

FACT BOOK 2008



Japan Securities Dealers Association

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Securities Market in 2007

1) Economic Overview

Looking back on 2007, the Japanese economy was characterized by overseas factors such as the sub-prime loan problems in the United States and the resulting global turmoil in financial and capital markets, the steep rise in crude oil prices and soaring prices for raw materials such as grain. There were also many domestic factors such as a sharp drop in housing starts. These factors caused a big decline in private demand and the real GDP growth rate in 2007 slowed during and after the period from April to June.

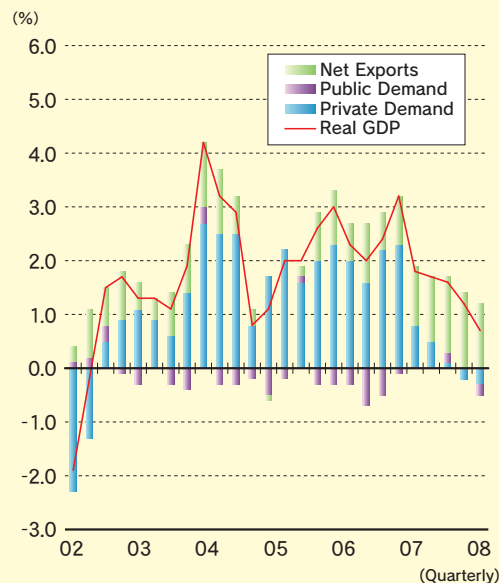
On the other hand, net exports demonstrated a continued growth trend thanks to the economic expansion achieved by BRICs, particularly China, the business recovery by the EU and other factors.

The current profit trend, which had hit the bottom in fiscal 2001 and had been on the rise up to fiscal 2006, turned downward in fiscal 2007 but remained at a high level. Totalling ¥53,489 billion, it fell ¥889 billion from the previous fiscal year.

The current profit to sales ratio was 3.4%, also down by 0.1% from the previous fiscal year.

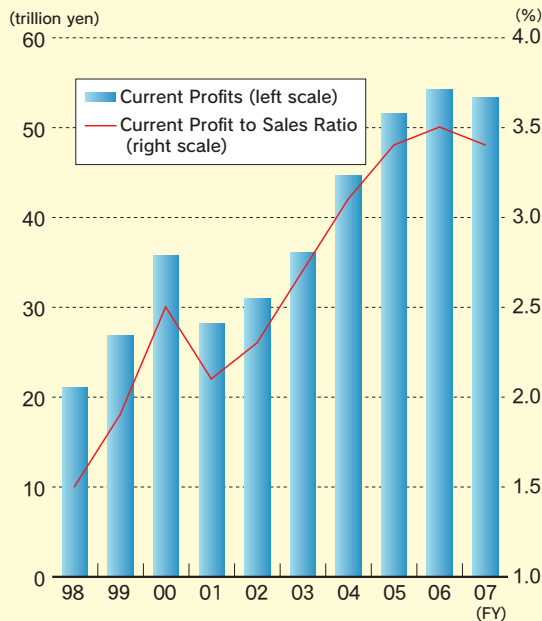
As a whole, manufacturers recorded an increase in profits and non-manufacturers incurred a decrease in profits.

Real GDP Growth Rate



Note: Data is year-on-year comparison.
Source: Cabinet Office

Corporate Profits (all industries, all scales of businesses)



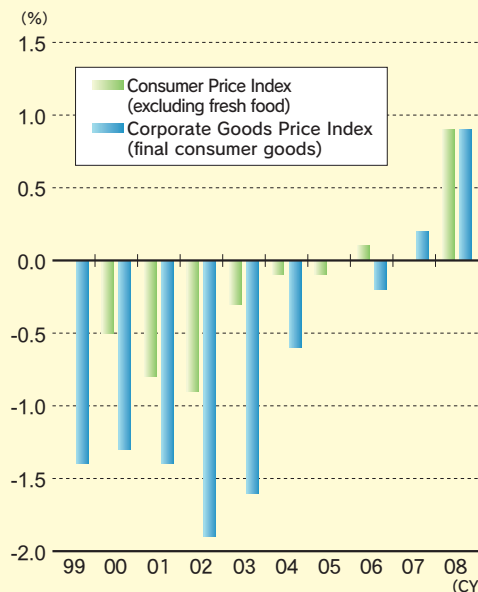
Source: Ministry of Finance

The Consumer Price Index (CPI), which had been recording negative growth for six consecutive years from 2000 to 2005 under deflationary conditions, turned slightly positive in 2006. Although the CPI was almost flat in 2007, it increased by 0.9% over the first 6 months in 2008.

On the other hand, the Corporate Goods Price Index (CGPI) which had continued to be negative up to 2006 except 2005 showed an increase of 0.2% in 2007 and 0.9% for the first 6 months in 2008.

The increase of crude oil prices and raw materials costs such as grains due to the expansion of demand in emerging countries provided the background to the increase in both CPI and CGPI.

Consumer Price and Corporate Goods Price Indices

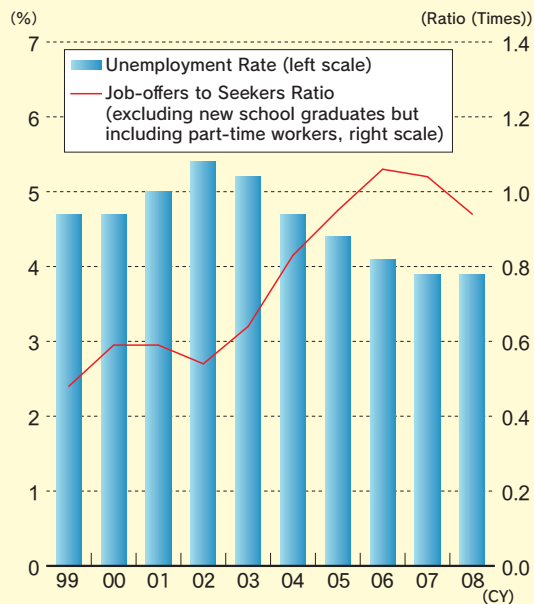


Note: Data is annual average except for 2008, which includes only up until June and is seasonally adjusted.
Source: Ministry of Internal Affairs and Communications, Bank of Japan

While employment circumstances differ by regions, employment conditions continued to improve moderately. The unemployment rate has declined for five consecutive years after hitting the peak in 2002. It fell below the level of 4% to 3.9% in 2007, the lowest level in the past ten years.

Backed by a growth trend for job-offers and a contraction trend for job-seekers, the job-offers to seekers ratio in 2007 exceeded 1.00 and has done so for three consecutive years since 2005.

Employment Conditions



Note: Data is annual average except for 2008, which includes only up until March and is seasonally adjusted.
Source: Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare

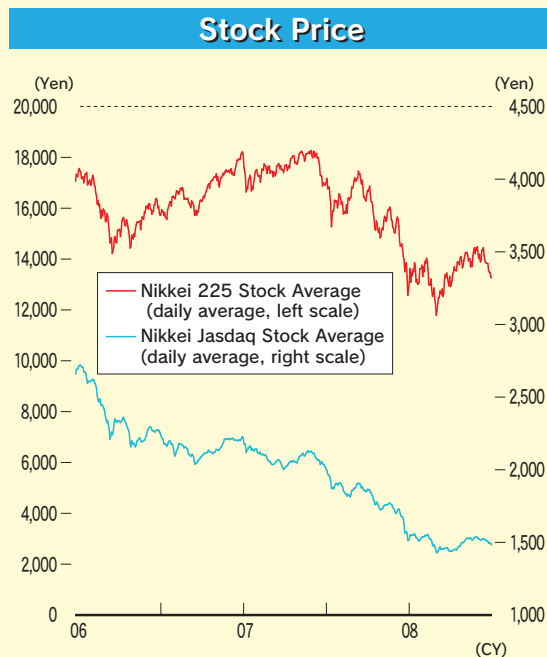
2) Stock Market

In 2007, the stock market's horizon became cloudy in the latter half of the year against a backdrop of concern over the deepening U.S. sub-prime loan problems. Although the Nikkei 225 Stock Average topped ¥18,000 early in July, it then swung downward and fell at one point below ¥15,000 toward the end of November. The Nikkei closed the year at ¥15,307.78.

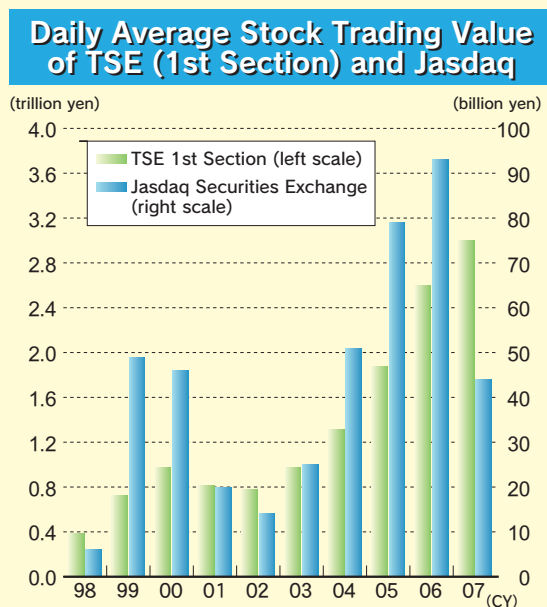
The slump in stock prices that has been in effect since the January 2006 Livedoor scandal continued in the emerging equity market. The Nikkei Jasdac Average Price declined toward the end of year and fell at one stage to the ¥1,600 level, a low for the year. In the wake of sluggish performances by emerging companies as well as disclosure of various scandals, lead managing securities firms and stock exchanges tightened screening of new listings.

The daily average stock trading value of the 1st Section of the Tokyo Stock Exchange has increased for five consecutive years after hitting the bottom in 2002, and reached the level of ¥3 trillion in 2007.

On the other hand, although the daily average stock trading value of Jasdac Securities Exchange also reached the bottom in 2002 and displayed an upward trend until 2006, in 2007 it fell to ¥44.9 billion, almost half that of the previous year (¥93.9 billion). This drop was supposedly due to the cautious investing attitude of the market's main participants, individual investors. These investors were negatively influenced by the continuous discovery of market abuse after the Livedoor scandal and the downward revisions of corporate business performances.



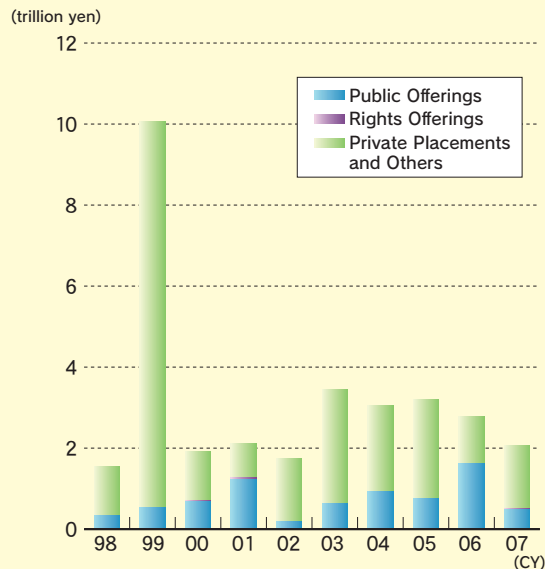
Source: Nihon Keizai Shimbun



Note: Data for Jasdac Securities Exchange before 2004 comes from the previous Jasdac Market. Data for Jasdac Market in 2004 was only for the period from January 1 to December 12. The figure of NEO has been included since November 13, 2007.
Source: Tokyo Stock Exchange, Jasdac Securities Exchange

In 2007, equity financing (paid-in capital increase) by publicly listed companies totaled ¥2.0 trillion, decreasing 25.9% from ¥2.7 trillion in the previous year. Looking at issuing categories, while the amount of public offerings remained at ¥0.5 trillion, about 30% of the ¥1.6 trillion recorded in the previous year, private placement increased 34.8% year on year to ¥1.6 trillion.

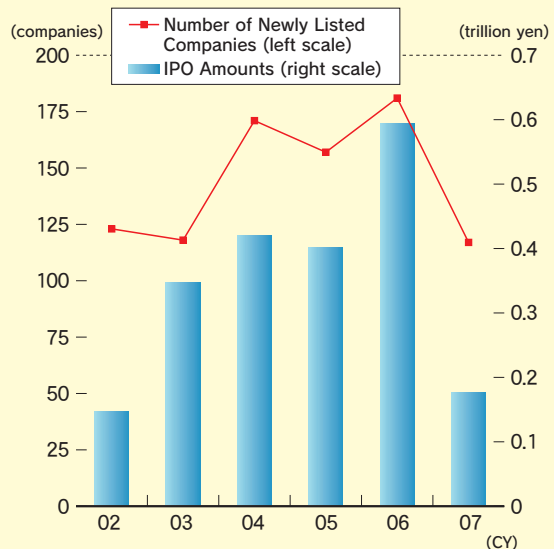
Equity Financing (paid-in capital increase) by Corporations



Notes: 1. Private placements and others include preferred stocks and private placements.
 2. Data for Jasdaq Market in 2004 was only for the period from January 1 to December 12.
 Source: Tokyo Stock Exchange, Japan Securities Dealers Association

In 2007, a total of 117 companies went public, down by 64 companies over the previous year. Total capital raised through IPOs contracted by 70.3% to ¥177 billion.

Number of Newly Listed Companies and IPO Amounts



Notes: 1. IPOs include public offerings by foreign companies that are listed in Japan.
 2. Data for Jasdaq Market in 2004 was only for the period from January 1 to December 12.
 Source: Japan Securities Dealers Association

3) Bond Market

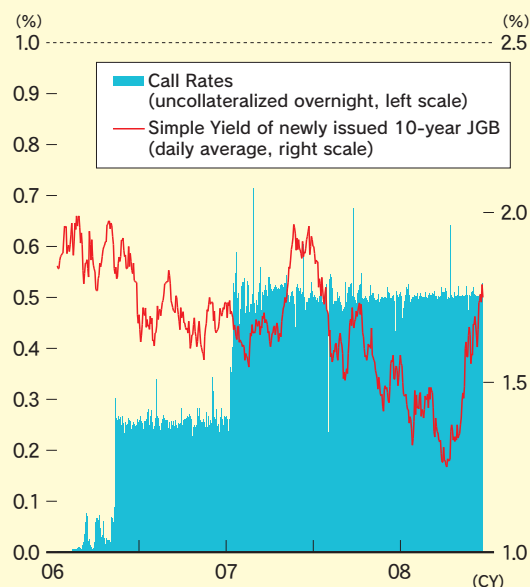
Looking at interest rate trends during 2007, since the guiding target level for the short-term rate (uncollateralized overnight call money) was raised to 0.5% from 0.25% in the BOJ' s monetary policy meeting in February, and the short-term rate moved stably around that level.

The long-term interest rate remained more or less at the same level until mid-May due to the cautious view of future economic trends. Thereafter, thanks to improved sentiment about domestic and overseas business conditions, stronger U.S. employment statistics and growth in domestic orders for machinery, etc., it rose substantially from early June to early July, reaching the level of 1.9% at one point.

However, the long-term interest rate began to decline due to the downward reversal in European and U.S. interest rates and the sharp drop in the Nikkei 225 influenced by the sub-prime loan problems. Over the remaining period to the end of the year, it fell to the level of 1.4% for the first time since the beginning of 2006, which was just before the termination of the quantitative relaxation policy.

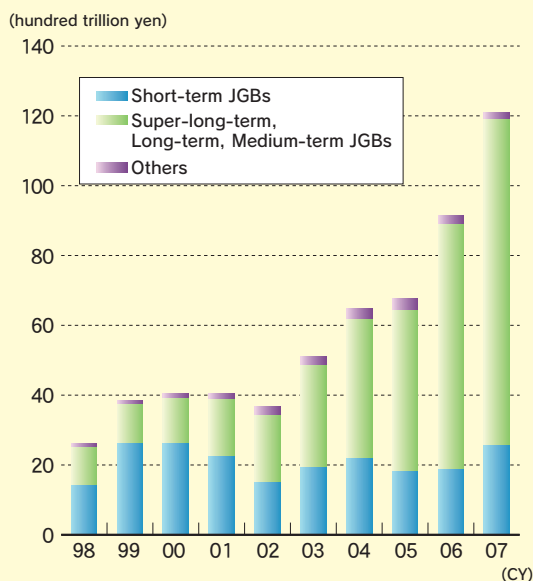
In 2007, the total OTC bond trading volume (including Repos) increased by 32.1% to ¥12,097 trillion of which the trading volume of JGBs rose 33.8%, to ¥11,890 trillion. In particular, super-long-term and long-term JGBs with terms of 10 years or more climbed 40.2%, to ¥6,142.5 trillion.

Long-term and Short-term Interest Rates



Source: Bank of Japan, Tokyo Stock Exchange

OTC Bond Trading (Including Repos)

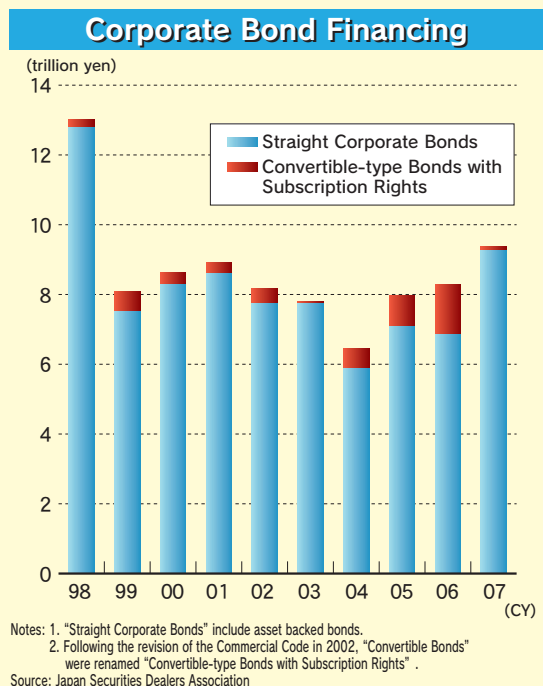


Notes: "Short-term JGBs" are the total of financial bills and treasury bills.
Source: Japan Securities Dealers Association

In 2007, corporate bond financing in the Japanese market increased by 13.3% year on year to ¥9.4 trillion.

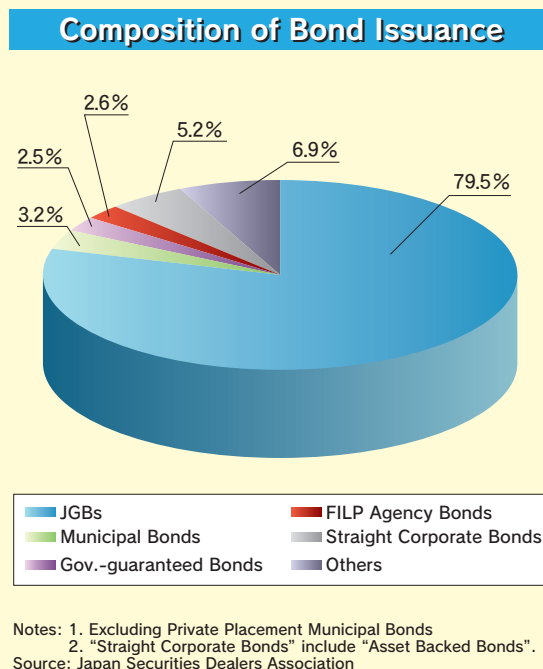
Corporate straight bond issuance expanded by 34.9%, to ¥9.2 trillion. Issuance of convertible-type bonds with subscription rights decreased by 91.0%, to ¥0.1 trillion.

While the trend for equity financing was sluggish as a whole, issuance of corporate bonds increased substantially and approached the level of ¥10 trillion.



In 2007, public and corporate bonds issuance decreased by 16.2% to ¥176.5 trillion. By bond category, JGB issuance fell by 20.0% to ¥140.4 trillion. Issuance of municipal bonds declined by 5.4% to ¥5.7 trillion. Government-guaranteed bonds issuance increased by 0.6% to ¥4.4 trillion and FILP (Fiscal Investment and Loan Program) agency bonds issuance edged up by 1.4%, to ¥4.5 trillion. On the other hand, straight corporate bonds increased 34.9% to ¥9.2 trillion.

Looking at the composition of bond issuance volume, the breakdown was as follows: JGBs, 79.5%; municipal bonds, 3.2%; government-guaranteed bonds, 2.5%; FILP agency bonds, 2.6%; and straight corporate bonds, 5.2%.



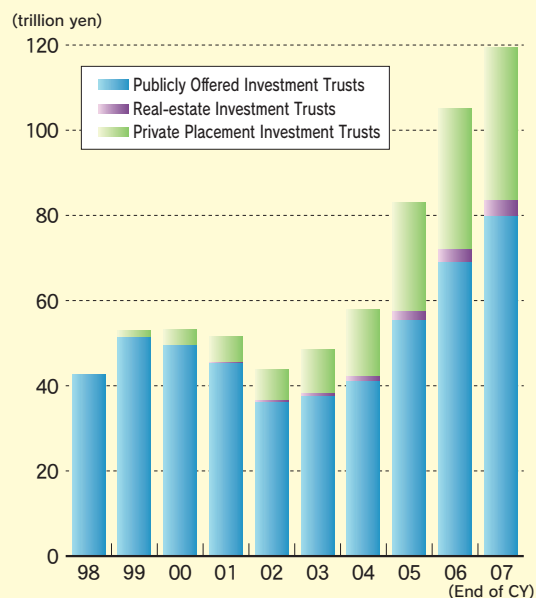
4) Investment Trust

Net assets of investment trusts as of the end of 2007 increased by ¥14,411 billion to ¥119,478 billion, having set new record levels for two consecutive years.

Looking at the breakdown, publicly offered investment trusts accounted for ¥79,761 billion, real-estate investment trusts contributed ¥3,687 billion and private placement trusts accounted for ¥36,031 billion.

Such growth in net assets can be attributed to the popularity of monthly dividend type funds, etc.

Net Assets Held in Investment Trusts



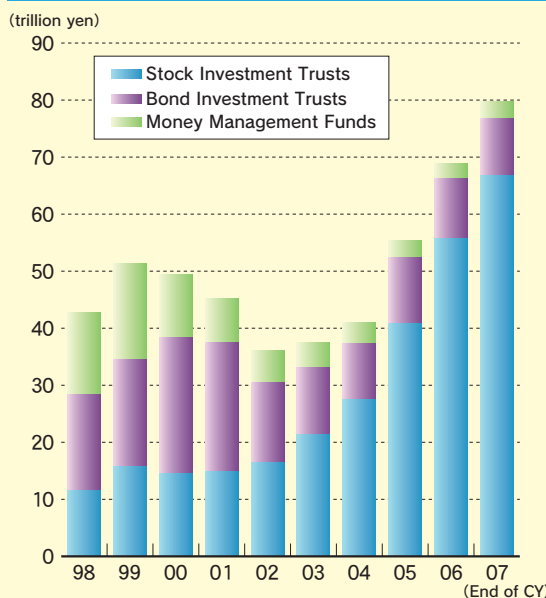
Source: The Investment Trusts Association

Among publicly offered contractual-type securities investment trusts, stock investment trusts posted an increase of net assets for the seventh consecutive year since the end of 2000. At ¥66,784 billion, stock investment trusts were up ¥11,127 billion from the end of the previous year.

On the other hand, net assets of bond investment trusts decreased for the second consecutive year to ¥10,577 billion, down ¥518 billion over the previous year.

Net assets of MMFs, which had decreased for seven consecutive years since 1999, recovered to ¥2,917 billion, up ¥224 billion from a year earlier.

Net Assets Held in Publicly Offered Contractual-type Securities Investment Trusts



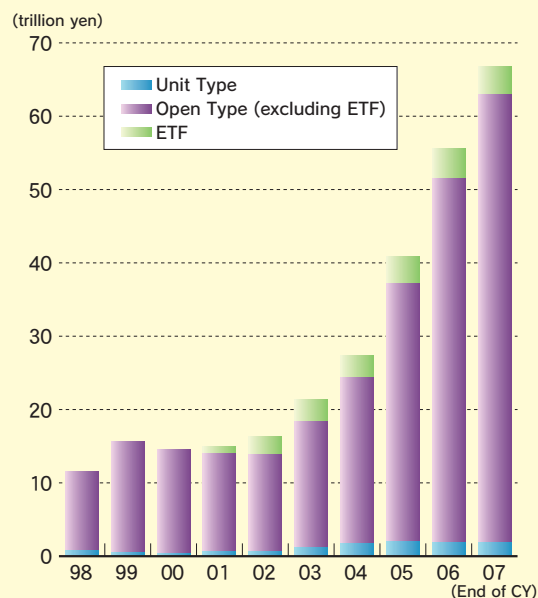
Source: The Investment Trusts Association

Among publicly offered contractual-type stock investment trusts, unit-type trusts had net assets of ¥1,875 billion, almost the same amount as in the previous year.

Net assets held in open type trusts (excluding ETF) recorded an increase of net assets for the five consecutive years since the end of 2002. At ¥61,030 billion, this investment trust class was up ¥11,364 billion from the end of the previous year.

ETFs, which had steadily expanded since their introduction in 2001, declined for the first time under pressure from the stock market decline since the middle of the year 2007. Totalling ¥3,879 billion, ETFs were down ¥238 billion year on year.

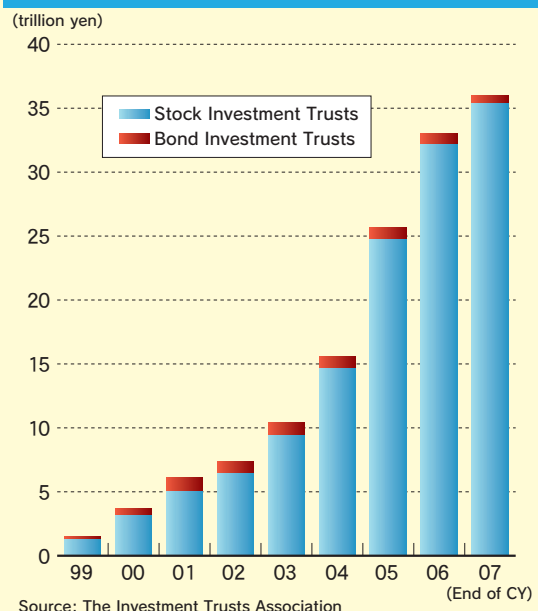
Net Assets Held in Publicly Offered Contractual-type Stock Investment Trusts



Among private placement contractual-type securities investment trusts, net assets of stock investment trusts increased for the eighth consecutive year since 1999. Totalling ¥35,407 billion, this net asset class rose ¥3,220 billion from the end of the previous year.

On the other hand, net assets of bond investment trusts decreased for the fourth consecutive year. At ¥624 billion, this category was down ¥176 billion from a year earlier.

Net Assets Held in Private Placement Contractual-type Investment Trusts



5) Investor Trend

Among institutional investors, life and non-life insurance companies and pension funds have reduced their net investments in securities other than equities in both fiscal 2006 and fiscal 2007. In fiscal 2007, they made investments of ¥5.1 trillion, down ¥5.8 trillion from the previous fiscal year.

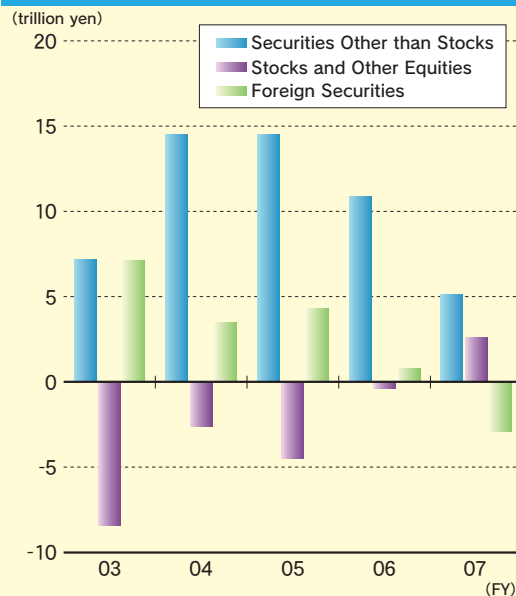
Their investments in stocks and other equities grew ¥3.2 trillion from the previous fiscal year, rebounding to a net increase of ¥2.7 trillion.

On the other hand, their investments in foreign securities decreased for the third consecutive year since fiscal 2005. Recording a net decline of ¥3.0 trillion, their investments in foreign securities were down ¥3.8 trillion from a year earlier.

Looking at individual investor trends, securities investment totaled ¥14.0 trillion, expanding by ¥4.6 trillion from FY 2006.

By category, while investments in securities other than stocks—considered to mainly be JGBs—decreased, the decline in investments in stocks and other equities contracted. Investments in foreign securities amounted to ¥3.6 trillion, growing by ¥3.7 trillion from minus ¥73 billion recorded in the previous fiscal year. The growth in foreign securities investment seemed to reflect active investments by households in foreign-currency denominated bonds with high-interest rates based on speculation that the Yen depreciation would be prolonged.

Investments by Institutional Investors (Insurance Companies and Pension Funds)



Source: Bank of Japan

Investments by Individual Investors (Household)



Source: Bank of Japan

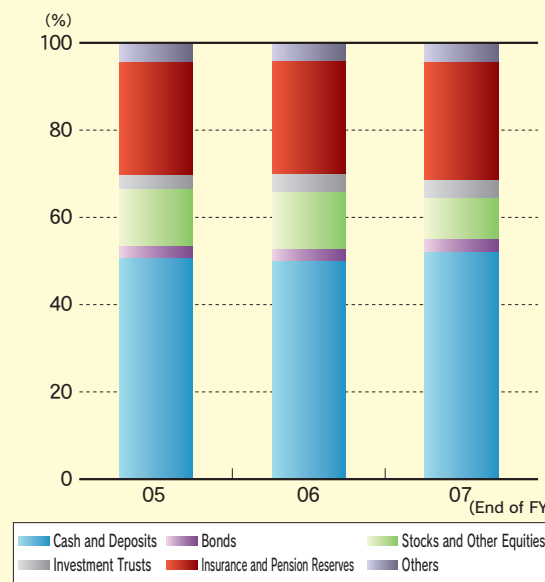
Household financial assets at the end of March 2008 decreased by ¥55.3 trillion, to ¥1,490 trillion.

Looking at the breakdown, stocks and other equities dropped ¥61.2 trillion, to ¥139.2 trillion.

On the other hand, cash and deposits increased by ¥6.9 trillion, to ¥775.1 trillion, exceeded the majority of total assets, and bonds rose by ¥1.0 trillion, to ¥44.3 trillion.

From these data, further to the impact of stock price decline, it is estimated that individual investors prefer relatively-safe products like deposits and bonds to risk bearing products.

Composition of Household Financial Assets



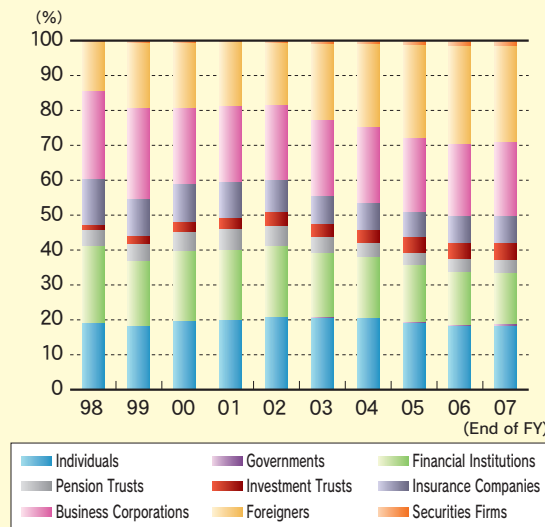
Note: "Bonds" include trust beneficiary rights.
Source: Bank of Japan

According to a stockholding survey at the end of March 2008, total investment assets were ¥400.2 trillion, decreasing in all sectors of investments by ¥168.3 trillion year on year.

This decline resulted mainly because of a slump in stock markets in reaction to the global financial market turmoil triggered by sub-prime loan issues.

The proportion of stockholdings by foreigners had been in an upward trend until fiscal 2006 after hitting the bottom in fiscal 2002. However, foreigners were net sellers of Japanese stocks in fiscal 2007. Consequently, their proportion slipped to 27.6%, decreasing by 0.4 % from previous fiscal year.

Stockholdings by Type of Investors (Market Value Basis)

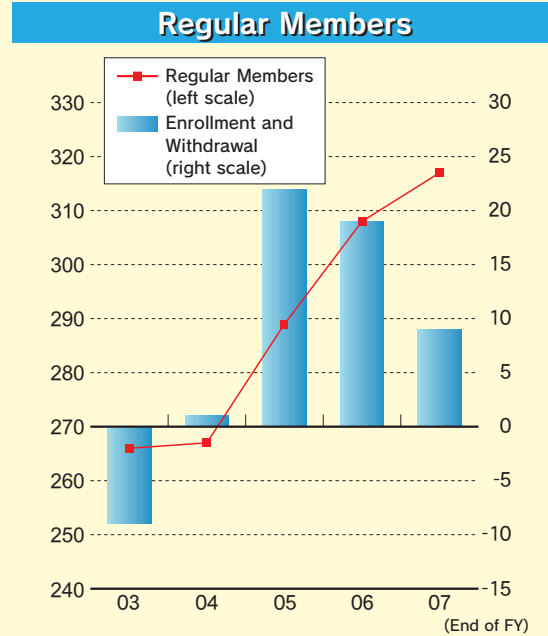


Notes: 1. "Governments" include central and regional governments.
2. "Financial Institutions" do not include "Pension Trusts", "Investment Trusts" and "Insurance Companies".
3. Figures cover all exchange-listed stocks excluding foreign stocks.
Source: Tokyo Stock Exchange

Member Firms

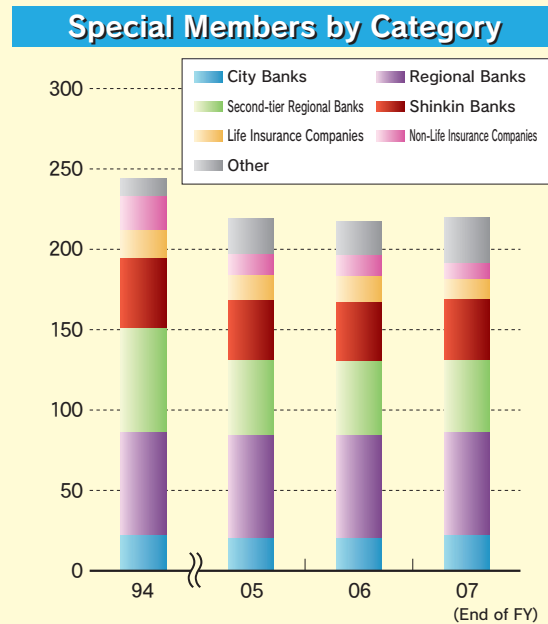
1) Number of Member Firms

The number of regular members (securities firms) as of the end of March 2008 was 317, increasing by 9 from the year before mainly due to newcomers.



Source: Japan Securities Dealers Association

The number of special members as of the end of March 2008 was 220, increasing by 3 from the previous year. A breakdown by categories shows 6 city banks (unchanged), 16 trust banks (up by 2), 64 regional banks (unchanged), 45 second-tier regional banks (down by 1), 37 shinkin banks (up by 1), 12 life insurance companies (down by 4), 10 non-life insurance companies (down by 3) and others.

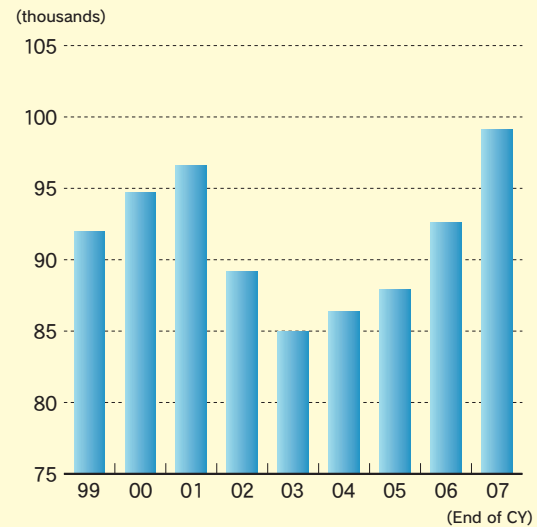


Note: 1. Data for 1994 is as of April 1, when special members enrolled in JSDA.
 2. City Banks includes city banks and trust banks.
 Source: Japan Securities Dealers Association

2) Securities Firms' Employees

The number of employees at the end of December 2007 was approximately 99,000, rising by about 7,000 from the year before.

Number of Securities Firms' Employees



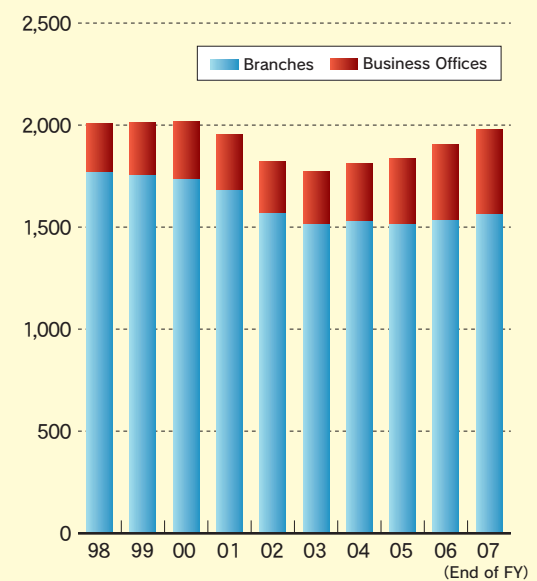
Source: Japan Securities Dealers Association

3) Securities Firms' Domestic Offices

The number of securities firms' domestic branches as of the end of March 2008 was 1,561, advancing by 1.8% from the previous fiscal year.

The number of business offices was 418, up 12.3%. The number of domestic branches and offices excluding head offices rose 3.8% year on year, to 1,979.

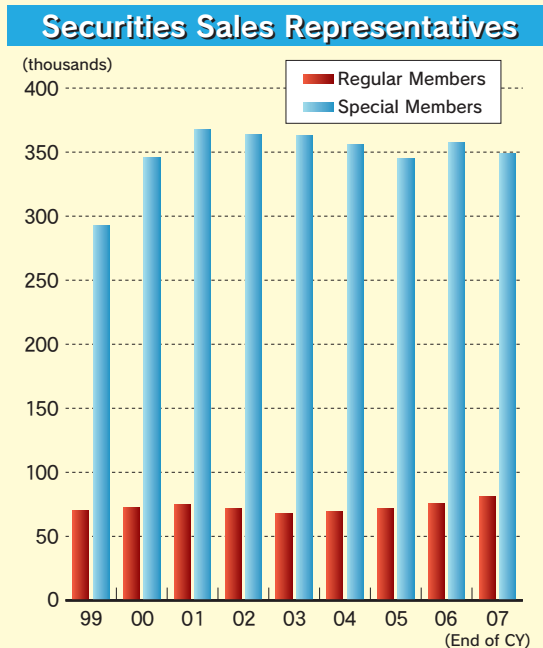
Securities Firms' Domestic Offices



Source: Japan Securities Dealers Association

4) Securities Sales Representatives

The number of securities sales representatives as of the end of December 2007 was approximately 430,000, decreasing by about 3,000 year on year. The number of securities sales representatives belonging to securities firms was 81,000, expanding by roughly 5,000 from the year before. The number of securities sales representatives belonging to registered financial institutions was 349,000, declining by about 8,000 from a year earlier.

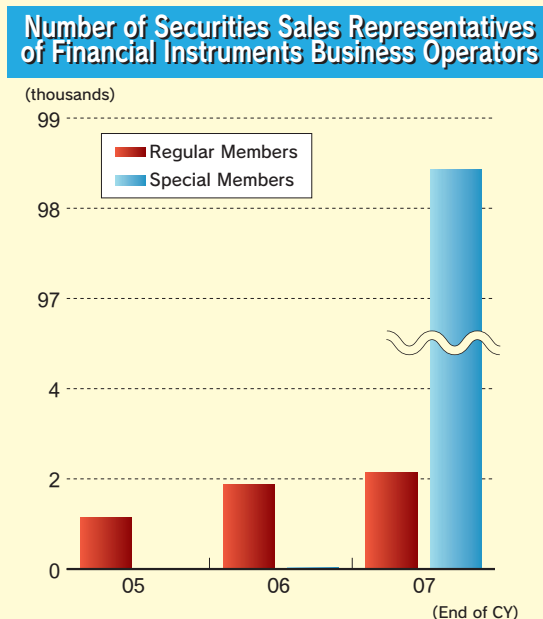


5) Securities Sales Representatives of Financial Instruments Intermediary Service Providers

The number of securities sales representatives of financial instruments intermediary service providers at the end of December 2007 jumped to 101,000, rising by 99,000 year on year, due to the establishment of Japan Post Network following the postal service privatization.

Among them, there were about 2,000 securities sales representatives of financial instruments intermediary service providers affiliated with regular members, up by roughly 300 from a year earlier. The number of them affiliated with special members amounted to 98,000, up by the same number from the previous fiscal year.

*This figure does not include individual financial instruments intermediary service providers.



Performance of Securities Industry

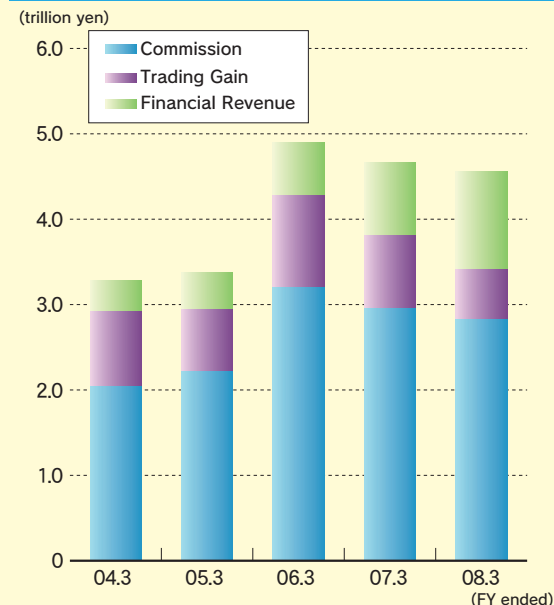
1) Operating Revenues of Member Securities Firms

Looking at the overall performance of the industry (308 securities firms*) during the fiscal year 2007 ended March 2008, the industry recorded total operating revenues of ¥4,583 billion, decreasing by 2.2% from the previous year due to the lower level of commissions and trading gain in light of the stagnation in the stock market triggered by sub-prime loan problems.

Among operating revenues, commissions declined by 4.2% to ¥2,830 billion and trading gain fell by 32.3% to ¥579 billion. On the other hand, financial revenues advanced by 35.6% to ¥1,150 billion due to the increase of interest income from securities lending.

* Of a total of 317 securities firms at the end of March 2008, 9 domestic securities firms are excluded that were pre-startup operation or under business suspension.

Operating Revenues of Member Securities Firms

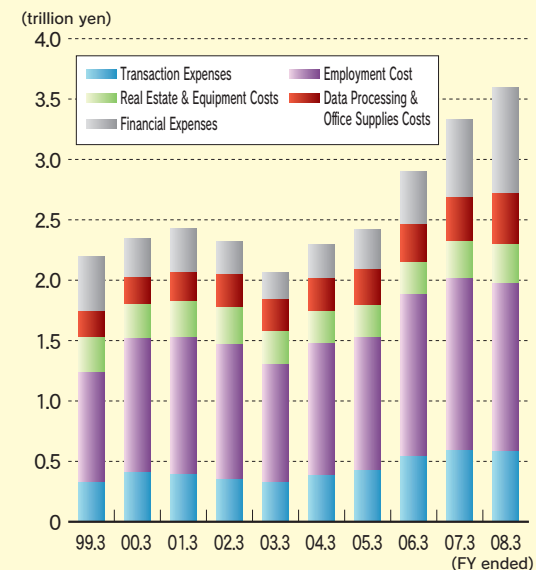


Note: Securities firms that were not in business as of the end of March in each year are excluded.
Source: Japan Securities Dealers Association

2) Operating Expenses of Member Securities Firms

Operating expenses for the fiscal year 2007 ended March 2008 increased by 8.4% to ¥4,003 billion. Among operating expenses, transaction expenses decreased by 0.8% to ¥581 billion, employment cost was cut by 2.9% to ¥1,390 billion. On the other hand, real estate and equipment expenses rose by 8.4% to ¥325 billion and data processing and office supplies expenses by 14.6% to ¥419 billion. Selling and general administrative costs increased by 2.6% to ¥3,124 billion as a whole. Along with the increase of financial revenue, financial expenses rose significantly by 35.9% to ¥879 billion.

Operating Expenses of Member Securities Firms

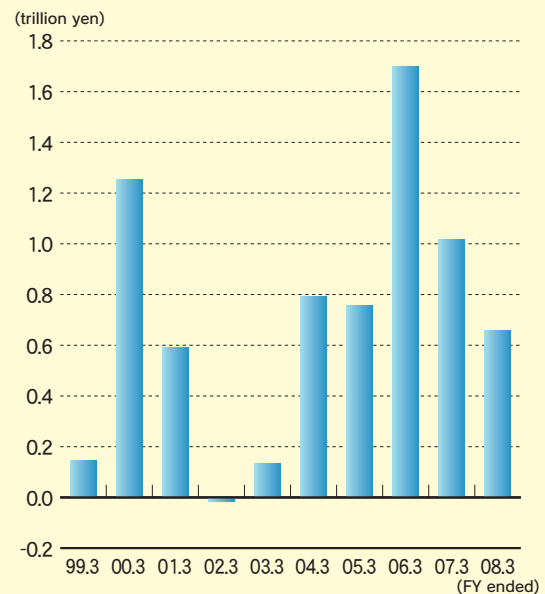


Note: Securities firms that were not in business as of the end of March in each year are excluded.
Source: Japan Securities Dealers Association

3) Current Profits/Losses of Member Securities Firms

Current profits of the fiscal year 2007 ended March 2008 substantially decreased by 35.2% to ¥658 billion.

Current Profits/ Losses of Member Securities Firms



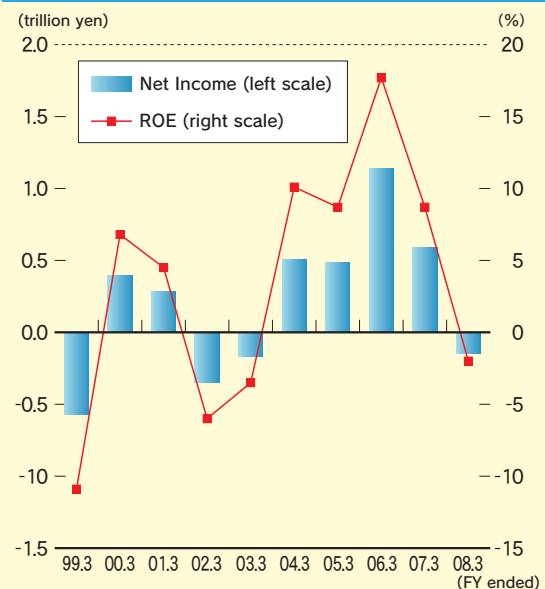
Note: Securities firms that were not in business as of the end of March in each year are excluded.
Source: Japan Securities Dealers Association

4) Net Income/Loss and ROE of Member Securities Firms

Net income for the fiscal year 2007 ended March 2008 decreased by ¥734 billion to -¥146 billion. Return on equity (ROE) was -2.0%, a substantial worsening of -10.7% compared with the previous fiscal year's 8.7%.

Not counting the losses of some major securities firms which registered large extraordinary losses related to sub-prime loan problems, net income was in the black by ¥292 billion and the ROE was 4.5%.

Net Income/ Loss and ROE of Member Securities Firms



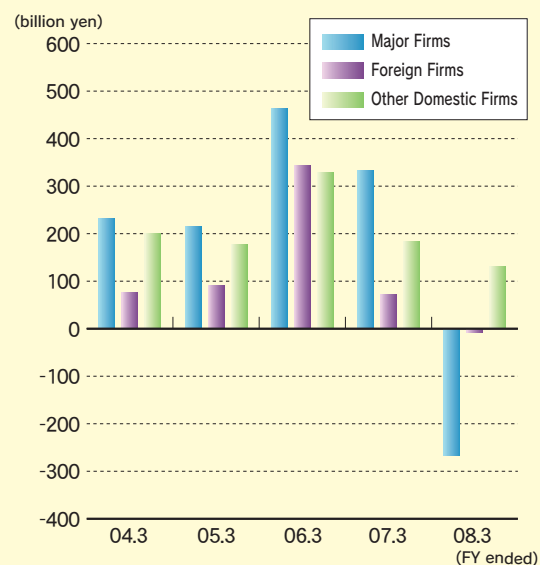
Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.
2. ROE is after-tax profits divided by average stockholders equity.
Source: Japan Securities Dealers Association

5) Net Income/Loss by Type of Member Securities Firms

Looking at net income by category of firms for the fiscal year 2007 ended March 2008, each category recorded substantial declines compared with the previous year's income: major securities firms* down by ¥601 billion to -¥268 billion, foreign securities firms down by ¥80 billion to -¥8.5 billion and other domestic securities firms down by ¥53 billion to ¥130 billion.

* Not counting the losses of some major securities firms which registered large extraordinary losses related to sub-prime loan problems, net income of major securities firms was ¥170 billion.

Net Income/ Loss by Type of Member Securities Firms



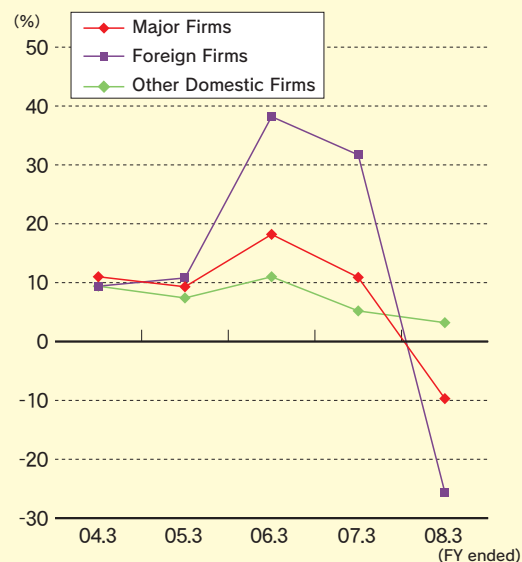
Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.
 2. Major securities firms: Daiwa Securities Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more
 Source: Japan Securities Dealers Association

6) ROE by Type of Member Securities Firms

Looking at ROE by category of firms for the fiscal year 2007 ended March 2008, each category recorded substantially negative ROE compared with the previous year: 20.6% decrease to -9.7% in major securities firms*, 57.3% decrease to -25.6% in foreign securities firms and 2% decrease to 3.2% in the rest of domestic securities firms.

* Not counting the losses of some major securities firms which registered large extraordinary losses related to sub-prime loan problems, ROE of major firms was 7.1%.

ROE by Type of Member Securities Firms



Notes: 1. Firms that were not in business as of the end of March in each year are excluded.
 2. ROE is after-tax profits divided by average stockholders equity.
 3. Major securities firms: Daiwa Securities Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more.
 Source: Japan Securities Dealers Association

Statistical Data

Securities Market in 2007

1) Economic Overview

● Real GDP Growth Rate

(%)

Quarterly	Real GDP Growth Rate (Year-on-year comparison)				
	Private Demand	Public Demand	Net Exports		
2002	1Q	-1.9	-2.3	0.1	0.3
	2Q	-0.2	-1.3	0.2	0.9
	3Q	1.5	0.5	0.3	0.7
	4Q	1.7	0.9	-0.1	0.9
2003	1Q	1.3	1.1	-0.3	0.5
	2Q	1.3	0.9	0.0	0.4
	3Q	1.1	0.6	-0.3	0.8
	4Q	1.9	1.4	-0.4	0.9
2004	1Q	4.2	2.7	0.3	1.2
	2Q	3.2	2.5	-0.3	1.2
	3Q	2.9	2.5	-0.3	0.7
	4Q	0.8	0.8	-0.2	0.3
2005	1Q	1.1	1.7	-0.5	-0.1
	2Q	2.0	2.2	-0.2	0.0
	3Q	2.0	1.6	0.1	0.2
	4Q	2.6	2.0	-0.3	0.9
2006	1Q	3.0	2.3	-0.3	1.0
	2Q	2.3	2.0	-0.3	0.7
	3Q	2.0	1.6	-0.7	1.1
	4Q	2.4	2.2	-0.5	0.7
2007	1Q	3.2	2.3	-0.1	0.9
	2Q	1.8	0.8	0.0	1.1
	3Q	1.7	0.5	0.0	1.2
	4Q	1.6	0.1	0.2	1.4
2008	1Q	1.2	-0.2	0.0	1.4
	2Q	0.7	-0.3	-0.2	1.2

Source: Cabinet Office

● Corporate Profits (all industries, all scales of businesses)

FY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Current Profits (trillion yen)	21	27	36	28	31	36	45	52	54	53
Current Profit to Sales Ratio(%)	1.5	1.9	2.5	2.1	2.3	2.7	3.1	3.4	3.5	3.4

Source: Ministry of Finance

● Consumer Price and Corporate Goods Price Indices

(%)

CY	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Consumer Price Index (excluding fresh food)	0.0	-0.5	-0.8	-0.9	-0.3	-0.1	-0.1	0.1	0.0	0.9
Corporate Goods Price Index (final consumer goods)	-1.4	-1.3	-1.4	-1.9	-1.6	-0.6	0.0	-0.2	0.2	0.9

Note: Figures are annual average except for 2008, which includes only up until June and is seasonally adjusted.

Source: Ministry of Internal Affairs and Communications, Bank of Japan

● Employment Conditions

CY	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Unemployment Rate (%)	4.7	4.7	5.0	5.4	5.2	4.7	4.4	4.1	3.9	3.9
Job-offers to Seekers Ratio (excluding new school graduates but including part-time workers) (Ratio (Times))	0.5	0.6	0.6	0.5	0.6	0.8	1.0	1.1	1.0	0.9

Note: Figures are annual average except for 2008, which include only up until June and are seasonally adjusted.

Source: Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare

2) Stock Market

● Daily Average Stock Trading Value of TSE (1st Section) and Jasdaq

(billion yen)

CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TSE 1st Section	388	726	978	812	775	971	1,316	1,874	2,598	3,001
Jasdaq Securities Exchange	6	49	46	20	14	25	51	79	93	44

Note: Figures for Jasdaq Securities Exchange before 2004 come from the previous Jasdaq Market. Figures for Jasdaq Market in 2004 were only for the period from January 1 to December 12. The figure of NEO has been included since November 13, 2007.

Source: Tokyo Stock Exchange, Jasdaq Securities Exchange

Equity Financing (paid-in capital increase) by Corporations

(billion yen)

CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Offerings	333	527	690	1,235	194	642	929	754	1,620	495
Rights Offerings	0	0	10	32	-	2	11	4	3	9
Private Placements and Others	1,209	9,531	1,223	838	1,558	2,801	2,113	2,435	1,165	1,571
Total	1,543	10,059	1,924	2,106	1,753	3,446	3,054	3,193	2,788	2,078

Notes: 1. Private placements and others include preferred stocks and private placements.

2. "-" indicates nil.

3. Total figures of domestic stock exchanges.

4. Figures for Jasdq Securities Exchange before 2004 come from the previous Jasdq Market. Figures for Jasdq Market in 2004 were only for the period from January 1 to December 12.

Source: Tokyo Stock Exchange, Japan Securities Dealers Association

Number of Newly Listed Companies and IPO Amounts

CY	2002	2003	2004	2005	2006	2007
Number of Newly Listed Companies	123	118	171	157	181	117
IPO Amounts (billion yen)	147	347	421	402	594	176

Notes: 1. IPOs include public offerings by foreign companies that are listed in Japan.

2. Total figures of domestic stock exchanges

3. Figures for Jasdq Securities Exchange before 2004 come from the previous Jasdq Market. Figures for Jasdq Market in 2004 were only for the period from January 1 to December 12.

Source: Japan Securities Dealers Association

3) Bond Market

OTC Bond Trading (Including Repos)

(trillion yen)

CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total	2,606.7	3,836.7	4,061.1	4,058.0	3,665.9	5,110.2	6,481.4	6,758.2	9,153.0	12,096.7
JGBs	2,497.2	3,734.1	3,898.0	3,863.4	3,429.8	4,836.1	6,178.6	6,428.0	8,881.7	11,890.1
Short-term JGBs	1,421.4	2,606.9	2,621.9	2,243.2	1,489.9	1,933.6	2,179.2	1,817.5	1,872.1	2,554.9
Super-long-term, Long-term, Medium-term JGBs	1,075.6	1,127.0	1,275.8	1,619.9	1,939.6	2,902.2	3,999.1	4,610.5	7,009.5	9,335.3
Others	109.7	102.8	163.4	194.9	236.4	274.4	303.1	330.2	271.3	206.5

Notes: "Short-term JGBs" are the total of financial bills and treasury bills.

Source: Japan Securities Dealers Association

● Corporate Bond Financing

(billion yen)

CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Straight Corporate Bonds	12,784	7,498	8,276	8,609	7,736	7,728	5,879	7,088	6,858	9,258
Convertible-type Bonds with Subscription Rights	246	592	357	300	427	72	561	889	1,424	127
Bonds with Subscription Rights	—	—	—	—	—	—	—	—	—	—
Total	13,030	8,090	8,633	8,909	8,163	7,800	6,440	7,977	8,282	9,385

Notes: 1. "Straight Corporate Bonds" include "Asset Backed Bonds"

2. "-" indicates nil.

3. Following the revision of the Commercial Code in 2002, "Convertible Bonds" and "Bonds with Warrants to Allocate New Shares" were renamed "Convertible-type Bonds with Subscription Rights" and "Bonds with Subscription Rights" respectively.

Source: Japan Securities Dealers Association

● Amount of Bond Issuance

(billion yen)

CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
JGBs	84,804	102,050	105,996	133,970	147,831	154,686	175,268	186,155	175,684	140,455
Municipal Bonds	1,722	1,998	2,200	2,299	2,582	4,264	5,251	6,152	6,031	5,704
Gov.-guaranteed Bonds	2,270	2,966	4,854	4,815	4,216	6,476	8,243	7,821	4,434	4,462
FILP Agency Bonds	—	—	—	546	2,408	2,457	3,188	4,187	4,493	4,557
Straight Corporate Bonds	12,784	7,498	8,276	8,609	7,736	7,728	5,879	7,088	6,858	9,258
Others	30,848	30,355	27,237	23,630	17,013	15,749	15,460	15,760	13,425	12,151
Total	132,428	144,867	148,563	173,869	181,786	191,360	213,289	227,163	210,925	176,586

● Composition of Bond Issuance, etc.

(%)

CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
JGBs	64.0	70.4	71.3	77.1	81.3	80.8	82.2	81.9	83.3	79.5
Municipal Bonds	1.3	1.4	1.5	1.3	1.4	2.2	2.5	2.7	2.9	3.2
Gov.-guaranteed Bonds	1.7	2.0	3.3	2.8	2.3	3.4	3.9	3.4	2.1	2.5
FILP Agency Bonds	—	—	—	0.3	1.3	1.3	1.5	1.8	2.1	2.6
Straight Corporate Bonds	9.7	5.2	5.6	5.0	4.3	4.0	2.8	3.1	3.3	5.2
Others	23.3	21.0	18.3	13.6	9.4	8.2	7.2	6.9	6.4	6.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: 1. Issuing amounts of JGBs refer to the amounts sold in the market.

2. Excluding Private Placement Municipal Bonds

3. "Straight Corporate Bonds" include "Asset Backed Bonds" .

Source: Japan Securities Dealers Association

4) Investment Trust

● Net Assets Held in Investment Trusts

(billion yen)

End of CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Publicly Offered Investment Trusts	42,739	51,353	49,399	45,280	36,016	37,435	40,996	55,347	68,927	79,760
Real-estate Investment Trusts	–	–	–	236	441	766	1,246	2,050	3,153	3,687
Private Placement Investment Trusts	–	1,544	3,693	6,106	7,381	10,384	15,596	25,643	32,987	36,030
Total	42,739	52,897	53,092	51,624	43,839	48,586	57,839	83,040	105,067	119,478

Source: The Investment Trusts Association

● Net Assets Held in Publicly Offered Contractual-type Securities Investment Trusts

(billion yen)

End of CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Stock Investment Trusts	11,496	15,696	14,610	14,905	16,372	21,339	27,435	40,828	55,657	66,784
Bond Investment Trusts	16,963	18,866	23,817	22,652	14,121	11,746	9,955	11,498	10,576	10,059
Money Management Funds	14,279	16,790	10,971	7,722	5,521	4,350	3,606	3,020	2,693	2,917
Total	42,739	51,353	49,399	45,280	36,016	37,435	40,996	55,347	68,927	79,760

Source: The Investment Trusts Association

● Net Assets Held in Publicly Offered Contractual-type Stock Investment Trusts

(billion yen)

End of CY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Unit Type	740	573	373	617	697	1,161	1,799	1,945	1,875	1,876
Open Type (excluding ETF)	10,755	15,122	14,236	13,398	13,165	17,216	22,522	35,180	49,665	61,029
ETF	–	–	–	889	2,509	2,962	3,113	3,703	4,116	3,878
Total	11,496	15,696	14,610	14,905	16,372	21,339	27,435	40,828	55,657	66,784

Source: The Investment Trusts Association

● Net Assets Held in Private Placement Contractual-type Investment Trusts

(billion yen)

End of CY	1999	2000	2001	2002	2003	2004	2005	2006	2007
Stock Investment Trusts	1,240	3,185	5,040	6,469	9,388	14,646	24,723	32,186	35,406
Bond Investment Trusts	303	507	1,066	911	995	949	919	800	623
Total	1,544	3,693	6,106	7,381	10,384	15,596	25,643	32,987	36,030

Source: The Investment Trusts Association

5) Investor Trend

● Investments by Institutional Investors (Insurance Companies and Pension Funds)

(trillion yen)

FY	2003	2004	2005	2006	2007
Securities Other than Stocks	7.2	14.5	14.5	10.9	5.1
Stocks and Other Equities	-8.4	-2.6	-4.5	-0.4	2.6
Foreign Securities	7.1	3.5	4.3	0.8	-2.9

Source: Bank of Japan

● Investments by Individual Investors (Household)

(trillion yen)

FY	2003	2004	2005	2006	2007
Securities Other than Stocks	-1.2	7.9	12.5	12.4	10.9
Stocks and Other Equities	-2.4	1.2	-2.4	-2.9	-0.4
Foreign Securities	0.0	-0.4	-1.2	0.0	3.5

Source: Bank of Japan

● Household Financial Assets

(trillion yen)

End of FY	2005	2006	2007
Cash and Deposits	768.6	769.0	775.1
Bonds	40.3	43.2	44.2
Stocks and Other Equities	197.0	200.3	139.1
Investment Trusts	52.1	64.7	63.0
Insurance and Pension	391.1	400.5	402.0
Others	69.5	67.0	65.9
Total	1,518.9	1,544.9	1,489.6

Note: "Bonds" include trust beneficiary rights.

Source: Bank of Japan

● Composition of Household Financial Assets

(%)

End of FY	2005	2006	2007
Cash and Deposits	50.6	49.8	52.0
Bonds	2.7	2.8	3.0
Stocks and Other Equities	13.0	13.0	9.3
Investment Trusts	3.4	4.2	4.2
Insurance and Pension	25.8	25.9	27.0
Others	4.6	4.3	4.4
Total	100.0	100.0	100.0

Note: "Bonds" include trust beneficiary rights.

Source: Bank of Japan

● Stockholdings by Type of Investors (Market Value Basis)

(trillion yen)

End of FY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Individuals	62.4	82.9	68.9	61.0	48.6	75.5	78.1	109.4	102.8	72.9
Governments	0.6	0.5	0.5	0.5	0.5	0.7	0.7	0.9	1.8	1.5
Financial Institutions	72.5	85.8	70.5	61.7	47.5	67.5	66.7	93.1	87.0	59.4
Pension Trusts	15.6	23.1	19.6	18.6	13.6	16.5	15.2	20.7	20.0	14.0
Investment Trusts	4.4	10.2	9.8	10.3	9.3	13.6	14.8	25.0	26.4	19.5
Insurance Companies	43.1	49.2	38.5	31.6	21.9	29.5	29.2	42.4	43.2	30.7
Business Corporations	83.5	120.1	77.4	67.5	50.7	80.4	84.5	121.4	117.5	85.1
Foreigners	46.5	85.9	66.5	56.7	41.8	80.6	91.5	153.5	159.2	110.6
Securities Firms	1.8	3.8	2.5	2.1	2.0	4.4	4.4	7.9	10.2	6.2
Total	330.8	461.9	354.7	310.5	236.4	369.2	385.6	574.5	568.6	400.2

Source: Tokyo Stock Exchange

● Stockholdings by Type of Investors (Market Value Basis)

(%)

End of FY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Individuals	18.9	18.0	19.4	19.7	20.6	20.5	20.3	19.1	18.1	18.2
Governments	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4
Financial Institutions	21.9	18.6	19.9	19.9	20.1	18.3	17.3	16.2	15.3	14.8
Pension Trusts	4.7	5.0	5.5	6.0	5.8	4.5	4.0	3.6	3.5	3.5
Investment Trusts	1.4	2.2	2.8	3.3	4.0	3.7	3.9	4.4	4.7	4.9
Insurance Companies	13.0	10.7	10.9	10.2	9.3	8.0	7.6	7.4	7.6	7.7
Business Corporations	25.2	26.0	21.8	21.8	21.5	21.8	21.9	21.1	20.7	21.3
Foreigners	14.1	18.6	18.8	18.3	17.7	21.8	23.7	26.7	28.0	27.6
Securities Firms	0.6	0.8	0.7	0.7	0.9	1.2	1.2	1.4	1.8	1.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: 1. "Governments" include central and regional governments.

2. "Financial Institutions" do not include "Pension Trusts", "Investment Trusts" and "Insurance Companies".

3. Figures cover all exchange-listed stocks excluding foreign stocks.

Source: Tokyo Stock Exchange

Member Firms

● Regular Members

End of FY	2003	2004	2005	2006	2007
Regular Members	266	267	289	308	317
Enrollment and Withdrawal	-9	1	22	19	9

Source: Japan Securities Dealers Association

● Number of Special Members by Category

End of FY	1994	2003	2004	2005	2006	2007
City Banks	11	7	7	6	6	6
Trust Banks	11	14	14	14	14	16
Government-affiliated Financial Institutions	2	2	2	2	2	2
Regional Banks	64	64	64	64	64	64
Second-tier Regional Banks	65	50	48	47	46	45
Shinkin Banks	42	35	34	36	36	37
Shinkin Central Bank	1	1	1	1	1	1
Life Insurance Companies	18	17	17	16	16	12
Non-Life Insurance Companies	21	14	13	13	13	10
Money Market Brokers	6	3	3	3	3	3
Foreign Banks	0	4	5	9	8	12
Securities Finance Companies	0	1	1	1	1	1
Credit Cooperatives	0	0	0	2	2	2
Other Banks	3	4	6	4	4	9
Public Corporation	0	0	0	1	1	0
Total	244	216	215	219	217	220

(Note: 1. Figures for 1994 are as of April 1, when special members enrolled in JSDA.

2. "Other Banks" included foreign trust banks and long-term credit banks.

Source: Japan Securities Dealers Association

● Number of Securities Firms' Employees

(thousands)

End of CY	1999	2000	2001	2002	2003	2004	2005	2006	2007
Employees	92.0	94.7	96.6	89.2	85.0	86.4	87.9	92.6	99.1

Source: Japan Securities Dealers Association

● Securities Firms' Domestic Offices

End of FY	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Branches	1,768	1,753	1,731	1,680	1,565	1,511	1,529	1,514	1,534	1,561
Business Offices	238	258	285	273	257	263	281	324	372	418

Source: Japan Securities Dealers Association

● Number of Securities Sales Representatives

(thousands)

End of CY	1999	2000	2001	2002	2003	2004	2005	2006	2007
Regular Members	69.8	72.8	75.1	72.0	67.5	69.2	71.9	76.0	81.2
Special Members	292.8	345.6	367.4	363.4	362.9	356.3	345.3	357.5	349.2

Source: Japan Securities Dealers Association

● Number of Securities Sales Representatives of Financial Instruments Business Operators

End of CY	2005	2006	2007
Securities Sales Representatives of Financial Instruments Intermediary Service Providers affiliated with Regular Members	1,144	1,870	2,134
Securities Sales Representatives of Financial Instruments Intermediary Service Providers affiliated with Special Members	11	13	98,433

Note: Excluding Individual Financial Instruments Intermediary Service Providers.

Source: Japan Securities Dealers Association

Performance of Securities Industry

● Operating Revenues of Member Securities Firms

(billion yen)

FY ended	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3
Operating Revenue	2,579.1	3,795.6	3,213.2	2,505.7	2,386.8	3,294.2	3,388.7	4,911.5	4,686.4	4,582.9
Commission	1,585.3	2,791.2	2,018.5	1,669.0	1,469.2	2,046.2	2,221.8	3,195.5	2,956.7	2,830.3
Trading Gain	552.0	680.6	771.3	401.1	549.9	871.8	723.3	1,078.0	856.7	579.3
Financial Revenue	441.0	323.1	423.4	433.6	362.3	369.0	434.5	622.3	847.9	1,150.0

Note: Securities firms that were not in business as of the end of March in each year are excluded.

Source: Japan Securities Dealers Association

● Operating Expenses of Member Securities Firms

(billion yen)

FY ended	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3
Selling and General Administration Costs	1,967.1	2,209.5	2,265.0	2,266.7	2,040.3	2,221.0	2,319.9	2,793.9	3,043.2	3,123.7
Transaction Expenses	325.1	406.6	390.8	352.2	328.0	379.4	422.8	536.5	586.5	581.3
Employment Cost	911.8	1,110.0	1,135.8	1,116.2	972.8	1,096.7	1,105.9	1,345.6	1,431.0	1,390.0
Real Estate & Equipment Costs	292.2	284.5	294.0	302.4	278.5	266.4	262.2	265.7	299.9	325.2
Data Processing & Office Supplies Costs	208.7	224.4	239.2	272.7	263.7	270.4	295.4	314.8	365.7	419.3
Financial Expenses	455.2	318.3	370.2	273.4	223.6	285.6	335.0	436.1	646.6	879.1

Note: Securities firms that were not in business as of the end of March in each year are excluded.

Source: Japan Securities Dealers Association

● Current Profits/ Losses of Member Securities Firms

(billion yen)

FY ended	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3
Current Profits/ Losses	144.8	1,254.0	589.3	-17.3	135.7	793.2	758.3	1,699.8	1,015.6	657.9

Note: Securities firms that were not in business as of the end of March in each year are excluded.
Source: Japan Securities Dealers Association

● Net Income/Loss and ROE of Member Securities Firms

(billion yen)

FY ended	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3
Net Income	-572.6	392.0	287.2	-348.9	-169.8	508.3	483.4	1,136.3	588.2	-145.7
ROE	-10.9%	6.8%	4.5%	-6.0%	-3.5%	10.1%	8.7%	17.7%	8.7%	-2.0%

Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.
2. ROE is after-tax profits divided by average stockholders equity.
Source: Japan Securities Dealers Association

● Net Income/ Loss by Type of Member Securities Firms

(billion yen)

FY ended	2004.3	2005.3	2006.3	2007.3	2008.3
Major Firms	231.7	214.8	463.8	332.8	-267.7
Foreign Firms	75.3	91.5	344.2	71.7	-8.5
Other Domestic Firms	201.1	177.0	328.2	183.6	130.4

Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.
2. Major securities firms: Daiwa Securities, Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more
Source: Japan Securities Dealers Association

● ROE by Type of Member Securities Firms

(%)

FY ended	2004.3	2005.3	2006.3	2007.3	2008.3
Major Firms	11.0	9.3	18.2	10.9	-9.7
Foreign Firms	9.4	10.8	38.2	31.7	-25.6
Other Domestic Firms	9.4	7.4	11.0	5.2	3.2

Notes: 1. Firms that were not in business as of the end of March in each year are excluded.
2. ROE is after-tax profits divided by average stockholders equity.
3. Major securities firms: Daiwa Securities, Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more
Source: Japan Securities Dealers Association

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