoshi Shiibashi
Member of the Audit Committee
Kunihiro Matsuo
Member of the Audit Committee

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