

ANALYSIS OF BUSINESS PERFORMANCE AND FINANCIAL RESULTS

Fiscal year ended March 31, 2014 (Fiscal 2013)

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

Outline of Financial Results

In March 2013, the securities market reached its highest level in four-and-a-half years. Stock prices positively reflected arising market in the United States and Europe and reaction to the weakening of the yen, and by May 2013, the Nikkei Stock Average had risen from the low end of the ¥12,000 range to the mid-¥15,000 level. There was little significant movement in the remainder of the fiscal year, and after a repeated cycle of rises and falls, the Nikkei was in the low end of the ¥14,000 range at the end of March 2014.

In the year ended March 31, 2014, operating revenues increased by ¥682,839 thousand, or 3.9%, year on year to ¥17,998,860 thousand, while selling, general and administrative expenses increased by ¥56,729 thousand, or 0.4%, to ¥14,979,445 thousand. Operating income increased by ¥626,109 thousand, or 26.2%, to ¥3,019,414 thousand, ordinary income increased by ¥600,149 thousand, or 25.7%, to ¥2,939,660 thousand, and net income increased by ¥261,724 thousand, or 17.2%, to ¥1,784,092 thousand.

Book-Entry Transfer System for Stocks, etc.

In this business segment, the number of issues handled by JASDEC as of March 31, 2014 was 3,795, a increase of 42 issues compared with the total as of March 31, 2013. Account balances included 431.0 billion shares, a year-on-year increase of 26.4 billion shares. The balance of bonds with share options stood at ¥133.4 billion, which was ¥366.2 billion lower year on year. There were 3,409.25 million account units for ETFs and beneficial rights of trust issuing beneficial certificates, such as JDRs, a year-on-year increase of 618.26 million units. The balance of account units for REITs was 13.56 million higher year on year at 36.94 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, obliterations and other transactions processed was 18,550,575 above the total for the previous reporting year at 102,742,698.

As a result, revenues from this business segment were ¥1,684,218 thousand, or 10.8%, higher year on year at ¥17,293,167 thousand. This includes refunds of ¥4,223,000 thousand on book-entry transfer commissions and account management fees. Revenues after the deduction of these refunds amounted to ¥13,070,167 thousand, a year-on-year increase of ¥467,218 thousand, or 3.7%.

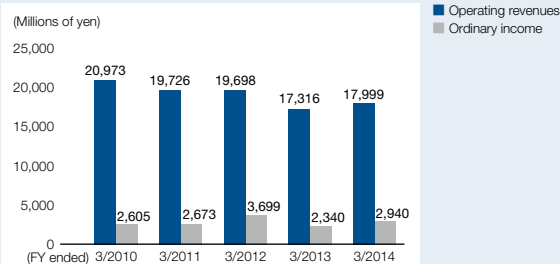
Book-Entry Transfer System for Commercial Paper

The number of corporate issuers using this system increased by two to 496 as of March 31, 2014. Account balances rose by ¥1,150.5 billion to ¥12,609.7 billion. The total number of issuance, transfer and redemption transactions decreased by 4,506 year on year to 288,572. As a result, revenues from this segment were ¥19,535 thousand, or 4.2%, lower year on year at ¥443,310 thousand.

Book-Entry Transfer System for Corporate Bonds

In this business segment, JASDEC was handling a total of 55,595 issues as of March 31, 2014, a reduction of 2,891 issues compared with the position a year earlier. On a face-value basis, the account balance increased by ¥416.1 billion year on year to ¥253,200.1 billion as of March 31, 2014. The total number of issuance, transfer and redemption transactions was 36,845 lower at 495,755. As a result, revenues from this business segment increased by ¥26,313 thousand, or 2.2%, to ¥1,237,963 thousand.

Financial Results (consolidated)



Book-Entry Transfer System for Investment Trusts

As of March 31, 2014, JASDEC was handling a total of 7,940 issues in this business segment, including 4,962 publicly offered investment trusts and 2,978 privately placed investment trusts. The total represents an increase of 828 issues compared with the position as of March 31, 2013. On a principal value basis, the account balance as of March 31, 2014 was ¥9,157.1 billion above the level a year earlier at ¥124,504.6 billion, consisting of ¥89,381.1 billion for publicly offered investment trusts and ¥35,123.4 billion for privately placed investment trusts. The number of related registrations, deletions, and transfers in the year ended March 31, 2014 increased by 774,168 year on year to 5,399,029. As a result, revenues for this segment increased by ¥61,944 thousand, or 5.9%, to ¥1,116,897 thousand.

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

In the year ended March 31, 2014, JASDEC handled 24.17 million NETD DVP settlements, a year-on-year increase of 4.52 million. Operating revenues from this segment increased by ¥134,029 thousand, or 26.3%, to ¥644,597 thousand, while operating expenses were ¥37,636 thousand, or 11.0%, higher at ¥379,747 thousand. Operating income increased by ¥96,393 thousand, or ¥57.2%, year on year to ¥264,849 thousand, and ordinary income by ¥101,218 thousand, or 77.6%, to ¥231,693 thousand. Net income amounted to ¥142,861 thousand, a year-on-year increase of ¥62,157 thousand, or 77.0%.

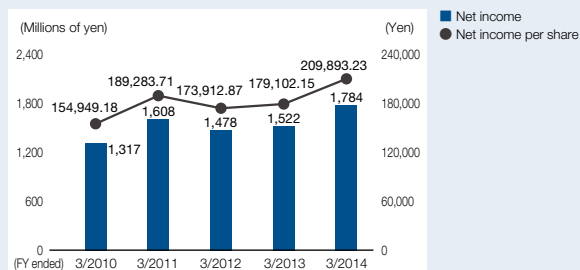
Pre-Settlement Matching System

Revenues from this segment increased by ¥284,809 thousand, or 14.3%, to ¥2,270,430 thousand in the year ended March 31, 2014. This includes refund of ¥911,999 thousand on JASDEC pre-settlement matching fees, and revenues after the reduction of that amount were ¥36,809 thousand, or 2.8%, higher at ¥1,358,430 thousand.

Custody Services for Foreign Stock Certificates, etc.

As of March 31, 2014, the account balance stood at 92.42 million foreign stock certificates, etc., an increase of 5.84 million from the position as of March 31, 2013. The total number of book-entry transfers increased by 3,773 to 113,536. However, because the average month-end account balances in each month were lower than in the previous fiscal year, revenues from this business segment were ¥23,833 thousand, or 15.7%, lower year on year at ¥128,211 thousand.

Financial Results (consolidated)



Financial Results (consolidated)

