

Notice of the 2nd Annual General Shareholders Meeting

June 3, 2009

Dear Shareholder,

You are cordially invited to attend the 2nd 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 this 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., Tuesday, June 23, 2009. 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., Tuesday, June 23, 2009.

Sincerely yours,

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

MEETING AGENDA

1. Date and Time: 10:00 a.m., Wednesday, June 24, 2009

2. Place: Tosho Hall
2nd Floor, Tokyo Stock Exchange, Inc. Building
2-1 Nihombashi Kabutocho, 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 2nd term (the period from April 1, 2008 to March 31, 2009)
 2. The Non-consolidated Financial Statements for the 2nd term (the period from April 1, 2008 to March 31, 2009)

Proposal: Regarding the election of sixteen (16) 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.

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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)

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Business Report

(From April 1, 2008 to March 31, 2009)

I. Overview of Corporate Group

1. Business Report

(1) Review and results of operations

Amid the global economic recession initiated by the crisis in the financial and capital markets, the Japanese economy entered a recessionary phase characterized by sluggish domestic and overseas demand, sharply declining corporate profitability, shrinking capital spending, and a deteriorating employment environment.

Under these conditions, the TSE group (which, for the purposes of this Business Report, shall refer to the corporate group comprising the Company and its subsidiaries) recognized that its essential responsibility as an operator of securities markets is to provide market users with opportunities to trade with confidence, and to do so in a consistent and reliable manner. The TSE group took actions from the perspective of a market operator aimed at overcoming the recent financial crisis. As a core component of the infrastructure of the nation's financial and capital markets, the group endeavored to improve market functions by establishing a foundation for stable market operations, enhancing market transparency and fairness, and providing market users with sufficient liquidity. On this basis, it implemented the following measures to strengthen the nation's financial and capital markets.

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

While taking appropriate steps to respond to the growing diversification and complexity of market transactions, the TSE group pushed ahead with IT infrastructure development programs that will enable it to deal quickly and efficiently with new product listings. In the derivatives market, it took steps to strengthen the capacity of the derivative trading system, while in the options market it adopted a proposal to incorporate a new option trading system called "Tdex+", development of which is under way with the autumn of 2009 as the target date for commencement of operations. In relation to the cash market, the TSE group continued the development of its next-generation "arrowhead" trading system, which will enable the exchange to meet the needs of market users for more advanced ordering and clearing and settlement functions as well as to deal with algorithmic trading and other requirements. The group is targeting the beginning of 2010 for the launch of operations of the "arrowhead" system.

The group is proceeding at the same time with efforts to build and provide market users with a market infrastructure that will assure trading stability. This will include putting in

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place a means by which the causes of system problems can be determined immediately and corrective measures taken, as well as continuing to work on the construction of a secondary site to strengthen the group's business continuity structure.

With the aim of strengthening its derivatives market, meanwhile, the group began operations of an evening session in June 2008 in response to transaction needs that were previously unmet in the area of stock index futures and options. This evening session enables users to trade such instruments between 4:30 p.m. and 7:00 p.m. (or until 7:10 p.m. in the ToSTNeT market). In February 2009, the group also added an improvement designed to expand its base of market participants: a remote trading participant system which enables overseas securities companies and others who do not have operations in Japan to become market participants and to place orders directly in the Tokyo markets.

The group also continued preparations for the establishment of a co-location service that will enable market participants to set up ordering systems inside the data center of Tokyo Stock Exchange, Inc. and to realize even higher transaction speeds by minimizing the physical distances between their equipment and the Exchange's trading systems. By responding to these and other client needs, the TSE group continued to move aggressively on measures that will attract new liquidity into its markets.

With respect to the TOKYO AIM, a new market that has been the object of study by the TSE group and the London Stock Exchange, a joint venture between the two exchanges has been formed and preparations are under way for the launch of the market in the spring of 2009. Participation in the TOKYO AIM will be limited to professional investors. In addition to providing another funding option to meet the needs of growing companies in Japan and Asia, the new market will provide new investment opportunities for institutional investors and others capable of assuming the associated risks. Separately, in April 2008, the TSE group formed the "TSE Carbon Market Study Group" to investigate emissions trading, an economic tool that is designed to reduce greenhouse gases. Based on discussions and on practical advice from experts in this group, the TSE group has continued its investigation of ways to establish an emissions trading market.

In February 2009, as part of efforts to build a more complete market infrastructure for indices and to enhance the user friendliness of this infrastructure, Tokyo Stock Exchange, Inc. (hereafter "TSE") began real-time calculations of two new index series based on TOPIX, the benchmark widely used around the world for Japanese stocks. These were the TOPIX Style Index Series (TOPIX Value, TOPIX 500 Value, TOPIX Small Value, TOPIX Growth, TOPIX 500 Growth, and TOPIX Small Growth) and the Tokyo Stock Exchange Composite Index Series (TOPIX Composite, TOPIX Composite 1500, etc.). In addition to

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domestic common stocks listed on the TSE, the latter comprises domestic classified stocks, domestic preferred subscription certificates, and foreign stocks with exclusive listings on the TSE.

In the area of clearing and settlement, the securities and financial industry as a whole worked on systems and other preparations to ensure a smooth transition to the dematerialization of shares implemented in January 2009. Japan Securities Depository Center, Inc. played a principal role in this effort. Finally, to enhance the efficiency and transparency of the OTC derivatives market, which has been expanding in recent years, Tokyo Stock Exchange, Inc. joined Japan Securities Clearing Corporation and Japan Securities Depository Center, Inc. in establishing the “Study Group on Improvements in Post-Trade Processing of OTC Derivatives” in September 2008 to examine ways of improving clearing and settlement systems for OTC derivative transactions.

- 2) Diversifying the lineup of listed products and promoting the listing of companies that offer significant investment appeal

To respond to the diverse needs of investors, the TSE group moved aggressively to broaden its lineup of listed products.

Specifically, it added three products to the derivatives market in June 2008: mini-TOPIX futures, TOPIX Core30 futures, and TSE REIT Index futures. It followed this in March 2009 with the addition of mini-10-year JGB futures.

In the cash market, meanwhile, the group took steps to promote new listings of high-quality companies with significant investment appeal. Toward this end, it targeted unlisted companies for promotional activities, such as individual company visits and the convening of seminars on listing. During the year under review, 28 new companies were listed on the First and Second Sections of the TSE and 6 new companies (*) were listed on the Mothers exchange. This brought the total number of listed companies at the end of the year to 2,176 on the First and Second Sections (a decrease of 41 companies compared to the previous year) and to 194 on the Mothers exchange (a decrease of four companies).

- * Includes the listing of companies that were established through mergers or transfers of shares between listed companies (so-called “technical listing”). There were 13 such companies listed on the First and Second Sections and no such companies listed on the Mothers exchange during the year.

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The group also listed a wide variety of new ETFs, which are listed investment trusts linked to stock or financial indices. These included the following: in April, 2008, an ETF linked to China's stock index; in July 2008, an ETF linked to Brazil's stock index; and in September 2008, an ETF linked to the TSE REIT index. Other listings included the following: in June 2008, an ETF linked to gold prices; and in October 2008, an ETF linked to a commodities index that is widely used by investors as a benchmark. These new listings brought the total number of ETFs traded on the TSE to 58.

- 3) Enhancing the fairness and reliability of the TSE's markets through stronger self-regulation

In June 2008, the TSE group established the "Tosho R Compliance Learning Center (Tosho COMLEC)" as a means of increasing its support for compliance by listed companies and market participants.

Specifically, this involved holding seminars on regulations against insider trading as well as on compliance such as forums for listed companies, and providing e-Learning Compliance Training Services. The group also engaged actively in awareness-raising programs aimed at preventing unfair trading. These included the dispatching of instructors to companies for internal training programs.

Measures to ensure that the rights and benefits of shareholders and investors include increased support to listed companies to enhance their corporate governance practices, and the introduction in July 2008 of a system of penalties for violations to listing contracts effectuated in an effort to diversify methods to ensure the effectiveness of its listing regulations. In addition, the group enacted improvements to its listing system for classified stock with limited voting rights in July 2008 in order to protect shareholder rights while diversifying investments.

- 4) Improving financial literacy and endeavoring to expand the base of individual shareholders

The TSE group established the TSE Academy to create an environment that encourages more individuals to participate in securities investment. Through the Academy, the TSE group sought to disseminate knowledge and increase understanding of securities markets and investment in a manner befitting the growing diversity of financial products by holding frequent seminars aimed at expanding the base of autonomous and independent investors. The TSE group also participated actively in school-related programs, seeking to disseminate knowledge of basic economics and finance in educational settings by conducting wider-ranging and more comprehensive classes at the exchange for visiting elementary, junior high, and high school students and at schools by dispatching staff to

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teach children in their classrooms or in specially arranged parent/child sessions. Its school-related programs also included seminars for university students and school teachers.

As of March 31, 2009, TOPIX stood at 773.66 points, and the market capitalization of stocks listed on the First Section of the TSE (*) was 251,673.0 billion yen. During the year ending March 31, 2009, the average daily trading volume for domestic shares decreased by 2.2% year-on-year to 2,211.70 million shares, while the average daily trading value decreased by 30.9% to 2,030.0 billion yen. The average daily trading volume of stock index futures rose by 7.5% to 76,265 contracts, resulting in a 30.4% decline in average daily trading value to 757.7 billion yen. The average daily trading volume of Japanese government bond futures also declined, falling by 38.4% to 35,431 contracts.

* Excludes foreign stocks.

The TSE group's operating revenues consequently declined by 8,415 million yen to 67,090 million yen (down 11.1% year-on-year) during the year ending March 31, 2009, operating profit declined by 14,611 million yen to 14,174 million yen (down 50.8%), and ordinary profit declined by 14,804 million yen to 16,259 million yen (down 47.7%). Due to the recognition of extraordinary losses on valuation of investment securities related to Singapore Exchange Limited, the TSE group reported a loss of 5,851 million yen before income taxes and minority interest and a net loss of 3,696 million yen.

Under non-operating revenues, penalties and fines from trading participants amounted to 3 million yen, which the TSE group applied to the entrustment service expenses it pays to Tokyo Stock Exchange Regulation ("TSER"). TSER utilizes the entrustment service revenue to operate its market surveillance system, viewing these expenditures as an investment in building a healthy stock market.

(2) Capital expenditures

During the year under review, the TSE group worked on development of next-generation trading systems, new option trading systems, and other projects. Overall, capital investments for infrastructure during the year amounted to approximately 16.5 billion yen.

(3) Financing

There are no matters to report.

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Reference Translation

(4) Business transfer, mergers and demergers

There are no matters to report.

(5) Acquisition 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 accordance with its policy of direct ownership by the holding company of the shares of companies involved in market infrastructure (the stock exchange, the settlement and clearing institutions, etc.), in March 2009, the Tokyo Stock Exchange Group, Inc. acquired 53,051,000 shares of the Singapore Exchange Limited from the Singapore Exchange Limited.

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

The TSE group

Millions of yen	March 2006 term (Apr. 2005 to Mar. 2006)	March 2007 term (Apr. 2006 to Mar. 2007)	March 2008 term (Apr. 2007 to Mar. 2008)	March 2009 term (Apr. 2008 to Mar. 2009)
Operating revenues	69,893	75,478	75,505	67,090
Operating profit	28,751	33,016	28,786	14,174
Ordinary profit	29,949	34,260	31,064	16,259
Net income (loss)	18,832	19,985	17,701	(3,696)
Net income (loss) per share (Yen)	8,257.83	8,789.64	7,785.04	(1,625.65)
Total assets	617,864	565,518	717,676	677,163
Net assets	94,644	111,246	117,776	114,088
Net assets per share (Yen)	41,600.08	48,289.71	50,859.77	49,113.92

(Operating revenues)

Millions of yen	March 2008 term (Apr. 2007 to Mar. 2008)	March 2009 term (Apr. 2008 to Mar. 2009)	Year-on-year change	%
Trading participant fees	34,550	26,204	(8,346)	(24.2)%
Listing fees	10,267	8,073	2,193	(21.4)%
Income from Information services	11,101	11,139	38	0.3%
Other operating revenues	19,585	21,672	2,086	10.7%
	75,505	67,090	(8,415)	(11.1)%

The Company

Millions of yen	1st term (Aug. 2007 to Mar. 2008)	2nd term (Apr. 2008 to Mar. 2009)
Operating revenues	10,894	9,068
Operating profit	7,128	3,209
Ordinary profit	7,294	3,453
Net income	6,541	2,544
Net income per share (Yen)	2,844.11	1,119.15
Total assets	113,855	129,852
Net assets	104,145	100,670
Net assets per share (Yen)	45,803.69	44,275.07

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3. Information Concerning the Parent Company and Major Subsidiaries

(1) Relationship with parent company

There are no matters to report.

(2) Major subsidiaries

Millions of yen	Address	Paid-in capital	Percentage of total (%) [indirect]	Principal businesses
Tokyo Stock Exchange, Inc.	Chuo-ku, Tokyo	11,500	100.0	Market operations
Tokyo Stock Exchange Regulation	Chuo-ku, Tokyo	3,000	100.0	Self-regulatory operations
Japan Securities Clearing Corporation	Chuo-ku, Tokyo	1,700	86.3	Clearing operations for trading in marketable securities
Japan Securities Settlement & Custody, Inc.	Chuo-ku, Tokyo	300	100.0 [100.0]	Securities settlement operations
TOSHO SYSTEM SERVICE CO., LTD.	Koto-ku, Tokyo	100	80.0 [80.0]	Systems development, etc.
TOKYO AIM, Inc.	Chuo-ku, Tokyo	100	51.0	Preparations for market opening

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

2. TOKYO AIM, Inc. is proceeding with preparations for the opening of its market, which includes obtaining the required license for operation of a market in which participation is restricted to certain investors. The company intends to begin operation of its market promptly upon receipt of this license.

4. Issues Requiring Action

The 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 a "universal exchange" capable of responding to a wide range of user needs. In this way, the TSE group is seeking to grow into a market that supports wealth accumulation for a wide variety of life plans as well as a market that serves as a conduit for risk money from around the world.

Its basic strategies for achieving these goals will involve both quantitative expansion and qualitative enhancement. On one hand, the TSE group will seek to achieve quantitative expansion by diversifying its trading product lineup and by providing top caliber trading systems. On the other, it will seek to facilitate enhanced corporate governance of listed companies and strengthen the self-regulatory functions of the market and market participants. Through the combined effects of this quantitative expansion and qualitative enhancement, the group will strive to expand the size of its market and to evolve into a core market for capital flows in Asia.

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

(1) Strengthen derivatives markets

- While expanding the number and range of listed products in ways that meet the needs of market users, the group will continue to examine possibilities in new product areas.
- While increasing the PR conducted for listed products, the group will endeavor to expand the derivatives market through a number of measures that include the institution of a market maker system, promotion of greater participation in its remote trading participant system, and provision of a co-location service.

(2) Increase the depth of the cash market

- The TSE group will endeavor to increase the depth of its cash market by offering a greater diversity of listed products and by enhancing convenience and efficiency for market users. Specifically, it will seek to increase the range of its ETF listings, which will contribute to the formation of individual investors' asset portfolios; expand funding opportunities for potentially fast-growing companies in Asia and other regions through the establishment of the new TOKYO AIM market for professional investors; continue its research into the establishment of an emissions trading market; and, with an eye on trends in overseas markets, deal effectively with the issue of off-exchange transactions.

(3) Provide a safe, high-performance trading system

- To respond effectively to the growing diversity and sophistication of trading methods and to deal quickly and efficiently with new products listings, the TSE group will implement its new "Tdex+" option trading system and proceed with the construction of its next-generation "arrowhead" trading system, with total optimization, including cost effectiveness, as its primary concern.

(4) Promote of new businesses

- The TSE group will expand its business foundation in response to the possibility of continued low trading volumes and promote an expansion of business to outside users in the areas of clearing and settlement operations and information services as well as provide systems externally.

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(5) Protect rights and interests of shareholders and investors

- To promote the development of an environment in which investors can invest with confidence, the TSE group will increase its support for listed companies that are endeavoring to improve their corporate governance and develop more specific policies to deal with corporate activities that threaten to damage the rights and interests of shareholders and investors.

(6) Enhance the fairness and reliability of the TSE's markets

- The TSE group will take steps to enhance the fairness and reliability of its market by improving listing examinations and listing supervision, and by pushing to establish market-integrated inspections of trading participants.
- By increasing its support for compliance by market participants through such programs as the Tosho R Compliance Learning Center (Tosho COMLEC), the group will endeavor to strengthen its ability to prevent unfair trading and other undesirable market practices.

(7) Enhance corporate efficiency and customer satisfaction

- The TSE group will seek to utilize its management resources more effectively by promoting standardization and increased efficiency of its business operations, and by reducing costs and hiring and developing human resources with extensive professional skills and international competency.

(8) Expand the base of individual investors through improvements in financial literacy

- By disseminating knowledge and enhancing basic understanding of the securities markets and securities investment through the TSE Academy, the TSE group will endeavor to expand the base of independent and autonomous investors. In addition, through these efforts and other public information activities, it will seek to enhance public awareness of the TSE's markets.

5. Principal Business (as of March 31, 2009)

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 market derivatives 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 liabilities, etc.

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6. Main Offices (as of March 31, 2009)***The Company***

Name	Address
Head office	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo

Subsidiaries

Name	Address
Tokyo Stock Exchange, Inc.	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo
Tokyo Stock Exchange Regulation	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo
Japan Securities Clearing Corporation	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo
Japan Securities Settlement & Custody, Inc.	2-1-1, Nihombashi Kayabacho, Chuo-ku, Tokyo
TOSHO SYSTEM SERVICE CO., LTD.	1-3-1, Kiba, Koto-ku, Tokyo
TOKYO AIM, Inc.	2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo

7. Employees (as of March 31, 2009)***The TSE group***

Number of employees	Average age	Average years of service
876	41.2	16.6

(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	Average age	Average years of service
164	42.7	19.0

(Note) The number of employees refers to persons working on a regular basis (excluding persons assigned 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.

8. Lenders, Loans and Shares Held by Lenders (as of March 31, 2009)

Lenders	Type of loan	Account of loan (Millions of yen)
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. issued an erroneous order for the sale of the shares of J-COM Co., Ltd. Mizuho Securities has filed a lawsuit against the TSE in the Tokyo District Court claiming damages of approximately 41.5 billion yen with respect to this incident. The case is currently under litigation. The TSE believes that it is not liable for damages and is asserting this position in the court.

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II. Status of Shares (as of March 31, 2009)

1. Total Number of Shares Authorized	9,200,000
2. Number of Shares Issued and Outstanding	2,300,000
3. Number of Shareholders	116

4. Ten Largest Shareholders

Thousands of shares	Shareholders' investment in the Company	
	Number of shares	Percentage of total (%)
Japan Asia Holdings Limited	80	3.52
SMBC Friend Securities Co., Ltd.	60	2.64
Mitsubishi UFJ Securities Co., Ltd.	55	2.42
AIZAWA SECURITIES CO., LTD.	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
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	30	1.32

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

III. Status of Stock Acquisition Rights, etc. (as of March 31, 2009)

There are no matters to report.

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IV. Directors and Executive Officers of the Company

1. Directors and Executive Officers (as of March 31, 2009)

1) Board of Directors

Position	Name	Areas of responsibility, primary position	Representation of other companies, etc.
Chairman of the Board	Taizo Nishimuro	Representative Director; Chairman of the Nomination Committee; Member of the Compensation Committee	Executive Adviser, Toshiba Corporation; Chairman of the Board, Tokyo Stock Exchange, Inc.
Director	Atsushi Saito	President and CEO	President and CEO, Tokyo Stock Exchange, Inc.
Director	Yasuo Tobiyama	Executive Vice President and COO	Executive Vice President, COO, Tokyo Stock Exchange, Inc.
Director	Shigeaki Itsuki	Member of the Audit Committee	Statutory Auditor, Tokyo Stock Exchange, Inc.
Director	Hiroshi Okuda	Member of the Nomination Committee	Senior Adviser, Member of the Board, Toyota Motor Corporation; Outside Director, Tokyo Stock Exchange, Inc.
Director	Toshiaki Katsushima	Member of the Audit Committee	CPA; Tax Accountant; Outside Statutory Auditor, Tokyo Stock Exchange, Inc.; Auditor, Tokyo Stock Exchange Regulation
Director	Yasuhiro Sato	Chairman of the Compensation Committee	Honorary Senior Advisor, Kirin Holdings Company, Limited; Outside Director, Tokyo Stock Exchange, Inc.
Director	Satoshi Shiibashi	Chairman of the Audit Committee	Standing Statutory Auditor, Tokyo Stock Exchange, Inc.
Director	Koji Shindo	Member of the Audit Committee	Attorney at Law; Professor Emeritus, University of Tokyo; Outside Statutory Auditor, Tokyo Stock Exchange, Inc.
Director	Nobuko Takahashi		Economics and Lifestyle Journalist; Outside Director, Tokyo Stock Exchange, Inc.
Director	Masakazu Hayashi		President, Tokyo Stock Exchange Regulation
Director	Yoshinari Hara	Member of the Compensation Committee	Chief Corporate Adviser, Daiwa Securities Group Inc.; Outside Director, Tokyo Stock Exchange, Inc.
Director	Tsuguoki Fujinuma		CPA; Professor, Chuo University Graduate School; Governor, Tokyo Stock Exchange Regulation
Director	Hitoshi Maeda	Member of the Nomination Committee	Professor Emeritus, Gakushuin University; Outside Director, Tokyo Stock Exchange, Inc.

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Reference Translation

Position	Name	Areas of responsibility, primary position	Representation of other companies, etc.
Director	Oki Matsumoto		President and CEO, Monex Group, Inc.; President and CEO, Monex, Inc.; Outside Director, Tokyo Stock Exchange, Inc.
Director	Charles D. Lake II		Representative and Chairman, American Family Life Assurance Company of Columbus (Japan Branch); Outside Director, Tokyo Stock Exchange, Inc.

(Notes)

1. The following eleven (11) persons are Outside Directors: Hiroshi Okuda, Toshiaki Katsushima, Yasuhiro Sato, Satoshi Shiibashi, Koji Shindo, Nobuko Takahashi, Yoshinari Hara, Tsuguoki Fujinuma, Hitoshi Maeda, Oki Matsumoto, and Charles D. Lake II.
2. Audit Committee Member Toshiaki Katsushima is a certified public accountant with considerable knowledge of finance and accounting.

2) Executive Officers

Position	Name	Areas of responsibility, primary position	Representation of other companies, etc.
Chairman of the Board	Taizo Nishimuro		Same as 1) Board of Directors
President and CEO	Atsushi Saito	Chief Executive Officer	Same as 1) Board of Directors
Executive Vice President and COO	Yasuo Tobiyama	Chief Operating Officer	Same as 1) Board of Directors
Senior Executive Officer and CIO	Yoshinori Suzuki	Chief Information Officer; General Manager, IT Planning	Managing Director and CIO, Tokyo Stock Exchange, Inc.
Senior Executive Officer	Tomoyoshi Uranishi	General Manager, CSR Promotion	
Senior Executive Officer and CFO	Hiroyuki Iwakuma	Chief Financial Officer; General Manager, General Affairs, Personnel, and Finance	
Executive Officer	Moriyuki Iwanaga	General Manager, Management Planning and External Affairs Information	

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

1) Newly elected

All directors were elected at the 1st Annual General Shareholders Meeting held on June 20, 2008 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

Director Masahiro Wakita resigned effective the end of the 1st Annual General Shareholders Meeting held on June 20, 2008.

Executive officer Masaki Shizuka resigned effective the end of the regular meeting of the Board of Directors held on June 20, 2008.

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.
- 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 (Millions of yen)
Directors	15	240
[of which Outside Directors]	[11]	[80]
Executive Officers	5	109

(Note) During the year under review, 8 million yen in total was separately paid out to Outside Directors as compensation by Tokyo Stock Exchange Regulation.

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5. Item Related to Outside Directors and Outside Statutory Auditors

- (1) Concurrent duties as operating officers of other companies; relationship between the Company and said other companies

Director Oki Matsumoto concurrently serves as President and CEO of Monex Group, Inc. and Monex, Inc. Monex Group, Inc. and Monex, Inc. have no substantial business relationship with the Company.

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

Name	Company name	Specific concurrent position
Hiroshi Okuda	Tokyo Stock Exchange, Inc.	Outside Director
	KDDI CORPORATION	Outside Director
	Japan Post Holdings Co., Ltd.	Outside Director
	Toyota Industries Corporation	Outside Statutory Auditor
Toshiaki Katsushima	Tokyo Stock Exchange, Inc.	Outside Statutory Auditor
	Japan Post Insurance Co., Ltd.	Outside Director
	AVEX GROUP HOLDINGS INC.	Outside Statutory Auditor
	SKY Perfect JSAT Holdings Inc.	Outside Statutory Auditor
Yasuhiro Sato	Tokyo Stock Exchange, Inc.	Outside Director
Satoshi Shiibashi	Tokyo Stock Exchange, Inc.	Outside Statutory Auditor
Koji Shindo	Tokyo Stock Exchange, Inc.	Outside Statutory Auditor
Nobuko Takahashi	Tokyo Stock Exchange, Inc.	Outside Director
	Benesse Corporation	Outside Statutory Auditor
Yoshinari Hara	Tokyo Stock Exchange, Inc.	Outside Director
	NEC Corporation	Outside Director
Tsuguoki Fujinuma	Nomura Holdings, Inc.	Outside Director
	Sumitomo Corporation	Outside Statutory Auditor
	Takeda Pharmaceutical Company Limited	Outside Statutory Auditor
Hitoshi Maeda	Tokyo Stock Exchange, Inc.	Outside Director
	The Sumitomo Trust and Banking Co., Ltd.	Outside Statutory Auditor
Oki Matsumoto	Tokyo Stock Exchange, Inc.	Outside Director
	Shinsei Bank, Limited	Outside Director
Charles D. Lake II	Tokyo Stock Exchange, Inc.	Outside Director

- (3) Family relationships with persons involved in the operations of the Company or in the operations of “specified related parties” to the Company

There are no matters to report.

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(4) Primary activities during fiscal year

Rank	Name	Primary activities
Director	Hiroshi Okuda	Attended 9 of the 11 Board of Directors meetings held during the business year under review; attended 1 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	Toshiaki Katsushima	Attended 10 of the 11 Board of Directors meetings held during the business year under review; attended 11 of the 12 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	Yasuhiro Sato	Attended all 11 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	Satoshi Shiibashi	Attended all 11 Board of Directors meetings held during the business year under review; attended all 12 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	Koji Shindo	Attended all 11 Board of Directors meetings held during the business year under review; attended all 12 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	Nobuko Takahashi	Attended all 11 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.
Director	Yoshinari Hara	Attended 10 of the 11 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 9 of the 11 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	Hitoshi Maeda	Attended all 11 Board of Directors meetings held during the business year under review; attended 1 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.

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Rank	Name	Primary activities
Director	Oki Matsumoto	Since taking office on June 20, 2008, attended 8 of the 9 subsequent 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	Charles D. Lake II	Attended 9 of the 11 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.

(5) Summary of agreements limiting liability

The Company has concluded agreements limiting liability stipulated in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act with the following ten individuals: Directors Hiroshi Okuda, Toshiaki Katsushima, Yasuhiro Sato, Koji Shindo, Nobuko Takahashi, Yoshinari Hara, Tsuguoki Fujinuma, Hitoshi Maeda, Oki Matsumoto and Charles D. Lake II. Limits on liability for damages under these agreements are set at the minimum liability amounts provided for by laws and regulations.

V. Accounting Auditor

1. Name of Accounting Auditor

Deloitte Touche Tohmatsu

2. Compensation Paid to Accounting Auditor

- | | |
|--|----------------|
| 1) Total fees paid to the Accounting Auditor by the Company and its subsidiaries | 86 million yen |
| 2) Of the total in 1), the amount of fees paid as consideration for audit certification under Article 2, Paragraph 1 of the Certified Public Accountants Act | 81 million yen |
| 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 | 30 million yen |

(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.

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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 internal controls 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.

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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) The President and CEO 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

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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 respective TSE group companies comprising the Company, the TSE, and TSER (the respective 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 of familiarization 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.

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- 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 appear set 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

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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

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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.

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

The Company shall seek to accomplish its mission of performing the role of Japan's central securities market – a core component of the public infrastructure – and shall seek to achieve steady and continuous growth in keeping with the healthy development of Japan's financial and capital markets. With regard to providing its shareholders with dividends from profit surplus, therefore, the Company shall work within this growth model to enhance its profitability over the medium-to-long term and shall make it a rule to return profits to shareholders in a proactive and stable manner.

Specifically, while ensuring that it has retained sufficient earnings to improve and expand the infrastructure that enables it to provide stable market operations and invest in the expansion of its future business, the Company shall endeavor to return as much as possible to its shareholders.

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Accordingly, with respect to dividends, the Company shall essentially seek to maintain a payout ratio of over 30%, while taking into consideration the need to maintain financial stability and respond to investment opportunities. This basic policy shall not apply when large financing demands are expected over the near-to-medium term as a result of changes in the operating environment. This said, however, the Company shall endeavor to maintain a certain stability in dividends, even when there is a downturn in financial performance.

In addition to dividends, the Company shall also consider acquiring its treasury shares as a mean of returning profits to shareholders.

Finally, with respect to Article 459, Paragraph 1 of the Companies Act, the Company shall state in its Articles of Incorporation that dividends will be determined by a resolution of the Board of Directors and not by a resolution of the General Shareholders Meeting, except when expressly prohibited by laws and ordinances.

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 off to the nearest whole number of the units used; percentages are rounded off to the nearest decimal place.)

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Consolidated Balance Sheet

(As of March 31, 2009)

(million yen)

Assets		Liabilities	
Current assets	580,362	Current liabilities	552,766
Cash and bank deposits	39,507	Accounts payable - trade	2,790
Accounts receivable	4,540	Short-term debt	17,570
Lease investment assets	18	Lease obligations	18
Marketable securities	8,110	Income taxes payable	1,154
Inventories	40	Accrued bonuses	1,004
Deferred income taxes	366	Accrued bonuses for directors	10
Margin funds for derivatives and when-issued transactions	304,922	Margin funds received for derivatives and when-issued transactions	304,922
Deposits for clearing funds	206,769	Deposits received for clearing funds	206,769
Deposits as collateral for facilitating settlements	12,105	Deposits received as collateral for facilitating settlements	12,105
Other current assets	3,990	Deposits received as trading participants' guarantee	4,572
Allowance for doubtful accounts	(9)	Other current liabilities	1,846
Fixed assets	96,800	Non-current liabilities	10,308
Property and equipment	14,711	Lease obligations	42
Buildings	2,276	Liability for retirement benefits for employees	5,342
Land	2,399	Allowance for loss on real estate rental contract	3,467
Construction in progress	23	Returnable legal guarantee funds	344
Others	10,012	Other non-current liabilities	1,111
Intangible fixed assets	23,151	Total liabilities	563,074
Investments and other assets	58,937	Net assets	
Investments in securities	21,387	Shareholders' equity	112,235
Long-term loans receivable	26	Common stock	11,500
Deferred income taxes	8,514	Capital surplus	25,358
Legal guarantee funds	344	Retained earnings	79,709
Special assets for default compensation reserve funds	17,367	Treasury stock	(4,332)
Others	11,492	Revaluation and translation adjustments	(563)
Allowance for doubtful accounts	(195)	Unrealized gains (losses) on available-for-sale securities	(563)
		Minority interest	2,416
		Total net assets	114,088
Total assets	677,163	Total liabilities and net assets	677,163

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Consolidated Statement of Income

(From April 1, 2008 to March 31, 2009)

	(million yen)
Operating revenues	67,090
Trading participation fees	26,204
Listing fees	8,073
Income from information services	11,139
Income from securities settlement	10,611
Income from system development and operations	7,520
Other operating income	3,539
Operating expenses	52,915
Operating profit	14,174
Non-operating revenues	2,532
Interest income	277
Dividend income	1,346
Equity in earnings of affiliated companies	289
Other non-operating revenues	618
Non-operating expenses	447
Interest expense	114
Rent expense	286
Other non-operating expenses	46
Ordinary profit	16,259
Extraordinary profits	457
Gain from prior period adjustment	323
Income from delinquency charge	54
Other extraordinary profits	80
Extraordinary losses	22,568
Loss on disposal of fixed assets	597
Loss on valuation of investment securities	20,768
Other extraordinary losses	1,202
Income before income taxes and minority interest	(5,851)
Income taxes - current	2,494
Income taxes - deferred	(4,835)
Minority interest	186
Net loss	3,696

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Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2008 to March 31, 2009)

	(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	88,863
Changes of items during the period	
Cash dividends paid	(5,456)
Net income (loss)	(3,696)
Total changes of items during the period	(9,153)
Balance at end of year	79,709
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	121,388
Changes of items during the period	
Cash dividends paid	(5,456)
Net income (loss)	(3,696)
Total changes of items during the period	(9,153)
Balance at end of year	112,235

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(million yen)

Revaluation and translation adjustments	
Unrealized gain (loss) on available-for-sale securities	
Balance at beginning of year	(5,747)
Changes of items during the period	
Net changes of items other than shareholders' equity	5,183
Total changes of items during the period	5,183
Balance at end of year	(563)
Total revaluation and translation adjustments	
Balance at beginning of year	(5,747)
Changes of items during the period	
Net changes of items other than shareholders' equity	5,183
Total changes of items during the period	5,183
Balance at end of year	(563)
Minority interest	
Balance at beginning of year	2,134
Changes of items during the period	
Net changes of items other than shareholders' equity	281
Total changes of items during the period	281
Balance at end of year	2,416
Total net assets	
Balance at beginning of year	117,776
Changes of items during the period	
Cash dividends paid	(5,456)
Net income (loss)	(3,696)
Net changes of items other than shareholders' equity	5,465
Total changes of items during the period	(3,687)
Balance at end of year	114,088

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Notes to Consolidated Financial Statements

(Assumptions underlying the preparation of the consolidated financial statements)

I. Item related to the scope of consolidation

Number of consolidated subsidiaries and names and such of major consolidated subsidiaries

Number of consolidated subsidiaries: 6

Names of consolidated subsidiaries:

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

TOKYO AIM, Inc. is a newly established company that was added to the TSE group's consolidated subsidiaries during the fiscal year under review.

II. Item related to application of the equity method

Number of affiliates accounted for by the equity method: 3

Names of affiliates accounted for by the equity method:

Japan Securities Depository Center, Inc., ICJ, Inc. and Tosho Computer Systems Co., Ltd.

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)

* This is a reference translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

2. Method of depreciation major depreciable assets

(1) Property and equipment (excluding lease assets):

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 (excluding lease 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) Lease assets:

Accounting treatment for finance lease transactions, not including those where the title of the leased property is transferred to the lessee, commenced before the application of “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) shall apply the method for ordinary rental transactions.

3. Treatment of deferred assets

Founding expense: recognized in full at time of expenditure.

4. Standards for significant 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).

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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.

(5) Allowance for loss on real estate rental contract:

A computer building rented under a long-term contract in order to ensure sufficient space for computer systems is currently sub-leased to another company. An allowance for loss on real estate rental contract is provided to protect against a reasonably estimated future losses arising from transactions such as sub-leasing.

5. 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.

6. 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.

7. Accounting for consumption taxes, etc.

Consumption taxes and local consumption taxes are not included.

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IV. Changes in assumptions underlying preparation of the consolidated financial statements

1. Standards and methods of valuation of significant assets

Inventories

The group formerly used the specific-cost method for inventories held for sale in the ordinary course of business. In the fiscal year under review, as a result of the application of the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, July 5, 2006), it has begun calculating inventories in accordance with 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).

This change had no impact on profit during the fiscal year under review.

2. Application of accounting standard for lease transactions

The TSE group has traditionally accounted for finance leases that do not transfer titles of the lessee as ordinary rental transactions. From the fiscal year under review, the group shall apply new accounting standards—Accounting Standard for Lease Transactions (ASBJ Statement No. 13: June 17, 1993, First Committee of the Business Accounting Council, revised March 30, 2007) and Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16: January 18, 1994, the Japanese Institute of Certified Public Accountants, Revision of Accounting Practice Committee; revised March 30, 2007)— and treat such transactions as ordinary sale and purchase transactions.

For all finance leases of this type whose lease periods began before the initial fiscal year of application, the group continues to apply accounting methods under which such transactions are treated as ordinary rental transactions.

This change had no impact on profit during the fiscal year under review.

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V. Notes to Balance Sheet

1. Accumulated depreciation of property and equipment: 27,059 million yen

2. Guarantee liabilities:

Guarantee liabilities for employee housing loans from financial institutions:
3,783 million yen

Guarantee liabilities for ICJ, Inc. from financial institutions: 100 million yen

3. Legal disputes

On December 8, 2005, Mizuho Securities Co., Ltd. issued an erroneous order for the sale of the shares of J-COM Co., Ltd. Mizuho Securities has filed a lawsuit against the TSE in Tokyo District Court, claiming damages of approximately 41.5 billion yen with respect to this incident. The case is currently under litigation. The TSE believes that it is not liable for damages and is asserting this position in the court.

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."), 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: 89 million yen

2) Margin funds for derivatives transactions: 960,601 million yen

* This is a reference translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

Reference Translation

3) Deposits for clearing funds:	165,618 million yen
4) Deposits as collateral for facilitating settlements:	121,149 million yen
5) Deposits for legal guarantee funds:	1,270 million yen

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 3,187 million yen.

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 17,367 million yen.

VI. Notes to Statement of Changes in Shareholders’ Equity

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

2. Type and number of treasury stock

Shares	No. of shares outstanding at end of previous fiscal year	Increase	Decrease	No. of shares outstanding at end of fiscal year
Common stock	26,260	-	-	26,260

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3. Dividends

(1) Dividend paid

Resolution	Share type	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Board Meeting of May 27, 2008	Common stock	5,456	2,400.00	March 31, 2008	June 3, 2008

(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 yen)	Source	Divided per share (yen)	Record date	Effective date
Board Meeting of May 19, 2009	Common stock	682	Retained earnings	300.00	March 31, 2009	June 4, 2009

VII. Per Share Information

1. Net assets per share: 49,113.92 yen
2. Net loss per share: 1,625.65 yen

VIII. Significant Subsequent Events

There are no matters to report.

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Non-consolidated Balance Sheet

(As of March 31, 2009)

(million yen)

Assets		Liabilities	
Current assets	4,471	Current liabilities	19,023
Cash and bank deposits	3,993	Accounts payable	223
Accounts receivable	0	Short-term debt	17,570
Prepaid expenses	146	Accounts payable	26
Deferred income taxes	113	Accrued expenses payable	186
Other current assets	218	Income taxes payable	675
Fixed assets	125,381	Deposits received	81
Property and equipment	70	Accrued bonuses	208
Buildings	8	Other current liabilities	51
Vehicles and delivery equipment	17	Non-current liabilities	10,159
Tools, furniture and fixtures	43	Long-term loans payable to subsidiaries and affiliates	5,100
Intangible fixed assets	31	Retirement benefits for employees	5,059
Software	30	Total liabilities	29,182
Others	0		
Investments and other assets	125,280		
Investment in securities	15,762	Net assets	
Investments in affiliates	102,037	Shareholders' equity	101,233
Contributions to affiliated companies	3,000	Common stock	11,500
Long-term prepaid expenses	20	Capital surplus	90,437
Deferred income taxes	1,053	Capital reserve	22,874
Prepaid pension costs	3,399	Other capital surplus	67,562
Others	6	Retained earnings	3,628
		Other retained earnings	3,628
		Retained earnings brought forward	3,628
		Treasury stock	(4,332)
		Revaluation and translation adjustments	(563)
		Unrealized gain (loss) on available-for-sale securities	(563)
		Total net assets	100,670
Total assets	129,852	Total liabilities and shareholders' equity	129,852

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Non-consolidated Statement of Income

(From April 1, 2008 to March 31, 2009)

	(million yen)
Operating revenues	9,068
Income from management control fees	7,740
Dividend income	1,317
Other operating income	10
Operating expenses	5,858
Operating profit	3,209
Non-operating income	344
Interest income	3
Dividend income	80
Grants in aid	235
Other non-operating income	23
Non-operating expenses	100
Interest expense	100
Other non-operating expenses	0
Ordinary profit	3,453
Extraordinary profits	0
Gains on sales of fixed assets	0
Extraordinary losses	0
Loss on disposal of fixed assets	0
Income before income taxes and other adjustments	3,454
Income taxes - current	1,088
Income taxes - deferred	(179)
Net income	2,544

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Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2008 to March 31, 2009)

	(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	6,541
Changes of items during the period	
Cash dividends period	(5,456)
Net income (loss)	2,544
Total changes of items during the period	(2,912)
Balance at end of year	3,628

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	(million yen)
Total retained earnings	
Balance at end of previous period	6,541
Changes of items during the period	
Cash dividends paid	(5,456)
Net income (loss)	2,544
Total changes of items during the period	(2,912)
Balance at end of year	3,628
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	104,145
Changes of items during the period	
Cash dividends paid	(5,456)
Net income	2,544
Total changes of items during the period	(2,912)
Balance at end of year	101,233
Revaluation and translation adjustments	
Unrealized gain (loss) on available-for-sale securities	
Balance at beginning of year	-
Changes of items during the period	
Net changes of items other than shareholders' equity	(563)
Total changes of items during the period	(563)
Balance at end of year	(563)
Total revaluation and translation adjustments	
Balance at beginning of year	-
Changes of items during the period	
Net changes of items other than shareholders' equity	(563)
Total changes of items during the period	(563)
Balance at end of year	(563)

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Reference Translation

	(million yen)
Total net assets	
Balance at beginning of year	104,145
Changes of items during the period	
Cash dividends paid	(5,456)
Net income	2,544
Net changes of items other than shareholders' equity	(563)
Total changes of items during the period	(3,475)
Balance at end of year	100,670

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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

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Reference Translation

years) using the straight-line method, which is within the average remaining service period of employees.

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.

II. Notes to Non-consolidated Balance Sheet

1. Accumulated depreciation on property and equipment: 67 million yen
2. Guarantee liabilities:
Guarantee liabilities for employee housing loans from financial institutions:
3,747 million yen
3. Monetary claims and monetary liabilities vis-à-vis affiliated companies (excluding those presented separately)
Short-term monetary claims: 208 million yen
Short-term monetary liabilities: 151 million yen

III. Notes to Non-consolidated Statement of Income

- Transactions with affiliates
 - Operating revenues: 9,057 million yen
 - Operating expenses: 1,475 million yen
 - Non-operating transactions: 25,332 million yen

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

Type and number of treasury stock

Shares	No. of shares outstanding at end of previous fiscal year	Increase	Decrease	No. of shares outstanding at end of fiscal year
Common stock	26,260	-	-	26,260

V. Note Regarding Tax Effect Accounting

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

Deferred tax assets:

Excess allowance for retirement benefits:	675 million yen
Denial of accrued bonuses:	84 million yen
Unrealized gain (loss) on available-for-sale securities:	386 million yen
Others:	20 million yen
Total of deferred tax assets:	<u>1,167 million yen</u>

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

Current assets - deferred tax assets:	113 million yen
Fixed assets - deferred tax assets:	1,053 million yen

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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 yen)	Accounting classification	Balance at end of period (million yen)
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)	5,622		–
			Receipt of fee for seconded employees from the Company (Note 2)	5,013	Accounts receivable	148
			Payment of charges for use of facilities and equipment (Note 3)	698	Operating accounts payable - trade	70
			Acquisition of investment securities (Note 4)	16,712		–
			Borrowings (Note 5)	3,000	Long-term loans payable to subsidiaries and affiliates	5,100
			Repayment of loans	900		
			Payment of interest (Note 5)	99	Accrued interest expense	72
			Guarantees for bank loans borrowed by the Company (Note 6)	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)	2,118		–
			Receipt of fee for seconded employees from the Company (Note 2)	1,868	Accounts receivable	56
Affiliates						
Japan Securities Depository Center, Inc.	Directly held 22.4%	Secondment of employees	Receipt of fee for seconded employees from the Company (Note 2)	612	Accounts receivable	1

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 that are necessary to manage 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: The Company pays market prices for acquisition of investment securities.

Note 5: To determine interest rates on loans, the Company takes into consideration market rates of interest and other factors.

Note 6: 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.

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VII. Per Share Information

- | | |
|--------------------------|---------------|
| 1. Net assets per share: | 44,275.07 yen |
| 2. Net income per share: | 1,119.15 yen |

VIII. Significant Subsequent Events

There are no matters to report.

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

Independent Auditor's Report

May 8, 2009

The Board of Directors
Tokyo Stock Exchange Group, Inc.

Deloitte Touche Tohmatsu

Designated Partner,
Engagement Partner
Certified Public Accountant
Yukio Ono

Designated Partner,
Engagement Partner
Certified Public Accountant
Kazuhiro Kido

Designated 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, 2008 to March 31, 2009 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.

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.

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

Independent Auditor's Report

May 8, 2009

The Board of Directors
Tokyo Stock Exchange Group, Inc.

Deloitte Touche Tohmatsu

Designated Partner,
Engagement Partner
Certified Public Accountant
Yukio Ono

Designated Partner,
Engagement Partner
Certified Public Accountant
Kazuhiro Kido

Designated 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 2nd business year from April 1, 2008 to March 31, 2009 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.

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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 2nd business year, the period from April 1, 2008 to March 31, 2009. 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 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.

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Reference Translation

- (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, the Accounting Auditor, and the 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, the Accounting Auditor, and the results of its audit are proper and correct.

May 15, 2009

Audit Committee of
Tokyo Stock Exchange Group, Inc.

Shigeaki Itsuki
Standing Member of the Audit Committee

Toshiaki Katsushima
Member of the Audit Committee

Satoshi Shiibashi
Member of the Audit Committee

Koji Shindo
Member of the Audit Committee

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

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Reference Documents for the General Shareholders Meeting

Proposal: Regarding the election of sixteen (16) Directors

With the terms of office of all sixteen (16) directors expiring at the conclusion of this Annual General Shareholders Meeting, this proposal requests that the sixteen (16) directors be selected in accordance with a decision reached by the Nomination Committee.

The candidates for directorship are as follows:

Name (Date of Birth)	Career summaries, position in the Company, area of responsibility (Representative of other companies and organizations)	Number of shares in the Company owned by the candidate	
Taizo Nishimuro (Dec. 19, 1935)	Apr. 1961	Joined Toshiba Corporation	0
	Jun. 1992	Director	
	Jun. 1994	Managing Director	
	Jun. 1995	Senior Managing Director	
	Jun. 1996	President and Director	
	Jun. 2000	Chairman and Director	
	Jun. 2005	Executive Advisor (current position)	
		Chairman, Tokyo Stock Exchange, Inc.	
	Dec. 2005	Chairman and CEO, Tokyo Stock Exchange, Inc.	
	Jun. 2006	President and CEO, Tokyo Stock Exchange, Inc.	
	Jun. 2007	Chairman and CEO, Tokyo Stock Exchange, Inc.	
Atsushi Saito (Oct. 18, 1939)	Apr. 1963	Joined Nomura Securities Co., Ltd.	0
	Dec. 1988	Managing Director	
	Jun. 1990	Senior Managing Director	
	Jun. 1995	Executive Vice President and Director	
	Oct. 1998	Advisor, Sumisei Toshi Komon	
	Jan. 1999	President and Director, Sumitomo Life Investment Co. Ltd.	
	Jun. 2002	Chairman and Director	
	Apr. 2003	Director and President, Industrial Revitalization Corporation of Japan	
	Mar. 2007	Retired from above position following dissolution of the company	
	May 2007	Adviser, Tokyo Stock Exchange, Inc.	
	Jun. 2007	President and CEO (current position)	
Aug. 2007	President and CEO, Tokyo Stock Exchange Group, Inc. (current position)		

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Name (Date of Birth)	Career summary, position in the Company, area of responsibility (Representative of other companies and organizations)	Number of shares in the Company owned by the candidate
* Hiroyuki Iwakuma (Mar. 18, 1952)	Apr. 1976 Joined Tokyo Stock Exchange Nov. 2001 General Manager, Finance Dept, Tokyo Stock Exchange, Inc. Jun. 2003 General Manager, Information Services Dept. Jun. 2004 Executive Officer Jun. 2007 Senior Executive Officer Aug. 2007 Senior Executive Officer, Tokyo Stock Exchange Group, Inc. (current position)	0
Hiroshi Okuda (Dec. 29, 1932)	Apr. 1955 Joined Toyota Motor Sales Co., Ltd. Jul. 1982 Director, Toyota Motor Corporation Sep. 1987 Managing Director Sep. 1988 Senior Managing Director Sep. 1992 Executive Vice-President and Representative Director Aug. 1995 President and Representative Director Jun. 1999 Chairman of the Board Jun. 2001 Outside Director, KDDI Corporation (current position) Nov. 2001 Outside Director, Tokyo Stock Exchange, Inc. (current position) Jan. 2006 Outside Director, Japan Post Holdings Co., Ltd. (current position) Jun. 2006 Senior Adviser; Member of the Board, Toyota Motor Corporation (current position) Outside Corporate Auditor, Toyota Industries Corporation (current position) Aug. 2007 Outside Director, Tokyo Stock Exchange Group, Inc. (current position)	0

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Name (Date of Birth)	Career summary, position in the Company, area of responsibility (Representative of other companies and organizations)	Number of shares in the Company owned by the candidate
Toshiaki Katsushima (Aug. 9, 1939)	Mar. 1963 Joined Shozo Tatsumi CPA Office (later Deloitte, Haskins & Sells) Jun. 1981 Partner, Deloitte, Haskins & Sells (now Deloitte Touche Tohmatsu) Feb. 1990 Representative Partner, Deloitte Touche Tohmatsu Jun. 1990 Partner in charge of the Toshiaki Katsushima Tax Accountancy Office Jun. 2001 Global Management Partner in charge of international tax, Deloitte Touche Tohmatsu Oct. 2003 Established Toshiaki Katsushima, CPAs & Tax Accountancy Office (current position) Apr. 2004 Visiting Professor, Waseda Graduate School of Finance, Accounting and Law Auditor, Yamaguchi University Jun. 2005 Outside Statutory Auditor, Tokyo Stock Exchange, Inc. (current position) Corporate Auditor (Outside), JSAT Corporation Jun. 2006 Auditor, AVEX GROUP HOLDINGS INC. (current position) Apr. 2007 Part-time Instructor, Waseda Graduate School of Finance, Accounting and Law Outside Auditor, SKY Perfect JSAT Corporation (now SKY Perfect JSAT Holdings Inc.) (current position) Aug. 2007 Outside Director, Tokyo Stock Exchange Group, Inc. (current position) Sep. 2007 Outside Director, Japan Post Insurance Co., Ltd. (current position) Oct. 2007 Statutory Auditor, Tokyo Stock Exchange Regulation (current position)	0

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Name (Date of Birth)	Career summary, position in the Company, area of responsibility (Representative of other companies and organizations)	Number of shares in the Company owned by the candidate
* Eiko Kono (Jan. 1, 1946)	Dec. 1969 Joined Japan Recruit Center Co., Ltd. (now Recruit CO., LTD.) Apr. 1984 Director Aug. 1985 Managing Director Jun. 1986 Executive Director Jun. 1994 Executive Vice President and Director Jun. 1997 President and Representative Director Jun. 2003 Chairman, Representative Director and CEO Outside Director, HOYA CORPORATION (current position) Apr. 2004 Chairman of the Board, Recruit CO., LTD. Jun. 2004 Auditor of the Board (Outside), Mitsui Sumitomo Insurance Co., Ltd. Nov. 2004 Executive Director, Waseda University (current position) Jun. 2005 Special Adviser, Recruit CO., LTD. Director (Outside), Mitsui Sumitomo Insurance Co., Ltd. (current position) Apr. 2008 Director (Outside), Mitsui Sumitomo Insurance Group Holdings, Inc. (current position) Jun. 2008 Outside Director, DIC Corporation (current position)	0
Satoshi Shiibashi (Jan. 9, 1949)	Apr. 1971 Joined the Bank of Japan Nov. 1999 Director, Administration Department Mar. 2001 Executive Director, The Osaka Bankers Association Jun. 2005 Outside Statutory Auditor, Tokyo Stock Exchange, Inc. (current position) Aug. 2007 Outside Director, Tokyo Stock Exchange Group, Inc. (current position)	0
Masakazu Hayashi (Apr. 6, 1945)	Apr. 1968 Joined the Ministry of Finance (now Ministry of Finance Japan) Jun. 1992 Manager, General Affairs Section, Securities Bureau Jun. 2000 Director-General, Budget Bureau Jan. 2003 Administrative Vice Minister, Ministry of Finance Japan Jul. 2004 Adviser, Ministry of Finance Japan Jul. 2005 Chairman, Japan Investor Protection Fund (current position) Aug. 2007 Director, Tokyo Stock Exchange Group, Inc. (current position) Oct. 2007 President, Tokyo Stock Exchange Regulation (current position)	0

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Name (Date of Birth)	Career summary, position in the Company, area of responsibility (Representative of other companies and organizations)	Number of shares in the Company owned by the candidate	
Yoshinari Hara (Apr. 3, 1943)	Apr. 1967	Joined Daiwa Securities, Inc.	0
	Jun. 1991	Director and Assistant General Manager, Institutional Sales Division	
	Sep. 1995	Managing Director and Assistant General Manager, Corporate Division	
	Oct. 1997	President	
	Apr. 1999	President and CEO, Daiwa Securities Group Inc. President, Daiwa Securities Co. Ltd.	
	Jun. 2004	Chairman of the Board, Daiwa Securities Group Inc.	
	Jun. 2006	Outside Director, NEC Corporation (current position)	
	Jun. 2007	Outside Director, Tokyo Stock Exchange, Inc. (current position)	
	Aug. 2007	Outside Director, Tokyo Stock Exchange Group, Inc. (current position)	
	Apr. 2008	Chairman of the Board, Daiwa Securities Group Inc.	
Jun. 2008	Chief Corporate Advisor, Daiwa Securities Group Inc. (current position)		
* Masayuki Hirose (Jul. 8, 1956)	Apr. 1979	Joined Tokyo Stock Exchange	0
	Jun. 2003	General Manager, Inspection Department	
	Jun. 2004	General Manager, Information Systems Department	
	Apr. 2006	General Manager, IT Planning Department	
	Jun. 2006	Concurrently, General Manager, IT Planning Department and General Manager, Trading Systems Department, Development Operations Department	
	Jun. 2007	Concurrently, General Manager, IT Planning Department and General Manager, Trading Systems Department, IT Development Department	
	Aug. 2007	General Manager, Trading Systems Department, IT Development Department General Manager, IT Planning Department, Tokyo Stock Exchange Group, Inc. (current position)	
	Jun. 2008	Concurrently, General Manager, Trading Systems Department, IT Development Department and Director, IT Management Office, Tokyo Stock Exchange, Inc.	
	Jan. 2009	General Manager, Tdex+ Systems Department, IT Development Department (current position)	

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Name (Date of Birth)	Career summary, position in the Company, area of responsibility (Representative of other companies and organizations)	Number of shares in the Company owned by the candidate	
Tsuguoki Fujinuma (Nov. 21, 1944)	Apr. 1969	Joined Horie Morita Audit Office	0
	Jun. 1970	Joined Arthur Young & Co.	
	Nov. 1974	Registered as CPA	
	May 1991	Representative Partner, Asahi Shinwa Audit Corporation	
	Jun. 1993	Representative Partner, Ota Showa & Co. (currently, Shin Nihon & Co.)	
	Jul. 2004	Chairman, The Japanese Institute of Certified Public Accountants	
	Jul. 2007	Advisor, The Japanese Institute of Certified Public Accountants	
	Aug. 2007	Outside Director, Tokyo Stock Exchange Group, Inc. (current position)	
	Oct. 2007	Governor, Tokyo Stock Exchange Regulation (current position)	
	Apr. 2008	Professor, Chuo University, Graduate School of Strategic Management (current position)	
	Jun. 2008	Outside Director, Nomura Holdings, Inc. (current position) Outside Corporate Auditor, Sumitomo Corporation (current position) Outside Auditor, Takeda Pharmaceutical Company Limited (current position)	
Jul. 2008	Outside Director, SUMITOMO LIFE INSURANCE COMPANY (current position)		
* Katsuhiko Honda (Mar. 12, 1942)	Apr. 1965	Joined Japan Tobacco and Salt Public Corporation	0
	Jun. 1992	Director, General Manager, Human Resources, Japan Tobacco Inc.	
	Jun. 1994	Managing Director and Leader, Personnel and Labor Group	
	Jun. 1995	Managing Director, Tobacco Business Headquarters	
	Jun. 1996	Senior Managing Director, Tobacco Business Headquarters	
	Jun. 1998	Executive Deputy President and Representative Director	
	Jun. 2000	President and Representative Director	
	Jun. 2006	Member of the Board, Corporate Counselor (current position)	
Jun. 2007	Outside Director, TOKYO GAS CO., LTD. (current position)		
Hitoshi Maeda (Nov. 18, 1931)	Apr. 1958	Graduate assistant, Faculty of Law, The University of Tokyo	0
	Apr. 1961	Instructor, Rikkyo University, College of Law and Politics	
	Apr. 1963	Assistant Professor	
	Apr. 1970	Assistant Professor, Faculty of Law, Gakushuin University	
	Apr. 1972	Professor	
	Nov. 2001	Outside Director, Tokyo Stock Exchange, Inc. (current position)	
	Apr. 2002	Professor Emeritus, Gakushuin University (current position)	
	Jun. 2003	Outside Statutory Auditor, The Sumitomo Trust & Banking Co., Ltd. (current position)	
Aug. 2007	Outside Director, Tokyo Stock Exchange Group, Inc.		

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Name (Date of Birth)	Career summary, position in the Company, area of responsibility (Representative of other companies and organizations) (current position)	Number of shares in the Company owned by the candidate
* Kunihiro Matsuo (Sep. 13, 1942)	Apr. 1966 Legal trainee Apr. 1968 Prosecutor, Tokyo Public Prosecutor's Office Dec. 1996 Deputy Chief Prosecutor Jun. 1998 Detective Superintendent, Ministry of Justice Dec. 1999 Vice Minister of Justice, Ministry of Justice Jun. 2004 Prosecutor-General, Supreme Public Prosecutor's Office Sep. 2006 Registration as attorney (member, First Tokyo Bar Association) (current position) Mar. 2007 Independent Director, Asahi Glass Co., Ltd. (current position) Jun. 2007 Outside Corporate Auditor, Toyota Motor Corporation (current position) Jun. 2008 Independent Director, Sompo Japan Insurance Inc. (current position) Outside Corporate Auditor, MITSUI & CO., LTD. (current position)	0
Okii Matsumoto (Dec. 19, 1963)	Apr. 1987 Joined Salomon Brothers Asia Limited Apr. 1990 Joined Goldman Sachs Japan Co. Ltd. Nov. 1994 Managing Director, Tokyo Branch Office, Goldman Sachs Japan Co. Ltd. General Partner, Goldman Sachs Group L.P. Nov. 1998 Limited Partner, Goldman Sachs Group L.P. Apr. 1999 President, Monex, Inc. Aug. 2004 President and CEO, Monex Beans Holdings, Inc. (now Monex Group, Inc.) (current position) Director, Nikko Beans, Inc. (now Monex, Inc.) May 2005 President and CEO, Monex Beans, Inc. (now Monex, Inc.) (current position) Jun. 2008 Outside Director, Tokyo Stock Exchange, Inc. (current position) Outside Director, Tokyo Stock Exchange Group, Inc. (current position) Outside Director, Shinsei Bank, Limited (current position)	0

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Name (Date of Birth)	Career summary, position in the Company, area of responsibility (Representative of other companies and organizations)	Number of shares in the Company owned by the candidate
Charles Ditmars Lake II (Jan. 8, 1962)	Aug. 1992 Director for Japan Affairs, Office of the U.S. Trade Representative (USTR), Executive Office of the President Jul. 1993 Director for Japan Affairs and Special Counsel to the Deputy U.S. Trade Representative Jun. 1999 Vice President and Counsel, Aflac Japan (American Family Life Assurance Company of Columbus, Japan Branch) Jul. 2001 Deputy President Jan. 2003 President and Representative in Japan Apr. 2005 Vice Chairman and Representative in Japan Jun. 2006 Outside Director, Tokyo Stock Exchange, Inc. (current position) Aug. 2007 Outside Director, Tokyo Stock Exchange Group, Inc. (current position) Jul. 2008 Representative and Chairman, Aflac Japan (current position)	0

- (1) An asterisk (*) indicates a newly-appointed candidate.
- (2) The candidates do not have special interests in the Company.
- (3) The following 11 persons are candidates for outside director: Hiroshi Okuda, Toshiaki Katsushima, Eiko Kono, Satoshi Shiibashi, Yoshinari Hara, Tsuguoki Fujinuma, Katsuhiko Honda, Hitoshi Maeda, Kunihiro Matsuo, Oki Matsumoto, and Charles D. Lake II.
- (4) The above-noted 11 persons have been nominated for outside director for the following reasons:
 - 1) Hiroshi Okuda is Senior Adviser and a member of the Board of Directors of Toyota Motor Corporation. We believe that he will use his business experience and his experience as director at Toyota Motor Corporation to continue to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director. Mr. Okuda is currently an outside director of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as an outside director for approximately one year and eleven months.
 - 2) Toshiaki Katsushima is both a CPA and a tax accountant. We believe that he will use his expert knowledge and experience in accounting and taxation to continue to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director. Although Mr. Katsushima has no direct experience in company management, he has been involved in the practical affairs

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concerning corporate finance as a CPA and tax accountant for many years. We thus believe that he would fulfill his duties as an outside director appropriately. Mr. Katsushima is currently an outside director of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as an outside director for approximately one year and eleven months.

- 3) Eiko Kono is a former President and Director of Recruit Co., Ltd. We believe that she will use her business experience as director of that company to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect her as an outside director.
- 4) Satoshi Shiibashi is Chairman of the Company's Audit Committee and Standing Statutory Auditor of Tokyo Stock Exchange, Inc. We believe that he will use his experience to date to continue to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director. Although Mr. Shiibashi has no direct experience in company management, he is involved in practical company-related affairs as a Standing Statutory Auditor. We thus believe that he would fulfill his duties as an outside director appropriately. Mr. Shiibashi is currently an outside director of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as an outside director for approximately one year and eleven months.
- 5) Yoshinari Hara is Chief Corporate Advisor of Daiwa Securities Group, Inc. We believe that he will use his business experience and experience as a director of Daiwa Securities Group to continue to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that the shareholders elect him as an outside director. Mr. Hara is currently an outside director of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as an outside director for approximately one year and eleven months.
- 6) Tsuguoki Fujinuma is a CPA. We believe that he will use his expert knowledge and experience in accounting and taxation to continue to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director. Although Mr. Fujinuma has no direct experience in company management, he has been involved in the practical affairs of corporate finance as a CPA for many years. We thus believe that he would fulfill his duties

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as an outside director appropriately. Mr. Fujinuma is currently an outside director of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as an outside director for approximately one year and eleven months. In addition, for five months out of the past two years, Mr. Fujinuma has received compensation from Tokyo Stock Exchange, Inc., which is a specified related business operator of the Company, for his work as a member of an advisory commission established by Tokyo Stock Exchange, Inc.

- 7) Katsuhiko Honda is a Corporate Adviser and Director of Japan Tobacco Inc. We believe that he will use his experience as an employee and director of that company to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director.
- 8) Hitoshi Maeda is Professor Emeritus of Gakushuin University. We believe that he will use his expert knowledge and experience in law to continue to play a significant role such as in providing operational oversight as outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that the shareholders elect him as outside director. Although Mr. Maeda has no direct experience in company management, he has been involved in the practical affairs of the financial and securities markets for many years in his role as a scholar specializing in the Companies Act. We thus believe that he would fulfill his duties as an outside director appropriately. Mr. Maeda is currently an outside director of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as an outside director for approximately one year and eleven months.
- 9) Kunihiro Matsuo is a former Prosecutor-General and an attorney. We believe that he will use his expert knowledge and experience in law to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director. Although Mr. Matsuo has no direct experience in company management, he is thoroughly knowledgeable in law as a former Prosecutor-General of the Supreme Public Prosecutor's Office and as an attorney. We thus believe that he would fulfill his duties as an outside director appropriately.
- 10) Oki Matsumoto is President and CEO of Monex, Inc. We believe that he will use his business experience and experience as director of Monex, Inc. to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director. Mr. Matsumoto is currently an outside director

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of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as an outside director for approximately one year. In addition, for one year out of the past two years, Mr. Matsumoto has received compensation from Tokyo Stock Exchange, Inc., which is a specific related business operator of the Company, for his work as a member of an advisory commission established by Tokyo Stock Exchange, Inc.

11) Charles D. Lake II is Representative and Chairman of American Life Assurance Company of Columbus (Japan Branch). We believe that he will use his business experience and experience as director of American Life Assurance Company to continue to play a significant role such as in providing operational oversight as an outside director, including matters such as offering advice on the Company's overall management. Accordingly, we are requesting that shareholders elect him as an outside director. Mr. Lake is currently an outside director of the Company; at the conclusion of this Annual General Shareholders Meeting, he will have served as outside director for approximately one year and eleven months.

(5) While Eiko Kono served as outside director of Mitsui Sumitomo Insurance Co., Ltd., the company was involved in an improper payment of insurance related to third-sector insurance products such as whole-life medical insurance and was also cited for facts including failure to properly pay claims of extraordinary and other incidental expenses under extraordinary expenses coverage. Consequently, on June 21, 2006, the Financial Services Agency issued the company with a business improvement order based on Article 132, Paragraph 1 of the Insurance Business Act and a partial business suspension order based on Article 133 of the same Act. In addition, the company was later found to have made improper calculations of insurance payments under the Fire Insurance Act. In her position as an outside director of the company, Ms. Kono had delivered statements about importance of compliance and customer protection at occasions such as Board of Director meetings on a regular basis. After these incidents, Ms. Kono carried out her duties by speaking out in support of measures aimed at preventing a reoccurrence of these incidents, which were proposed as part of a major reassessment of operations within the company.

While Yoshinari Hara served as an outside director of NEC Corporation, the company has been required to submit annual reports to the U.S. Securities and Exchange Commission (SEC) based on the Securities Exchange Act of 1934, as an issuer of American Depository Receipts (ADR). However, in the process of an audit of its consolidated financial statements for fiscal year 2005, the company was unable to complete the required additional analysis related to recognition of revenue, and it has failed to submit an annual report to the SEC for all fiscal years since that year. Consequently, the company's ADRs were delisted from the NASDAQ exchange in the U.S. in October 2007. Mr. Hara has consistently expressed his opinions at Board of Director

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meetings concerning the need to strengthen the systems of compliance including disclosure of information and risk management, as well as ensuring the proper filing of financial reports. After receiving a report on the SEC matter, Mr. Hara deliberated disclosure policies and the like, and made proposals and expressed his opinions on measures aimed at further strengthening the company's internal control systems.

Monex Inc. (hereinafter "that company"), where Oki Matsumoto serves as President and CEO, was the target of an inspection by the Securities and Exchange Surveillance Commission (hereinafter the "Commission") conducted in November 2005. That company was found to have inadequate controls in place to prevent unfair trading by customers trading securities, etc. and to be managing inadequately its organization for electronic information processing in violation of the law. Accordingly, in June 2006, the Financial Services Agency (hereinafter "FSA") issued that company with a business improvement order and, subsequently, that company submitted a report on business improvement relating to this matter to the FSA in July 2006, which was accepted.

Similarly, as a result of an inspection by the Commission conducted in November 2008, the company was found to be managing inadequately its organization for electronic information processing relating to the trading of financial instruments in violation of laws. Accordingly, the FSA issued that company with a business suspension order in March 2009 (for the suspension of new business with system developments for the period from April 1, 2009 (Wed), to June 30, 2009 (Tue), excluding business recognized separately by the FSA) and a business improvement order. That company then submitted a report on business improvement relating to this matter to the FSA in April 2009, which was accepted.

(6) To enable its directors to concentrate on their duties and to perform the work expected of them without undue deference to their peers, the Company has entered into agreements with outside directors that will limit their liability for damages to a certain extent. Accordingly, the Company has entered into such agreements with the following seven candidates for outside director: Hiroshi Okuda, Toshiaki Katsushima, Yoshinari Hara, Tsugioki Fujinuma, Hitoshi Maeda, Oki Matsumoto and Charles D. Lake II. If, as proposed, Eiko Kono, Katsuhiko Honda and Kunihiro Matsuo are elected as directors, the Company will enter into similar agreements with them. 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

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director shall accept responsibility for liability to the Company up to the limit provided for herein.

- 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.

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