


FACT BOOK 2010

The background is a solid teal color. A stylized 3D bar chart is positioned in the lower half, with one bar being significantly taller than the others. A thin white line graph is overlaid on the chart, showing an upward trend. The year '2009' is printed in a light teal, sans-serif font to the left of the tallest bar. The title 'FACT BOOK 2010' is in the upper right corner, with 'FACT BOOK' in a smaller font and '2010' in a large, bold font. A small teal circle is located below the '0' in '2010'.

2009

Japan Securities Dealers Association

1	Securities Market in 2009	1
1	Economic Overview	1
2	Stock Market	3
3	Bond Market	5
4	Investment Trusts	7
5	Investor Trends	9
2	Member Firms	11
1	Member Firms	11
2	Regular Members' Employees	12
3	Regular Members' Domestic Offices	12
4	Securities Sales Representatives	13
5	Examinees of Securities Sales Representative	13
3	Performance of Securities Industry	14
1	Operating Revenues of Member Securities Firms	14
2	Operating Expenses of Member Securities Firms	14
3	Current Profits/ Losses of Member Securities Firms	15
4	Net Income/ Loss and ROE of Member Securities Firms	15
5	Net Income/ Loss by Type of Member Securities Firms	16
6	ROE by Type of Member Securities Firms	16
4	Statistical Data	17

1 Economic Overview

In retrospect, the Japanese economy in 2009 experienced a severe recession in the wake of the global economic stagnation and financial uncertainty caused by the Lehman Shock of 2008.

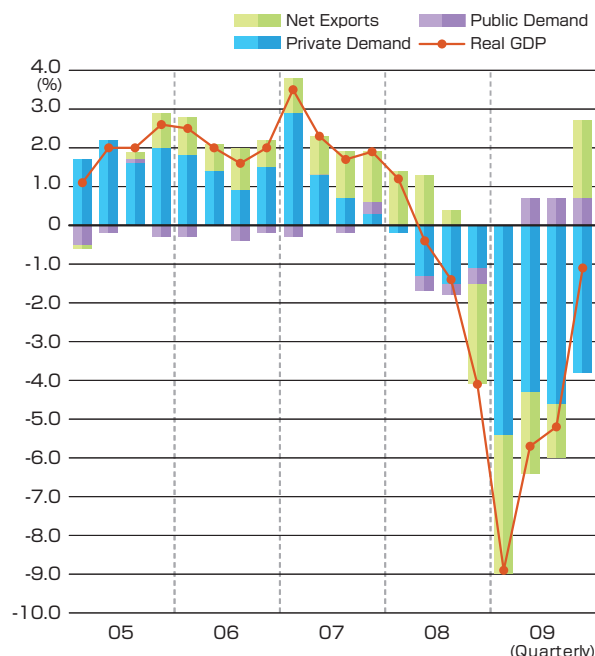
The real gross domestic product (GDP) dropped 8.9% year on year in the first quarter, with private demand falling a notable 5.4% from the first quarter a year earlier.

Although there were some signs of the economy bottoming out in the second quarter, recovery was mild. As a result, real GDP for 2009 on an annual basis contracted 5.2% from 2008.

In contrast, net exports staged a more rapid recovery, with exports to Asia expanding substantially and those to the United States and Europe also rebounding. As a result, net exports moved into the plus column in the fourth quarter of 2009.

Refer to page 17 ▶

Real GDP Growth Rate



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

Although the global economic slowdown triggered by the so-called Lehman Shock was hampered, fiscal 2009 Corporate Profits (current profit) remained weak, rising ¥381.6 billion year on year, to ¥35,843.9 billion.

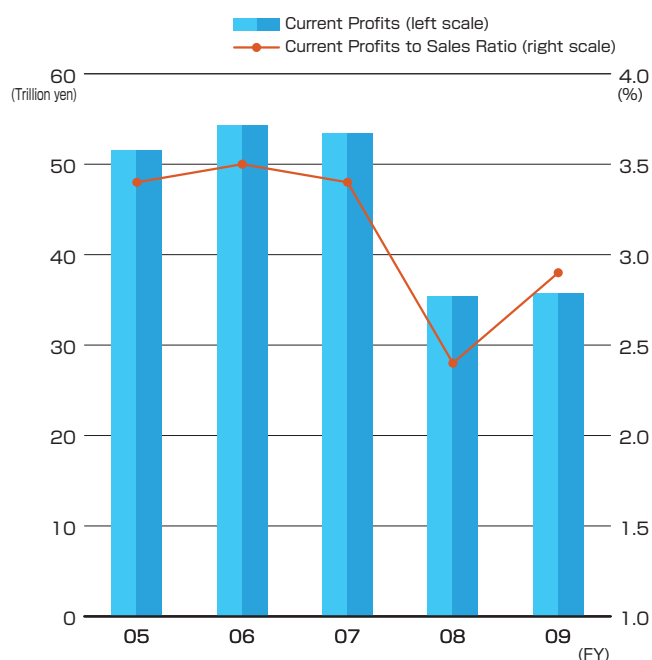
By industry category, profit declines were most notable in the manufacturing sector, such as in the electrical machinery, and information technology (IT) equipment, and transportation equipment industries.

The current profit to sales ratio edged up 0.4% from the previous fiscal year, to 2.8%, as a result of corporate efforts to cut employment and other costs.

Note: The figures for current profit and current profit to sales ratio are preliminary report figures.

Refer to page 18 ▶

Corporate Profits (all industries, all scales of businesses)



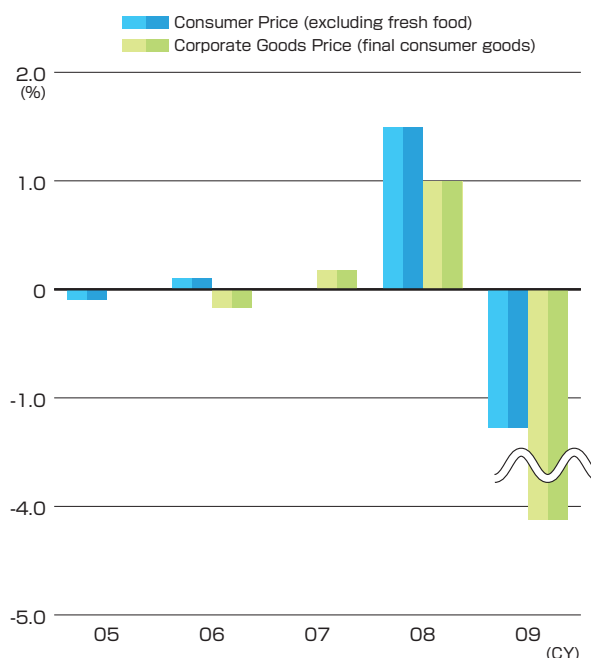
Note: 1. The use of FY throughout this publication refers to a fiscal year starting from April 1 of the year noted and ending March 31 of the next year.
2. The figures for current profit and current profit to sales ratio are preliminary report figures.
Source: Ministry of Finance

After posting negative growth for six consecutive years from 2000 to 2005 under deflationary conditions, the Consumer Price Index (CPI) turned slightly positive in 2006 and had remained positive since. In 2009, however, amid an easing of the demand-supply balance, the CPI retreated 1.3% from 2008 in reaction to the soaring costs for petroleum products.

Similarly, the Corporate Goods Price Index (CGPI) fell sharply by 4.1% from a year earlier against a backdrop of declining prices for international commodity and an easing of the demand-supply balance.

Refer to page 18 ▶

▶ Consumer Price and Corporate Goods Price (year on year)



Note: Data is annual average.

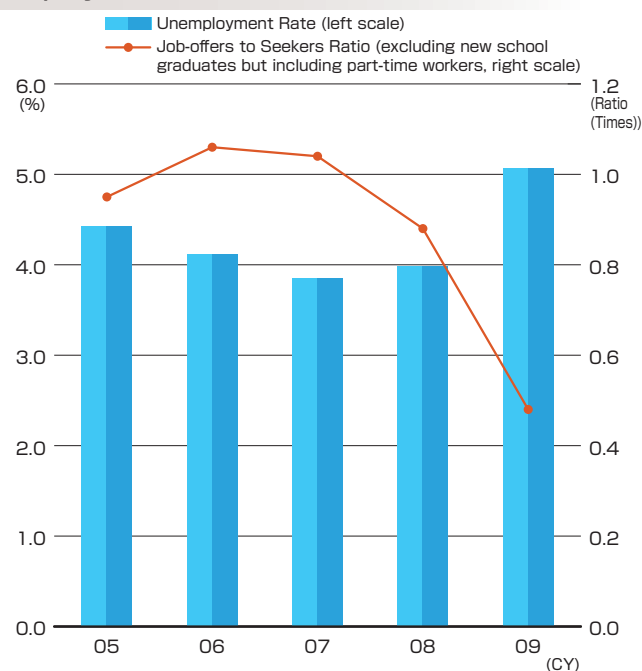
Source: Ministry of Internal Affairs and Communications, Bank of Japan

In 2009, employment conditions continued to suffer from the harsh business environment, with the unemployment rate hitting a record high of 5.6% in July. Although conditions then turned toward a mild recovery, on an annual basis, the unemployment rate climbed 1.1 percentage points, to 5.1%. Moreover, the job-offers to seekers ratio plummeted from last year's level, sinking to 0.48 times.

Among reasons given by job seekers for not being employed, "the desired type of work or job conditions are not available," "even on an unconditional basis, work is not available," and "I did not fit into the required age bracket" increased.

Refer to page 18 ▶

▶ Employment Conditions



Note: Data is annual average.

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

2 Stock Market

In 2009, deepening concerns over the global economic recession, financial uncertainty, and other factors drove the Nikkei 225 Stock Average down to ¥7,054.98 on March 10, 2009, its lowest point since the 1990 bursting of the financial bubble.

The market then rebounded in reaction to the upswings in overseas stock markets, closing the year at ¥10,546.44.

The year-on-year increase of 16.6% in the index was the first positive growth in three years.

► Stock Price (Nikkei 225 Stock Average)



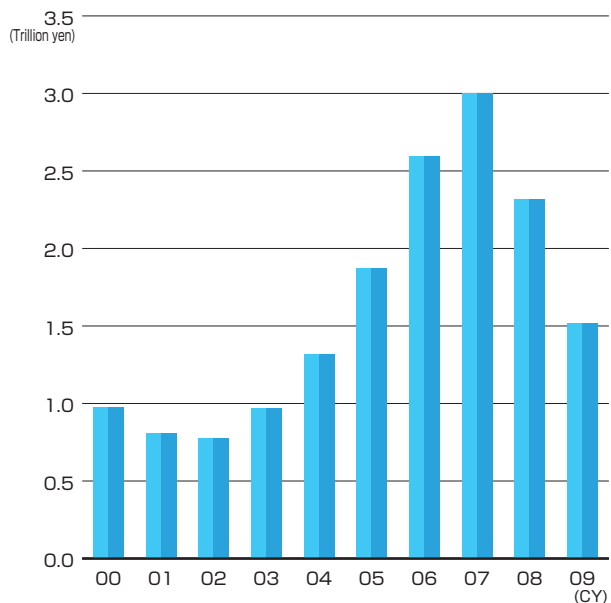
Source: Nihon Keizai Shimbun

The daily average stock trading value of the 1st Section of the Tokyo Stock Exchange increased for five consecutive years during the period from 2003 to 2007. However, this trend reversed in 2008 with the figure continuing to fall in 2009, dropping to ¥1,517.2 billion.

One of the major factors behind the large contraction in the market was the global recession following the September 2008 Lehman Shock.

Refer to page 18 ►

► Daily Average Stock Trading Value of TSE (1st Section)



Source: Tokyo Stock Exchange

In 2009, equity financing (paid-in capital increase) by publicly listed companies totaled ¥6,334.4 billion, expanding—substantially—for the first time in four years.

Looking at issuing categories, public offerings increased ¥4,605.8 billion from last year, to ¥4,968.0 billion, while private placements (included preferred stocks, etc.) surged ¥249.1 billion year on year to ¥1,366.1 billion.

The backdrop to the many capital increases made by companies in 2009 included large-scale capital increases being made by major corporations to rebuild financial positions damaged by performance deterioration caused by the financial crisis and financial institutions being forced to strengthen their capital bases by tightening regulation.

Refer to page 19 ▶

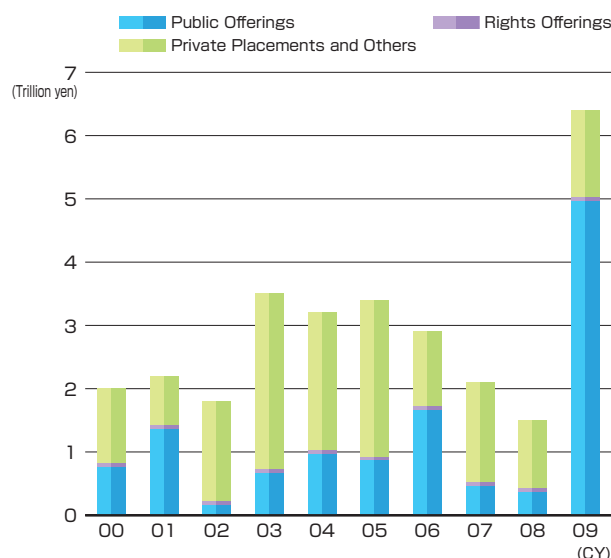
In 2009, companies going public fell for the third consecutive year, dropping to 17 companies—less than half of the 48 companies listing in 2008.

Total capital raised through IPOs also fell for the third year in a row, contracting 76.0%, to ¥33.8 billion.

Reasons behind these results include the sudden economic slowdown related deterioration in financial performance of companies planning on listing and the continued slump in the stock market. In addition, there has been an increase in the number of companies that have decided there are less advantages to listing now that exchanges require listed companies to introduce internal control systems and make disclosure reports on a quarterly basis.

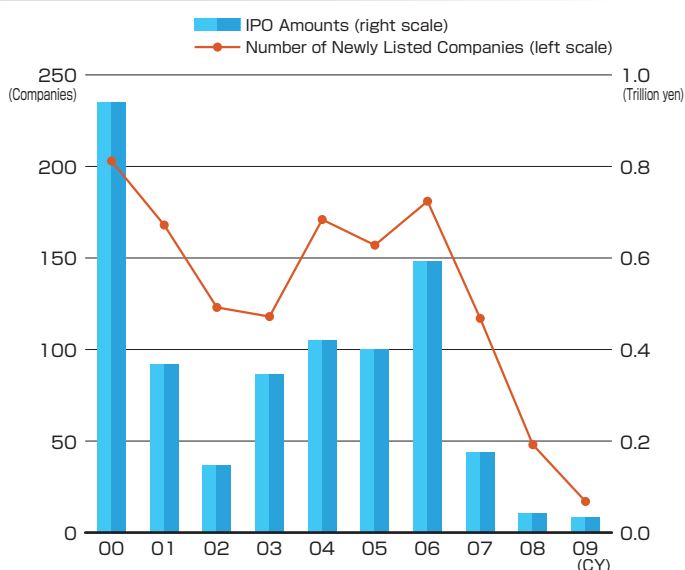
Refer to page 19 ▶

▶ Equity Financing (paid-in capital increase) by Corporations



Note: 1. Initial public offerings made in conjunction with the listing of shares on exchanges before April 2007 are not included in the calculations.
 2. Jasdak Securities Exchange figures before 2004 are those of its precursor. NEO figures have been included since November 13, 2007.
 3. Nasdaq Japan market figures are included for the period from June 19, 2000 to December 15, 2002. Hercules market figures have been included since December 16, 2002.
 Source: Tokyo Stock Exchange, Osaka Securities Exchange, Jasdak Securities Exchange

▶ Newly Listed Companies and IPO Amounts



Note: 1. IPOs include public offerings by foreign companies when listing on Japanese markets.
 2. Jasdak Securities Exchange figures before 2004 are those of its precursor, the Jasdak Market. Data for the Jasdak market in 2004 covered only the period from January 1 to December 12. NEO figures have been included since November 13, 2007.
 Source: Japan Securities Dealers Association

3 Bond Market

In 2009, the short-term interest rate remained relatively stable around the 0.1% level as a result of the BOJ's Policy Board and Monetary Policy Meeting deciding in December 2008 to lower the guiding target level to 0.1%.

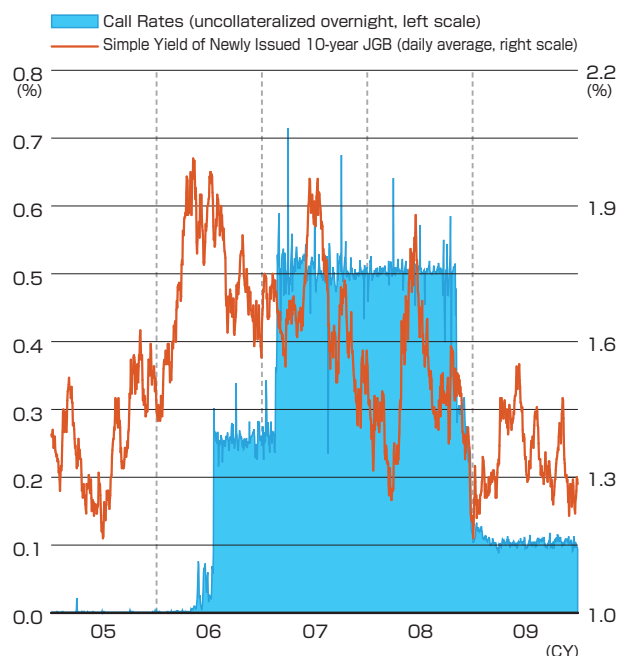
The long-term interest rate edged up slightly on the strength of concerns over a worsening of the demand-supply balance because of the increased issuance of Japanese government bonds (JGBs) to fund economic stimulus measures. However, the rate moved back down to 1.29% in July because of the weakening of stock prices in reaction to deepening uncertainty about the direction of the global economy as reflected in the worsening of unemployment figures in the United States and other indicators.

In the following months, despite some temporary upswings, the long-term interest rate generally moved in a tight box around the 1.2% level up until the end of the year.

In 2009, the total OTC bond trading volume (including Repos) decreased 24.1% year on year, to ¥8,563.3 trillion. Within this amount, the trading volume of JGBs dropped 23.9%, to ¥8,458.1 trillion. Super-long-term and long-term JGBs with terms of 10 years or more fell 42.3% from a year earlier, to ¥3,513.3 trillion.

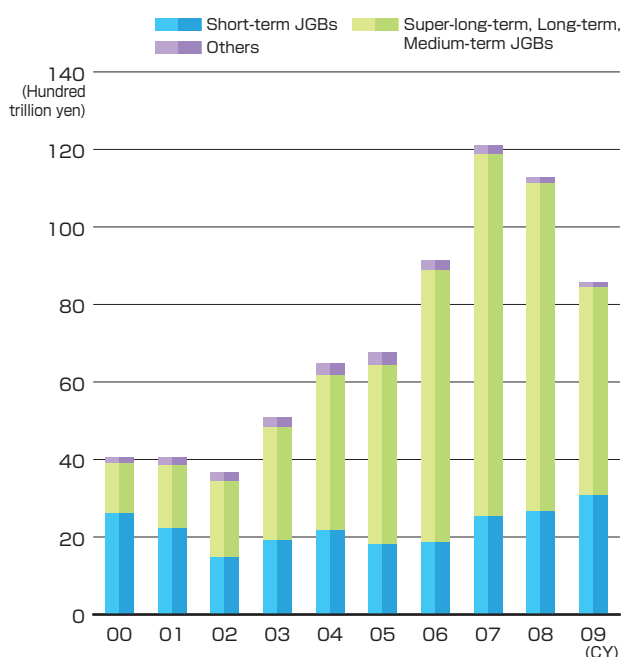
Refer to page 19 ▶

▶ Long-term and Short-term Interest Rates



Source: Bank of Japan, Japan Bond Trading Co., Ltd.

▶ OTC Bond Trading (including Repos)



Note: Short-term JGBs are the total of financial bills, treasury bills and Treasury Discount Bills (2009).

Source: Japan Securities Dealers Association

In 2009, corporate debt financing in the Japanese market jumped 20.4% from last year, to ¥11.7 trillion.

Corporate straight bond issuance expanded 25.9%, to ¥11.4 trillion. In contrast, issuance of convertible-type bonds with subscription rights sunk 56.0%, to less than ¥0.3 trillion.

Refer to page 20 ▶

Corporate Bond Financing



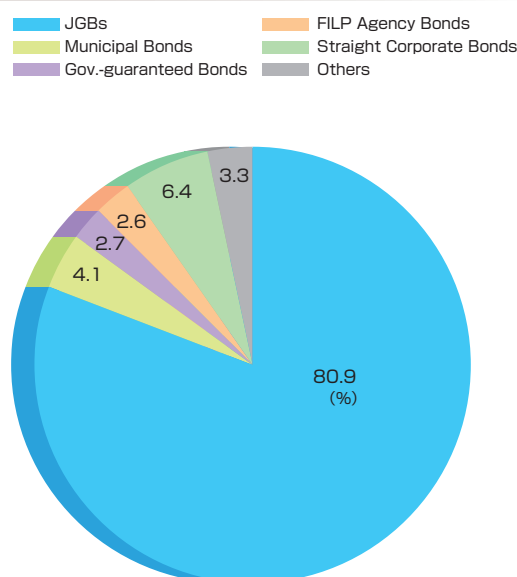
Note: 1. Straight Corporate Bonds include asset backed bonds.
 2. Following the revision of the Commercial Code in 2002, Convertible Bonds were renamed Convertible-type Bonds with Subscription Rights.
 Source: Japan Securities Dealers Association

In 2009, public and corporate bond issuance increased 13.6% from a year earlier, to ¥180.1 trillion. The major category of JGB issuance rose 15.8%, to ¥145.6 trillion. Among other issuance categories, municipal bonds surged 26.6%, to ¥7.4 trillion; Government-guaranteed bonds increased 9.5%, to ¥4.9 trillion; Fiscal Investment and Loan Program (FILP) agency bonds expanded 2.8%, to ¥4.5 trillion; and straight corporate bonds climbed 25.9%, to ¥11.4 trillion.

Looking at the composition of bond issuance by volume, the breakdown was as follows: JGBs, 80.9%; municipal bonds, 4.1%; government-guaranteed bonds, 2.7%; FILP agency bonds, 2.6%; and straight corporate bonds, 6.4%.

Refer to page 20 ▶

Composition of Bond Issuance(2009)



Note: 1. Excluding private placement municipal bonds, private placement special bonds and private placement bonds.
 2. Straight Corporate Bonds include asset backed bonds.
 Source: Japan Securities Dealers Association

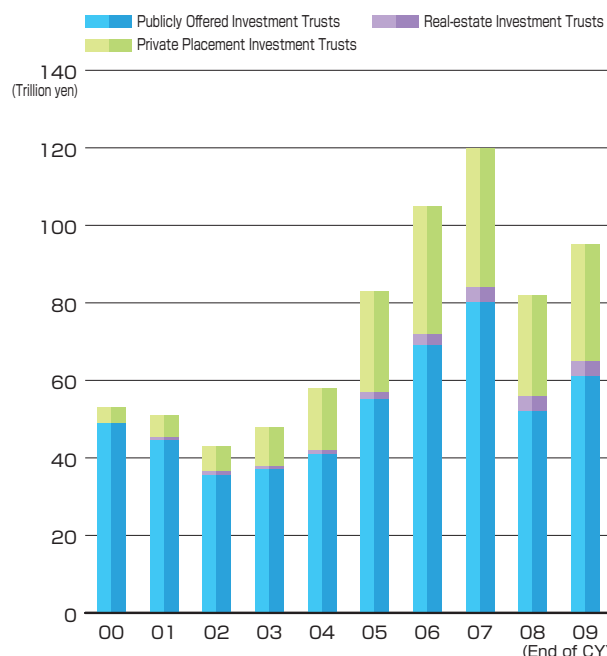
4 Investment Trusts

At the end of 2009, the net assets of investment trusts amounted to ¥95,142.8 billion, surging ¥13,472.7 billion and reversing the downturn of last year supported by the rebound in stock prices.

Looking at a breakdown of net assets, publicly offered investment trusts accounted for ¥61,455.1 billion, real-estate investment trusts contributed ¥4,020.1 billion, and private placement trusts totaled ¥29,667.6 billion.

Refer to page 21 ▶

► Net Assets Held in Investment Trusts



Source: The Investment Trusts Association

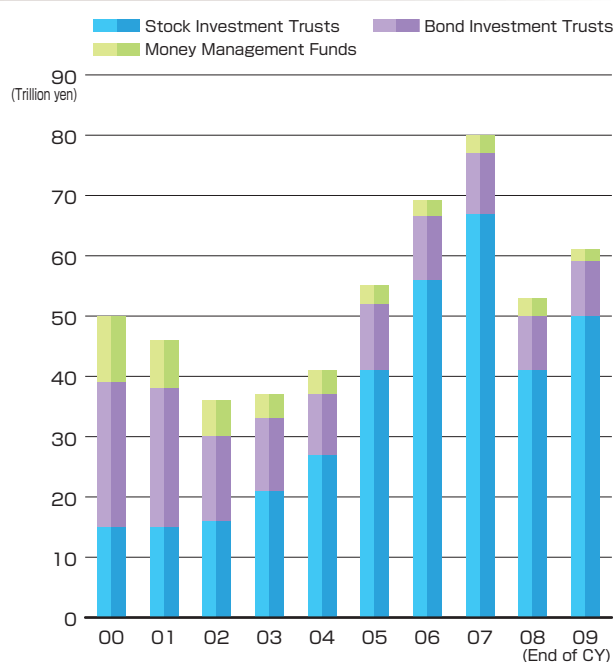
Among publicly offered contractual-type securities investment trusts, net assets of stock investment trusts increased ¥9,401.5 billion compared with a year earlier, to ¥50,243.6 billion.

Net assets of bond investment trusts also rose compared with last year, gaining ¥63.9 billion, to ¥8,755.4 billion.

Net assets of MMFs decreased ¥156.7 billion year on year, to ¥2,456.0 billion.

Refer to page 21 ▶

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



Source: The Investment Trusts Association

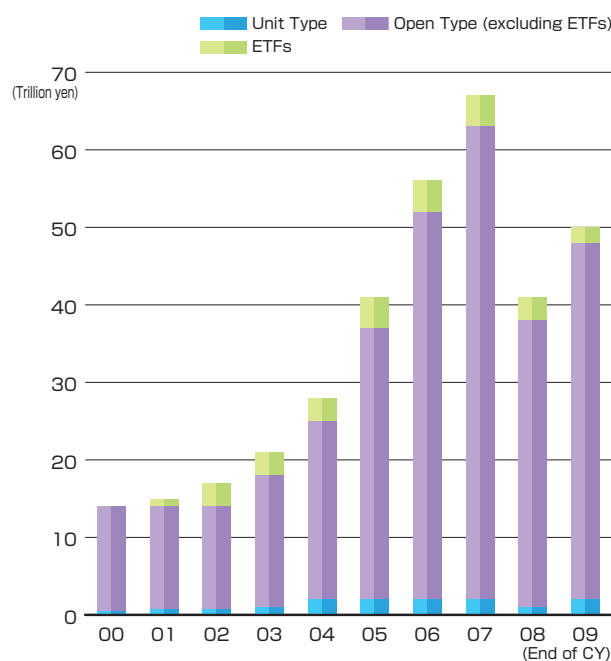
By type of publicly offered contractual-type stock investment trusts, net assets of unit-type trusts amounted to ¥1,522.9 billion, up ¥235.1 billion from the previous year.

Net assets held in open type trusts (excluding ETFs) rebounded from last year's decline, rising ¥9,400.2 billion, to ¥46,430.0 billion.

Contracting ¥233.8 billion, to ¥2,290.7 billion, ETFs declined for the third consecutive year.

Refer to page 21 ▶

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



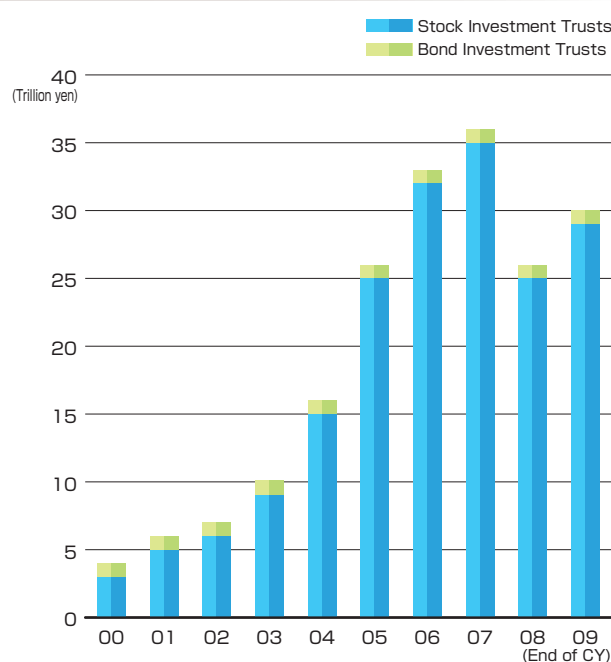
Source: The Investment Trusts Association

Among private placement contractual-type securities investment trusts, net assets of stock investment trusts recovered from last year's drop, expanding ¥4,008.3 billion, to ¥28,976.2 billion.

Net assets of bond investment trusts also rebounded from 2008, rising ¥103.5 billion, to ¥691.3 billion.

Refer to page 21 ▶

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



Source: The Investment Trusts Association

5 Investor Trends

By type of institutional investors, life and non-life insurance companies and pension funds built up their securities portfolios. Compared with the previous fiscal year, they increased securities investments to ¥11,145.4 billion, up by ¥12,346.6 billion.

By category, the amount put into securities other than stocks swung upward to ¥6,173.4 billion after declining for four years running since fiscal 2005.

Investments in stocks and other equities grew ¥291.1 billion year on year, to ¥1,983.4 billion. Investments in foreign securities also increased from a year earlier, rising to ¥2,988.6 billion—a net addition of ¥4,823.3 billion.

Refer to page 22 ▶

Individual investors reduced their investments in securities, cutting back total securities investment by ¥8,977.9 billion from fiscal 2008, to minus ¥4,324.3 billion.

By category, investments in securities other than stocks fell dramatically from the more than ¥10 trillion recorded in 2007, dropping to minus ¥1,997.1 billion in fiscal 2009.

Investment in stocks and other equities and investments in foreign securities also became negative in fiscal 2009. Investment in stocks and other equities contracted ¥4,379.0 billion, to minus ¥2,091.5 billion, while investments in foreign securities declined ¥1,778.7 billion, to minus ¥235.7 billion.

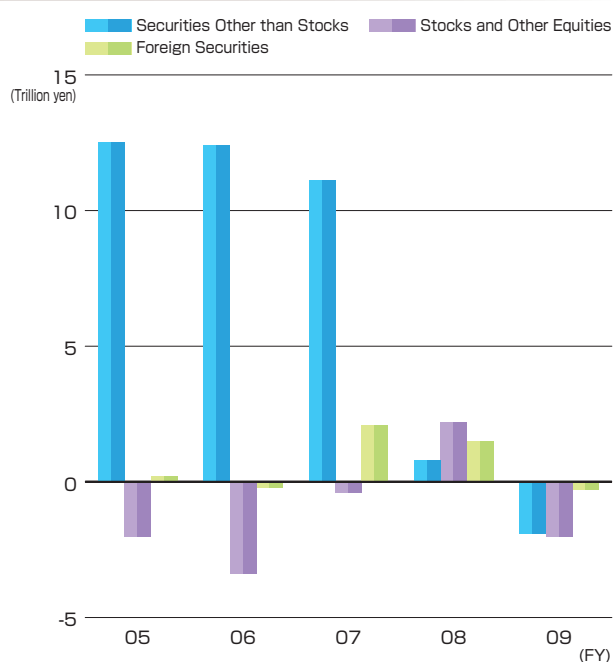
Refer to page 22 ▶

▶ 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 2010 expanded approximately ¥43 trillion from a year earlier, to ¥1,452.8 trillion.

Looking at the breakdown, stocks and other equities jumped ¥19.7 trillion, to ¥102.5 trillion, accounting for 7.1% of overall household financial assets.

Investment trusts also increased, rising ¥7.4 trillion year on year, to ¥54.6 trillion.

Cash and deposits increased for the fourth consecutive year, advancing ¥11.8 trillion, to ¥798.2 trillion and accounting for 54.9% of overall household financial assets. These results continue to indicate that households are giving priority to low risk, secure assets.

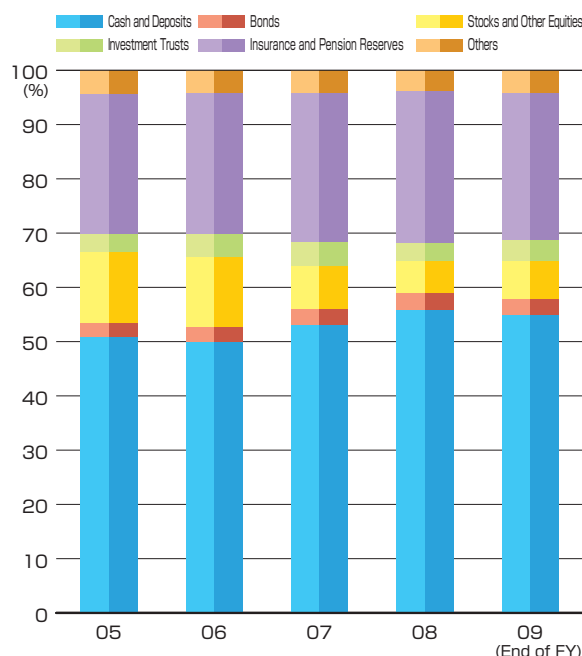
Refer to page 22 ▶

According to a stockholding survey of the fiscal year ended March 2010, partially due to the recovery in stock prices, all investment sectors had recovered, with total investment assets increasing ¥74.3 trillion, to ¥339.8 trillion.

Looking at year-on-year changes in the proportion of stockholdings, holdings by foreigners were up 2.5 % compared with fiscal 2008, while holdings by securities firms edged up 0.6% compared with a year earlier.

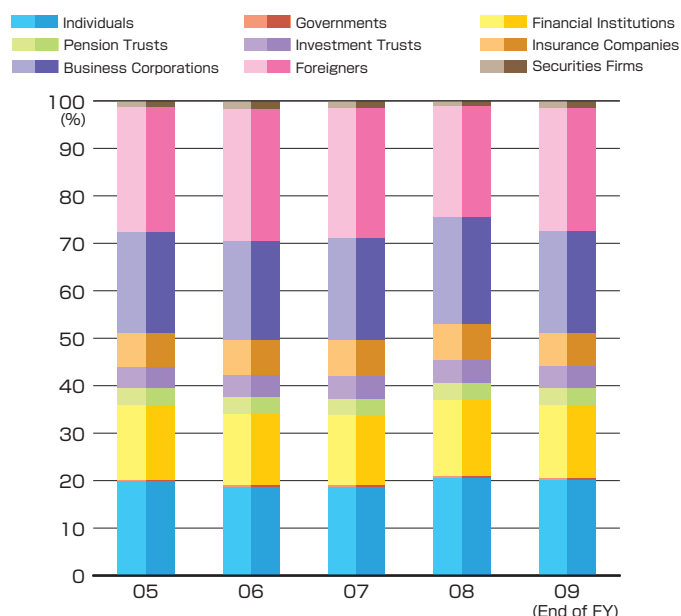
Refer to page 23 ▶

Composition of Household Financial Assets



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

Stockholdings by Type of Investors (market value basis)



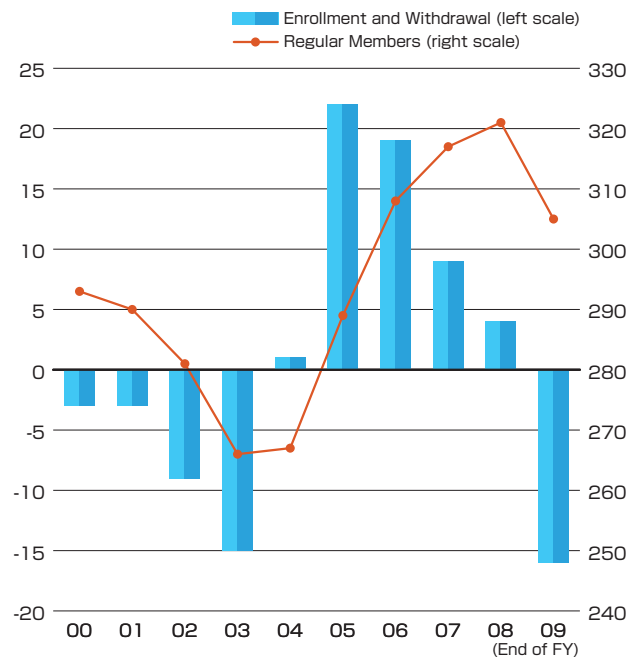
Note: 1. Governments include central and regional governments.
2. Financial Institutions do not include Pension Trusts, Investment Trusts and Insurance Companies.
3. Figures cover all exchange-listed stocks excluding foreign stocks.
4. Pension Trusts include investment assets of pension related funds of welfare pension funds, etc. for which banks operating trust business are appointed as trustee, but do not include those of public pension funds.
5. Treasury shares owned by each listed company are included under the investor type in which the companies are categorized.
6. In April 2010, the Jasdac Securities Exchange merged with the Osaka Securities Exchange, with the Jasdac and NEO markets becoming part of the OSE market. Consequently, starting with fiscal 2009, the figures for the two markets (Jasdac and NEO) have been combined.
In addition, retroactive adjustments have been made to available figures back to fiscal 2004.
Source: Tokyo Stock Exchange

1 Member Firms

As of March 31, 2010, the number of regular members (securities firms) totaled 305, declining by 16 from the previous year. The number of regular members decreased for the first time in six years primarily because many members quit the association after ceasing their financial instruments business.

Refer to page 24 ▶

Regular Members (Securities Firms)

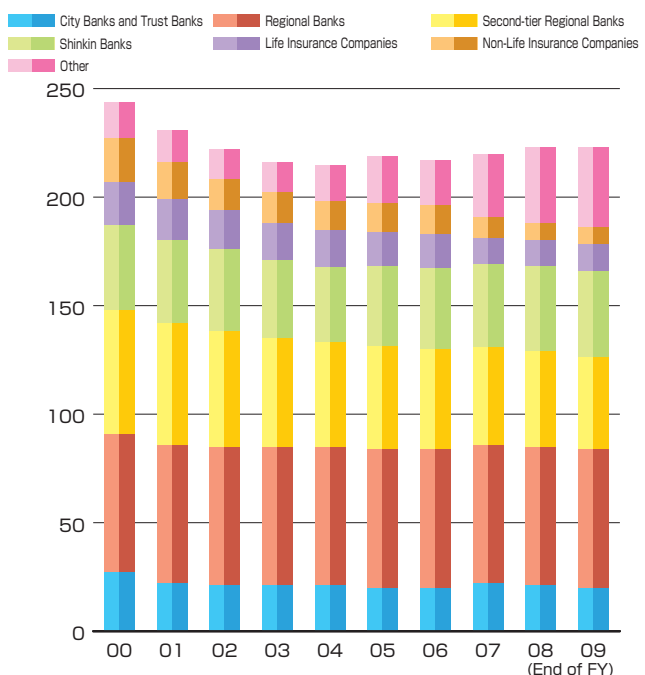


Source: Japan Securities Dealers Association

The number of special members (banks and other registered financial institutions) as of the end of March 2010 was 223, the same as last year. A breakdown by categories shows 6 city banks (unchanged), 14 trust banks (down by 1), 64 regional banks (unchanged), 42 second-tier regional banks (down by 2), 39 shinkin banks (up by 1), 12 life insurance companies (unchanged), 8 non-life insurance companies (unchanged) and 15 foreign banks (unchanged), and others.

Refer to page 24 ▶

Special Members (Registered Financial Institutions) by Category



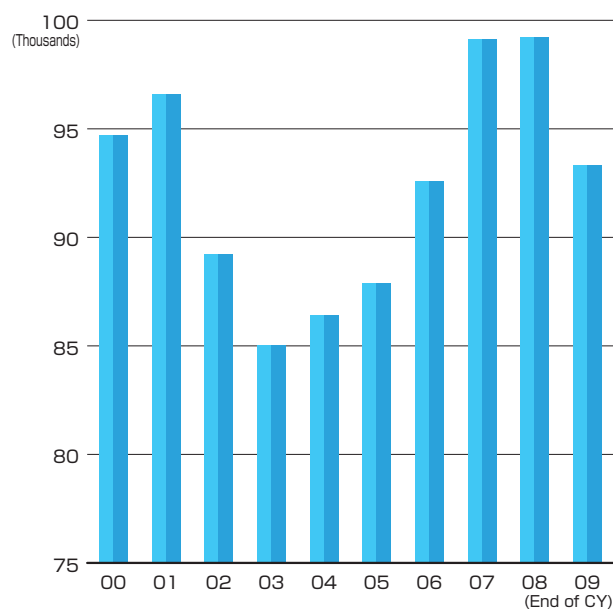
Note: Shinkin Banks include Shinkin Banks and the Shinkin Central Bank.
Source: Japan Securities Dealers Association

2 Regular Members' Employees

At December 31, 2009, the number of employees of member firms declined by about 6,000 from last year, to 93,000. It was the first time in six years that the number of employees has dropped.

Refer to page 24 ▶

▶ Regular Members' Employees

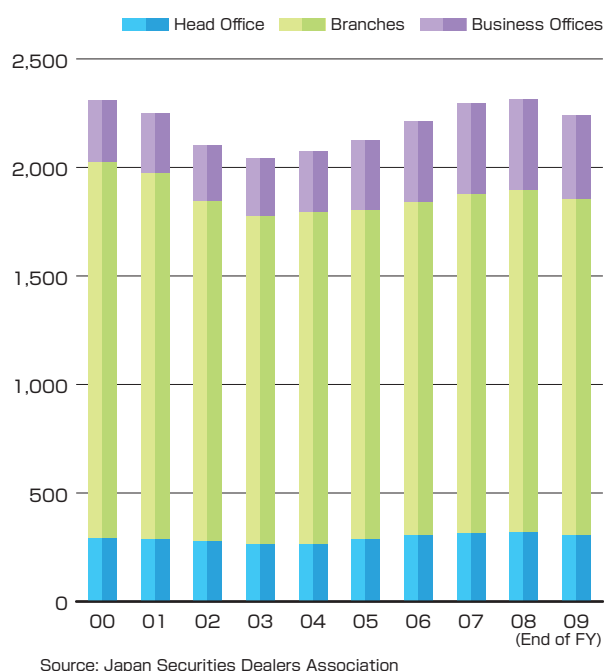


3 Regular Members' Domestic Offices

As of the end of March 2010, securities firms had 1,550 domestic branches, a decline of 25 branches from a year earlier. The number of business offices was 387, down 32 offices from the end of fiscal 2008. The number of domestic offices including head offices decreased by 73 offices, to 2,242, falling for the first time in six years.

Refer to page 25 ▶

▶ Regular Members' Domestic Offices



4 Securities Sales Representatives

At December 31, 2009, there were approximately 539,000 securities sales representatives, an increase of about 3,000 sales representatives year on year.

The number of securities sales representatives belonging to securities firms was 77,000, declining about 4,000 from the previous year. The number of securities sales representatives belonging to registered financial institutions was 360,000, an increase of about 5,000 sales representatives from a year earlier. The number of securities sales representatives employed by financial instruments intermediary service providers was 103,000, an increase about 1,000 from the previous year.

Looking at financial instruments intermediary service providers by member category, financial instruments intermediary service providers affiliated with regular members had about 2,000 securities sales representatives, roughly the same as a year earlier. Those affiliated with special members had about 100,000 securities sales representatives, up by 1,000 sales representatives from the prior year.

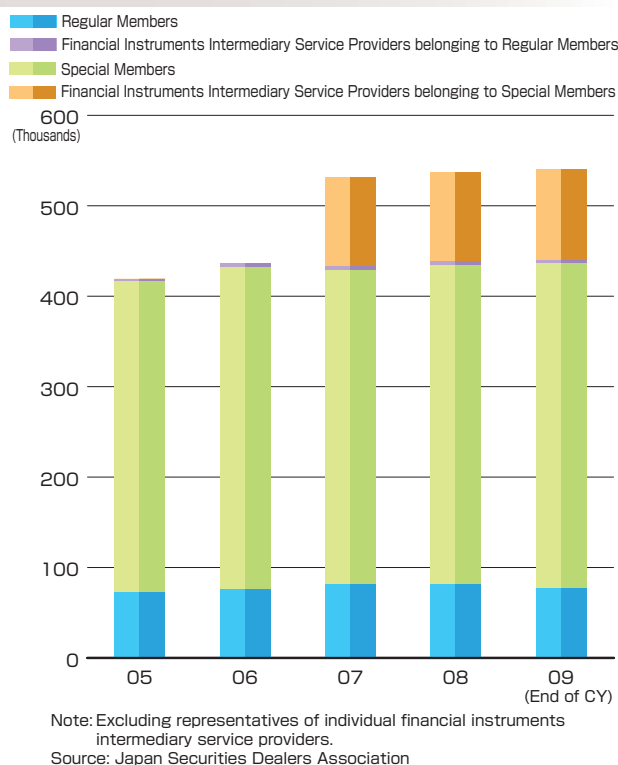
Refer to page 25 ▶

5 Examinees of Securities Sales Representative

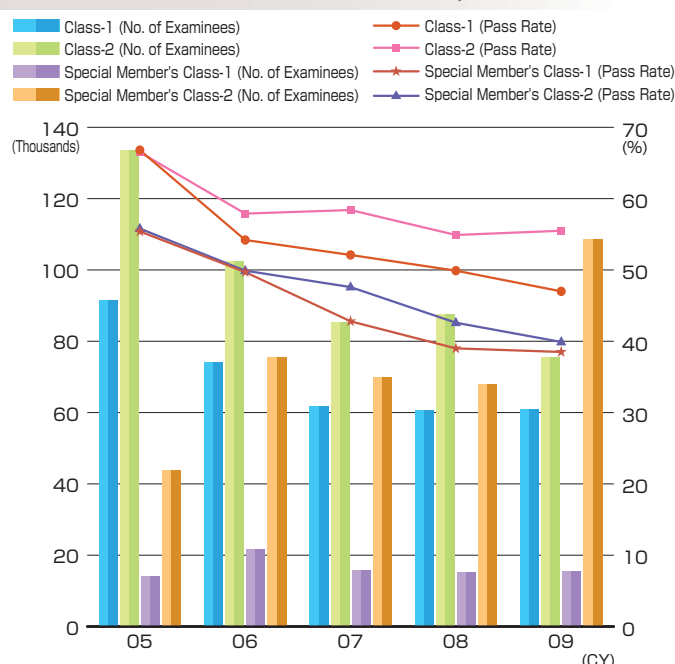
In 2009, the number of candidates taking the sales representative qualification examination for Class-1 Sales Representative was 61,000, approximately the same as in 2008, while the number of candidates taking the examination for Class-2 Sales Representative was 75,000, down 12,000 candidates from last year. The number of candidates taking the examination for Special Member's Class-1 Sales Representative was 15,000, approximately the same as a year earlier, while the number of candidates taking the examination for Special Member's Class-2 Sales Representative was 108,000, up 40,000 candidates from the previous fiscal year.

Refer to page 25, 26 ▶

Securities Sales Representatives



Examinees of Securities Sales Representative



1 Operating Revenues of Member Securities Firms

In the fiscal year 2009 ended March 2010, total operating revenues of the overall industry (300 securities firms) amounted to ¥3,386.8 billion, increasing ¥230.4 billion, or 7.3%, from the previous year.

The increase can mainly be attributed to substantial growth in operating revenues among major securities firms as a result of such factors as the increase in trading gain resulting from the rebound in stock prices following the Lehman Shock; the robust sales of securities investment trusts, particularly those related to emerging countries; and the rush among corporation to increase their capital bases.

Among operating revenues, Commissions rose ¥331.5 billion, or 18.4%, to ¥2,129.2 billion, while trading gain expanded ¥373.0 billion, or 85.7%, to ¥808.1 billion. Financial revenues, however, declined ¥444.6 billion, or 51.6%, to ¥416.3 billion.

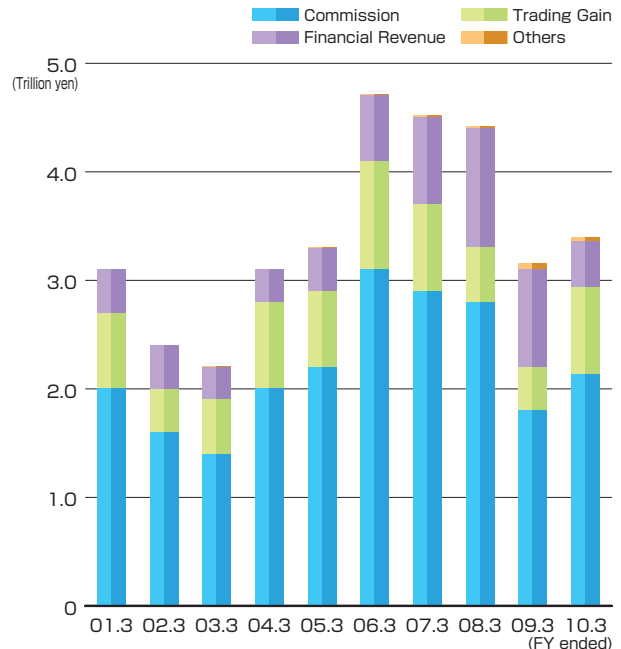
Refer to page 26 ▶

2 Operating Expenses of Member Securities Firms

Operating expenses for the fiscal year 2009 ended March 2010 decreased ¥425.6 billion, or 12.3%, to ¥3,041.6 billion. Among operating expenses, employment cost rose ¥80.0 billion, or 7.1%, to ¥1,202.3 billion. On the other hand, transaction expenses fell ¥21.3 billion, or 4.1%, to ¥502.1 billion; real estate and equipment expenses contracted ¥12.9 billion, or 4.0%, to ¥306.9 billion; and data processing and office supplies expenses decreased ¥10.6 billion, or 2.5%, to ¥414.0 billion. As a whole, selling and general administrative costs were about the same as in fiscal 2008, edging up ¥12.0 billion, or 0.4%, to ¥2,773.9 billion. Along with the dip in financial revenue, financial expenses also contracted, shedding ¥437.6 billion, or 62.1%, to ¥267.6 billion.

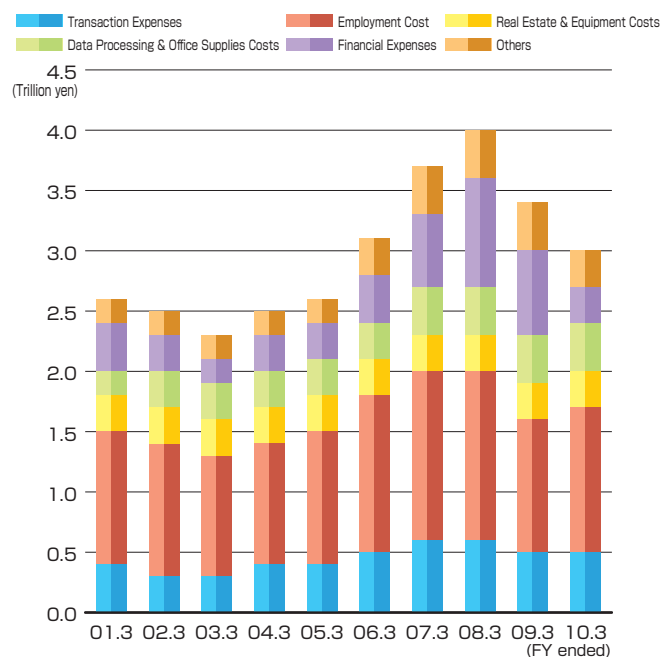
Refer to page 26 ▶

Operating Revenues of Member Securities Firms



Note: 1. Securities firms that were not in business as of the end of March each year are excluded. Among the 305 member securities firms as of the end of March 2010, 5 were not in business and excluded.
2. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.
Source: Japan Securities Dealers Association

Operating Expenses of Member Securities Firms



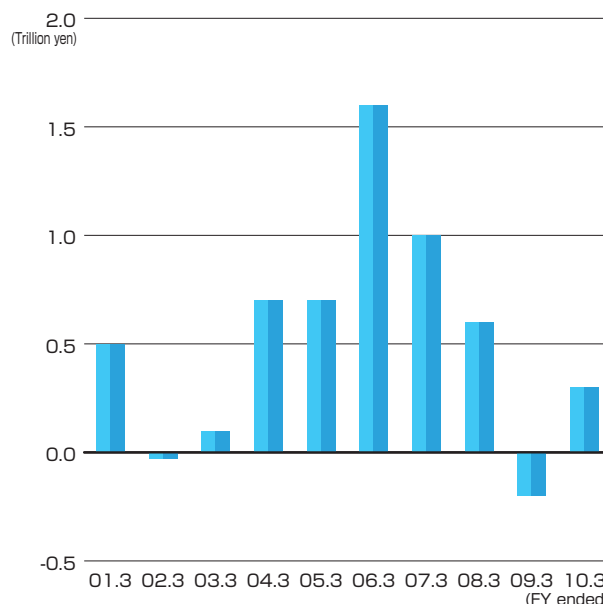
Note: 1. Securities firms that were not in business as of the end of March in each year are excluded.
2. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.
Source: Japan Securities Dealers Association

3 Current Profits/Losses of Member Securities Firms

In fiscal 2009 ended March 2010, the industry staged a recovery from the current loss of ¥243.5 billion posted in fiscal 2008, to current profits of ¥338.1 billion.

Refer to page 27 ▶

▶ Current Profits/ Losses of Member Securities Firms



Note: 1. Securities firms that were not in business as of the end of March in each year are excluded.

2. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

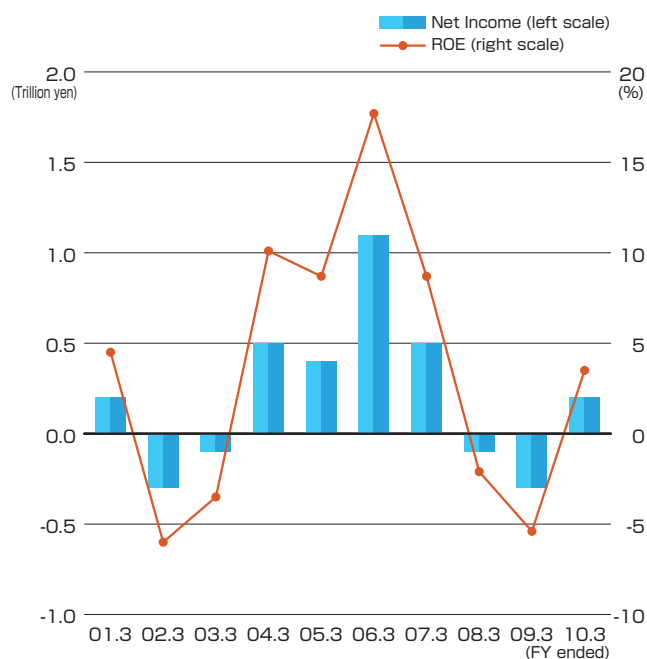
Source: Japan Securities Dealers Association

4 Net Income/Loss and ROE of Member Securities Firms

The performance of member securities firms rebounded from a loss of ¥346.3 billion a year earlier, to record net income for the first time since three years ago in fiscal 2006. Fiscal 2009 net income amounted to ¥211.5 billion. The Return on equity (ROE) was 3.5%, representing an 8.9 percentage point improvement from the -5.4% recorded in the previous fiscal year.

Refer to page 27 ▶

▶ Net Income/ Loss and ROE of Member Securities Firms



Note: 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.

3. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

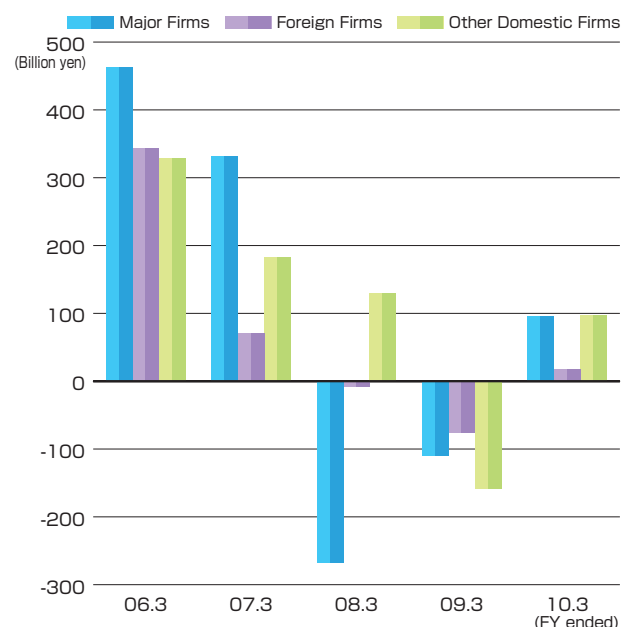
Source: Japan Securities Dealers Association

5 Net Income/Loss by Type of Member Securities Firms

Looking at net income by firm category for the fiscal year 2009 ended March 2010, each category recorded profits. Although major securities firms posted net income of ¥96.5 billion, an increase of ¥206.5 billion from fiscal 2008. Foreign securities firms registered net income of ¥17.1 billion, up ¥93.7 billion from last year. Other domestic securities firms also recorded profits, with net income improving ¥257.3 billion, to ¥97.7 billion.

Refer to page 27 ▶

Net Income/ Loss by Type of Member Securities Firms



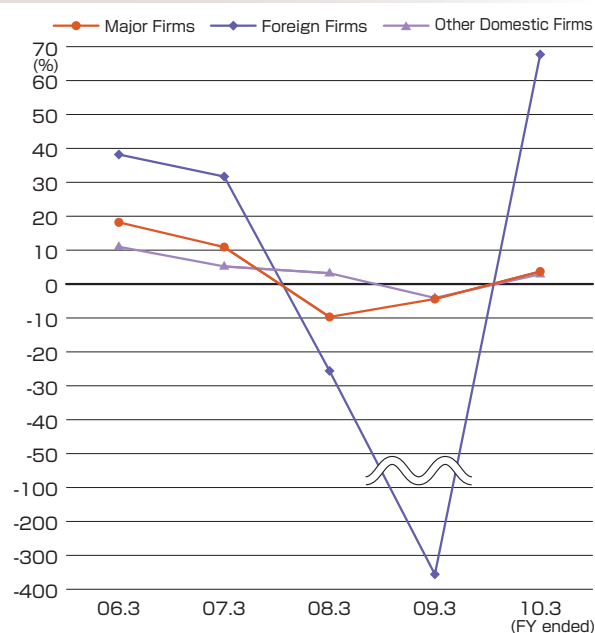
Note: 1. Securities firms that were not in business as of the end of March in each year are excluded.
 2. Major securities firms: Daiwa Securities, Co., Ltd., Daiwa Securities Capital Markets Co. Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more.
 3. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.
 Source: Japan Securities Dealers Association

6 ROE by Type of Member Securities Firms

Looking at ROE by firm category for the fiscal year 2009 ended March 2010, the ROE of major securities firms was 3.7%, improving 8.1 percentage points from the previous fiscal year. The ROE of foreign securities firms recouped 426.3 percentage points compared with fiscal 2008, recovering to 67.7%, while the ROE of the rest of domestic securities firms increased 7.0 percentage points, to 2.9%.

Refer to page 27 ▶

ROE by Type of Member Securities Firms



Note: 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 Capital Markets Co. Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more.
 4. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.
 Source: Japan Securities Dealers Association

Securities Market in 2009

1 Economic Overview

Real GDP Growth Rate

(%)

Quarterly		Real GDP Growth Rate (Year-on-year comparison)	Private Demand	Public Demand	Net Exports
2000	1 Q	3.3	2.7	0.0	0.7
	2 Q	2.5	1.6	0.2	0.7
	3 Q	3.0	2.3	0.2	0.6
	4 Q	2.6	2.8	-0.3	0.1
2001	1 Q	2.0	2.2	0.6	-0.8
	2 Q	1.0	1.9	0.1	-1.0
	3 Q	-0.3	0.6	0.1	-1.0
	4 Q	-1.8	-1.6	0.3	-0.5
2002	1 Q	-1.9	-2.3	0.1	0.3
	2 Q	-0.2	-1.3	0.2	0.9
	3 Q	1.5	0.5	0.3	0.7
	4 Q	1.7	0.9	-0.1	0.9
2003	1 Q	1.3	1.1	-0.3	0.5
	2 Q	1.3	0.9	0.0	0.4
	3 Q	1.1	0.6	-0.3	0.8
	4 Q	1.9	1.4	-0.4	0.9
2004	1 Q	4.2	2.7	0.3	1.2
	2 Q	3.2	2.5	-0.3	1.2
	3 Q	2.9	2.5	-0.3	0.7
	4 Q	0.8	0.8	-0.2	0.3
2005	1 Q	1.1	1.7	-0.5	-0.1
	2 Q	2.0	2.2	-0.2	0.0
	3 Q	2.0	1.6	0.1	0.2
	4 Q	2.6	2.0	-0.3	0.9
2006	1 Q	2.5	1.8	-0.3	1.0
	2 Q	2.0	1.4	0.0	0.7
	3 Q	1.6	0.9	-0.4	1.1
	4 Q	2.0	1.5	-0.2	0.7
2007	1 Q	3.5	2.9	-0.3	0.9
	2 Q	2.3	1.3	0.0	1.0
	3 Q	1.7	0.7	-0.2	1.2
	4 Q	1.9	0.3	0.3	1.3
2008	1 Q	1.2	-0.2	0.0	1.4
	2 Q	-0.4	-1.3	-0.4	1.3
	3 Q	-1.4	-1.5	-0.3	0.4
	4 Q	-4.1	-1.1	-0.4	-2.6
2009	1 Q	-8.9	-5.4	0.0	-3.6
	2 Q	-5.7	-4.3	0.7	-2.1
	3 Q	-5.2	-4.6	0.7	-1.4
	4 Q	-1.1	-3.8	0.7	2.0

Source: Cabinet Office

Corporate Profits (all industries, all scales of businesses)

FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Current Profits (Trillion yen)	35.8	28.2	31.0	36.1	44.7	51.6	54.3	53.4	35.4	35.8
Current Profits to Sales Ratio(%)	2.5	2.1	2.3	2.7	3.1	3.4	3.5	3.4	2.4	2.8

Note: 1. The use of FY throughout this publication refers to a fiscal year starting from April 1 of the year noted and ending March 31 of the next year.
2. The figures for current profit and current profit to sales ratio are preliminary report figures.

Source: Ministry of Finance

Consumer Price and Corporate Goods Price(year on year)

	(%)									
CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Consumer Price (excluding fresh food)	-0.5	-0.8	-0.9	-0.3	-0.1	-0.1	0.1	0.0	1.5	-1.3
Corporate Goods Price (final consumer goods)	-1.3	-1.4	-1.9	-1.6	-0.6	0.0	-0.2	0.2	1.0	-4.1

Note: Figures are annual average.

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

Employment Conditions

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Unemployment Rate (%)	4.7	5.0	5.4	5.2	4.7	4.4	4.1	3.9	4.0	5.1
Job-offers to Seekers Ratio (excluding new school graduates but including part-time workers)(Ratio(Times))	0.59	0.59	0.54	0.64	0.83	0.95	1.06	1.04	0.88	0.48

Note: Figures are annual average (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)

	(Billion yen)									
CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TSE 1st Section	978	812	775	971	1,316	1,874	2,598	3,001	2,320	1,517

Source: Tokyo Stock Exchange

Equity Financing (paid-in capital increase) by Corporations

(Billion yen)

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Offerings	796	1,372	223	653	994	884	1,659	511	362	4,968
Rights Offerings	10	32	—	2	11	4	3	9	0	0
Private Placements and Others	1,223	847	1,566	2,808	2,150	2,509	1,220	1,626	1,116	1,366
Total	2,030	2,252	1,789	3,464	3,156	3,397	2,883	2,147	1,479	6,334

Note: 1. Initial public offerings made in conjunction with the listing of shares on exchanges before April 2007 are not included in the calculations.
2. Jasdag Securities Exchange figures before 2004 are those of its precursor, NEO figures have been included since November 13, 2007.
3. Nasdaq Japan market figures are included for the period from June 19, 2000 to December 15, 2002. Hercules market figures have been included since December 16, 2002.
4. "—" indicates nil. "0" indicates less than 1 unit amount.
Source: Tokyo Stock Exchange, Osaka Securities Exchange, Jasdag Securities Exchange

Newly Listed Companies and IPO Amounts

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Newly Listed Companies	203	168	123	118	171	157	181	117	48	17
IPO Amounts (Billion yen)	941	368	147	347	421	402	594	176	43	33

Note: 1. IPOs include public offerings by foreign companies when listing on Japanese markets.
2. Jasdag Securities Exchange figures before 2004 are those of its precursor, the Jasdag Market. Data for the Jasdag market in 2004 covered only the period from January 1 to December 12. NEO figures have been included since November 13, 2007.
Source: Japan Securities Dealers Association

3 Bond Market

OTC Bond Trading (including Repos)

(Trillion yen)

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
JGBs	3,898.0	3,863.4	3,429.8	4,836.1	6,178.6	6,428.0	8,881.7	11,890.1	11,118.4	8,458.1
Short-term JGBs	2,621.9	2,243.2	1,489.9	1,933.6	2,179.2	1,817.5	1,872.1	2,554.9	2,680.6	3,083.9
Super-long-term, Long-term, Medium-term JGBs	1,275.8	1,619.9	1,939.6	2,902.2	3,999.1	4,610.5	7,009.5	9,335.3	8,437.8	5,374.0
Others	163.4	194.9	236.4	274.4	303.1	330.2	271.3	206.5	169.7	105.4
Total	4,061.1	4,058.0	3,665.9	5,110.2	6,481.4	6,758.2	9,153.0	12,096.7	11,288.1	8,563.3

Note: Short-term JGBs are the total of financial bills, treasury bills and Treasury Discount Bills (2009).
Source: Japan Securities Dealers Association

Corporate Bond Financing

(Billion yen)

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Straight Corporate Bonds	8,276	8,609	7,736	7,728	5,879	7,088	6,858	9,258	9,125	11,493
Convertible-type Bonds with Subscription Rights	357	300	427	72	561	889	1,424	127	653	287
Bonds with Subscription Rights	—	—	—	—	—	—	—	—	—	—
Total	8,633	8,909	8,163	7,800	6,440	7,977	8,282	9,385	9,778	11,780

Note: 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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
JGBs	105,996	133,970	147,831	154,686	175,268	186,155	175,684	140,455	125,752	145,660
Municipal Bonds	2,200	2,299	2,582	4,264	5,251	6,152	6,031	5,704	5,874	7,439
Gov.-guaranteed Bonds	4,854	4,815	4,216	6,476	8,243	7,821	4,434	4,462	4,494	4,925
FILP Agency Bonds	—	546	2,408	2,457	3,188	4,187	4,493	4,557	4,472	4,599
Straight Corporate Bonds	8,276	8,609	7,736	7,728	5,879	7,088	6,858	9,258	9,125	11,493
Others	27,237	24,176	19,421	18,206	15,460	15,760	13,425	12,151	8,824	5,997
Total	148,563	173,869	181,786	191,360	213,289	227,163	210,925	176,586	158,540	180,113

Composition of Bond Issuance, etc

(%)

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
JGBs	71.3	77.1	81.3	80.8	82.2	81.9	83.3	79.5	79.3	80.9
Municipal Bonds	1.5	1.3	1.4	2.2	2.5	2.7	2.9	3.2	3.7	4.1
Gov.-guaranteed Bonds	3.3	2.8	2.3	3.4	3.9	3.4	2.1	2.5	2.8	2.7
FILP Agency Bonds	—	0.3	1.3	1.3	1.5	1.8	2.1	2.6	2.8	2.6
Straight Corporate Bonds	5.6	5.0	4.3	4.0	2.8	3.1	3.3	5.2	5.8	6.4
Others	18.3	13.9	10.7	9.5	7.2	6.9	6.4	6.9	5.6	3.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: 1. Excluding private placement municipal bonds. In 2008, the figures have excluded private placement municipal bonds, private placement special bonds, and private placement bonds.

2. Straight Corporate Bonds include asset backed bonds.

3. FILP Agency Bonds have been issued since 2001.

Source: Japan Securities Dealers Association

4 Investment Trust

Net Assets Held in Investment Trusts

(Billion yen)

End of CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Publicly Offered Investment Trusts	49,399	45,280	36,016	37,435	40,996	55,347	68,927	79,760	52,146	61,455
Real-estate Investment Trusts	—	236	441	766	1,246	2,050	3,153	3,687	3,968	4,020
Private Placement Investment Trusts	3,693	6,106	7,381	10,384	15,596	25,643	32,987	36,030	25,555	29,667
Total	53,092	51,624	43,839	48,586	57,839	83,040	105,067	119,478	81,670	95,142

Note: Listing of "Real-estate Investment Trusts" started in September 2001.
Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Stock Investment Trusts	14,610	14,905	16,372	21,333	27,435	40,828	55,657	66,784	40,842	50,243
Bond Investment Trusts	23,817	22,652	14,121	11,746	9,955	11,498	10,576	10,059	8,691	8,755
Money Management Funds	10,971	7,722	5,521	4,350	3,606	3,020	2,693	2,917	2,612	2,456
Total	49,339	45,280	36,015	37,435	40,996	55,347	68,927	79,760	52,146	61,455

Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Unit Type	373	617	697	1,161	1,799	1,945	1,875	1,876	1,287	1,522
Open Type (excluding ETF)	14,236	13,398	13,165	17,216	22,522	35,180	49,665	61,029	37,029	46,430
ETF	—	889	2,509	2,962	3,113	3,703	4,116	3,878	2,524	2,290
Total	14,610	14,905	16,372	21,339	27,435	40,828	55,657	66,784	40,842	50,243

Note: Calculation of "ETF" data started in July 2001.
Source: The Investment Trusts Association

Net Assets Held in Private Placement Contractual-type Investment Trusts

(Billion yen)

End of CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Stock Investment Trusts	3,185	5,040	6,469	9,388	14,646	24,723	32,186	35,406	24,967	28,976
Bond Investment Trusts	507	1,066	911	995	949	919	800	623	587	691
Total	3,693	6,106	7,381	10,384	15,596	25,642	32,987	36,030	25,555	29,667

Source: The Investment Trusts Association

5 Investor Trends

Investments by Institutional Investors (Insurance Companies and Pension Funds)

(Billion yen)

FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Securities Other than Stocks	9,009	15,747	11,304	5,831	13,936	13,156	9,959	3,411	-1,058	6,173
Stocks and Other Equities	6,069	1,685	788	-8,318	-2,633	-4,555	-483	1,904	1,692	1,983
Foreign Securities	-447	4,428	4,112	7,055	3,592	4,313	840	-1,536	-1,834	2,988

Source: Bank of Japan

Investments by Individual Investors (Household)

(Billion yen)

FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Securities Other than Stocks	4,021	-7,125	-6,676	-1,264	7,940	12,553	12,433	11,147	823	-1,997
Stocks and Other Equities	-1,627	-1,433	-31	-2,437	1,256	-2,085	-3,401	-442	2,287	-2,091
Foreign Securities	219	1,783	842	-380	-504	163	-155	2,135	1,543	-235

Source: Bank of Japan

Household Financial Assets

(Billion yen)

End of FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cash and Deposits	751,429	765,432	765,661	772,284	772,492	768,648	769,074	775,366	786,445	798,202
Bonds	48,116	41,834	34,580	32,258	37,274	40,395	43,249	44,509	43,156	42,222
Stocks and Other Equities	107,437	85,389	72,108	117,500	133,573	197,340	200,397	119,190	82,824	102,515
Investment Trusts	33,922	30,434	27,999	33,047	36,584	52,166	64,717	63,046	47,243	54,625
Insurance and Pension Reserves	377,624	379,042	376,970	377,497	382,243	391,163	400,558	402,641	393,527	392,737
Others	70,265	69,004	79,450	75,898	64,942	66,898	65,211	60,133	55,709	62,450
Total	1,388,794	1,371,138	1,356,771	1,408,487	1,427,110	1,516,614	1,543,181	1,464,887	1,408,906	1,452,751

Composition of Household Financial Assets

(%)

End of FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cash and Deposits	54.1	55.8	56.4	54.8	54.1	50.7	49.8	52.9	55.8	54.9
Bonds	3.5	3.1	2.5	2.3	2.6	2.7	2.8	3.0	3.1	2.9
Stocks and Other Equities	7.7	6.2	5.3	8.3	9.4	13.0	13.0	8.1	5.9	7.1
Investment Trusts	2.4	2.2	2.1	2.3	2.6	3.4	4.2	4.3	3.4	3.8
Insurance and Pension Reserves	27.2	27.6	27.8	26.8	26.8	25.8	26.0	27.5	27.9	27.0
Others	5.1	5.0	5.9	5.4	4.6	4.4	4.2	4.1	4.0	4.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Bonds include trust beneficiary rights.

Source: Bank of Japan

Stockholdings by Type of Investors (market value basis)

(Billion yen)

End of FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Individuals	68,934	61,033	48,679	75,599	84,740	117,977	108,419	76,653	54,345	68,469
Governments	560	533	538	789	722	977	1,866	1,567	1,137	1,152
Financial Institutions	70,551	61,797	47,553	67,554	67,402	94,097	87,678	59,843	42,541	52,628
Pension Trusts	19,652	18,696	13,630	16,581	15,430	20,927	20,185	14,149	9,364	11,697
Investment Trusts	9,877	10,302	9,384	13,602	15,219	25,537	26,865	19,739	13,378	15,956
Insurance Companies	38,535	31,687	21,988	29,566	29,441	42,688	43,452	30,875	19,652	23,728
Business Corporations	77,469	67,578	50,789	80,489	88,077	126,167	121,043	87,649	60,030	72,542
Foreigners	66,574	56,733	41,824	80,604	92,765	155,978	161,400	112,222	62,373	88,295
Securities Firms	2,581	2,170	2,088	4,494	4,596	8,198	10,385	6,293	2,711	5,341
Total	354,737	310,533	236,476	369,281	398,296	592,550	581,297	408,992	265,535	339,812

Stockholdings by Type of Investors (market value basis)

(%)

End of FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Individuals	19.4	19.7	20.6	20.5	21.3	19.9	18.7	18.7	20.5	20.1
Governments	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.3
Financial Institutions	19.9	19.9	20.1	18.3	16.9	15.9	15.1	14.6	16.0	15.5
Pension Trusts	5.5	6.0	5.8	4.5	3.9	3.5	3.5	3.5	3.5	3.4
Investment Trusts	2.8	3.3	4.0	3.7	3.8	4.3	4.6	4.8	5.0	4.7
Insurance Companies	10.9	10.2	9.3	8.0	7.4	7.2	7.5	7.5	7.4	7.0
Business Corporations	21.8	21.8	21.5	21.8	22.1	21.3	20.8	21.4	22.6	21.3
Foreigners	18.8	18.3	17.7	21.8	23.3	26.3	27.8	27.4	23.5	26.0
Securities Firms	0.7	0.7	0.9	1.2	1.2	1.4	1.8	1.5	1.0	1.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: 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.

4. Pension Trusts include investment assets of pension related funds of welfare pension funds, etc. for which banks operating trust business are appointed as trustee, but do not include those of public pension funds.

5. Treasury shares owned by each listed company are included under the investor type in which the companies are categorized.

6. In April 2010, the Jasdaq Securities Exchange merged with the Osaka Securities Exchange, with the Jasdaq and NEO markets becoming part of the OSE market. Consequently, starting with fiscal 2009, the figures for the two markets (Jasdaq and NEO) have been combined.

In addition, retroactive adjustments have been made to available figures back to fiscal 2004.

Source: Tokyo Stock Exchange

Member Firms

1 Member Firms

Regular Members (Securities Firms)

End of FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Regular Members	293	290	281	266	267	289	308	317	321	305
Enrollment	23	19	18	8	7	30	33	22	25	10
Withdrawal	26	22	27	23	6	8	14	13	21	26

Note: 1. Withdrawal includes the decrease in the number of regular members due to the merger, etc.

2. Figures for all years are at March 31.

Source: Japan Securities Dealers Association

Special Members (Registered Financial Institutions) by Category

End of FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Banks	9	7	7	7	7	6	6	6	6	6
Trust Banks	18	15	14	14	14	14	14	16	15	14
Government-affiliated Financial Institutions	2	2	2	2	2	2	2	2	2	3
Regional Banks	64	64	64	64	64	64	64	64	64	64
Second-tier Regional Banks	57	56	53	50	48	47	46	45	44	42
Shinkin Banks	39	37	37	35	34	36	36	37	38	39
Shinkin Central Bank	0	1	1	1	1	1	1	1	1	1
Life Insurance Companies	20	19	18	17	17	16	16	12	12	12
Non-Life Insurance Companies	20	17	14	14	13	13	13	10	8	8
Money Market Brokers	6	3	3	3	3	3	3	3	3	3
Foreign Banks	5	5	4	4	5	9	8	12	15	15
Securities Finance Companies	1	1	1	1	1	1	1	1	2	3
Credit Cooperatives	0	0	0	0	0	2	2	2	3	3
Other Banks	3	4	4	4	6	4	4	9	10	10
Public Corporation	0	0	0	0	0	1	1	0	0	0
Total	244	231	222	216	215	219	217	220	223	223

Note: Other Banks included foreign trust banks and long-term credit banks.

Source: Japan Securities Dealers Association

2 Regular Members' Employees

End of CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Employees	94,717	96,692	89,294	85,027	86,406	87,913	92,661	99,139	99,200	93,308

Source: Japan Securities Dealers Association

3 Regular Members' Domestic Offices

End of FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Head Office	293	290	281	266	267	289	308	317	321	305
Branches	1,731	1,683	1,565	1,511	1,529	1,514	1,534	1,561	1,575	1,550
Business Offices	285	276	257	263	281	324	372	418	419	387
Total	2,309	2,249	2,103	2,040	2,077	2,127	2,214	2,296	2,315	2,242

Source: Japan Securities Dealers Association

4 Securities Sales Representatives

End of CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Regular Members	72,846	75,107	72,069	67,539	69,298	71,965	76,054	81,260	81,198	77,265
Special Members	345,643	367,485	363,470	362,908	356,353	345,374	357,542	349,261	354,559	360,071
Financial Instruments Intermediary Service Providers belonging to Regular Members	—	—	—	—	—	1,144	1,870	2,134	2,056	1,944
Financial Instruments Intermediary Service Providers belonging to Special Members	—	—	—	—	—	11	13	98,433	99,092	100,658
Total	418,489	442,592	435,539	430,447	425,651	418,494	435,479	531,088	536,905	539,938

Note: 1. The JSDA began recording the number of securities sales representatives of financial instruments intermediary service providers in 2005.

2. Excluding representatives of individual financial instruments intermediary service providers.

Source: Japan Securities Dealers Association

5 Examinees of Securities Sales Representative

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Class-1 (No. of Examinees)	10,288	14,761	10,135	5,544	25,452	91,739	74,148	61,716	60,635	61,108
Class-2 (No. of Examinees)	9,002	12,646	9,313	6,060	61,705	133,648	102,635	85,559	87,647	75,797
Special Member's Class-1 (No. of Examinees)	45,041	39,817	30,807	22,843	11,754	14,266	21,715	15,995	15,233	15,575
Special Member's Class-2 (No. of Examinees)	48,185	44,746	39,297	30,434	23,666	44,090	75,680	70,160	67,978	108,691
Total	112,516	111,970	89,552	64,881	122,577	283,743	274,178	233,430	231,493	261,171

Note: 1. Class-1 Sales Representatives are authorized to engage in the duties of sales representative with the exception of Specified OTC Derivatives Transactions, etc., while Class-2 Sales Representatives are authorized to engage in the duties of sales representative of Class-1 Sales Representatives with the exception of securities-related derivatives and bonds with options transactions and margin, etc. transactions.

2. As of April 2004, employees of Special Members became eligible to take the Class-1 and Class-2 sales representative examinations.

3. As of September 2004, JSDA lifted its restrictions (must be an officer or employee of an association member firm) on eligibility for taking the Class-2 Sales Representative examination.

Source: Japan Securities Dealers Association

Pass Rate of Securities Sales Representative Examination

(%)

CY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Class 1	58.5	50.2	57.0	75.2	75.4	66.8	54.2	52.1	49.9	47.0
Class 2	81.3	77.2	68.0	79.9	72.8	66.5	57.9	58.4	54.9	55.5
Special Member's Class-1	54.5	50.8	43.3	57.0	48.9	55.4	49.7	42.8	39.0	38.5
Special Member's Class-2	58.4	56.3	58.0	66.6	55.7	55.8	49.9	47.6	42.6	39.9

Note: 1. Class-1 Sales Representatives are authorized to engage in the duties of sales representative with the exception of Specified OTC Derivatives Transactions, etc., while Class-2 Sales Representatives are authorized to engage in the duties of sales representative of Class-1 Sales Representatives with the exception of securities-related derivatives and bonds with options transactions and margin, etc. transactions.

2. As of April 2004, employees of Special Members became eligible to take the Class-1 and Class-2 sales representative examinations.

3. As of September 2004, JSDA lifted its restrictions (must be an officer or employee of an association member firm) on eligibility for taking the Class-2 Sales Representative examination.

Source: Japan Securities Dealers Association

Performance of Securities Industry

1 Operating Revenues of Member Securities Firms

(Billion yen)

FY ended	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Commission	2,018	1,669	1,469	2,046	2,221	3,195	2,956	2,830	1,797	2,129
Trading Gain	771	401	549	871	723	1,078	856	579	435	808
Financial Revenue	423	433	362	369	434	622	847	1,150	860	416
Others	0	1	5	7	9	15	24	23	62	33
Operating Revenues	3,213	2,505	2,386	3,294	3,388	4,911	4,686	4,582	3,156	3,386

Note: 1. Securities firms that were not in business as of the end of March in each year are excluded.

2. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

Source: Japan Securities Dealers Association

2 Operating Expenses of Member Securities Firms

(Billion yen)

FY ended	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Selling and General Administration Costs	2,265	2,266	2,040	2,221	2,319	2,793	3,043	3,123	2,761	2,773
Transaction Expenses	390	352	328	379	422	536	586	581	523	502
Employment Cost	1,135	1,116	972	1,096	1,105	1,345	1,431	1,390	1,122	1,202
Real Estate & Equipment Costs	294	302	278	266	262	265	299	325	319	306
Data Processing & Office Supplies Costs	239	272	263	270	295	314	365	419	424	414
Others	205	222	197	206	233	331	359	407	371	346
Financial Expenses	370	273	223	285	335	436	646	879	705	267
Operating costs	2,635	2,540	2,263	2,506	2,654	3,230	3,689	4,002	3,467	3,041

Note: 1. Securities firms that were not in business as of the end of March in each year are excluded.

2. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

Source: Japan Securities Dealers Association

3 Current Profits/Losses of Member Securities Firms

(Billion yen)

FY ended	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Current Profits/Losses	589	-17	135	793	758	1,699	1,015	657	-243	338

Note: 1. Securities firms that were not in business as of the end of March in each year are excluded.

2. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

Source: Japan Securities Dealers Association

4 Net Income/Loss and ROE of Member Securities Firms

FY ended	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Net Income (Billion yen)	287	-348	-169	508	483	1,136	588	-145	-346	211
ROE (%)	4.5	-6.0	-3.5	10.1	8.7	17.7	8.7	-2.1	-5.4	3.5

Note: 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.

3. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

Source: Japan Securities Dealers Association

5 Net Income/Loss by Type of Member Securities Firms

(Billion yen)

FY ended	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Major Firms	249	-44	53	231	214	463	332	-267	-110	96
Foreign Firms	45	-93	-7	75	91	344	71	-8	-76	17
Other Domestic Firms	-8	-211	-215	201	177	328	183	130	-159	97

Note: 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 Capital Markets Co. Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more

3. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

Source: Japan Securities Dealers Association

6 ROE by Type of Member Securities Firms

(%)

FY ended	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Major Firms	8.3	-1.7	2.7	11.0	9.3	18.2	10.9	-9.7	-4.4	3.7
Foreign Firms	5.5	-11.2	-0.9	9.4	10.8	38.2	31.7	-25.6	-358.6	67.7
Other Domestic Firms	-0.4	-9.1	-10.2	9.4	7.4	11.0	5.2	3.2	-4.1	2.9

Note: 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 Capital Markets Co. Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more

4. Figures for fiscal 2009 ended March 2010 are on a preliminary report basis.

Source: Japan Securities Dealers Association

FACT BOOK 2010

September 22, 2010

Edited&published by: **Research Div.**
Japan Securities Dealers Association
1-5-8 Kayabacho, Nihonbashi
Chuo-ku, Tokyo, 103-0025 Japan
TEL +81-3-3667-8482

http://www.jsda.or.jp/html/eigo/publi_i.html

All rights reserved. All materials on this publication are copyrighted by the Japan Securities Dealers Association. The copyrights are protected under Japan's copyright laws. Reproduction or retransmission of these materials is prohibited neither in whole nor in part.

Copyright©2010 Japan Securities Dealers Association

Japan Securities Dealers Association

1-5-8 Kayabacho, Nihonbashi
Chuo-ku, Tokyo, 103-0025 Japan

<http://www.jsda.or.jp/html/eigo/index.html>

