

# FACT BOOK 2011

2010



Japan Securities Dealers Association

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## 1 Economic Overview

In 2010, the Japanese economy made headway against the backdrop of a recovery in the global economy, successful economic stimulation measures, and other initiatives.

The real gross domestic product (GDP) moved back into the plus column in the first quarter, increasing 5.6% year on year. It maintained the trend throughout the fiscal year, growing 4.0% over all.

Looking at a breakdown, private demand and net exports were the two factors that contributed substantially to growth in real GDP. Private demand, which had been strongly minus for two years since 2008, rebounded in the first quarter year on year, while net exports expanded, particularly to Asia. Exports to the United States and the EU also recovered, ending the year up overall.

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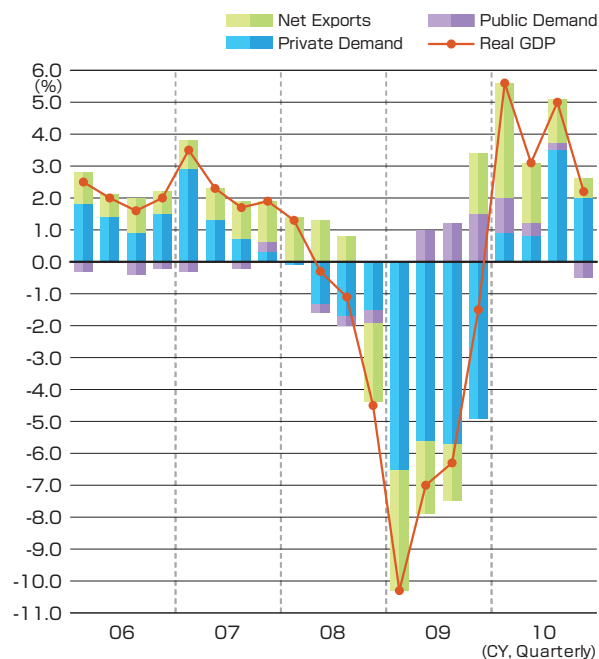
With the global economic slowdown triggered by the so-called Lehman Shock being staved off, fiscal 2010 Corporate Profits (current profit) rebounded, rising ¥18,200.8 billion year on year, to ¥50,319.6 billion, supported by growth in corporate sales.

By industry category, profit increases were recorded in the manufacturing sector in such industries as the chemical, transportation equipment, and electrical machinery industries. In the non-manufacturing sector, profit growth was posted in such industries as wholesale, retail, transportation, and postal services.

The current profit to sales ratio also improved 1.3% from the previous fiscal year, to 3.6%.

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### Real GDP Growth Rate



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



After posting negative growth for six consecutive years from 2000 to 2005 under deflationary conditions, the Consumer Price Index (CPI) turned slightly positive in 2006. In 2009, however, the CPI turned minus due mainly to the drop in the price of petroleum products that had soared sharply in the previous year. In 2010, while demand-supply balance being relaxed, the CPI declined 1.0% year on year under the impact of a no public high school fees policy and other factors.

The Corporate Goods Price Index (CGPI) continued its decline from the previous year, dropping by 1.1% from a year earlier against a backdrop of an easing of the demand-supply balance.

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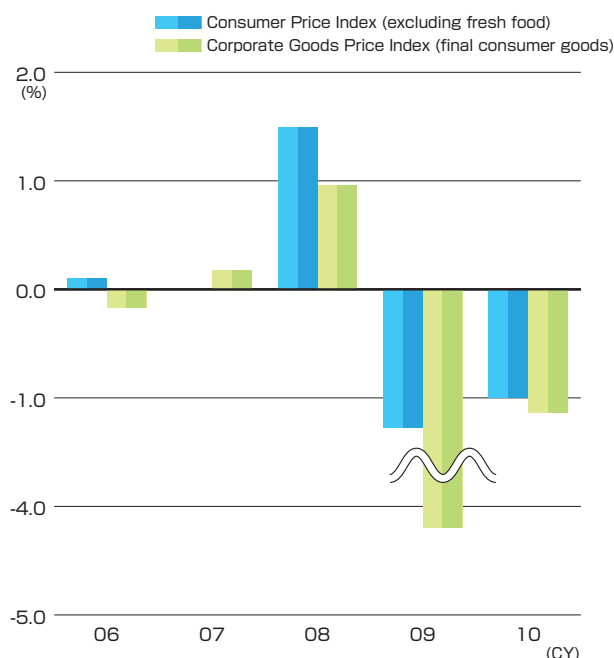
In 2010, employment conditions continued to suffer from the harsh environment. After moving in the narrow range of 5.0% to 5.2%, the unemployment rate dropped below 5.0% in December, falling to 4.9%. However, on an annual basis, the unemployment rate was the same as in the previous year, at 5.1%.

Although only slightly, the job-offers to seekers ratio moved up to 0.52 times on an annual basis.

Among reasons given by job seekers for not being employed, "I did not fit into the required age bracket" increased.

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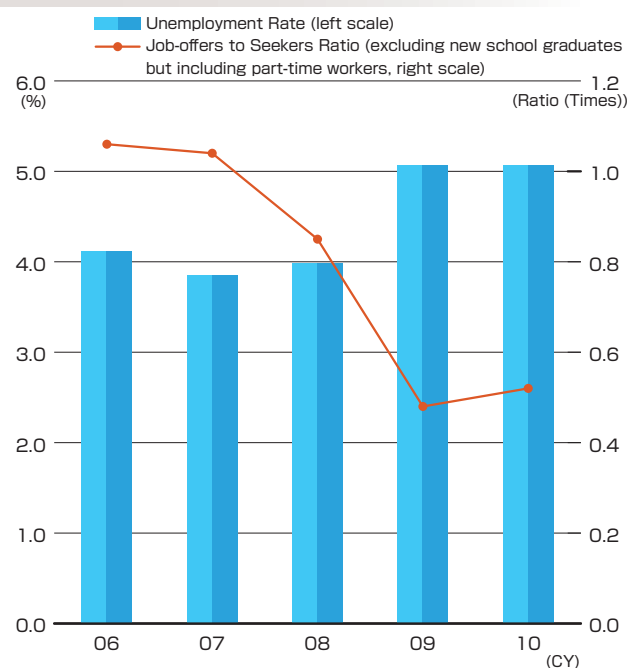
### Consumer Price and Corporate Goods Price Indices



Note: Data is annual average

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

### Employment Conditions



Note: Data is annual average.

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

## 2 Stock Market

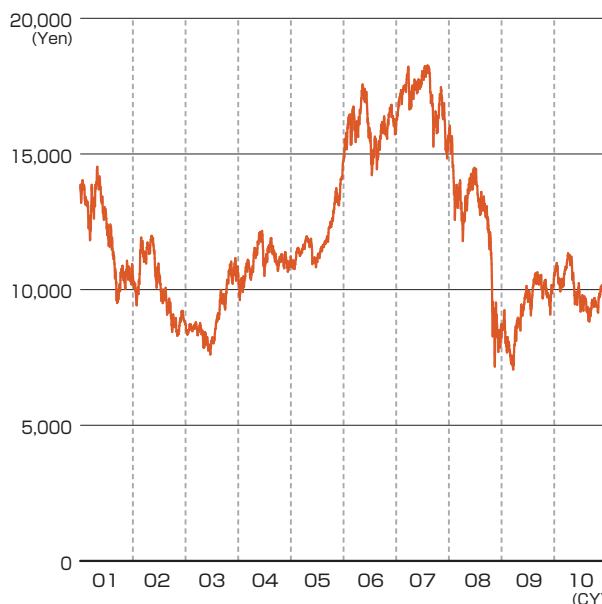
In 2010, the Japanese stock market (Nikkei 225 Stock Average) made a firm start as it caught up with rising stock markets globally. The Nikkei 225 Stock Average reached its high for the year of ¥11,393.30 in the beginning of April.

Despite the strong start, the market reversed direction because of credit concerns in Europe, uncertainty in the movement of the U.S. economy, and the appreciation of the yen. The market remained weak until the latter part of August, when the Nikkei 225 fell below ¥9,000.

The index then rebounded in reaction to monetary easing by the Bank of Japan and a second round of monetary easing in the United States. It recovered to the ¥10,000 level in November and ended the year at ¥10,228.92.

Overall, the Nikkei 225 contracted year-on-year, decreasing 4.0%.

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



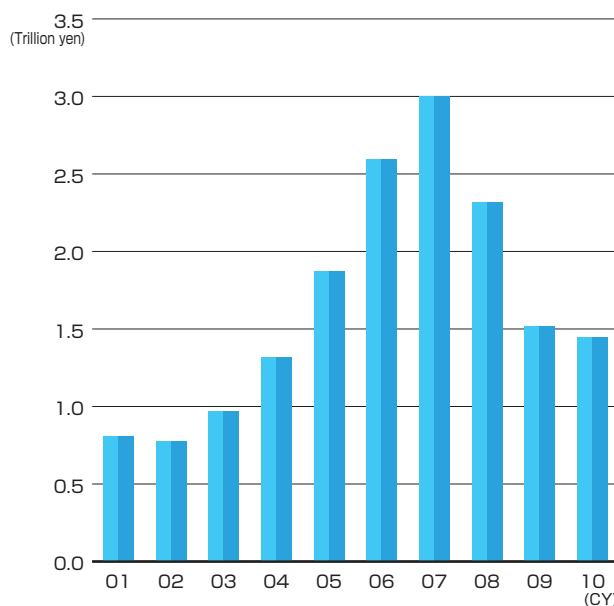
Source: Nihon Keizai Shimbun

The daily average stock trading value of the 1st Section of the Tokyo Stock Exchange has declined for three consecutive years since hitting a peak in 2007. In 2010, the figure dropped ¥69.8 billion, to ¥1,447.3 billion.

Among the major factors attributed to the stagnation of trade volumes are that investors have become risk adverse because of the uncertainty about the direction of the economy and because of the stalemate in implementing government measures.

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



Source: Tokyo Stock Exchange

In 2010, equity financing (paid-in capital increase) by publicly listed companies totaled ¥3,977.2 billion, contracting by ¥2,357.1 billion.

Looking at issuing categories, public offerings fell ¥1,647.6 billion from last year, to ¥3,320.4 billion, while private placements (included preferred stocks, etc.) declined ¥710.3 billion year on year to ¥655.7 billion.

The backdrop to the many capital increases—although less than last year—made by companies in 2010 included financial institutions being forced to strengthen their capital bases amid the global trend toward stricter financial regulation.

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In 2010, companies going public rose for the first time in four years, increasing by 4 companies to 21 companies.

Total capital raised in conjunction with the listing on exchanges also expanded for the first time in four years, growing ¥172.8 billion, to ¥206.7 billion.

Reasons behind the continued stagnation in the IPO market include, similar to last year, the continued slump in the domestic stock market, the slow pace at which business performances of companies planning to list are recovering, and the increased cost and other burdens for newly listing.

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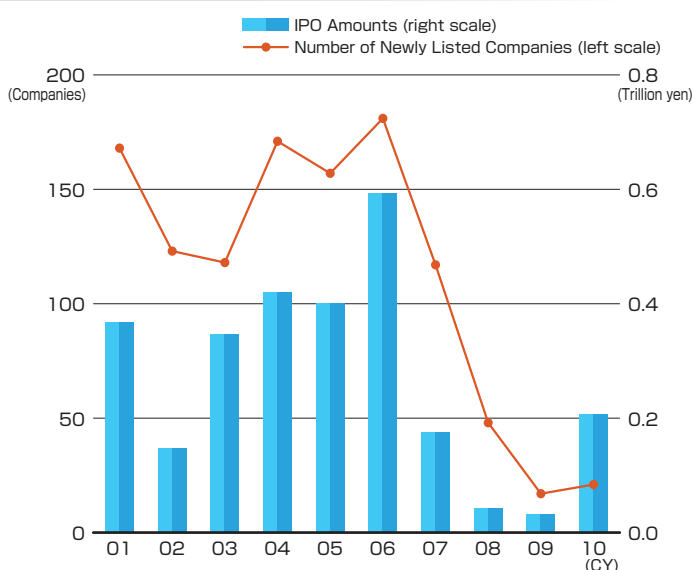
### ► Equity Financing (paid-in capital increase) by Corporations



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

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

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



Note: IPOs include public offerings by foreign companies when listing on Japanese exchanges.

Source: Japan Securities Dealers Association

### 3 Bond Market

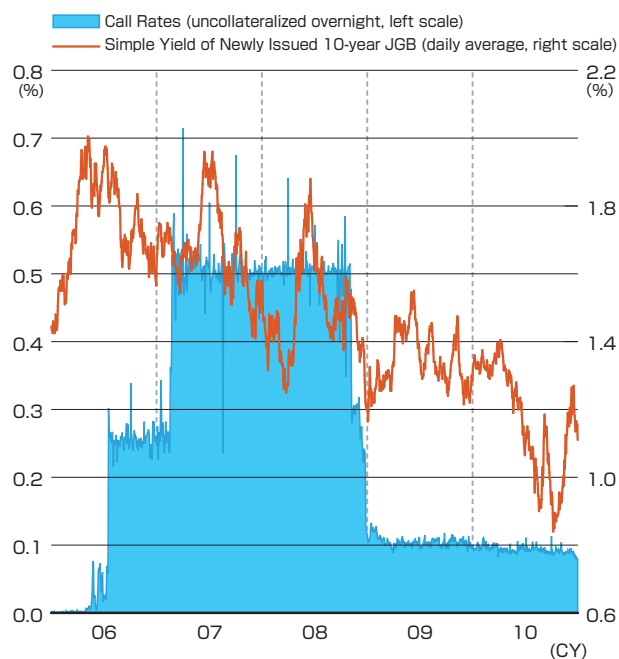
In 2010, the short-term interest rate (uncollateralized overnight call rate) remained extremely stable around the 0.1% level as a result of measures taken by Monetary Policy Meeting of the Bank of Japan Policy Board.

The long-term interest rate (simple yield of newly issued 10-year JGBs) rose close to 1.3% against the backdrop of strong market sentiment created by the firming up of stock prices that was carried over from the previous fiscal year. The rate retreated, however, in the face of the progressive appreciation of the yen, softening stock prices, and other factors, falling below the 1.0% mark in August 2010. After rebounding in reaction to the bottoming out of interest rates in the latter part of August, the long-term interest rate again turned downward and fluctuated strongly. The rate turned upward in mid-October on the strength of rising interest rates worldwide, climbing to 1.295% at one point in mid-December, but then shifted to negative trend down to 1.11% at the end of the year.

In 2010, the total OTC bond trading volume (including Repos) slipped 11.8% year on year, to ¥7,553.9 trillion. Within this amount, the trading volume of JGBs shed 11.9%, to ¥7,453.2 trillion. Super-long-term and long-term JGBs with terms of 10 years or more declined 11.9% from a year earlier, to ¥3,094.3 trillion.

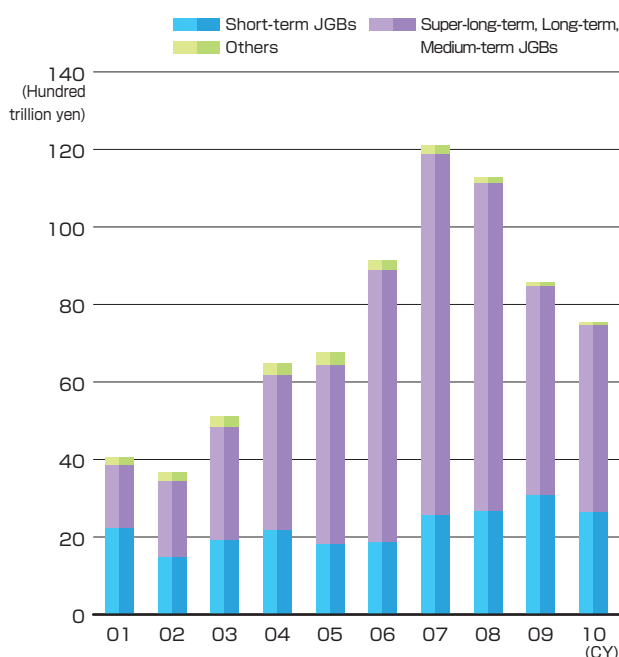
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#### ▶ Long-term and Short-term Interest Rates



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

#### ▶ OTC Bond Trading (including Repos)



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

Source: Japan Securities Dealers Association

In 2010, corporate debt financing in the Japanese market decreased 16.4% from last year, to ¥9.8 trillion.

While corporate straight bond issuance contracted 15.8%, to ¥9.6 trillion, the issuance of convertible-type bonds with subscription rights sunk 40.4%, to ¥171.0 billion.

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### Corporate Bond Financing



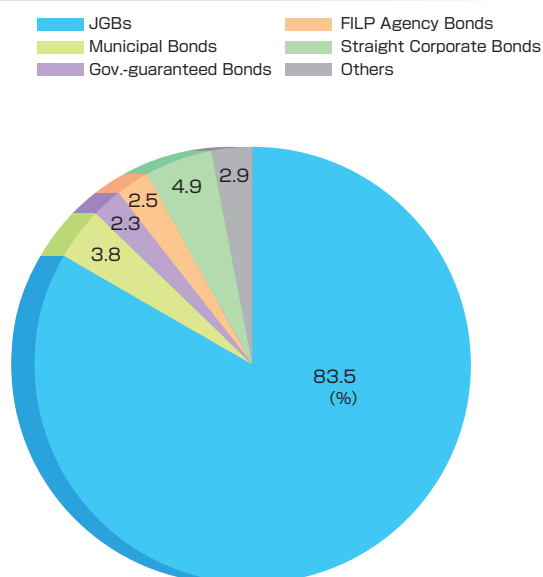
Notes: 1. Straight Corporate Bonds include asset backed bonds.  
 2. Following the revision of the Commercial Code in 2002, Convertible Bonds were renamed Convertible-type Bonds with Subscription Rights.  
 Source: Japan Securities Dealers Association

In 2010, public and corporate bond issuance increased 10.2 % from a year earlier, to ¥198.5 trillion. The major category of JGB issuance rose 13.8%, to ¥165.8 trillion. Among other issuance categories, municipal bonds increased 2.3%, to ¥7.6 trillion; Government-guaranteed bonds decreased 7.8%, to ¥4.5 trillion; Fiscal Investment and Loan Program (FILP) agency bonds expanded 8.7%, to ¥5.0 trillion; and straight corporate bonds retreated 15.7%, to ¥9.6 trillion.

Looking at the composition of bond issuance by volume, the breakdown was as follows: JGBs, 83.5%; municipal bonds, 3.8%; government-guaranteed bonds, 2.3%; FILP agency bonds, 2.5%; and straight corporate bonds, 4.9%.

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### Composition of Bond Issuance (2010)



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



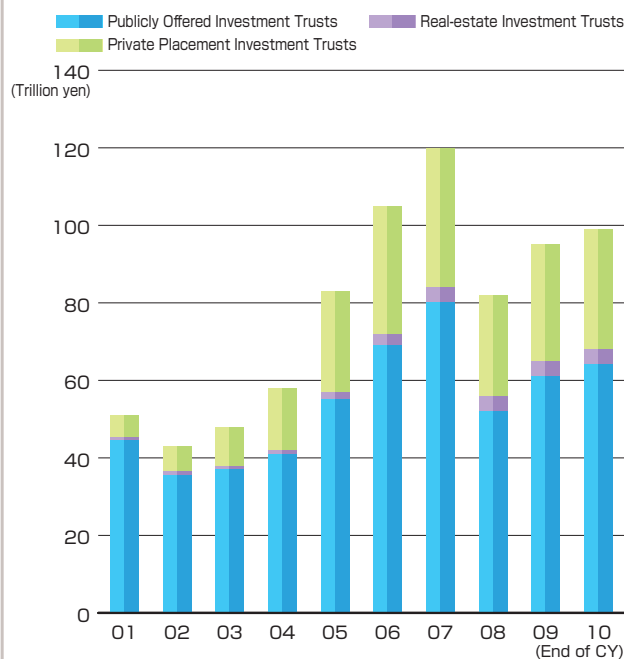
## 4 Investment Trusts

At the end of 2010, the net assets of investment trusts amounted to ¥98,255.7 billion, expanding ¥3,112.9 billion and continuing the growth trend from the previous year.

Looking at a breakdown of net assets, publicly offered investment trusts accounted for ¥63,720.1 billion, real-estate investment trusts contributed ¥3,909.0 billion, and private placement trusts totaled ¥30,626.6 billion.

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### ▶ Net Assets Held in Investment Trusts



Source: The Investment Trusts Association

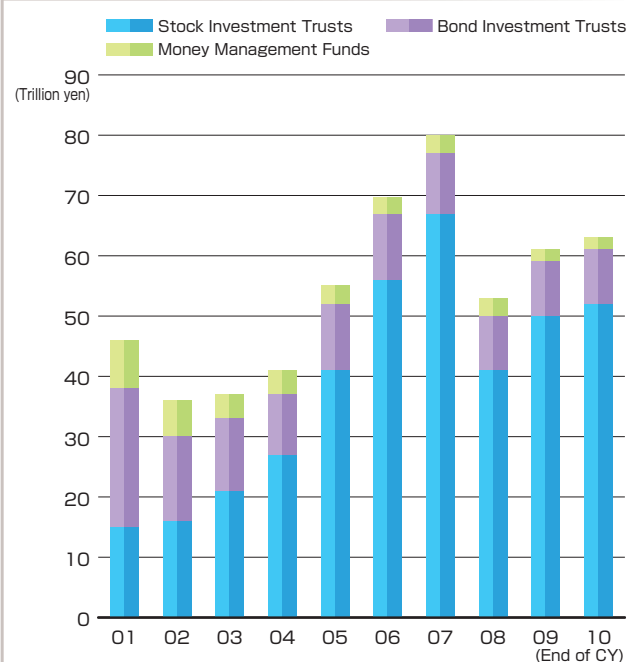
Among publicly offered contractual-type securities investment trusts, net assets of stock investment trusts increased for the second consecutive year, expanding ¥2,220.9 billion compared with a year earlier, to ¥52,464.5 billion.

Net assets of bond investment trusts also rose compared with last year, gaining ¥270.7 billion, to ¥9,026.1 billion.

Net assets of MMFs decreased ¥226.5 billion year on year, to ¥2,229.5 billion.

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



Source: The Investment Trusts Association

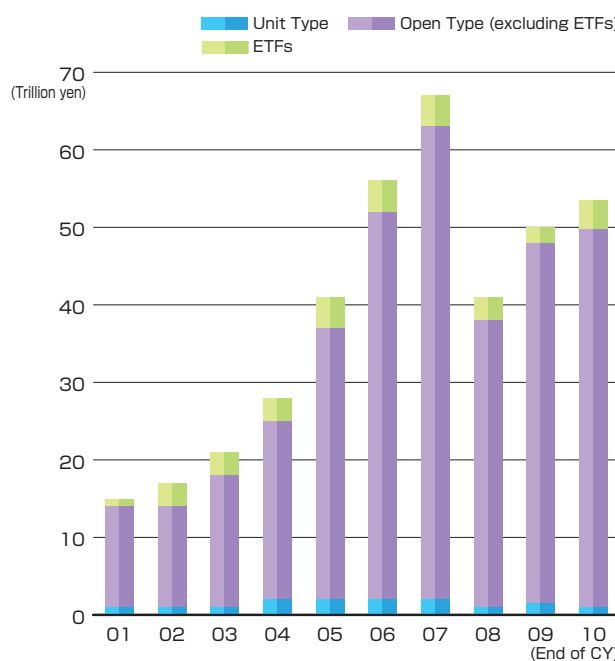
By type of publicly offered contractual-type stock investment trusts, net assets of unit-type trusts amounted to ¥1,266.1 billion, declining ¥256.8 billion from the previous year.

Net assets held in open type trusts (excluding ETFs) continued last year's climb, rising ¥2,158.0 billion, to ¥48,588.0 billion.

ETFs rebounded in 2010, increasing ¥319.7 billion, to ¥2,610.4 billion.

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



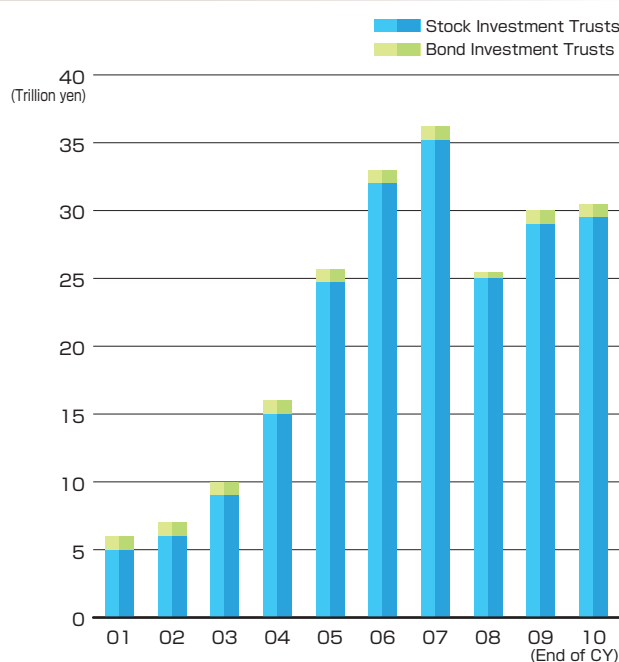
Source: The Investment Trusts Association

Among private placement contractual-type securities investment trusts, net assets of stock investment trusts continued to build on last year's gains, increasing ¥935.8 billion, to ¥29,912.0 billion.

Net assets of bond investment trusts also achieved growth, rising ¥23.2 billion, to ¥714.5 billion.

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



Source: The Investment Trusts Association

## 5 Investor Trends

By type of institutional investors, life and non-life insurance companies and pension funds reduced their securities portfolios in fiscal 2010. Compared with the previous fiscal year, they decreased securities investments to ¥7,400.4 billion, down by ¥626.8 billion from 2009.

By category, the amount put into securities other than stocks fell ¥3,822.9 billion to ¥4,462.7 billion.

Investments in stocks and other equities declined ¥874.3 billion year on year, to ¥256.0 billion.

In contrast, investments in foreign securities reversed direction from a year earlier, rising to ¥2,681.7 billion—a net addition of ¥4,070.4 billion.

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Looking at trends of individual investors portfolios, total investments in securities in fiscal 2010 fell ¥1,933.2 billion from fiscal 2009, to minus ¥2,685.5 billion.

By category, investments in securities other than stocks fell dramatically, shedding ¥4,658.6 billion to minus ¥4,432.6 billion.

Investment in stocks and other equities and investments in foreign securities moved back into the positive column in fiscal 2010. Investment in stocks and other equities expanded ¥1,045.6 billion, to ¥290.5 billion, while investments in foreign securities rose ¥1,679.8 billion year on year, to ¥1,456.6 billion.

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



Source: Bank of Japan

### Investments by Individual Investors (Household)



Source: Bank of Japan

Household financial assets at the end of March 2011 contracted approximately ¥8.0 trillion from a year earlier, to ¥1,476.4 trillion.

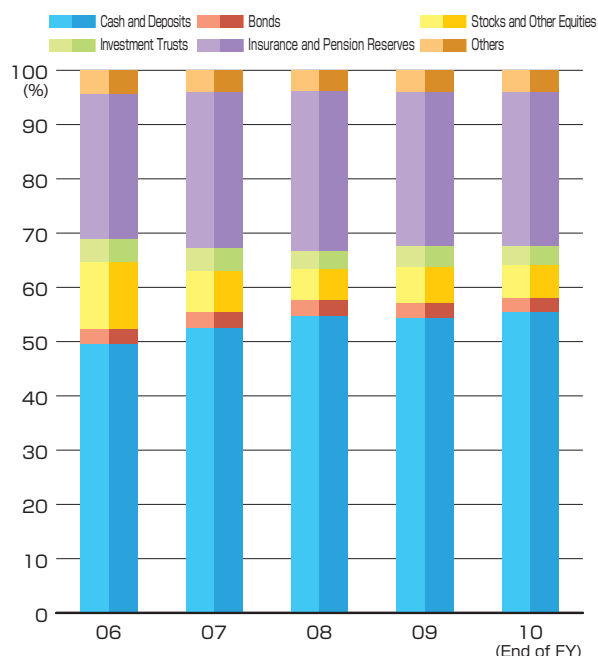
Looking at the breakdown, stocks and other equities declined ¥10.2 trillion, to ¥90.4 trillion.

Investment trusts also decreased, falling ¥3.7 trillion year on year, to ¥53.6 trillion.

Cash and deposits increased for the fifth consecutive year, expanding ¥11.8 trillion, to ¥816.4 trillion and accounting for 55.3% of overall household financial assets. These results continue to indicate that households are giving priority to low risk, secure assets.

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### Composition of Household Financial Assets



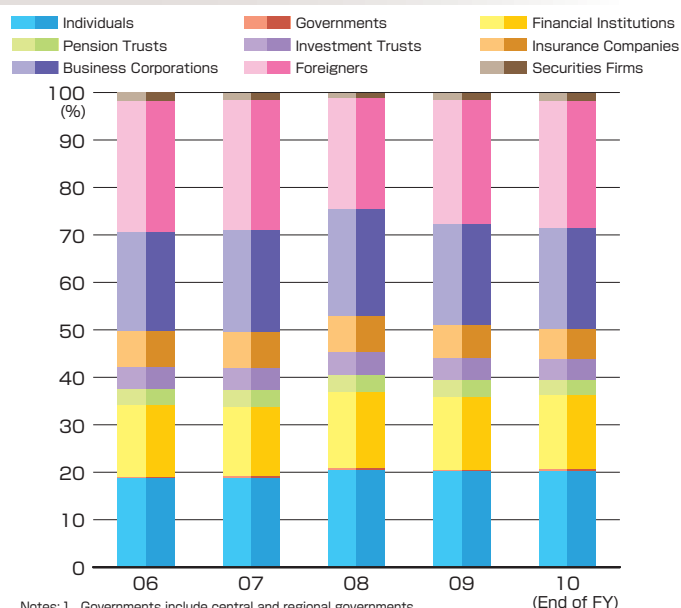
Note: Bonds include trust beneficiary rights.  
Source: Bank of Japan

The total amount of stockholdings held by all investor categories at the end of March 2011 dropped ¥29.3 trillion, to ¥310.8 trillion. A major deterioration in stock prices resulting from concern about the Great East Japan Earthquake and the seriousness of the following nuclear power plant accident contributed to the overall decline in stockholdings.

Looking at year-on-year stock investment trends by investor category, on a market value basis, holdings by foreigners were up 0.7 percentage points compared with fiscal 2009 and holdings by individuals and others rose 0.2 percentage points year on year. Conversely, holdings by domestic companies fell, with holdings by insurance companies declining 0.6 percentage points and holdings by business corporations edging down 0.1 percentage points compared with a year earlier.

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



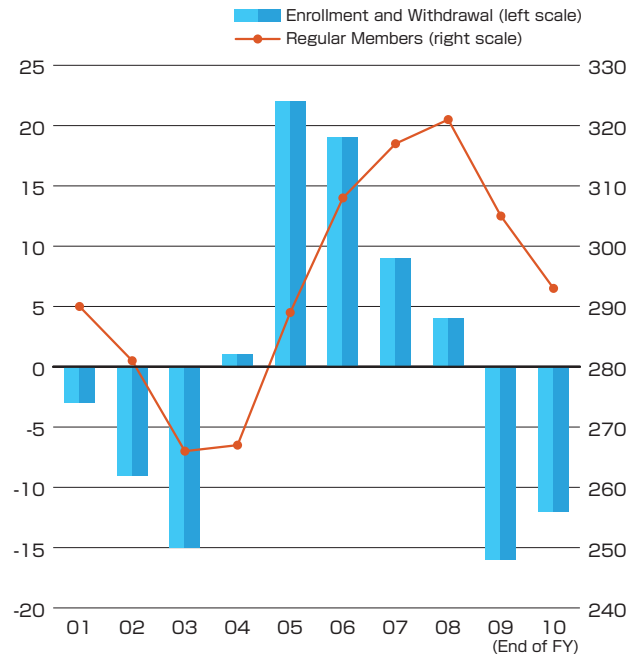
Notes: 1. Governments include central and regional governments.  
2. Financial institutions do not include Pension Trusts, Investment Trusts and Insurance Companies.  
3. Figures cover all exchange-listed stocks excluding foreign stocks.  
4. Pension Trusts include investment assets of pension related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

## 1 Member Firms

As of March 31, 2011, the number of regular members (securities firms) totaled 293, declining by 12 from the previous year. The number of regular members decreased for the second consecutive year primarily because many members quit the association due to cessation of their financial instruments business.

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### Regular Members (Securities Firms)

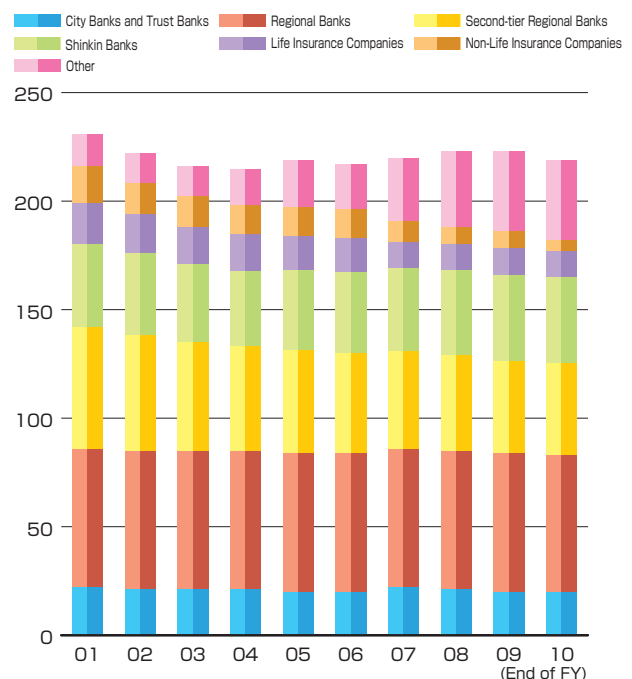


Source: Japan Securities Dealers Association

The number of special members (banks and other registered financial institutions) as of the end of March 2011 was 219, declining by 4 financial institutions from last year. A breakdown by categories shows 6 city banks (unchanged), 14 trust banks (unchanged), 63 regional banks (down by 1), 42 second-tier regional banks (unchanged), 40 shinkin banks (unchanged), 12 life insurance companies (unchanged), 5 non-life insurance companies (down by 3) and 15 foreign banks (unchanged), and others.

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



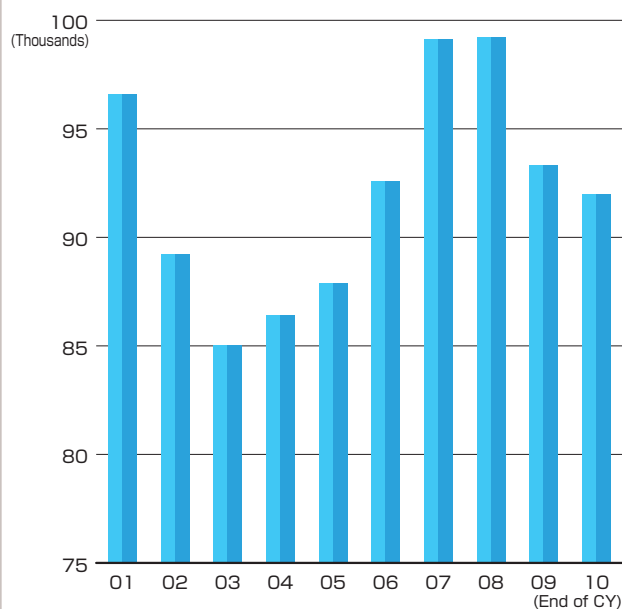
Note: Shinkin Banks include Shinkin Banks and Shinkin Central Bank.  
Source: Japan Securities Dealers Association

## 2 Regular Members' Employees

At December 31, 2010, the number of employees of member firms was 92,000, declining by about 1,000 from last year. It was the second consecutive year that the number of employees has dropped.

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### ▶ Number of Securities Firms' Employees



Source: Japan Securities Dealers Association

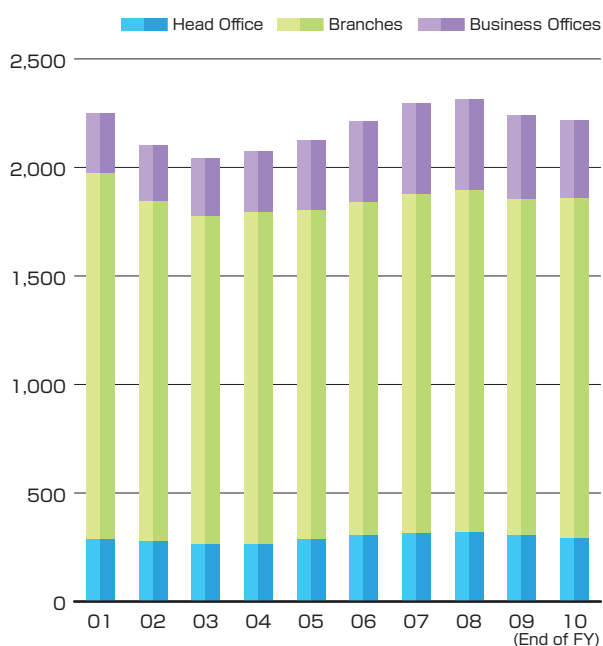
## 3 Securities Firms' Domestic Offices

As of the end of March 2011, securities firms had 1,563 domestic branches, adding 13 branches from a year earlier. The number of business offices was 363, down 24 offices from the end of fiscal 2009.

The number of domestic offices including head offices decreased by 23 offices, to 2,219, falling for the second consecutive year.

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### ▶ Regular Members' Domestic Offices



Source: Japan Securities Dealers Association

## 4 Securities Sales Representatives

At December 31, 2010, there were approximately 534,000 securities sales representatives, a decrease of about 6,000 sales representatives year on year.

The number of securities sales representatives belonging to regular members was 76,000, declining about 1,000 from the previous year. The number of securities sales representatives belonging to special members was 362,000, an increase of about 2,000 sales representatives from a year earlier. Financial instruments intermediary service providers had about 96,000 securities sales representatives, down by about 6,000 sales representatives from the prior year.

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### Securities Sales Representatives



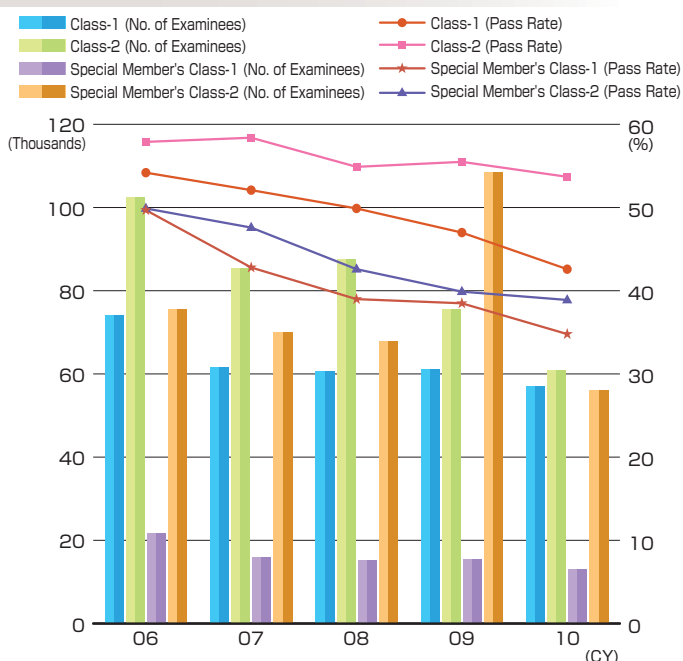
Note: Excluding representatives of financial instruments intermediary service providers that are individuals rather than companies.  
Source: Japan Securities Dealers Association

## 5 Examinees of Securities Sales Representative

In 2010, the number of candidates taking the sales representative qualification examination for Class-1 Sales Representative was 57,000, falling by 4,000 from a year earlier, while the number of candidates taking the examination for Class-2 Sales Representative was 61,000, down 15,000 candidates from last year. The number of candidates taking the examination for Special Member's Class-1 Sales Representative was 13,000, declining by 2,000 from the prior year, while the number of candidates taking the examination for Special Member's Class-2 Sales Representative was 56,000, down 53,000 candidates from the previous fiscal year.

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### Number of Examinees of Securities Sales Representative



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

Source: Japan Securities Dealers Association

## 1 Operating Revenues of Member Securities Firms

In the fiscal year 2010 ended March 2011, total operating revenues of the 288 firms in the securities industry amounted to ¥2,918.8 billion, decreasing ¥462.9 billion, or 13.7%, from the previous year.

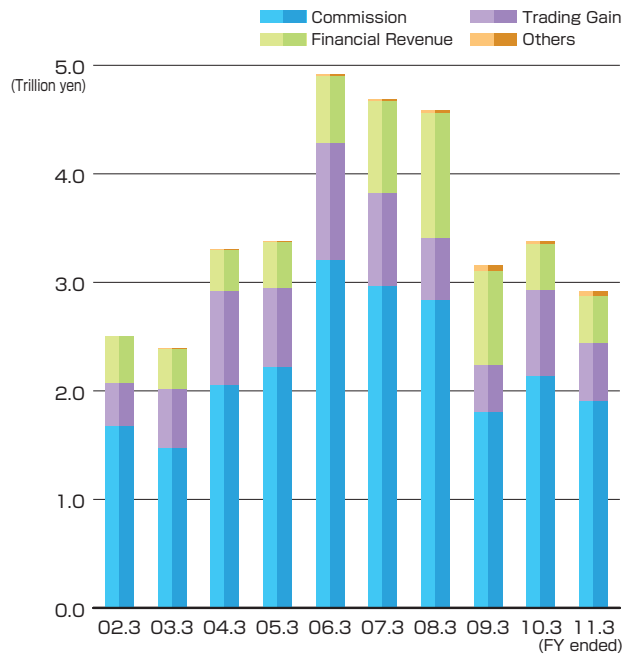
The increase can mainly be attributed to several major factors. Securities firms posted lower trading gains because of the slump in the domestic stock market arising from such reasons as the appreciation of the yen caused by fiscal problems in European countries and the market turmoil created by the Great East Japan Earthquake that occurred in March 2011. In addition, commissions did not do well because of a decline in the number of capital increase deals and because brokerage commissions from individual investors were stagnant.

Among operating revenues, commissions decreased ¥228.1 billion, or 10.7%, to ¥1,900.1 billion, while trading gain contracted ¥264.8 billion, or 32.9%, to ¥540.0 billion. Financial revenues, however, increased ¥11.8 billion, or 2.8%, to ¥428.8 billion.

Note: While there were a total of 293 securities firms at the end of March 2011, 5 domestic securities firms not operating because of business suspensions or other reasons were excluded from industry figures.

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### Operating Revenues of Member Securities Firms



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

2. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

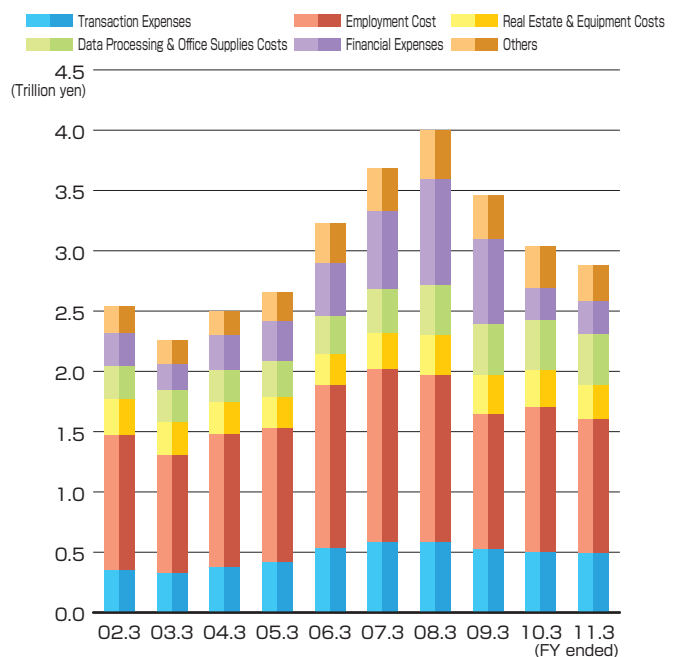
## 2 Operating Expenses of Member Securities Firms

Operating expenses for the fiscal year 2010 ended March 2011 decreased ¥155.3 billion, or 5.1%, to ¥2,886.3 billion.

Among operating expenses, transaction expenses dropped ¥5.8 billion, or 1.2%, to ¥497.0 billion; employment cost declined ¥97.9 billion, or 8.1%, to ¥1,104.6 billion; real estate and equipment expenses contracted ¥22.4 billion, or 7.3%, to ¥284.6 billion. On the other hand, data processing and office supplies expenses increased ¥11.9 billion, or 2.9%, to ¥425.7 billion. As a whole, selling and general administrative costs fell ¥155.9 billion, or 5.6%, to ¥2,617.6 billion. Financial expenses edged up ¥700.0 million, or 0.3%, to ¥268.7 billion.

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### Operating Expenses of Member Securities Firms



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

2. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

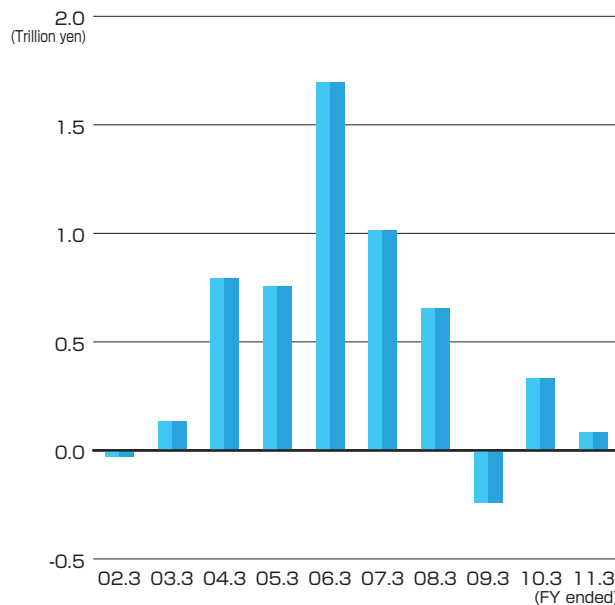


### 3 Current Profits/ Losses of Member Securities Firms

In fiscal 2010 ended March 2011, the industry posted current profits of ¥85.5 billion, down a substantial ¥248.0 billion from a year earlier.

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#### ▶ Current Profits/ Losses of Member Securities Firms



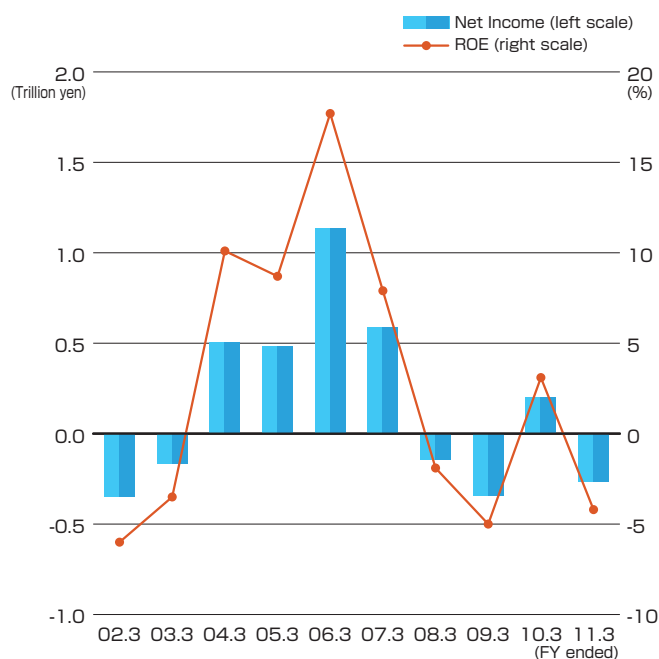
Note: 1. Securities firms that were not in business as of the end of March in each year are excluded.  
2. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.  
Source: Japan Securities Dealers Association

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

The performance of member securities firms relapsed into the red in fiscal 2010, falling from a net income of ¥202.4 billion to a loss of ¥265.8 billion. Return on equity (ROE) was -4.2%, representing a 7.3 percentage point decline from the 3.1% recorded in the previous fiscal year.

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



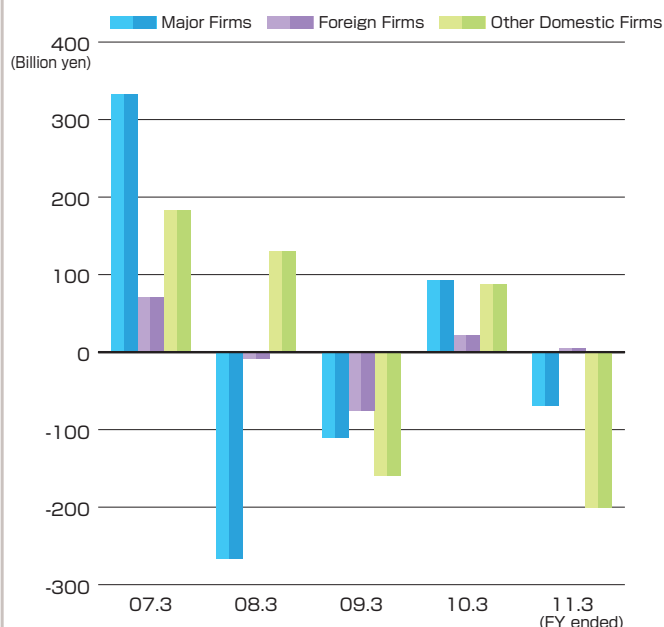
Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.  
2. ROE is after-tax profits divided by average stockholders equity.  
3. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.  
Source: Japan Securities Dealers Association

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

Looking at net income/loss by firm category for the fiscal year 2010 ended March 2011, major securities firms posted a loss of ¥69.5 billion, a drop of ¥162.1 billion from fiscal 2009, and other domestic securities firms recorded a loss of ¥201.8 billion, down ¥289.3 billion. On the other hand, foreign securities firms registered net income of ¥5.5 billion, declining ¥16.8 billion from last year but staying in the black.

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



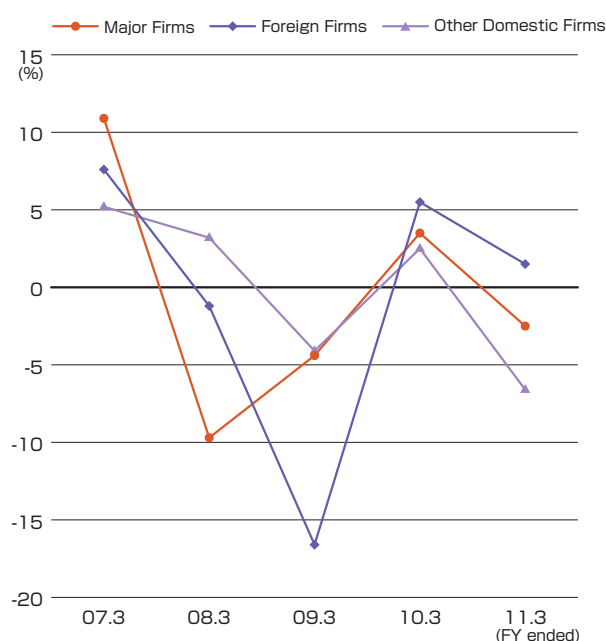
Notes: 1. Securities firms that were not in business as of the end of March in each year are excluded.  
 2. Major securities firms: Daiwa Securities Capital Markets Co. Ltd., Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., and other securities firms capitalized at a hundred billion yen or more.  
 3. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.  
 Source: Japan Securities Dealers Association

## 6 ROE by Type of Member Securities Firms

Looking at ROE by firm category for the fiscal year 2010 ended March 2011, the ROE dropped in all categories. The ROE of major securities firms was -2.5%, declining 6.0 percentage points from the previous fiscal year. The ROE of foreign securities firms fell 4.0 percentage points compared with fiscal 2009, to 1.5%, while the ROE of the rest of domestic securities firms decreased 9.1 percentage points, to -6.6%.

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### ROE by Type of Member Securities Firms



Notes: 1. Firms that were not in business as of the end of March in each year are excluded.  
 2. ROE is after-tax profits divided by average stockholders equity.  
 3. Major securities firms: Daiwa Securities Capital Markets Co. Ltd., Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., and other securities firms capitalized at a hundred billion yen or more.  
 4. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.  
 Source: Japan Securities Dealers Association

## Securities Market in 2010

## 1 Economic Overview

## Real GDP Growth Rate

(%)

Quarterly		Real GDP Growth Rate (Year-on-year comparison)	Private Demand	Public Demand	Net Exports
2001	1 Q	2.0	2.2	0.6	-0.8
	2 Q	1.0	1.9	0.1	-1.0
	3 Q	-0.3	0.6	0.1	-1.0
	4 Q	-1.8	-1.6	0.3	-0.5
2002	1 Q	-1.9	-2.3	0.1	0.3
	2 Q	-0.2	-1.3	0.2	0.9
	3 Q	1.5	0.5	0.3	0.7
	4 Q	1.7	0.9	-0.1	0.9
2003	1 Q	1.3	1.1	-0.3	0.5
	2 Q	1.3	0.9	0.0	0.4
	3 Q	1.1	0.6	-0.3	0.8
	4 Q	1.9	1.4	-0.4	0.9
2004	1 Q	4.2	2.7	0.3	1.2
	2 Q	3.2	2.5	-0.3	1.2
	3 Q	2.9	2.5	-0.3	0.7
	4 Q	0.8	0.8	-0.2	0.3
2005	1 Q	1.1	1.7	-0.5	-0.1
	2 Q	2.0	2.2	-0.2	0.0
	3 Q	2.0	1.6	0.1	0.2
	4 Q	2.6	2.0	-0.3	0.9
2006	1 Q	2.5	1.8	-0.3	1.0
	2 Q	2.0	1.4	0.0	0.7
	3 Q	1.6	0.9	-0.4	1.1
	4 Q	2.0	1.5	-0.2	0.7
2007	1 Q	3.5	2.9	-0.3	0.9
	2 Q	2.3	1.3	0.0	1.0
	3 Q	1.7	0.7	-0.2	1.2
	4 Q	1.9	0.3	0.3	1.3
2008	1 Q	1.3	-0.1	0.0	1.4
	2 Q	-0.3	-1.3	-0.3	1.3
	3 Q	-1.1	-1.7	-0.3	0.8
	4 Q	-4.5	-1.5	-0.4	-2.5
2009	1 Q	-10.3	-6.5	0.0	-3.8
	2 Q	-7.0	-5.6	1.0	-2.3
	3 Q	-6.3	-5.7	1.2	-1.8
	4 Q	-1.5	-4.9	1.5	1.9
2010	1 Q	5.6	0.9	1.1	3.6
	2 Q	3.1	0.8	0.4	1.9
	3 Q	5.0	3.5	0.2	1.4
	4 Q	2.2	2.0	-0.5	0.6

Source: Cabinet Office

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

FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Current Profits (Trillion yen)	28.2	31.0	36.1	44.7	51.6	54.3	53.4	35.4	32.1	50.3
Current Profit to Sales Ratio(%)	2.1	2.3	2.7	3.1	3.4	3.5	3.4	2.4	2.3	3.6

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

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

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Consumer Price Index (excluding fresh food)	-0.8	-0.9	-0.3	-0.1	-0.1	0.1	0.0	1.5	-1.3	-1.0
Corporate Goods Price Index (final consumer goods)	-1.4	-1.9	-1.6	-0.6	0.0	-0.2	0.2	1.0	-4.2	-1.1

Note: Figures are annual average.  
Sources: Ministry of Internal Affairs and Communications, Bank of Japan

## Employment Conditions

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Unemployment Rate (%)	5.0	5.4	5.2	4.7	4.4	4.1	3.9	4.0	5.1	5.1
Job-offers to Seekers Ratio (excluding new school graduates but including part-time workers) (Ratio (Times))	0.59	0.54	0.64	0.83	0.95	1.06	1.04	0.85	0.48	0.52

Note: Figures are annual average (seasonally adjusted).  
Sources: Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare

## 2 Stock Market

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

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TSE 1st Section	812	775	971	1,316	1,874	2,598	3,001	2,320	1,517	1,447

Sources: Tokyo Stock Exchange

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

(Billion yen)

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Offerings	1,372	223	653	994	884	1,659	511	362	4,968	3,320
Rights Offerings	32	—	2	11	4	3	9	0	0	1
Private Placements and Others	847	1,566	2,808	2,150	2,509	1,220	1,626	1,116	1,366	655
<b>Total</b>	<b>2,252</b>	<b>1,789</b>	<b>3,464</b>	<b>3,156</b>	<b>3,397</b>	<b>2,883</b>	<b>2,147</b>	<b>1,479</b>	<b>6,334</b>	<b>3,977</b>

Notes: 1. Initial public offerings made in conjunction with the listing of shares on exchanges before April 2007 are not included in the calculations.

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

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

## Number of Newly Listed Companies and IPO Amounts

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Number of Newly Listed Companies	168	123	118	171	157	181	117	48	17	21
IPO Amounts (Billion yen)	368	147	347	421	402	594	176	43	33	207

Note: IPOs include public offerings by foreign companies when listing on Japanese markets.

Source: Japan Securities Dealers Association

## 3 Bond Market

### OTC Bond Trading (including Repos)

(Trillion yen)

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
JGBs	3,863.4	3,429.8	4,836.1	6,178.6	6,428.0	8,881.7	11,890.1	11,118.4	8,458.1	7,453.2
Short-term JGBs	2,243.2	1,489.9	1,933.6	2,179.2	1,817.5	1,872.1	2,554.9	2,680.6	3,083.9	2,646.5
Super-long-term, Long-term, Medium-term JGBs	1,619.9	1,939.6	2,902.2	3,999.1	4,610.5	7,009.5	9,335.3	8,437.8	5,374.0	4,806.5
Others	194.9	236.4	274.4	303.1	330.2	271.3	206.5	169.7	105.4	100.9
<b>Total</b>	<b>4,058.0</b>	<b>3,665.9</b>	<b>5,110.2</b>	<b>6,481.4</b>	<b>6,758.2</b>	<b>9,153.0</b>	<b>12,096.7</b>	<b>11,288.1</b>	<b>8,563.3</b>	<b>7,553.9</b>

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

Source: Japan Securities Dealers Association

## Corporate Bond Financing

(Billion yen)

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Straight Corporate Bonds	8,609	7,736	7,728	5,879	7,088	6,858	9,258	9,125	11,493	9,678
Convertible-type Bonds with Subscription Rights	300	427	72	561	889	1,424	127	653	287	171
Total	8,909	8,163	7,800	6,440	7,977	8,282	9,385	9,778	11,780	9,849

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

## Amount of Bond Issuance

(Billion yen)

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
JGBs	133,970	147,831	154,686	175,268	186,155	175,684	140,455	125,752	145,660	165,823
Municipal Bonds	2,299	2,582	4,264	5,251	6,152	6,031	5,704	5,874	7,439	7,608
Gov.-guaranteed Bonds	4,815	4,216	6,476	8,243	7,821	4,434	4,462	4,494	4,925	4,540
FILP Agency Bonds	546	2,408	2,457	3,188	4,187	4,493	4,557	4,472	4,599	4,998
Straight Corporate Bonds	8,609	7,736	7,728	5,879	7,088	6,858	9,258	9,125	11,493	9,678
Others	23,630	17,013	15,749	15,460	15,760	13,425	12,151	8,824	5,997	5,841
Total	173,869	181,786	191,360	213,289	227,163	210,925	176,586	158,540	180,113	198,488

## Composition of Bond Issuance

(%)

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
JGBs	77.1	81.3	80.8	82.2	81.9	83.3	79.5	79.3	80.9	83.5
Municipal Bonds	1.3	1.4	2.2	2.5	2.7	2.9	3.2	3.7	4.1	3.8
Gov.-guaranteed Bonds	2.8	2.3	3.4	3.9	3.4	2.1	2.5	2.8	2.7	2.3
FILP Agency Bonds	0.3	1.3	1.3	1.5	1.8	2.1	2.6	2.8	2.6	2.5
Straight Corporate Bonds	5.0	4.3	4.0	2.8	3.1	3.3	5.2	5.8	6.4	4.9
Others	13.6	9.4	8.2	7.2	6.9	6.4	6.9	5.6	3.3	2.9
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.

3. FILP Agency Bonds have been issued since 2001.

Source: Japan Securities Dealers Association

## 4 Investment Trusts

### Net Assets Held in Investment Trusts

(Billion yen)

End of CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Publicly Offered Investment Trusts	45,280	36,016	37,435	40,996	55,347	68,927	79,760	52,146	61,455	63,720
Real-estate Investment Trusts	236	441	766	1,246	2,050	3,153	3,687	3,968	4,020	3,909
Private Placement Investment Trusts	6,106	7,381	10,384	15,596	25,643	32,987	36,030	25,555	29,667	30,626
<b>Total</b>	<b>51,624</b>	<b>43,839</b>	<b>48,586</b>	<b>57,839</b>	<b>83,040</b>	<b>105,067</b>	<b>119,478</b>	<b>81,670</b>	<b>95,142</b>	<b>98,255</b>

Note: Real-estate Investment Trusts were first introduced in September 2001.  
Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Stock Investment Trusts	14,905	16,372	21,339	27,435	40,828	55,657	66,784	40,842	50,243	52,464
Bond Investment Trusts	22,652	14,121	11,746	9,955	11,498	10,576	10,059	8,691	8,755	9,026
Money Management Funds	7,722	5,521	4,350	3,606	3,020	2,693	2,917	2,612	2,456	2,229
<b>Total</b>	<b>45,280</b>	<b>36,015</b>	<b>37,435</b>	<b>40,996</b>	<b>55,347</b>	<b>68,927</b>	<b>79,760</b>	<b>52,146</b>	<b>61,455</b>	<b>63,720</b>

Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Unit Type	617	697	1,161	1,799	1,945	1,875	1,876	1,287	1,522	1,266
Open Type (excluding ETFs)	13,398	13,165	17,216	22,522	35,180	49,665	61,029	37,029	46,430	48,588
ETFs	889	2,509	2,962	3,113	3,703	4,116	3,878	2,524	2,290	2,610
<b>Total</b>	<b>14,905</b>	<b>16,372</b>	<b>21,339</b>	<b>27,435</b>	<b>40,828</b>	<b>55,657</b>	<b>66,784</b>	<b>40,842</b>	<b>50,243</b>	<b>52,464</b>

Note: Calculation of ETFs began in July 2001.  
Source: The Investment Trusts Association

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

(Billion yen)

End of CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Stock Investment Trusts	5,040	6,469	9,388	14,646	24,723	32,186	35,406	24,967	28,976	29,912
Bond Investment Trusts	1,066	911	995	949	919	800	623	587	691	714
<b>Total</b>	<b>6,106</b>	<b>7,381</b>	<b>10,384</b>	<b>15,596</b>	<b>25,642</b>	<b>32,987</b>	<b>36,030</b>	<b>25,555</b>	<b>29,667</b>	<b>30,626</b>

Source: The Investment Trusts Association

## 5 Investor Trends

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

(Billion yen)

FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Securities Other than Stocks	15,747	11,304	5,831	13,921	13,251	9,976	3,709	-1,567	8,285	4,462
Stocks and Other Equities	1,685	788	-8,318	-2,249	-3,329	-136	1,403	869	1,130	256
Foreign Securities	4,428	4,112	7,055	3,592	4,313	840	-1,536	-1,834	-1,388	2,681

Source: Bank of Japan

### Investments by Individual Investors (Household)

(Billion yen)

FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Securities Other than Stocks	-7,125	-6,676	-1,264	7,940	12,553	12,433	10,714	-672	226	-4,432
Stocks and Other Equities	-1,465	-1	-2,435	1,252	-1,968	-3,517	-498	2,244	-755	290
Foreign Securities	1,783	842	-380	-503	163	-155	2,135	1,541	-223	1,456

Source: Bank of Japan

### Household Financial Assets

(Billion yen)

End of FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cash and Deposits	765,432	765,661	772,284	778,662	774,876	775,370	781,736	792,912	804,543	816,386
Bonds	41,834	34,580	32,258	37,274	40,395	43,249	44,513	43,159	41,847	38,156
Stocks and Other Equities	85,357	72,107	117,499	131,763	194,000	194,624	113,458	82,304	100,638	90,416
Investment Trusts	30,434	27,999	33,047	36,584	52,166	64,717	63,046	47,243	56,690	53,005
Insurance and Pension Reserves	418,951	426,496	415,860	415,442	413,656	421,475	428,384	428,062	419,640	419,885
Others	69,004	79,450	75,898	66,389	68,678	67,004	61,914	57,568	61,144	58,552
Total	1,411,014	1,406,296	1,446,849	1,466,117	1,543,774	1,566,441	1,493,054	1,451,250	1,484,505	1,476,403

### Composition of Household Financial Assets

(%)

End of FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cash and Deposits	54.2	54.4	53.4	53.1	50.2	49.5	52.4	54.6	54.2	55.3
Bonds	3.0	2.5	2.2	2.5	2.6	2.8	3.0	3.0	2.8	2.6
Stocks and Other Equities	6.0	5.1	8.1	9.0	12.6	12.4	7.6	5.7	6.8	6.1
Investment Trusts	2.2	2.0	2.3	2.5	3.4	4.1	4.2	3.3	3.8	3.6
Insurance and Pension Reserves	29.7	30.3	28.7	28.3	26.8	26.9	28.7	29.5	28.3	28.4
Others	4.9	5.6	5.2	4.5	4.4	4.3	4.1	4.0	4.1	4.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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



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

(Billion yen)

End of FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Individuals	61,033	48,679	75,599	84,740	117,977	108,419	76,653	54,345	68,469	63,040
Governments	533	538	789	722	977	1,866	1,567	1,137	1,152	940
Financial Institutions	61,797	47,553	67,554	67,402	94,097	87,678	59,843	42,541	52,628	48,575
Pension Trusts	18,696	13,630	16,581	15,430	20,927	20,185	14,149	9,364	11,697	9,963
Investment Trusts	10,302	9,384	13,602	15,219	25,537	26,865	19,739	13,378	15,956	13,606
Insurance Companies	31,687	21,988	29,566	29,441	42,688	43,452	30,875	19,652	23,728	20,017
Business Corporations	67,578	50,789	80,489	88,077	126,167	121,043	87,649	60,030	72,542	66,031
Foreigners	56,733	41,824	80,604	92,765	155,978	161,400	112,222	62,373	88,295	83,037
Securities Firms	2,170	2,088	4,494	4,596	8,198	10,385	6,293	2,711	5,341	5,569
<b>Total</b>	<b>310,533</b>	<b>236,476</b>	<b>369,281</b>	<b>398,396</b>	<b>592,550</b>	<b>581,297</b>	<b>408,992</b>	<b>265,535</b>	<b>339,812</b>	<b>310,783</b>

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

(%)

End of FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Individuals	19.7	20.6	20.5	21.3	19.9	18.7	18.7	20.5	20.1	20.3
Governments	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.3	0.3
Financial Institutions	19.9	20.1	18.3	16.9	15.9	15.1	14.6	16.0	15.5	15.6
Pension Trusts	6.0	5.8	4.5	3.9	3.5	3.5	3.5	3.5	3.4	3.2
Investment Trusts	3.3	4.0	3.7	3.8	4.3	4.6	4.8	5.0	4.7	4.4
Insurance Companies	10.2	9.3	8.0	7.4	7.2	7.5	7.5	7.4	7.0	6.4
Business Corporations	21.8	21.5	21.8	22.1	21.3	20.8	21.4	22.6	21.3	21.2
Foreigners	18.3	17.7	21.8	23.3	26.3	27.8	27.4	23.5	26.0	26.7
Securities Firms	0.7	0.9	1.2	1.2	1.4	1.8	1.5	1.0	1.6	1.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Notes: 1. Governments include central and regional governments.

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

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

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

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

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

Source: Tokyo Stock Exchange

## Member Firms

### 1 Number of Member Firms

#### Regular Members (Securities Firms)

End of FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Regular Members	290	281	266	267	289	308	317	321	305	293
Enrollment	19	18	8	7	30	33	22	25	10	12
Withdrawal	22	27	23	6	8	14	13	21	26	24

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

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

End of FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City Banks	7	7	7	7	6	6	6	6	6	6
Trust Banks	15	14	14	14	14	14	16	15	14	14
Government-affiliated Financial Institutions	2	2	2	2	2	2	2	2	3	3
Regional Banks	64	64	64	64	64	64	64	64	64	63
Second-tier Regional Banks	56	53	50	48	47	46	45	44	42	42
Shinkin Banks	38	38	36	35	37	37	38	39	40	40
Life Insurance Companies	19	18	17	17	16	16	12	12	12	12
Non-Life Insurance Companies	17	14	14	13	13	13	10	8	8	5
Money Market Brokers	3	3	3	3	3	3	3	3	3	3
Foreign Banks	5	4	4	5	9	8	12	15	15	15
Securities Finance Companies	1	1	1	1	1	1	1	2	3	3
Credit Cooperatives	0	0	0	0	2	2	2	3	3	3
Other Banks	4	4	4	6	5	5	9	10	10	10
Total	231	222	216	215	219	217	220	223	223	219

Note: Shinkin Banks include Shinkin Banks and Shinkin Central Bank.

Source: Japan Securities Dealers Association

### 2 Regular Members' Employees

End of CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Employees	96,692	89,294	85,027	86,406	87,913	92,661	99,139	99,200	93,308	92,056

Source: Japan Securities Dealers Association

### 3 Number of Securities Firms' Domestic Offices

End of FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Head Office	290	281	266	267	289	308	317	321	305	293
Branches	1,683	1,565	1,511	1,529	1,514	1,534	1,561	1,575	1,550	1,563
Business Offices	276	257	263	281	324	372	418	419	387	363
Total	2,249	2,103	2,040	2,077	2,127	2,214	2,296	2,315	2,242	2,219

Source: Japan Securities Dealers Association

### 4 Number of Securities Sales Representatives

End of CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Regular Members	75,107	72,069	67,539	69,298	71,965	76,054	81,260	81,198	77,265	75,913
Special Members	367,485	363,470	362,908	356,353	345,374	357,542	349,261	354,559	360,071	362,095
Financial Instruments Intermediary Service Providers belonging to Regular Members	—	—	—	—	1,144	1,870	2,134	2,056	1,944	2,120
Financial Instruments Intermediary Service Providers belonging to Special Members	—	—	—	—	11	13	98,433	99,092	100,658	94,024
Total	442,592	435,539	430,447	425,651	418,494	435,479	531,088	536,905	539,938	534,152

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

### 5 Number of Examinees of Securities Sales Representative

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Class-1 (No. of Examinees)	14,761	10,135	5,544	25,452	91,739	74,148	61,716	60,635	61,108	57,099
Class-2 (No. of Examinees)	12,646	9,313	6,060	61,705	133,648	102,635	85,559	87,647	75,797	60,999
Special Member's Class-1 (No. of Examinees)	39,817	30,807	22,843	11,754	14,266	21,715	15,995	15,233	15,575	13,152
Special Member's Class-2 (No. of Examinees)	44,746	39,297	30,434	23,666	44,090	75,680	70,160	67,978	108,691	56,103
Total	111,970	89,552	64,881	122,577	283,743	274,178	233,430	231,493	261,171	187,353

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

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

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

Source: Japan Securities Dealers Association

## Pass Rate of Securities Sales Representative Examination

(%)

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Class-1	50.2	57.0	75.2	75.4	66.8	54.2	52.1	49.9	47.0	42.6
Class-2	77.2	68.0	79.9	72.8	66.5	57.9	58.4	54.9	55.5	53.7
Special Member's Class-1	50.8	43.3	57.0	48.9	55.4	49.7	42.8	39.0	38.5	34.8
Special Member's Class-2	56.3	58.0	66.6	55.7	55.8	49.9	47.6	42.6	39.9	38.9

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

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

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

Source: Japan Securities Dealers Association

## Performance of Securities Industry

## 1 Operating Revenues of Member Securities Firms

(Billion yen)

FY ended	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3
Commission	1,669	1,469	2,046	2,221	3,195	2,956	2,830	1,797	2,128	1,900
Trading Gain	401	549	871	723	1,078	856	579	435	804	540
Financial Revenue	433	362	369	434	622	847	1,150	860	417	428
Others	1	5	7	9	15	24	23	62	31	49
Operating Revenues	2,505	2,386	3,294	3,388	4,911	4,686	4,582	3,156	3,381	2,918

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

2. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

## 2 Operating Expenses of Member Securities Firms

(Billion yen)

FY ended	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3
Selling and General Administration Costs	2,266	2,040	2,221	2,319	2,793	3,043	3,123	2,761	2,773	2,617
Transaction Expenses	352	328	379	422	536	586	581	523	502	497
Employment Cost	1,116	972	1,096	1,105	1,345	1,431	1,390	1,122	1,202	1,104
Real Estate & Equipment Costs	302	278	266	262	265	299	325	319	307	284
Data Processing & Office Supplies Costs	272	263	270	295	314	365	419	424	413	425
Others	222	197	206	233	331	359	407	371	347	304
Financial Expenses	273	223	285	335	436	646	879	705	268	268
Operating Costs	2,540	2,263	2,506	2,654	3,230	3,689	4,002	3,467	3,041	2,886

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

2. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

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

(Billion yen)

FY ended	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3
Current Profits/ Losses	- 17	135	793	758	1,699	1,015	657	- 243	333	85

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

2. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

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

FY ended	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3
Net Income (Billion yen)	- 348	- 169	508	483	1,136	588	- 145	- 346	202	- 265
ROE (%)	- 6.0	- 3.5	10.1	8.7	17.7	7.9	- 1.9	- 5.0	3.1	- 4.2

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

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

3. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

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

(Billion yen)

FY ended	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3
Major Firms	- 44	53	231	214	463	332	- 267	- 110	92	- 69
Foreign Firms	- 93	- 7	75	91	344	71	- 8	- 76	22	5
Other Domestic Firms	- 211	- 215	201	177	328	183	130	- 159	87	- 201

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

3. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

### 6 ROE by Type of Member Securities Firms

(%)

FY ended	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3
Major Firms	- 1.7	2.7	11.0	9.3	18.2	10.9	- 9.7	- 4.4	3.5	- 2.5
Foreign Firms	- 11.2	- 0.9	9.4	10.8	38.2	7.6	- 1.2	- 16.6	5.5	1.5
Other Domestic Firms	- 9.1	- 10.2	9.4	7.4	11.0	5.2	3.2	- 4.1	2.5	- 6.6

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

4. Figures for fiscal 2010 ended March 2011 are on a preliminary report basis.

Source: Japan Securities Dealers Association

## FACT BOOK 2011

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**Japan Securities Dealers Association**  
1-5-8 Kayabacho, Nihombashi  
Chuo-ku, Tokyo, 103-0025 Japan  
TEL +81-3-3667-8482

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## **Japan Securities Dealers Association**

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

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

