Consolidation and Demutualisation
- What Strategies should Exchanges adopt for the Future? -

The 5th Round Table on Capital Market Reform in Asia, November 2003

- Business Strategy of TSE
  I. Provision of Attractive Investment Products
  II. Enhancing the Attractiveness of Listed Stocks
  III. Strengthening its International Position as One of the Major Exchanges within the Asian Region
  IV. Establishing a Fair and Reliable Market Infrastructure
  V. Reform of Organizational Structure
  VI. Program for Encouraging Investment by Individual Investors - Shift from Savings to Investments –

- Management Objectives of TSE
  I. Objectives of the Financial Figures (FY 2005 Consolidated)
    - Operating revenue : ¥ 39.9 billion
    - Operating expenses : ¥ 35.1 billion
    - Operating profits : ¥ 4.7 billion
    - Consolidated ROE : 4.0%
  II. Listing of TSE shares (Planned in FY 2005)
TSE’s Global Strategy, especially Asian Strategy

- **Background/Basic Recognition**
  - Economic expansion of Asian countries
  - Variability of development stages of jurisdictions

- **TSE’s Policy: First from “Asia”, then to “Global”**
  - Necessity to solicit TSE’s position within Asian Region before to pursue its global positions
  - Enhancement of competitiveness and immunity by Asian Region as a whole in global business

- **Actions**
  - Formation of regional “Networks” to pursue the co-prosperity
    - TSE exports TSE values (products, infrastructure, brand images etc) to foreign markets
    - TSE imports values of foreign exchanges to Japanese investors
  - “Alliance Networks”, rather than “Consolidations”