

ANALYSIS OF BUSINESS PERFORMANCE AND FINANCIAL RESULTS

Fiscal year ended March 31, 2013 (Fiscal 2012)

In the following section, all comparisons are with the previous fiscal year unless stated otherwise.

Outline of Financial Results

During the fiscal year ended March 31, 2013 (fiscal 2012), the Japanese economy showed signs of recovery into the summer, buoyed by factors including reconstruction demand following the Great East Japan Earthquake and the effects of government policies. Subsequently, business conditions weakened amid a global economic slowdown, and there was concern about the bottom falling out of the recovery. However, improvement in the export environment, the impact of economic measures and financial policy, and other factors have led to expectations of gradual recovery in business conditions.

In securities markets, the Nikkei Stock Average, which began the first half in the lower ¥10,000 level, fell to around ¥8,200 in early June 2012 due to concerns surrounding the situation in Europe and fears of a decline in U.S. stock prices. However, positive reaction to developments including rising stock prices in the U.S. and Europe on expectations of a policy response by the European authorities caused the Nikkei to hover at around the ¥9,000 level from July into October. From November onward, positive reaction to the weakening yen and other developments brought an upturn in the Nikkei, which recovered to the ¥10,000 level in December. In January 2013, amid an upswing in U.S. and European stock prices following avoidance of feared sharp fiscal restraint in the U.S., a downward trend in the yen fueled a rise in the Nikkei, which hovered around the ¥12,500 level through the end of March, reaching the highest level in about four and a half years.

In the year ended March 31, 2013, operating revenues decreased by ¥2,382,216 thousand, or 12.1%, year on year to ¥17,316,021 thousand. Selling, general and administrative expenses were reduced by ¥1,065,348 thousand, or 6.7%, to ¥14,922,715 thousand. Operating income was ¥1,316,868 thousand, or 35.5%, lower at ¥2,393,305 thousand, while ordinary income decreased by ¥1,360,151 thousand, or 36.8%, to ¥2,339,510 thousand. Net income was ¥44,109 thousand, or 3.0%, higher year on year at ¥1,522,368 thousand.

Book-Entry Transfer System for Stocks, etc.

In this business segment, the number of issues handled by JASDEC as of March 31, 2013 was 3,753, a reduction of nine issues compared with the total as of March 31, 2012. Account balances included 404.6 billion shares, a year-on-year decline of 2.2 billion shares. The balance of bonds with share options stood at ¥499.6 billion, which was ¥460.1 billion lower year on year. There were 2,791.25 million account units for ETFs and

beneficial rights of trust issuing beneficial certificates, such as JDRs, a year-on-year increase of 452.01 million units.

The balance of account units for REITs was 6.99 million higher year on year at 23.37 million, and account units for preferred equity investments of financial institutions established by cooperative associations were unchanged at 700,000. The total number of new registrations, book-entry transfers, oblations and other transactions processed was 2,550,919 above the total for the previous reporting year at 84,192,123.

Revenues from this business segment were ¥895,390 thousand, or 5.4%, lower year on year at ¥15,608,131 thousand, due in part to the lowering of fee rates. This includes refunds of ¥3,005,793 thousand on book-entry transfer commissions and account management fees. Revenues after the deduction of these refunds amounted to ¥12,602,337 thousand, a year-on-year decrease of ¥1,973,288 thousand, or 13.5%.

Book-Entry Transfer System for Commercial Paper

The number of corporate issuers using this system decreased by three to 494 as of March 31, 2013. Account balances rose by ¥145.8 billion to ¥13,760.3 billion. The total number of issuance, transfer and redemption transactions increased by 4,312 year on year to 293,078. As a result, revenues from this segment were ¥827 thousand, or 0.2%, lower year on year at ¥462,845 thousand.

Financial Results (consolidated)



Book-Entry Transfer System for Corporate Bonds

In this business segment, JASDEC was handling a total of 58,486 issues as of March 31, 2013, a reduction of 2,215 issues compared with the position a year earlier. On a face-value basis, the account balance increased by ¥344.8 billion year on year to ¥252,784.0 billion as of March 31, 2013. The total number of issuance, transfer and redemption transactions was 30,450 higher at 532,600. As a result, revenues from this business segment increased by ¥10,633 thousand, or 0.9%, to ¥1,211,650 thousand.

Book-Entry Transfer System for Investment Trusts

As of March 31, 2013, JASDEC was handling a total of 7,112 issues in this business segment, including 4,336 publicly offered investment trusts and 2,776 privately placed investment trusts. The total represents an increase of 244 issues compared with the position as of March 31, 2012. On a principal value basis, the account balance as of March 31, 2013 was ¥2,840.3 billion above the level a year earlier at ¥115,347.4 billion, consisting of ¥83,359.6 billion for publicly offered investment trusts and ¥31,987.8 billion for privately placed investment trusts.

The number of related registrations, deletions, and transfers in the year ended March 31, 2013 increased by 423,786 year on year to 4,624,861. However, as a result of a decrease in the average account balance year on year, revenues in this segment decreased by ¥9,501 thousand, or 0.9%, to ¥1,054,953 thousand.

DVP Settlement Services for Non-Exchange Transaction Deliveries (NETDs)

The number of NETD DVP settlements handled by JASDEC during the year ended March 31, 2013 was 640,000 lower year on year at 19.65 million. As a result of this decrease and the lowering of the NETD DVP settlement fee rate, revenues from this segment declined by ¥146,128 thousand, or 15.6%, to ¥793,402 thousand. This includes refunds of ¥282,835 thousand on DVP settlement fees. Revenues after the deduction of these refunds amounted to ¥510,567 thousand, a year-on-year decrease of ¥133,045 thousand, or 20.7%.

Pre-Settlement Matching System

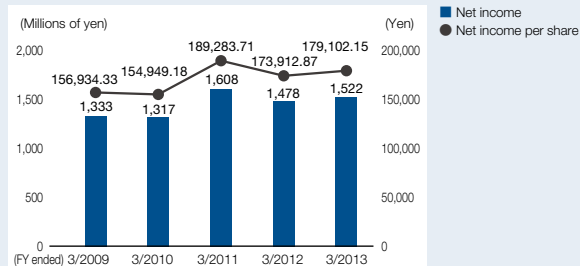
Revenues from this segment decreased by ¥39,042 thousand, or 1.9%, to ¥1,985,621 thousand in the year ended March 31, 2013. This includes refund of ¥663,999 thousand on JASDEC pre-settlement matching fees, and revenues after the reduction of that amount were ¥225,042 thousand, or 14.6%, lower at ¥1,321,621 thousand.

Custody Services for Foreign Stock Certificates, etc.

As of March 31, 2013, there was an account balance of 86 million foreign stock certificates, etc., excluding foreign covered warrants, a decrease of 2 million from a year earlier.

The total number of book-entry transfers, including foreign covered warrants, declined by 28,516 to 109,763. As a result, revenues from this business segment were ¥51,145 thousand, or 25.2%, lower year on year at ¥152,045 thousand.

Financial Results (consolidated)



Financial Results (consolidated)

