



Japan Securities Dealers Association

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1 Merger of Stock Exchanges

With the advance of electronic transactions and globalization, Japan's stock exchanges have been facing fierce competition from the foreign exchanges and other rapidly emerging electronic trading systems like proprietary trading systems (PTSs). Under these circumstances, in November 2011, the Tokyo Stock Exchange (TSE) Group and the Osaka Securities Exchange (OSE) announced a merger of their operations with a target date in January 2013. The merger of the TSE with its large share of the stock market and the OSE with its strengths in the Nikkei 225 futures and the derivatives markets would give birth to an exchange group with a good balance of strengths in both cash and derivatives transaction markets. The new exchange group is expected to develop as the world's top class exchange.

2 Measures to Improve Corporate Governance

In the fall of 2011, there were a series of scandals uncovered about Japanese listed companies that caused severe damage to investor confidence in Japanese capital markets. The scandals included fraudulent accounting methods used to hide investment losses over a prolonged period of time and improper loans made to a related party.

Noting the concern in the market, measures are being implemented from various aspects to improve corporate governance in Japan. Specific issues being addressed are implementing corporate governance that utilizes the function of highly independent directors and improving corporate governance by expanding, reinforcing, and increasing the effectiveness of audit procedures. For the former issue, the TSE has introduced a requirement that companies listed on the exchange have outside directors in their exchange rules despite the government shelving plans to introduce such a requirement in Japan's Companies Act. For the latter issue, the Japanese Institute of Certified Public Accountants (JICPA) established a study group in December 2011 to examine the state of audits and corporate governance. Furthermore, since May 2012, the Audit Committee of the Business Accounting Council has been discussing methods of dealing with the risk of fraudulent accounting practices, and plans to examine the content, etc., of audit reports in future.

3 Measures to Vitalize the Corporate Bond Market

Japan's corporate bond market is still small compared with the markets in the United States and Europe. Moreover, the issuance of corporate bonds in Japan is still limited to fairly high-rated specific companies. It is difficult for companies with poor credit ratings to issue corporate bonds. Moreover, the liquidity of the secondary market is low, and compared with measures taken in overseas markets to improve investor confidence in recent years, Japan's efforts with the price information disclosure have not really been adequate. In addition to this background, corporate bond issuance suffered dramatic declines after the occurrence of the major earthquake disaster on March 11, 2011.

Amid these circumstances, the JSDA set up a Study Group to Vitalize the Corporate Bond Market in July 2009. The study group set up sub-committees to focus its deliberations on the four key issues of 1) a review of underwriting examination by securities companies, 2) granting of covenants and information disclosure, 3) corporate bond management, and 4) development of infrastructure for disseminating corporate bond price information. The study group made public its report "Work toward Vitalization of the Corporate Bond Market" on July 30, 2012. The Study Group is continuing its deliberations, focusing now on measures to realize a more efficient, transparent, and highly liquid corporate bond market.

1 Performance of Member Firms

In the fiscal year ended March 2012, despite a decline in operating revenues because of a drop in commissions and other factors, selling and general administration costs continued to shrink. As a result, the current profit of member firms improved ¥130.8 billion year on year, to ¥217.8 billion.

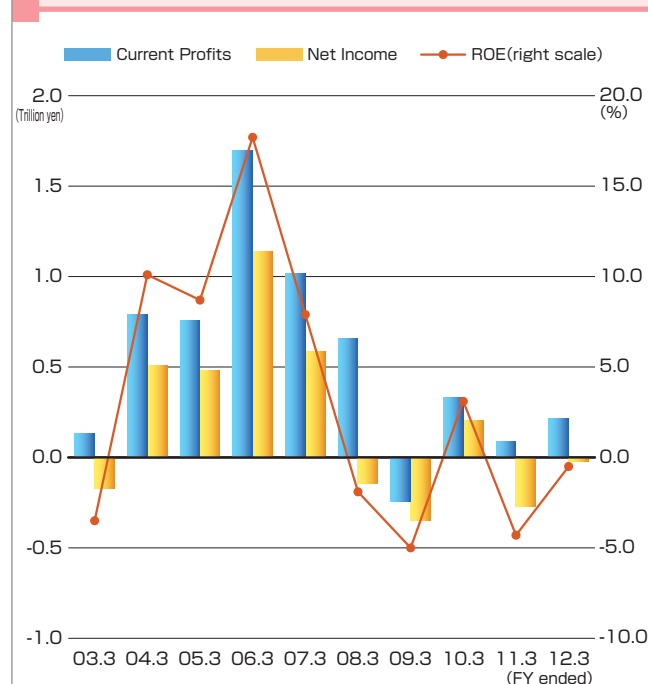
On the other hand, an increase in deferred income taxes along with income tax revisions and the booking of extraordinary losses because of employee downsizing produced the second consecutive year of loss. Nevertheless, the loss improved by ¥245.0 billion to ¥25.7 billion.

Furthermore, return on equity (ROE) recovered to minus 0.5%, gaining back 3.8 percentage points from a year earlier.

Looking at net income/loss by type of securities firms, major securities firms posted a loss of ¥1.3 billion, recovering by ¥68.1 billion from the loss in the previous fiscal year. Major securities firms include SMBC Nikko Securities Inc., Daiwa Securities, Co., Ltd., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred billion yen or more. Foreign securities firms registered a loss of ¥3.7 billion, falling ¥9.4 billion year on year, while other domestic securities firms recorded a loss of ¥20.7 billion, improving ¥186.2 billion from last year.

ROE by type of securities firms was also mixed. The ROE of major securities firms rose 2.4 percentage points compared with a year earlier, to minus 0.1%, while the ROE of foreign securities firms fell 2.7 percentage points, to minus 1.2%. The ROE of the rest of domestic securities firms increased 6.0 percentage points, to minus 0.7%.

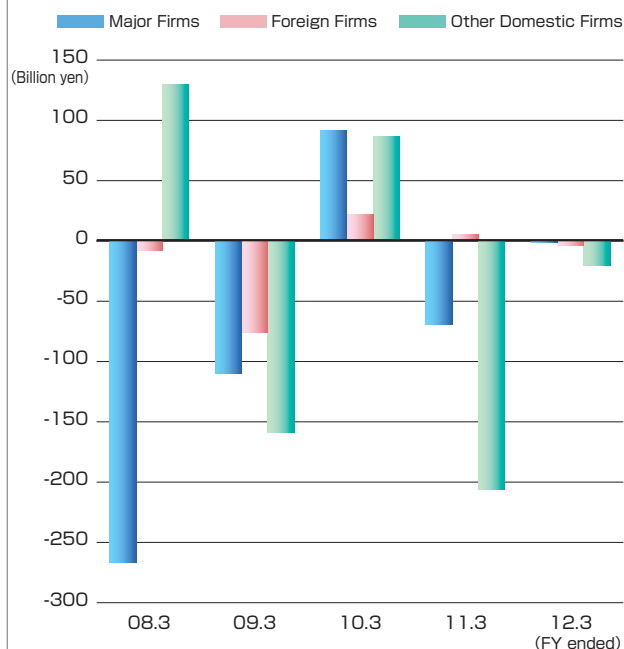
Current Profits, Net Income/Loss and ROE of Member Securities Firms



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

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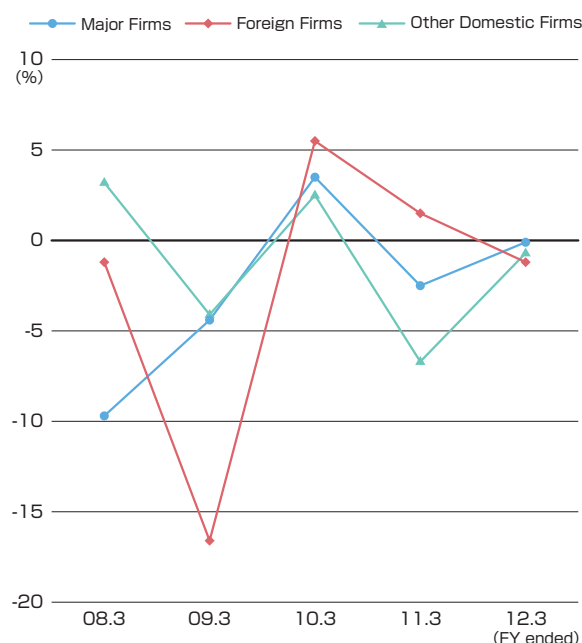
Net Income/ Loss by Type of Member Securities Firms



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 (Up to fiscal 2010 ended March 2011, Daiwa Securities Capital Markets Co. Ltd., was included in the major securities firms).
Source: Japan Securities Dealers Association

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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 (Up to fiscal 2010 ended March 2011, Daiwa Securities Capital Markets Co. Ltd., was included in the major securities firms).
Source: Japan Securities Dealers Association

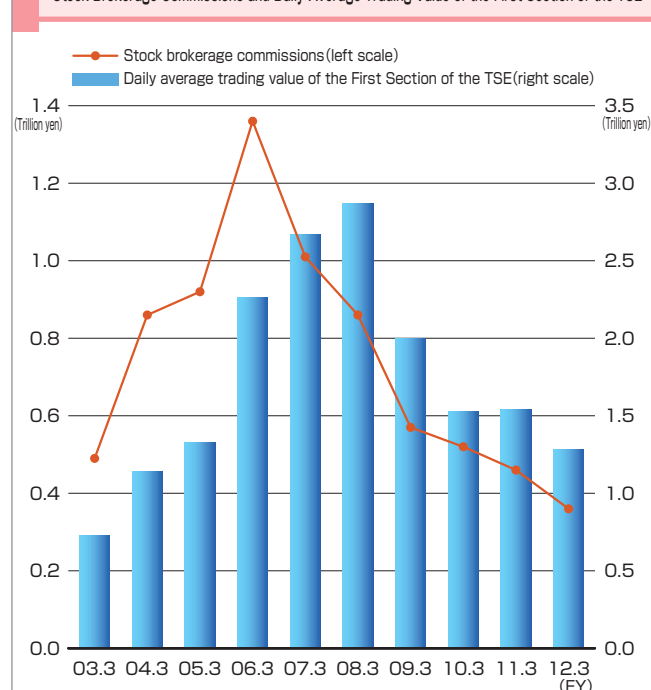
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2 Revenues

Among revenues, commissions decreased 13.9% year on year, to ¥1,634.9 billion. Commissions represent the total of brokerage, underwriting and secondary offering, subscription and distribution, and other commissions. The decline in the fiscal year under review can be attributed to a ¥75.2 billion drop in underwriting and secondary offering commissions, down 48.1% from a year earlier and the lowest level recorded in the past 10 years. Furthermore, reflecting the depressed stock trading value caused by the weak stock market, a 20.7% contraction in brokerage commissions to ¥390.8 billion also contributed to the decline in revenues.

Looking at the stock market, a combination of negative influences caused the market to generally struggle upward unsuccessfully up until the end of 2011. Those dampening factors included a sense of uncertainty about the direction of corporate performances and the domestic economy in the wake of the March 2011 major earthquake disaster and the Fukushima nuclear plant accident and issues surrounding the European sovereign debt crisis. From the beginning of 2012 to the end of the fiscal year, stock prices did move forward, stimulated by a cooling off the European sovereign debt crisis and the worldwide monetary easing policy being practiced by Japan, the United States, Europe and others. The Nikkei 225 ended the fiscal year at 10,083.56, recovering to the 10,000 mark, but had languished at much lower levels for most of fiscal 2011. The daily average stock trading value of the TSE (1st Section) fell 16.6% in the fiscal year to ¥1,282.5 billion. Reflecting sluggish stock prices and the decline in trading value, stock brokerage commissions plunged 22.8%, to ¥358.6 billion.

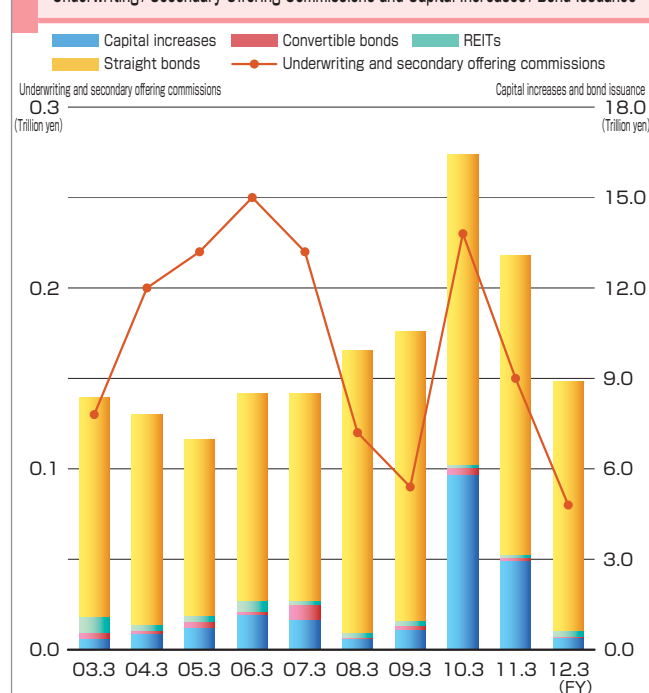
Stock Brokerage Commissions and Daily Average Trading Value of the First Section of the TSE



Note: Stock brokerage commissions of securities firms that were not in business as of the end of March in each year are excluded.
Source: Tokyo Stock Exchange, Japan Securities Dealers Association

Underwriting and secondary offering commissions dropped 48.1% from last year, to ¥75.2 billion. The reasons behind the sharp decrease are thought to be a decrease in capital increases and bond issues influenced by the major earthquake disaster, nuclear plant accident, and European sovereign debt crisis. In particular, equity finance (public capital increases excluding those on Jasdac), a highly profitable component of underwriting, had a large impact on the overall category, falling 86.9% year on year, to ¥383.5 billion.

Underwriting / Secondary Offering Commissions and Capital Increases / Bond Issuance



Notes: 1. Underwriting and secondary offering commissions of securities firms that were not in business as of the end of March in each year are excluded.
2. Capital increases made in the JASDAQ market are excluded.
Source: Tokyo Stock Exchange, Japan Securities Dealers Association

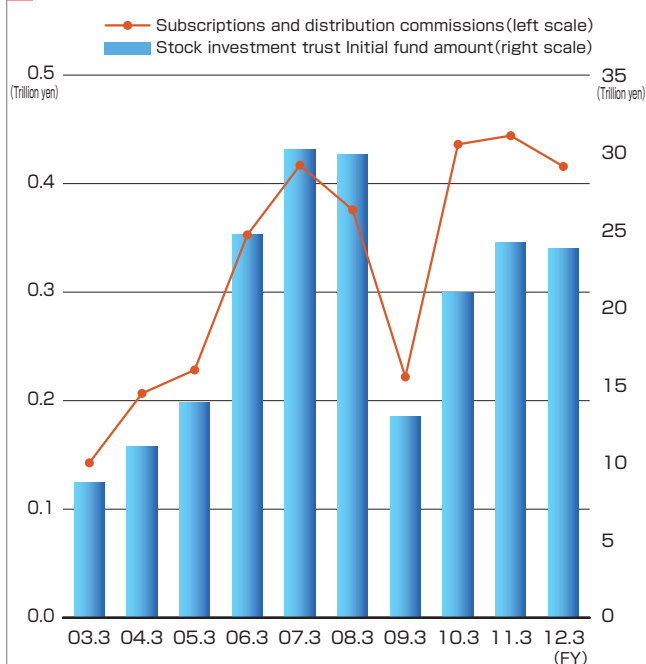
Subscriptions and distribution commissions edged down 6.4% from a year earlier, to ¥415.8 billion. In the fiscal year under review, subscription and distribution commissions for investment trusts exceeded brokerage commissions, underscoring how investment trusts have become a core product for securities companies on a par with stocks.

Trading gains grew 17.8% from fiscal 2010, to ¥636.2 billion. Robust bond trading supported overall growth in trading gains despite poor performances by the currency and equities sections.

Financial revenues decreased 5.2% year on year, to ¥406.6 billion because of declines in interest on margin transactions and in stock lending fees along with the stagnation in the stock market. Margin transaction revenues fell for the fifth consecutive year.

As a consequence of the above, operating revenues contracted 7.2% from fiscal 2010, to ¥2,710.9 billion.

Subscriptions / Distribution Commissions and Stock Investment Trusts



Note: Subscriptions/distribution commissions of securities firms that were not in business as of the end of March in each year are excluded.
Source: The Invest Trust Association, Japan Securities Dealers Association

3 Expenses

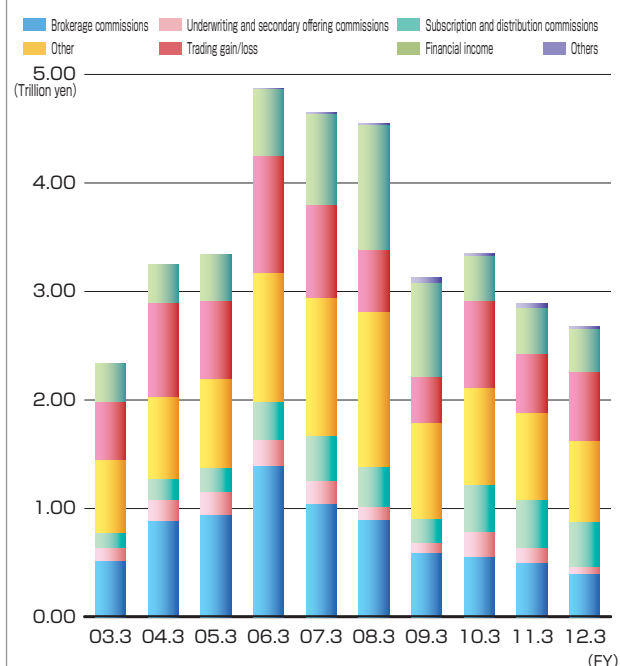
A breakdown of expenses shows that almost all costs declined from the previous fiscal year because of continued efforts to rationalize and manage costs.

Selling and general administrative costs, namely operating expenses minus the financial expenses, contracted 12.7%, to ¥2,286.1 billion, falling for the second year in a row. Transaction expenses, a highly variable cost among selling and general administrative costs, fell 19.6% from a year earlier, to ¥400.1 billion, continuing its downward trend for the fifth year. Of that amount, commissions accounted for ¥180.5 billion, down 27.5%; communications and delivery expenses were ¥99.2 billion, down 8.9%; advertising expenses were ¥37.2 billion, down 13.0%; and others (travel, commuting, entertainment, etc.) were ¥39.3 billion, down 17.9%. Among transaction expenses, the drop in travel, commuting, and entertainment costs can be considered the result of thorough cost management by securities companies. Among other expenses, employment costs decreased 9.8% from last year, to ¥996.2 billion against the backdrop of faltering business performances.

Financial expenses declined 10.6% year on year, to ¥240.0 billion.

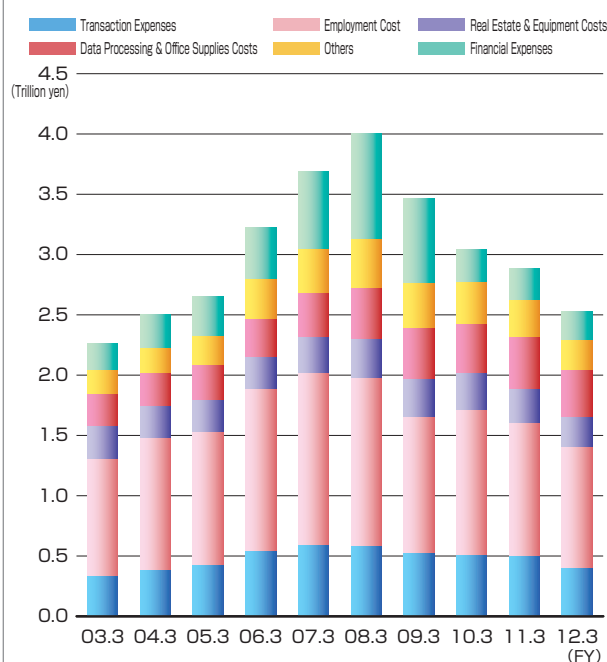
Overall, operating expenses declined 12.5% from fiscal 2010, to ¥2,526.1 billion.

Operating Revenues of Member Securities Firms



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

Operating Expenses of Member Securities Firms



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

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4 Revenues and Expenses

Because of falling brokerage commissions amid competition and other factors, the proportion of brokerage commissions in overall revenues has been declining annually. This trend continued in fiscal 2011 amid the heightened uncertainty about the domestic economy because of the major earthquake disaster and nuclear plant accident from the previous fiscal year and the struggling of the stock market against the backdrop of the strong yen and the European sovereign debt crisis. The contribution of brokerage commissions to revenues lost 2.5 percentage points, dropping to 14.4%, the lowest in a decade.

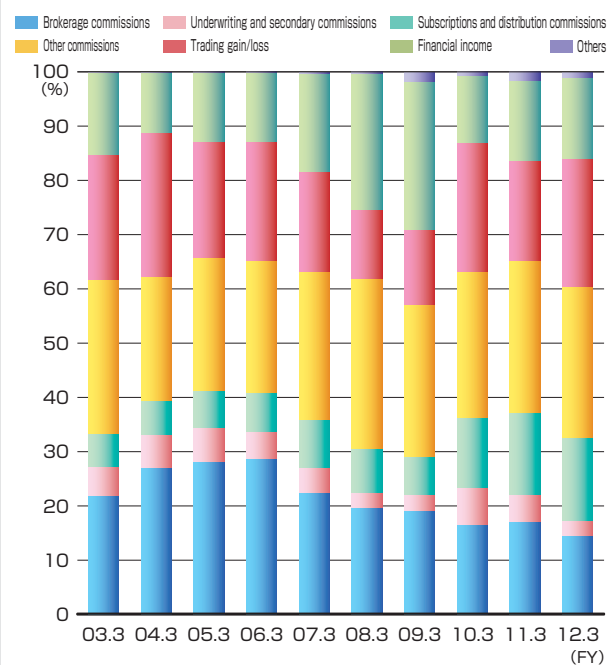
Conversely, the contribution of subscription and distribution commissions has risen, climbing 0.1 percentage points from last year, to 15.3%, and exceeding that of brokerage commissions. This result underscored how investment trusts have become a core product for securities companies on a par with stocks.

Moreover, in recent years other commissions have made the greatest contributions to overall revenues, reflecting the growing diversification of securities companies' businesses. The next major contributor was trading gains, the proportion of which increased 5.0 percentage points, to 23.5%.

Looking at the composition of expenses, the major generator of expenses continues to be employment cost, the proportion of which increased 1.1 percentage points year on year, to 39.4%. On the other hand, the next major contributor, transaction expenses, declined 1.4 percentage points, to 15.8%. Data processing and office supplies expenses accounted for 15.2% of overall expenses, edging up 0.5 percentage points from the previous fiscal year. Because of securities companies' efforts to thoroughly manage costs, transaction expenses including travel, commuting, and entertainment expenses, declined 0.1 percentage points, to 1.6%.

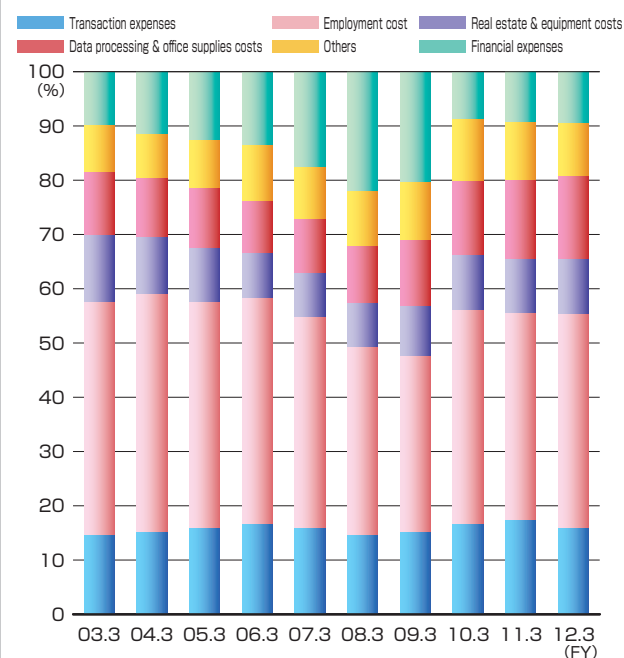
Overall, despite slight changes in the proportions, the composition of expenses was essentially the same as in the previous fiscal year.

Operating Revenues of Member Securities Firms



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Operating Expenses of Member Securities Firms



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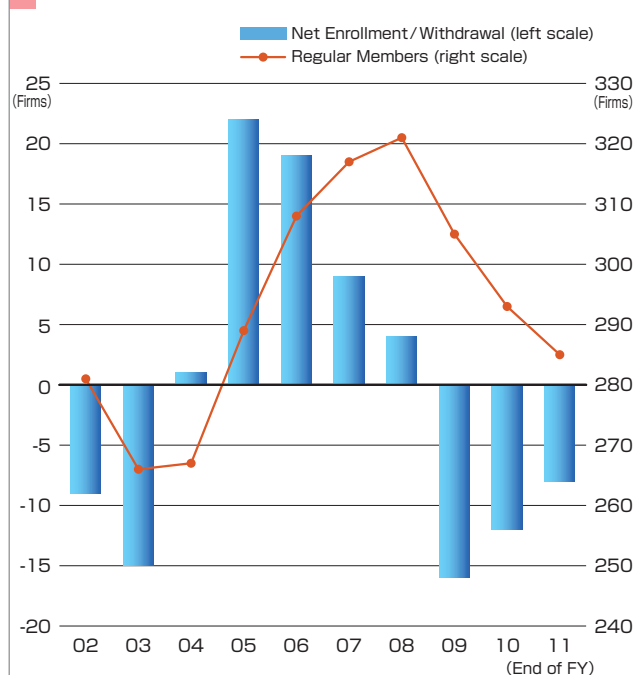
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Member Firms

As of March 31, 2012, the number of regular members (securities firms) decreased by 8, to 285, declining for the third consecutive year. Looking from a longer perspective, it can be said that the number of regular members has come close to the level of 281 in 2002. From 2005, against the backdrop of the spread of regulatory liberalization, a good market environment, and other factors, many securities companies specializing in financial futures, online trading, and investment trust sales newly entered the market. However, the global financial crisis during the period from 2007 to 2009 caused the financial conditions at many securities companies to deteriorate, producing an increase in the number of regular members quitting the association after ceasing their financial instruments business. The current level of membership can be seen as the result of this trend.

Mirroring this process, the number of employees of regular members expanded from 2005 to 2008, but has fallen off since 2009. At of December 31, 2011, the number of employees had contracted by 3,000 from the same period last year, to 88,000, declining for the third consecutive year. In the same manner, at December 31, 2011, there were approximately 532,000 securities sales representatives, a decrease of about 1,000 sales representatives year on year. Looking at a breakdown by member category, the number of securities sales representatives belonging to Regular Members (securities firms) was 73,000, declining about 2,000 from the previous year. The number of securities sales representatives belonging to Special Members (registered financial institutions) was 360,000, a decrease of about 2,000 sales representatives from a year earlier. Financial instruments intermediary service providers had about 99,000 securities sales representatives, expanding by about 3,000 sales representatives from the prior year.

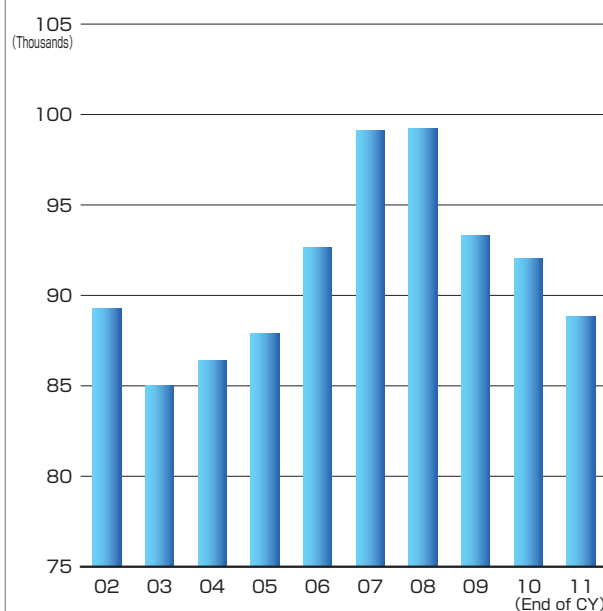
Regular Members (Securities Firms)



Source: Japan Securities Dealers Association

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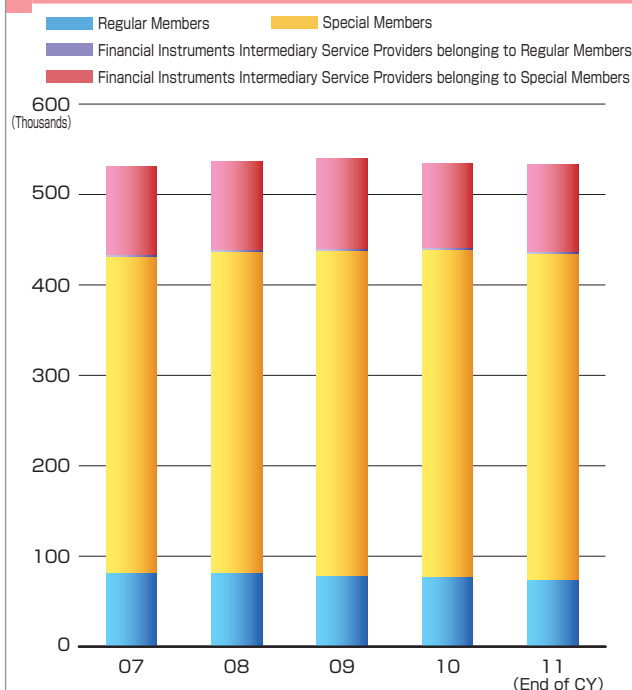
Regular Members' Employees



Source: Japan Securities Dealers Association

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Securities Sales Representatives

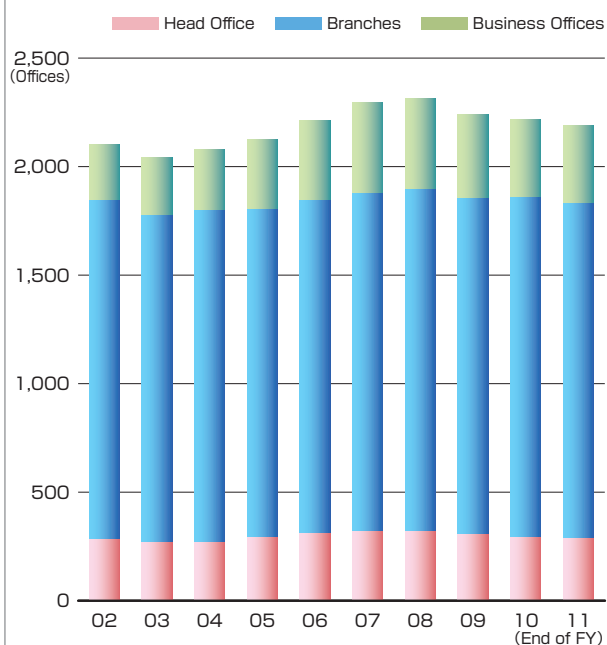


Note: Excluding representatives of financial instruments intermediary service providers that are individuals rather than companies.

Source: Japan Securities Dealers Association

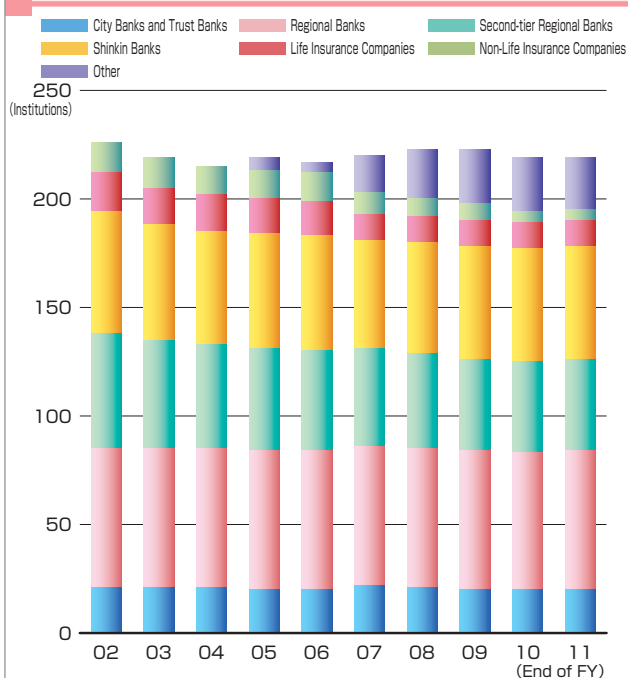
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Regular Members' Domestic Offices



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Special Members (Registered Financial Institutions) by Category



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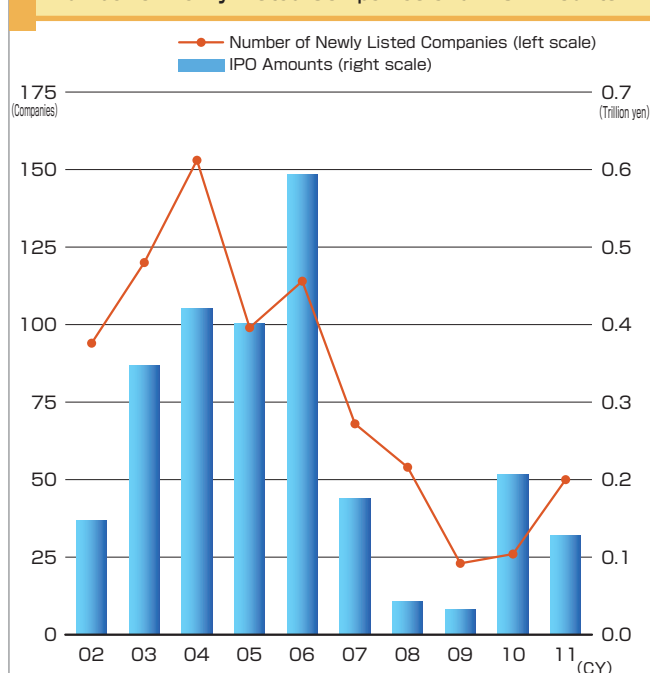
The number of domestic branches of regular members was also on the decline, recording a reduction of 19 branches from last year, to 1,544 branches. The number of business offices was 362, down by 1 office from the end of fiscal 2010. Consequently, the number of domestic offices including head offices decreased by 28 offices, to 2,191, falling for the third consecutive year.

The number of special members (banks and other registered financial institutions) as of March 31, 2012 remained unchanged at 219. A breakdown by categories shows 6 city banks (unchanged), 14 trust banks (unchanged), 64 regional banks (up by 1), 42 second-tier regional banks (unchanged), 40 shinkin banks (unchanged), 12 life insurance companies (unchanged), 5 non-life insurance companies (unchanged) and others. This stability may be related to the fact that special members are relatively less affected by the impact of the market compared with operators that specialize in securities. Moreover, the recession in the securities business is less likely to immediately lead to the termination of their financial instruments operator business.

1 Primary Market

In 2011, 50 companies went public on the Tokyo Stock Exchange, including the 1st and 2nd Sections and the Mothers market, increasing year on year for the second consecutive year. During the first half, unlisted companies waiting for the proper timing to go public because of general sense of uncertainty in the market about the outlook for corporate performances arising from the major earthquake disaster and concern about public finance in Europe. As a result, there was little sense of recovery in the initial public offering (IPO) market. In the second half, the market turned around after getting a feel for the impact of those concerns and growing interest among investors for high growth potential IPOs, such as social network services (SNS) related issues. Signs of a recovery in the number of newly listing companies began to emerge. The proportion of new listings by companies in the category of information and telecommunications businesses increased, accounting for 11 companies.

Number of Newly Listed Companies and IPO Amounts



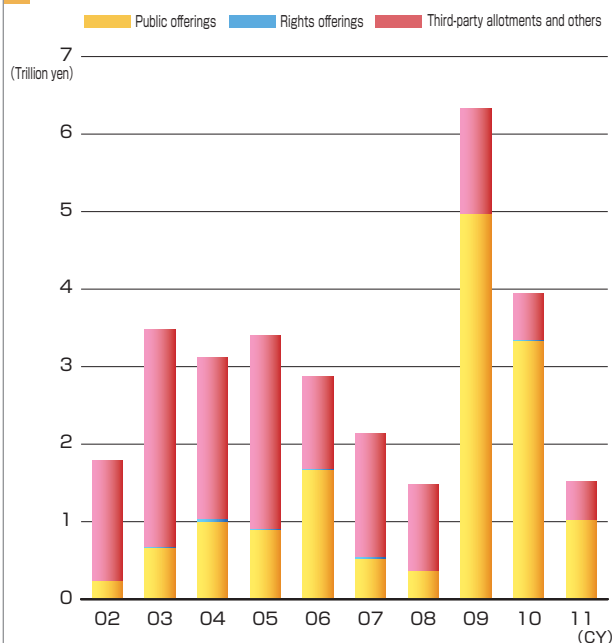
Notes: 1. IPOs include public offerings made when foreign companies list on a Japanese exchange.
2. The figures for the number of new listed companies are for the First and Second Sections and the Mothers market of the TSE. Figures for other domestic exchanges are not included.
Source: Tokyo Stock Exchange, Japan Securities Dealers Association

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With the market struggling against the backdrop of the European sovereign debt problem, the flooding in Thailand, the strong yen, and other negative factors, a limited number of companies were seeking to raise capital in the stock market in 2011. Looking at the total capital raised, equity financing amounted to ¥1,014.0 billion in fiscal 2011, compared with ¥3,320.0 billion in fiscal 2010. Another reason for the low level of equity financing was the decline in large-scale capital increases to strengthen capital bases by ma-

ior banks and trust banks seen during the period from 2009 to 2010.

Equity Financing (paid-in capital increase) by Corporations



Notes: 1. Third party allotments include private placements.
2. Up to the fiscal year ended March 2007 IPOs made by newly listed companies were not included in public offerings.
Sources: Tokyo Stock Exchange, Osaka Securities Exchange, Jasdaq Securities Exchange

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2 Secondary Market

In overview, the stock market in 2011 can be characterized as moving upward in the first quarter on expectations of a recovery in the economy, then collapsing after the March 11 Great East Japan Earthquake disaster, then moving within a tight range during the second quarter, and following a downward trend in the last two quarters.

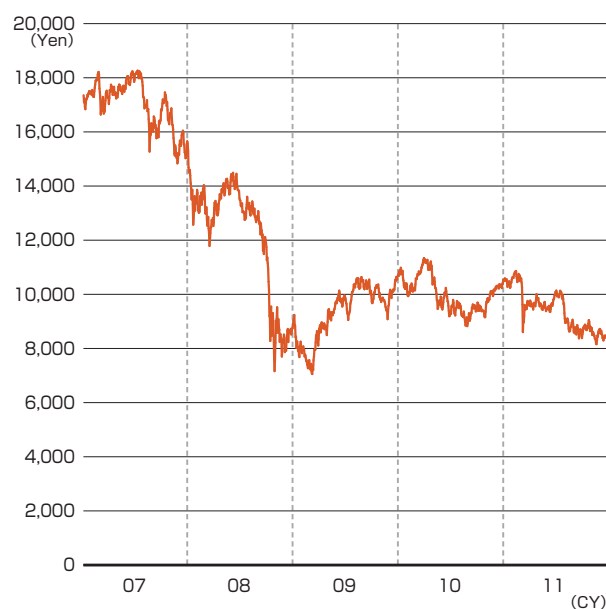
In more detail, the stock market kicked off the first quarter of 2011 on January 4 with the Nikkei 225 Stock Average at ¥10,352, which rose gradually to ¥10,891 on February 17. Contributing to the upswing were the second round of monetary easing (QE2) in the United States by the Federal Reserve Board (FRB), strong fiscal corporate performances in Japan, and a lull in the appreciation of the yen. Then the major earthquake hit on March 11, followed by the Fukushima nuclear plant accident. In response, the market collapsed from ¥10,434 on March 10, to ¥8,227 on March 15. After the initial drop, there was a technical correction as the market began to see stocks as undervalued. After the Bank of Japan jumped in with further monetary easing, joint currency intervention by the G7, and absorption of the impact of reactions by the U.S. market and others, the stock index recovered to ¥9,755 by the end of March.

In the second quarter of 2011, the stock index moved within a range of ¥9,300 to ¥10,000. On May 2, it broke through to ¥10,017, but after a while was back down to around ¥9,500. When the process of buying back into the market after the sharp drop in the wake of the major earthquake disaster ended, a sense of lack of direction developed because of the continued uncertainty about corporate performances and where the economy was headed. With a certain amount of doubt remaining in the market because of the slow recovery of supply chains and other factors, the market struggled upward with little success.

In the third quarter, particularly during September, the market continued to hit successive annual lows. In the United States, August employment figures showed that non-agricultural sector employment had not grown from the previous month and concern about an economic slowdown was heightening. In addition, the market got tired of the uncertainty over the European sovereign debt problem after such incidents as the European Union and the International Monetary Fund (IMF) ceasing their inspections regarding providing Greece assistance. This sentiment resulted in the market falling below the first annual low of ¥8,605 recorded on March 15 after the major earthquake disaster, to ¥8,590 on September 6. Furthermore, the G7 finance ministers and central bank governors met in France on September 12, 2011, agreeing to cooperate in measures to deal with the slowdown in the global economy. However, because no new measures were introduced, the crisis in Greece was seen as worsening, resulting in further depreciation in the Euro and a sell off of export-related stocks in Japan. On September 14, the yen against the dollar strengthened to ¥76 and against the Euro to ¥104 in currency markets. Consequently, the stock index fell to a new low for the year. And on September 26 the market declined to its lowest level since April 2009.

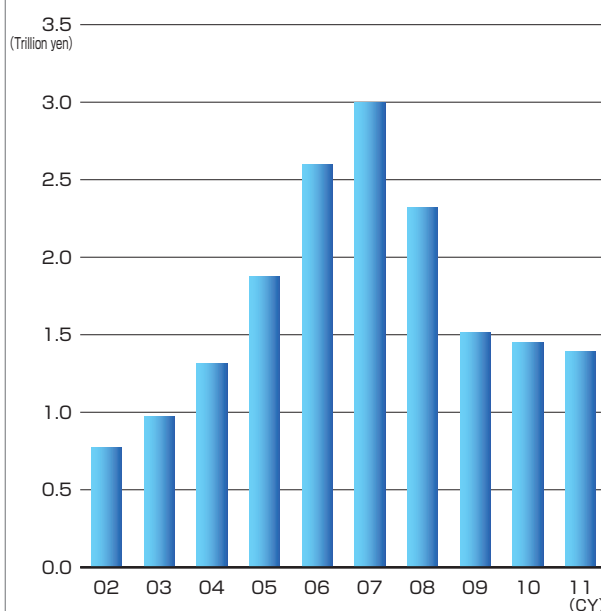
The bear market continued in the fourth quarter as well, amid concern over the jump in the yield on Italian sovereign debt and a growing mistrust of corporate governance in Japanese corporations after the Olympus scandal, which resulted in the company's stock being designated as a supervised issue by the TSE. On November 25, the market slipped to ¥8,135 at one point. However, it rebounded on a positive monitoring report on aid support for Italy by the IMF and news of the robust Christmas shopping season in the United States, ending the year at ¥8,455 on December 30.

Stock Price (Nikkei 225 Stock Average)



Source: Nihon Keizai Shimbun

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



Source: Tokyo Stock Exchange

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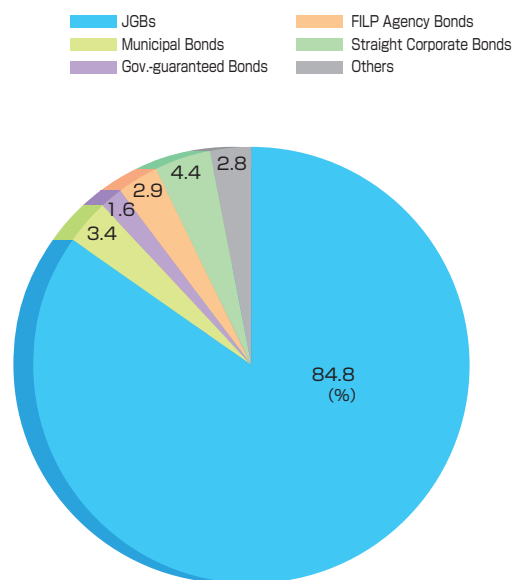
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Primary Market

In 2011, public and corporate bond issuance in Japan decreased ¥5.1 trillion, or 2.5%, from 2010, to ¥193.3 trillion. Accounting for the largest share of the market, JGB issuance totaled ¥164.0 trillion, remaining almost the same as last year. Among general bond issuance other than JGBs, municipal bonds amounted to ¥6,654.9 billion compared with ¥7,608.1 billion in 2010; Government-guaranteed bonds were ¥3,153.4 billion compared with ¥4,540.1 billion last year; Fiscal Investment and Loan Program (FILP) agency bonds totaled ¥5,647.4 billion compared with ¥4,998.9 billion the year before; and straight corporate bonds were ¥8,483.5 billion compared with ¥9,678.9 billion last year. Overall, bond issuance in this category declined in 2011 except for FILP agency bonds.

Looking at corporate bond issuance figures for April each year, a total of ¥1,212.0 billion was issued during April 2010. In comparison, issuance dropped more than 50% to ¥515.4 billion in April 2011. Because of the successive cancellation of planned issues in the wake of the March 2011 major earthquake disaster and the Fukushima nuclear plant accident. Issuance continued to fall year on year even after that period with the exception of September 2011. Some of the reasons behind this trend are that electric power company bond issuance has yet to make a full-scale recovery and corporate demand for capital remains low.

Composition of Bond Issuance (2011)



Notes: 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

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Corporate Bond Financing



Notes: 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

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2 Secondary Market

In overview, in 2011 the long-term interest rate moved slightly upward in the first quarter amid expectations of improvement in the economy, but slid downward in the second quarter following the decline in rates overseas and other factors. The decline continued through July and August, then moved in a tight 1% range through the third and fourth quarters.

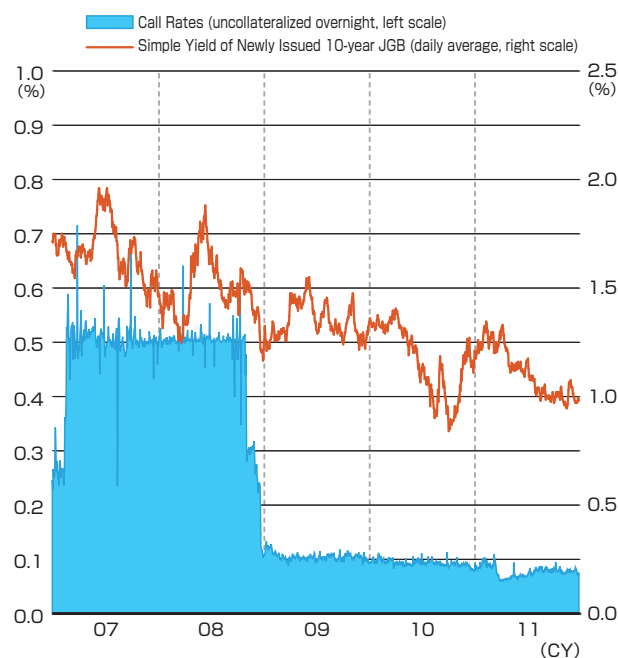
In greater detail, during the first quarter of 2011, the long-term interest rate climbed higher in anticipation of the Japanese economy breaking out of a lull. After the March 11 major earthquake disaster, however, the Nikkei 225 Stock Average plunged to 8,200. Capital flowed into the bond market, driving the long-term interest rate, which had been testing the 1.3% mark, down to 1.145% at one point. The rate then followed the movement in the U.S. long-term interest rate at around 1.2%.

In the second quarter, a variety of factors combined to put upward pressure on the long-term interest rate. Entering the new fiscal year, the market observed the increase in JGB issuance to fund recovery and restoration after the major earthquake disaster, long-term interest rates were rising overseas, and the central banks of Europe raised their rates—all these factors created a sense of rates climbing in future. Entering May, the U.S. long-term rate was around 3.3%, but sunk suddenly, falling to the 3% level by the end of the month. The Greek sovereign debt problem caused a flight to quality that sent yields on German government bonds tumbling. Japan's long-term interest rate also declined, falling to 1.105% at one point on May 16.

In the third quarter, the drop in rates in July and August stood out. National debt problems in the United States and Europe fueled a continued flight to quality, resulting in capital flowing into Japanese and German government bonds. Incidents included the raising of the national debt ceiling in the United States and the sell off in Europe of Italian government bonds, which had previously been considered safe.

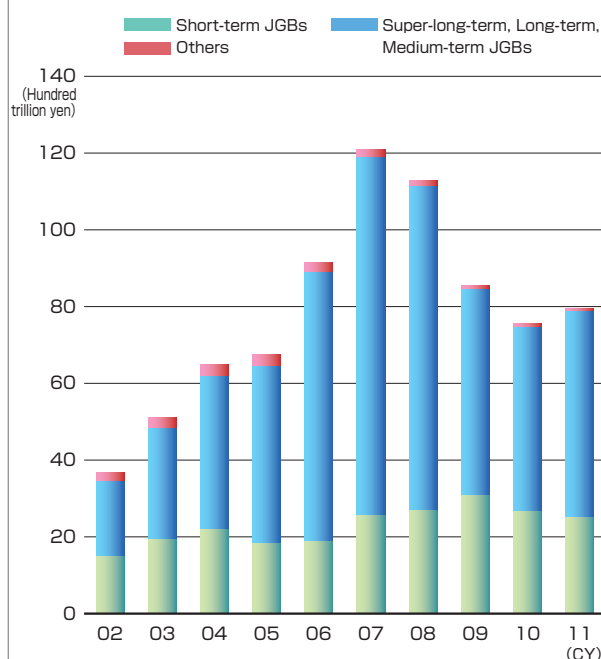
The long-term interest rate in Japan seesawed back and forth throughout the fourth quarter. After falling below the 1% mark, fear of higher bond prices heightened, and the Japanese market interest rates followed the European rates upward at one point. However, after the long-term interest rate had risen, there was a robust round of purchasing by pension plans, life insurance companies, and other investors.

Long-term and Short-term Interest Rates



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

OTC Bond Trading (including Repos)

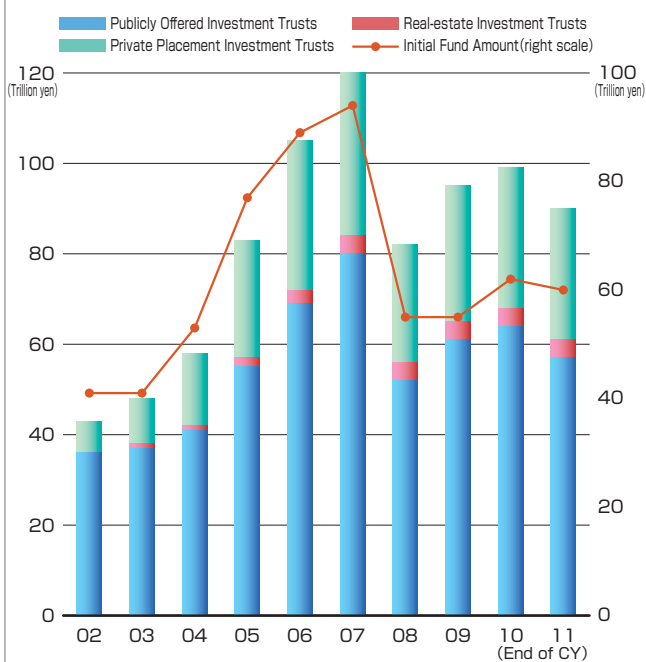


Note: Short-term JGBs are the total of financial bills, treasury bills and Treasury Discount Bills (since 2009).
Source: Japan Securities Dealers Association

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At the end of 2011, the net assets of investment trusts amounted to ¥89,979.8 billion, falling from ¥98,255.5 billion last year. Initial fund amount fell to ¥59,501.1 trillion from ¥61,698.8 trillion last year.

Net Assets Held in Investment Trusts

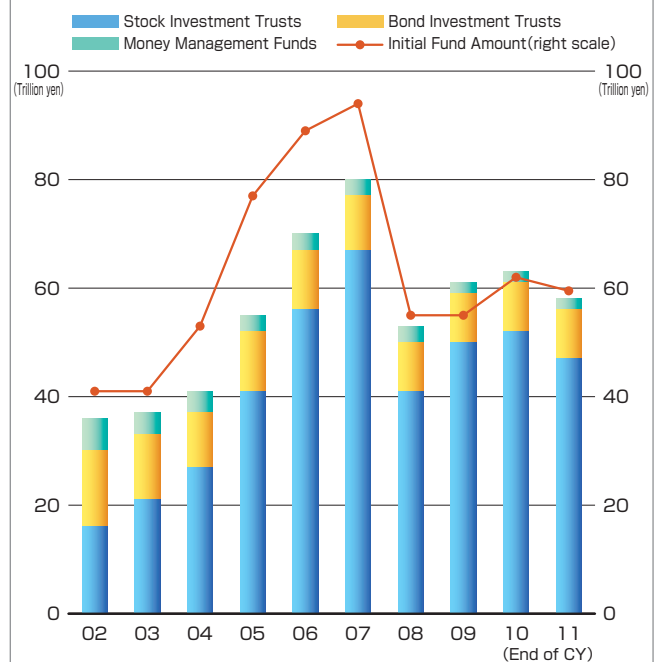


Note: Initial Fund Amount is the sum total of all investment trusts issued during the year.
Source: The Investment Trusts Association

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Among publicly offered contractual-type securities investment trusts, net assets of stock investment trusts decreased by ¥5,702.5 billion, to ¥46,761.9 billion. Net assets of bond investment trusts slid ¥489.5 billion, to ¥8,536.5 billion. Net assets of MMFs declined ¥200.5 billion year on year, to ¥2,028.9 billion.

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



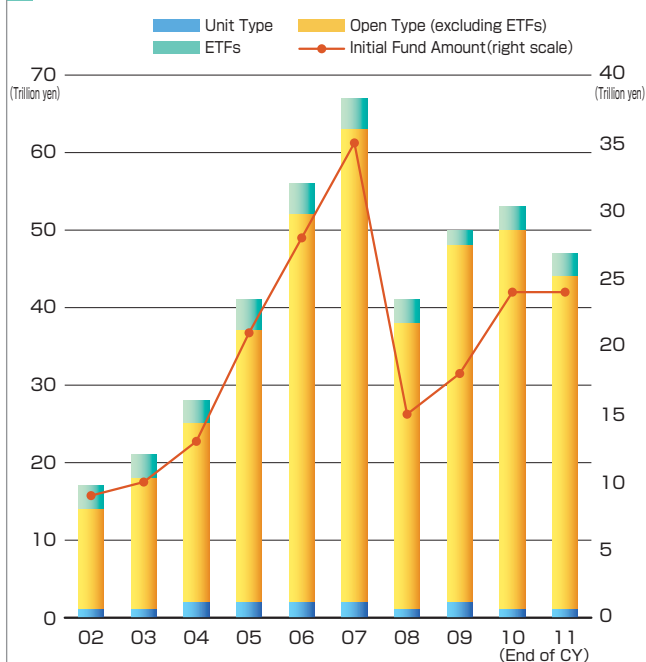
Note: Initial Fund Amount is the sum total of publicly offered contractual-type securities investment trusts issued during the year.
Source: The Investment Trusts Association

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By type of publicly offered contractual-type stock investment trusts, net assets of unit-type trusts fell to ¥881.3 billion, dropping ¥384.6 billion from the previous year. Net assets held in open type trusts (excluding ETFs) declined ¥5,436.0 billion, to ¥43,152.0 billion. ETFs increased ¥118.1 billion, to ¥2,728.5 billion.

Among private placement contractual-type securities investment trusts, net assets of stock investment trusts decreased ¥1,977.2 billion, to ¥27,934.7 billion. Net assets of bond investment trusts slipped ¥109.8 billion, to ¥604.6 billion.

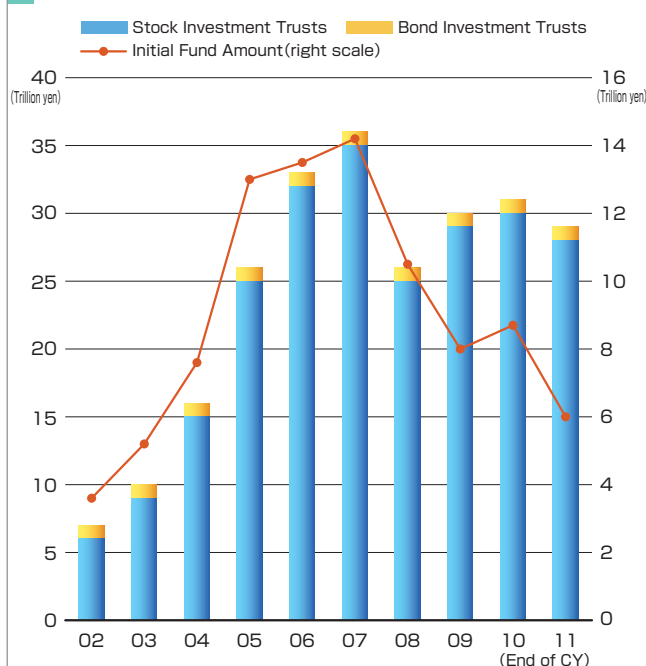
Net Assets Held in Publicly Offered Contractual-type Stock Investment Trusts



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

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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

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Looking at the composition of household holdings in investment trusts, the balance of net assets held at the end of 2010 was ¥61.846.2 billion. At March 31, 2011, the balance had risen to ¥63.635.6 billion and at June 30, 2011, to ¥64.161.2 billion, for an overall increase of ¥2.315.0 billion from the end of 2010. By the end of September 2011, however, the balance had fallen to ¥56.759.0 billion and further to ¥56.156.2 billion by December 31, 2011. In terms of capital flows, there was a net inflow of ¥867.1 billion in the first quarter of 2011, of ¥2,039.1 billion in the second quarter, and of ¥876.2 billion in the third quarter. There was a net outflow of capital in the fourth quarter of ¥501.0 billion.

The followings are the popularity of individual types of investment trust products.

Real-estate investment trusts (REITs) and foreign currency deposit option investment trusts were the most popular in the first quarter of 2011. Directly after the major earthquake disaster, there was a movement of funds out of these products, but funds later began to flow back in, resulting in only a temporary decline. In the second quarter, REITs offering high return income dividends were the most targeted by investors. The flow of capital into gold-related investment trusts continued.

In the second half of 2011, the slowdown in the global economy, European sovereign debt crisis, and strong yen created a backlash in the market, which was also reflected in the choices of investors. Some REITs that up to that point had enjoyed great popularity because of their high income dividends began to lower their dividends and see movement out of their funds. Instead, Nikkei 225- and Topics-linked funds gained popularity. The previously popular foreign currency deposit option investment trusts also experienced a change in fortunes. Up to mid-2011, these funds had enjoyed growth driven by the Brazilian real. However, against the backdrop of the sovereign debt crisis in Europe, global investors began to move out of emerging markets, causing the depreciation of the Brazilian real, and in turn movement of funds out of foreign currency deposit option investment trusts. In addition, in the flexible foreign currency deposit funds, investors began to shift into Australian dollars. The increase in the Australian dollar's share of these funds is thought to be the result of Australia's position as a developed, natural resource-rich nation that has no record of currency restrictions compared with Brazil's record of frequent imposition of currency restrictions.

1 Trends by Investor Type

By type of institutional investors, life and non-life insurance companies and pension funds withdrew investments in stocks and other equities by ¥459.0 billion year on year. The decline is thought to be the result of life and non-life insurance companies selling off stocks because of stricter financial soundness standards instituted in fiscal 2011. Facing stricter capital standards, life and non-life insurance companies reduced their equity holdings because of the risk that large equity holdings could lead to a decline in their financial soundness. Major life and non-life insurance companies that were holding corporate stocks from a marketing advantage point of view also have changed policy and are reducing their holdings. The backdrop to these movements within the financial industry is stricter capital adequacy standards. Life and non-life insurance companies had stricter solvency margin (capacity to fulfill claim obligations) standards, which are used to judge financial soundness, introduced in the fiscal year under review. For example, the new standards estimate the price fluctuation risk of Japanese stocks to be twice as large as previously. The larger the equity holdings of insurance companies, the more their solvency margins will drop.

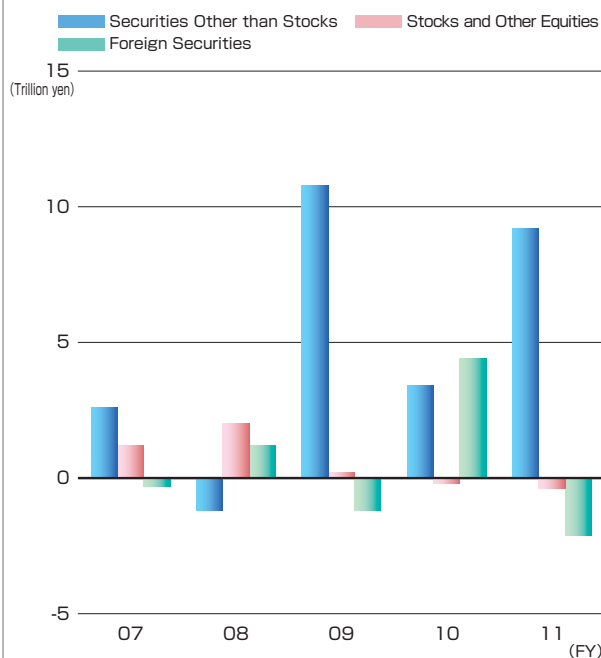
Net investment in securities other than stocks jumped ¥5,807.0 billion year on year, to ¥9,281.2 billion. Of that net amount, investment in JGBs was ¥11,154.7 billion. Increases in industrial bonds and investment trusts amounted to ¥923.9 billion and ¥718.4 billion, respectively. Looking at trading trends, life and non-life insurance companies were net purchasers of JGBs in 2011, in the amount of ¥18 trillion. Of that amount, super-long-term bonds accounted for ¥10 trillion. Considering public and corporate bond (excluding short-term securities) trading by type of investor, life and non-life insurance companies invested particularly heavily, purchasing a net of ¥1,909.6 billion, 2.7 times more than in the previous month and statistically the largest amount since 1998. They also were net purchasers of super-long term bonds, at ¥1,818.6 billion. Life insurance companies appeared to be watching the market, purchasing about ¥170.0 billion in January and about ¥600.0 billion in February when super-long-term JGB yield were low. However, as the end of the fiscal year rolled around, they purchased bonds aggressively in order to raise balances in line with their annual investment plans. Another contributing factor may have been the purchase of risk free JGBs in accordance with the stricter international solvency standards.

Looking at trends of individual investors (household) portfolios, total investments in securities fell ¥2,856.0 billion from fiscal 2010, to ¥430.0 billion.

By category, the amount invested in securities other than stocks fell sharply, slipping ¥2,757.9 billion to minus ¥1,118.4 billion.

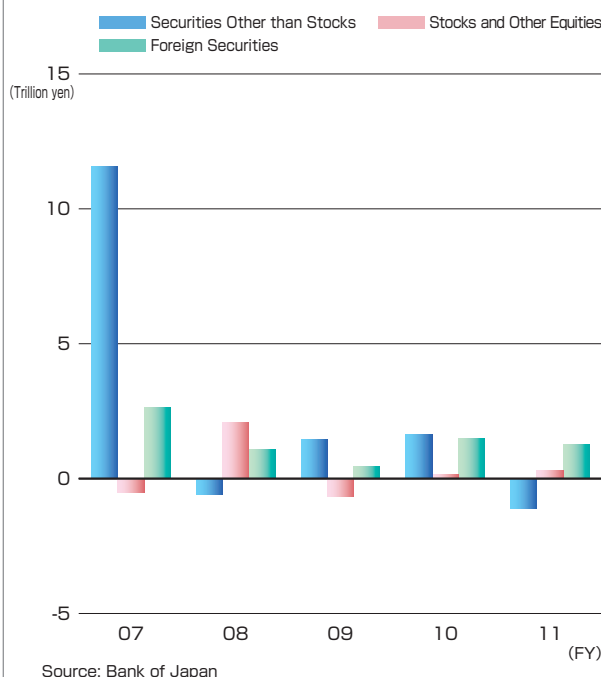
Investment in stocks and other equities climbed ¥141.8 billion from last year, to ¥298.8 billion, while investments in foreign securities declined ¥239.9 billion, to ¥1,249.6 billion.

Investments by Institutional Investors (Insurance Companies and Pension Funds)



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Investments by Individual Investors (Household)



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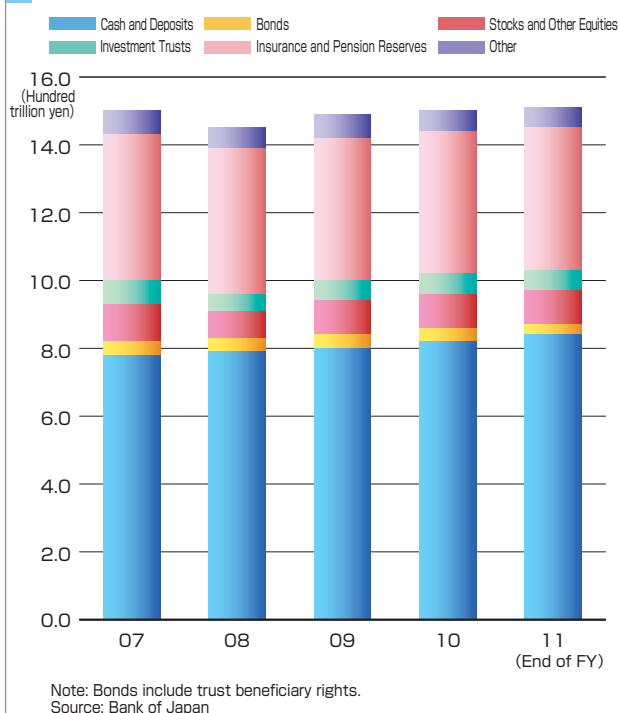
2 Household Financial Assets

Looking at the trends in individual investors portfolios, total investments in securities in fiscal 2011 increased ¥11 trillion, or 0.7%, from fiscal 2010, to ¥1,513.3 trillion. The investment climate remained severe during the year in review, with the market value of household financial assets declining ¥8 trillion against the backdrop of depressed stock prices, the strong yen, and other factors. Nevertheless, the positive impact of the flow of new capital into this asset class supported an overall increase on a fiscal year-end basis for the third consecutive year.

Looking at a breakdown, stocks and other equities contracted ¥1.7 trillion, or 1.8% year on year, to ¥97.7 trillion while investment trusts fell ¥2.8 trillion, or 4.4% from last year, to ¥60.8 trillion. Both these categories placed downward pressure on the balance of household financial assets. On the other hand, cash and deposits expanded ¥18.7 trillion, or 2.3%, to ¥835.0 trillion, continuing to rise from a year earlier to post a record high on a year-end basis. Furthermore, the breakdown of cash and deposits showed a trend toward liquid deposits. In the wake of the major earthquake disaster there has been a heightened preference for liquid deposits. Given the low interest rate on time deposits and other factors, there has continued to be a notable flow of money into ordinary accounts and other liquid deposits. In addition, the flow of funds into foreign securities continued, with foreign securities becoming the main destination for the flow of household financial assets during the fiscal year under review among all major asset classes. As a result, investment in foreign securities rose ¥1.2 trillion, or 11.1% year on year, to a historical high. The flow of household financial assets into foreign securities underscore a trend among households toward looking at a diverse selection of assets, including foreign securities, when they are prepared to take some risk in choosing where to invest.

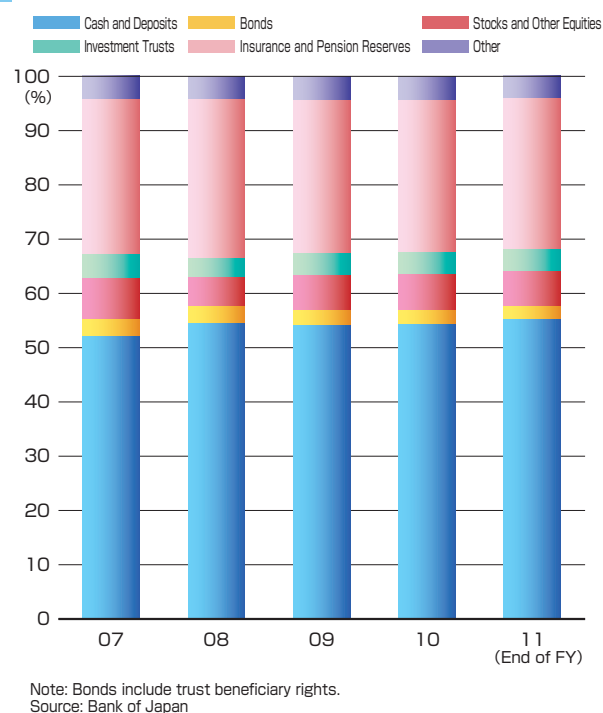
In terms of the composition of household financial assets, the proportions of stocks and other equities and investment trusts declined to 6.5% and 4.0%, respectively, reflecting the drop in stock prices. In contrast, cash and deposits further increased its share of overall household financial assets to 55.2%. This result indicates that households still maintain a strong preference for low risk, secure assets when investing.

Household Financial Assets



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Composition of Household Financial Assets



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3 Stock Investment by Investor Type

In 2011, foreign investors held the large share of Japanese stockholdings, at 26.3%. Among other investor categories, business corporations and individuals accounted for 21.6% and 20.4 % (21.2% and 20.3% for the fiscal 2010) respectively, remaining at the same level as in the previous year. Looking at the stockholding amounts by type of investors, total amount fell ¥2.4 trillion yen to ¥308.3 trillion, of which foreigners holding amount declined ¥2 trillion from the previous year, to ¥81.0 trillion. Among other investor categories, business corporations holdings rose ¥0.6 trillion to ¥66.6 trillion and individual holdings fell ¥0.2 trillion to ¥62.8 trillion.

Looking at the net buyer and seller trends, in the first quarter of 2011, foreign investors were mainly buying Japanese stocks in anticipation of a recovery in the economy, resulting in their net purchase of ¥2,984.5 billion. However, in the second quarter, foreign investors steadily became sellers and foreign investors were net sellers in the second half.

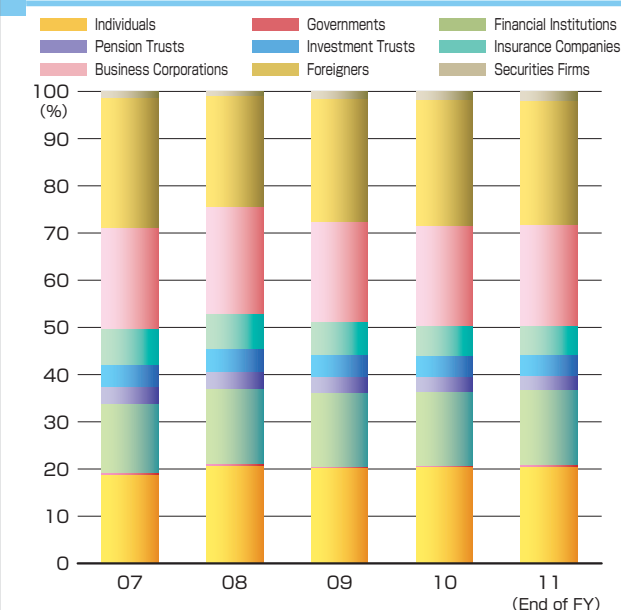
In the first quarter, investment funds flowed into Japanese stocks, which usually react to global trends with a slight time lag compared with other developed countries. The inflow occurred against the backdrop of quantitative easing in the United States and expectations of a recovery in Japanese corporate performances. As concern about an economic slowdown in the United States and other countries dissipated, investor sentiment turned positive, and foreign investors began buying Japanese stock with the expectation that corporate performances would recover. Another view for the inflow of investment is that Japan was on the receiving end of a flight of investment money from emerging countries because of the fear of inflation.

In the second quarter, however, concern about European public finances deepened. Investors began to curtail their investments in stocks because of their risk asset nature, a trend that spread around the world. Consequently, foreign investors began selling increasing amounts of Japanese stocks. One aspect of the inflows in the first quarter was that the larger amounts of investment money created by monetary easing in developed countries started to move increasingly into Japan's market because it moves slightly behind overseas markets. Therefore, after the United States announced the end to the second round of quantitative easing in the last part of April 2011, the purchases of Japanese stock by foreign investors began to steadily taper off.

In the third quarter, the net sales position of Japanese stock by foreign investors during the July to September period amounted to ¥1.65 trillion. Underpinning the outflow of funds was the intensifying seriousness of the European sovereign debt problem and the heightened concern that its negative impact on the global economy could not be avoided. The mounting turmoil in global markets prompted a growing movement among investors to reduce risk assets in preparation for deterioration in the economy. There was also uncertainty about the direction of Japanese corporate performances.

In the fourth quarter, foreign investors were net sellers to the tune of ¥381.3 billion, resulting in an overall net sales amount for

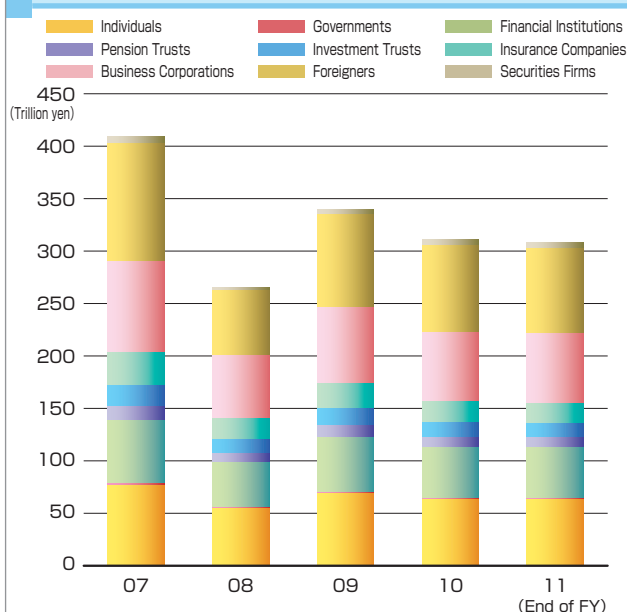
Stockholdings by Type of Investors (market value basis)



Notes: 1. Governments includes the government and municipal governments.
2. Financial Institutions do not include Pension Trusts, Investment Trusts, and Insurance Companies.
3. Figures include all listed issues, excluding foreign issues.
4. The Pension Trusts figure aggregates managed portion of pension funds such as employees' pension fund handled by banks that carry out trust business, but excludes managed public pension fund assets.
5. Proprietary trading by listed companies is included in the category to which those companies belong to.
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

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

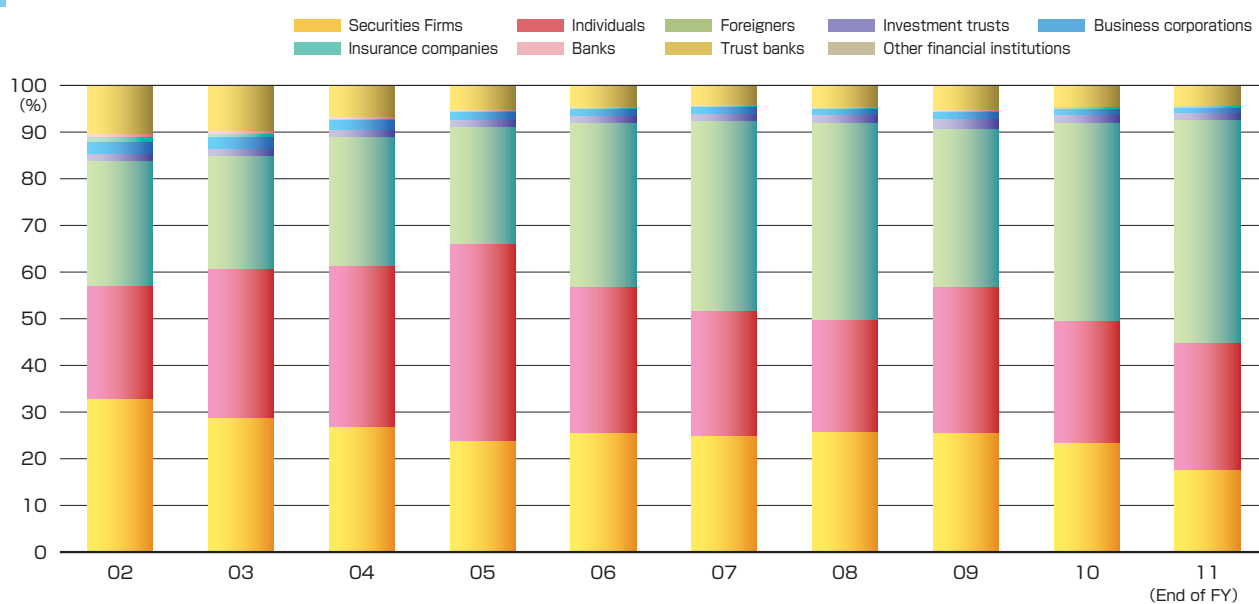


Notes: 1. Governments includes the government and municipal governments.
2. Financial Institutions do not include Pension Trusts, Investment Trusts, and Insurance Companies.
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Source: Tokyo Stock Exchange

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2011 of ¥2,030 billion. On a semi-annual basis, the net sales amount was the largest since the second half of 2008 during the Lehman Shock (¥4,115.9 billion). Underlying the net sales position was the continued movement out of risk assets by foreign investors. Even entering December 2011, there was concern about the prolonged anxiety in European markets and investors accelerated their efforts to reduce holdings of risk assets. This trend is also seen to have swept through Japan. The risk that the European debt crisis would cause a slowdown in emerging countries was also behind the sell stance of foreign investors.

Composition of Transaction Volume by Type of Investor



Notes: 1. Figures are aggregations of transaction volume by participants with capital amounts of ¥3 billion or more.
 2. Figures are sums of Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange performances.
 3. Domestic common stocks are subject to aggregation, but preferred stocks are excluded.
 4. Off-floor transactions are included.
 5. The percentage of each investor type is the composition ratio to the total number of shares sold and purchased (excluding those by Securities Firms (commissioned) and by Other Legal Entities).
 6. Securities Firms' figures include only proprietary trading by securities firms.

Source: Tokyo Stock Exchange

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1

Trends of Economy

Entering 2011, Japan's economy showed signs of escaping from a lull that occurred after it hit bottom in the first quarter of 2009 and resuming its recovery. Supported by the momentum of economic recovery worldwide, Japan's industrial production index rose for the fourth consecutive month. Then, the major earthquake disaster struck in March. The disaster damaged factories and equipment, caused production levels to drop substantially because of electric power shortages, and dampened personal consumption because of shortages of goods and self-imposed consumption restraint among the public. During the second quarter, domestic demand finally began to recover, but external demand was shackled, resulting in the real gross domestic product (GDP) falling for the second quarter in a row.

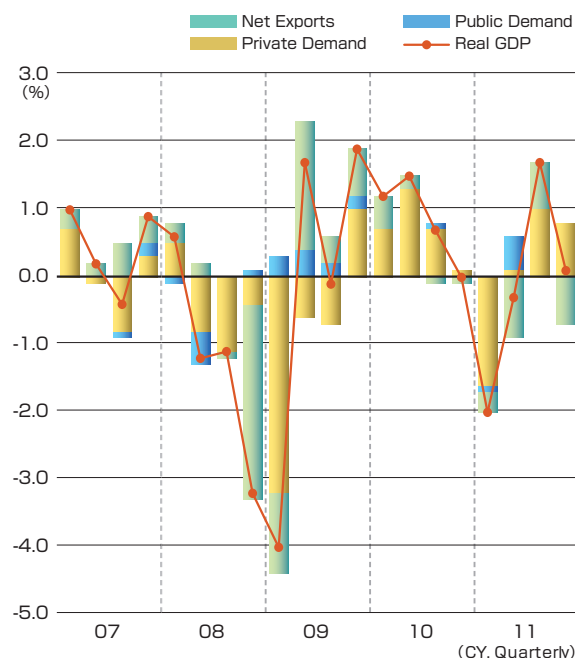
There are thought to be several reasons behind the sharp fall in overseas demand in the second quarter. The major earthquake disaster did spike an increase in domestic demand. There was a temporary increase in demand for food and beverages, heavy electrical equipment, and other goods. And there were increased imports of oil and gas to fuel the thermal electric power generation plants being substituted for the shutdown nuclear power plants. While disaster-oriented production decline improved, overseas demand sharply fell in the second quarter, exports were stagnant because of the slowdown in overseas economies. Consequently, the trade balance fell into the red as did the services account because of the decline in tourist business against the backdrop of the uncertainty in the wake of the major disaster and the strong yen.

In the third quarter, external demand also made a recovery after its sudden drop against the backdrop of the post-disaster re-building of the supply chain that took place over the summer. Many demand categories contributed positively to real GDP, resulting in it rising for the first time in four quarters.

However, real GDP growth was strongly affected by the major earthquake disaster on an annual basis, coming in at minus 0.8% for 2011.

Fiscal 2011 Corporate Profits (current profit) increased ¥1,547.2 billion year on year, to ¥45,274.7 billion. The current profit to sales ratio also increased slightly because of continued cost reduction efforts by corporations, such as cutting labor expenses. Current profit improved 0.1% from the previous fiscal year, to 3.3%, and rose for the second consecutive year.

Real GDP Growth Rate



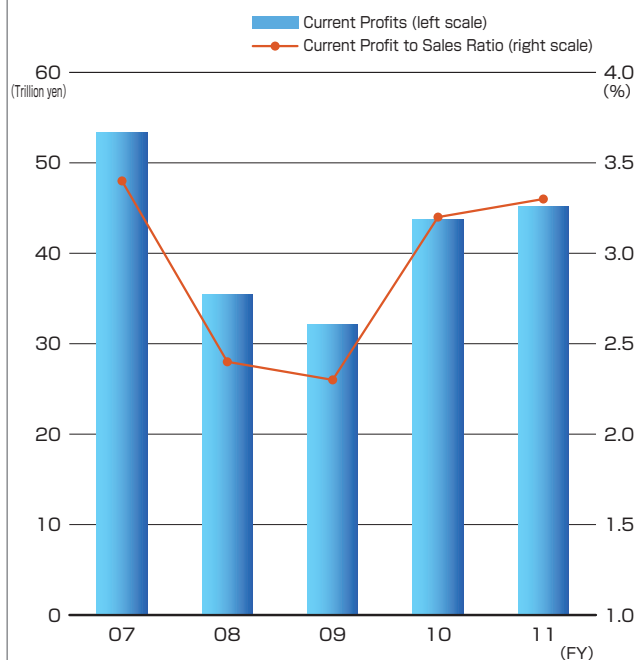
Notes: 1. Figures are seasonally adjusted.

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

Source: Cabinet Office

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Corporate Profits (all industries, all scales of businesses)



Note: The fiscal 2010 figures for current profit and current profit to sales ratio are preliminary report figures.

Source: Ministry of Finance

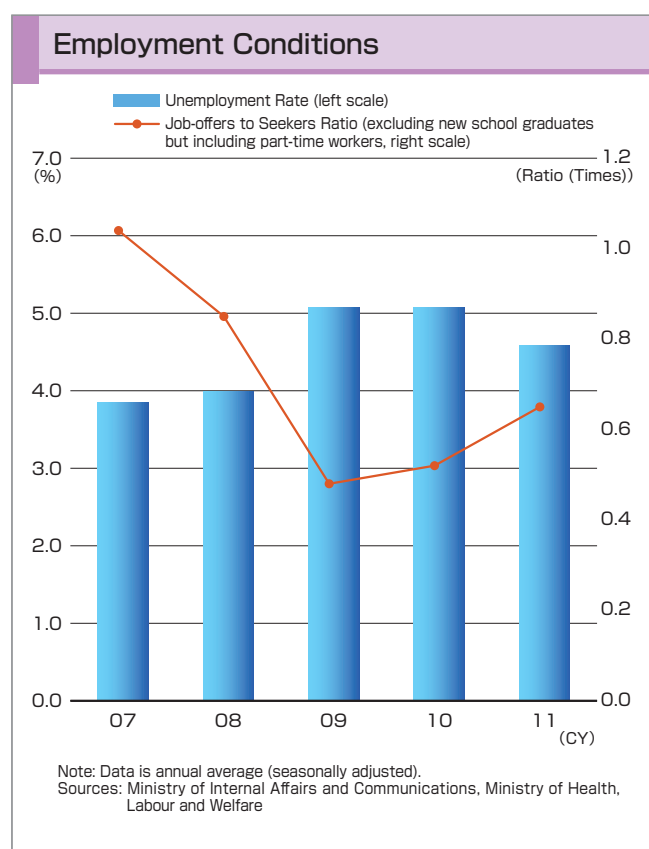
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2 Employment Conditions

Although employment conditions continued to suffer from the harsh business environment in 2011, the unemployment rate and the job-offers to seekers ratio showed some signs of improvement, demonstrating a mild but positive recovery trend.

The unemployment rate stayed in the 4% range throughout the year, and ended the year down 0.5% compared with 2010, at 4.6%, posting a little improvement.

The job-offers to seekers ratio also was in a mild but positive upswing, rising from 0.52 times to 0.65 times. The 0.13 point annual increase suggested a slight improvement in the job demand and supply balance.



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Looking at a breakdown of the employment figure, there was a marked increase in employment in the construction industry. A factor in the improved employment conditions previously mentioned was the sharp increase in public works construction arising from the full-scale start to recovery and restoration operations for the major earthquake disaster. However, compared with the improvement in the job-offers to seekers ratio, the improvement in the unemployment rate was slower paced. One of the underlying causes of this difference is thought to be a mismatch of job seekers and job openings. Moreover, in the construction industry where there has been a large increase in employment related to the major disaster, the volume of work by region has varied dramatically depending on recovery and restoration capital investment, resulting

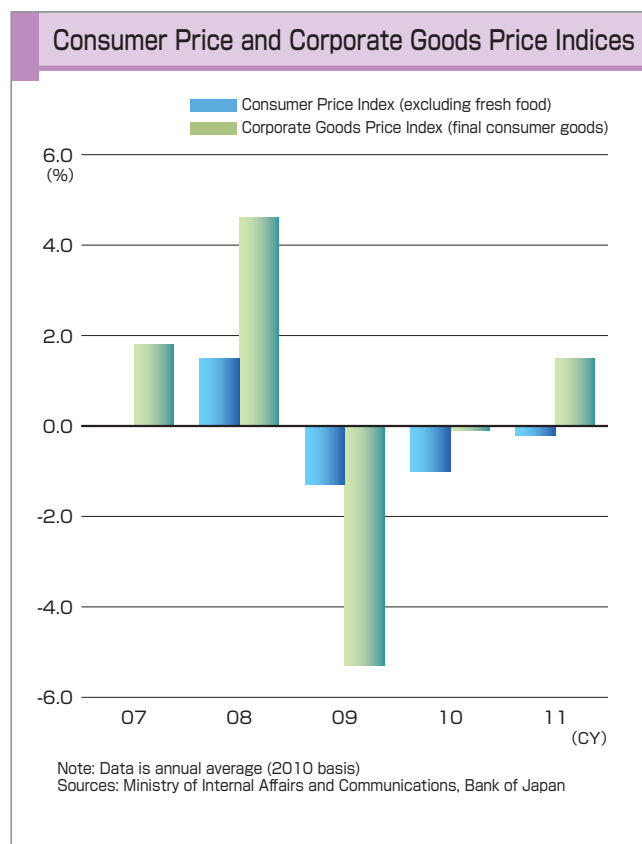
in a regional mismatch of job seekers and job openings.

While employment conditions remain in a recovery trend, there are many concerning factors regarding the future. Reflecting the slump in production driven by low personal consumption, it seems highly likely that the decline in employment in the manufacturing industry will continue. In addition, it is also possible that the growth in employment will peak along with the end to recovery and restoration demand.

3 Price Indices

In 2011, the Corporate Goods Price Index (CGPI) increased 1.5% from a year earlier, to 101.5 (2010 as base value), rising for the first time in three years. Higher crude oil prices driven by greater demand primarily from Asia were thought to be behind the increase in CGPI.

The Consumer Price Index (CPI; excluding fresh produce) had been in a continuously declining trend since 2009 amid a relaxation in the demand-supply balance of the overall economy. However, higher electricity rates and gasoline prices, an increase in cigarette prices because of a tax hike, and other factors put the brakes on the decline in consumer prices. On an annual basis, the CPI was down 0.2% year on year, at 99.8 (2010 as base value), hovering at almost the same level as in the previous year.



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1

Overall Condition of Securities Industry

Current Profits, Net Income/ Loss and ROE of Member Securities Firms

FY ended	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Current Profits/ Losses (Billion yen)	135	793	758	1,699	1,015	657	-243	333	87	217
Net Income (Billion yen)	-169	508	483	1,136	588	-145	-346	202	-270	-25
ROE (%)	-3.5	10.1	8.7	17.7	7.9	-1.9	-5.0	3.1	-4.3	-0.5

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

2. ROE is after-tax profits divided by average stockholders' equity.

Source: Japan Securities Dealers Association

Net Income/ Loss by Type of Member Securities Firms

(Billion yen)

FY ended	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Major Firms	53	231	214	463	332	-267	-110	92	-69	-1
Foreign Firms	-7	75	91	344	71	-8	-76	22	5	-3
Other Domestic Firms	-215	201	177	328	183	130	-159	87	-206	-20

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 (Up to fiscal 2010 ended March 2011, Daiwa Securities Capital Markets Co. Ltd., was included in the major securities firms.).

Source: Japan Securities Dealers Association

ROE by Type of Member Securities Firms

(%)

FY ended	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Major Firms	2.7	11.0	9.3	18.2	10.9	-9.7	-4.4	3.5	-2.5	-0.1
Foreign Firms	-0.9	9.4	10.8	38.2	7.6	-1.2	-16.6	5.5	1.5	-1.2
Other Domestic Firms	-10.2	9.4	7.4	11.0	5.2	3.2	-4.1	2.5	-6.7	-0.7

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 (Up to fiscal 2010 ended March 2011, Daiwa Securities Capital Markets Co. Ltd., was included in the major securities firms.).

Source: Japan Securities Dealers Association

Operating Revenues of Member Securities Firms

(Billion yen)

FY ended	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Commission	1,469	2,046	2,221	3,195	2,956	2,830	1,797	2,128	1,898	1,634
Brokerage commissions	519	889	948	1,399	1,042	898	599	552	493	390
Underwriting and secondary offering commissions	129	197	216	246	215	120	91	234	145	75
Subscription and distribution commissions	142	206	228	352	416	375	221	436	444	415
Other	679	754	829	1,198	1,283	1,437	886	906	816	754
Trading Gain	549	871	723	1,078	856	579	435	804	540	636
Financial Revenue	362	369	434	622	847	1,150	860	417	428	406
Others	5	7	9	15	24	23	62	31	53	33
Operating Revenues	2,386	3,294	3,388	4,911	4,686	4,582	3,156	3,381	2,920	2,710

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

Operating Expenses of Member Securities Firms

(Billion yen)

FY ended	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Selling and General Administration Costs	2,040	2,221	2,319	2,793	3,043	3,123	2,761	2,773	2,618	2,286
Transaction Expenses	328	379	422	536	586	581	523	502	497	400
Employment Cost	972	1,096	1,105	1,345	1,431	1,390	1,122	1,202	1,104	996
Real Estate & Equipment Costs	278	266	262	265	299	325	319	307	284	256
Data Processing & Office Supplies Costs	263	270	295	314	365	419	424	413	424	385
Others	197	206	233	331	359	407	371	347	306	248
Financial Expenses	223	285	335	436	646	879	705	268	268	240
Operating Costs	2,263	2,506	2,654	3,230	3,689	4,002	3,467	3,041	2,886	2,526

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

Operating Revenues of Member Securities Firm

(%)

FY	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Commissions	61.6	62.1	65.6	65.1	63.1	61.8	56.9	62.9	65.0	60.3
Brokerage commissions	21.8	27.0	28.0	28.5	22.2	19.6	19.0	16.3	16.9	14.4
Underwriting and secondary commissions	5.4	6.0	6.4	5.0	4.6	2.6	2.9	6.9	5.0	2.8
Subscription and distribution commissions	6.0	6.3	6.7	7.2	8.9	8.2	7.0	12.9	15.2	15.3
Other commissions	28.5	22.9	24.5	24.4	27.4	31.4	28.1	26.8	27.9	27.8
Trading gain/loss	23.0	26.4	21.3	22.0	18.3	12.6	13.8	23.8	18.5	23.5
Financial income	15.2	11.2	12.8	12.7	18.1	25.1	27.2	12.3	14.7	15.0
Others	0.2	0.2	0.3	0.3	0.5	0.5	2.0	0.9	1.8	1.2
Operating revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Securities companies that were not in business at March 31 were excluded in each fiscal year.
Source: Japan Securities Dealers Association

Operating Expenses of Member Securities Firms

(%)

FY	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Selling and general administrative costs	90.1	88.6	87.4	86.5	82.5	78.0	79.6	91.2	90.7	90.5
Transaction expenses	14.5	15.1	15.9	16.6	15.9	14.5	15.1	16.5	17.2	15.8
Employment cost	43.0	43.7	41.6	41.6	38.8	34.7	32.4	39.5	38.3	39.4
Real estate & equipment expenses	12.3	10.6	9.9	8.2	8.1	8.1	9.2	10.1	9.8	10.1
Data processing & office supplies costs	11.6	10.8	11.1	9.7	9.9	10.5	12.2	13.6	14.7	15.2
Others	8.7	8.2	8.8	10.2	9.7	10.2	10.7	11.4	10.6	9.8
Financial expenses	9.9	11.4	12.6	13.5	17.5	22.0	20.3	8.8	9.3	9.5
Operating expenses	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Securities companies that were not in business at March 31 were excluded in each fiscal year.
Source: Japan Securities Dealers Association

Regular Members (Securities Firms)

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Regular Members	281	266	267	289	308	317	321	305	293	285
Enrollment	18	8	7	30	33	22	25	10	12	9
Withdrawal	27	23	6	8	14	13	21	26	24	17

Notes: 1. Withdrawal includes the decrease in the number of regular members due to mergers, etc.
2. The companies that withdrew effective March 31 are included in the withdrawal of next fiscal year.
Source: Japan Securities Dealers Association

Special Members (Registered Financial Institutions) by Category

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City Banks	7	7	7	6	6	6	6	6	6	6
Trust Banks	14	14	14	14	14	16	15	14	14	14
Government-affiliated Financial Institutions	2	2	2	2	2	2	2	3	3	3
Regional Banks	64	64	64	64	64	64	64	64	63	64
Second-tier Regional Banks	53	50	48	47	46	45	44	42	42	42
Shinkin Banks	38	36	35	37	37	38	39	40	40	40
Life Insurance Companies	18	17	17	16	16	12	12	12	12	12
Non-Life Insurance Companies	14	14	13	13	13	10	8	8	5	5
Money Market Brokers	3	3	3	3	3	3	3	3	3	3
Foreign Banks	4	4	5	9	8	12	15	15	15	14
Securities Finance Companies	1	1	1	1	1	1	2	3	3	3
Credit Cooperatives	0	0	0	2	2	2	3	3	3	3
Other Banks	4	4	6	5	5	9	10	10	10	10
Total	222	216	215	219	217	220	223	223	219	219

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

Regular Members' Employees

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Employees	89,294	85,027	86,406	87,913	92,661	99,139	99,200	93,308	92,056	88,807

Source: Japan Securities Dealers Association

Regular Members' Domestic Offices

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Head Office	281	266	267	289	308	317	321	305	293	285
Branches	1,565	1,511	1,529	1,514	1,534	1,561	1,575	1,550	1,563	1,544
Business Offices	257	263	281	324	372	418	419	387	363	362
Total	2,103	2,040	2,077	2,127	2,214	2,296	2,315	2,242	2,219	2,191

Source: Japan Securities Dealers Association

Securities Sales Representatives

End of CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Regular Members	72,069	67,539	69,298	71,965	76,054	81,260	81,198	77,265	75,913	73,410
Special Members	363,470	362,908	356,353	345,374	357,542	349,261	354,559	360,071	362,095	360,289
Financial Instruments Intermediary Service Providers belonging to Regular Members	—	—	—	1,144	1,870	2,134	2,056	1,944	2,120	2,422
Financial Instruments Intermediary Service Providers belonging to Special Members	—	—	—	11	13	98,433	99,092	100,658	94,024	96,729
Total	435,539	430,447	425,651	418,494	435,479	531,088	536,905	539,938	534,152	532,850

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

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

Source: Japan Securities Dealers Association

Number of Newly Listed Companies and IPO Amounts, Number of Listed Companies, and Market Capitalization of the First Section of the TSE

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Newly Listed Companies	94	120	153	99	114	68	54	23	26	50
IPO Amounts (billion yen)	147	347	421	402	594	176	43	33	206	128
Number of Listed Companies	2,119	2,174	2,276	2,323	2,391	2,389	2,373	2,319	2,280	2,279
Market Capitalization (billion yen)	242,939	309,290	353,558	522,068	538,629	475,629	278,988	302,712	305,693	251,395

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.

3. Market capitalization amounts are for the First Section of the TSE only.

Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

Equity Financing (paid-in capital increase) by Corporations

(Billion yen)

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Offerings	223	653	994	884	1,659	511	362	4,968	3,320	1,014
Rights Offerings	—	2	11	4	3	9	0	0	1	—
Third Party Allotment and Others	1,566	2,808	2,150	2,509	1,220	1,626	1,116	1,366	655	510
Total	1,789	3,464	3,156	3,397	2,883	2,147	1,479	6,334	3,977	1,524

Notes: 1. Third Party Allotment and Others includes 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.

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

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

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

(Billion yen)

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TSE 1st Section	775	971	1,316	1,874	2,598	3,001	2,320	1,517	1,447	1,394

Sources: Tokyo Stock Exchange

3

Public and Corporate Bond Market

Amount of Bond Issuance

(Billion yen)

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
JGBs	147,831	154,686	175,268	186,155	175,683	140,455	125,751	145,660	165,823	164,064
Municipal Bonds	2,582	4,264	5,251	6,152	6,031	5,703	5,873	7,439	7,608	6,654
Gov.-guaranteed Bonds	4,216	6,476	8,243	7,821	4,434	4,461	4,494	4,925	4,540	3,153
FILP Agency Bonds	2,408	2,457	3,188	4,187	4,493	4,556	4,472	4,599	4,998	5,647
Straight Corporate Bonds	7,735	7,727	5,878	7,088	6,857	9,258	9,125	11,493	9,678	8,483
Others	17,014	15,750	15,461	15,760	13,427	12,152	8,825	5,997	5,841	5,397
Total	181,786	191,360	213,289	227,163	210,925	176,585	158,540	180,113	198,488	193,398

Notes: 1. Excluding private placement municipal bonds. Since 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.

Source: Japan Securities Dealers Association

Composition of Bond Issuance

(%)

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
JGBs	81.3	80.8	82.2	81.9	83.3	79.5	79.3	80.9	83.5	84.8
Municipal Bonds	1.4	2.2	2.5	2.7	2.9	3.2	3.7	4.1	3.8	3.4
Gov.-guaranteed Bonds	2.3	3.4	3.9	3.4	2.1	2.5	2.8	2.7	2.3	1.6
FILP Agency Bonds	1.3	1.3	1.5	1.8	2.1	2.6	2.8	2.6	2.5	2.9
Straight Corporate Bonds	4.3	4.0	2.8	3.1	3.3	5.2	5.8	6.4	4.9	4.4
Others	9.4	8.2	7.2	6.9	6.4	6.9	5.6	3.3	2.9	2.8
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 bonds.

2. Straight Corporate Bonds include asset backed bonds.

Source: Japan Securities Dealers Association

Corporate Bond Financing

(Billion yen)

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Straight Corporate Bonds	7,735	7,727	5,878	7,088	6,857	9,258	9,125	11,493	9,678	8,483
Convertible-type Bonds with Subscription Rights	427	72	561	889	1,424	127	653	287	171	39
Total	8,162	7,799	6,439	7,977	8,281	9,385	9,778	11,780	9,849	8,522

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

2. Following the revision of the Commercial Code in 2002, Convertible Bonds was renamed Convertible-type Bonds with Subscription Rights.

Source: Japan Securities Dealers Association

OTC Bond Trading (including Repos)

(Trillion yen)

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
JGBs	3,429.8	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
Short-term JGBs	1,489.9	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
Super-long-term, Long-term, Medium-term JGBs	1,939.6	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
Others	236.4	274.4	303.1	330.5	271.5	206.8	170.0	105.4	100.8	104.4
Total	3,665.9	5,110.2	6,481.4	6,758.2	9,152.9	12,096.6	11,288.1	8,563.3	7,553.1	7,964.4

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

4

Investment Trusts

Net Assets Held in Investment Trusts

(Billion yen)

End of CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Publicly Offered Investment Trusts	36,016	37,435	40,996	55,347	68,927	79,760	52,146	61,455	63,720	57,327
Real-estate Investment Trusts	441	766	1,246	2,050	3,153	3,687	3,968	4,020	3,908	4,109
Private Placement Investment Trusts	7,381	10,384	15,596	25,643	32,987	36,030	25,555	29,667	30,626	28,539
Total	43,839	48,586	57,839	83,041	105,068	119,478	81,670	95,143	98,255	89,976
Initial Fund Amount	41,087	40,935	53,340	77,203	89,356	94,157	54,816	55,318	61,698	59,501

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Stock Investment Trusts	16,372	21,339	27,435	40,828	55,657	66,784	40,842	50,243	52,464	46,761
Bond Investment Trusts	14,121	11,746	9,955	11,498	10,576	10,059	8,691	8,755	9,026	8,536
Money Management Funds	5,521	4,350	3,606	3,020	2,693	2,917	2,612	2,456	2,229	2,028
Total	36,016	37,435	40,996	55,347	68,927	79,760	52,146	61,455	63,720	57,327
Initial Fund Amount	41,087	40,935	53,340	77,203	89,356	94,157	54,816	55,318	61,698	59,501

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Unit Type	697	1,161	1,799	1,945	1,875	1,876	1,287	1,522	1,266	881
Open Type (excluding ETFs)	13,165	17,216	22,522	35,180	49,665	61,029	37,029	46,430	48,588	43,152
ETFs	2,509	2,962	3,113	3,703	4,116	3,878	2,524	2,290	2,610	2,728
Total	16,372	21,339	27,435	40,828	55,657	66,784	40,842	50,243	52,464	46,761
Initial Fund Amount	8,590	9,643	13,162	21,270	28,133	35,024	14,576	17,827	23,919	23,531

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Stock Investment Trusts	6,469	9,388	14,646	24,723	32,186	35,406	24,967	28,976	29,912	27,934
Bond Investment Trusts	911	995	949	919	800	623	587	691	714	604
Total	7,381	10,384	15,596	25,643	32,987	36,030	25,555	29,667	30,626	28,539
Initial Fund Amount	3,593	5,221	7,617	12,964	13,508	14,176	10,526	7,983	8,675	5,930

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

Investments by Institutional Investors (Insurance Companies and Pension Funds)

(Billion yen)

FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Securities Other than Stocks	11,309	5,863	13,928	13,225	9,976	2,603	-1,239	10,864	3,474	9,281
Stocks and Other Equities	789	-8,318	-2,249	-3,331	-135	1,290	2,045	297	-257	-459
Foreign Securities	4,126	7,050	3,587	4,303	820	-384	1,251	-1,245	4,410	-2,157

Source: Bank of Japan

Investments by Individual Investors (Household)

(Billion yen)

FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Securities Other than Stocks	-6,676	-1,191	8,276	13,507	14,144	11,553	-576	1,452	1,639	-1,118
Stocks and Other Equities	-1	-2,435	1,252	-1,968	-3,517	-498	2,067	-657	157	298
Foreign Securities	891	-382	-509	160	-283	2,624	1,074	436	1,489	1,249

Source: Bank of Japan

Household Financial Assets

(Billion yen)

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cash and Deposits	765,661	772,284	778,662	774,876	775,370	781,737	792,898	804,703	816,293	835,017
Bonds	34,580	32,258	37,277	40,399	43,252	44,516	43,161	41,845	38,169	34,974
Stocks and Other Equities	72,107	117,499	131,763	194,000	194,624	113,458	78,856	97,637	99,466	97,719
Investment Trusts	27,999	33,796	37,666	54,201	68,463	67,329	50,513	61,607	63,635	60,837
Insurance and Pension Reserves	426,496	415,860	415,442	413,656	421,475	428,384	428,062	419,640	420,458	421,725
Others	79,457	75,909	69,970	71,194	71,602	65,917	61,186	65,534	64,129	63,087
Total	1,406,302	1,447,608	1,470,783	1,548,329	1,574,788	1,501,343	1,454,678	1,490,969	1,502,153	1,513,361

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

Composition of Household Financial Assets

(%)

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cash and Deposits	54.4	53.3	52.9	50.0	49.2	52.1	54.5	54.0	54.3	55.2
Bonds	2.5	2.2	2.5	2.6	2.7	3.0	3.0	2.8	2.5	2.3
Stocks and Other Equities	5.1	8.1	9.0	12.5	12.4	7.6	5.4	6.5	6.6	6.5
Investment Trusts	2.0	2.3	2.6	3.5	4.3	4.5	3.5	4.1	4.2	4.0
Insurance and Pension Reserves	30.3	28.7	28.2	26.7	26.8	28.5	29.4	28.1	28.0	27.9
Others	5.7	5.2	4.8	4.6	4.5	4.4	4.2	4.4	4.3	4.2
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

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

(%)

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Individuals	20.6	20.5	21.3	19.9	18.7	18.7	20.5	20.1	20.3	20.4
Governments	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.3	0.3	0.3
Financial Institutions	20.1	18.3	16.9	15.9	15.1	14.6	16.0	15.5	15.6	15.9
Pension Trusts	5.8	4.5	3.9	3.5	3.5	3.5	3.5	3.4	3.2	3.0
Investment Trusts	4.0	3.7	3.8	4.3	4.6	4.8	5.0	4.7	4.4	4.5
Insurance Companies	9.3	8.0	7.4	7.2	7.5	7.5	7.4	7.0	6.4	6.1
Business Corporations	21.5	21.8	22.1	21.3	20.8	21.4	22.6	21.3	21.2	21.6
Foreigners	17.7	21.8	23.3	26.3	27.8	27.4	23.5	26.0	26.7	26.3
Securities Firms	0.9	1.2	1.2	1.4	1.8	1.5	1.0	1.6	1.8	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: 1. Governments includes the government and municipal governments.

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

3. Figures include all listed issues, excluding foreign issues.

4. The Pension Trusts figure aggregates managed portion of pension funds such as employees' pension fund handled by banks that carry out trust business, but excludes managed public pension fund assets.

5. Proprietary trading by listed companies is included in the category to which those companies belong to.

6. In April 2010, the Jasdak Securities Exchange merged with the Osaka Securities Exchange, with the Jasdak and NEO markets becoming part of the OSE market. Consequently, starting with fiscal 2009, the figures for the two markets (Jasdak and NEO) have been combined. In addition, retroactive adjustments have been made to available figures back to fiscal 2004.

Source: Tokyo Stock Exchange

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

(Billion yen)

End of FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Individuals	48,679	75,599	84,740	117,977	108,419	76,653	54,345	68,469	63,040	62,838
Governments	538	789	722	977	1,866	1,567	1,137	1,152	940	793
Financial Institutions	47,553	67,554	67,402	94,097	87,678	59,843	42,541	52,628	48,575	49,007
Pension Trusts	13,630	16,581	15,430	20,927	20,185	14,149	9,364	11,697	9,963	9,169
Investment Trusts	9,384	13,602	15,219	25,537	26,865	19,739	13,378	15,956	13,606	13,881
Insurance Companies	21,988	29,566	29,441	42,688	43,452	30,875	19,652	23,728	20,017	18,707
Business Corporations	50,789	80,489	88,077	126,167	121,043	87,649	60,030	72,542	66,031	66,641
Foreigners	41,824	80,604	92,765	155,978	161,400	112,222	62,373	88,295	83,037	81,030
Securities Firms	2,088	4,494	4,596	8,198	10,385	6,293	2,711	5,341	5,569	6,240
Total	236,476	369,281	398,396	592,550	581,297	408,992	265,535	339,812	310,783	308,310

Notes: 1. Governments includes the government and municipal governments.

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

3. Figures include all listed issues, excluding foreign issues.

4. The Pension Trusts figure aggregates managed portion of pension funds such as employees' pension fund handled by banks that carry out trust business, but excludes managed public pension fund assets.

5. Proprietary trading by listed companies is included in the category to which those companies belong to.

6. In April 2010, the Jasdak Securities Exchange merged with the Osaka Securities Exchange, with the Jasdak and NEO markets becoming part of the OSE market. Consequently, starting with fiscal 2009, the figures for the two markets (Jasdak and NEO) have been combined. In addition, retroactive adjustments have been made to available figures back to fiscal 2004.

Source: Tokyo Stock Exchange

Composition of Transaction Volume by Type of Investor

(%)

FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Treasury	32.6	28.7	26.6	23.8	25.4	24.7	25.6	25.5	23.2	17.5
Individuals	24.4	31.7	34.6	42.1	31.3	26.8	24.1	31.3	26.3	27.2
Foreigners	26.6	24.4	27.8	25.2	35.2	40.8	42.1	33.9	42.4	47.7
Investment trusts	1.5	1.4	1.4	1.4	1.4	1.5	1.8	2.1	1.7	1.5
Business corporations	2.7	2.6	2.1	1.8	1.7	1.5	1.3	1.5	1.3	1.1
Insurance companies	1.1	0.7	0.3	0.2	0.1	0.2	0.3	0.3	0.3	0.3
Banks	0.6	0.6	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Trust banks	10.3	9.7	6.8	5.2	4.7	4.3	4.7	5.3	4.6	4.3
Other financial institutions	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	100	100	100	100	100	100	100	100	100	100

Notes: 1. Figures are aggregations of transaction volume by participants with capital amount of ¥3 billion or more.

2. Figures are sums of Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange performances.

3. Domestic common stocks are subject to aggregation, but preferred stocks are excluded.

4. Off-floor transactions are included.

5. The percentage of each investor type is the composition ratio to the total number of shares sold and purchased (excluding those by Securities Firms (commissioned) and by Other Legal Entities).

6. Securities Firms' figures include only proprietary trading by securities firms.

Source: Tokyo Stock Exchange

6

Trends of Japanese Economy

Real GDP Growth Rate

(%)

Quarterly		Real GDP Growth Rate (Year-on-year comparison)	Private Demand	Public Demand	Net Exports
2002	1Q	-0.2	-0.7	0.1	0.4
	2Q	1.0	0.5	0.0	0.5
	3Q	0.7	0.8	0.1	-0.2
	4Q	0.4	0.3	-0.2	0.2
2003	1Q	-0.5	-0.4	-0.2	0.1
	2Q	1.2	0.7	0.2	0.3
	3Q	0.4	0.4	-0.1	0.2
	4Q	1.0	0.8	-0.1	0.3
2004	1Q	1.1	0.3	0.4	0.4
	2Q	-0.1	0.2	-0.5	0.2
	3Q	0.2	0.4	0.0	-0.2
	4Q	-0.3	0.0	-0.1	-0.1
2005	1Q	0.2	0.1	0.1	0.0
	2Q	1.3	1.2	-0.3	0.4
	3Q	0.4	0.2	0.1	0.1
	4Q	0.2	-0.3	-0.1	0.5
2006	1Q	0.4	0.3	0.1	0.0
	2Q	0.4	0.5	-0.1	0.1
	3Q	-0.1	-0.2	-0.2	0.3
	4Q	1.3	1.1	0.0	0.2
2007	1Q	1.0	0.7	0.0	0.3
	2Q	0.2	-0.1	0.0	0.2
	3Q	-0.4	-0.8	-0.1	0.5
	4Q	0.9	0.3	0.2	0.4
2008	1Q	0.6	0.5	-0.1	0.3
	2Q	-1.2	-0.8	-0.5	0.2
	3Q	-1.1	-1.1	0.0	-0.1
	4Q	-3.2	-0.4	0.1	-2.9
2009	1Q	-4.0	-3.2	0.3	-1.2
	2Q	1.7	-0.6	0.4	1.9
	3Q	-0.1	-0.7	0.2	0.4
	4Q	1.9	1.0	0.2	0.7
2010	1Q	1.2	0.7	0.0	0.5
	2Q	1.5	1.3	0.0	0.2
	3Q	0.7	0.7	0.1	-0.1
	4Q	0.0	0.1	0.0	-0.1
2011	1Q	-2.0	-1.6	-0.1	-0.3
	2Q	-0.3	0.1	0.5	-0.9
	3Q	1.7	1.0	0.0	0.7
	4Q	0.1	0.8	0.0	-0.7

Notes: 1. Figures are seasonally adjusted.

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

Source: Cabinet Office

Corporate Profits (all industries, all scales of businesses)

FY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Profits (Trillion yen)	31.0	36.1	44.7	51.6	54.3	53.4	35.4	32.1	43.7	45.2
Current Profit to Sales Ratio(%)	2.3	2.7	3.1	3.4	3.5	3.4	2.4	2.3	3.2	3.3

Source: Ministry of Finance

Employment Conditions

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Unemployment Rate(%)	5.4	5.2	4.7	4.4	4.1	3.9	4.0	5.1	5.1	4.6
Job-offers to Seekers Ratio (excluding new school graduates but including part-time workers) (Ratio (Times))	0.54	0.64	0.83	0.95	1.06	1.04	0.85	0.48	0.52	0.65

Note: Figures are annual average (seasonally adjusted).

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

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

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Price Index (excluding fresh food)	-0.9	-0.3	-0.1	-0.1	0.1	0.0	1.5	-1.3	-1.0	-0.2
Corporate Goods Price Index (final consumer goods)	-2.1	-0.9	1.3	1.6	2.2	1.8	4.6	-5.3	-0.1	1.5

Note: Figures are annual average (2010 basis).

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

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Chuo-ku, Tokyo, 103-0025 Japan
TEL +81-3-3667-8482

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The background of the slide is a solid orange color with a white grid pattern. Overlaid on this is a large, isometric 3D bar chart. The chart consists of numerous vertical bars of varying heights, arranged in a way that suggests a data series over time or across categories. The bars are colored in a gradient from light orange to a slightly darker shade of orange. The overall effect is a modern, data-driven aesthetic.

Japan Securities Dealers Association

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

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

