

# *Consolidation and Demutualisation*

## *- What Strategies should Exchanges adopt for the Future? -*

*The 5<sup>th</sup> 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"