

# FACT BOOK 2013

2012



Japan Securities Dealers Association

<b>1</b>	<b>Securities Market in 2012</b>	<b>1</b>
1	Economic Overview .....	1
2	Stock Market .....	3
3	Bond Market .....	5
4	Investment Trusts .....	7
5	Investor Trends .....	9
<b>2</b>	<b>Member Firms</b>	<b>11</b>
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
<b>3</b>	<b>Performance of Securities Industry</b>	<b>14</b>
1	Operating Revenues of Member Securities Firms .....	14
2	Operating Expenses of Member Securities Firms .....	14
3	Ordinary 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
<b>4</b>	<b>Statistical Data</b>	<b>17</b>

## 1 Economic Overview

In 2012, the Japanese economy slowed, unable to completely shake off the lingering effects of the Great East Japan Earthquake that occurred in the previous year.

In the first quarter of 2012, Japan's real GDP grew 1.2%. However, it fell into the minus column for both the second and third quarters before recovering to plus 0.3% growth in the fourth quarter.

Looking at a breakdown, public demand maintained positive growth throughout the year. Growth in private demand, however, fell into the negative in the second and third quarters, while net exports registered negative growth that started in the second quarter and continued for the rest of the year.

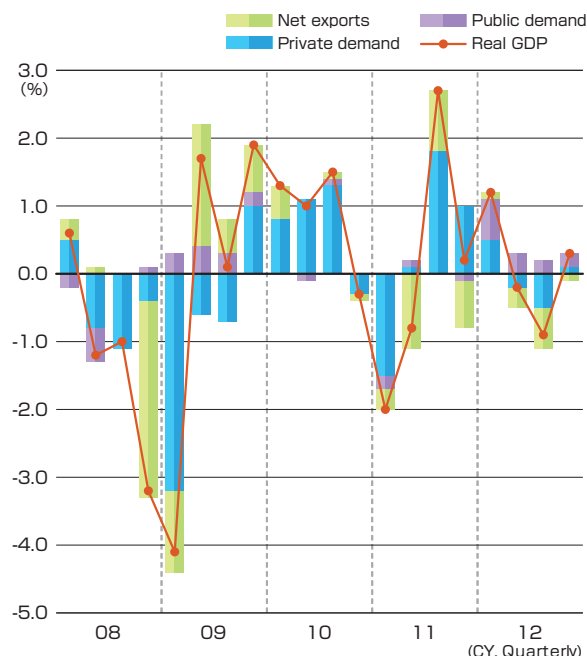
Refer to page 17 ▶

In the first half of fiscal 2012, corporate profits (ordinary profits) contracted quarter on quarter, but then rebounded to finish the fiscal year up ¥5,200.0 billion from a year earlier, at ¥50,417.6 billion.

The ratio of ordinary profits to sales also rose, climbing 0.6% from the prior fiscal year, to 3.9%.

Refer to page 18 ▶

### Real GDP Growth Rate

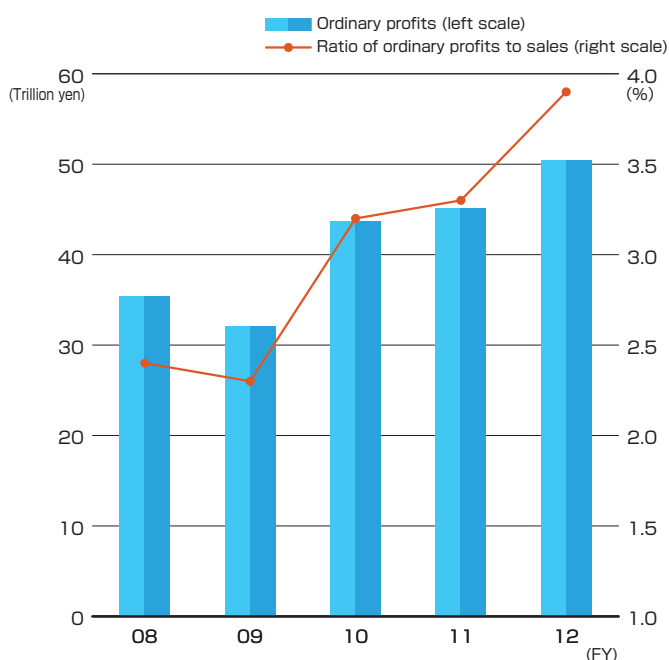


Notes: 1. Data is seasonally adjusted.

2. Real GDP figures are comparison with the previous quarter; demand category figures are contribution ratios.

Source: Japanese Cabinet Office

### Corporate Profits (all industries and all scales of business)



Notes: 1. FY 2012 ordinary profits and the ratio of ordinary profits to sales are preliminary report basis.

2. Ordinary profits and the ratio of ordinary profits to sales exclude performances of the banking and insurance industries.

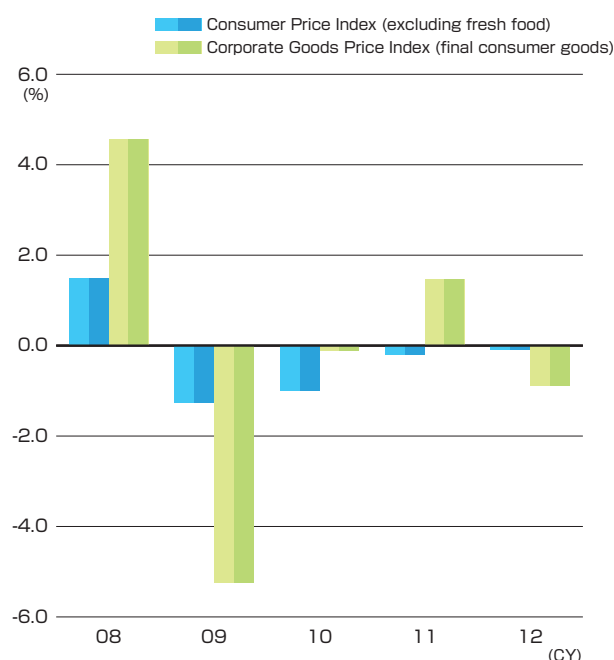
Source: Ministry of Finance

After posting negative growth for four consecutive years since 2009, the Consumer Price Index (CPI) rose to more or less zero in 2012. Despite continued mild improvement, further recovery was thwarted by weak growth in food industry product prices.

The Corporate Goods Price Index (CGPI) decreased 0.9% year on year, reflecting the decline in crude oil prices up to mid-2012.

Refer to page 18 ▶

### ▶ Consumer Price and Corporate Goods Price Indices



Note: Data is annual average.

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

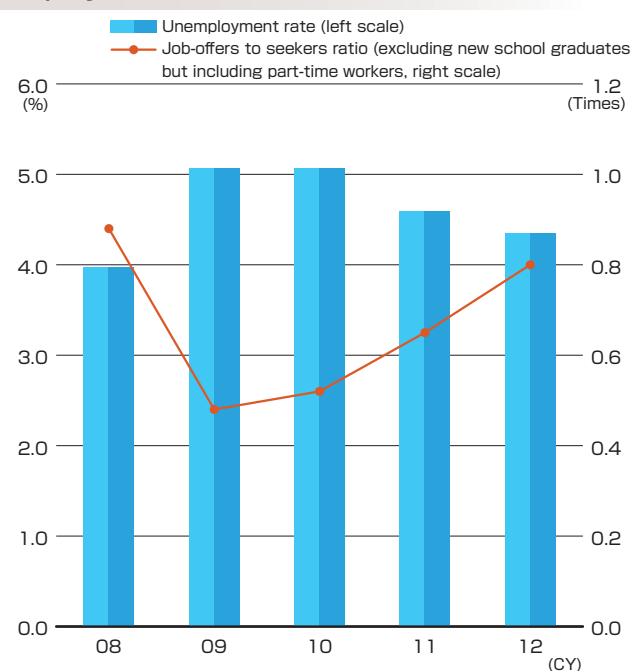
In 2012, employment conditions improved slightly compared with the previous year, with the unemployment rate moving in a range between 4.2% to 4.5% and turning to 4.4% on an annual basis.

The job-offers to seekers ratio continued to rise at a slow pace, improving to 0.80 times on an annual basis.

"The type of work or job conditions I want are not available" was the main reason given by job seekers for not being employed.

Refer to page 18 ▶

### ▶ Employment Conditions



Note: Data is annual average (seasonally adjusted).

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

## 2 Stock Market

Reviewing the first and second quarters of 2012, the Japanese stock market (Nikkei 225 Stock Average) surged in the first quarter after expectations of a recovery in the U.S. economy emerged following a recession in concerns about the sovereign debt problem in Europe. Starting the year at ¥8,560, the index rose to ¥10,255 on March 27, 2012. However, entering the new fiscal year, the market fell into a downward trend in the second quarter, declining from ¥10,109 on April 2, to hit a low of ¥8,238 on June 4.

In the third quarter, the index moved in a range from ¥8,300 to ¥9,300, then made a strong recovery in the fourth quarter after Prime Minister Yoshihiko Noda (at the time) expressed to dissolve the Lower House of the Diet, following which Liberal Democratic Party President Shinzo Abe (at the time) announced his party would ask for unlimited monetary easing and set an inflation goal for the economy. The resultant depreciation of the yen and rise in stock prices drove the Nikkei 225 Stock Average up from ¥8,796 on October 1 to ¥10,395 on December 28, 2012.

The daily average stock trading value of the First Section of the Tokyo Stock Exchange rose for five consecutive years from 2003 to 2007. However, the trend reversed in 2008, with the figure dropping to ¥1,236.7 billion in 2012.

Behind this reversal were the global economic recession and the financial concerns triggered by the Lehman Shock that occurred in September 2008. The resulting decline in stock trading, higher risk aversion among investors because of uncertainty about the direction of the economy, and the feeling that the government was stalemated produced the stagnation in trading value.

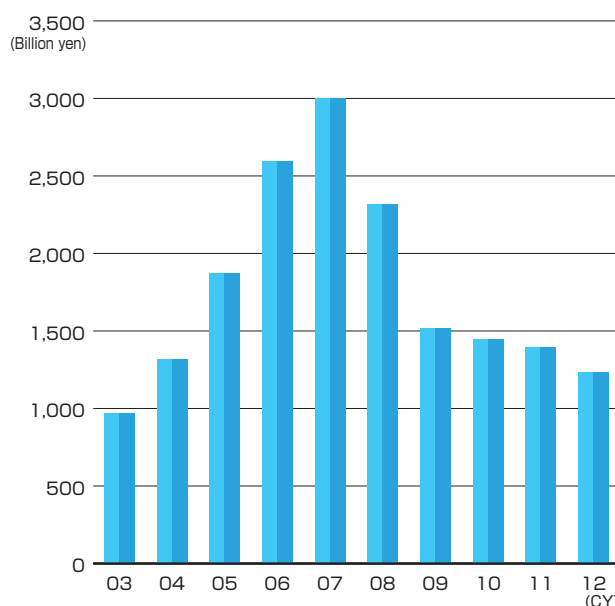
Refer to page 18 ▶

### ▶ Stock Price (Nikkei 225 Stock Average)



Source: Nihon Keizai Shimbun

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



Source: Tokyo Stock Exchange

In 2012, equity financing (paid-in capital increase) by publicly listed companies totaled ¥1,918.6 billion, expanding by ¥393.9 billion from a year earlier.

Looking at issuing categories, public offerings fell ¥540.7 billion from last year, to ¥473.2 billion. Third-party allotments, on the other hand, soared ¥934.2 billion year on year to ¥1,444.9 billion.

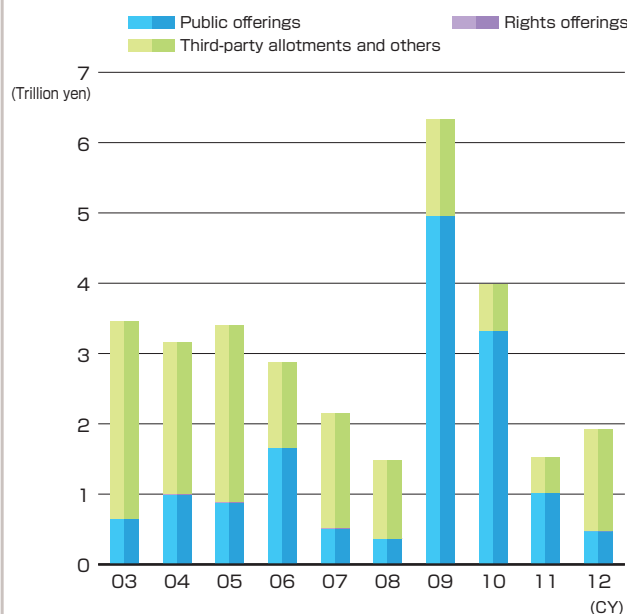
Although small in comparison with public offerings or third-party allotments, rights offerings totaled ¥400 million in 2012, up from no issues in 2011.

Refer to page 19 ▶

In 2012, the number of newly listed companies increased by 16 companies from the previous year, to 66 companies. However, total capital raised in conjunction with new listings on exchanges declined ¥89.2 billion, to ¥39.2 billion.

Refer to page 19 ▶

### ► Equity Financing (paid-in capital increase) by Corporations

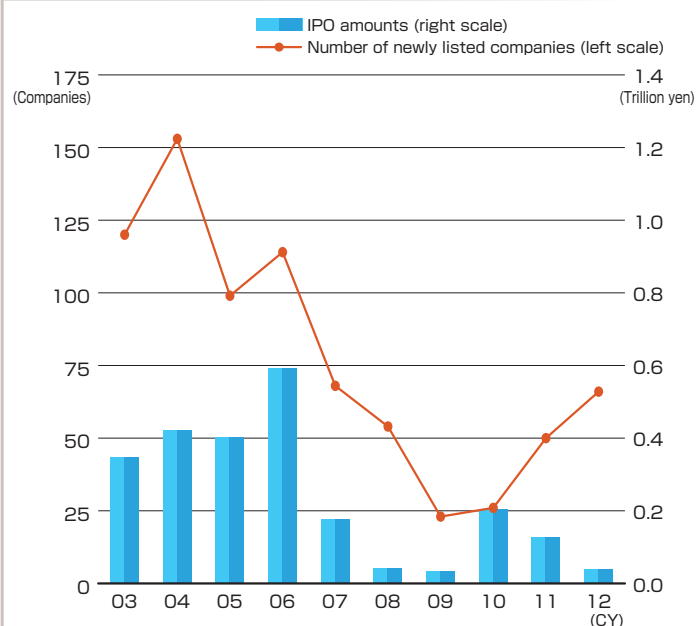


Notes: 1. Third-party allotments include private placements.

2. Initial public offerings made in conjunction with the listing of shares on exchanges before April 2007 are not included in the calculations.

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

### ► Number of Newly Listed Companies and IPO Amounts



Notes: 1. IPOs include public offerings made when foreign companies list on a Japanese exchange.

2. The figures for the number of new listed companies are for the First and Second Sections and the Mothers market of the TSE. Figures for other domestic exchanges are not included.

Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

### 3 Bond Market

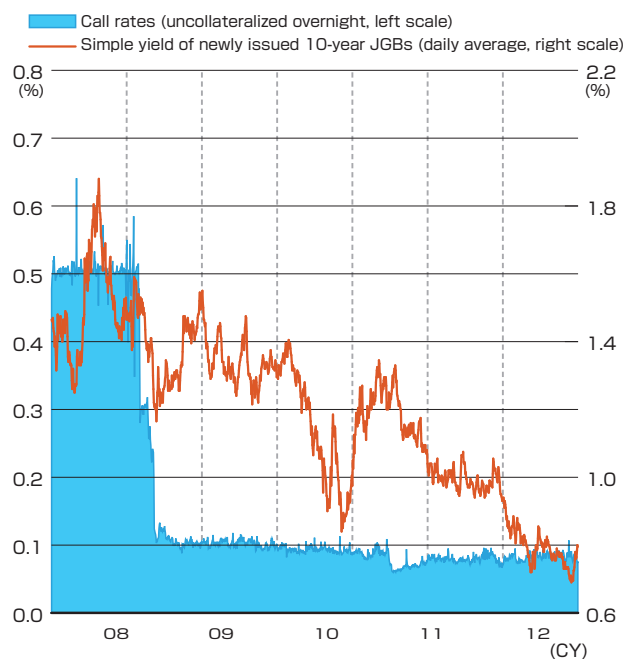
In 2012, the short-term interest rate (uncollateralized overnight call rate) remained stable around the 0.1% level as a result of measures taken by the Monetary Policy Meetings of the Bank of Japan Policy Board.

The long-term interest rate (simple interest yield on newly issued 10-year JGBs) moved in a narrow range around 0.9% in the first quarter of 2012. In the second quarter, the long-term interest rate swung downward as investors' appetite for risk decreased after expectations of further quantitative easing by the U.S. Federal Reserve Board receded and the sovereign debt problem in Europe reignited. In the third quarter, the heightened uncertainty in the political situation in Japan and a rise in the U.S. long-term interest rate fueled an increase in Japanese long-term interest rate in mid-August, with the rate rising to 0.860% on August 16, 2012. Following this rally, the long-term interest rate again slipped into a declining trend when concern over the finances of municipalities in Spain reheated. In the fourth quarter, the market began to believe that—propelled into power by the December national election—Shinzo Abe's Liberal Democratic Party would push strongly forward with its fiscal policy expansion and quantitative easing strategies. In reaction, the yen sunk as low as ¥84 to the U.S. dollar on the foreign exchange market at one point, and the Nikkei 225 Stock Average climbed to ¥10,160. The long-term interest rate also increased, rising to 0.780% on December 19 and again on December 21.

In 2012, the total OTC bond trading volume (including Repos) increased 11.0% year on year, to ¥8,843.2 trillion. Within this amount, the trading volume of JGBs expanded 11.2%, to ¥8,737.8 trillion. Trading volume of super-long-term and long-term JGBs with terms of 10 years or more grew 30.2% from a year earlier, to ¥4,144.2 trillion.

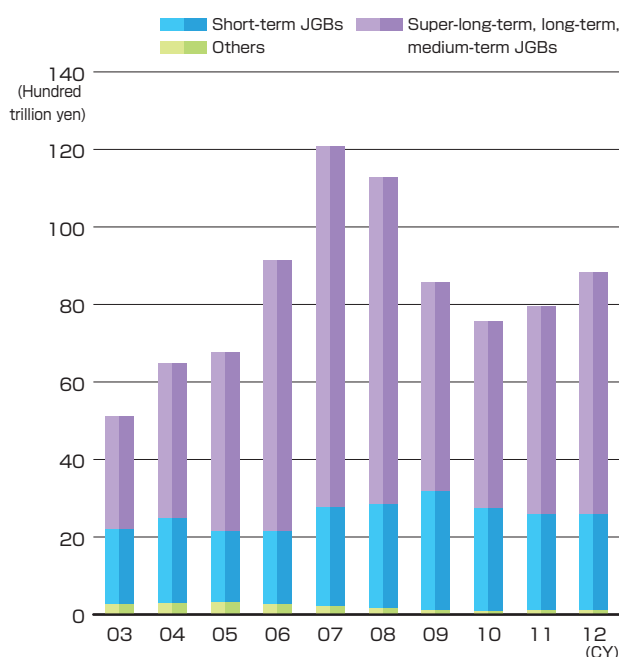
Refer to page 19 ▶

#### ▶ Long-term and Short-term Interest Rates



Sources: 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 (since 2009).

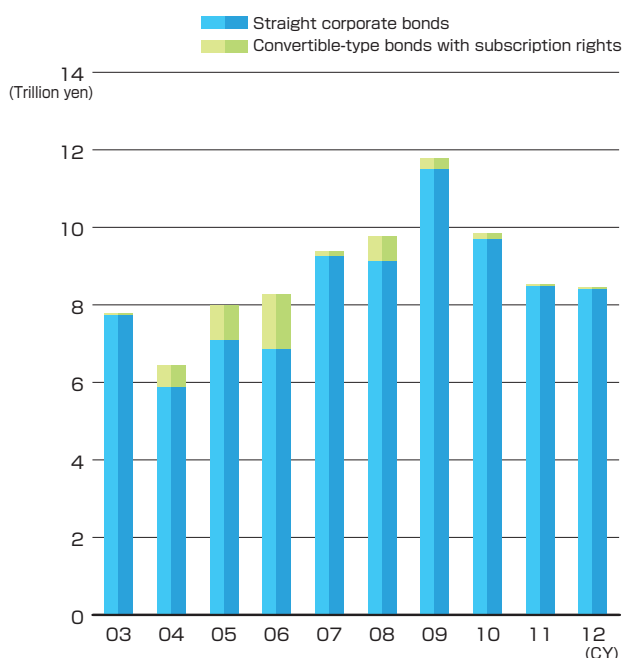
Source: Japan Securities Dealers Association

In 2012, corporate debt financing in the Japanese market edged down 0.9% year on year, to ¥8.4 trillion.

Straight corporate bond issuance contracted 0.8% from the previous year, to ¥8.4 trillion. Similarly, the issuance of convertible-type bonds with subscription rights decreased 7.7%, to ¥36.8 billion.

Refer to page 20 ▶

### ▶ Corporate Bond Financing



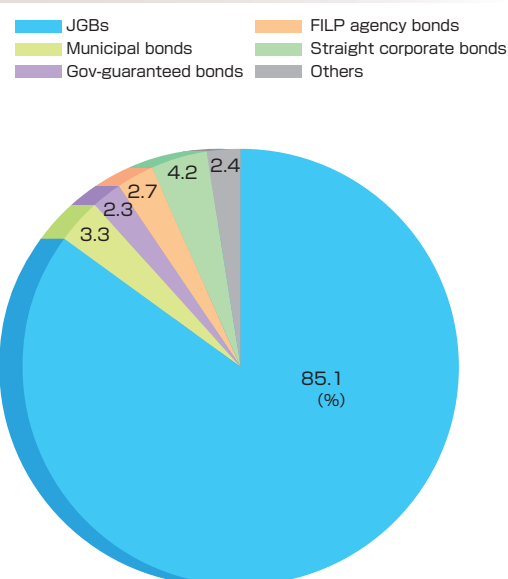
Note: Straight corporate bonds include asset backed bonds.  
Source: Japan Securities Dealers Association

In 2012, public and corporate bond issuance increased 4.7% from the prior year, to ¥202.5 trillion. By category, JGB issuance rose 5.0%, to ¥172.2 trillion; municipal bonds increased 1.8%, to ¥6.7 trillion; Government-guaranteed bonds expanded 49.0%, to ¥4.6 trillion; Fiscal Investment and Loan Program (FILP) agency bonds increased 3.7%, to ¥5.4 trillion; and straight corporate bonds edged down 0.9%, to ¥8.4 trillion.

Looking at the composition of bond issuance by volume, JGBs accounted for the largest share, at 85.1%. The breakdown of other categories was municipal bonds, 3.3%; government-guaranteed bonds, 2.3%; FILP agency bonds, 2.7%; and straight corporate bonds, 4.2%.

Refer to page 20 ▶

### ▶ Composition of Bond Issuance (2012)



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



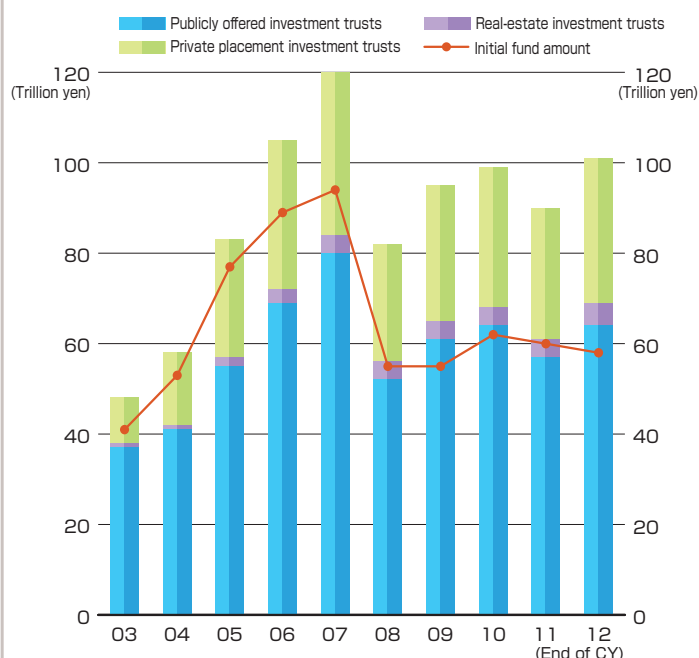
## 4 Investment Trusts

From 2003 to 2007, net assets of investment trusts grew annually, rising to ¥119,478.3 billion, but dropped sharply to ¥81,670.2 billion in 2008. Despite entering a recovery phase since then, net assets of investment trusts had not returned to the 2007 level by the end of 2012, at ¥100,461.2 billion.

Looking at a breakdown of net assets, publicly offered investment trusts accounted for ¥64,063.7 billion, real-estate investment trusts contributed ¥4,578.9 billion, and private placement investment trusts totaled ¥31,818.4 billion. While publicly offered and private placement investment trusts had not recovered to 2007 levels, the net assets of real-estate investment trusts surpassed the ¥3,687.0 billion mark hit in 2007.

Refer to page 21 ▶

### ▶ Net Assets Held in Investment Trusts



Note: Initial fund amount is the sum total of all investment trusts issued during the year.

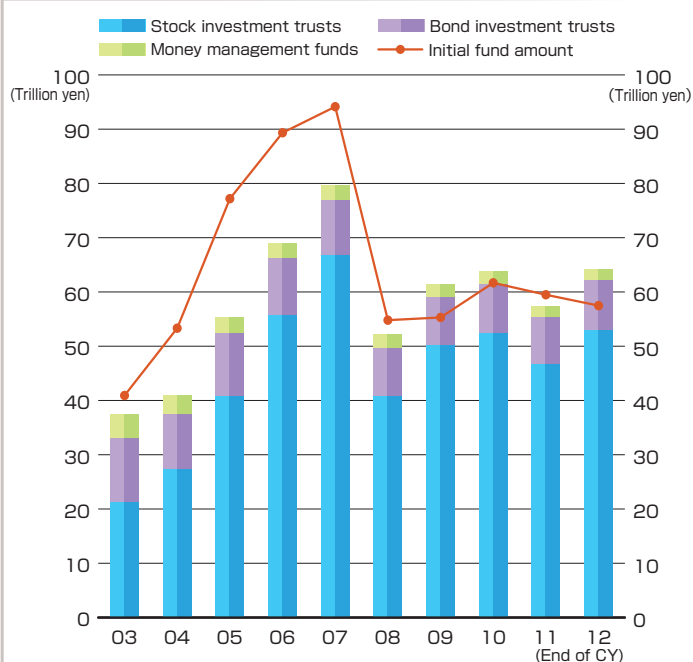
Source: The Investment Trusts Association

The net assets of publicly offered contractual-type securities investment trusts have been recovering since their drop in 2008. Nevertheless, at the end of 2012, they were still only at ¥64,063.7 billion, up ¥6,736.3 billion from a year earlier.

Looking at a breakdown, net assets of stock investment trusts amounted to ¥52,913.9 billion, net assets of bond investment trusts were ¥9,302.8 billion, and net assets of MMFs totaled ¥1,847.0 billion. Since 2008, in comparison with the upward trend in stock and bond investment trusts, net assets of MMFs have been almost consistently in decline over the past five years.

Refer to page 21 ▶

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



Note: Initial fund amount is the sum total of publicly offered contractual-type securities investment trusts issued during the year.

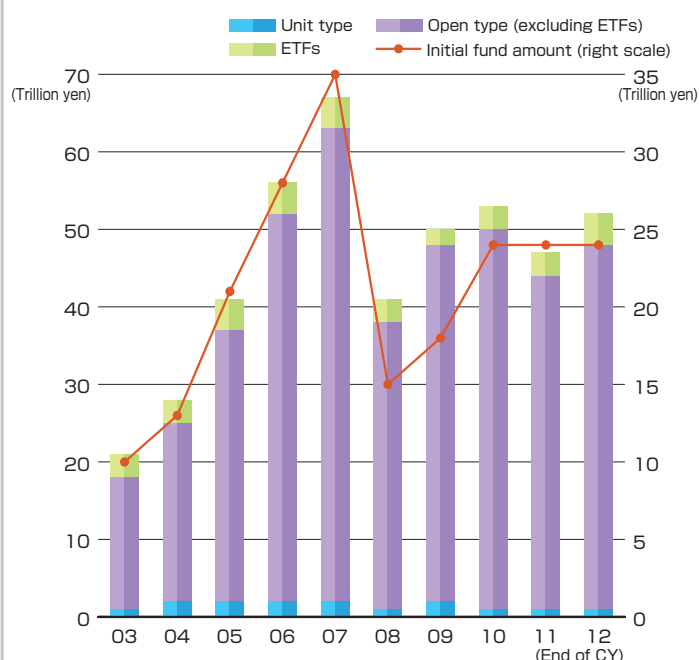
Source: The Investment Trusts Association

Net assets of publicly offered contractual-type stock investment trusts increased ¥6,152.0 billion from the previous year, to ¥52,913.9 billion in 2012.

By type of publicly offered contractual-type stock investment trusts, net assets of unit-type trusts amounted to ¥1,275.3 billion, net assets of open type trusts (excluding ETFs) were ¥47,423.9 billion, and ETFs totaled ¥4,214.6 billion. Although there were some changes in the net asset amounts among the different types, there was no change in terms of composition, with net assets of open type trusts (excluding ETFs) accounting for around 90% of publicly offered contractual-type stock investment trusts.

Refer to page 21 ▶

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



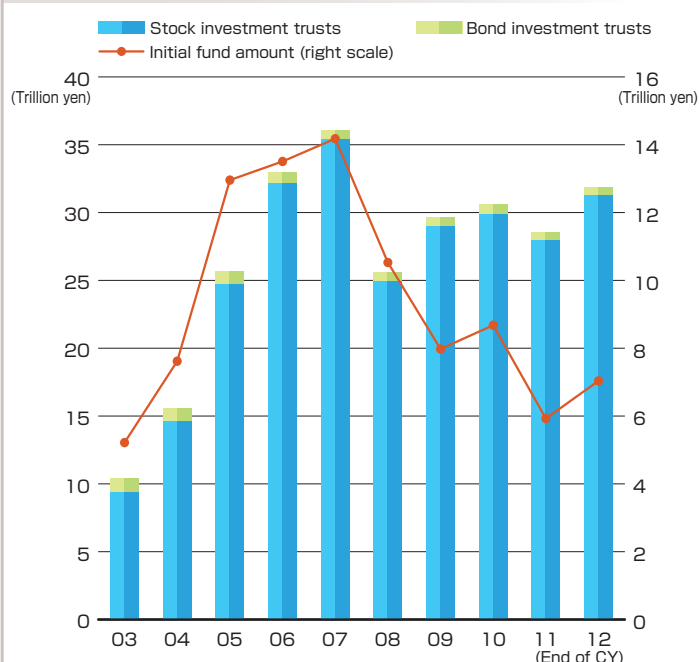
Note: Initial fund amount is the sum total of publicly offered contractual-type stock investment trusts issued during the year.  
Source: The Investment Trusts Association

Net assets of private placement contractual-type securities investment trusts have been in a recovery trend since 2008. At the end of 2012, they totaled ¥31,818.4 billion, up ¥3,275.7 billion from last year. Net assets of stock investment trusts accounted for almost all private placement contractual-type securities investment trusts, at ¥31,297.7 billion. Net assets of bond investment trusts totaled ¥520.7 billion.

In contrast with the growth in net assets, initial fund amount of private placement contractual-type securities investment trusts is declining. Compared with initial fund amount of ¥14,176.4 billion at the end of 2007, initial fund amount at the end of 2012 had fallen to half the amount, at ¥7,038.7 billion.

Refer to page 21 ▶

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



Note: Initial fund amount is the sum total of privately placed contractual-type securities investment trusts issued during the year.  
Source: The Investment Trusts Association

## 5 Investor Trends

Looking at investment trends by type of institutional investors, in fiscal 2012, life and non-life insurance companies (insurance companies) and pension funds expanded their portfolios of securities other than stocks by ¥11,121.2 billion from a year earlier, increasing such investments for the fourth consecutive year.

In contrast, the insurance companies and pension funds have continued to pull out of stocks and other equities for the past three years. In fiscal 2012, they reduced their investments in equities by ¥1,658.4 billion year on year.

Similarly, insurance companies and pension funds have been drawing down their foreign securities portfolios for the past two years. In fiscal 2012, they reduced their holdings of foreign securities by ¥743.9 billion from the previous fiscal year.

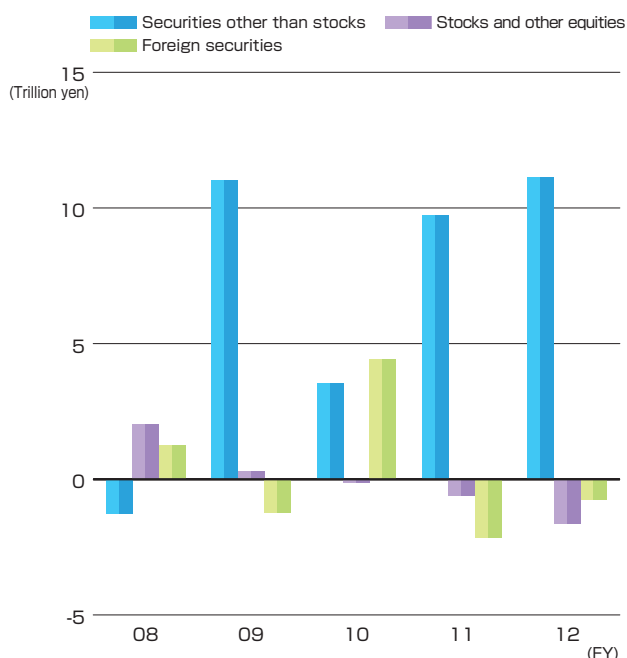
Refer to page 22 ▶

Looking at investment trends by individual investors, total investments in securities in fiscal 2012 increased ¥444.0 billion from fiscal 2011, to ¥270.1 billion.

By category, investments in securities other than stocks moved into the plus column for the year, jumping ¥2,265.7 billion to ¥809.0 billion. Conversely, investment in stocks and other equities dropped ¥846.1 billion from fiscal 2011, to minus ¥862.7 billion, while investments in foreign securities declined ¥975.6 billion year on year, to ¥323.8 billion.

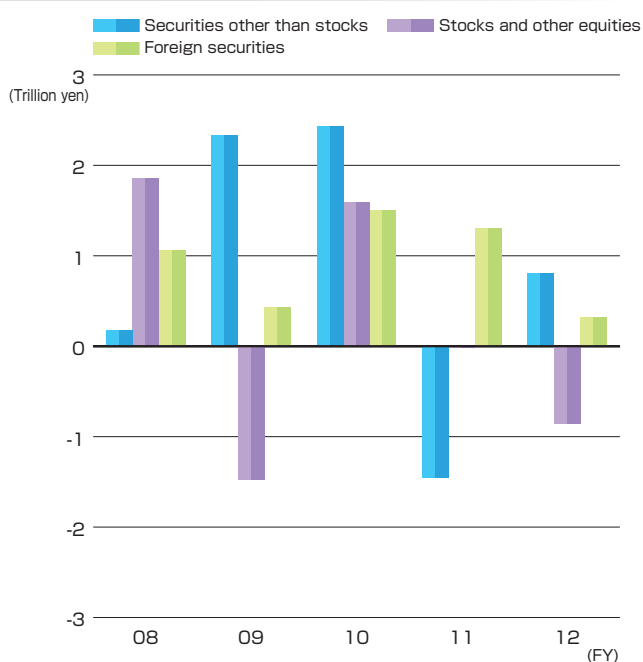
Refer to page 22 ▶

### Investment by Institutional Investors (Insurance Companies and Pension Funds)



Source: Bank of Japan

### Investments by Individual Investors (Household)



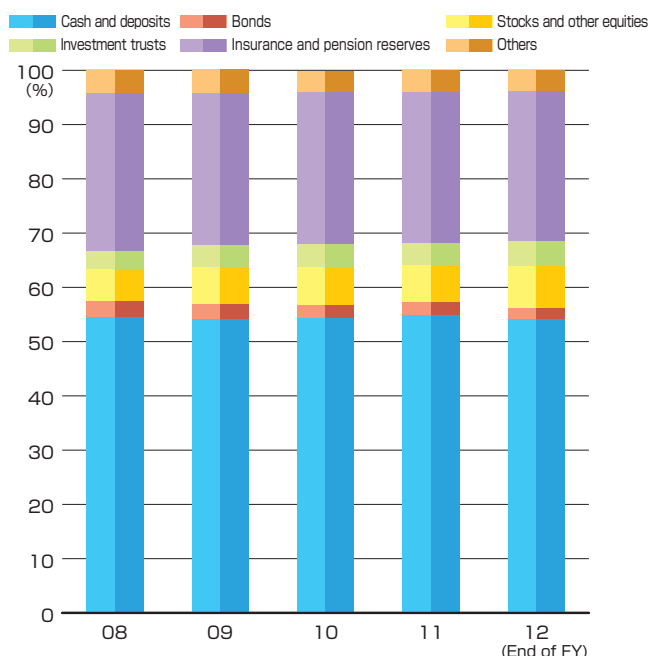
Source: Bank of Japan

The composition of household financial assets has changed little over the past five years. Cash and deposits have comprised the main portion, at more than 54%, while insurance and pension reserves have continued to hold around the 28% mark.

Looking at the breakdown at the end of March 2013, cash and deposits accounted for 54.0%, bonds for 2.1%, stocks and other equities for 7.9%, investment trusts for 4.5%, insurance and pension reserves for 27.6%, and others for 3.9%.

Refer to page 22 ▶

### Composition of Household Financial Assets



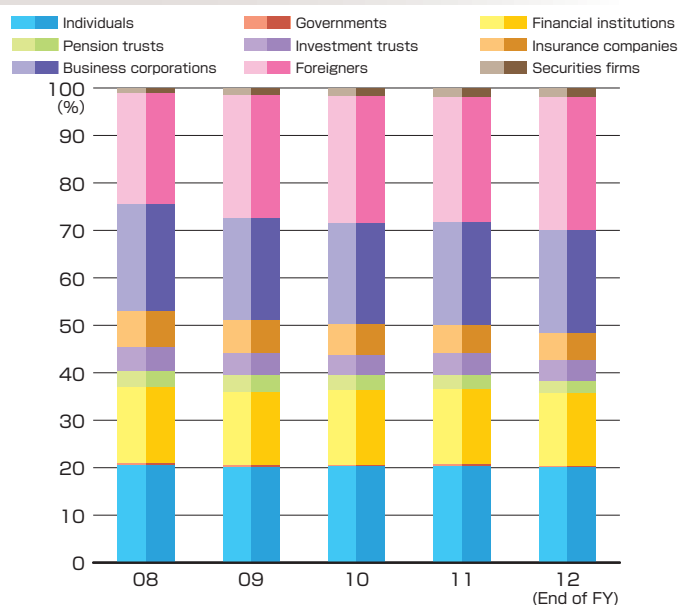
Note: Bonds include trust beneficiary rights.  
Source: Bank of Japan

Stockholdings of all investor categories at the end of March 2013 increased ¥70.1 trillion, to ¥378.4 trillion.

Looking at year-on-year stock investment trends by investor category, on a market value basis, holdings by foreigners were up 1.7 percentage points. Most other categories were down: holdings by financial institutions by 0.6 percentage points, holdings by pension trusts by 0.5 percentage points, and holdings by insurance companies by 0.4 percentage points.

Refer to page 23 ▶

### Stockholdings by Type of Investors (market value basis)



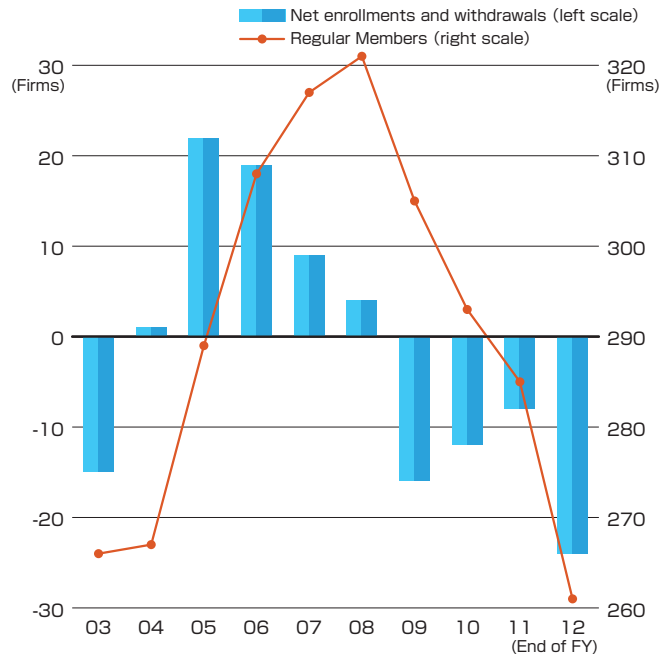
Notes: 1. Governments include central and regional governments.  
2. Financial Institutions do not include Pension Trusts, Investment Trusts and Insurance Companies.  
3. Figures cover all exchange-listed stocks excluding foreign stocks.  
4. Pension Trusts include investment assets of pension related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

## 1 Member Firms

As of March 31, 2013, the number of regular members (securities firms) totaled 261, declining by 24 from a year earlier. The number of regular members decreased for the fourth consecutive year primarily because many members quit the association due to cessation of their financial instruments business.

Refer to page 24 ▶

### Regular Members (Securities Firms)



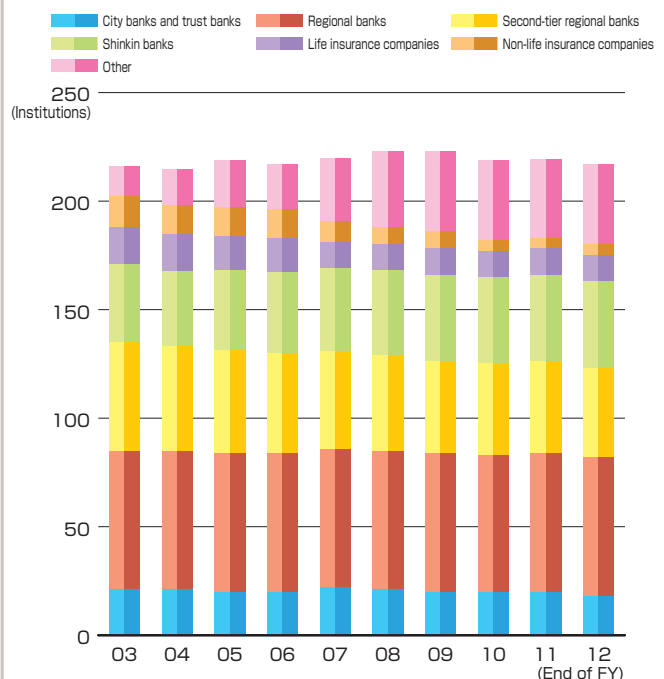
Note: The companies that withdrew effective on March 31 are included in the withdrawals of next fiscal year.

Source: Japan Securities Dealers Association

The number of special members (banks and other registered financial institutions) as of the end of March 2013 was 217, declining by 2 financial institutions from a year earlier. A breakdown by categories shows 6 city banks (unchanged), 12 trust banks (down by 2), 64 regional banks (unchanged), 41 second-tier regional banks (down by 1), 40 shinkin banks (unchanged), 12 life insurance companies (unchanged), 5 non-life insurance companies (unchanged) and 11 others (up by 1).

Refer to page 24 ▶

### Special Members (Registered Financial Institutions) by Category



Note: Shinkin banks include shinkin banks and Shinkin Central Bank.

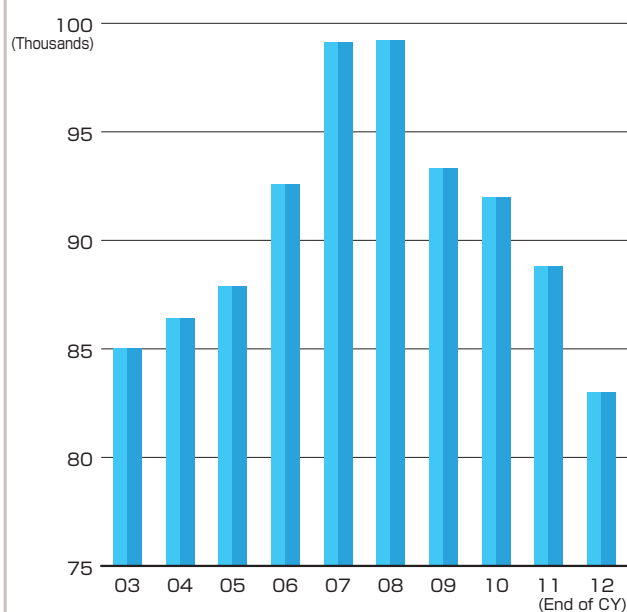
Source: Japan Securities Dealers Association

## 2 Regular Members' Employees

At the end of 2012, the number of employees of member firms was 83,000, declining by about 5,000 from last year. It was the fourth consecutive year that the number of employees has dropped.

Refer to page 24 ▶

### ▶ Number of Securities Firm Employees



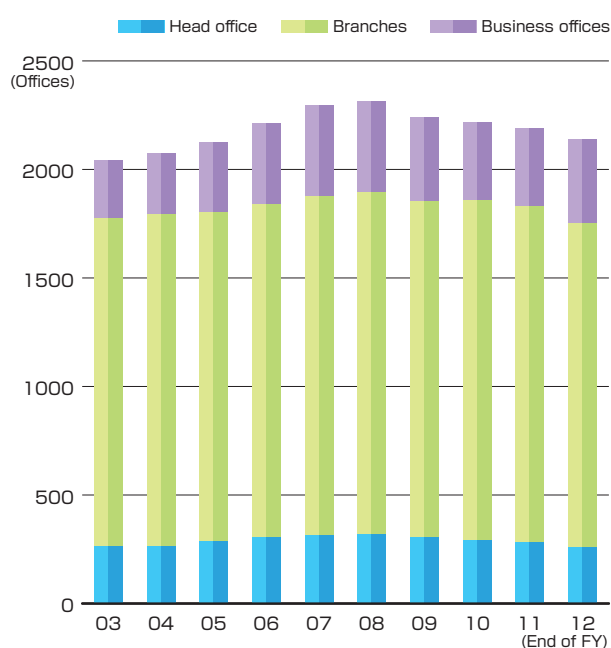
## 3 Regular Members' Domestic Offices

As of the end of March 2013, securities firms had 1,491 domestic branches, a reduction of 53 branches year on year. The number of business offices was 387, up 25 offices from the end of fiscal 2011.

As a result, the number of domestic offices including head offices decreased by 52 offices, to 2,139, falling for the fourth consecutive year.

Refer to page 25 ▶

### ▶ Regular Members' Domestic Offices



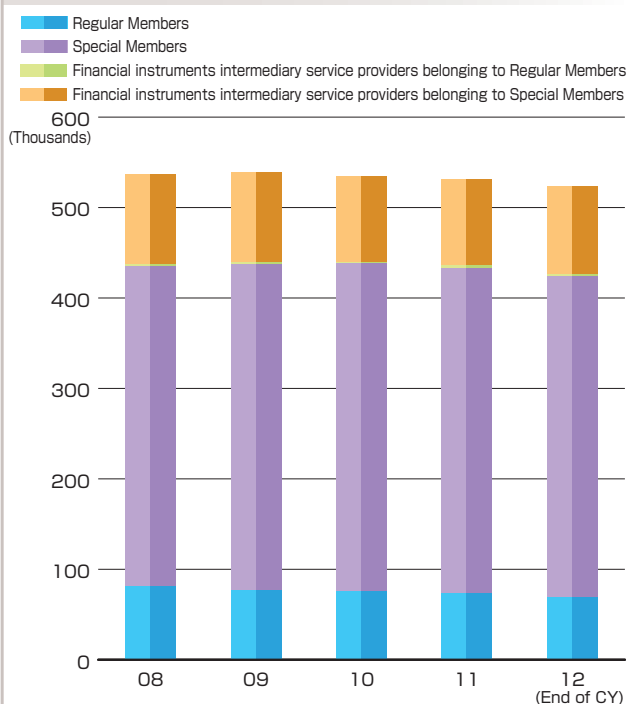
## 4 Securities Sales Representatives

At the end of 2012, there were approximately 524,000 securities sales representatives, a decrease of about 8,000 sales representatives year on year.

By membership category, the number of securities sales representatives registered by regular members was 69,000, declining about 4,000 from the previous year. The number of securities sales representatives belonging to special members was 355,000, a decrease of about 5,000 sales representatives from a year earlier. Financial instruments intermediary service providers had about 99,000 securities sales representatives, approximately the same as in the prior year.

Refer to page 25 ▶

### Securities Sales Representatives



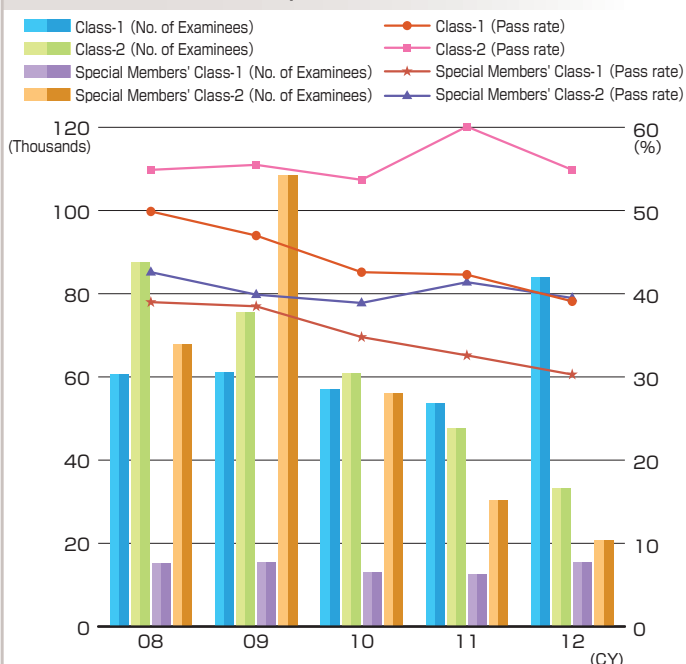
Note: Excluding financial instruments intermediary service providers that are individuals rather than companies.  
Source: Japan Securities Dealers Association

## 5 Examinees of Securities Sales Representative

In 2012, the number of candidates taking the sales representative qualification examination for Class-1 Sales Representative was 83,000, increasing by 30,000 from a year earlier, while the number of candidates taking the examination for Class-2 Sales Representative was 33,000, down 14,000 candidates from last year. The number of candidates taking the examination for Special Member's Class-1 Sales Representative was 15,000, growing by 3,000 from the prior year, while the number of candidates taking the examination for Special Member's Class-2 Sales Representative was 20,000, down 9,000 candidates from the previous year.

Refer to page 25, 26 ▶

### Securities Sales Representative Exam Candidates



Note: As of January 2012, JSDA lifted its restrictions (must be an officer or employee of an association member firm, must have qualified as Class-2 Sales Representative) on eligibility for taking the Class-1 Sales Representative Examination.  
Source: Japan Securities Dealers Association

## 1 Operating Revenues of Member Securities Firms

In the fiscal year 2012 ended March 2013, total operating revenues of the 253 firms\* in the securities industry amounted to ¥3,171.5 billion, increasing ¥460.6 billion, or 17.0%, from the previous year.

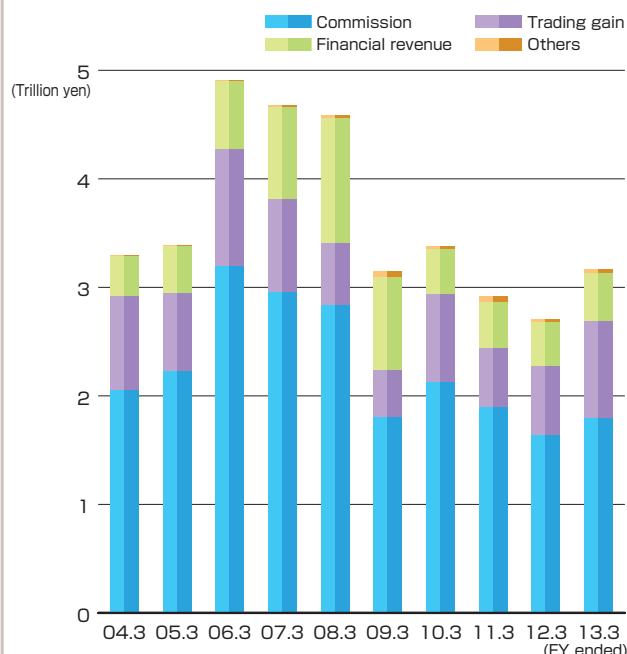
The increase can mainly be attributed to the booming domestic stock market and other influences arising from heightened expectations for the financial and economic measures introduced by the new government administration and Bank of Japan since the fall of 2012.

Among operating revenues, commissions increased ¥157.8 billion, or 9.7%, to ¥1,792.7 billion, while trading gain expanded ¥259.7 billion, or 40.8%, to ¥895.9 billion. Financial revenues rose ¥33.7 billion, or 8.3%, to ¥440.3 billion.

\*: While there were a total of 261 securities firms at the end of March 2013, 8 domestic securities firms not operating because of business suspensions or other reasons were excluded from industry figures.

Refer to page 26 ▶

### Operating Revenues 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. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.

Source: Japan Securities Dealers Association

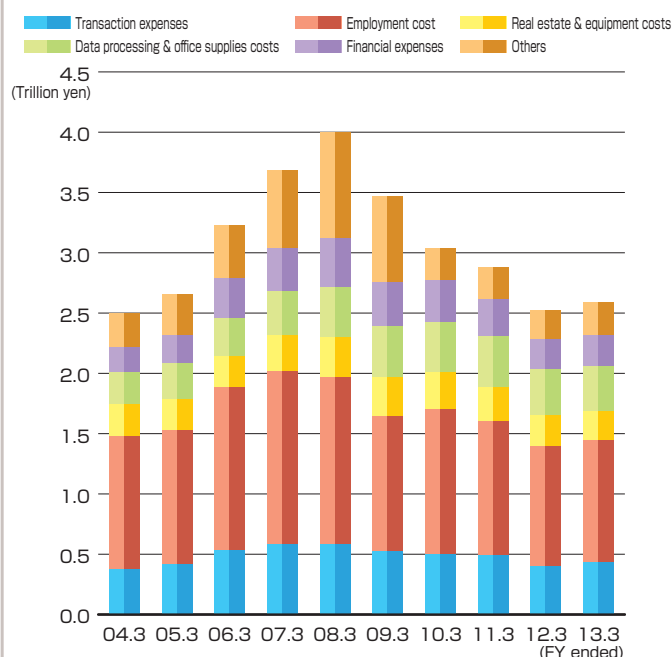
## 2 Operating Expenses of Member Securities Firms

Operating expenses for the fiscal year 2012 ended March 2013 rose ¥65.6 billion, or 2.6%, to ¥2,591.7 billion.

Among operating expenses, transaction expenses increased ¥33.8 billion, or 8.4%, to ¥433.9 billion and employment cost climbed ¥13.1 billion, or 1.3%, to ¥1,009.3 billion. On the other hand, real estate and equipment expenses contracted ¥13.3 billion, or 5.2%, to ¥242.8 billion and data processing and office supplies expenses decreased ¥6.2 billion, or 1.6%, to ¥379.1 billion. As a whole, selling and general administrative costs expanded ¥31.6 billion, or 1.4%, to ¥2,317.7 billion. Financial expenses rose ¥34.0 billion, or 14.2%, to ¥274.0 billion.

Refer to page 26 ▶

### Operating Expenses 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. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.

Source: Japan Securities Dealers Association

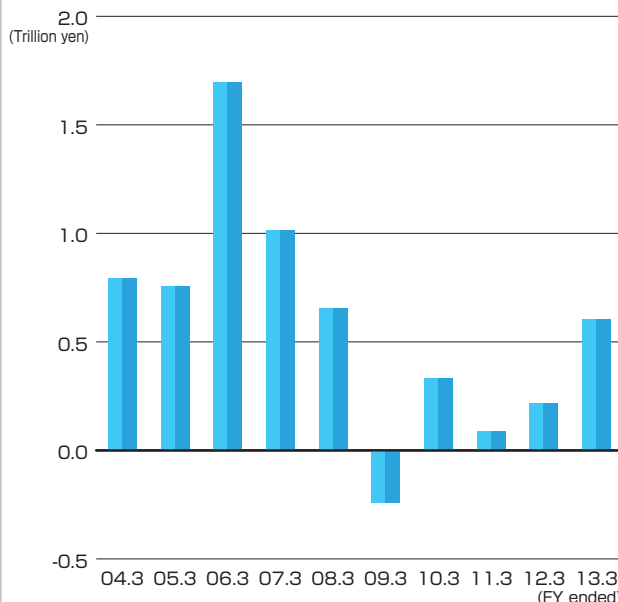


### 3 Ordinary Profits/Losses of Member Securities Firms

In fiscal 2012 ended March 2013, the industry posted ordinary profits of ¥603.8 billion, up a substantial ¥386.0 billion from a year earlier.

Refer to page 27 ▶

#### ▶ Ordinary Profits/Losses 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. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.  
Source: Japan Securities Dealers Association

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

Member securities firms recovered profitability in fiscal year 2012 ended March 2013 for the first time in three years, registering a net income of ¥455.8 billion. Return on equity (ROE) was 7.9%, recapturing 8.4 percentage points after the minus 0.5% recorded in the previous fiscal year.

Refer to page 27 ▶

#### ▶ Net Income/Loss and ROE of Member Securities Firms



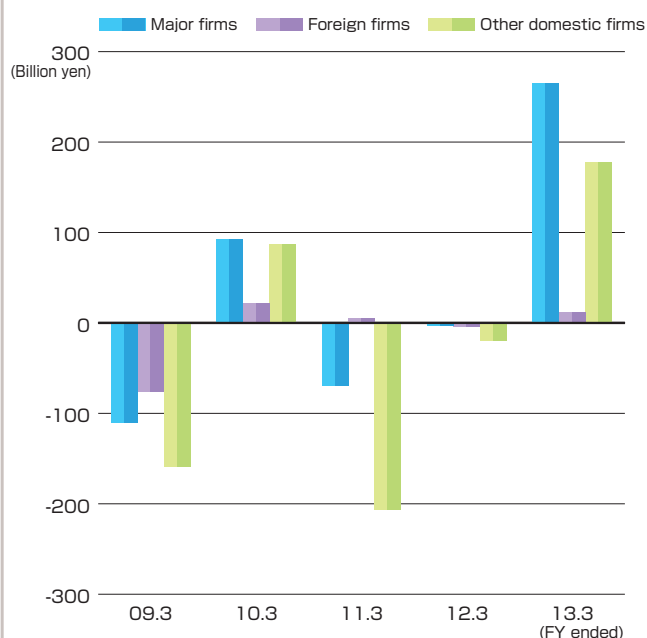
Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.  
2. ROE is after-tax profits divided by average stockholders equity.  
3. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.  
Source: Japan Securities Dealers Association

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

Looking at net income/loss by firm category for the fiscal year 2012 ended March 2013, all types of member securities firms posted profits. Major securities firms registered net income of ¥265.6 billion, up ¥267.0 billion; foreign securities firms record net income of ¥12.0 billion, up ¥15.7 billion; and other domestic securities firms booked net income of ¥178.1 billion, up ¥198.8 billion.

Refer to page 27 ▶

### Net Income/Loss by Type of Member Securities Firms



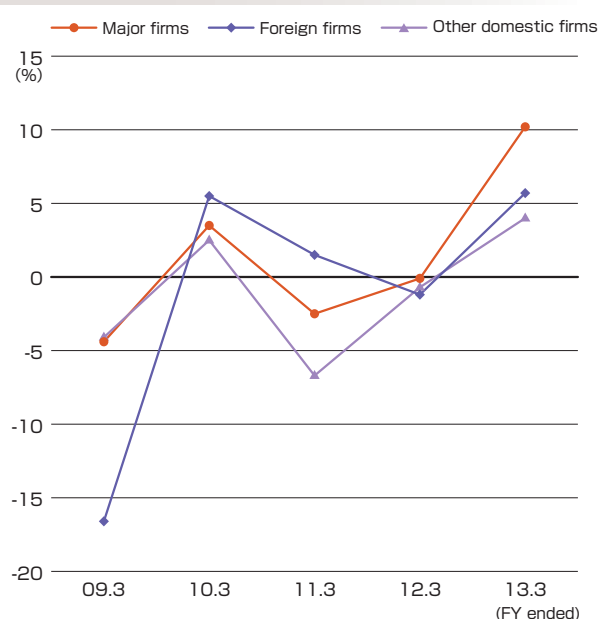
Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.  
2. Major securities firms: SMBC Nikko Securities Inc., Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more.  
3. Figures for fiscal 2012 ended March 2013 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 2012 ended March 2013, the ROE rose for all types of member securities firms year on year. The ROE of major securities firms was 10.2%, up 10.3 percentage points; the ROE of foreign securities firms was 5.7%, up 6.9 percentage points; and the ROE of the rest of domestic securities firms was 4.0%, up 4.7 percentage points.

Refer to page 27 ▶

### ROE 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. ROE is after-tax profits divided by average stockholders equity.  
3. Major securities firms: SMBC Nikko Securities Inc., Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more.  
4. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.  
Source: Japan Securities Dealers Association

## Securities Market in 2012

## 1 Economic Overview

## Real GDP Growth Rate

(%)

CY, Quarterly		Real GDP (Quarter on quarter)	Private demand	Public demand	Net exports
2003	1 Q	-0.5	-0.4	-0.2	0.1
	2 Q	1.2	0.8	0.2	0.3
	3 Q	0.4	0.3	-0.1	0.2
	4 Q	1.1	0.9	-0.1	0.3
2004	1 Q	1.1	0.3	0.4	0.4
	2 Q	-0.1	0.3	-0.5	0.2
	3 Q	0.2	0.3	0.0	-0.2
	4 Q	-0.2	0.0	-0.1	-0.1
2005	1 Q	0.2	0.1	0.1	0.0
	2 Q	1.3	1.2	-0.3	0.4
	3 Q	0.4	0.2	0.1	0.1
	4 Q	0.2	-0.3	-0.1	0.5
2006	1 Q	0.4	0.3	0.1	0.1
	2 Q	0.4	0.5	-0.1	0.1
	3 Q	-0.1	-0.1	-0.2	0.3
	4 Q	1.3	1.1	0.0	0.1
2007	1 Q	1.0	0.7	0.0	0.3
	2 Q	0.1	-0.1	0.0	0.2
	3 Q	-0.4	-0.8	-0.1	0.5
	4 Q	0.9	0.3	0.2	0.3
2008	1 Q	0.6	0.5	-0.2	0.3
	2 Q	-1.2	-0.8	-0.5	0.1
	3 Q	-1.0	-1.1	0.0	0.0
	4 Q	-3.2	-0.4	0.1	-2.9
2009	1 Q	-4.1	-3.2	0.3	-1.2
	2 Q	1.7	-0.6	0.4	1.8
	3 Q	0.1	-0.7	0.3	0.5
	4 Q	1.9	1.0	0.2	0.7
2010	1 Q	1.3	0.8	0.0	0.5
	2 Q	1.0	1.1	-0.1	0.0
	3 Q	1.5	1.3	0.1	0.1
	4 Q	-0.3	-0.3	0.0	-0.1
2011	1 Q	-2.0	-1.5	-0.2	-0.3
	2 Q	-0.8	0.1	0.1	-1.1
	3 Q	2.7	1.8	0.0	0.9
	4 Q	0.2	1.0	-0.1	-0.7
2012	1 Q	1.2	0.5	0.6	0.1
	2 Q	-0.2	-0.2	0.3	-0.3
	3 Q	-0.9	-0.5	0.2	-0.6
	4 Q	0.3	0.1	0.2	-0.1

Notes: 1. Data is seasonally adjusted.

2. Real GDP figures are comparison with the previous quarter; demand category figures are contribution ratios.

Source: Japanese Cabinet Office

## Corporate Profits (all industries and all scales of business)

Fiscal year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ordinary profits (Trillion yen)	36.1	44.7	51.6	54.3	53.4	35.4	32.1	43.7	45.2	50.4
Ratio of ordinary profits to sales (%)	2.7	3.1	3.4	3.5	3.4	2.4	2.3	3.2	3.3	3.9

Notes: 1. FY 2012 ordinary profits and the ratio of ordinary profits to sales are preliminary report figures.

2. Ordinary profits and the ratio of ordinary profits to sales exclude performances of the banking and insurance industries.

Source: Ministry of Finance

## Consumer Price and Corporate Goods Price Indices (change from the previous year)

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Consumer price index (excluding fresh food)	-0.3	-0.1	-0.1	0.1	0.0	1.5	-1.3	-1.0	-0.2	-0.1
Corporate goods price index (final consumer goods)	-0.9	1.3	1.6	2.2	1.8	4.6	-5.3	-0.1	1.5	-0.9

Note: Data is annual average (year on year).

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

## Employment Conditions

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Unemployment rate (%)	5.2	4.7	4.4	4.1	3.8	4.0	5.1	5.1	4.6	4.4
Job-offers to Seekers Ratio (excluding new school graduates but including part-time workers) (Times)	0.64	0.83	0.95	1.06	1.04	0.88	0.48	0.52	0.65	0.80

Note: Data is annual average (seasonally adjusted).

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

## 2 Stock Market

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

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
TSE 1st Section	971	1,316	1,874	2,598	3,001	2,320	1,517	1,447	1,394	1,236

Source: Tokyo Stock Exchange

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

Billion yen

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public offerings	653	994	884	1,659	511	362	4,968	3,320	1,014	473
Rights offerings	2	11	4	3	9	0	0	1	—	0
Private placements and others	2,808	2,150	2,509	1,220	1,626	1,116	1,366	655	510	1,444
<b>Total</b>	<b>3,464</b>	<b>3,156</b>	<b>3,397</b>	<b>2,883</b>	<b>2,147</b>	<b>1,479</b>	<b>6,334</b>	<b>3,977</b>	<b>1,524</b>	<b>1,918</b>

Notes: 1. Third-party allotments include private offerings.

2. Initial public offerings made in conjunction with the listing of shares on exchanges before April 2007 are not included in the calculations.

3. "—" indicates nil. "0" indicates an amount less than 1 unit amount.

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

## Number of Newly Listed Companies and IPO Amounts

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of newly listed companies	120	152	98	113	65	54	23	26	50	66
IPO amounts (Billion yen)	347	421	402	594	176	43	33	206	128	39

Notes: 1. IPOs include public offerings made when foreign companies list on Japanese exchanges.

2. The figures for the number of new listed companies are for the First and Second Sections and the Mothers market of the TSE. Figures for other domestic exchanges are not included.

Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

## 3 Bond Market

### OTC Bond Trading (including Repos)

(Trillion yen)

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
JGBs	4,836.1	6,178.6	6,428.0	8,881.6	11,890.1	11,118.4	8,458.1	7,452.4	7,860.2	8,737.8
Short-term JGBs	1,933.6	2,179.2	1,817.4	1,872.1	2,554.7	2,680.5	3,083.9	2,646.5	2,497.8	2,475.5
Super-long-term, long-term, medium-term JGBs	2,902.2	3,999.1	4,610.3	7,009.3	9,335.1	8,437.6	5,374.0	4,805.8	5,362.2	6,262.1
Others	274.4	303.1	330.5	271.5	206.8	170.0	105.4	100.8	104.4	105.6
<b>Total</b>	<b>5,110.2</b>	<b>6,481.4</b>	<b>6,758.2</b>	<b>9,152.9</b>	<b>12,096.6</b>	<b>11,288.1</b>	<b>8,563.3</b>	<b>7,553.1</b>	<b>7,964.4</b>	<b>8,843.2</b>

Note: Short-term JGBs are the total of financial bills, treasury bills and treasury discount bills (since 2009).

Source: Japan Securities Dealers Association

## Corporate Bond Financing

(Billion yen)

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Straight corporate bonds	7,727	5,878	7,088	6,857	9,258	9,125	11,493	9,678	8,483	8,409
Convertible-type bonds with subscription rights	72	561	889	1,424	127	653	287	171	39	36
Bonds with subscription rights	—	—	—	—	—	—	—	—	—	—
Total	7,799	6,439	7,977	8,281	9,385	9,778	11,780	9,849	8,522	8,445

Notes: 1. Straight corporate bonds include asset backed bonds.

2. "—" indicates nil.

Source: Japan Securities Dealers Association

## Bond Issuance

(Billion yen)

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
JGBs	154,686	175,268	186,155	175,683	140,455	125,751	145,660	165,823	164,064	172,248
Municipal bonds	4,264	5,251	6,152	6,031	5,703	5,873	7,439	7,608	6,654	6,771
Gov-guaranteed bonds	6,476	8,243	7,821	4,434	4,461	4,494	4,925	4,540	3,153	4,699
FILP agency bonds	2,457	3,188	4,187	4,493	4,556	4,472	4,599	4,998	5,647	5,439
Straight corporate bonds	7,727	5,878	7,088	6,857	9,258	9,125	11,493	9,678	8,483	8,409
Others	15,750	15,461	15,760	13,427	12,152	8,825	5,997	5,841	5,397	4,947
Total	191,360	213,289	227,163	210,925	176,585	158,540	180,113	198,488	193,398	202,513

Notes: 1. Excluding private placement municipal bonds. Since 2008, the figures have excluded private placement municipal bonds, private placement special bonds, and private placement corporate bonds.

2. Straight Corporate Bonds include Asset Backed Bonds.

Source: Japan Securities Dealers Association

## Composition of Bond Issuance

(%)

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
JGBs	80.8	82.2	81.9	83.3	79.5	79.3	80.9	83.5	84.8	85.1
Municipal bonds	2.2	2.5	2.7	2.9	3.2	3.7	4.1	3.8	3.4	3.3
Gov-guaranteed bonds	3.4	3.9	3.4	2.1	2.5	2.8	2.7	2.3	1.6	2.3
FILP agency bonds	1.3	1.5	1.8	2.1	2.6	2.8	2.6	2.5	2.9	2.7
Straight corporate bonds	4.0	2.8	3.1	3.3	5.2	5.8	6.4	4.9	4.4	4.2
Others	8.2	7.2	6.9	6.4	6.9	5.6	3.3	2.9	2.8	2.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: 1. Excluding private placement municipal bonds. Since 2008, the figures have excluded private placement municipal bonds, private placement special bonds, and private placement corporate bonds.

2. Straight Corporate Bonds include Asset Backed Bonds.

Source: Japan Securities Dealers Association

## 4 Investment Trusts

### Net Assets Held in Investment Trusts

(Billion yen)

End of CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Publicly offered investment trusts	37,435	40,996	55,347	68,927	79,760	52,146	61,455	63,720	57,327	64,063
Real-estate investment trusts	766	1,246	2,050	3,153	3,687	3,968	4,020	3,908	4,109	4,578
Private placement investment trusts	10,384	15,596	25,643	32,987	36,030	25,555	29,667	30,626	28,542	31,818
<b>Total</b>	<b>48,586</b>	<b>57,839</b>	<b>83,041</b>	<b>105,068</b>	<b>119,478</b>	<b>81,670</b>	<b>95,143</b>	<b>98,255</b>	<b>89,979</b>	<b>100,461</b>
Initial fund amount	40,935	53,340	77,203	89,356	94,157	54,816	55,318	61,698	59,501	57,500

Note: Initial fund amount is the sum total of all investment trusts issued during the year.  
Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Stock investment trusts	21,339	27,435	40,828	55,657	66,784	40,842	50,243	52,464	46,761	52,913
Bond investment trusts	11,746	9,955	11,498	10,576	10,059	8,691	8,755	9,026	8,536	9,302
Money management funds	4,350	3,606	3,020	2,693	2,917	2,612	2,456	2,229	2,028	1,847
<b>Total</b>	<b>37,435</b>	<b>40,996</b>	<b>55,347</b>	<b>68,927</b>	<b>79,760</b>	<b>52,146</b>	<b>61,455</b>	<b>63,720</b>	<b>57,327</b>	<b>64,063</b>
Initial fund amount	40,935	53,340	77,203	89,356	94,157	54,816	55,318	61,698	59,501	57,500

Note: Initial fund amount is the sum total of publicly offered contractual-type securities investment trusts issued during the year.  
Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Unit type	1,161	1,799	1,945	1,875	1,876	1,287	1,522	1,266	881	1,275
Open type (excluding ETFs)	17,216	22,522	35,180	49,665	61,029	37,029	46,430	48,588	43,152	47,423
ETFs	2,962	3,113	3,703	4,116	3,878	2,524	2,290	2,610	2,728	4,214
<b>Total</b>	<b>21,339</b>	<b>27,435</b>	<b>40,828</b>	<b>55,657</b>	<b>66,784</b>	<b>40,842</b>	<b>50,243</b>	<b>52,464</b>	<b>46,761</b>	<b>52,913</b>
Initial fund amount	9,643	13,162	21,270	28,133	35,024	14,576	17,827	23,919	23,531	23,824

Note: Initial fund amount is the sum total of publicly offered contractual-type stock investment trusts issued during the year.  
Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Stock investment trusts	9,388	14,646	24,723	32,186	35,406	24,967	28,976	29,912	27,938	31,297
Bond investment trust	995	949	919	800	623	587	691	714	604	520
<b>Total</b>	<b>10,384</b>	<b>15,596</b>	<b>25,643</b>	<b>32,987</b>	<b>36,030</b>	<b>25,555</b>	<b>29,667</b>	<b>30,626</b>	<b>28,542</b>	<b>31,818</b>
Initial fund amount	5,221	7,617	12,964	13,508	14,176	10,526	7,983	8,675	5,930	7,038

Note: Initial fund amount is the sum total of privately placed contractual-type securities investment trusts issued during the year.  
Source: The Investment Trusts Association

## 5 Investor Trends

### Investment by Institutional Investors (Insurance Companies and Pension Funds)

(Billion yen)

FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Securities other than stocks	5,852	13,961	13,317	10,137	2,664	-1,269	11,036	3,548	9,723	11,121
Stocks and other equities	-8,408	-2,249	-3,331	-131	1,304	2,031	300	-83	-622	-1,658
Foreign securities	7,041	2,200	2,673	-952	-1,490	1,251	-1,245	4,435	-2,160	-743

Source: Bank of Japan

### Investments by Individual Investors (Household)

(Billion yen)

FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Securities other than stocks	-784	8,159	13,820	14,905	11,740	172	2,329	2,434	-1,456	809
Stocks and other equities	-2,306	-1,556	-601	-3,410	-303	1,860	-1,480	1,587	-16	-862
Foreign securities	-689	-251	1,296	804	2,854	1,058	433	1,504	1,299	323

Source: Bank of Japan

### Household Financial Assets

(Billion yen)

End of FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cash and deposits	772,338	778,591	774,796	775,269	781,792	792,952	804,706	814,869	833,068	848,229
Bonds	32,229	37,248	40,371	43,226	44,521	43,166	41,850	38,172	34,966	32,198
Stocks and other equities	123,751	134,613	199,570	199,007	113,821	83,685	100,600	105,269	106,243	124,333
Investment trusts	34,054	38,119	54,724	70,009	66,505	48,417	59,892	62,366	59,300	71,215
Insurance and pension reserves	413,071	412,903	411,580	419,647	426,780	426,121	417,941	418,672	422,552	432,936
Others	76,584	69,777	71,195	70,113	64,294	59,908	63,391	60,707	60,471	61,686
Total	1,452,030	1,471,254	1,552,238	1,577,272	1,497,716	1,454,252	1,488,383	1,500,056	1,516,601	1,570,599

Note: Bonds include trust beneficiary rights.

Source: Bank of Japan

### Composition of Household Financial Assets

(%)

End of FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cash and deposits	53.2	52.9	49.9	49.2	52.2	54.5	54.1	54.3	54.9	54.0
Bonds	2.2	2.5	2.6	2.7	3.0	3.0	2.8	2.5	2.3	2.1
Stocks and other equities	8.5	9.1	12.9	12.6	7.6	5.8	6.8	7.0	7.0	7.9
Investment trusts	2.3	2.6	3.5	4.4	4.4	3.3	4.0	4.2	3.9	4.5
Insurance and pension reserves	28.4	28.1	26.5	26.6	28.5	29.3	28.1	27.9	27.9	27.6
Others	5.3	4.7	4.6	4.4	4.3	4.1	4.3	4.0	4.0	3.9
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



## Amount of Stockholdings by Type of Investors (market value basis)

(Billion yen)

End of FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Individuals	75,599	84,740	117,977	108,419	76,653	54,345	68,469	63,040	62,838	76,447
Governments	789	722	977	1,866	1,567	1,137	1,152	940	793	791
Financial institutions	67,554	67,402	94,097	87,678	59,843	42,541	52,628	48,575	49,007	57,843
Pension trusts	16,581	15,430	20,927	20,185	14,149	9,364	11,697	9,963	9,169	9,580
Investment trusts	13,602	15,219	25,537	26,865	19,739	13,378	15,956	13,606	13,881	17,034
Insurance companies	29,566	29,441	42,688	43,452	30,875	19,652	23,728	20,017	18,707	21,468
Business corporations	80,489	88,077	126,167	121,043	87,649	60,030	72,542	66,031	66,641	81,938
Foreigners	80,604	92,765	155,978	161,400	112,222	62,373	88,295	83,037	81,030	105,849
Securities firms	4,494	4,596	8,198	10,385	6,293	2,711	5,341	5,569	6,240	7,463
<b>Total</b>	<b>369,281</b>	<b>398,396</b>	<b>592,550</b>	<b>581,297</b>	<b>408,992</b>	<b>265,535</b>	<b>339,812</b>	<b>310,783</b>	<b>308,310</b>	<b>378,415</b>

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.

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.

Source: Tokyo Stock Exchange

## Composition of Stockholdings by Type of Investors (market value basis)

(%)

End of FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Individuals	20.5	21.3	19.9	18.7	18.7	20.5	20.1	20.3	20.4	20.2
Governments	0.2	0.2	0.2	0.3	0.4	0.4	0.3	0.3	0.3	0.2
Financial institutions	18.3	16.9	15.9	15.1	14.6	16.0	15.5	15.6	15.9	15.3
Pension trusts	4.5	3.9	3.5	3.5	3.5	3.5	3.4	3.2	3.0	2.5
Investment trusts	3.7	3.8	4.3	4.6	4.8	5.0	4.7	4.4	4.5	4.5
Insurance companies	8.0	7.4	7.2	7.5	7.5	7.4	7.0	6.4	6.1	5.7
Business corporations	21.8	22.1	21.3	20.8	21.4	22.6	21.3	21.2	21.6	21.7
Foreigners	21.8	23.3	26.3	27.8	27.4	23.5	26.0	26.7	26.3	28.0
Securities firms	1.2	1.2	1.4	1.8	1.5	1.0	1.6	1.8	2.0	2.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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.

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.

Source: Tokyo Stock Exchange

## Member Firms

### 1 Member Firms

#### Regular Members (Securities Firms)

(Firms)

End of FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Regular Members	266	267	289	308	317	321	305	293	285	261
Enrollments	8	7	30	33	22	25	10	12	9	5
Withdrawals	23	6	8	14	13	21	26	24	17	29

Notes: 1. Withdrawals include the decrease in the number of Regular Members due to mergers, etc.

2. The companies that withdrew effective March 31 are included in the withdrawals of next fiscal year.

Source: Japan Securities Dealers Association

#### Special Members (Registered Financial Institutions) by Category

(Institutions)

End of FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City banks	7	7	6	6	6	6	6	6	6	6
Trust banks	14	14	14	14	16	15	14	14	14	12
Government-affiliated financial institutions	2	2	2	2	2	2	3	3	3	3
Regional banks	64	64	64	64	64	64	64	63	64	64
Second-tier regional banks	50	48	47	46	45	44	42	42	42	41
Shinkin banks	36	35	37	37	38	39	40	40	40	40
Life insurance companies	17	17	16	16	12	12	12	12	12	12
Non-life insurance companies	14	13	13	13	10	8	8	5	5	5
Money market brokers	3	3	3	3	3	3	3	3	3	3
Foreign banks	4	5	9	8	12	15	15	15	14	14
Securities finance companies	1	1	1	1	1	2	3	3	3	3
Credit cooperatives	0	0	2	2	2	3	3	3	3	3
Other banks	4	6	5	5	9	10	10	10	10	11
Total	216	215	219	217	220	223	223	219	219	217

Note: Shinkin banks include shinkin banks and Shinkin Central Bank.

Source: Japan Securities Dealers Association

### 2 Regular Members' Employees

(Persons)

End of CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
No. of employees	85,027	86,406	87,913	92,661	99,139	99,200	93,308	92,056	88,807	83,056

Source: Japan Securities Dealers Association

### 3 Regular Members' Domestic Offices

(Offices)										
End of FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Head office	266	267	289	308	317	321	305	293	285	261
Branches	1,511	1,529	1,514	1,534	1,561	1,575	1,550	1,563	1,544	1,491
Business offices	263	281	324	372	418	419	387	363	362	387
Total	2,040	2,077	2,127	2,214	2,296	2,315	2,242	2,219	2,191	2,139

Source: Japan Securities Dealers Association

### 4 Securities Sales Representatives

(Persons)										
End of CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Regular Members	67,539	69,298	71,965	76,054	81,260	81,198	77,265	75,913	73,410	69,684
Special Members	362,908	356,353	345,374	357,542	349,261	354,559	360,071	362,095	360,289	354,990
Financial instruments intermediary service providers belonging to Regular Members	—	—	1,144	1,870	2,134	2,056	1,944	2,120	2,422	2,632
Financial instruments intermediary service providers belonging to Special Members	—	—	11	13	98,433	99,092	100,658	94,024	96,729	97,226
Total	430,447	425,651	418,494	435,479	531,088	536,905	539,938	534,152	532,850	524,532

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

2. Excluding financial instruments intermediary service providers that are individuals rather than companies.

Source: Japan Securities Dealers Association

### 5 Number of Examinees of Securities Sales Representative

(Persons)										
CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Class-1 (No. of Examinees)	5,544	25,452	91,739	74,148	61,716	60,635	61,108	57,099	53,680	83,918
Class-2 (No. of Examinees)	6,060	61,705	133,648	102,635	85,559	87,647	75,797	60,999	47,644	33,176
Special Members' Class-1 (No. of Examinees)	22,843	11,754	14,266	21,715	15,995	15,233	15,575	13,152	12,636	15,352
Special Members' Class-2 (No. of Examinees)	30,434	23,666	44,090	75,680	70,160	67,978	108,691	56,103	30,380	20,895
Total	64,881	122,577	283,743	274,178	233,430	231,493	261,171	187,353	144,340	153,341

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

2. 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.

3. As of January 2012, JSDA lifted its restrictions (must be an officer or employee of an association member firm, must have qualified as Class-2 Sales Representative) on eligibility for taking the Class-1 Sales Representative examination.

Source: Japan Securities Dealers Association

## Pass Rate of Securities Sales Representative Examination

(%)

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Class-1	75.2	75.4	66.8	54.2	52.1	49.9	47.0	42.6	42.3	39.1
Class-2	79.9	72.8	66.5	57.9	58.4	54.9	55.5	53.7	60.1	54.9
Special Member's Class-1	57.0	48.9	55.4	49.7	42.8	39.0	38.5	34.8	32.6	30.3
Special Member's Class-2	66.6	55.7	55.8	49.9	47.6	42.6	39.9	38.9	41.4	39.5

Notes: 1. As of April 2004, employees of Special Members became eligible to take the Class-1 and Class-2 sales representative examinations.  
 2. 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.  
 3. As of January 2012, JSDA lifted its restrictions (must be an officer or employee of an association member firm, must have qualified as Class-2 Sales Representative) on eligibility for taking the Class-1 Sales Representative examination.  
 Source: Japan Securities Dealers Association

## Performance of Securities Industry

### 1 Operating Revenues of Member Securities Firms

(Billion yen)

FY ended	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Commission	2,046	2,221	3,195	2,956	2,830	1,797	2,128	1,898	1,634	1,792
Trading gain	871	723	1,078	856	579	435	804	540	636	895
Financial revenue	369	434	622	847	1,150	860	417	428	406	440
Others	7	9	15	24	23	62	31	53	33	42
Operating revenues	3,294	3,388	4,911	4,686	4,582	3,156	3,381	2,920	2,710	3,171

Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.  
 2. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.  
 Source: Japan Securities Dealers Association

### 2 Operating Expenses of Member Securities Firms

(Billion yen)

FY ended	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Selling and general administration costs	2,221	2,319	2,793	3,043	3,123	2,761	2,773	2,618	2,286	2,317
Transaction expenses	379	422	536	586	581	523	502	497	400	433
Employment cost	1,096	1,105	1,345	1,431	1,390	1,122	1,202	1,104	996	1,009
Real estate & equipment costs	266	262	265	299	325	319	307	284	256	242
Data processing & office supplies costs	270	295	314	365	419	424	413	424	385	379
Others	206	233	331	359	407	371	347	306	248	254
Financial expenses	285	335	436	646	879	705	268	268	240	274
Operating expenses	2,506	2,654	3,230	3,689	4,002	3,467	3,041	2,886	2,526	2,591

Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.  
 2. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.  
 Source: Japan Securities Dealers Association

### 3 Ordinary Profits/Losses of Member Securities Firms

(Billion yen)

FY ended	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Ordinary profits	793	758	1,699	1,015	657	-243	333	87	217	603

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

2. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.

Source: Japan Securities Dealers Association

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

FY ended	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Net income (Billion yen)	508	483	1,136	588	-145	-346	202	-270	-25	455
ROE (%)	10.1	8.7	17.7	7.9	-1.9	-5.0	3.1	-4.3	-0.5	7.9

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.

3. Figures for fiscal 2012 ended March 2013 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	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Major firms	231	214	463	332	-267	-110	92	-69	-1	265
Foreign firms	75	91	344	71	-8	-76	22	5	-3	12
Other domestic firms	201	177	328	183	130	-159	87	-206	-20	178

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

2. Major securities firms: SMBC Nikko Securities Inc., Daiwa Securities, Co., Ltd., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more.

3. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.

Source: Japan Securities Dealers Association

### 6 ROE by Type of Member Securities Firms

(%)

FY ended	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Major firms	11.0	9.3	18.2	10.9	-9.7	-4.4	3.5	-2.5	-0.1	10.2
Foreign firms	9.4	10.8	38.2	7.6	-1.2	-16.6	5.5	1.5	-1.2	5.7
Other domestic firms	9.4	7.4	11.0	5.2	3.2	-4.1	2.5	-6.7	-0.7	4.0

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.

3. Major securities firms: SMBC Nikko Securities Inc., Daiwa Securities, Co., Ltd., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more.

4. Figures for fiscal 2012 ended March 2013 are on a preliminary report basis.

Source: Japan Securities Dealers Association

## FACT BOOK 2013

---

September 26, 2013

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

---

<http://www.jsda.or.jp/en/newsroom/fact-book.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©2013 Japan Securities Dealers Association

## **Japan Securities Dealers Association**

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

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

