

Tokyo Commodity Exchange, Inc.

Financial Statements for the
Year Ended March 31, 2009, and
Independent Auditors' Report

Balance Sheet

March 31, 2009

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
ASSETS		
CURRENT ASSETS:		
Member deposits—deposits held in banks (Note 7)	¥ 253	\$ 2,576
Cash and cash equivalents	7,655	77,929
Time deposits and banking arrangements other than cash equivalents (Note 6)	2,900	29,523
Receivables	21	214
Income taxes receivables (Note 15)	62	631
Supplies	9	92
Other current assets	108	1,099
Total current assets	11,008	112,064
PROPERTY AND EQUIPMENT:		
Land	79	804
Buildings and structures	3,757	38,247
Machinery and equipment	271	2,759
Furniture and fixtures (Note 4)	483	4,917
Construction in progress	14	142
Total	4,604	46,869
Accumulated depreciation	(1,688)	(17,184)
Net property and equipment	2,916	29,685
INVESTMENTS AND OTHER ASSETS:		
Software (Note 4)	144	1,466
Software in progress	876	8,918
Long-term loans to employees	234	2,382
Investment securities (Note 3)	1,699	17,296
Investments in associated company (Note 3)	167	1,700
Long-term time deposits (Note 6)	500	5,090
Other assets	154	1,568
Total investments and other assets	3,774	38,420
TOTAL	¥ 17,698	\$ 180,169

See notes to financial statements.

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Suspense receipt of delivery payment (Note 5)	¥ 4,613	\$ 46,961
Accounts payable	706	7,187
Accrued expenses	23	234
Accrued bonuses	56	570
Other current liabilities	11	113
Total current liabilities	5,409	55,065
LONG-TERM LIABILITIES:		
Member deposits (Note 7)	253	2,576
Liability for employees' retirement benefits (Note 8)	592	6,027
Long-term accounts payable for directors' retirement benefits	255	2,596
Other	17	172
Total long-term liabilities	1,117	11,371
COMMITMENTS AND CONTINGENT LIABILITIES (Note 17 and 18)		
EQUITY (Note 9):		
Common stock—authorized, 15,000,000 shares; issued, 3,041,000 shares in 2009	1,989	20,249
Non-voting stock—authorized, 100,000 shares; issued, 83,573 shares in 2009		
Capital surplus:		
Additional paid-in capital	1,391	14,161
Other capital surplus	621	6,321
Retained earnings:		
Contingency loss reserve	1,489	15,158
Reserve fund against default (Note 18)	2,100	21,378
Reserve for retirement benefits	110	1,120
Other reserve	5,366	54,627
Retained earnings—unappropriated	(1,894)	(19,281)
Total equity	11,172	113,733
TOTAL	¥ 17,698	\$ 180,169

Statement of Operations

Year Ended March 31, 2009

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
REVENUES:		
Annual membership fee	¥156	\$ 1,588
Exchange fee	2,380	24,229
Income from membership registration	25	255
Income from market data distribution	68	692
Total revenues	2,629	26,764
GENERAL AND ADMINISTRATIVE EXPENSES(Notes 8, 10 and 17)	3,598	36,629
Operating loss	(969)	(9,865)
OTHER INCOME (EXPENSES):		
Entry adjustment money for new members (Note 11)	446	4,540
Interest and dividend income	74	753
Income from electronic trading systems (Note 12)	166	1,690
Reward for services for withdrawing members (Note 13)	(750)	(7,635)
Restructuring expenses (Note 14)	(218)	(2,219)
Impairment loss (Notes 4 and 17)	(729)	(7,421)
Loss on disposal of property and equipment	(25)	(255)
Other—net	47	479
Other expenses—net	(989)	(10,068)
LOSS BEFORE INCOME TAXES	(1,958)	(19,933)
INCOME TAXES (Note 15):		
Current	9	92
Deferred	324	3,298
Total income taxes	333	3,390
NET LOSS	¥ (2,291)	\$ (23,323)
	Yen	U.S. Dollars
PER SHARE OF COMMON STOCK—		
Basic net loss (Note 2.m)	¥ (753.45)	\$ (7.67)

See notes to financial statements.

Statement of Changes in Equity

Year Ended March 31, 2009

	Millions of Yen								
	Members' Capital		Admission Money	Contingency Loss Reserve	Reserve Fund against Default	Reserve for Retirement Benefits	Other Reserve	Retained Earnings—Unappropriated	Total
BALANCE, MARCH 31, 2008	¥739		¥576	¥1,480	¥2,100	¥110	¥6,477	¥406	¥11,888
Appropriations of retained earnings				9				(9)	
Member admission	7		53						60
Member withdrawal	(148)						(1,111)		(1,259)
Conversion to incorporated corporation (Notes 1 and 9)	(598)		(629)	(1,489)	(2,100)	(110)	(5,366)	(397)	(10,689)
Net changes during the period	(739)		(576)	(1,480)	(2,100)	(110)	(6,477)	(406)	(11,888)
BALANCE, MARCH 31, 2009									

	Thousands	Millions of Yen								Total
		Common Stock	Capital Surplus		Contingency Loss Reserve	Reserve Fund against Default	Reserve for Retirement Benefits	Other Reserve	Retained Earnings—Unappropriated	
			Additional Paid-in Capital	Other Capital Surplus						
BALANCE, MARCH 31, 2008										
Conversion to incorporated corporation (Notes 1 and 9)	1,212	¥598		¥629	¥1,489	¥2,100	¥110	¥5,366	¥397	¥10,689
Cash-in-lieu payments at the conversion to incorporated corporation (Note 9)				(8)						(8)
Issuance of common stock (Note 9)	1,913	1,391	¥1,391							2,782
Net loss									(2,291)	(2,291)
Net changes during the period	3,125	1,989	1,391	621	1,489	2,100	110	5,366	(1,894)	11,172
BALANCE, MARCH 31, 2009	3,125	¥1,989	¥1,391	¥621	¥1,489	¥2,100	¥110	¥5,366	¥(1,894)	¥11,172

Statement of Changes in Equity

Year Ended March 31, 2009

	Thousands of U.S. Dollars (Note 1)								
	Members' Capital		Admission Money	Contingency Loss Reserve	Reserve Fund against Default	Reserve for Retirement Benefits	Other Reserve	Retained Earnings—Unappropriated	Total
BALANCE, MARCH 31, 2008	\$ 7,523		\$ 5,864	\$ 15,067	\$ 21,378	\$ 1,120	\$ 65,937	\$ 4,133	\$ 121,022
Appropriations of retained earnings				91				(91)	
Member admission	72		539						611
Member withdrawal	(1,507)						(11,310)		(12,817)
Conversion to incorporated corporation (Notes 1 and 9)	(6,088)		(6,403)	(15,158)	(21,378)	(1,120)	(54,627)	(4,042)	(108,816)
Net changes during the period	(7,523)		(5,864)	(15,067)	(21,378)	(1,120)	(65,937)	(4,133)	(121,022)
BALANCE, MARCH 31, 2009									

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Capital Surplus		Retained Earnings					Total
		Additional Paid-in Capital	Other Capital Surplus	Contingency Loss Reserve	Reserve Fund against Default	Reserve for Retirement Benefits	Other Reserve	Retained Earnings—Unappropriated	
BALANCE, MARCH 31, 2008									
Conversion to incorporated corporation (Notes 1 and 9)	\$ 6,088		\$ 6,403	\$ 15,158	\$ 21,378	\$ 1,120	\$ 54,627	\$ 4,042	\$ 108,816
Cash-in-lieu payments at the conversion to incorporated corporation (Note 9)			(82)						(82)
Issuance of common stock (Note 9)	14,161	\$ 14,161							28,322
Net loss								(23,323)	(23,323)
Net changes during the period	20,249	14,161	6,321	15,158	21,378	1,120	54,627	(19,281)	113,733
BALANCE, MARCH 31, 2009	\$ 20,249	\$ 14,161	\$ 6,321	\$ 15,158	\$ 21,378	\$ 1,120	\$ 54,627	\$ (19,281)	\$ 113,733

See notes to financial statements.

Statement of Cash Flows

Year Ended March 31, 2009

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
OPERATING ACTIVITIES:		
Loss before income taxes	¥ (1,958)	\$ (19,933)
Adjustments for:		
Income taxes—paid	(87)	(886)
Depreciation and amortization	541	5,507
Restructuring expenses	204	2,077
Impairment loss	729	7,421
Loss on disposal of property and equipment	25	255
Changes in assets and liabilities:		
Decrease in liability for retirement benefits	(87)	(886)
Increase in suspense receipt of delivery payment	1,293	13,163
Other—net	184	1,874
Total adjustments	2,802	28,525
Net cash provided by operating activities	844	8,592
INVESTING ACTIVITIES:		
Increase in time deposits—net	(200)	(2,036)
Decrease in long-term loans receivable—net	1	10
Purchases of property and equipment	(367)	(3,736)
Purchases of software	(139)	(1,415)
Proceeds from maturities of investments in securities	1,200	12,216
Purchases of investment securities	(500)	(5,090)
Proceeds from liquidation of subsidiaries	130	1,323
Other—net	(8)	(81)
Net cash provided by investing activities	117	1,191
FINANCING ACTIVITIES:		
Proceeds from payment for members' capital	7	72
Repayment of members' capital	(148)	(1,507)
Proceeds from payment for admission money	53	539
Repayment for reduction of retained earnings for seceding members (Note 16)	(1,111)	(11,310)
Cash-in-lieu payments at the conversion to incorporated corporation	(8)	(82)
Proceeds from issuance of common stock	2,782	28,322
Net cash provided by financing activities	1,575	16,034
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,536	25,817
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,119	52,112
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 7,655	\$ 77,929

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Increase in common stock from members' capital at the conversion to incorporated corporation	¥ 598	\$ 6,088
Increase in other capital surplus from admission money at the conversion to incorporated corporation	629	6,403

See notes to financial statements.

Notes to Financial Statements

Years Ended March 31, 2009

1. BASIS OF PRESENTING FINANCIAL STATEMENTS

The accompanying financial statements have been prepared from the accounts maintained by Tokyo Commodity Exchange, Inc. (the "Exchange") in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Commodity Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

On December 1, 2008, the Exchange reorganized from a membership organization to a "for profit" corporation in accordance with the provisions of Article 121 of the Commodity Exchange Act. The Exchange was a membership organization throughout the last fiscal year, hence information related to the last fiscal year is not included.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the Exchange's financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The financial statements are stated in Japanese yen, the currency of the country in which the Exchange is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥98.23 to \$1, the approximate rate of exchange at March 31, 2009. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Non-consolidation—The Exchange has no subsidiaries. Investments in an affiliated company (20%–50% ownership) are stated at a cost of ¥167 million (\$1,700 thousand). If the equity method of accounting had been applied to the investments in this company, investments in associated company would amount to ¥264 million (\$2,688 thousand) for the year ended March 31, 2009 and, as a result, retained earnings at March 31, 2009 would be increased by ¥97 million (\$987 thousand).

b. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits, certificate of deposits, commercial paper and bond funds, all of which mature or become due within three months of the date of acquisition.

c. Securities

Marketable and investment securities—Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost; (2) investment securities in subsidiaries and associated companies are reported at cost; and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non marketable available-for-sale securities—Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

d. Property and Equipment—Property and equipment are stated at cost. Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998.

The range of useful lives is principally from 6 to 50 years for buildings and structures, from 8 to 10 years for machinery and equipment and from 2 to 15 years for furniture and fixtures.

e. Long-lived Assets—The Exchange reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

f. Other Assets—Software is stated at cost. Amortization is computed by the straight-line method at rates based on the estimated useful lives (five years) of the assets.

g. Allowance for Doubtful Accounts—The allowance for accounts is stated in amounts considered to be appropriate based on the Exchange's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

h. Stock Issuance Costs—Stock issuance costs are charged to income as incurred.

i. Retirement Benefits—The Exchange has an unfunded severance indemnities plan for its employees and accounts for the liability for retirement benefits based on the projected benefit obligations at the balance sheet date.

Effective March 31, 2009, the Exchange terminated its unfunded retirement allowance plan for all directors and corporate auditors. The outstanding balance of retirement allowances for directors and corporate auditors as of March 31, 2009 was reclassified to long-term accounts payable for directors' retirement benefits in the year ended March 31, 2009.

j. Leases—In March 2007, Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Exchange applied the revised accounting standard effective April 1, 2008. In addition, the Exchange accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. There is no effect of adoption of the new accounting method on loss before income taxes.

k. Income Taxes—The provision for income taxes is computed based on the pretax income included in the statement of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

l. Foreign Currency Transactions—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statement of operations.

m. Per Share Information—Basic net loss per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share is not disclosed because of the Exchange's net loss position.

The board of directors approved to pay no dividend from the appropriation of retained earnings for the year ended March 31, 2009 at the meeting held on May 19, 2009.

3. INVESTMENT SECURITIES

Investment securities as of March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Investment securities :		
Government bonds	¥ 1,697	\$ 17,276
Available-for-sale securities	2	20
Total	¥ 1,699	\$ 17,296

The carrying amount and aggregate fair value of investment securities at March 31, 2009 were as follows:

	Millions of Yen			Fair Value
	Carrying Amount	Unrealized Gains	Unrealized Losses	
Securities classified as held-to-maturity debt securities	¥1,697	¥36		¥1,733

	Thousands of U.S. Dollars			Fair Value
	Carrying Amount	Unrealized Gains	Unrealized Losses	
Securities classified as held-to-maturity debt securities	\$ 17,276	\$ 366		\$ 17,642

Investment securities in an associated company and available-for-sale securities whose fair values are not readily determinable as of March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Associated company	¥ 167	\$ 1,700
Available-for-sale—Equity securities	2	20

The carrying values of debt securities by contractual maturities for securities classified as held-to-maturity at March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	Held-to-maturity	Held-to-maturity
Due within one year		
Due after one year through five years	¥ 1,197	\$ 12,186
Due after five years through ten years	500	5,090
Due after ten years		
Total	¥ 1,697	\$ 17,276

4. LOSS ON IMPAIRMENT OF LONG ASSETS

The Exchange recorded an impairment loss as of March 31, 2009 as follows:

Location	Use	Classification	Millions of Yen	Thousands of U.S. Dollars
Head Office	Trading system	Furniture and fixtures	¥ 67	\$ 681
		Software	176	1,792
		Lease	486	4,948
Total			¥ 729	\$ 7,421

To measure an impairment loss, assets are grouped by single business unit because the Exchange operates in a single industry, whereas each property or equipment categorized into idle assets is grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows generated by other assets or asset groups.

In relation with the termination of use of the old trading system along with the introduction of the new trading system on May 7, 2009, the above assets and lease contracts relating to the old trading system are planned to be disposed or canceled after stable operation of the new trading system. The carrying amount of the said assets and the amount equivalent to unpaid lease fees were written down to the recoverable amount and recorded as impairment losses.

5. SUSPENSE RECEIPT OF DELIVERY PAYMENT

Suspense receipt of delivery payment stands for a cash deposit of delivery payments relating to transactions in the Oil market division.

6. OVERDRAFT FACILITY

The Exchange entered into an overdraft facility with a financial institution. The maximum amount of the overdraft facility as of March 31, 2009 is ¥1,000 million (\$10,180 thousand). Time deposits in the amount of ¥1,000 million (\$10,180 thousand) are pledged as collateral for the overdraft facility as of March 31, 2009. The overdraft facility is not utilized as of March 31, 2009.

7. MEMBER DEPOSITS

According to the Commodity Exchange Act and other relevant rules of the Exchange, the Exchange receives member deposits from each member. Deposited assets are in the form of cash or acceptable substitute securities in accordance with the rules of the Exchange. The substitute securities were not included in the balance sheet because the Exchange is not authorized to dispose the securities. The applied price and aggregate fair value of the substitute securities are ¥29 million (\$295 thousand) and ¥46 million (\$468 thousand), respectively.

8. RETIREMENT BENEFITS

Retirement allowances for employees are determined on the basis of length of service and current base salary at the time of termination. If the termination is involuntary, the employee is usually entitled to a larger payment than in the case of voluntary termination.

The liability for employees' retirement benefits at March 31, 2009, consisted of the following:

	Millions of Yen	Thousands of U.S. Dollars
Projected benefit obligation	¥ 592	\$ 6,027
Net liability	¥ 592	\$ 6,027

The components of net periodic retirement benefit costs for the year ended March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Service cost	¥ 128	\$ 1,303
Net periodic retirement benefit costs	¥ 128	\$ 1,303

9. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year end-dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as: (1) having a Board of Directors; (2) having independent auditors; (3) having a Board of Corporate Auditors; and (4) a term of service of directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Board of Directors of companies with board committees (an appointment committee, compensation committee and audit committee) can also do so because such companies with board committees already, by nature, meet the above criteria under the Companies Act, even though such companies have an audit committee instead of the Board of Corporate Auditors. The Exchange is organized as a company with board committees.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Exchange converted its organizational structure from a membership organization to an incorporated corporation on December 1, 2008, pursuant to the provision of Article 121 of the Commodity Exchange Act. According to the organizational conversion plan approved at the extraordinary meeting of members held on July 29, 2008, the Exchange, at the time of the conversion to incorporated corporation, allocated 12,400 shares of common stock and of non-voting stock, from the calculations based on a unit number of contribution and the corporate value of the Exchange on the day preceding the conversion to incorporated corporation, to each former member (91 members as of November 30, 2008). This led to the total number of shares issued to reach 1,211,973 shares. Member's capital of ¥598 million (\$6,088 thousand) was transferred into common stock and admission money of ¥629 million (\$6,403 thousand) was transferred into other capital surplus. Cash-in-lieu payments at the conversion to incorporated corporation of ¥8 million (\$82 thousand) were distributed from other capital surplus.

Also at the time of the conversion to incorporated corporation, the Exchange raised ¥2,782 million (\$28,322 thousand) through third-party fundraising by issuing 1,912,600 shares of new common stock at an issue price of ¥1,455 per share and one-half of raised amount was allocated to additional paid-in capital.

The Companies Act requires that an amount equal to 10%-of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolutions of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are now presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

d. Non-voting Stock

Non-voting shareholders may not exercise voting rights with respect to any of the matters that can be voted on at the general meeting of shareholders.

Under the current share multiplier prescribed by the Exchange, one share of non-voting stock corresponds to 100 shares of common stock. Under certain circumstances, one share of non-voting stock will be converted into 100 shares of common stock.

When the Exchange distributes a dividend to the common stock holders, it shall also distribute a dividend to the non-voting stock holders at the rate of 1.2 times per one share of non-voting stock (equivalent to 100 shares of common stock).

If the Exchange distributes residual assets to the common stock holders, it shall also distribute residual assets to the non-voting stock holders based on the proportion of 100 shares of common stock to one non-voting stock.

10. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥42 million (\$428 thousand).

11. ENTRY ADJUSTMENT MONEY FOR NEW MEMBERS

Entry adjustment money for new members was received as adjustment payments paid in installments from new broker membership holders contributing to the existing members' efforts to establish and maintain the existing markets of the Exchange. However, the entry adjustment money for new members has been abolished at the time of the conversion to incorporated corporation.

12. INCOME FROM ELECTRONIC TRADING SYSTEMS

Income from electronic trading systems was received as adjustment payments paid in installments as a share of expenses for trading system development from former market and broker members. However, the income from electronic trading systems has been abolished at the time of the conversion to incorporated corporation.

13. REWARD FOR SERVICES FOR WITHDRAWING MEMBERS

Reward for services for withdrawing members was a proportional reward made to a broker member, pursuant to the resolution of the board of directors, based on the member's degree of contribution to the development of the market, at the time of a broker member's withdrawal when the Exchange was a membership organization. Reward for services for withdrawing members was abolished at the time of the conversion to incorporated corporation.

14. RESTRUCTURING EXPENSES

Restructuring expenses were mainly midterm cancellation fees linked to the old trading system. These cancellation fees are payable to the old trading system administrator, since the Exchange introduced its new trading system earlier than originally planned, in order to improve its competitiveness as soon as possible.

15. INCOME TAXES

The Exchange is subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.7% for the year ended March 31, 2009.

The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities at March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Deferred tax assets:		
Accrued bonuses	¥23	\$ 234
Restructuring expenses	83	845
Impairment loss	297	3,024
Liability for employees' retirement benefits	241	2,453
Long-term accounts payable for directors' retirement benefits	104	1,059
Allowance for doubtful accounts	12	122
Tax loss carryforwards	331	3,370
Other	20	203
Offset with deferred tax liabilities	(2)	(20)
Less valuation allowance	(1,109)	(11,290)
Total		
Deferred tax liabilities:		
Enterprise tax receivable	¥(2)	\$ (20)
Offset with deferred tax assets	2	20
Total		
Net deferred tax assets		

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying statement of operations for the year ended March 31, 2009 was as follows:

Normal effective statutory tax rate	40.7%
Expenses not deductible for income tax purposes	(0.9)
Income not taxable for income tax purposes	0.4
Inhabitant tax	(0.3)
Changes in valuation allowance	(56.8)
Other—net	(0.1)
Actual effective tax rate	(17.0)%

16. REPAYMENT FOR REDUCTION OF RETAINED EARNINGS FOR SECEDING MEMBERS

Repayment for reduction of retained earnings for seceding members was a proportional repayment of member's capital, pursuant to the resolution of the board of directors, at the time of a member's withdrawal when the Exchange was a membership organization. Repayment for reduction of retained earnings for seceding members was abolished at the time of the conversion to incorporated corporation.

17. LEASES

As discussed in Note 2.j, the Exchange accounts for leases, which existed at the transition date and did not transfer ownership of the leased property to the lessee, as operating lease transactions. Pro forma information of such leases existing at the transition date, such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, depreciation expense, interest expense and other information, on an "as if capitalized" basis for the year ended March 31, 2009 was as follows

	Millions of Yen		
	Furniture and Fixtures	Other Assets	Total
Acquisition cost	¥1,360	¥58	¥1,418
Accumulated depreciation	(858)	(47)	(905)
Accumulated impairment loss	(477)	(9)	(486)
Net leased property	¥25	¥2	¥27

	Thousands of U.S. Dollars		
	Furniture and Fixtures	Other Assets	Total
Acquisition cost	\$ 13,846	\$ 590	\$ 14,436
Accumulated depreciation	(8,735)	(478)	(9,213)
Accumulated impairment loss	(4,856)	(92)	(4,948)
Net leased property	\$ 255	\$ 20	\$ 275

Obligations under finance leases:

	Millions of Yen	Thousands of U.S. Dollars
	Due within one year	¥523
Due after one year	1	10
Total	¥524	\$ 5,334

Allowance for impairment loss on leased property of ¥486 million (\$4,948 thousand) as of March 31, 2009 is not included in obligations under finance leases.

Depreciation expense, interest expense and other information under finance leases:

	Millions of Yen	Thousands of U.S. Dollars
Depreciation expense	¥331	\$ 3,370
Interest expense	13	132
Total	¥344	\$ 3,502
Lease payments	¥348	\$ 3,543
Impairment loss	486	4,948

Depreciation expense and interest expense, which were not reflected in the accompanying statement of operations, are computed by the straight-line method and the interest method, respectively.

18. COMMITMENTS AND CONTINGENT LIABILITIES

The Exchange entered into a guarantee agreement of compensation for losses with Japan Commodity Clearing House Co., Ltd. ("JCCH") on December 1, 2008.

In accordance with this agreement, when JCCH incurs losses because an Exchange member defaults on liabilities in market transactions, the Exchange shall pay from the security reserve fund, which has ¥2,100 million (\$21,378 thousand) in retained earnings at March 31, 2009, against the default to JCCH, if liabilities still remain after transferring the deposits held at the Exchange by such member to JCCH.

19. RELATED PARTY DISCLOSURES

The Exchange owned the following affiliated company's share as of March 31, 2009:

	Percentage of Ownership
Japan Commodity Clearing House Co., Ltd.	26.0%

Transactions of the Exchange with the affiliated company for the year ended March 31, 2009 were immaterial.

The balances due to or from the affiliated company at March 31, 2009 were also immaterial.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tokyo Commodity Exchange, Inc.:

We have audited the accompanying balance sheet of Tokyo Commodity Exchange, Inc. (the "Exchange") as of March 31, 2009, and the related statements of operations, changes in equity, and cash flows for the year then ended, all expressed in Japanese yen. These financial statements are the responsibility of the Exchange's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tokyo Commodity Exchange, Inc. as of March 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 16, 2009