

# **JSDA**

## **Annual Report 2011**

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# Preamble



Dear Readers,

At around 2:46 pm on March 11 (JST), an 8.9/9.0 magnitude earthquake hit a wide area of northeastern Japan. The earthquake, ensuing tsunami and aftershocks devastated many cities and villages along the Pacific coast of the area, bringing about an unimaginable loss of life and destruction to the physical infrastructure. Enormous efforts have been spent on rescue and restoration work with the help of many, including the international community. We are very grateful for the support and kind thoughts of our friends in Japan and overseas.

The dual disasters affected, and are still influencing, people's lives and industrial production in not only the northeastern area but all over Japan. Effects have been observed in financial and capital markets as well. During the week following the disasters, the Nikkei 225 stock index plunged and there was a sharp appreciation of the yen. After this initial reaction, the stock and foreign exchange market continued to move in a volatile manner.

Now four months after the disasters, the direction of Japan's economy remains uncertain but shows some signs of picking up.

As a fully empowered self-regulatory organization, the JSDA took some emergency measures and initiatives to provide relief to disaster-stricken customers and to make sure that the financial system continues to work smoothly under these critical circumstances. To overcome difficulties, the JSDA has been collaborating with a wide range of related organizations and intends to continue to do so.

Responding to such emergencies, we at the JSDA are stepping forward for medium- and long-term reinforcement of market infrastructure. The JSDA will carry on with its implementation of the specific initiatives described later in this report. Their purpose is to establish internationally recognized and highly competitive financial and capital markets, protecting the investing public effectively.

Looking back, one important lesson learned from the global financial crisis was the close link between the soundness of the financial sector and economic stability. Financial and capital markets are at the core of the economic system. Having a sound, efficient and well-regulated financial sector is a key to stable economic growth, better standards of life, and, particularly now in Japan, vigorous recovery from the disasters.

With this awareness, the JSDA, together with the regulatory authorities and other partners, has implemented a number of initiatives to improve the market infrastructure and streamline market regulation in Japan. These include such measures as improving regulations related to structured products, credit rating agencies and OTC derivatives; vitalizing the corporate bond market; and extending the current preferential taxation on capital gains and dividends.

With these developments as background, I believe that this report furnishes readers with updated information about our ongoing measures and future strategies to improve the Japanese securities market as an attractive venue for trading and investment. The report also provides some useful data and facts about the JSDA and its members' recent activities.

Last but not least, on behalf of the JSDA and its member firms, let me once again express my appreciation for kind thoughts and heartfelt words of sympathy extended us from all over the world.

**Tetsuo Mae**

Chairman

Japan Securities Dealers Association



# Creating Sound and Active Markets



## Solving Market Issues through Dialogue with Market Users

In September 2010, the JSDA set up the Study Group on New Progress of Securities Market to conduct a survey of the wide range of securities market users as well as nonusers. In December 2010, the study group established three subgroups: the Market Intermediary Subgroup, the Products and Services Subgroup, and the Market Infrastructure Subgroup. The Study Group deliberated the various issues facing the securities market based on the feedback received from the Study Group's survey and publicly announced their report in June 2011.

## Improving JSDA's Information Dissemination Capabilities

To deliberate on the state of the JSDA's public relations (PR) activities, the JSDA established a PR project team in its secretariat to discuss the formation of the JSDA's PR policies and the strengthening of its information dissemination

capabilities. The team started with the renewal of the website for the convenience of a wide range of securities market users. The renewed website was launched in July 2011 and the JSDA began PR and other dissemination activities under a new logo mark.

In addition, the Study Group on Financial and Capital Markets Statistics discussed promotion of comprehensive one-stop service for statistical information. The Study Group also proceeded with specific improvement measures for statistical information provided by the JSDA, such as time-series data, explanatory documents for the statistics, and the information provided in English.

## Vitalizing the Bond Market

The Study Group to Vitalize the Corporate Bond Market, established in July 2009 as a consultative group to the chairman, issued its report entitled "Toward Vitalizing the Corporate Bond Market" in June 2010. The Study Group deliberated a variety



of issues with the participation of a wide range of market-related and prominent people.

In June 2010, the Study Group formed four task forces (No. 1 to No. 4) which began discussions on the concrete measures to vitalize the corporate bond market outlined in the Study Group's report. These task forces met 23 times in fiscal 2010.

### Studying and Responding to Settlement Issues

The Working Group for Deliberations on Shortening of the Government Bond Settlement Period completed its interim report in December 2010, setting the date for conversion to T+2 settlement for outright secondary transactions of JGBs for April 23, 2012 (contract basis). The working group will continue with its discussions of the details of implementation as well as identifying and discussing issues regarding the achievement of T+1 settlement for outright transactions. It plans to issue its final report in fall 2011.

### Reforming Startup Markets Which Enhance Economic Growth and Attract Domestic and Foreign Investment

The JSDA conducted a series of opinion exchanges with different market-related groups (venture capital companies, institutional investors, economists, and others) to consider specific measures for recovering confidence in and vitalizing startup markets as stated in the Japanese government's "New Growth Strategy."

### Promoting a Securities Taxation System That Vitalizes Capital Markets

In the process of determining tax revisions for fiscal 2011, we requested the government for an extension of the preferential tax on financial



income and the unification of the tax system for financial income. Of those requests, the preferential tax was extended two years to December 31, 2013. An improvement of the convenience of the special account (*Tokutei-koza*) system was implemented in June 2011. Separate reporting for tax purposes for OTC derivative transactions is to be implemented in January 2012.

# Major Developments in Self-Regulatory Operations



## Obtaining Confidence from Wider Market Users

The Working Group on Investment Solicitation (established in January 2010) deliberated a revision of the investment solicitation rules for derivatives and other transactions to further enhance investor protection.

On the other hand, to improve the neutrality and transparency in the deliberation process of self-regulatory rules, the JSDA decided to request related parties, as appropriate in each case, to participate in all newly formed working groups from their initial stages. The parties include market users, public authorities, lawyers, university professors, institutional investors, issuers, rating agencies, securities exchanges, citizen groups, and others.

## Self-regulation in Tune with Market and Business Environments

The JSDA made the following revisions in its self-regulatory rules with a view to ensuring market

integrity and further strengthening market functions.

- Partially revised the Regulations Concerning Handling of Conditional Sale and Purchase of Bonds, etc., and the Regulations Concerning Handling of Short Sale and Lending Transaction of Bonds, based on the final report of the Working Group on Bond Fail Practices (enforced in July 2010).
- Partially revised the Regulations Concerning Sale and Purchase, etc., of Listed Share Certificates, etc., Conducted Outside of a Financial Instruments Exchange Market, for the purpose of establishing methods and systems to eliminate unfair off-market trading (enforced in July 2010).
- Partially revised the Regulations Concerning Solicitation for Investments and Management of Customers, etc., by Association Members, from the point of view of further enhancing investor protection regarding sales solicitation for OTC derivatives and for structured bonds, investment trusts, and other financial instruments that

are similar in complication to OTC derivatives (enforced in April 2011).

## Reviewing Roles of Self-regulation

The Study Group on Roles of Self-Regulation, formed in September 2009 under the Self-regulation Board, discussed the basic principles of self-regulation as well as specific measures to better demonstrate and strengthen the self-regulatory functions. The Study Group compiled and publicly issued the main discussion points and recommendations in its interim report.

Based on the recommendations in that report, the JSDA produced and announced a report on its basic policies on the creation of self-regulatory rules. In addition, the JSDA posted investor alerts, a self-regulation handbook that provides an “at a glance” summary of self-regulation rules and guidelines, and other useful materials on its website.

## Reinforcing Inspection, Mediation and Consultation Functions

In its inspections during April 2010 to March 2011, the JSDA carried out effective and efficient inspections of a total of 141 firms, including 84 regular members and 57 special members. Each inspection was conducted identifying specific inspected items on a case-by-case basis with a view to the risks involved in the business of each inspected member. The inspection during the period particularly focused on the following points: 1) internal control system (including risk management), 2) financial product explanation and sales solicitation systems, 3) segregated custody of customer assets, and 4) sale and purchase monitoring system (insider trading).

In the area of mediation and dispute resolution, the JSDA co-worked with FINMAC, which has been providing alternative dispute resolution

(ADR) services as stipulated under the Financial Instruments and Exchange Act since April 2011. The JSDA also reported to its members on the processing status at FINMAC since July 2010.

## Disciplinary Actions

### (1) Disciplinary Actions against Member Firms

In fiscal 2010, one regular member received a fine (with admonition), four regular members were reprimanded (with admonition), and four others received admonitions (There is no disciplinary record of special members).

### (2) Disciplinary Actions against Sales Representatives

In fiscal 2010, 13 sales representatives of regular members had their sales representative registration revoked and were regarded as perpetrators of an inappropriate act, three were regarded as perpetrators of an inappropriate act, one had his/her sales representative registration revoked and 56 sales representatives were suspended from their duties as sales representatives, while 59 sales representatives had their sales representative qualification suspended. Six of them had also their sales manager qualification suspended.

Two sales representatives of special members had their sales representative registration revoked and were regarded as perpetrators of an inappropriate act, nine were suspended from their duties as sales representatives, and nine had their qualification suspended. Two of them also had their sales manager qualification suspended.

## Qualification Examinations

The JSDA holds the qualification examinations for the Class-1 Sales Representative, Class-2 Sales



Representative, and Internal Administrator for employees of regular members involved with securities business operations. The examination for the Class-2 Sales Representative has been open to the public since September 2004, while the others may only be taken by the executive officers and employees of regular member firms.

It also holds the qualification examinations for the Special Member's Class-1 Sales Representative, Special Member's Class-2 Sales Representative, Special Member's Class-4 Sales Representative, and Special Member's Internal Administrator. The numbers of the examinees and successful applicants for each examination in fiscal 2010 are shown in the following table.

Examination	Examinees	Successful Applicants
Class-1 Sales Representative	54,179	23,566
Class-2 Sales Representative	56,024	31,393
Internal Administrator	23,777	20,267
Special Member's Class-1 Sales Representative	12,590	4,354
Special Member's Class-2 Sales Representative	45,560	17,968
Special Member's Class-4 Sales Representative	650	254
Special Member's Internal Administrator	4,739	4,125



# Training Courses and Investor Education



## Training System

Based on a training program drawn up annually, the JSDA provides training courses for executive officers and employees of member firms. The JSDA also flexibly conducts training courses other than those included in the program in response to amendments of laws and institutional reform.

In fiscal 2010, the JSDA held training courses with an emphasis on further improving the quality of executive officers and employees of member firms, and thereby contributing to building greater confidence in the securities industry among investors. The chief point of the training courses was to help member firms reinforce compliance and keep up with advances in trading methods and changes in market environment. A total of 6,650 participants attended these courses.

To contribute to strengthening the compliance system and enhancing internal training in member firms, the JSDA compiled and distributed a collection of rulebooks on laws and regulations to

be used as reference material in internal training courses. In addition, the JSDA provided summaries and training materials on compliance-related themes from among its training themes for the fiscal year. Moreover, it dispatched or introduced its executive officers and employees to act as lecturers at a total of 49 in-house training sessions of member firms during the fiscal year.

### Training Courses in Fiscal 2010

1. Seminar for company representatives
2. Training for executives
3. Training for internal administration supervisors
4. Training for internal administration assistant supervisors
5. Training for internal administrators
6. Training for sales managers
7. Training for qualification renewal of sales representatives
8. Basic compliance course
9. Compliance practice course

10. Securities business seminar
11. Compliance seminar for sales staff
12. Risk management seminar
13. Corporate ethics seminar

## Investor Education

### (1) Activities to Disseminate Securities Knowledge

The JSDA formed the Project for Dissemination and Enlightenment of Securities Knowledge with other organizations such as the Tokyo Stock Exchange Group, Investment Trust Association and other securities-related bodies. This initiative promotes investor education on a continuing basis over the long term carrying out a variety of investor education activities on a cooperative basis. The following are the main activities.

- Providing educational materials for middle and high school students
- Offering a Stock Market Game for middle and high school students as well as university students
- Launching the new website for the use of school education
- Holding the Financial and Economic Education Forum
- Holding events scheduled around Securities Investment Day (October 4)
- Holding Securities Investment Seminars nationwide, throughout the year

### (2) Other Activities

- Warnings about Unlisted Share Scams  
Due to the increasing number of fraud incidents involving unlisted shares, the JSDA took steps to protect investors. In collaboration with related institutions, the JSDA issued warnings about problems with unlisted share scams

and produced warning leaflets and posters as a preventative measure. The JSDA distributed these materials widely to related institutions and organizations.

- Investor Relations (IR) Seminars  
During fiscal 2010, the JSDA held a total of 34 IR seminars in Tokyo, Osaka and Nagoya in response to individual investors' strong need for business information disclosure and to support the IR activities of listed companies. Altogether, 12,977 people participated in these seminars.
- Support for University Student Association  
the JSDA provides financial and other support and information to the nationwide student association, "Japan National Federation of Securities Research Students." This association's members comprise university study groups that carry out research on securities.
- Active Participation in International Forums  
As a member of the International Forum for Investor Education (IFIE), the JSDA participated in its annual conference in Cairo in November and exchanged views with the members and relevant parties.





# International Activities



## International Organization of Securities Commissions (IOSCO)/ SRO Consultative Committee (SROCC)

The International Organization of Securities Commissions (IOSCO) is an international organization that brings together the regulators of the world's securities and futures markets to establish standards and effective surveillance of international securities transactions. The IOSCO SRO Consultative Committee (SROCC) was established in 1989 as a forum of IOSCO's affiliate members which have self-regulatory roles and functions. The SROCC has 69 members representing developed and emerging securities and derivatives markets from around the world and has become an important part of the global regulatory community responsible for securities regulation and fair market practices. Since June 2006, Mr. Tatsuo Watanabe and subsequently Mr. Yoshio Okubo of the JSDA have been acting as the chairperson of the committee and the JSDA has served as its facilitator, working with the IOSCO Secretariat.

The recent turmoil in the global financial markets highlighted the roles and importance of self-regulatory organizations in many jurisdictions. In coordination with government regulators and market stakeholders, many SROCC members have actively been engaged in the review of their mandates and operations in response to the overall regulatory reform. During this period, the SROCC has continued to provide a pivotal framework for self-regulatory organizations to share information about their regulatory activities and experiences with a view to strengthening the underpinnings of markets around the globe.

Also, the SROCC conducts training seminars for staff of SROs and government regulators to share its expertise and experiences in securities regulations.

## International Council of Securities Associations (ICSA)

The International Council of Securities Associations (ICSA) was established in 1988 based on a proposal by the JSDA. The objective

of ICSA is to contribute to sound development of the international securities market by promoting transaction practices and mutual understanding of the international securities market. The ICSA membership comprises self-regulatory organizations and trade associations representing major securities markets in the world. As of June 2011, 17 organizations are members of ICSA.

ICSA holds an annual general meeting (AGM). At the AGM in Istanbul in May 2010, the guest speakers and member associations mainly discussed sovereign debt crises, the U.S. Financial Regulatory Reform Bill, the alleged fraud by the leading American securities firm, and high frequency trading and so forth. In May 2011, ICSA members gathered again at the AGM in London and discussed ongoing regulatory reforms to reduce systemic risk and other issues such as dark pool, high frequency trading and shadow banking.

### Asia Securities Forum (ASF)

The Asia Securities Forum (ASF) was established in 1995, based on an initiative by the JSDA. The ASF's objectives are to exchange views and information among the securities industries in the Asia-Pacific region and to contribute to the development of securities markets and economic growth in the region.

ASF members host the AGM on a rotating basis. Last year's AGM was held in Beijing in September 2010 hosted by the Securities Association of China (SAC). More than 50 people participated from the Asia-Pacific and neighboring regions.

On the agenda at the 2010 AGM were member reports from the participants, lectures by guest speakers, and panel discussions on two topics: "Trends of Global Financial Regulation" and "Benefits of Self-Regulation and Its Contribution to Capital Market".

### (ASF Tokyo Round Table)

The JSDA also organizes a training program called the "ASF Tokyo Round Table" targeting the staff of self-regulatory organizations, securities-related associations and regulatory authorities in the Asia-Pacific countries to help these countries develop their securities markets and build up regulatory frameworks. The sixth ASF Tokyo Round Table was held in October 2010 and attended by 16 participants from 16 jurisdictions. Participants mainly studied the regulatory frameworks and market infrastructure using the Japanese securities market as an example.

### Japan Securities Summit

In March 2011, the JSDA and SIFMA, the U.S. Securities Industry and Financial Markets Association, co-organized the 4th Japan Securities Summit in New York. The conference intended to provide market professionals and investors from around the world with the opportunity to better understand the attractiveness of Japanese securities market. The insights of the distinct guests and fruitful discussions attracted participants mainly from New York and the East coast of the United States.

### International Organization for Standardization (ISO)

Reflecting the voice of industry, the JSDA has actively participated in the International Organization for Standardization (ISO), as domestic secretariat to the subcommittee 4 (SC4), which deals with issues concerning the securities business and related financial products under the ISO technical committee 68. The JSDA has also conveyed the discussion in the SC4 to the JSDA member firms. In May 2010, the JSDA hosted and held the annual conference of the SC4 in Tokyo.



# Membership



Association Members are categorized into three groups:

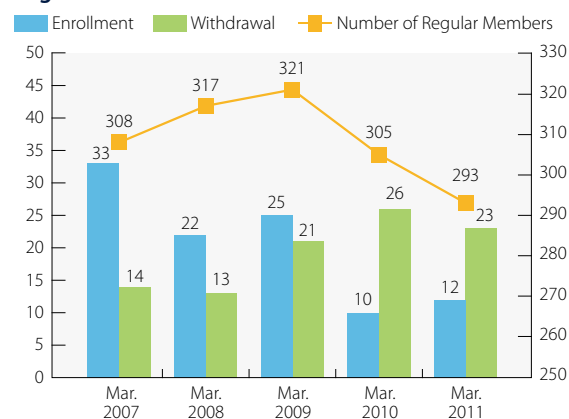
## (1) Regular Members (293): Securities firms

While 12 new members enrolled in fiscal 2010, 23 members withdrew as a result of mergers or for other reasons. The breakdown includes 270 domestic securities companies and 23 foreign securities companies.

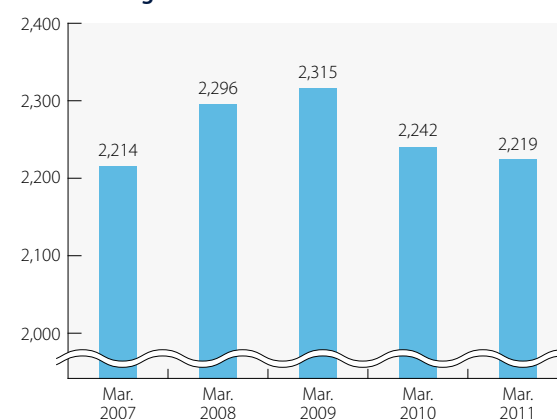
Foreign regular members accounted for 7.8% of regular membership. The United States has the greatest number of firms with seven, followed by the United Kingdom with five, France with four, Canada and the Republic of Korea with two, and Australia, Brazil and Switzerland with one each.

The total number of employees of JSDA regular members was about 92,000 at the end of December 2010. The number had declined from a peak of 167,000 at the end of June 1991. The number rose from 2004 to 2008, but has declined again since 2008. The number of offices of JSDA regular members at the end of March 2010 was 2,219. This figure has decreased for the past two years in a row.

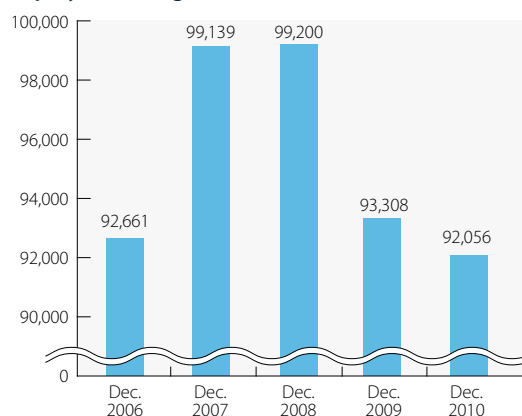
### Regular Members



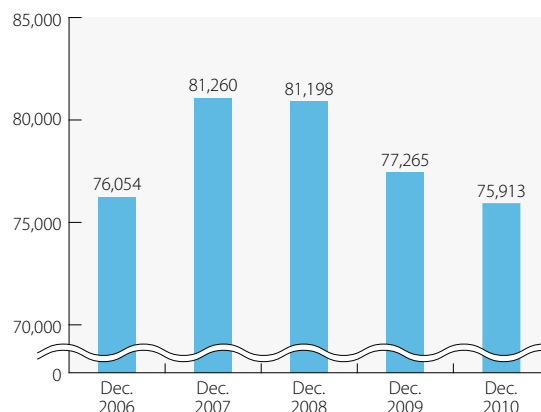
### Offices of Regular Members



**Employees of Regular Members**



**Sales Representatives of Regular Members**



## (2) OTC Derivative Transaction Members (0): Firms only conducting specified OTC derivative transactions

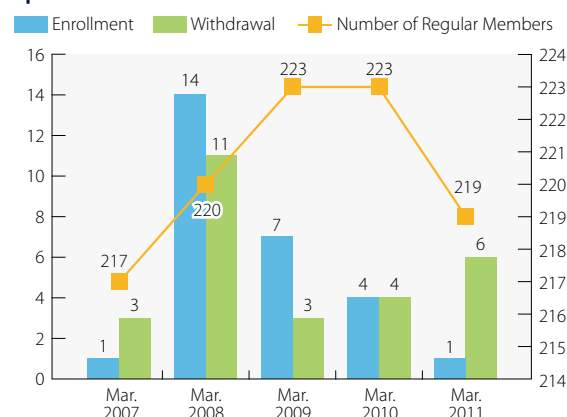
(At this point in time, there are no members in this category.)

## (3) Special Members (219): Banks, insurance companies, etc. conducting securities business

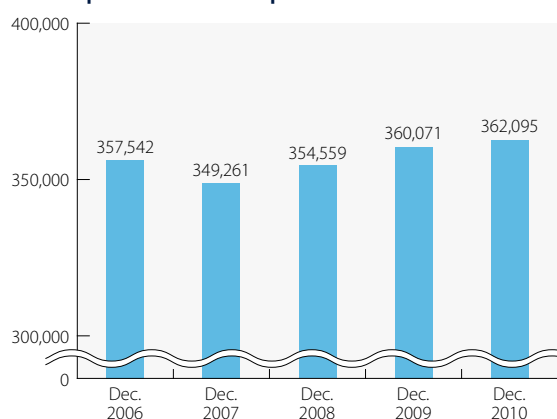
During fiscal 2010, one financial institution joined the JSDA as a special member, and four institutions lost their memberships, while two merged with their memberships transferring to others.

A breakdown shows that 190 banks account for 86.8% of this total, while insurance companies constitute 7.8%, and money market dealers, credit cooperatives, government-related financials and securities finance companies account for 1.4% respectively.

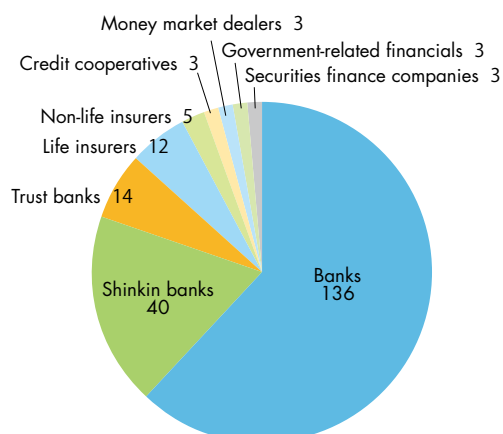
**Special Members**



**Sales Representatives of Special Members**



**Special Member Composition**



Note: Banks in the chart above include city banks, regional banks, foreign banks and other banks except trust banks and shinkin banks.

# JSDA Data



## Balance Sheet (as of the end of March 2011)

### Assets

	Millions of yen	Thousands of U.S.dollars
<b>1 Floating assets:</b>		
Cash & deposits	¥93	\$1,120
Advances	0	0
Accounts receivable	¥262	\$3,148
Prepayments	¥43	\$511
Stored goods	¥13	\$156
<b>Subtotal</b>	¥410	\$4,935
<b>2 Fixed assets:</b>		
(1) Special assets:		
Accrued retirement benefits assets	¥3,950	\$47,499
Accumulated assets related to securities laws	¥25	\$301
(2) Other fixed assets	¥3,472	\$41,755
<b>Subtotal</b>	¥7,446	\$89,555
<b>TOTAL ASSETS</b>	¥7,857	\$94,490

### Liabilities

	Millions of yen	Thousands of U.S.dollars
<b>1 Floating debts:</b>		
Accounts payable	¥368	\$4,421
Deposits received	¥30	\$358
Reserve for bonuses	¥251	\$3,021
Lease Liabilities	¥35	\$422
<b>Subtotal</b>	¥684	\$8,222
<b>2 Fixed debts:</b>		
Accrued retirement benefits for employees	¥3,628	\$43,628
Accrued retirement benefits for executive officers	¥336	\$4,044
Lease liabilities	¥69	\$829
<b>Subtotal</b>	¥4,033	\$48,499
<b>TOTAL LIABILITIES</b>	¥4,716	\$56,720

### Net Assets

<b>1 Designated net assets:</b>		
Private subsidy	¥25	(\$301)
<b>Subtotal</b>	¥25	\$301
<b>2 General net assets</b>	¥3,116	\$37,469
<b>Subtotal</b>	¥3,116	\$37,469
<b>TOTAL NET ASSETS</b>	¥3,141	\$37,769

\* Rate of US\$1=¥83.15 used for conversion

## Revenues and Expenses Statement (Fiscal Apr. 2010 to Mar. 2011)

### Revenues

	Millions of yen	Thousands of U.S. dollars
<b>1 Revenues from business activities</b>		
Designated Asset Investment Profit	¥29	\$348
Membership fees		
- Fixed membership fees	¥1,618	\$19,462
- Floating rate membership fees	¥3,788	\$45,553
Business revenues		
- Sales Representative registration fees	¥9	\$113
- Training and education fees	¥33	\$399
- Qualification examination fees	¥880	\$10,584
- Other business revenues	¥27	\$327
Subsidies	¥41	\$493
Other revenues	¥46	\$552
Transferred revenues from other accounts	¥971	\$11,681
- Transferred revenue from Special Members General Account	(¥749)	(\$9,011)
- Transferred revenues from Institute for Securities Education & Public Relations Special Account	(¥34)	(\$406)
- Transferred revenue from Members General Fund Special Account	(¥86)	(\$1,034)
- Transferred revenue from Members Training Fund Special Account	(¥32)	(\$382)
- Transferred revenue from Securities Market Activating Fund Special Account	(¥70)	(\$848)
<b>Subtotal</b>	<b>¥7,443</b>	<b>\$89,513</b>
<b>2 Revenues from investment activities</b>		
Revenues from investment activities	¥494	\$5,939
<b>Subtotal</b>	<b>¥494</b>	<b>\$5,939</b>
<b>3 Revenues from financing activities</b>		
Revenues from financing activities	–	–
<b>Subtotal</b>	<b>–</b>	<b>–</b>
<b>Surplus from the previous fiscal year</b>	<b>¥300</b>	<b>\$3,608</b>
<b>TOTAL REVENUES</b>	<b>¥8,237</b>	<b>\$99,059</b>

### Expenses

	Millions of yen	Thousands of U.S. dollars
<b>1 Expenses to business activities</b>		
Operating expenses	¥4,936	\$59,363
Administrative expenses	¥1,493	\$17,961
Transferred expenses to other accounts	¥494	\$5,941
- Transferred Expenses to Institute for Securities Education & Public Relations Special Account	(¥493)	(\$5,933)
- Transferred Expenses to System Utilization Special Account	(¥1)	(\$8)
<b>Subtotal</b>	<b>¥6,924</b>	<b>\$83,271</b>
<b>2 Expenses to investment activities</b>		
Expenses to investment activities	¥1,278	\$15,375
<b>Subtotal</b>	<b>¥1,278</b>	<b>\$15,375</b>
<b>3 Expenses to financing activities</b>		
Expenses to financing activities	¥35	\$418
<b>Subtotal</b>	<b>¥35</b>	<b>\$418</b>
<b>4 Other expenses</b>		
Other expenses	–	–
<b>Subtotal</b>	<b>–</b>	<b>–</b>
<b>TOTAL EXPENSES</b>	<b>¥8,237</b>	<b>\$99,059</b>
<b>Surplus / Deficit amount</b>	<b>–</b>	<b>–</b>
<b>Amount carried forward</b>	<b>–</b>	<b>–</b>

\* Rate of US\$1=¥83.15 used for conversion

## Dispute Resolutions in Fiscal 2010

Requests for Mediation	239
Successful Settlement	102
Failure in Reaching Settlement	92

Note: The amounts do not match due to cases carried over from fiscal 2009 or issues not concluded within fiscal 2010.

## Consultations and Complaints in Fiscal 2010

Consultation	Inquiry or Opinion regarding Securities Transactions	4,098
Complaints	Complaints about Solicitation	490
	Complaints about Transactions	257
	Complaints about Processing	141
	Other Complaints	113

## Disciplinary Actions in Fiscal 2010

Against Member Firms	
Suspension of Regular Membership, Fine and Warning	0
Fine and Warning	1
Reprimand and Warning	4
Warning	4
Against Sales Representatives of Member Firms	
Revocation of Sales Representative Registration and Treatment as a Perpetrator of Inappropriate Acts	13
Treatment as a Perpetrator of Inappropriate Acts	3
Revocation of Sales Representative Registration	1
Suspension of Sales Representative Duty	56
Suspension of Sales Representative Qualification	59
Against Sales Managers of Member Firms	
Suspension of Sales Manager Qualification	6
Against Sales Representatives of Special Members	
Revocation of Sales Representative Registration and Treatment as a Perpetrator of Inappropriate Acts	2
Suspension of Sales Representative Duty	9
Suspension of Sales Representative Qualification	9
Against Sales Managers of Special Members	
Suspension of Sales Manager Qualification	2



## Internet Transaction Survey

### Number of Securities Companies Providing Internet Transactions

(Unit: companies)

	Total Member Firms	Handling Internet Transactions		Not Handling Internet Transactions							
						Making Preparations		Studying Plans		Having No Plans	
Sep. 30, '08	320	58	18.1%	262	81.9%	0	0.0%	7	2.2%	255	79.7%
Mar. 31, '09	321	57	17.8%	264	82.2%	2	0.6%	5	1.6%	257	80.1%
Sep. 30, '09	308	55	17.9%	253	82.1%	4	1.3%	6	1.9%	243	78.9%
Mar. 31, '10	305	53	17.4%	252	82.6%	4	1.3%	5	1.6%	243	79.7%
Sep. 30, '10	298	52	17.4%	246	82.6%	4	1.3%	5	1.7%	237	79.5%
Mar. 31, '11	290	52	17.9%	238	82.1%	2	0.7%	6	2.1%	230	79.3%

### Number of Internet Transaction Accounts

(Unit: accounts)

	Sep. 30, '08	Mar. 31, '09	Sep. 30, '09	Mar. 31, '10	Sep. 30, '10	Mar. 31, '11
Number of Accounts	14,136,269	15,013,134	15,419,010	15,743,521	16,078,857	16,468,789
Increase from Previous Term-end	609,210	876,865	405,876	324,511	335,336	389,932

### Transaction Value

(Unit: billions of yen)

	Stock Transactions			
	Internet Transactions		Transaction Value (c)	Percentage
	Cash Transactions (a)	Margin Transactions (b)		{(a)+(b)}/(c)
Apr. '08 to Sep. '08	34,364.2	59,100.5	431,072.2	21.7%
Oct. '08 to Mar. '09	26,728.3	46,398.5	296,418.9	24.7%
Apr. '09 to Sep. '09	34,695.7	53,357.7	297,598.6	29.6%
Oct. '09 to Mar. '10	24,828.6	42,477.8	266,692.9	25.2%
Apr. '10 to Sep. '10	22,359.2	38,993.2	283,498.5	21.6%
Oct. '10 to Mar. '11	25,171.8	42,477.8	330,593.6	20.3%

Notes: 1. "Transaction Value" is total transaction value of stock brokerage transactions of all member firms during the period.

2. The statistics include the transaction value of ETFs and REITs in the transaction value of stock transactions.

# Association Profile



The Japan Securities Dealers Association (JSDA) is an association functioning as a self-regulatory organization (SRO) and as an interlocutor for the securities industry. Its legal status is a Financial Instruments Firms Association authorized by the Prime Minister pursuant to Article 67-2, Paragraph 2 of the Financial Instruments and Exchange Act (FIEA). Today the JSDA comprises more than 500 members consisting of securities firms and other financial institutions operating securities businesses in Japan.

As a fully empowered SRO, the JSDA extensively regulates market intermediaries. Its self-regulatory functions encompass rule-making, enforcement, inspection, disciplinary actions, accreditation of sales representatives, and dispute mediation.

The JSDA also provides vehicles for policy dialogue among the industry, the government, and other related parties, conducts and promotes investor education, and implements studies for further activating the market.

## History

<b>1940 to 1941</b>	According to the policy of one association for one prefecture, securities dealers associations were established in many local districts.
<b>May 1949</b>	The Japan Securities Dealers Joint Association was established as a federation of securities dealers associations.
<b>May 1968</b>	Thirty-three local securities dealers associations were consolidated into ten associations.
<b>July 1973</b>	The Japan Securities Dealers Joint Association and ten local securities dealers associations were dissolved and the Japan Securities Dealers Association was newly established, consisting of all national securities companies as direct constituent members, with its headquarters in Tokyo and with ten district offices.
<b>July 1992</b>	The association was reorganized from a corporate juridical person under the Civil Code to an authorized corporation under the Securities and Exchange Law with the revision of the Securities and Exchange Law.
<b>April 1994</b>	Financial institutions authorized to undertake securities business joined the association as special members.
<b>April 1995</b>	The South Kyushu District Office was consolidated into the Kyushu District Office.
<b>July 1998</b>	The JSDA integrated the Bond Underwriters Association of Japan into its organization.
<b>February 2001</b>	The JSDA entrusted the operation of the over-the-counter stock market to Jasdaq.
<b>July 2004</b>	The JSDA established a governance structure to manage independently the different functions of self-regulation and trade association in the same legal entity, and shifted to a new structured organization consisting of three sectors: Self-regulation, Securities Strategic Policy, and General Affairs and Administration. The JSDA also merged with the Association of Tokyo Stock Exchange Regular Members.
<b>December 2004</b>	Along with the establishment of Jsdacq Securities Exchange Inc., the JSDA closed its Over-the-Counter Trading Securities Market.
<b>April 2005</b>	The JSDA integrated the Japan Institute for Securities Information and Public Relations into its organization.
<b>September 2007</b>	With the implementation of the Financial Instruments and Exchange Act, the JSDA became an Authorized Financial Instruments Firms Association under the said Act.
<b>February 2010</b>	The JSDA entrusted the task of handling of customers' complaints, consultation regarding JSDA members, and providing mediation service to resolve dispute over securities transaction between customers and JSDA members to the Financial Instruments Mediation Assistance Center (FINMAC), which is an NPO.

## Major Activities

### I. Self-regulatory Activities

#### 1. Establishment and Execution of Self-regulatory Rules

The JSDA has established many types of self-regulatory rules to be applied to Association Members to enhance fair and smooth execution of the financial instruments business in order to promote the efficient administration of securities markets.

The major rules cover OTC transaction of stocks and bonds, underwriting of securities, off-exchange transaction of listed stocks and others, foreign securities transactions, safe custody of securities, business conduct of officers and employees, internal administration systems, qualification and registration of sales representatives, advertisements, investment solicitation and customer administration, financial instruments agency business, segregated custody of customers' assets, treatment of disputes with customers and unified accounting standards, etc. of regular members.

#### 2. Execution of On-site Inspection and Off-site Monitoring

The JSDA conducts on-site inspections in relation to internal administration system and compliance with the statutory laws and regulations and/or self-regulatory rules concerning the business activities of Association Members. The JSDA also monitors the business conditions and segregated custody of customers' assets of regular members.

#### 3. Exercise of Self-regulatory Disciplinary Actions

In cases of violation of statutory laws and regulations and/or the JSDA's self-regulatory rules by Association Members and/or their officers and employees, the JSDA strictly enforces self-regulatory disciplinary actions in order to avoid the recurrence of such violations.

#### 4. Qualification Examination, Qualification Renewal Training, and Registration of Securities Sales Representatives

The JSDA conducts qualification examinations for securities sales representatives and regulatory training courses such as Qualification Renewal Training in consideration of the high public status of the financial instruments business and the importance of its social obligations, and carries out registration of securities sales representatives, which is entrusted to it by the Commissioner of the Financial Services Agency.

#### 5. Counseling concerning Customer Complaints over Securities Transactions, etc. and Mediation Services

The JSDA provides counseling services relating to customers' complaints concerning the business of Association Members and financial instruments agents, and also provides mediation services under the FIEA to settle disputes over securities transactions, etc. between Association Members and their customers.

- In anticipation of the coming era of direct financing, the JSDA is considering securities settlement system and other system reforms for the overall securities market to cope with the needs of investors and issuers. The JSDA is also engaged in the preparation of trading rules for the equity market and takes necessary measures for newly introduced financial instruments such as securitization-related products, as well as providing the major market administrative operations mentioned in 6 to 8 below;

## **6. Improvement and Expansion of the OTC Bond Market**

Public and corporate bonds are mostly traded on the OTC market in Japan. To enhance fair and efficient bond transaction, the JSDA is trying to improve the OTC bond market by establishing or revising systems or business practices related to OTC bond transactions.

## **7. System Reforms for Off-Exchange Transactions of Listed Stocks, etc.**

The JSDA is engaged in necessary system reforms to make the system for transactions of listed stocks outside the financial instruments market of an exchange more fair and efficient and to ensure investor protection.

## **8. System Reforms for the “Green Sheet” and Trading Mechanism of Unlisted Securities**

The JSDA is engaged in necessary system reforms to promote efficient fund-raising by unlisted companies and smooth circulation of unlisted securities as well as to ensure investor protection.

## **9. Execution of Operation as Authorized Personal Information Protection Association**

As an Authorized Association for Protection of Personal Information under the “Law concerning Protection of Personal Information”, the JSDA takes measures to ensure the proper treatment of personal information by Association Members.

# **II. Activities as Trade Association**

## **1. Research and Study, and Representations on the Financial Instruments Market**

To build a financial instruments market capable of gaining the highest confidence of investors and to contribute to Japan’s economic growth and development, the JSDA is carrying out research projects and studies about system and taxation issues on financial instruments businesses and markets, and presenting proposals to the government and other related parties toward the realization of the results of those investigations. One of the main issues that the JSDA is advocating is more desirable taxation systems for financial and securities transactions.

## **2. Establishment of a Common Infrastructure for the Securities Market**

To improve investor confidence in and vitalize the securities market, the JSDA is engaged in the establishment of common infrastructure such as systems in the securities market.

## **3. Publication of Statistical Data, etc. regarding Equity and Bond Markets**

### **(1) Collection and Publication of Statistical Data about the Equity and Bond Markets**

The JSDA collects and compiles various information concerning equity markets and bond markets such as “Situation of the Equity Finance by Nationwide Public Companies” and “OTC Turnover per Type of Bonds”, and provides useful material, etc., for investors and Association Members.

### **(2) Publication of “Reference Prices (Yields) for OTC Bond Transactions” etc.**

To provide a reference for investors and Association Members, the JSDA publishes, through its homepage, “OTC Trading Reference Statistical Data” for about 5,600 public and corporate bonds and “Information on OTC Price Quotations” for about 50 corporate bonds targeting individual investors every business day.



#### **4. Reform and Expansion of the "Green Sheet"**

To promote efficient fund-raising by unlisted companies and smooth circulation of unlisted securities, the JSDA is engaged in the reform and expansion of the "Green Sheet".

(1) Management of Green Sheet Issues

The JSDA specifies securities as Green Sheet issues and revokes the designation.

(2) Dissemination of Green Sheet Information

The JSDA publishes information about issuers on the Green Sheet, quotations and transactions, and other information with regard to the Green Sheet system through the Internet or other channels.

#### **5. Publication of Price Quotation, etc., regarding Off-Exchange Transactions**

The JSDA compiles data reported by Association Members on transactions outside financial instruments market of an exchange and announces them over the Internet. Moreover, the JSDA provides Association Members and investors with useful information by publishing real time information concerning quotations and concluded contracts, etc., on proprietary trading systems (PTSs) for listed stocks, etc. through the Internet, and by publishing statistical information on PTSs through the Internet.

#### **6. Dissemination of Knowledge, Promoting Understanding and Public Awareness of Financial Instruments, Financial Indices, and Financial Instruments Markets**

The JSDA promotes the dissemination of knowledge, understanding, and public awareness of financial instruments and financial indices as well as financial instruments markets within each class of Japanese.

(1) Dissemination of knowledge and promoting understanding through school education system

The JSDA produces and disseminates experience-type learning materials and provides a stock market game that enables students to learn practical economics through the mock buying and selling of stocks. The JSDA also appeals to various related parties to strengthen their approach to securities and investment education as a part of consumer education programs for financial fields.

(2) Dissemination of knowledge and promoting understanding among general public

The JSDA works actively to expand the individual investors' base by planning and holding commemorative events for Securities Investment Day (October 4) nationwide as well as seminars across Japan on securities investment etc.

(3) Public Relations

The JSDA works on raising public awareness of revisions or introductions of systems that are crucial for investors and financial instruments firms, and on conducting public relations activities to cope appropriately with the important challenges that the securities industry is facing.

#### **7. Liaison and Mediation among Concerned Organizations**

The JSDA promotes various policy measures by maintaining good liaison between Association Members and other related organizations and mediating various opinions.

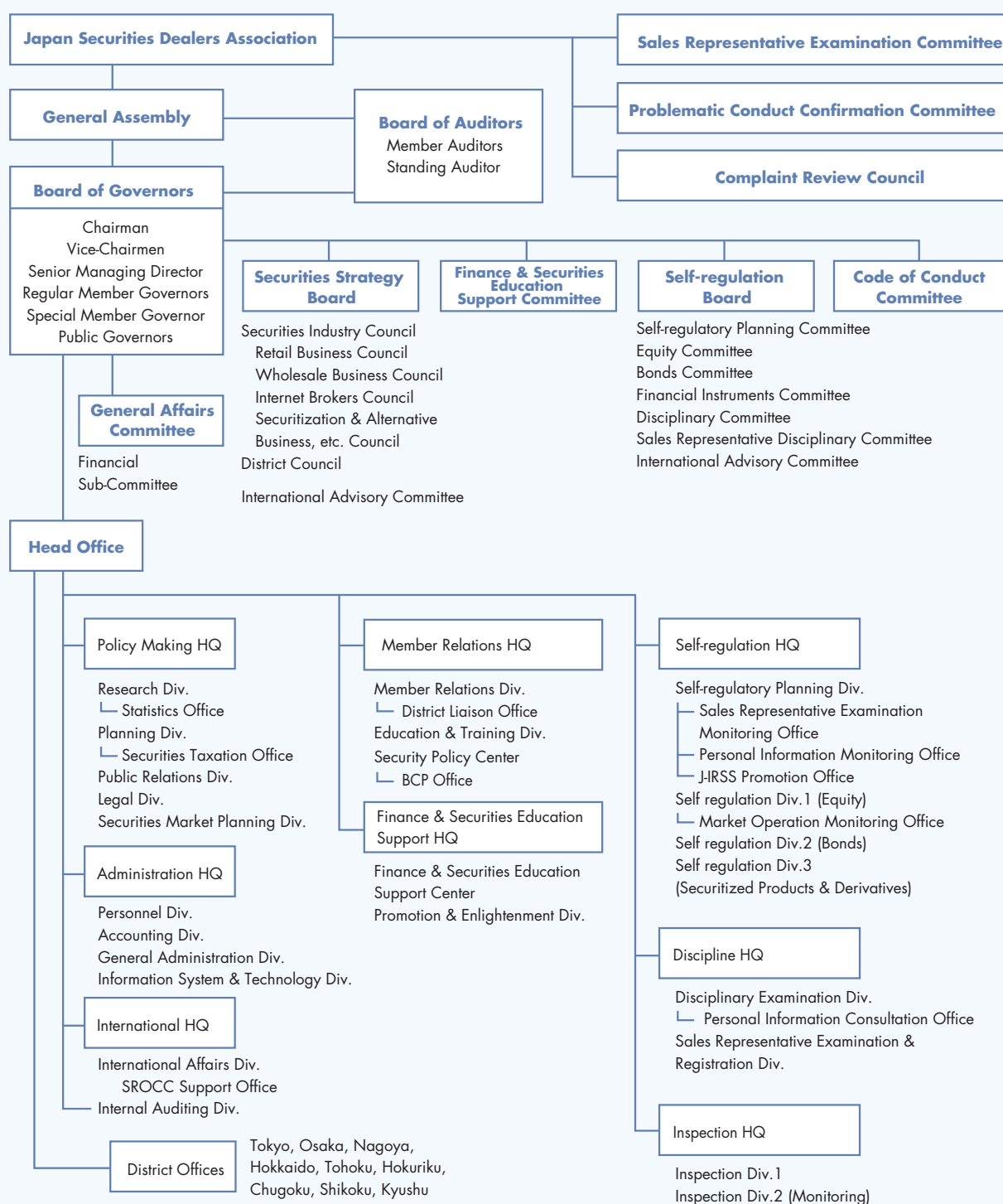
#### **8. Implementation of Education and Training**

To improve the proficiency of officers and employees of Association Members, the JSDA executes various educational training programs including statutory training and supports the dispatch of lecturers to in-house training courses held by Association Members.

### III. International Business and Exchange

To cope with the globalization of financial and capital markets, the JSDA participates in international conferences such as the International Council of Securities Associations (ICSA), the Asia Securities Forum (ASF), and the International Organization of Securities Commissions (IOSCO), and also conducts exchanges of information and builds relationships with overseas securities industry related associations etc. In addition, the JSDA promotes the Japanese market abroad, responds to overseas inquiries and collects relevant information.

### Organization Chart



As of July 1st, 2011

## ■ Officers (As of July 1, 2011)

### Chairman

Tetsuo Mae

### Public Governors

Noriaki Shimazaki

Sumitomo Corporation

Masaharu Hino

Lawyer

Toshihiko Fukui

Former Governor of the Bank of Japan

Kumi Fujisawa

SophiaBank

### Vice-Chairman and Member Governors

Nobuyuki Koga

Nomura Securities Co., Ltd.

Shigeharu Suzuki

Daiwa Securities Co. Ltd.

### Member Governor

Tetsuo Kato

Okasan Securities Group Inc.

### Special Member Governor

Katsunori Nagayasu

Bank of Tokyo-Mitsubishi UFJ, Ltd.

### Vice-Chairman

Kiichiro Masui

### Vice-Chairman & Senior Managing Director

Yoshio Okubo

### Senior Executive Director

Yoji Kanie

### Executive Director

Hidemi Ijichi

Koichi Hirata

Masahiko Koyanagi

Toshihiko Sasaki

### Member Auditors

Toru Okada

Hirogin Utsumiya Securities Co., Ltd.

Hiroyuki Kikuchi

Kyokuto Securities Co., Ltd.

### Standing Auditor

Kazunori Yoshioka

## ■ Organization Structure

### 1. Central Bodies

JSDA has the following central bodies for decision-making and so on.

#### General Assembly:

Supreme body for decision-making

#### Board of Governors:

Body to make an arbitrary decision on items related to the JSDA's overall association management and to assume a responsibility for supervision

#### Self-regulation Board:

Body entrusted by the Board of Governors with decision-making for self-regulatory business

#### Securities Strategy Board:

Body entrusted by the Board of Governors with decision-making for business strategy related to vitalizing securities market

#### General Affairs Committee:

Body entrusted by the Board of Governors which deliberates overall matters about operating the JSDA

#### Finance & Securities Education Support Committee:

Body entrusted by the Board of Governors which deliberates the basic policy and action plan regarding the JSDA's activities promoting the dissemination of the financial and securities knowledge among the public

#### Code of Conduct Committee:

Body entrusted by the Board of Governors which deliberates the code of conduct for the Association Members

### 2. District Offices

The JSDA has nine district offices throughout the nation and each district office has a District Council.

### 3. Affiliated Bodies

The JSDA has the Sales Representative Examination Committee, Problematic Conduct Confirmation Committee as well as Complaint Review Council as affiliates.

# List of Members

## List of Regular Members (As of End of July, 2011)

### HOKKAIDO DISTRICT

Joko Securities Co., Ltd.

### TOHOKU DISTRICT

Daihoku Securities Co., Ltd.

Shonai Securities Co., Ltd.

Yamagata Securities Co., Ltd.

### TOKYO DISTRICT

121SECURITIES CO. LTD.

ABN AMRO Clearing Tokyo Co., Ltd.

AIP Securities Co., Ltd.

Aizawa Securities Co., Ltd.

Akakiya Securities Co., Ltd.

Akatsuki Securities, Inc.

Alba Ace Securities Co., Ltd.

AMP Capital Investors KK

Amundi Japan Securities Ltd.

Aozora Securities Co., Ltd.

Ark Securities Co., Ltd.

AXA INVESTMENT MANAGERS JAPAN LTD.

Bansei Securities Co., Ltd.

Barclays Capital Japan Limited

Bill Well Securities Co. Ltd.

BlackRock Japan Co., Ltd.

Bloomberg Tradebook Japan Limited

BNP PARIBAS Securities (Japan) Limited

Bridge Capital Securities Co., Ltd.

Brown Brothers Harriman Securities (Japan) Inc.

Buko Securities Co., Ltd.

C&M Securities Co., Ltd.

CAPF Securities Co., Ltd.

Capital Partners Securities Co., Ltd.

CATALYST Securities Co., Ltd.

Centrade Securities Co., Ltd.

Central Tanshi Securities Co., Ltd.

Chibagin Securities

Chi-X Japan Limited

Citigroup Global Markets Japan Inc.

CMC Markets Japan K.K.

Credit Suisse Securities (Japan) Limited

Daiko Clearing Services Corporation

Daiwa Securities Capital Markets Co.Ltd.

Daiwa Securities Co., Ltd.

Deutsche Securities Inc.

DMM.com SECURITIES Co., Ltd.

Dojimakanto Securities Limited

ECO-PLANNING SECURITIES Co., Ltd.

eWarrant Japan Securities K.K.

FIL Securities K.K.

FinTech Global Securities, Inc.

FXCM Japan Securities Co., Ltd.

GAM Japan Limited

Gartmore Investment Japan Limited

GCM Investments Japan K.K.

GI Capital Securities Limited

GMO CLICK Securities, Inc.

Goldman Sachs Asset Management Co., Ltd.

Goldman Sachs Japan Co., Ltd.

GreensLedge Asia Limited

H.S.Securities Co., Ltd.

HACHIJUNI Securities Co., Ltd.

Hamagin Tokai Tokyo Securities Co., Ltd.

Himawari Securities, Inc.

Hitachi Capital Securities Co., Ltd.

i SECURITIES Co., Ltd.

ICAP Totan Securities Co., Ltd.

icapital, Inc.

Ichiyoshi Securities Co., Ltd.

IG Markets Securities Limited

i-NET Securities Co., Ltd.

ING Mutual Funds Management Company (Japan), Ltd.

Initia Star Securities, Inc.

Interactive Brokers, Inc.

INVEST SECURITIES CO., LTD.

IS Securities Co., Ltd.

ITM Securities Co., Ltd.  
 ITOCHU Capital Securities Ltd.  
 Japan Alternative Investment Co., Ltd.  
 Japan Asia Securities Co., Ltd.  
 Japan Bond Trading Co., Ltd.  
 Japan Private Asset Securities Inc.  
 JAPAN SECURITIES AGENTS, LTD.  
 Japan Wealth Management Securities, Inc.  
 JBond Totan Securities Co., Ltd.  
 JPMorgan Asset Management (Japan) Ltd.  
 JPMorgan Securities Japan Co., Ltd.  
 Jyujiya Securities Co., Ltd.  
 kabu.com Securities Co., Ltd.  
 KANETSU FX CO., LTD.  
 Kaneyama Securities Co., Ltd.  
 KAZAKA Securities Co., Ltd.  
 Kokufu Securities Co., Ltd.  
 Kyokuto Securities Co., Ltd.  
 Kyowa Securities Co., Ltd.  
 Leading Securities Co., Ltd.  
 Liquidnet Japan Inc.  
 livestar Securities Co., Ltd.  
 Man Investments Securities Japan, Limited  
 Marudai Securities Co., Ltd.  
 Marufuku Securities Co., Ltd.  
 Marukuni Securities Co., Ltd.  
 Marusan Securities Co., Ltd.  
 Master Securities Inc.  
 Matsui Securities Co., Ltd.  
 Meiwa Securities Co., Ltd.  
 Merrill Lynch Japan Securities Co., Ltd.  
 MF Global FXA Securities, Ltd.  
 MIDORI Securities Co., Ltd.  
 Mirai Securities Co., Ltd.  
 MITA SECURITIES Co., Ltd.  
 Mito Securities Co., Ltd.  
 Mitsubishi Corporation Asset Management Ltd.  
 Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd.  
 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
 Mizuho Global Alternative Investments, Ltd.  
 Mizuho Investors Securities Co., Ltd.  
 Mizuho Securities Co., Ltd.  
 Monex, Inc.  
 Money Partners Co., Ltd.  
 Morgan Stanley MUFG Securities Co., Ltd.  
 Murosei Securities Co., Ltd.  
 Musashi Securities Co., Ltd.  
 Nagano Securities Co., Ltd.  
 Natixis Japan Securities Co., Ltd.  
 Newedge Japan Inc.  
 New-S Securities Co., Ltd.  
 Niigata Securities Co., Ltd.  
 Nissan Century Securities Co., Ltd.  
 Nomura Securities Co., Ltd.  
 Northern Trust Global Investments Japan, K.K.  
 Nozomi Securities Co., Ltd.  
 Okasan Online Securities Co., Ltd.  
 Okasan Securities Co., Ltd.  
 Okinawa Securities Limited  
 One Asia Securities Co., Ltd.  
 ORIX Wholesale Securities Corporation  
 Ouji Securities Co., Ltd.  
 Phillip Securities Japan, Ltd.  
 PineBridge Investments Japan Co., Ltd.  
 Planex Securities Inc.  
 Premiere Securities Co., Ltd.  
 Prestige Asset Management Co., Ltd.  
 Putnam Investments Securities Co., Ltd.  
 PWM Japan Securities Co., Ltd.  
 Rakuten Securities, Inc.  
 Retela Crea Securities Co., Ltd.  
 Sanei Securities Co., Ltd.  
 Sanko Securities Co., Ltd.  
 Sankyo Securities Co., Ltd.  
 Saxo Bank FX Securities K.K.  
 SBI Japannext Co., Ltd.  
 SBI SECURITIES Co., Ltd.  
 Schroder Investment Management (Japan) Limited  
 Securities Japan, Inc.  
 Shin Tokyo City Securities Co., Ltd.  
 Shinkin Securities Co., Ltd.  
 Shinsei Securities Co., Ltd.  
 Shinwa Securities Co., Ltd.  
 SMBC Friend Securities Co., Ltd.  
 SMBC Nikko Securities Inc.  
 Sompo Japan DC Securities Inc.  
 Sony Bank Securities Incorporated  
 SPARX Asset Management Co., Ltd.



SPC Securities Inc.  
 STAR KAWASE SECURITIES CO., LTD.  
 Starts Securities Co., Ltd.  
 State Street Global Advisors (Japan) Co., Ltd.  
 State Street Global Markets Securities Co., Ltd.  
 StormHarbour Japan Ltd.  
 Strategic Investments KK  
 Superfund Securities Japan Co., Ltd.  
 Tama Securities Co., Ltd.  
 The Air's Sea Securities Co., Ltd.  
 The Arts Securities Co., Ltd.  
 The Bank of New York Mellon Securities Company Japan Ltd.  
 The Joyo Securities Co., Ltd.  
 The Miki Securities Co., Ltd.  
 The Nakahara Securities Co., Ltd.  
 The Tachibana Securities Co., Ltd.  
 Tobu Securities Co., Ltd.  
 TOGAKU Securities Co., Ltd.  
 Tokyo Securities Transfer Agent Co., Ltd.  
 Tomioka Securities Co., Ltd.  
 Touchstone Capital Securities Co., Ltd.  
 Tower Securities Co., Ltd.  
 Toyo Securities Co., Ltd.  
 Traders Securities Co., Ltd.  
 Tradition Securities Japan Co., Ltd.  
 UBP Investments Co., Ltd.  
 UBS Global Asset Management (Japan) Ltd.  
 Ueda Yagi Securities Co., Ltd.  
 United World Securities (Japan) K.K.  
 Usuki Securities Co., Ltd.  
 Utsunomiya Securities Co., Ltd.  
 Vanguard Investments Japan, Ltd.  
 Wells Fargo Securities (Japan) Co., Ltd.  
 YAMAGEN Securities Co., Ltd.  
 Yamani Securities Co., Ltd.  
 Yamawa Securities Co., Ltd.  
 Yensai.com Co., Ltd.  
 YUTAKA SHOJI Co., Ltd.

#### **NAGOYA DISTRICT**

Ando Securities Co., Ltd.  
 Daiman Securities Co., Ltd.  
 Daitoku Securities Co., Ltd.  
 Hyakugo Securities Company Limited

Ise Securities Co., Ltd.  
 Kimura Securities Co., Ltd.  
 Kotobuki Securities Co., Ltd.  
 Maruhachi Securities Co., Ltd.  
 Matsusaka Securities Co., Ltd.  
 Nakaizumi Securities Co., Ltd.  
 Nobata Securities Co., Ltd.  
 Okachi Securities Co., Ltd.  
 Sanen Securities Co., Ltd.  
 Shin-Ogaki Securities Co., Ltd.  
 SHIZUGIN TM SECURITIES Co., Ltd.  
 Shizuoka Tokai Securities Co., Ltd.  
 Tahara Securities Co., Ltd.  
 Tokai Tokyo Securities Co., Ltd.  
 Yutaka Securities Co., Ltd.

#### **HOKURIKU DISTRICT**

Imamura Securities Co., Ltd.  
 Isurugi Securities Co., Ltd.  
 Masumo Securities Co., Ltd.  
 Mitsui Securities Co., Ltd.  
 Sakamoto Hokuriku Securities Co., Ltd.  
 Shimadai Securities Co., Ltd.  
 Shinbayashi Securities Co., Ltd.  
 Takematsu Securities Co., Ltd.  
 Tomi Securities Co., Ltd.  
 Zukawa Securities Co., Ltd.

#### **OSAKA DISTRICT**

ACE SECURITIES CO., LTD.  
 Aioi Securities Co., Ltd.  
 Angel Securities Co., Ltd.  
 Banyo Securities Co., Ltd.  
 Cosmo Securities Co., Ltd.  
 Eiwa Securities Co., Ltd.  
 Hibiki Securities Inc.  
 Hikari Securities Co., Ltd.  
 Hinode Securities Co., Ltd.  
 Hirota Securities Co., Ltd.  
 Iwai Securities Co., Ltd.  
 Kanzaki Securities Co., Ltd.  
 Maruchika Securities Co., Ltd.  
 Miyako Securities Co., Ltd.  
 Naito Securities Co., Ltd.

Nara Securities Co., Ltd.  
 Nishimura Securities Co., Ltd.  
 Nishiwaki Securities Co., Ltd.  
 Okayasu Securities Co., Ltd.  
 Phoenix Securities Co., Ltd.  
 Pregian Securities Co., Ltd.  
 Rokuwa Securities Co., Ltd.  
 Sasayama Securities Co., Ltd.  
 Takagi Securities Co., Ltd.  
 The Kosei Securities Co., Ltd.

#### **CHUGOKU DISTRICT**

Chugin Securities Co., Ltd.  
 Daisen Hinomaru Securities Co., Ltd.  
 Hirogin Utsumiya Securities Co., Ltd.  
 Kitada Securities Co., Ltd.  
 Utsumiya Securities Co., Ltd.  
 Yahata Securities Co., Ltd.  
 YM Securities Co., Ltd.

#### **SHIKOKU DISTRICT**

Awa Securities Co., Ltd.  
 Ehime Securities Co., Ltd.  
 Futanami Securities Co., Ltd.  
 Kagawa Securities Co., Ltd.  
 Mitoyo Securities Co., Ltd.  
 Tokushima-Godo Securities Co., Ltd.

#### **KYUSHU DISTRICT**

Daikumamoto Securities Co., Ltd.  
 Iizukanakagawa Securities Co., Ltd.  
 Maeda Securities Co., Ltd.  
 Nishi-Nippon City Tokai Tokyo Securities Co., Ltd.

#### **FOREIGN SECURITIES COMPANIES**

Alliance Bernstein Investments, Inc., Tokyo Branch  
 BGC Shoken Kaisha Limited  
 CIBC World Markets (Japan) Inc.  
 Credi Agricole Securities Asia B.V.  
 FTN Financial Asia Limited.  
 GFI Securities Limited  
 HSBC Securities (Japan) Limited  
 HYUNDAI SECURITIES CO., LTD.  
 Instinet Japan Limited  
 Itaú Asia Securities Ltd.  
 Jefferies (Japan) Limited  
 Macquarie Capital Securities (Japan) Limited.  
 Ramius Japan Ltd  
 RBC Capital Markets (Japan) Limited  
 RBS Securities Japan Limited  
 SAMSUNG SECURITIES Co., Ltd. Tokyo Branch  
 Societe Generale Securities (North Pacific) Ltd.  
 Tokio Marine Financial Solutions Ltd.  
 Tradeweb Europe Ltd.  
 Tullett Prebon (Europe) Limited  
 UBS Securities Japan Ltd.

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Notes: Three regular members who have been deemed to be Financial Instruments Business Operators, etc. for the purpose of completing customer transactions under Article 56(1) of Financial Instruments and Exchange Act are not included in the member list.

## ■ List of Special Members (As of End of July, 2011)

### City Banks

Mizuho Bank, Ltd.  
Mizuho Corporate Bank, Ltd.  
Resona Bank, Limited  
Saitama Resona Bank, Limited  
Sumitomo Mitsui Banking Corporation  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

### Trust Banks

Chuo Mitsui Asset Trust and Banking Company, Limited  
Japan Trustee Services Bank, Ltd.  
Mitsubishi UFJ Trust and Banking Corporation  
Mizuho Trust & Banking Co., Ltd.  
ORIX Trust and Banking Corporation  
Shinkin Trust Bank, Ltd.  
Shinsei Trust & Banking, Ltd.  
State Street Trust and Banking Company, Limited  
The Chuo Mitsui Trust and Banking Company, Limited  
The Master Trust Bank of Japan, Ltd.  
The Nomura Trust and Banking Co., Ltd.  
The Norinchukin Trust & Banking Co., Ltd.  
The Sumitomo Trust and Banking Company, Limited  
Trust & Custody Services Bank, Ltd

### Regional Banks

Bank of The Ryukyus, Limited  
Suruga Bank Ltd.  
The 77 Bank, Ltd.  
THE AKITA BANK, LTD.  
The Aomori Bank, Ltd.  
The Ashikaga Bank, Ltd.  
The Awa Bank, Ltd.  
THE BANK OF FUKUOKA, LTD.  
The Bank of Iwate, Ltd.  
The Bank of Kyoto, Ltd.  
The Bank of Okinawa, Ltd.  
THE BANK OF SAGA LTD.  
The Bank of Yokohama, Ltd.  
The Chiba Bank, Ltd.  
The Chiba Kogyo Bank, Ltd.  
The Chikuho Bank, Ltd.  
The Chugoku Bank, Limited

The Daishi Bank, Ltd.  
The Eighteenth Bank, Limited  
The Fukui Bank, Ltd.  
The Gunma Bank, Ltd.  
The Hachijuni Bank, Ltd.  
The Higo Bank, Ltd.  
The Hiroshima Bank, Ltd.  
The Hokkaido Bank, Ltd.  
The Hokkoku Bank, Ltd.  
The Hokuetsu Bank, Ltd.  
The Hokuriku Bank, Ltd.  
The Hokuto Bank, Ltd.  
The Hyakugo Bank, Ltd.  
The Hyakujushi Bank, Ltd.  
The Iyo Bank, Ltd.  
The Joyo Bank, Ltd.  
The Juroku Bank, Ltd.  
THE KAGOSHIMA BANK, LTD.  
The Kinki Osaka Bank, Ltd.  
The Kiyo Bank, Ltd.  
THE MICHINOKU BANK, LTD.  
The Mie Bank, Ltd.  
The Miyazaki Bank, Ltd.  
The Musashino Bank, Ltd.  
The Nanto Bank, Ltd.  
THE NISHI-NIPPON CITY BANK, LTD.  
The Ogaki Kyoritsu Bank, Ltd.  
THE OITA BANK, LTD.  
The San-in Godo Bank, Ltd.  
The Senshu Ikeda Bank, Ltd.  
THE SHIGA BANK, LTD.  
The Shikoku Bank, Ltd.  
THE SHIMIZU BANK, LTD.  
THE SHINWABANK, LTD.  
THE SHIZUOKA BANK, LTD.  
THE SHONAI BANK, LTD.  
The Tajima Bank, Ltd.  
The Toho Bank, Ltd.  
THE TOHOKU BANK, LTD.  
The Tokyo Tomin Bank, Limited  
THE TOTTORI BANK, LTD  
THE TOYAMA BANK LTD.

The Yamagata Bank, Ltd.  
The Yamaguchi Bank, Ltd.  
The Yamanashi Chuo Bank, Ltd.  
Tsukuba Bank, Ltd.

## Regional Banks II

Kansai Urban Banking Corporation  
Kirayaka Bank, Ltd.  
Momiji Bank, Ltd.  
North Pacific Bank, Ltd.  
The Aichi Bank, Ltd.  
THE BANK OF KOCHI, LTD.  
The Bank of Nagasaki, Ltd.  
The Bank of Nagoya, Ltd.  
The Chukyo Bank, Limited  
The Daisan Bank, Ltd.  
THE DAITO BANK, LTD.  
The Ehime Bank, Ltd.  
THE FAIRST OF TOYAMA, LTD.  
THE FUKUHO BANK, LTD.  
THE FUKUOKA CHUO BANK, LTD.  
THE FUKUSHIMA BANK, LTD.  
The Gifu Bank, Ltd.  
The Higashi-Nippon Bank, Limited  
THE HOWA BANK, LTD.  
THE KAGAWA BANK, LTD.  
THE KANAGAWA BANK, LTD.  
The Keiyo Bank, Ltd.  
The Kita-Nippon Bank, Ltd.  
The Kumamoto Family Bank, Ltd.  
The Minami-Nippon Bank, Ltd.  
THE MINATO BANK, LTD.  
The Miyazaki Taiyo Bank, Ltd.  
THE NAGANOBANK, LTD.  
THE OKINAWA KAIHO BANK. LTD.  
THE SAGA KYOEI BANK, LTD.  
THE SAIKYO BANK, LTD.  
THE SENDAI BANK, LTD.  
THE SHIMANE BANK, LTD.  
THE SHIZUOKACHUO BANK, LTD.  
THE TAIKO BANK, LTD.  
THE TAISHO BANK, LTD.  
THE TOCHIGI BANK, LTD.  
THE TOKUSHIMA BANK, LTD.

The Tokyo Star Bank, Limited  
THE TOWA BANK, LTD.  
The Yachiyo Bank, Limited  
TOMATO BANK, LTD.

## Shinkin Banks

Fukuoka Hibiki Shinkin Bank  
Hiroshima Shinkin Bank  
Nara Shinkin Bank  
Nisshin Shinkin Bank  
Okayama Shinkin Bank  
Shimada Shinkin Bank  
The Amagasaki Shinkin Bank  
The Asahi Shinkin Bank  
The Banshu Shinkin Bank  
The Gifu Shinkin Bank  
The Hekikai Shinkin Bank  
The Himeji Shinkin Bank  
The Johnan Shinkin Bank  
THE JOHOKU SHINKIN BANK  
The Kanazawa Shinkin Bank  
THE KAWASAKI SHINKIN BANK  
THE KYOTO CHUO SHINKIN BANK  
THE KYOTO SHINKIN BANK  
The Miura-Fujisawa Shinkin Bank  
THE NAGANO SHINKIN BANK  
The Okazaki Shinkin Bank  
THE OME SHINKIN BANK  
The Osaka City Shinkin Bank  
The Osaka Higashi Shinkin Bank  
THE SAITAMAKEN SHINKIN BANK  
The Sawayaka Shinkin Bank  
THE SEIBU SHINKIN BANK  
The Seishin Shinkin Bank  
The Seto Shinkin Bank  
The Shizuoka Shinkin Bank  
The Shonan Shinkin Bank  
The Sugamo Shinkin Bank  
The Tama Shinkin Bank  
THE TOKYO HIGASHI SHINKIN BANK  
The Tono Shinkin Bank  
The Yokohama Shinkin Bank  
TOKYO CITY SHINKIN BANK  
Toyota Shinkin Bank

Yamato Shinkin Bank

### **Credit Cooperatives**

DAI-ICHI KANGYO CREDIT COOPERATIVE

kinki sangyou Credit Union

Nagano-Ken Credit Cooperative

### **Foreign Banks**

Australia and New Zealand Banking Group Limited

Bank of America, National Association

Barclays Bank PLC

BNP PARIBAS S.A.

Credit Agricole Corporate and Investment Bank

Deutsche Bank Aktiengesellschaft

Hongkong and Shanghai Banking Corporation Limited

ING Bank N.V.

JPMorgan Chase Bank, N.A.

Royal Bank of Canada, Tokyo Branch.

Standard Chartered Bank

The Royal Bank of Scotland plc.

UBS AG

UniCredit Bank AG

### **Other Banks**

ÆON BANK, LTD.

Aozora Bank, Ltd.

Citibank Japan, Ltd.

Japan Post Bank Co., Ltd.

Rakuten Bank, Ltd.

SBI Sumishin Net Bank, Ltd.

Seven Bank, Ltd.

Shinsei Bank, Limited

Sony Bank Incorporated

The Japan Net Bank, Limited

### **Life Insurers**

American Life Insurance Company

Asahi Mutual Life Insurance Co.

Daido Life Insurance Co.

Fukoku Mutual Life Insurance Co.

Hartford Life Insurance K.K.

ING Life Insurance Company, Ltd.

Meiji Yasuda Life Insurance Company

Mitsui Life Insurance Company Limited

NIPPON LIFE INSURANCE COMPANY

Sony Life Insurance Co., Ltd.

Sumitomo Life Insurance Co.

THE DAI-ICHI LIFE INSURANCE COMPANY, LIMITED

### **Non-life Insurers**

Aioi Nissay Dowa Insurance Co., Ltd.

Mitsui Sumitomo Insurance Co., Ltd.

NIPPONKOA Insurance Co., Ltd.

Sompo Japan Insurance Inc.

Tokio Marine & Nichido Fire Insurance Co., Ltd.

### **Money Market Dealers**

Central Tanshi FX Co., Ltd.

The Tokyo Tanshi Co., Ltd.

Ueda Yagi Tanshi Co., Ltd.

### **Securities Finance Companies**

Chubu Securities Finance Co., Ltd.

Japan Securities Finance Co., Ltd.

Osaka Securities Finance Co., Ltd.

### **Government-related Financials, etc.**

Development Bank of Japan Inc.

Shinkin Central Bank

The Norinchukin Bank

The Shoko Chukin Bank, Ltd.



## JSDA on the Internet

### **JSDA**

<http://www.jsda.or.jp/>

### **JSDA (English website)**

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

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