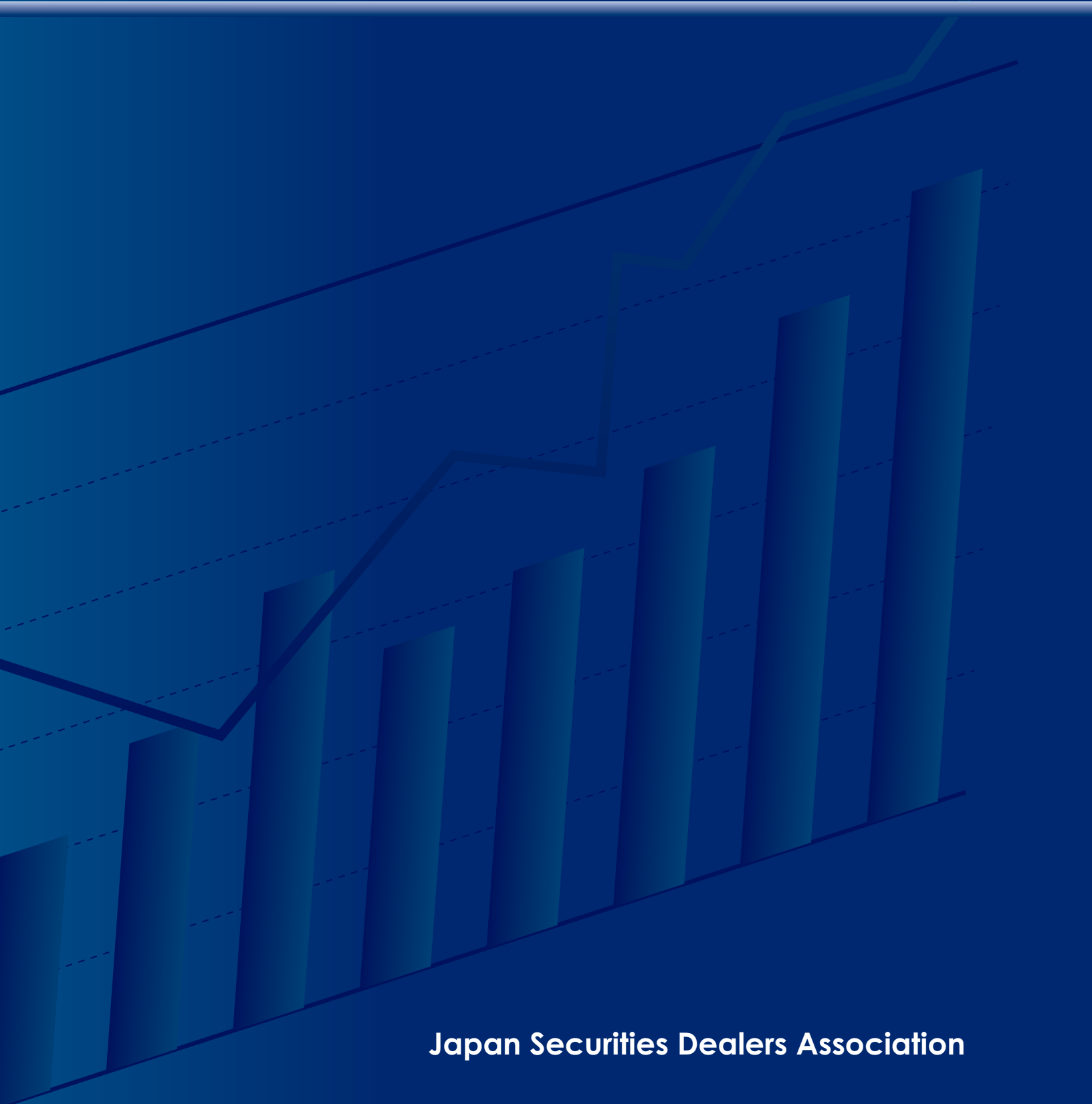


FACTBOOK 2006



Japan Securities Dealers Association

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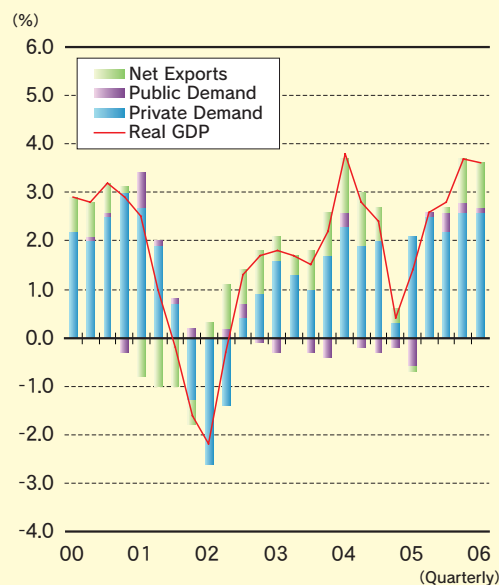
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Securities Market in 2005

1) Economic Trend

In 2005, the Japanese economy demonstrated sustained recovery supported by robust private demand, which was mainly driven by rising capital investment reflecting strong corporate profit and gradually increasing personal consumption owing to the improvement in employment and income. Later in the year, corporate, household and overseas sectors showed well balanced development.

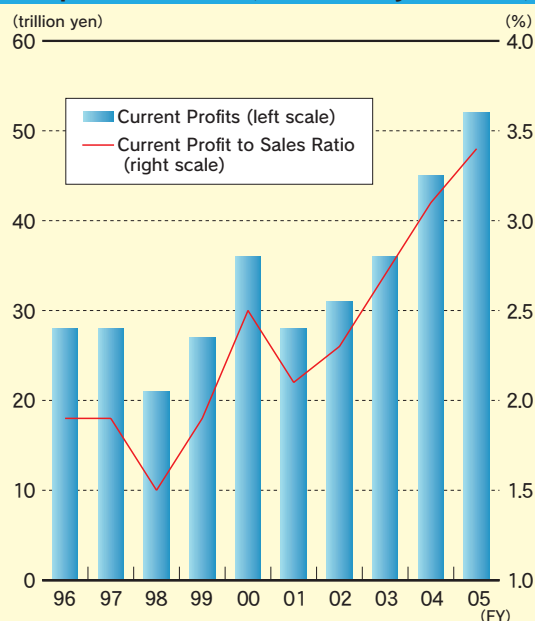
Real GDP Growth Rate



Corporate profits continued to improve largely because corporate sectors increased their sales amount and kept a lid on their fixed costs having purged a large fraction of excessive employment, facilities and debts. Current profits and current profit to sales ratio in all industries increased for four years in a row from fiscal 2002 to fiscal 2005.

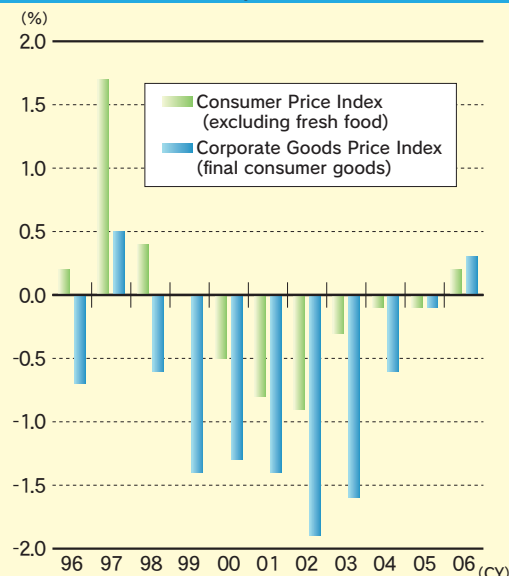
("Fiscal Year (FY)" begins on April 1 and runs through March 31.)

Corporate Profits (All Industry, All Size)



There was a change in the commodity price trend, which had been on the downward path for a long period of time. Leaving out such special factors as the price rise among oil products, the composite consumer price index (excluding fresh food) nearly leveled off and demonstrated a pickup from deflation.

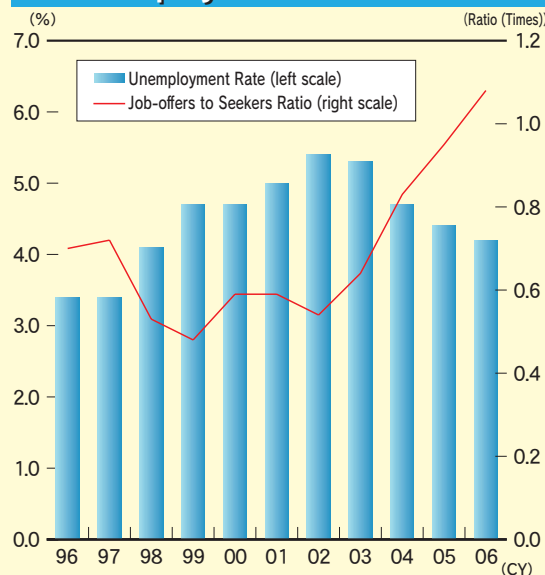
Consumer Price and Corporate Goods Price Indices



Note: Data are annual average except those for 2006, which are only up until June and seasonally adjusted.
Source: Ministry of Internal Affairs and Communications, Bank of Japan

While difficult employment circumstances remained among young people as well as people living in local regions, employment conditions improved widely against the background of continued economic recovery, which was evidenced by the increase in employment and the continued decline in the unemployment rate. Looking at the job-offers to seekers ratio (excluding new school graduates but including part-time workers), the number of job offers was almost equal to that of job applicants as of the end of 2005.

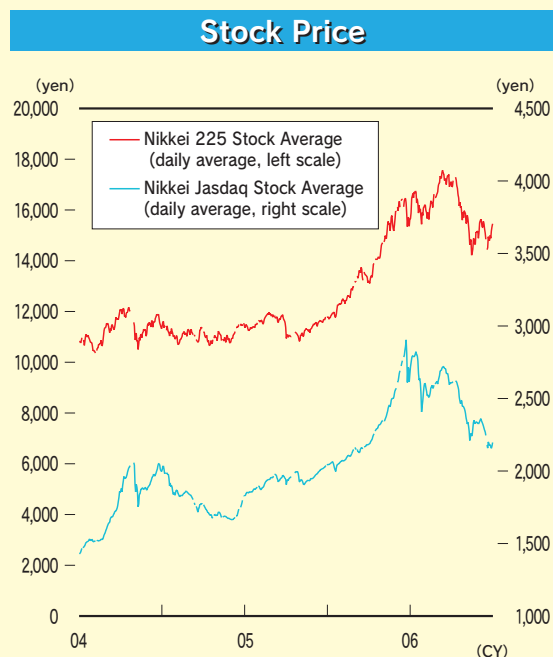
Employment Conditions



Notes: 1. Data are annual average except those for 2006, which are only up until June and seasonally adjusted.
2. "Job-offers to Seekers Ratio" excludes new school graduates but includes part-time workers.
Source: Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare

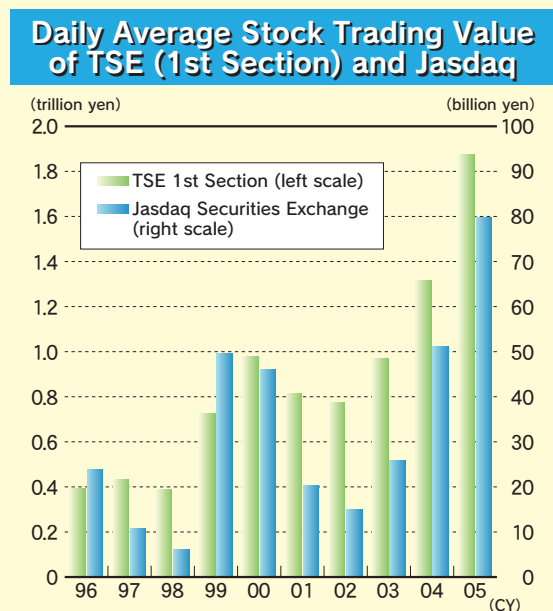
2) Stock Market

Nikkei 225 Stock Average turned upward after falling below 11,000 in May 2005. Thanks to a good corporate profit outlook and high levels of investment by foreign institutions, it climbed to the 16,000 mark at the end of 2005. Stock prices in emerging equity market also went up. Nikkei Jasdag Stock Average stood at nearly 2,700 at the end of the year.



Source: Nihon Keizai Shimbun

In 2005, the daily average stock trading value of Tokyo Stock Exchange 1st Section hit a record high of ¥1,874 billion, increasing 42.3%. This growth reflected the expanded Internet trading volume and margin trading volume by individual investors and active investment by foreign institutions. The daily average stock trading value of Jasdag Securities Exchange reached ¥80 billion, increasing 56.0%.

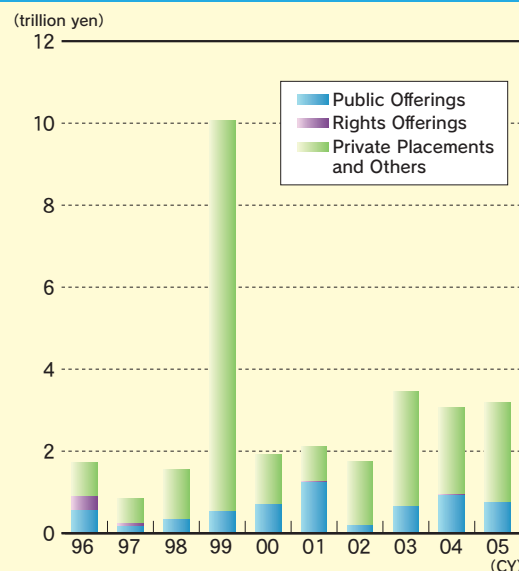


Note: Data for Jasdag Securities Exchange before 2004 comes from the previous Jasdag Market.
Data for Jasdag Market in 2004 was only for the period from January 1 to December 12.
Source: Tokyo Stock Exchange, Jasdag Securities Exchange

In 2005, under the firm stock market conditions, equity financing (excluding exercise of warrants and CBs) by publicly listed companies totaled ¥3.1 trillion, increasing 4.6% from ¥3.0 trillion in the previous year.

Looking at issuing categories, the amount of public offerings declined 18.8% year on year to ¥0.7 trillion. Private placement advanced 15.2%, to ¥2.4 trillion compared with the previous year.

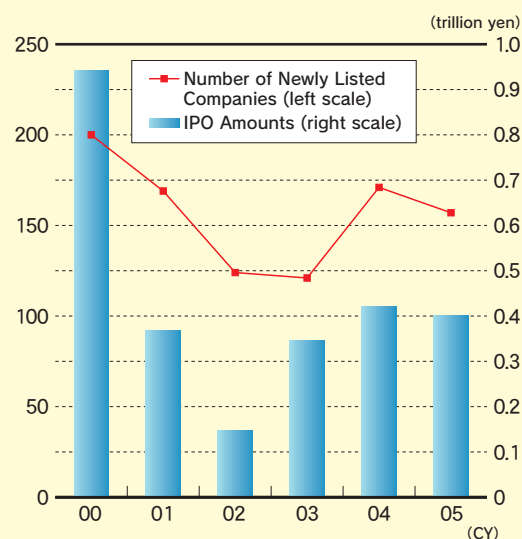
Equity Financing by Corporations



Note: Data for Jasdaq Market in 2004 was only for the period from January 1 to December 12.
Source: Tokyo Stock Exchange, Japan Securities Dealers Association

In 2005, a total of 157 companies went public. The number of newly listed companies decreased by 21 compared with the previous year. Total capital raised through IPOs decreased 4.5%, to ¥402 billion.

Newly Listed Companies and IPO Amounts

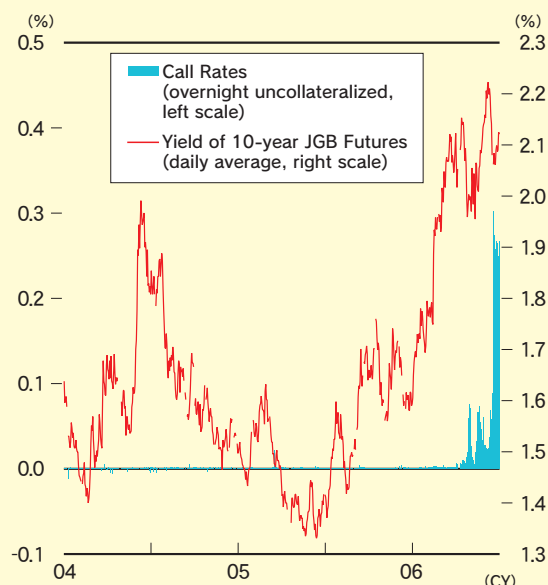


Notes: 1. IPOs do not include offerings by foreign companies that are listed in Japan.
2. Data for Jasdaq Market in 2004 was only for the period from January 1 to December 12.
Source: Japan Securities Dealers Association

3) Bond Market

Looking at the interest rate trend during 2005, the uncollateralized overnight call rate remained at almost 0% under the quantitative relaxation policy. On the other hand, the long-term JGB yield remained in the range of 1.3% to 1.4% during the middle of the year. Later in the year, the yield rose to between 1.6% to 1.8% due to the recovery of business confidence and stock market.

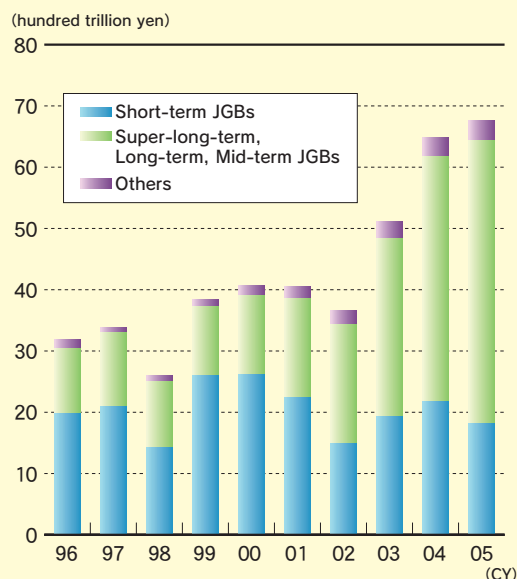
Long-term and Short-term Interest Rates



Source: Bank of Japan, Tokyo Stock Exchange

In 2005, The total OTC bond trading volume (including Repos) increased 4.2%, to ¥6,758 trillion. The trading volume of JGBs rose 4.0%, to ¥6,428 trillion. In particular, super-long-term JGBs, with their terms of more than 10 years, are popular with such institutional investors as pension funds and insurance companies. Amid an upturn in interest rates, there were strong buy orders for JGBs from these investors.

OTC Bond Trading (Including Repos)

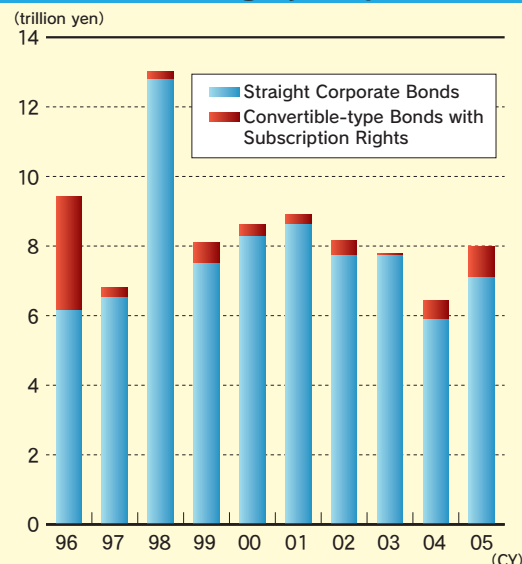


Notes: "Short-term JGBs" are the total of financial bills and treasury bills.
Source: Japan Securities Dealers Association

In 2005, corporate debt financing in the Japanese market advanced 23.8% year on year to ¥7.9 trillion.

Corporate straight bond issuance increased 20.5%, to ¥7.0 trillion. Issuance of convertible-type bonds with subscription rights increased 58.4%, to ¥0.8 trillion. In the straight bond category, total issuance increased due to higher issuance of corporate and electric power company bonds and bank subordinated bonds as well as bonds of new issuance bodies.

Debt Financing by Corporations

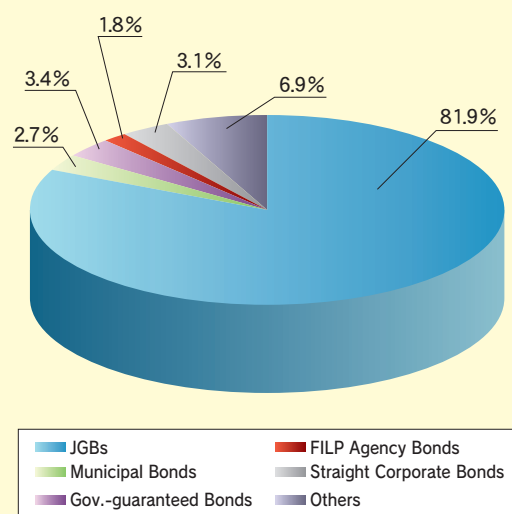


Notes: 1. "Straight Corporate Bonds" include asset backed bonds.
 2. Following the revision of the Commercial Code in 2002, "Convertible Bonds" were renamed "Convertible-type Bonds with Subscription Rights".
 Source: Japan Securities Dealers Association

In 2005, public bond issuance advanced 6.5%, to ¥227.1 trillion. By bond category, JGB issuance increased 6.2%, to ¥186.1 trillion. Issuance of municipal bonds expanded by 17.1%, to ¥6.1 trillion. That of FILP (Fiscal Investment and Loan Program) agency bonds jumped by 31.3%, to ¥4.1 trillion and straight corporate bonds increased 18.8%, to ¥6.8 trillion. On the other hand, government-guaranteed bond issuance declined 5.1%, to ¥7.8 trillion.

Looking at the composition of bond issuance volume, the breakdown was as follows; JGBs - 81.9%, municipal bonds - 2.7%, government-guaranteed bonds - 3.4%, FILP agency bonds - 1.8% and straight corporate bonds - 3.1%.

Composition of Bond Issuance



Notes: 1. Government bonds data include only public offerings.
 2. Excluding private placement municipal bonds
 3. "Straight Corporate Bonds" include "Asset Backed Bonds".
 Source: Japan Securities Dealers Association

4) Investment Trusts

Total assets of investment trusts as of the end of 2005 were ¥83,189 billion, of which publicly offered trusts accounted for ¥57,485 billion and private placement trusts accounted for ¥25,704 billion.

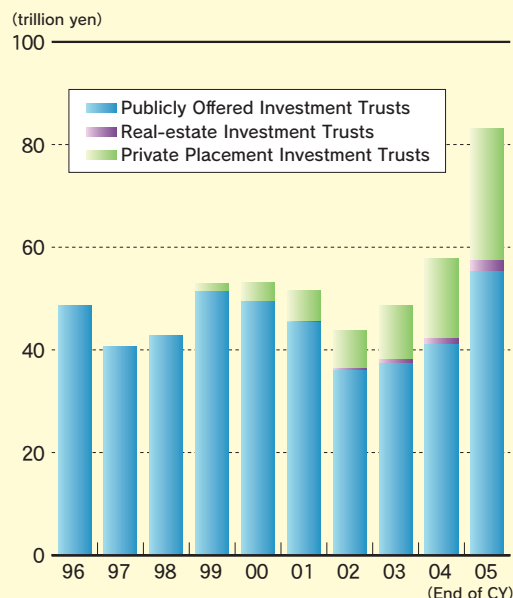
Total assets of contractual-type securities investment trusts, among publicly offered ones, climbed to ¥55,348 billion, recovering to 1989 levels. Total assets of real-estate investment trusts (company-type investment trusts) were ¥2,050 billion, rising above the two trillion yen level for the first time.

Among private placement investment trusts, contractual-type securities trusts recorded total assets of ¥25,643 billion, setting a record high.

Among publicly offered contractual-type securities investment trusts, stock investment trusts posted total assets of ¥40,829 billion. This was the first time these investment trusts have forty-trillion yen in sixteen years since the bubble period. Total assets of bond investment trusts increased to ¥11,498 billion after one year of decline, expanding 15.5% year on year. Total assets invested in foreign securities climbed 60.5%, to ¥19,750 billion. This was because increasing number of trusts invested their assets into such emerging economies as BRICs.

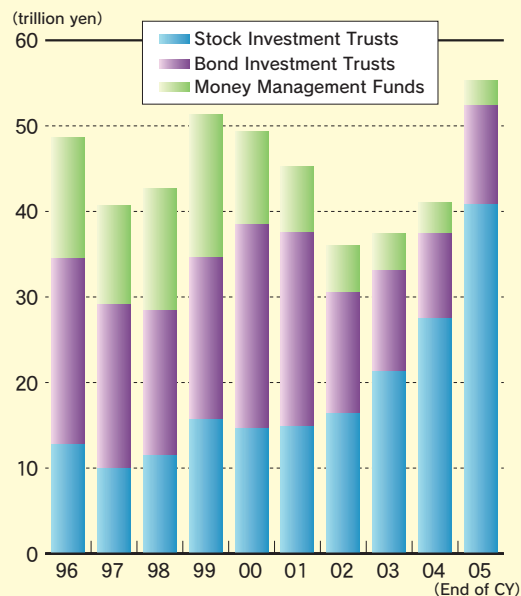
Banks and other financial institutions accounted for 48.8% of total net assets of publicly offered contractual-type stock investment trusts as of the end of 2005, up by 2.7 percentage points from the previous year.

Total Assets Held in Investment Trusts



Source: The Investment Trusts Association

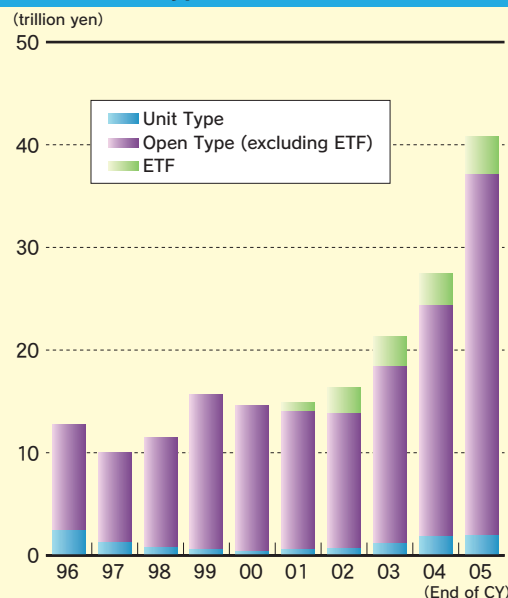
Total Assets Held in Publicly Offered Contractual-type Securities Investment Trusts



Source: The Investment Trusts Association

Among publicly offered contractual-type stock investment trusts, unit-type trusts had total assets of ¥1,945 billion due to the growing popularity of risk-limited funds. On the other hand, net assets held in open type trusts excluding ETFs hit a record high of ¥35,180 billion because balance funds that invest in foreign bonds with relatively high yields and funds of funds were popular. Since their introduction in 2001, ETFs have steadily increased their total assets, which rose to ¥3,704 billion in the fiscal year under review.

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

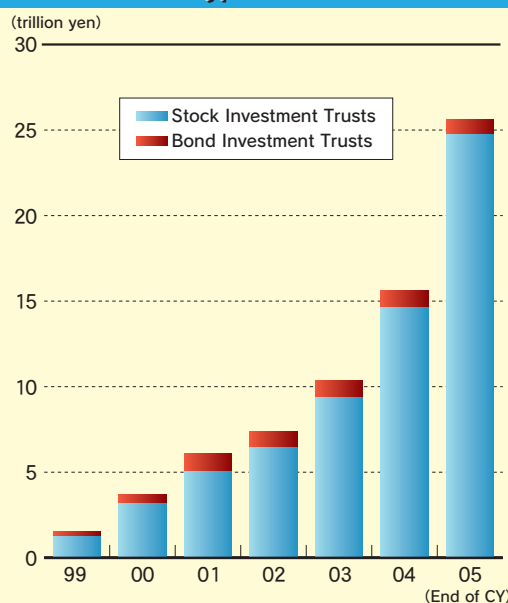


Source: The Investment Trusts Association

Private placement investment trusts were set up one after another during the fiscal year attracting investors with their flexibility of the product design and continuing to increase their net assets. Facing the fund management difficulties caused by low interest rates, financial institutions and pension funds especially increased their fund management by private placement trusts that invest in domestic and foreign stocks and corporate bonds, asset backed securities and hedge funds.

Among private placement contractual-type trusts, total assets of stock investment trusts amounted to ¥24,724 billion, increasing by more than ten trillion yen during 2005. On the other hand, total assets of bond investment trusts slightly decreased by 3.2%, to ¥919 billion.

Total Assets Held in Private Placement Contractual-type Investment Trusts

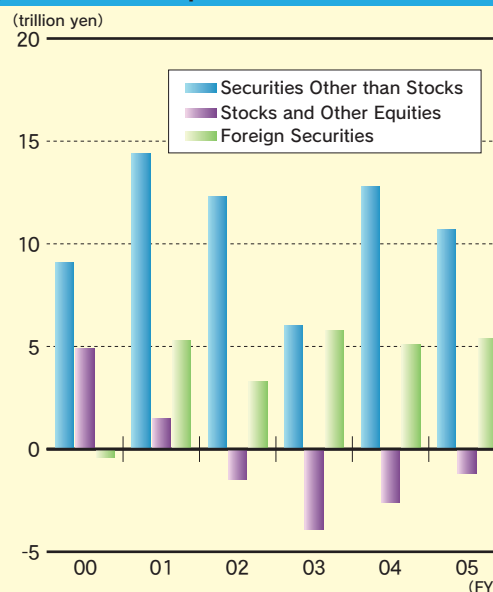


Source: The Investment Trusts Association

5) Investor Trends

Among institutional investors, life and non-life insurance companies and pension funds continued to steadily increase their investments in securities other than stocks, and those in foreign securities. Especially, among securities other than stocks, there were prominent increases in investments in JGBs, investment trust beneficiary certificates and products related to credit liquidation.

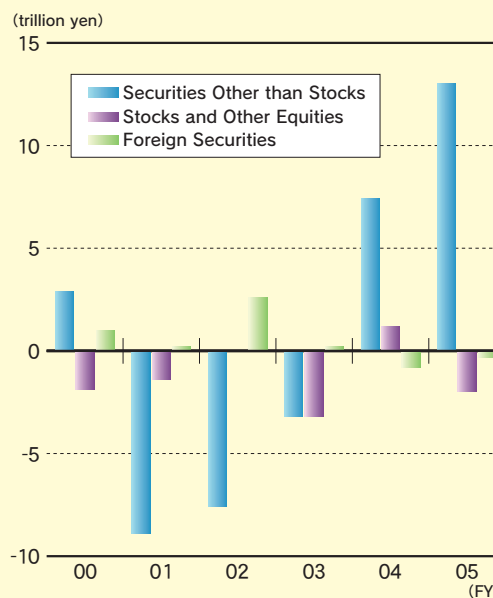
Investments by Institutional Investors (Insurance Companies and Pension Funds)



Source: Bank of Japan

Looking at individual investor trends, funds invested in securities other than stocks, such as JGBs and investment trusts, have been increasing significantly since fiscal 2004. On the other hand, despite the downward turn in investment in stocks and other equity by individuals in fiscal 2005, asset value of this category as of the end of fiscal 2005 showed an increase of about fifty-five trillion yen year on year on a marked-to-market basis owing to the rise of stock prices.

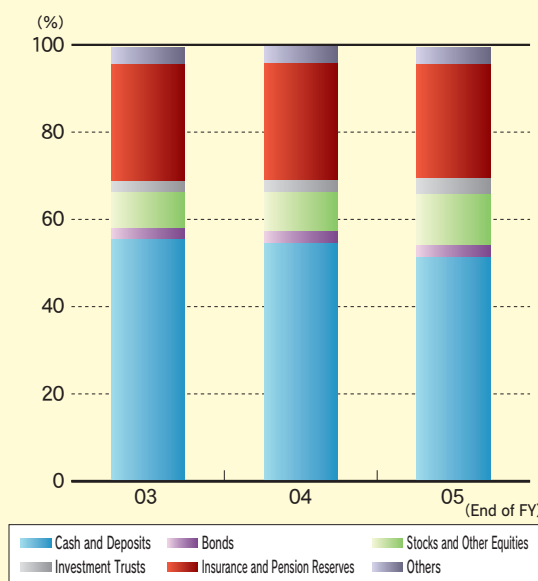
Investments by Individual Investors (Household)



Source: Bank of Japan

The household financial assets at the end of March 2006 climbed by 5.8% or ¥81.9 trillion, to ¥1,506 trillion, reaching the highest level ever. The ultra-low interest rate contributed to the decrease in cash and deposits by ¥4.7 trillion, and therefore the ratio of household financial assets held in cash and deposits dropped by 3.3 percentage points. In contrast, stocks and other equities expanded by 3.0 percentage points or ¥53.5 trillion. This growth reflected a substantial 46% rise in the Nikkei 225 Stock Average from the end of the previous fiscal year, which increased the market values of stocks held by individuals.

Composition of Household Financial Assets

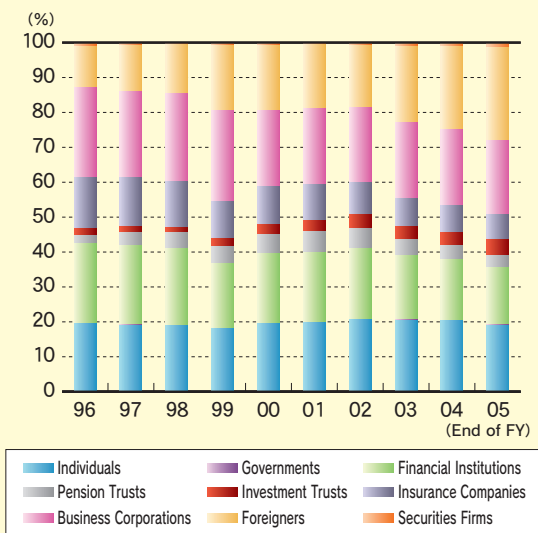


According to a survey by stock exchanges, total investment assets held in all sectors as of the end of March 2006 amounted to ¥574.5 trillion, up by 49.0% or ¥188 trillion year on year due to the significant rise in stock prices.

The number of individual stockholders reached a record high of 38.1 million, expanding by 2.7 million. However, the proportion of stockholdings by individual investors declined by 1.2 percentage points, to 19.1% due to their continued selling for profit-taking.

On the other hand, the proportion of stockholdings by foreigners substantially increased by 3.0 percentage points, to 26.7%.

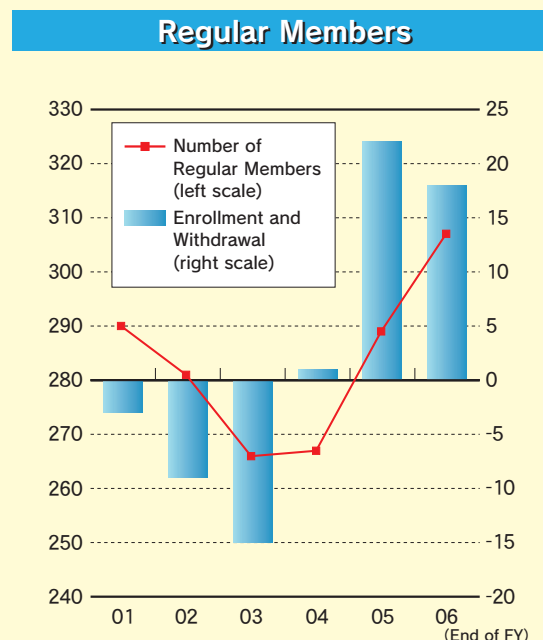
Stockholdings by Type of Investors (Market Value Basis)



Member Firms

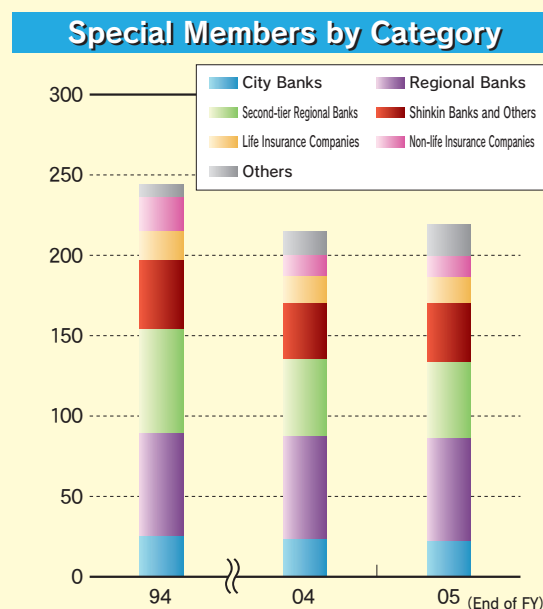
1) JSDA Members

The number of regular members (securities firms) as of the end of March 2006 was 289. The increase occurred because many newcomers, such as financial futures trading firms and firms specialized in foreign investment trusts, enrolled owing to the spreading effect of regulatory liberalization and the good market environment. While 30 new members enrolled, 8 members withdrew. In total, regular members increased by 22 from the year before.



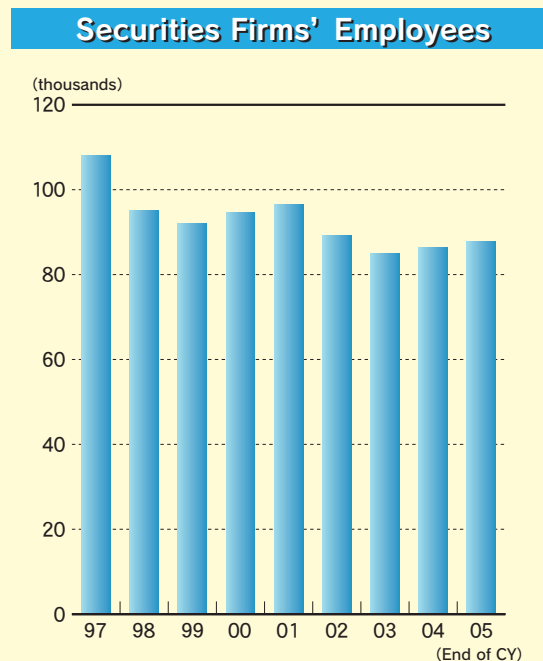
The number of special members as of the end of March 2006 was 219, increasing by 4 from the previous year. A breakdown by categories shows 6 city banks (decreased by 1), 14 trust banks (unchanged), 64 regional banks (unchanged), 47 second-tier regional banks (decreased by 1), 36 shinkin banks (increased by 2), 16 life insurance companies (decreased by 1), 12 non-life insurance companies (unchanged) and others.

Japan Post joined JSDA in July 2005 and was listed as a public corporation in the breakdown.



2) Securities Firms' Employees

The number of employees at the end of December 2005 was approximately 87,000, rising by about 1,500 from the year before.

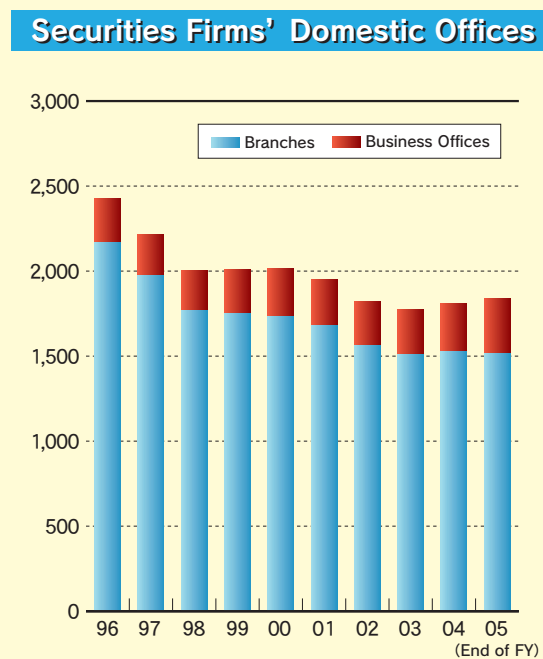


Source: Japan Securities Dealers Association

3) Securities Firms' Domestic Offices

The number of securities firms' domestic branches as of the end of March 2006 was 1,514, decreasing by 1.0% from the year before as a result of mergers of securities firms.

On the other hand, the number of business offices was 324, rising by 15.3% due to an increase in the number of joint offices with banks. The number of domestic offices excluding the head office was 1,838, rising by 1.5% from the fiscal year before.

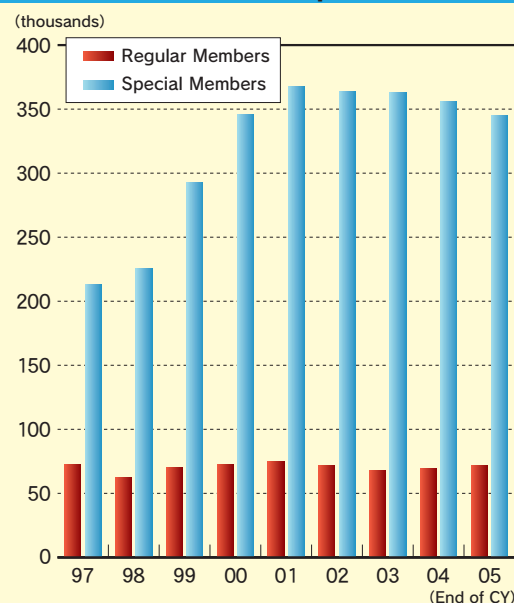


Source: Japan Securities Dealers Association

4) Securities Sales Representatives

The number of securities sales representatives as of end of December 2005 was approximately 417,000, a decline of about 8,000 year on year. The number of securities sales representatives belonging to securities firms was 71,000, increasing by roughly 2,000 from the year before. On the other hand, the number of securities sales representatives belonging to financial institutions was 345,000, decreasing by about 11,000 from the year before.

Securities Sales Representatives



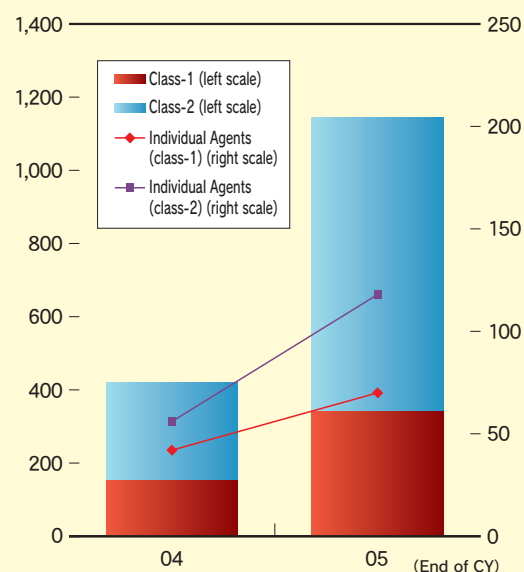
Source: Japan Securities Dealers Association

5) Securities Sales Representatives of Securities Sales Agents

The number of securities sales representatives of securities sales agents at the end of December 2005 was 1,144, sharply rising by 173.0% from the previous year. Among them, class-1 securities sales representatives numbered 341, or 29.8%. The remainder, 803 or 70.2%, was class-2 securities sales representatives.

Among the 1,144 securities sales representatives, 188 were individual securities sales agents. The breakdown includes 70 class-1 securities sales representatives and 118 class-2 securities sales representatives.

Securities Sales Representatives of Securities Sales Agents



Source: Japan Securities Dealers Association

Performance of Securities Industry

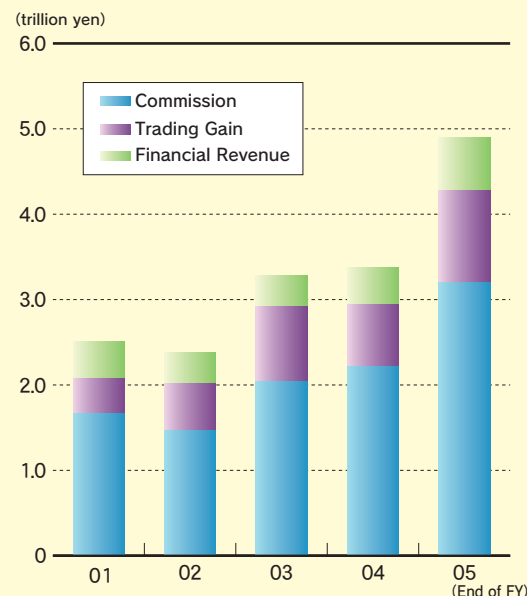
1) Operating Revenues of Member Securities Firms

Looking at the overall performance of the industry (288 securities firms*) during the fiscal year 2005 ended March 2006, the industry recorded total operating revenues of ¥4,912 billion, jumping by 44.9% from the previous year. This performance reflected the strong stock market for the year, driven by the increasing numbers of transactions by foreign and individual investors.

Among total operating revenues, commissions increased by 43.8% to ¥3,196 billion and trading gain climbed by 49.0% to ¥1,078 billion. In addition, net financial revenues advanced 43.2% to ¥622 billion.

*Of a total of 289 securities firms at the end of fiscal year ended March 2006, one domestic securities firm had halted its operations.

Operating Revenues of Member Securities Firms

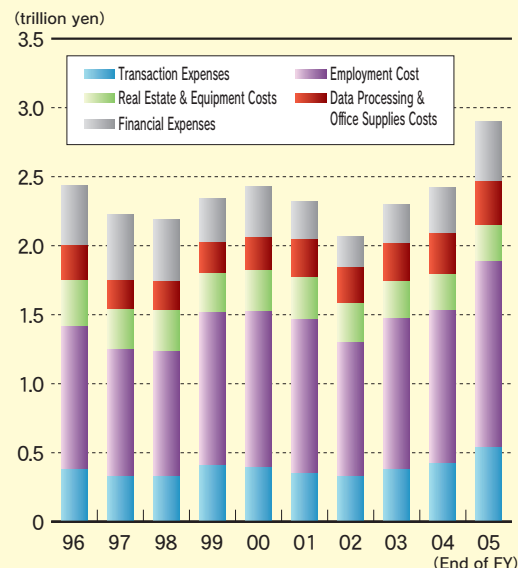


Note: Securities firms that were not in business as of the end of March in each year are excluded.
Source: Japan Securities Dealers Association

2) Operating Expenses of Member Securities Firms

Operating expenses for the fiscal year 2005 ended March 2006 grew to ¥3,230 billion. Among operating expenses, transaction expenses rose by 26.9% to ¥537 billion, employment cost by 21.7% to ¥1,346 billion, real estate and equipment expenses by 1.3% to ¥266 billion and data processing and office supplies expenses by 6.6% to ¥315 billion. Combining these is selling, general and administrative expenses, which jumped by 20.4% to ¥2,794 billion. Financial expenses were ¥436 billion, also rising by 30.2%.

Operating Costs of Member Securities Firms

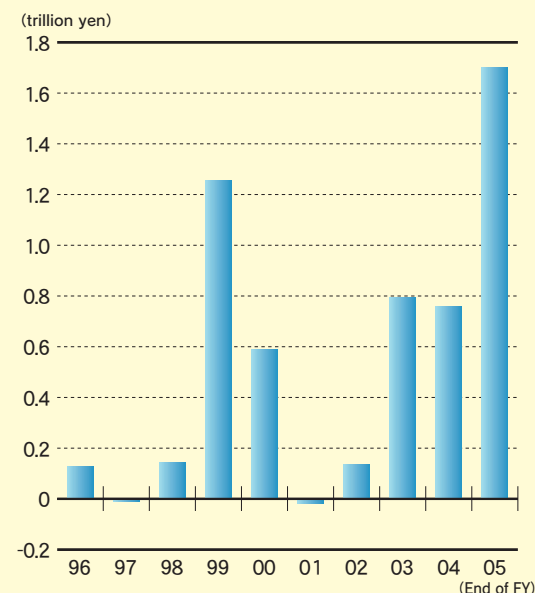


Note: Securities firms that were not in business as of the end of March in each year are excluded.
Source: Japan Securities Dealers Association

3) Current Profits/Losses of Member Securities Firms

Current profits of the fiscal year 2005 ended March 2006 substantially increased by 124.1% to ¥1,700 billion.

Current Profits/Losses of Member Securities Firms

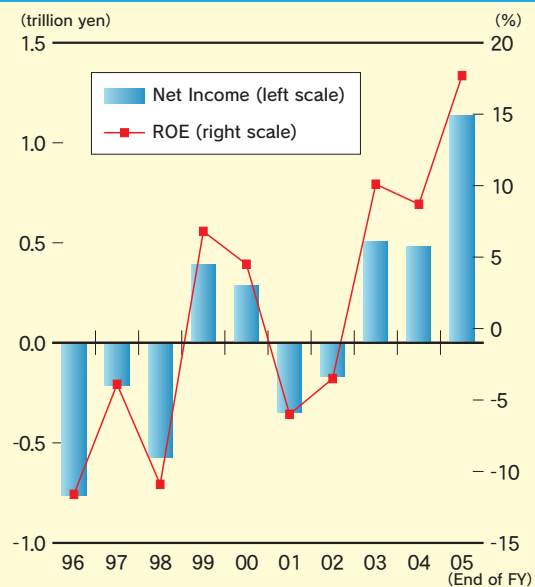


Note: Securities firms that were not in business as of the end of March in each year are excluded.
Source: Japan Securities Dealers Association

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

Net income of the fiscal year 2005 ended March 2006 surged by 135.1% to ¥1,136 billion. Return on equity (ROE) was 17.7%, a substantial improvement of 9 percentage points compared with the previous year's 8.7%.

Net Income/Deficit and ROE of Member Securities Firms

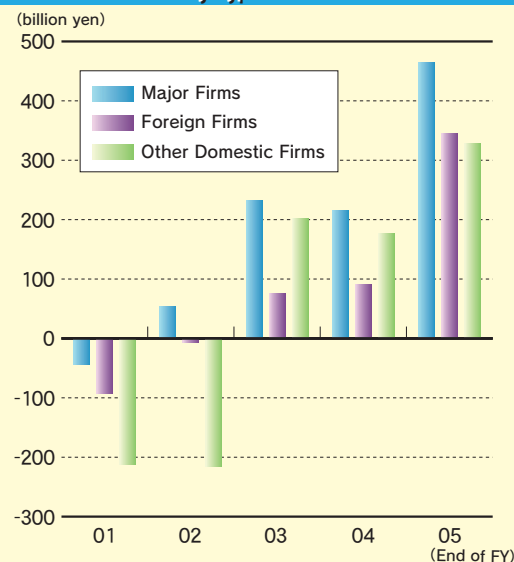


Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.
2. ROE is after-tax profits divided by average stockholders equity.
Source: Japan Securities Dealers Association

5) Net Income/Deficit by Type of Member Securities Firm

Looking at net income by category of firms for the fiscal year 2005 ended March 2006, each category recorded substantial increase compared with the previous year's income: 120.7% increase to ¥464 billion in major securities firms, 116.7% increase to ¥344 billion in foreign securities firms and 133.5% increase to ¥328 billion in the rest of the domestic securities firms.

Net Income/Deficit by Type of Member Securities Firms

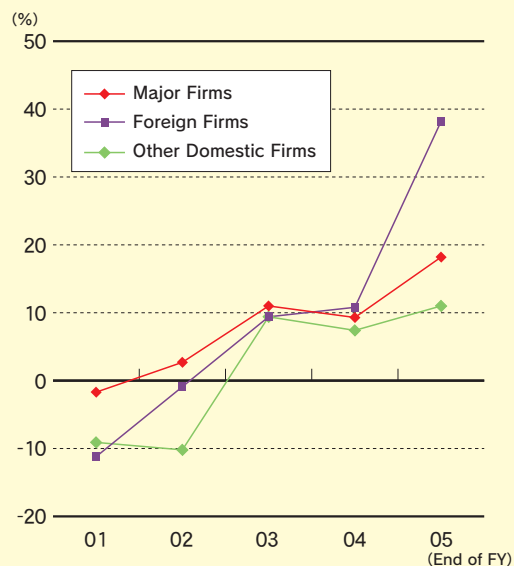


Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.
 2. Major securities firms: Daiwa Securities Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., and other securities firms capitalized at a hundred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

6) ROE by Type of Member Securities Firm

Looking at ROE by category of firms for the fiscal year 2005 ended March 2006, each category recorded substantially positive ROE compared with the previous year: 8.9 percentage points increase to 18.2% in major securities firms, 27.4 percentage points increase to 38.2% in foreign securities firms and 3.6 percentage points increase to 11.0% in the rest of the domestic securities firms.

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.
 Source: Japan Securities Dealers Association

Statistical Data

Securities Market in 2005

1) Economic Trend

● Real GDP Growth Rate

(%)

Quarterly		Real GDP Growth Rate (Year-on-year comparison)	Private Demand	Public Demand	Net Exports
2000	1Q	2.9	2.2	0.0	0.7
	2Q	2.8	2.0	0.1	0.7
	3Q	3.2	2.5	0.1	0.6
	4Q	2.9	3.0	-0.3	0.1
2001	1Q	2.5	2.7	0.7	-0.8
	2Q	1.0	1.9	0.1	-1.0
	3Q	-0.2	0.7	0.1	-1.0
	4Q	-1.6	-1.3	0.2	-0.5
2002	1Q	-2.2	-2.6	0.0	0.3
	2Q	-0.3	-1.4	0.2	0.9
	3Q	1.3	0.4	0.3	0.7
	4Q	1.7	0.9	-0.1	0.9
2003	1Q	1.8	1.6	-0.3	0.5
	2Q	1.7	1.3	0.0	0.4
	3Q	1.5	1.0	-0.3	0.8
	4Q	2.2	1.7	-0.4	0.9
2004	1Q	3.8	2.3	0.3	1.1
	2Q	2.8	1.9	-0.2	1.1
	3Q	2.4	2.0	-0.3	0.7
	4Q	0.4	0.3	-0.2	0.3
2005	1Q	1.4	2.1	-0.6	-0.1
	2Q	2.6	2.5	0.1	0.0
	3Q	2.8	2.2	0.4	0.1
	4Q	3.7	2.6	0.2	0.9
2006	1Q	3.6	2.6	0.1	0.9

Source: Cabinet Office

● Corporate Profits (All Industry, All Size)

FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Current Profits (trillion yen)	28	28	21	27	36	28	31	36	45	52
Current Profit to Sales Ratio (%)	1.9	1.9	1.5	1.9	2.5	2.1	2.3	2.7	3.1	3.4

Source: Ministry of Finance

● Consumer Price and Corporate Goods Price Indices

(%)

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Consumer Price Index (excluding fresh food)	0.2	1.7	0.4	0.0	-0.5	-0.8	-0.9	-0.3	-0.1	-0.1	0.1
Corporate Goods Price Index (final consumer goods)	-0.7	0.5	-0.6	-1.4	-1.3	-1.4	-1.9	-1.6	-0.6	-0.1	0.3

Note: Figures are annual average except those for 2006, which are only up until June and seasonally adjusted.

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

● Employment Conditions

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Unemployment Rate (%)	3.4	3.4	4.1	4.7	4.7	5.0	5.4	5.3	4.7	4.4	4.2
Job-offers to Seekers Ratio (Ratio(Times))	0.70	0.72	0.53	0.48	0.59	0.59	0.54	0.64	0.83	0.95	1.08

Notes: 1. Figures are annual average except those for 2006, which are only up until June and seasonally adjusted.

2. "Job-offers to Seekers Ratio" excludes new school graduates but includes part-time workers.

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

2) Stock Market

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

(billion yen)

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TSE 1st Section	393.1	434.3	388.6	726.6	978.3	812.3	775.8	971.0	1,316.7	1,874.0
Jasdaq Securities Exchange	23.9	10.8	6.2	49.7	46.0	20.3	14.9	25.9	51.1	79.7

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

Source: Tokyo Stock Exchange, Jasdaq Securities Exchange

Equity Financing by Corporations

(billion yen)

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Public Offerings	563	173	333	527	690	1,235	194	642	929	754
Rights Offerings	337	74	0	0	10	32	–	2	11	4
Private Placements and Others	825	607	1,209	9,531	1,223	838	1,558	2,801	2,113	2,435
Total	1,726	854	1,543	10,059	1,924	2,106	1,753	3,446	3,054	3,193

Notes: 1. "-" indicates nil.

2. Total figures of domestic stock exchanges

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

Source: Tokyo Stock Exchange, Japan Securities Dealers Association

Newly Listed Companies and IPO Amounts

CY	2000	2001	2002	2003	2004	2005
Number of Newly Listed Companies	200	169	124	121	171	157
IPO Amounts (billion yen)	941	368	147	347	421	402

Notes: 1. IPOs do not include offerings by foreign companies that are listed in Japan.

2. Total figures of domestic stock exchanges

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

Source: Japan Securities Dealers Association

3) Bond Market

OTC Bond Trading (Including Repos)

(trillion yen)

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	3,182.8	3,385.7	2,606.7	3,836.7	4,061.1	4,058.0	3,665.9	5,110.2	6,481.4	6,758.2
JGBs	3,037.3	3,242.1	2,497.2	3,734.1	3,898.0	3,863.4	3,429.8	4,836.1	6,178.6	6,428.0
Short-term JGBs	1,972.3	2,089.5	1,421.4	2,606.9	2,621.9	2,243.2	1,489.9	1,933.6	2,179.2	1,817.5
Super-long-term, Long-term, Mid-term JGBs	1,064.7	1,206.4	1,075.6	1,127.0	1,275.8	1,619.9	1,939.6	2,902.2	3,999.1	4,610.5
Others	145.8	89.8	109.7	102.8	163.4	194.9	236.4	274.4	303.1	330.2

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

Source: Japan Securities Dealers Association

Domestic Debt Financing by Corporations

(billion yen)

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Straight Corporate Bonds	6,146	6,526	12,784	7,498	8,276	8,609	7,736	7,728	5,879	7,088
Convertible-type Bonds with Subscription Rights	3,289	270	246	592	357	300	427	72	561	889
Bonds with Subscription Rights	—	—	—	—	—	—	—	—	—	—
Total	9,435	6,796	13,031	8,090	8,633	8,910	8,164	7,801	6,440	7,977

Notes: 1. "Straight Corporate Bonds" include asset backed bonds.

2. "—" indicates nil.

3. Following the revision of the Commercial Code in 2002, "Convertible Bonds" were renamed "Convertible-type Bonds with Subscription Rights".

Source: Japan Securities Dealers Association

Amount of Bond Issuance

(billion yen)

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
JGBs	72,219	67,824	84,804	102,050	105,996	133,970	147,831	154,686	175,268	186,155
Municipal Bonds	1,893	1,852	1,722	1,998	2,200	2,299	2,582	4,264	5,251	6,152
Gov.-guaranteed Bonds	3,106	2,939	2,270	2,966	4,854	4,815	4,216	6,476	8,243	7,821
FILP Agency Bonds	—	—	—	—	—	546	2,408	2,457	3,188	4,187
Straight Corporate Bonds	6,146	6,526	12,784	7,498	8,276	8,609	7,736	7,728	5,879	7,088
Others	56,311	38,658	30,848	30,355	27,237	23,630	17,013	15,749	15,460	15,760
Total	139,675	117,799	132,428	144,867	148,563	173,869	181,786	191,360	213,289	227,163

Composition of Bond Issuance

(%)

CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
JGBs	51.7	57.6	64.0	70.4	71.3	77.1	81.3	80.8	82.2	81.9
Municipal Bonds	1.4	1.6	1.3	1.4	1.5	1.3	1.4	2.2	2.5	2.7
Gov.-guaranteed Bonds	2.2	2.5	1.7	2.0	3.3	2.8	2.3	3.4	3.9	3.4
FILP Agency Bonds	—	—	—	—	—	0.3	1.3	1.3	1.5	1.8
Straight Corporate Bonds	4.4	5.5	9.7	5.2	5.6	5.0	4.3	4.0	2.8	3.1
Others	40.3	32.8	23.3	21.0	18.3	13.6	9.4	8.2	7.2	6.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: 1. Government bonds data includes only public offerings.

2. Excluding private placement municipal bonds

3. "Straight Corporate Bonds" include asset backed bonds.

Source: Japan Securities Dealers Association

4) Investment Trusts

● Total Assets Held in Investment Trusts

(billion yen)

End of CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Publicly Offered Investment Trusts	48,668	40,649	42,739	51,353	49,399	45,280	36,016	37,435	40,996	55,347
Real-estate Investment Trusts	—	—	—	—	—	236	441	766	1,246	2,050
Private Placement Investment Trusts	—	—	—	1,544	3,693	6,106	7,381	10,384	15,596	25,643
Total	48,668	40,649	42,739	52,897	53,092	51,622	43,838	48,585	57,838	83,040

Source: The Investment Trusts Association

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

(billion yen)

End of CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Stock Investment Trusts	12,779	9,986	11,496	15,696	14,610	14,905	16,372	21,339	27,435	40,828
Bond Investment Trusts	21,669	19,099	16,963	18,866	23,817	22,652	14,121	11,746	9,955	11,498
Money Management Funds	14,219	11,563	14,279	16,790	10,971	7,722	5,521	4,350	3,606	3,020
Total	48,667	40,648	42,738	51,352	49,398	45,279	36,014	37,435	40,996	55,346

Source: The Investment Trusts Association

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

(billion yen)

End of CY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Unit Type	2,406	1,222	740	573	373	617	697	1,161	1,799	1,945
Open Type (excluding ETF)	10,373	8,763	10,755	15,122	14,236	13,398	13,165	17,216	22,522	35,180
ETF	—	—	—	—	—	889	2,509	2,962	3,113	3,703
Total	12,779	9,985	11,495	15,695	14,609	14,904	16,371	21,339	27,434	40,828

Source: The Investment Trusts Association

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

(billion yen)

End of CY	1999	2000	2001	2002	2003	2004	2005
Stock Investment Trusts	1,240	3,185	5,040	6,469	9,388	14,646	24,723
Bond Investment Trusts	303	507	1,066	911	995	949	919
Total	1,543	3,692	6,106	7,380	10,383	15,595	25,642

Source: The Investment Trusts Association

5) Investor Trends

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

FY	2000	2001	2002	2003	2004	2005
Securities other than Stocks	9.1	14.4	12.3	6.0	12.8	10.7
Stocks and Other Equities	4.9	1.5	-1.5	-3.9	-2.6	-1.2
Foreign Securities	-0.4	5.3	3.3	5.8	5.1	5.4

Source: Bank of Japan

● Investments by Individual Investors (Household) (trillion yen)

FY	2000	2001	2002	2003	2004	2005
Securities other than Stocks	2.9	-8.9	-7.6	-3.2	7.4	13.0
Stocks and Other Equities	-1.9	-1.4	0.0	-3.2	1.2	-2.0
Foreign Securities	1.0	0.2	2.6	0.2	-0.8	-0.3

Source: Bank of Japan

● Household Financial Assets (trillion yen)

End of FY	2003	2004	2005
Cash and Deposits	779.9	775.6	770.9
Bonds	35.4	39.3	41.5
Stocks and Other Equities	118.7	124.7	178.2
Investment Trusts	33.8	37.9	54.9
Insurance and Pension Reserves	377.7	383.1	393.2
Others	58.5	57.3	60.1
Total	1,411.0	1,424.3	1,506.2

● Composition of Household Financial Assets

(%)

End of FY	2003	2004	2005
Cash and Deposits	55.3	54.5	51.2
Bonds	2.5	2.8	2.8
Stocks and Other Equities	8.4	8.8	11.8
Investment Trusts	2.4	2.7	3.6
Insurance and Pension Reserves	26.8	26.9	26.1
Others	4.1	4.0	4.0
Total	100.0	100.0	100.0

Note: "Bonds" include trust beneficiary rights.

Source: Bank of Japan

● Stockholdings by Type of Investors (Market Value Basis)

(trillion yen)

End of FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Individuals	65.0	58.5	62.4	82.9	68.9	61.0	48.6	75.5	78.1	109.4
Governments	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.7	0.7	0.9
Financial Institutions	76.4	69.6	72.5	85.8	70.5	61.7	47.5	67.5	66.7	93.1
Pension Trusts	8.0	11.8	15.6	23.1	19.6	18.6	13.6	16.5	15.2	20.7
Investment Trusts	6.8	4.9	4.4	10.2	9.8	10.3	9.3	13.6	14.8	25.0
Insurance Companies	49.1	43.4	43.1	49.2	38.5	31.6	21.9	29.5	29.2	42.3
Business Corporations	85.8	75.9	83.5	120.1	77.4	67.5	50.7	80.4	84.5	121.4
Foreigners	40.0	41.1	46.5	85.9	66.5	56.7	41.8	80.6	91.5	153.5
Securities Firms	3.1	2.0	1.8	3.8	2.5	2.1	2.0	4.4	4.4	7.9
Total	335.4	308.0	330.8	461.9	354.7	310.5	236.4	369.2	385.6	574.5

● Stockholdings by Type of Investors (Market Value Basis)

(%)

End of FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Individuals	19.4	19.0	18.9	18.0	19.4	19.7	20.6	20.5	20.3	19.1
Governments	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Financial Institutions	22.8	22.6	21.9	18.6	19.9	19.9	20.1	18.3	17.3	16.2
Pension Trusts	2.4	3.8	4.7	5.0	5.5	6.0	5.8	4.5	4.0	3.6
Investment Trusts	2.0	1.6	1.4	2.2	2.8	3.3	4.0	3.7	3.9	4.4
Insurance Companies	14.7	14.1	13.1	10.7	10.9	10.2	9.2	8.0	7.6	7.4
Business Corporations	25.6	24.6	25.2	26.0	21.8	21.8	21.5	21.8	21.9	21.1
Foreigners	11.9	13.4	14.1	18.6	18.8	18.3	17.7	21.8	23.7	26.7
Securities Firms	1.0	0.7	0.6	0.8	0.7	0.7	0.9	1.2	1.2	1.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

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

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

Source: Tokyo Stock Exchange

Member Firms

● Number of Regular Members

End of FY	2001	2002	2003	2004	2005	2006
Regular Members	290	281	266	267	289	307
Enrollment and Withdrawal	-3	-9	-15	1	22	18

Note: Figures for 2006 are as of August 1, 2006.

Source: Japan Securities Dealers Association

● Number of Special Members by Category

End of FY	1994	2004	2005
City Banks	11	7	6
Long-term Credit Banks	3	2	2
Trust Banks	11	14	14
Government-related Financials	2	2	2
Regional Banks	64	64	64
Second-tier Regional Banks	65	48	47
Shinkin Banks	42	34	36
Shinkin Central Bank	1	1	1
Life Insurance Companies	18	17	16
Non-life Insurance Companies	21	13	13
Money Market Brokerage Companies	6	3	3
Foreign Banks	0	5	9
Securities Finance Companies	0	1	1
Credit Cooperatives	0	0	2
Other Banks	0	4	2
Public Corporation	0	0	1
Total	244	215	219

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

2. Before March 31, 2005, "Other Banks" include foreign trust banks.

Source: Japan Securities Dealers Association

● Number of Securities Firms' Employees

(thousands)

End of CY	1997	1998	1999	2000	2001	2002	2003	2004	2005
Employees	108.0	95.1	92.0	94.7	96.6	89.2	85.0	86.4	87.9

Source: Japan Securities Dealers Association

● Number of Securities Firms' Domestic Offices

End of FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Branches	2,166	1,973	1,768	1,753	1,731	1,680	1,565	1,511	1,529	1,514
Business Offices	262	243	238	258	285	273	257	263	281	324

Source: Japan Securities Dealers Association

● Number of Securities Sales Representatives

(thousands)

End of CY	1997	1998	1999	2000	2001	2002	2003	2004	2005
Regular Members	72.5	62.6	69.8	72.8	75.1	72.0	67.5	69.2	71.9
Special Members	213.1	225.7	292.8	345.6	367.4	363.4	362.9	356.3	345.3

Source: Japan Securities Dealers Association

● Number of Securities Sales Representatives of Securities Sales Agents

End of CY	2004	2005
Class-1	153	341
Individual Securities Sales Agents	42	70
Class-2	266	803
Individual Securities Sales Agents	56	118

Source: Japan Securities Dealers Association

Performance of Securities Industry

● Operating Revenues of Member Securities Firms

(billion yen)

End of FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Operating Revenue	2,871.0	2,523.3	2,579.1	3,795.6	3,213.2	2,505.7	2,386.8	3,294.2	3,388.7	4,911.5
Commission	1,943.6	1,617.8	1,585.3	2,791.2	2,018.5	1,669.0	1,469.2	2,046.2	2,221.8	3,195.5
Trading Gain	545.5	429.6	552.0	680.6	771.3	401.1	549.9	871.8	723.3	1,078.0
Financial Revenue	381.8	475.5	441.0	323.1	423.4	433.6	362.3	369.0	434.5	622.3

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 Costs of Member Securities Firms

(billion yen)

End of FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Selling, General and Administrative Expenses	2,308.2	2,062.1	1,967.1	2,209.5	2,265.0	2,266.7	2,040.3	2,221.0	2,319.9	2,793.9
Transaction Expenses	379.1	328.1	325.1	406.6	390.8	352.2	328.0	379.4	422.8	536.5
Employment Cost	1,033.0	921.3	911.8	1,110.0	1,135.8	1,116.2	972.8	1,096.7	1,105.9	1,345.6
Real Estate & Equipment Costs	335.8	290.9	292.2	284.5	294.0	302.4	278.5	266.4	262.2	265.7
Data Processing & Office Supplies Costs	251.5	204.9	208.7	224.4	239.2	272.7	263.7	270.4	295.4	314.8
Financial Expenses	439.2	478.7	455.2	318.3	370.2	273.4	223.6	285.6	335.0	436.1

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

Source: Japan Securities Dealers Association

● Current Profits/Losses of Member Securities Firms

(billion yen)

End of FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Current Profits/Losses	128.4	-9.5	144.8	1,254.0	589.3	-17.3	135.7	793.2	758.3	1,699.8

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

Source: Japan Securities Dealers Association

● Net Income/Deficit and ROE of Member Securities Firms

End of FY	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Net Income/Deficit (billion yen)	-764.1	-215.3	-572.6	392.0	287.2	-348.9	-169.8	508.3	483.4	1,136.3
ROE (%)	-11.6	-3.9	-10.9	6.8	4.5	-6.0	-3.5	10.1	8.7	17.7

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.

Source: Japan Securities Dealers Association

● Net Income/Deficit by Type of Member Securities Firms

(billion yen)

End of FY	2001	2002	2003	2004	2005
Major Firms	-44.0	53.0	231.7	214.8	463.8
Foreign Firms	-93.2	-7.6	75.3	91.5	344.2
Other Domestic Firms	-211.6	-215.3	201.1	177.0	328.2

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

Source: Japan Securities Dealers Association

● ROE by Type of Member Securities Firms

(%)

End of FY	2001	2002	2003	2004	2005
Major Firms	-1.7	2.7	11.0	9.3	18.2
Foreign Firms	-11.2	-0.9	9.4	10.8	38.2
Other Domestic Firms	-9.1	-10.2	9.4	7.4	11.0

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

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

Source: Japan Securities Dealers Association

Japan Securities Dealers Association

5-8, Nihonbashi Kayabacho 1-chome, Chuo-ku,
Tokyo 103-0025 Japan
<http://www.jsda.or.jp/html/eigo/index.html>
