

ANALYSIS OF BUSINESS PERFORMANCE AND FINANCIAL RESULTS

Fiscal year ended March 31, 2015 (Fiscal 2014)

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

Outline of Financial Results

In the securities market, the Nikkei Stock Average started the fiscal year in the high end of the ¥14,000 range. The situation remained unstable due to a range of factors, including speculation about when the U.S. would start to taper quantitative easing (QE), and prices fell sharply in May 2014. However, the Nikkei subsequently made significant gains, reaching the low end of the ¥17,000 range in November 2014. Reasons for this rise included the accelerated weakening of the yen following the Bank of Japan's announcement of additional monetary easing at the end of October, and the postponement of an increase in the consumption tax rate due to a downturn in the GDP growth rate in the second quarter. The Nikkei continued to climb, and in March 2015 it recovered to the ¥19,000 level for the first time in the 15 years since April 2000. Contributing factors included a recovery in the domestic economy, and an increase in business earnings due to the weakness of the yen.

Under this environment, for the year ended March 31, 2015, JASDEC's operating revenues increased by ¥1,968,427 thousand, or 10.9%, year on year to ¥19,967,287 thousand. Selling, general and administrative expenses were ¥1,748,209 thousand, or 11.7%, higher at ¥16,727,654 thousand, while operating income increased by ¥220,218 thousand, or 7.3%, to ¥3,239,632 thousand. Ordinary income increased by ¥292,822 thousand, or 10.0%, year on year to ¥3,232,482 thousand, and net income by ¥281,578 thousand, or 15.8%, to ¥2,065,670 thousand. Segment information is provided below.

Book-entry Transfer System for Stocks, etc.

In this business segment, the number of issues handled by JASDEC as of March 31, 2015 was 3,884, an increase of 89 issues compared with the total as of March 31, 2014. Account balances included 433.9 billion of shares (2.9 billion higher year on year), ¥163.8 billion of bonds with share options (¥30.4 billion higher year on year), 4,384.05 million units of ETFs and beneficial rights of trusts issuing beneficial certificates, such as JDRs, (974.52 million units higher year on year), 45.56 million units of REITs (8.62 million higher year on year), and 700,000 units of preferred equity investments of financial institutions established by cooperative associations (unchanged year on year). The total number of new registrations, book-entry transfers, obliterations and other transactions processed was 105,903,180, a year-on-year increase of 3,160,482. As a result, revenues from this business segment amounted to ¥17,555,574

thousand, a year-on-year increase of ¥263,494 thousand, or 1.5%. JASDEC refunded ¥3,172,798 thousand of the book-entry transfer commissions and account management fees received, leaving total revenues of ¥14,382,776 thousand, a year-on-year increase of ¥1,313,328 thousand, or 10.0%.

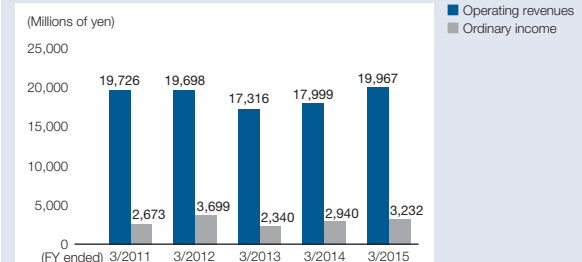
Book-entry Transfer System for Commercial Paper

A total of 498 corporate issuers were using this system as of March 31, 2015, an increase of two over the previous year's total. The account balance was ¥1,607.2 billion higher year on year at ¥14,217.0 billion. The total number of issuance, transfer and redemption transactions increased by 71,286 year on year to 359,858. At ¥479,747 thousand, revenues from this segment exceeded the previous year's result by ¥36,437 thousand, or 8.2%.

Book-entry Transfer System for Corporate Bonds

In this business segment, JASDEC was handling a total of 54,294 issues as of March 31, 2015, a year-on-year decline of 1,301 issues. On a face value basis, the account balance was ¥1,420.6 billion lower year on year at ¥251,779.5 billion. The total number of issuance, transfer and redemption transactions increased by 27,901 to 523,656. As a result, revenues from this business segment declined by ¥16,762 thousand, or 1.4%, year on year to ¥1,221,201 thousand.

Financial Results (consolidated)



Book-entry Transfer System for Investment Trusts

As of March 31, 2015, JASDEC was handling a total of 8,956 issues in this business segment, a year-on-year increase of 1,016. This total consists of 5,412 publicly offered investment trusts and 3,544 privately placed investment trusts. On a principal value basis, the account balance as of March 31, 2015 was ¥17,306.2 billion above the previous year's figure at ¥141,810.8 billion, made up of ¥98,348.4 billion in publicly offered investment trusts and ¥43,462.4 billion in privately placed investment trusts. The number of registrations, obliterations, and transfers in the year ended March 31, 2015 increased by 556,657 year on year to 5,955,686. Revenues for this segment increased by ¥84,564 thousand, or 7.6%, to ¥1,201,462 thousand.

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

The number of NETD DVP settlements in the year ended March 31, 2015 was 4 million higher year on year at 28.17 million. Operating revenues from this segment increased by ¥143,989 thousand, or 15.1%, to ¥1,095,646 thousand. Refunds of NETD DVP settlement fees in the year ended March 2015 amounted to ¥277,000 thousand. This left revenues of ¥818,646 thousand, a year-on-year increase of ¥174,049 thousand, or 27.0%.

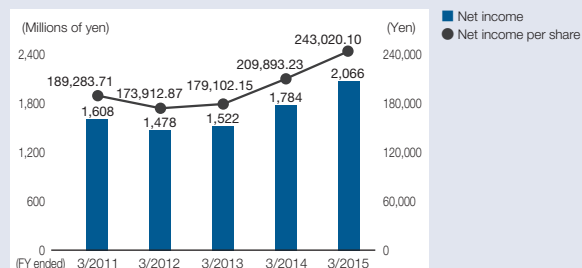
Pre-Settlement Matching System

Revenues from this segment increased by ¥253,416 thousand, or 11.2%, to ¥2,523,846 thousand in the year ended March 31, 2015. After payment of fee refunds totaling ¥812,000 thousand, revenues amounted to ¥1,711,846 thousand, a year-on-year increase of ¥353,415 thousand, or 26.0%.

Custody Services for Foreign Stock Certificates, etc.

As of March 31, 2015, the account balance for foreign stock certificates, etc., was 105.96 million shares, an increase of 13.54 million shares over the level a year earlier. The total number of book-entry transfers was 5,261 lower year on year at 108,275. However, because the average month-end account balances in each month were higher than in the previous fiscal year, revenues from this business segment increased by ¥23,394 thousand, or 18.2%, to ¥151,606 thousand.

Financial Results (consolidated)



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