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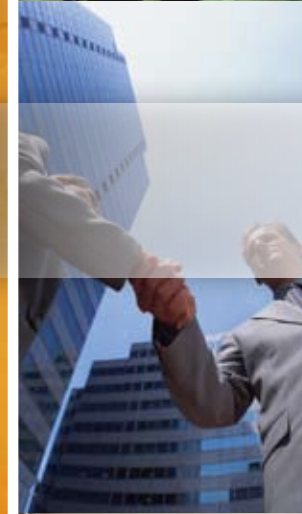
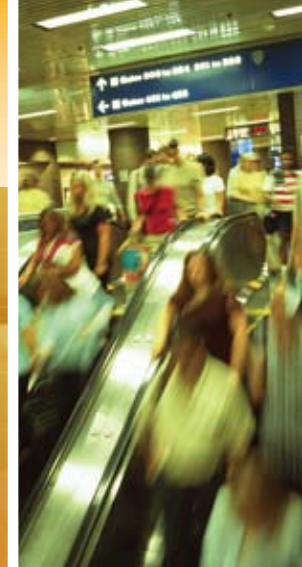
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Business Report 2009

For the fiscal year ended March 31, 2010





Contents

To Our Shareholders	2	Listing of Click kabu 365,	
About Tokyo Financial Exchange	3	Exchange Equity Index Margin Contracts	10
Summary of Operating Results	4	Financial Statements	11
Top Interview	5	Market Data	13
Major Activities of TFX in Fiscal 2009	7	Corporate Profile	14
Fiscal 2010 Business Plan	9		

To Our Shareholders

We would firstly like to express our sincere gratitude for your continued support of our operations and business.

In fiscal 2009, the global economy remained uncertain, with the lingering impact from the financial crisis. However, the economy managed to avoid further weakening, aided by emergency stimulus packages adopted by countries around the world.

The domestic Japanese economy, meanwhile, continued to face deflation, given weak domestic private demand, including sluggish infrastructure investment and personal consumption.

In the short-term money markets, the Bank of Japan extended its special funds operations to facilitate corporate financing, which was first introduced in fiscal 2008, to the end of March 2010, while it launched a new kind of operations in December 2009, in its effort to maintain the notably accommodative financial environment. As a result of these operations, short-term interest rates continued to decline gradually.

In foreign exchange markets, as the interest rate differential between Japan and the United States reversed from August 2009, and with the Dubai shock and the Greek debt crisis in September 2009 and November 2009, respectively, the appreciation of the yen against the US dollar, the euro, and the pound continued, while the yen remained weaker against commodity currencies, reflecting strong demand from emerging countries.

In these circumstances, as the market came to perceive that the above financial environment would continue and changes in the easy monetary policies would only take place sometime in the distant future, daily fluctuations in the

prices of Three-month Euroyen Futures were capped in a narrow range. As a result, their annual trading volumes dropped 35% year-on-year.

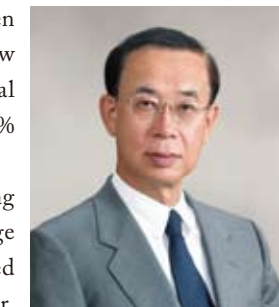
Meanwhile, annual trading volumes of Click 365 (Exchange FX Margin Contracts) jumped 66% from the previous year, reflecting the sharp appreciation of the yen when the Dubai shock and the Greek debt crisis became apparent, and a significant increase in the number of Click 365 accounts.

As a result, the trading volume of all products during fiscal 2009 was 92 million, 37% increase compared with the previous fiscal year. Operating profit stood at 2.5 billion yen, and ordinary profit amounted to 2.7 billion yen.

We are resolved to continue to proceed with initiatives to bolster the trading volume of the existing products, and to achieve profitable operations for fiscal 2010.

Moreover, by establishing a comprehensive exchange for financial derivatives through the listing of Exchange Equity Index Margin Contracts (Click kabu 365) whose underlying instruments are stock indexes, such as Nikkei 225, we will seek to expand our earnings base.

We sincerely ask you, our shareholders, for your ongoing support and cooperation.



June 2010

President and CEO **Shozo Ohta**

The Tokyo Financial Exchange (TFX) is engaged in the following operations in accordance with the Financial Instruments and Exchange Act.

The Tokyo Financial Exchange (TFX) is engaged in the following operations in accordance with the Financial Instruments and Exchange Act.

- ① TFX, as a financial instruments exchange, establishes a financial instruments market, provides facilities for the market, publishes market prices, and is engaged in other operations related to the establishment of a financial instruments market.
- ② TFX, as a clearing organization for transactions of financial instruments, is engaged in the financial instruments obligation assumption business associated with market derivatives transactions carried out in the market established by TFX.
- ③ TFX, as a self-regulatory organization, is engaged in operations such as examining the details of transactions and inspecting trading members, to ensure the fairness, transparency, and reliability of the market.

Financial instruments that are listed on TFX and tradable are as follows:

Interest Rate Futures transactions

- Three-month Euroyen Futures
- Options on Three-month Euroyen futures
- Over-Night Call Rate Futures
- Spot-Next Repo Rate Futures

Click 365

Currency Pairs

- US Dollar/Japanese Yen • Euro/Japanese Yen
- British Pound/Japanese Yen • Australian Dollar/Japanese Yen
- Swiss Franc/Japanese Yen • Canadian Dollar/Japanese Yen
- New Zealand Dollar/Japanese Yen • South Africa Rand/Japanese Yen
- Euro/US Dollar • British Pound /US Dollar
- U.S. Dollar/Swiss Franc • British Pound/Swiss Franc
- Etc.

* 23 trading currency pairs in total
(12 Yen Currency Pairs & 11 Cross Currency Pairs)

TFX will contribute to the sound development of the financial markets and the economy of Japan by developing a financial instruments market, as public infrastructure related to financial instruments transactions that provides a superior degree of fairness, reliability, and convenience.



Financial Accounts – Highlights

	FY2005	FY2006	FY2007	FY2008	FY2009	Change from FY2008
Operating Revenues (millions of yen)	4,106	10,774	12,123	8,458	8,532	+0.9%
Operating Profit (millions of yen)	1,034	7,021	7,565	2,660	2,525	▲5.1%
Ordinary Profit (millions of yen)	1,093	7,166	7,731	2,817	2,770	▲1.7%
Net Income (millions of yen)	772	7,188	5,228	1,444	1,728	+19.7%
Net Income per Share (yen)	859.62	8,296.63	6,060.24	1,674.18	2,004.01	+19.7%
Total Assets (millions of yen)	57,391	108,110	174,955	163,134	180,674	+10.8%
Net Assets (millions of yen)	12,719	19,717	19,554	20,136	21,433	+6.4%
Net Assets per Share (yen)	11,158.76	19,269.90	22,665.33	23,339.52	24,843.53	+6.4%

Outline of Financial Results

Although trading volume for Three-month Euroyen Futures declined, those for Click 365 increased dramatically. As a result, operating revenues almost on par with the previous fiscal year were achieved.

In contrast, operating expenses rose, mainly reflecting an increase in rents following the office relocation, and an increase in expenses related to the amortized payment for new systems introduced in fiscal 2008, as they were counted on a full-year basis from the fiscal year under review, offsetting a significant fall in administrative expenses.

As a result, operating profit fell 5.1% compared with the previous fiscal year, to 2,525 million yen. However, net income rose 19.7%, to 1,728 million yen, given a drop in extraordinary losses, such as head office relocation expenses, which were recorded in the previous fiscal year.

Net income per share rose 19.7% year-on-year, to 2,004.01 yen, and net assets per share increased 6.4%, 24,843.53 yen.

To ensure the appropriate dividend payout ratio while maintaining sufficient internal reserves, we decided to pay dividends of 500 yen per share, the same amount as those for the previous fiscal year, with a dividend payout ratio amounting to 25%.

We will continue to focus on the return of profits to our shareholders.

Market Highlights

Annual Trading Volume (Change from previous fiscal year)

Total Trading Volume of Listed Products (in thousands)		
FY2007	FY2008	FY2009
74,057 (+31%)	67,596 (▲9%)	92,549 (+37%)

Three-month Euroyen Futures (in thousands)

FY2007	FY2008	FY2009
35,315 (▲3%)	18,584 (▲47%)	12,161 (▲35%)

Click 365 (in thousands)

FY2007	FY2008	FY2009
35,282 (+121%)	48,334 (+37%)	80,368 (+66%)

Summary of markets

Trading volumes of Three-month Euroyen Futures declined, but those of Click 365 have continued to rise since its listing. As a result, the total trading volume of listed products rose from the previous fiscal year.



Outlook for the financial instruments market and the Tokyo Financial Exchange

Q1. You are reporting the first operating results since being appointed president in late October 2009. How would you summarize fiscal 2009?

A1. We strove to provide highly reliable markets through the year, mainly by ensuring the stability of the systems and strict self regulation. Our main initiatives included the review of the contract specifications for Over-Night Interest Rate Futures, the expansion of the remote membership scheme (attracting remote trading members in Singapore), overseas marketing activities to raise the name recognition of TFX and promote its products, the expansion of the number of trading members of Click 365, and the promotion and publicity of Click 365. We have also been preparing our new product (Click kabu 365), including the development of its systems.

With respect to operating results, trading volumes of Three-month Euroyen Futures declined year-on-year, reflecting the continuation of an extremely accommodative monetary environment. In contrast, trading volumes of Click 365 jumped on a significant increase in the number of accounts, which in turn reflected a rise in the number of trading members. The severe fluctuations in exchange rates during the Dubai shock were another factor for the volumes. As a result, overall operating revenues were almost in line with the previous fiscal year.

We also continued to focus on cost control, and sought to minimize expenses.

As a result, despite the adverse financial environment, both operating revenues and operating profit reached a level that was almost on a par with the figures for the previous fiscal year.



Q2. Fiscal 2010 is the final year of the Mid-Term Business Plan, which was established during fiscal 2008. How do you evaluate the

progress of the Plan to date?

A2. With respect to the target to establish an operating foundation that covers all major sectors—namely, interest rates, foreign exchange, and stocks—and establish a comprehensive exchange for financial derivatives, in addition to interest rates, our core product since the establishment of TFX, we have added foreign exchange which has recently become an earnings mainstay. As for stocks, the final area of our targeted sectors, we plan to list Click kabu 365 within this year. With this development, we will complete the establishment of a comprehensive exchange for financial derivatives.

Our IPO is set to come only after TFX becomes a comprehensive exchange for financial derivatives, and develops a sound management foundation, so we are aiming to conduct the IPO after 2012. At present, we are making steady preparations for the IPO, such as strengthening internal controls.

Despite the significant impact of the drastic changes in markets, mainly originating from the collapse of Lehman Brothers and the subsequent changes in the economic environment, which were not anticipated when the plan was developed in 2008, major targets set out in the Mid-Term Business Plan have generally been progressing well.

Q3. The trading environment of Three-month Euroyen Futures, TFX's main product, continues to be severe, as the exit of the extremely accommodative monetary policy appears to remain distant. In this difficult environment, please explain initiatives to revitalize trading in this product.

A3. Initiatives we are adopting include two key points: the bolstering of overseas demand for transactions, including the expansion of remote trading members, and the enhancement of investor convenience by improving the features of the contracts.

With respect to the first key point, we have established a Remote Membership Program, the first among exchanges in Japan to introduce such a program, so that non-residents can directly access and trade with TFX. Transactions by the first remote trading member are expected to start within the current fiscal year. In our effort to expand the Remote Membership Program, in June 2009, we acquired the status of Recognized Market Operator (RMO) from the Monetary Authority of Singapore. As a result of these initiatives, we anticipate that major investors in Singapore will participate directly in TFX's markets as trading members.

As for the second key point, from June 2010, the calculation period of the Over-Night Interest Rate Futures has been changed from one calendar month to the interval between the BOJ's Monetary Policy Meetings, to bolster convenience for investors.

Q4. With the introduction of leverage regulations in August 2010, what is the outlook for Click 365?

A4. Trading volumes of Click 365 have been rising for the fourth consecutive term since its listing, thanks to investors who have given high marks to its transparency in establishing prices in TFX and its reliable market management.

The number of trading members and accounts continued to rise during the fiscal year under review. Click 365 has now become an important pillar of TFX's business.

The impact of the enforcement of the regulations from August 2010 is still uncertain. However, the majority of transactions on Click 365 are in fact low-leverage transactions, and with the enforcement of the regulations, and the resulting restrictions on speculative transactions, the soundness of the market is expected to improve further. Therefore, in the medium to long-term, I expect that overall FX Margin Contracts and Click 365 will continue to grow.

Q5. We heard about the plan for Click kabu 365 to be listed within this year. What do you think about the position of this new product, among other financial derivatives instruments?



A5. This new product is targeted at retail investors, and its special feature is that it is a daily rolling contract without contract months, making it similar to Click 365. Through Click kabu 365, as a product that offers the same functions as FX Margin Contracts, private investors, including Click 365 investors, can trade Equity Index Margin Contracts. We have also decided to introduce a range of overseas Equity Index Margin Contracts. In the same way as Click 365, I expect that Click kabu 365 will grow steadily as an investment product that is transparent, reliable and attractive.

Q6. Taking into account the establishment of the next Mid-Term Business Plan, please explain your current vision for TFX.

A6. After the listing of Click kabu 365, the establishment of a comprehensive exchange for financial derivatives that encompasses interest rates, foreign exchange, and stocks, which was the target of the current Mid-Term Business Plan, will be completed. While reviewing the merchantability of each business sector, we will aim to bolster trading volumes, and achieve sound development in each market in the future.

We will also strive to develop and provide transparent, reliable, and attractive products to the market in Tokyo, and help to make the Tokyo market a transparent, fair, and convenient global market.

Major Activities of TFX in Fiscal 2009

Additional trading members of Click 365

The following securities companies and FX companies have recently joined as trading members:

- * Daiwa Securities (July 2009)
- * CyberAgent FX (February 2010)
- * Gaitame.com (March 2010)

In addition, the following bank has joined as a market maker:

- * Barclays Bank PLC.

Meanwhile, Deutsche Bank withdrew as a market maker, and Deutsche Securities joined as a market maker.

Review of the specifications of Over-Night Interest Rate Futures

We have reviewed the following Over-Night Interest Rate Futures products listed on TFX to improve trading convenience, by taking into account requests for changes from trading members. Meanwhile, Over-Night Interest Rate Futures that have been suspended following the above review are expected to start from Monday, June 28, 2010.

Reviewed Products	Underlying Asset
Over-Night Call Rate Futures	Average Uncollateralized Overnight Call Rate (Final results)
Spot-Next Repo Rate Futures	Average GC Spot-Next Repo Rate (Tokyo Repo Rate)
The Period for Calculation of the Final Settlement Price	No. of Contract Months
A period of 1 calendar month	12 consecutive calendar months
The interval between the BOJ's Monetary Policy Meetings	6 consecutive calendar months*

(*)Regarding the number of contract months, the Exchange shall from time to time modify the number of the listed contract months according to changes in the information released by the BOJ regarding the schedule of the Monetary Policy Meetings.

Starting the development of systems for the listing of Exchange Equity Index Margin Contracts

Aiming at the listing of Exchange Equity Index Margin Contracts (Click kabu 365) within this year, TFX started to develop exchange systems and systems for the common center (ASP) in December 2009.



Through these systems, which will be developed based on systems that are currently used in Click 365, we believe that we can provide a reliable and stable system environment in which investors can trade with confidence.

Acquisition of permission associated with the remote trading membership in Singapore

TFX acquired the status of Recognized Market Operator (RMO) from the Monetary Authority of Singapore on June 22, 2009. As a result, major investors in Singapore have become remote trading members (Note), and are now able to directly participate in TFX's markets.

This acquisition of RMO status by TFX marked the first instance among Japanese exchanges.

(Note) Remote trading members are members who participate in exchange markets directly from overseas. The participation of remote trading members should facilitate the globalization of TFX's Interest Rate Futures market and enhance trading opportunities for overseas investors, revitalizing the market.

Communication with investors

TFX has been actively communicating with both domestic and international institutional investors and financial institutions in its effort to meet their trading needs, mainly by participating in expositions in London and Chicago and a conference of the Futures Industry Association (FIA) held in Singapore.



Seminars and promotional activities for Click 365

To enhance the public awareness of Click 365, TFX held a number of seminars.

In fiscal 2009, seminars were held in Tokyo, Nagoya, Osaka, Fukuoka, and Kyoto with guest lecturers, including Mr. Tomio Sugimura (Economist), Mr. Shinya Yamada (Certified public accountant), Mr. Go Egami (Author), Mr. Takuro Morinaga (Economic analyst and the professor of Dokkyo University).

Please refer to the web site of Click 365 (<http://www.click365.jp/>) for the schedule of seminars to be held in the future.



TFX also published the Complete Guide to Exchange FX Click 365. This guide book summarizes in plain language the specific features of FX as an asset management method and provides basic information about Click 365. It offers readers a pleasant way to learn what they need with the help of TFX's endorsement celebrity, Ayako Hatta, an entertainer.



Additional allocation of default compensation reserve

In accordance with the Recommendations for Central Counterparties by the Committee on Payment and Settlement Systems and the International Organization of Securities Commissions (CPSS - IOSCO), TFX has categorized default compensation reserve by types of clearing memberships to maintain an appropriate level of funds to meet default compensation. Accordingly, in accordance with the resolution by the shareholders' meeting in June 2009, TFX allocated a default compensation reserve for financial futures contract of 1,994 million yen, and a default compensation reserve for exchange forex margin contract of 936 million yen, in its attempt to reduce settlement risks.



1. Operating Environment

- (1) As the Japanese economy is expected to continue to face challenging conditions this fiscal year, TFX cannot yet be optimistic about the outlook of its business environment.
- (2) There are concerns that trading volumes of Three-month Euroyen Futures will continue to decline, given that the notably accommodative financial environment the Bank of Japan has adopted is likely to continue.
- (3) The impact on Click 365 transactions from the introduction of leverage regulations in stages from August this year is unpredictable, and it is feared that the introduction of these regulations may slow the expansion of the overall FX market.

Financial authorities in major countries have been comprehensively reviewing their financial regulations and examining ways to strengthen the regulations. In this environment, it will be even more pivotal in the future for TFX, a public exchange, to achieve fair and highly credible market administration, and contribute to the improvement of the stability and the transparency of the financial system in Japan and investor protection.

2. Basic Policies

- (1) In Three-month Euroyen Futures trading, TFX will proceed with a number of initiatives and examine the introduction of new products to bolster demand for trading from overseas, mainly from remote trading members. In Click 365 trading, TFX will also take steps to meet trading needs, principally from overseas, while seeking to increase the number of trading members. Through these initiatives, TFX will strive to bolster

the trading volume as much as possible, and secure profitability.

- (2) TFX will strengthen its earnings base by successfully listing new CFDs based on the Nikkei Stock Average Index and other CFDs, and achieve a position as a comprehensive exchange for financial derivatives. It will then aim to list its shares on a stock exchange after fiscal 2012.

3. Specific Measures

- (1) Listing of new products, such as CFDs
 - (i) Listing of the Nikkei Stock Average Index CFD and major overseas stock index CFDs
 - (ii) Examining the expansion of interest rate related products
- (2) Improve convenience and increase trading volume
 - (i) Euroyen futures trading
 - * Bolster overseas trading demand
 - * Revitalize the L-T Link system
 - (ii) Click 365 trading
 - * Expand trading members, principally by including major OTC companies
 - * Enhance the reliability in the supply of the liquidity by increasing the number of market makers
- (3) Fair and highly credible market administration
 - (i) Ensure the stable operation of the trading systems, and continue to strengthen the trade-monitoring system, including the system for handling CFDs
 - (ii) Manage appropriate self-regulatory operations and strengthen self-regulatory functions
 - (iii) Complete the internal control system for stock exchange listing



After careful consideration and preparation, TFX has decided to introduce “Click kabu 365”, an Exchange-traded Equity Index Margin contracts in fiscal 2010. Investors can trade the Nikkei Stock Average Index and overseas stock indexes in the same manner as they do in Click 365. (The specifications of Click kabu 365 are subject to change.)

1. Features

(1) Click kabu 365 has the same features as Click 365:

- ① Click kabu 365 is a rolling spot contract, which has no expiry date.
- ② Trading is carried out based on the full market making method.
- ③ Trading is applicable to standard 20% separate self-assessment taxation, three-year carry-over of losses and the aggregation of profit and loss.
- ④ Other systems, such as the settlement method, the loss-cut rule and the order placement method are also the same as those of Click 365.



(2) “The Nikkei 225 Margin contracts” is practically tradable virtually 24 hours.

(3) Buyers and sellers pay or receive carry costs and dividend cash flows.

(4) No currency risks are involved in trading of overseas stock indexes, as they are traded in yen.

2. Stock Indexes to Be Listed

·Nikkei 225	Stock index that is comprised of 225 issues listed on the First Section of the Tokyo Stock Exchange, which are selected by taking into account the liquidity in the market, the balance of business sectors, and other factors
·FTSE100	Stock index that is comprised of the 100 most highly capitalized companies listed on the London Stock Exchange
·DAX30®	Stock index that is comprised of 30 major companies listed on the Frankfurt Stock Exchange
·TSEC台湾50	Stock index that is comprised of the 50 most highly capitalized companies listed on Taiwan Stock Exchange Corporation
·FTSE/新華CHINA25	Stock index that is comprised of the 25 largest Chinese companies by market capitalization and liquidity, which are listed on the Hong Kong Stock Exchange

3. The Specifications of Click kabu 365

·Trading Unit	Index × 100(JPY)
·Tick Size	1 point
·Expiry Date	No last trading day Positions not closed out on every trading day will automatically be rolled over to the next trading day.
·Trading Hours (JST)	Nikkei 225 Margin contracts / 8:30~The next day 6:00 (8:30~The next day 5:00)
(*Summer Time)	FTSE 100 Margin contracts / 17:00~The next day 6:00 (16:00~The next day 5:00)
	DAX® Margin contracts / 15:50~The next day 6:00 (14:50~The next day 5:00)
	TSEC Taiwan 50 Margin contracts / 10:00~14:30
	FTSE / Xinhua China 25 Margin contracts / 11:00~17:00
·Trading Date	No trading is carried out when the relevant exchanges are closed.
·Settlement Price	The Price calculated by TFX based on last trading price etc.
·Interest Rate Cash Flow	Long Positions: Pay, Short Positions: Receive
·Dividend Cash Flow	Long Positions: Receive, Short Positions: Pay
·Matching Algorithm	Market Making Style
·Price Movement Limits	A system, in which no trading can be carried out with prices exceeding price movement limits, is adopted. (This system is applicable only to Nikkei 225 and TSEC Taiwan 50.)
·Membership System	A trading membership and a clearing membership for Equity Index Margin Contracts will be established.
·Loss Cut	Preparing a system for automatic loss-cut (stop loss) controls for retail
·Tax	Declared separately - fixed rate of 20% Losses can be carried for 3 years The aggregation of profit and loss is applicable
·Investor Protection	Japan Investor Protection Fund

Financial Statements

Balance Sheet (Summary)

(in millions yen)

Account Titles	FY2009 [As of March 31, 2010]	FY2008 [As of March 31, 2009]
(ASSETS)		
Current Assets	4,640	6,629
Cash and bank deposits	1,399	724
Accounts receivable-trade	761	776
Securities	2,211	4,948
Prepaid expenses	96	13
Deferred tax assets	138	126
Others	35	41
Allowance for doubtful receivables	▲2	▲2
Non-current Assets	176,033	156,504
Tangible Fixed Assets	2,325	1,721
Buildings	496	26
Furniture and equipment	1,637	1,522
Construction in progress	192	173
Intangible Fixed Assets	4,162	4,661
Software	3,726	4,611
Software development in progress	426	40
Others	9	9
Investments and Other Assets	11,905	8,527
Investment in securities	9,983	7,195
Long term bank deposits	500	—
Guarantee money deposits	848	310
Long-term loan receivable	475	628
Deferred tax assets	52	96
Others	45	297
Allowance for doubtful receivables	▲0	▲0
Assets Held for Guarantee from Members	157,640	141,594
Bank deposits held for exchange margins received	152,396	137,064
Bank deposits held for market entry deposits received	395	385
Bank deposits held for clearing deposits received	4,849	4,144
Total Assets	180,674	163,134

The yen amounts shown in this table have been rounded down.

(in millions yen)

Account Titles	FY2009 [As of March 31, 2010]	FY2008 [As of March 31, 2009]
(LIABILITIES)		
Current Liabilities	1,151	987
Accounts payable-trade	190	167
Accounts payable-other	91	687
Income taxes payable	658	—
Provision for officers' bonuses	18	25
Provision for employees' bonuses	92	85
Others	100	21
Non-current Liabilities	158,089	142,010
Provision for retirement benefit for officers	240	243
Provision for retirement benefit for employee	208	173
Deposits received from members	157,640	141,594
Exchange margins received	152,396	137,064
Market entry deposits received	395	385
Clearing deposits received	4,849	4,144
Assets Held for Guarantee from Members	159,240	142,998
(NET ASSETS)		
Shareholders' Equity	21,433	20,136
Common stock	5,844	5,844
Capital surplus	6,045	6,045
Capital reserve	6,045	6,045
Retained earnings	9,543	8,245
Other retained earnings	9,543	8,245
Default compensation reserve for financial futures contract	1,994	—
Default compensation reserve for exchange forex margin contract	936	—
Default compensation reserve	—	164
Retained earnings brought forward	6,613	8,081
Total Net Assets	21,433	20,136
Total Liabilities and Net Assets	180,674	163,134

Profit and Loss Statement (Summary)

(in millions yen)

Account Titles	FY2009 [As of March 31, 2010]	FY2008 [As of March 31, 2009]
Operating Revenues	8,532	8,458
Fixed amount exchange fees	44	44
Per-contract exchange fees	7,925	7,736
Income relating to system equipment	278	292
Member registration fees and others	23	100
Income from information services	261	283
Operating Expenses	6,006	5,797
Personnel expenses	1,368	1,330
Marketing expenses	35	7
Facility-related expenses	4,233	3,835
Administrative expenses	369	623
Operating Profit	2,525	2,660
Non-operating Revenues	247	162
Non-operating Expenses	2	5
Ordinary Profit	2,770	2,817
Extraordinary Income	0	0
Extraordinary Losses	13	273
Head office relocation expenses	9	167
Provision for losses arising from change of trading systems	—	70
Loss on retirement of tangible fixed assets	4	35
Income Before Income Taxes	2,756	2,545
Income taxes-current	995	817
Income taxes-deferred	32	282
Net Income	1,728	1,444

Statement of Changes in Shareholders' Equity (Summary)

(in millions yen)

Account Titles	Shareholders' Equity			Total shareholders' equity	Total Net Assets
	Common stock	Capital surplus	Retained earnings		
Balance of Mar 31, 2009	5,844	6,045	8,245	20,136	20,136
Changes during the term					
Dividend paid	—	—	▲431	▲431	▲431
Net Income	—	—	1,728	1,728	1,728
Total amount changed during the term	—	—	1,297	1,297	1,297
Balance as of Mar 31, 2010	5,844	6,045	9,543	21,433	21,433

The yen amounts shown in this table have been rounded down.

This English translation is solely for reference purpose only and not a legally definitive translation of the original Japanese text. In the event a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.

Points of balance sheets

- TFX has categorized default compensation reserve by types of clearing memberships to maintain an appropriate level of funds to meet default compensation. Accordingly, it allocated a default compensation reserve for financial futures contract of 1,994 million yen, and a default compensation reserve for exchange forex margin contract of 936 million yen.
- Securities fell 2,737 million yen, while investment in securities rose 2,788 million yen. These changes reflected the fact that some investment assets have been changed to medium to long-term investments as main part of the system development was completed in fiscal 2008.

Points of the profit and loss statement

- Operating revenues rose 74 million yen year-on-year, given higher per-contract exchange fees, reflecting a significant rise in trading volumes of Click 365, offsetting a fall in member registration fees.
- Operating expenses rose 208 million yen from the previous year, given the office relocation and an increase in facility-related expenses as expenses for systems introduced in fiscal 2008 were counted on a full year basis from the fiscal year under review, despite initiatives to cut administrative expenses, including cutbacks in advertising expenses.
- Reflecting the absence of extraordinary losses, including head office relocation expenses that were recorded in the previous fiscal year, net income rose 284 million yen year-on-year.

■ Three-month Euroyen Futures

	FY2005	FY2006	FY2007	FY2008	FY2009
Annual Trading Volumes	15,015,834	36,284,057	35,315,872	18,584,732	12,161,642
Average Daily Trading Volume	61,040	147,496	144,146	75,856	49,843

* TFX invoked intraday additional margin once in fiscal 2009 (on December 1, 2009)
 * Intraday additional margin is a system that is invoked when the price at the end of morning session differs by a certain amount from the previous day's settlement price, and collects margin on deposit if not sufficient.

■ Click 365

	FY2005	FY2006	FY2007	FY2008	FY2009
Annual Trading Volumes	3,822,880	15,945,190	35,282,228	48,334,039	80,368,758
Average Daily Trading Volume	22,914	61,564	135,701	191,139	309,111

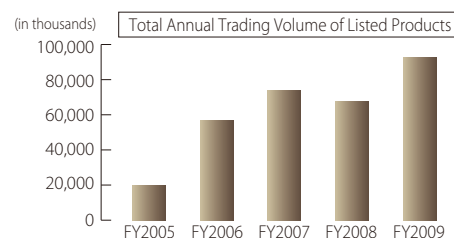
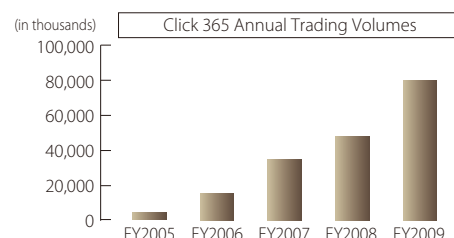
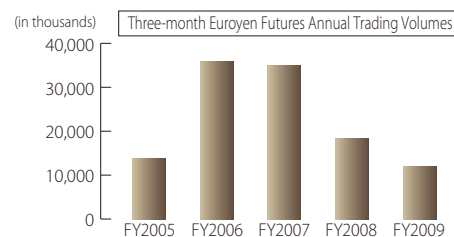
* In January 2010, Click 365 recorded a record monthly trading volume of 9,972,078, and a record average daily trading volume of 498,604 since its listing.
 * January 22, 2010, the daily trading volume reached record 845,854.

■ Options on Three-month Euroyen Futures

	FY2005	FY2006	FY2007	FY2008	FY2009
Annual Trading Volumes	576,144	4,234,894	3,454,194	678,197	19,000

■ Total Trading Volume of Listed Products

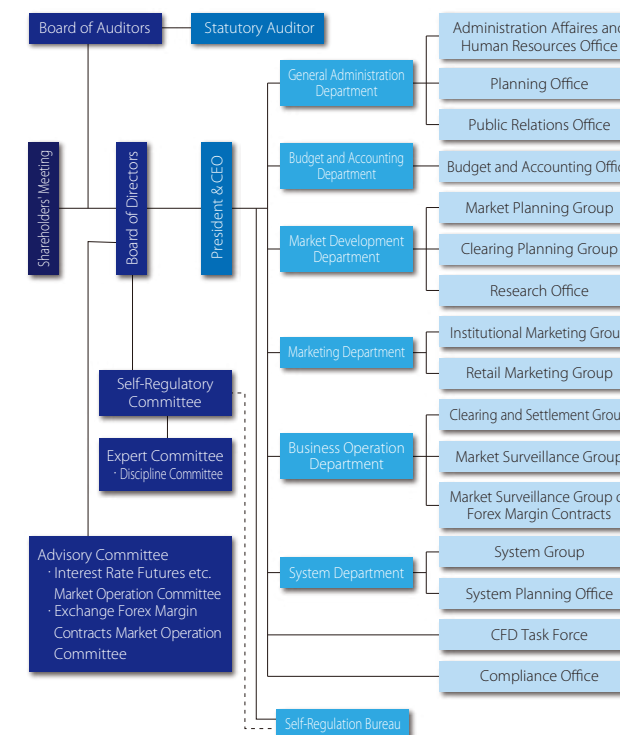
	FY2005	FY2006	FY2007	FY2008	FY2009
Annual Trading Volumes	19,465,081	56,472,251	74,057,650	67,596,968	92,549,400



■ Corporate Profile

Company Name Tokyo Financial Exchange Inc.
Founded April 1989
 (In April 2004, TFX changed from a membership organization to a stock company.)
Address Marunouchi Park Building 15th Floor,
 2-6-1 Marunouchi, Chiyoda-ku, Tokyo,
 100-6915
Capital ¥5,844,650,000
No. of Employees 110 (as of March 31, 2010)
Fiscal Term March 31
Management
 President & CEO Shozo Ohta
 Managing Director Takashi Murakami
 Managing Director Makoto Yamamuro
 Member of the Board Takashi Imai
 Member of the Board Keimei Kaizuka
 Member of the Board Takashi Oyamada
 Member of the Board Paul Kuo
 Standing Statutory Auditor Nagao Hashimoto
 Statutory Auditor Kazuo Tezuka
 Statutory Auditor Nobuaki Omura

■ Organizational Chart (as of March 31, 2010)



■ Trading in Fiscal 2009

(1) Three-month Euroyen Futures

In the short-term money markets, as the Bank of Japan maintained its notably accommodative financial environment, short-term interest rates continued to decline gradually. In this environment, the volatility of interest rates remained at a low level. As a result, the total trading volume of the fiscal year fell 35% from the previous fiscal year, to 12,161,000 contracts, and the average daily trading volume also fell 34%, to 49,000 contracts.

(2) Click 365

In the foreign exchange markets, significant changes in exchange rates included the reversal of the interest rate differential between Japan and the United States from August 2009, the sharp appreciation of the yen, originating from the Dubai shock in September 2009 and the Greek debt crisis in November 2009, the depreciation of the yen against commodity currencies, reflecting the strong demand from emerging countries. As a result of these volatile market conditions, as well as a significant rise in the number of accounts of Click 365, the total trading volume of the fiscal year jumped 66% year on year, to 80,368,000 contracts, and the average daily trading volume also climbed 62%, to 309,000 contracts. Both the total and average daily trading volumes were at record levels starting from the listing of the product.

■ No. of TFX Members (as of March 31, 2010)

- 46 (Interest Rate Futures Trading and Clearing Members)
- 4 (Interest Rate Futures Trading Members)
- 23* (FX Margin Trading and Clearing Members)

* Four of the above companies are also Interest Rate Futures Trading Members

■ Share Information (as of March 31, 2010)

Total No. of Shares Authorized	3,400,000
No. of Shares Issued and Outstanding	862,750
No. of Shareholders	71

■ URL <http://www.tfx.co.jp/en>