

# FINANCIAL STATEMENTS (JASDEC)

## Balance Sheets

March 31, 2002 and 2001

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
<b>Assets</b>			
Current Assets:			
Cash and Deposits	¥ 1,964,037	¥ 17,155	\$ 14,740
Accounts Receivable	3,276,134	2,358,614	24,586
Advance Payment	80,522	14,886	604
Securities	—	2,042,027	—
Other	300	98,754	2
	<b>5,320,993</b>	<b>4,531,436</b>	<b>39,932</b>
Fixed Assets:			
Capital Assets	3,019,000	3,019,000	22,657
Other Fixed Assets:			
Building and Structures	66,701	69,276	500
Furniture and Tools	2,228,692	2,136,300	16,726
Security Deposits	374,061	355,234	2,807
Computer Software	4,774,486	3,266,326	35,831
Other	42,090	1,155,241	316
	<b>7,486,030</b>	<b>6,982,377</b>	<b>56,180</b>
Total Fixed Assets	<b>10,505,030</b>	<b>10,001,377</b>	<b>78,837</b>
Total Assets	<b>¥ 15,826,023</b>	<b>¥ 14,532,813</b>	<b>\$ 118,769</b>
<b>Liabilities</b>			
Current Liabilities:			
Short-term Loan Payable	¥ 9,000,000	¥ —	\$ 67,542
Accounts Payable	2,454,394	3,944,447	18,420
Accrued Income Taxes	228,658	—	1,716
Other	79,719	74,386	598
	<b>11,762,771</b>	<b>4,018,833</b>	<b>88,276</b>
Fixed Liabilities:			
Long-Term Debt	—	6,433,570	—
Other	106,252	123,410	797
	<b>106,252</b>	<b>6,556,980</b>	<b>797</b>
Total Liabilities	<b>¥ 11,869,023</b>	<b>¥ 10,575,813</b>	<b>\$ 89,073</b>
<b>Net Assets</b>			
Capital Assets	¥ 3,019,000	¥ 3,019,000	\$ 22,657
Other Net Assets:			
Retained Earnings brought Forward from the Preceding Term	938,000	1,014,943	7,039
Net Income (Loss) for the Current Term	—	(76,943)	—
	<b>938,000</b>	<b>938,000</b>	<b>7,039</b>
Total Net Assets	<b>¥ 3,957,000</b>	<b>¥ 3,957,000</b>	<b>\$ 29,696</b>
Total Liabilities and Net Assets	<b>¥ 15,826,023</b>	<b>¥ 14,532,813</b>	<b>\$ 118,769</b>

U.S. dollar amounts have been translated, for convenience only, at the rate of ¥133.25=US\$1 as of March 31, 2002.

## Statements of Revenue and Expenditure

Years ended March 31, 2002 and 2001

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
<b>Revenue</b>			
Fund Operations	¥ 5,340	¥ 6,823	\$ 40
Account-Opening Fees	37,600	38,800	282
Income from Fees (before Refund):			
Deposits	504,480	446,205	3,785
Book-Entry Delivery	8,990,297	6,102,618	67,469
Withdrawals	150,532	143,259	1,130
Custody	5,184,338	5,681,481	38,907
Other	2,567,495	1,679,441	19,268
	17,397,142	14,053,004	130,560
Refund of Fees	(5,810,146)	(3,235,322)	(43,603)
Income from Fees (after Refund)	11,586,996	10,817,682	86,957
Other Income	14,634	35,743	110
Total Revenue (A)	¥ 11,644,570	¥ 10,899,048	\$ 87,389
Revenue before Refund (A')	¥ 17,454,716	¥ 14,134,370	130,992
<b>Expenditure</b>			
General Administration Expenses	¥ 1,348,850	¥ 1,157,436	\$ 10,123
Business Expenses:			
Computers	3,145,294	3,081,891	23,604
Outsourcing Services	2,723,130	2,678,035	20,436
Stock Name Transfer Expenses	1,729,789	1,881,970	12,982
Other	424,453	265,933	3,185
	8,022,666	7,907,829	60,207
Depreciation	2,038,310	1,117,697	15,297
Other Expenses	6,086	793,029	46
Total Expenditure (B)	¥ 11,415,912	¥ 10,975,991	\$ 85,673
Net Income (Loss) Before Income Taxes (A)-(B)	228,658	(76,943)	1,716
Provision for Income Taxes	228,658	—	1,716
Net Income (Loss)	¥ —	¥ (76,943)	\$ —
Net Income Before Income Taxes before Refund (A')-(B)	¥ 6,038,804	¥ 3,158,379	\$ 45,319

U.S. dollar amounts have been translated, for convenience only, at the rate of ¥133.25=US\$1 as of March 31, 2002.

## Notes to Financial Statements

### NOTES TO THE STATEMENTS OF REVENUE AND EXPENDITURE

1. Japan Securities Depository Center (JASDEC) is a non-profit foundation and does not operate a profit-making business as defined by Japanese tax law.
2. The fee charged to participants for opening the initial account with JASDEC is ¥1 million, and that for additional sub-accounts is ¥300,000 each.

### NOTES TO THE BALANCE SHEETS

1. The capital assets appearing under "Fixed Assets" consist of fixed bank deposits and Money Management Fund.
2. Cumulative depreciation charges for the other fixed assets are as follows:

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
Building and structures	¥ 63,454	¥ 217,637	\$ 476
Furniture and tools	2,344,159	3,727,628	17,592
Other	2,832	2,266	21
Total	¥ 2,410,446	¥ 3,947,531	\$ 18,089

3. Short-term loan payable and long-term debt as of March 31, 2002 and 2001 consist of the follows:

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
Short-term debt:			
Japan Securities Depository Center Inc.	¥ 2,400,000	¥ —	\$ 18,011
Banks	6,600,000	—	49,531
	¥ 9,000,000	¥ —	\$ 67,542
Long-term debt:			
Members of the Stock exchanges of Tokyo, Osaka and Nagoya	¥ —	¥ 6,433,570	\$ —

## Report of Independent Accountants

Chairman of the Board of Directors  
Japan Securities Depository Center

We have audited the accompanying balance sheets of Japan Securities Depository Center (JASDEC) as of March 31, 2002 and 2001, and the related statements of revenue and expenditure for the years then ended, all expressed in Japanese Yen. Our audits were made in accordance with auditing standards generally accepted in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial positions of JASDEC as of March 31, 2002 and 2001 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan for Public-Service Corporation and Business Corporation, and with the Articles of Association of JASDEC.



ChuoAoyama Audit Corporation

Tokyo, Japan  
May 18, 2002

### Notice to Readers:

The accompanying financial statements are not intended to present the financial positions of the JASDEC and results of its operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The standards, procedures and practices used to audit such financial statements are those generally accepted and applied in Japan.