



JSDA

Annual Report 2012

Japan Securities Dealers Association

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Preamble



Dear Readers,

While four years have passed since the outbreak of the financial crisis, the world economy remains fragile, growth prospects are still bleak, and downside risks continue to be elevated. IMF World Economic Outlook predicts that global growth will drop from about 4 percent in 2011 to about 3½ percent in 2012. Along with bringing about such prolonged economic downturn and serious market turmoil, the financial crisis also offered us opportunities to review such issues as the roles of the capital market, the relationship between the real economy and financial markets, market integrity and investor protection. Reflecting the lessons learned from the crisis, regulatory reform in the global financial market has made progress, moving on from the policies- and standard-setting stage to the implementation phase.

Japan, as well as Asia as a whole, was less affected by the crisis but faces many challenges. Last year this country was hit by an earthquake and tsunami disaster of unprecedented scale and reconstruction

efforts are still going on. In the longer term, we have to tackle prolonged economic doldrums, rapid aging of our population, and outsourcing of production by industry, all of which are inter-related with each other. Amid these difficulties and challenges, the roles of the capital market are being reviewed for the purpose of underpinning growth of the real economy through efficient allocation of limited resources.

In light of these global and domestic conditions, the Japan Securities Dealers Association (JSDA) established the Study Group on New Progress of Securities Market and conducted a survey of a wide range of securities market users. Based on the survey, the Study Group issued policy recommendations for building markets that enhance investor confidence and contribute to investors' needs under the changing social structure brought about by the aging of society.

Guided by the policy recommendations of the Study Group, the JSDA tackled and implemented a number of initiatives during FY 2011 (April 2011 to March 2012). These include such measures as strengthening capital market functions for post-disaster economic recovery, deliberating the securities taxation system with a view to social structure transformations, preventing fraud related to unlisted stocks and other securities, and preventing insider trading and unfair trading practices. Each of these measures is outlined later in this report.

Along with these efforts to further enhance market fairness and efficiency, the JSDA endeavors to promote better understanding of Japan and its capital market. During FY 2011, we produced a video to help overseas audiences, including investors, market participants, regulators, academic experts and media people, to better recognize the attractiveness and potentials of this country and its capital market. The video can be viewed at JSDA's website:

<http://www.jsda.or.jp/en/newsroom/others/globalmovie.html>

As portrayed in the video, the Japanese capital market embraces deep liquidity and diversity. The huge pool of financial assets held by Japanese individuals is seeking tools and opportunities for investment, providing financial and securities industries with various business opportunities. In this well-functioning capital market with sufficient depth, many leading enterprises equipped with cutting-edge technologies and strong international competitiveness exist as fund-raisers, providing attractive investment opportunities for and cultivating long-term relationship with investors. In addition, Japanese markets have geographic proximity to and close linkage with growing Asia, which means that Japan and its businesses are positioned to be a big part of Asia's growth for the foreseeable future. I believe that Japan can be a

"Touch Point for Global Growth," building on its stable social platform and advanced technologies.

With these developments as background, the report provides readers with updated information about JSDA's activities and future strategies to further enhance the integrity and efficiency of the Japanese capital market. I hope this report will be a useful tool for readers to better understand our market.

Tetsuo Mae
Chairman

Japan Securities Dealers Association



Creating Sound and Active Markets

Strengthening Capital Market Functions for Post-Disaster Economic Recovery

Based on the proposals and recommendations concerning economic recovery from the Great East Japan Earthquake presented by related bodies from various sectors, the JSDA held hearings and exchanged opinions with its members for the purpose of uncovering issues that Japan's financial and capital markets sector should tackle.

Moreover, the JSDA submitted requests to Japan's ruling and opposition parties and related government bodies concerning infusing private sector risk money into the disaster-struck regional economy to enable post-disaster recovery to proceed smoothly and promptly. One of those requests was for the government to establish special tax treatment for contribution in physical assets to

corporations, associations, and other private sector entities for the purpose of post-disaster recovery operations. The special treatment would enable these bodies to reschedule taxes on book values of those physical assets.

Deliberating the Securities Taxation System with a View to Social Structure Transformations in Japan

In September 2011, the JSDA established the Council on Securities Taxation Systems, etc. with a View to Social Structure Transformations in Japan. Comprising member firm representatives as well as prominent people and academic experts, the council considered the establishment of a new securities taxation system, appropriate for Japan's society with its low birthrate and aging population. The council discussed various methods of providing



proper support for asset formation by Japanese citizens through small investments and establishing a system that will make Japanese society more prosperous and vigorous. Strategy discussed included further enhancing and expanding private pension plans including company pensions that can become self-help tools for retirement savings, and also establishing a preferential tax system for education funds.

Medium- to Long-Term Study and Response to Upgrading JGB Settlement System

The Working Group on Shortening of JGB Settlement Cycle deliberated various issues taking into account the date for conversion to T+2 settlement (T+1 for GC Repos) for outright JGB transactions being set as April 23, 2012 (contract basis). To contribute to the solid establishment of new market practices arising from the shortening of the JGB settlement cycle, the WG discussed partial revisions of the Japanese Government Securities Guidelines for Real Time Gross Settlement, formulated Guidelines for Practical Implementation of Bilateral Netting Verification, and considered in detail practical measures for market participants.

The WG also proceeded with various preparations for the smooth transition into T+2 settlement (T+1 for GC Repos). At the same time, it listed up and considered issues regarding the realization of T+1 settlement (T+0 for GC Repos). The WG issued its final report in November 2011.



Enhancing International Awareness of the Potential of Japan's Markets

A promotion video for Japan's markets has been produced for overseas use. Its purpose is to publicize the possibilities and attractions of Japan and its capital markets to overseas investors and overseas market-related institutions and individuals. The video was first shown at a dinner reception on the evening before an international conference "Asian Market Integration and Financial Innovation" jointly hosted by Japan's Financial Services Agency (FSA), the Tokyo Stock Exchange Group, Inc., and the JSDA. It is also available for viewing on the JSDA's website and has been sent to related bodies overseas and others, playing a useful role in raising awareness of the potential of Japan's markets.

Major Self-Regulatory Operations

Preventing Insider Trading and Unfair Trading Practices with Public Offering Capital Increases

In August 2011, the JSDA notified member firms about establishing a thorough management system for corporate-related information before making a capital increase through a public offering. In addition, in November 2011, to ensure the securities firms comply with partial revisions of the FIEA Enforcement Order which ban acquisition of new shares by those who sell short during the period between the public offering announcement and the issue price decision. The JSDA requests issuers to include contents on the short sale regulations in their prospectuses through members underwriting the public offerings, and encourages the members to explain these regulations to their customers under the revised JSDA Regulations Concerning Underwriting, etc. of Securities, which were enforced in December 2011.



In collaboration with stock exchanges, JSDA promoted the registration of listed companies on the Japan-Insider Registration & Identification Support System (J-IRISS). To persuade listed companies to register, the JSDA sent registration request letters to listed companies not yet registered on J-IRISS and visited individual companies. As a result, the number of J-IRISS registered companies at March 31, 2012 increased to 2,193 companies, or 61.48% of all listed companies. This figure compares with 1,827 companies, or 50.55% of all listed companies at June 30, 2011. The JSDA will continue to implement measures to promote registration on J-IRISS to achieve registration by all listed companies.

Promoting self-regulation rules regarding investment solicitation and advertising from the perspective of investors

The JSDA required members to include additional content in their prospectuses on the special characteristics and risks as well as income payments of investment trusts. It also requested members to be ready to explain the content to customers. The JSDA took these measures from the perspective of further enhancing product explanations of monthly distribution type and currency option type investment trusts at the point of sale or solicitation of purchase.

From the point of view of ensuring legal compliance by members advertising in newspapers, etc., the JSDA daily checked the media for advertising by members and provided individual guidance on it. Considering members' advertising practices since the enforcement of the FIEA, the JSDA revised its Advertising, etc. Guidance and produced a Q&A on Affiliate Advertising in March 2012.

In a related area, in October 2011 the JSDA established a Study Group on Easy-to-Understand Written Documents and Explanations as a consultative body to the Chairman. The study group

deliberated written documents and explanations given to customers before signing a contract with a view to improving the ease of understanding for customers planning to make a transaction.

Measures to ensure the fairness of markets and further strengthen market functions

In May 2011, the Law on Partial Revisions of the Financial Instruments and Exchange Act to Strengthen the Base of Capital Markets and Financial Businesses established a disclosure system for rights offerings (capital increases through the issue of free share subscription rights). Based on this disclosure system, the JSDA made partial revisions of its Regulations Concerning Underwriting Securities etc. and Regulations Regarding the Unification of Accounting Standard for Securities-Related Business. The partial revisions were enforced in April 2012.

Based on the deliberations of the Working Group on Securitized Products, the JSDA decided to improve the convenience of the standard information reporting package (SIRP) for investors. The action was part of JSDA's measures to improve market practices to allow investors to properly evaluate the risks of securitized products. In March 2012, the JSDA partially revised the SIRP, and the partial revisions were enforced in April 2012.

In other areas, the JSDA examined the measures to revitalize Japan's corporate bond market set out in the June 2010 report produced by the Study Group to Vitalize the Corporate Bond Market. Moreover, in June 2011, the Council on Recovering Investor Confidence in and Vitalizing Startup Markets etc. produced and announced a process chart for recovering investor confidence in and vitalizing startup markets, etc. The JSDA also established the Study Group on the Green Sheet System in September 2011. The purpose of the study group was to examine the role and status of the green

sheet system based on the process chart produced by the council.

Preventing Fraud Using Unlisted Stocks, Corporate Bonds, and Other Securities

As a measure to prevent investors from becoming victims of investment scams using unlisted stocks, corporate bonds, and other securities, the JSDA carried out activities to enlighten and warn investors about such investment scams. The JSDA included this topic in its events held on Investment Day, its various lectures and seminars for consumers, and its training courses for consumer affairs consultants. Through its call center dedicated to unlisted stock investment scam consultations, the JSDA received inquiries and complaints related to these scams, and kept the government authorities informed of the status and trends of scam cases reported to the center.

In February 2012, the JSDA established an Initiatives Plan to Prevent Unlisted Stock and Other Investment Scams and proceeded with measures to prevent scams. Through its Study Group on Advertising Methods for Developing and Promoting Markets, etc., the JSDA also considered effective public relations (PR) and promotional activities to prevent unlisted stock scams.

Enhancing the Member Inspection Function

In its annual inspections of member firms, the JSDA seeks to protect investors while constantly respecting the voluntary efforts of members to that end. During the period from April 2011 to March 2012, the JSDA carried out inspections of a total of 133 firms, including 80 regular members and 53 special members from the perspective of the establishment of internal control systems and ensuring fair

market practices. The inspections were carried out effectively and efficiently with a particular emphasis on such priority inspection issues as sales of financial products to elderly people.

The main areas of emphasis in the inspection plan for fiscal 2011 were: 1) the internal control system (including risk management), 2) financial product explanation and sales solicitation systems, 3) sales of complex structured debt equivalent to OTC derivatives, 4) segregated custody of customer assets, and 5) sale and purchase (insider trading) monitoring system. Each inspection was conducted by identifying specific inspected items on a case-by-case basis with a view to the nature of and risks involved in the business of each inspected member.

Disciplinary Actions

(Regular member)

In fiscal 2011, one regular member had its membership revoked, one received a fine (with admonition), two regular members were reprimanded (with admonition), and one received admonition.

(Special Member)

One special member was imposed a fine (with admonition).

Disciplinary Actions in Fiscal 2011

Against Member Firms	
Revocation of Membership	1
Suspension of Regular Membership, Fine and Admonition	1
Reprimand and Admonition	2
Admonition	1
Against Sales Representatives of Member Firms	
Revocation of Sales Representative Registration and Treatment as A Perpetrator of Inappropriate Acts	16
Treatment as A Perpetrator of Inappropriate Acts	2
Suspension of Sales Representative Duty & Qualification	58
Suspension of Sales Representative Duty	7
Suspension of Sales Representative Qualification	2
Against Sales Managers of Member Firms	
Suspension of Sales Manager Qualification	6
Against Internal Administrators of Member Firms	
Suspension of Internal Administrator Qualification	1
Against Special Members	
Fine and Admonition	1

Against Sales Representatives of Special Members	
Revocation of Sales Representative Registration and Treatment as a Perpetrator of Inappropriate Acts	2
Treatment as a Perpetrator of Inappropriate Acts	2
Revocation of Sales Representative Registration	1
Suspension of Sales Representative Duty & Qualification	12
Suspension of Sales Representative Duty	1
Suspension of Sales Representative Qualification	3
Against Sales Managers of Special Members	
Suspension of Sales Manager Qualification	4
Against Internal Administrators of Special Members	
Suspension of Internal Administrator Qualification	1
Against Sales Representatives of Financial Instruments Intermediary Service Providers	
Suspension of Sales Representative Duty & Qualification	2
Suspension of Sales Representative Qualification	1

Qualification Examinations

JSDA holds the qualification examinations for Class-1 Sales Representative, Class-2 Sales Representative, and Internal Administrator for employees of regular members involved with securities business operations. Class-1 Examination became open to the public starting from January 2012, in addition to Class-2 Sales Representative which has been open to the public since September 2004.

It also holds the qualification examinations for 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 number of the examinees and successful applicants for each examination in fiscal 2011 is shown in the following table.

Examination	Examinees	Successful Applicants
Class-1 Sales Representative	60,076	25,859
Class-2 Sales Representative	40,010	22,888
Internal Administrator	21,239	18,275
Special Member's Class-1 Sales Representative	13,384	4,480
Special Member's Class-2 Sales Representative	26,785	10,794
Special Member's Class-4 Sales Representative	600	230
Special Member's Internal Administrator	4,297	3,783

Training Courses and Investor Education

Training Courses

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

In fiscal 2011, the JSDA held training courses for executive officers and employees of member firms aimed at building confidence in the securities industry among investors and getting people involved in achieving safe and trustworthy market through efforts in the workplace. Placing an emphasis on improving the sense of ethics required of member firms, the JSDA expanded its venues for corporate ethics lectures and included lectures on ethical topics given by people with securities industry working experience. It also introduced a training curriculum aimed at nurturing salespersons with a sense of professionalism and enhanced and expanded the content of training course for sales representative qualification renewal. Although JSDA refrained from holding such seminars during summer 2011 due to energy saving considerations after the 3.11 earthquake, a total of 5,296 participants attended these courses during the fiscal year.

Moreover, to further heighten awareness of ethics among member firms, the JSDA strengthened its collaboration with the Code of Conduct Committee, a central body of the association. Among other actions, the JSDA included topics in its basic training program for fiscal 2012 based on the fundamental concepts of ethical training determined by the committee.

To contribute to strengthening the compliance system and enhancing internal training in member firms, JSDA compiled and distributed a collection of rulebooks on laws and regulations to be used as reference material in internal training courses. In addition, JSDA provided summaries and



training materials on compliance-related themes from among its training themes for the fiscal year. Moreover, it dispatched or introduced JSDA executive officers and employees to act as lecturers at a total of 36 in-house training sessions of member companies during the fiscal year.

Training Courses in Fiscal 2011

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) Supporting Financial and Securities Education

In July 2011, the Financial & Securities Education Public Relations Committee, an affiliate of the JSDA, was upgraded to a central body and given decision-making and execution authority by the Board of Governors. At the same time, the committee was renamed the Finance & Securities Education Support Committee and now specializes in popularizing and enlightening people about finance and securities education. This change in structure will support finance and securities education by ensuring a more neutral and fair perspective.

Among its activities to promote greater financial literacy, from September to November 2011, the JSDA sponsored a nationwide radio program on the basics of securities investment and also held 9 seminars linked to the radio program throughout Japan. Among other events, the JSDA held tours of financial-related facilities or historical sites and 19 seminars and lectures about special characteristics of various financial districts.

During the fiscal year under review, the JSDA conducted activities to foster better understanding of the importance of financial and economic education at schools among middle and high school teachers and staffs of education-related bodies. It also used the events as opportunities to introduce actual cases where the JSDA has provided information and materials on issues about recent trends in economics and in financial and capital markets to schools. The JSDA held seminars for school principals as well as seminars for teachers during summer holidays and produced "hands on" educational materials in accordance with the revised Education, Science and Technology Ministry curriculum guidelines (Let's Get People to Understand the Mechanisms and Trends of Finance, etc.)

(2) Other Activities

- **Warnings about Unlisted Shares Scams**

Because of the many problems in the market involving unlisted shares, the Self-regulation Department and related bodies collaborated on investor protection measures. They produced leaflets and poster to warn investors about scams involving unlisted stocks and to take preventative measures. These materials were widely distributed to all parties concerned and publicized..

- **Investor Relations (IR) Seminars**

During fiscal 2011, JSDA held a total of 24 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, 8,983 people participated in these seminars.

- **Support for University Student Association**

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 the International Forum**

As a member of the International Forum for Investor Education (IFIE), JSDA participated in its annual conference in Seoul in May 2012 and exchanged views with 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 global standards and to ensure effective surveillance of securities transactions. The IOSCO SRO Consultative Committee (SROCC) was established in 1989 as a forum of IOSCO's affiliate members that have self-regulatory roles and functions. The SROCC has 71 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. From June 2006, Mr. Tatsuo Watanabe

and subsequently Mr. Yoshio Okubo of the JSDA acted as the chairperson of the committee for three consecutive terms (6 years) until the Annual General Meeting (AGM) in May 2012 and the JSDA served as its facilitator, working closely 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. The most recent training seminar took place in November 2011, in Chinese Taipei, co-hosted by the Taiwan Stock Exchange, the Financial Industry Regulatory Authority and the JSDA. The SROCC mid-year meeting was concurrently held there.

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 the ICSA is to contribute to sound development of the international securities market by promoting fair and efficient transaction practices and encouraging mutual understanding. The ICSA membership comprises self-regulatory organizations and trade associations representing major securities markets in the world. As of June 2012, 19 organizations are members of the ICSA.



At the AGM in London in June 2011, the guest speakers and member associations mainly discussed ongoing regulatory reforms to reduce systemic risk and other issues such as dark pool, high frequency trading and shadow banking. In June 2012, ICSA members gathered again at the AGM 2012 in Copenhagen, inviting a number of distinguished guest speakers. At the AGM, focusing on the issues emerging in Europe, intensive discussions took place regarding the implementation of the global financial regulatory reform, the recent technological changes having impacts on the markets, and the growth of the Asian markets.

Asia Securities Forum (ASF)

The Asia Securities Forum (ASF) was established in 1995, based on an initiative by the JSDA. 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.

The ASF has the AGMs hosted by its members on a rotating basis. In September 2011, the JSDA hosted the AGM in Osaka. More than 180 people participated from the Asia-Pacific and neighboring regions as well as Japanese securities industry. On the agenda at the 2011 AGM were market reports from members, lectures by guest speakers, and panel discussions on the following topics: "New Regime of Securities Market Regulation: Roles of Industry Associations," "The Future of Investor Education: To Ensure Investors' Confidence" and "Growing Asia: Its Promising Markets."

(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 region to help them develop their securities markets and build up regulatory frameworks. The seventh ASF Tokyo Round Table was held in February 2012 and attended by 18 participants from 18 jurisdictions. Participants mainly studied the regulatory frameworks and market infrastructure functioning in the Japanese securities market as an example.

ASEAN+3 Bond Market Forum

ASEAN+3 Bond Market Forum was launched in September 2010 as a deliberation unit among governments and market players under the Asian Bond Market Initiative (ABMI) in order to further promote the standardization and harmonization of the Asian bond markets. JSDA actively committed to this activity as a National Member in its Sub-Forum 1 that deals with the harmonization of legal framework. In the fiscal 2011, JSDA participated in the Sub-Forum meetings held in Jeju (June 2011), Bali (September 2011), Beijing (December 2011) and Hong Kong (February 2012).

Participation in deliberation on a Global LEI (Legal Entity Identifier) Initiative

JSDA actively participated in the discussions among trade association groups in the world envisaging the establishment of a global legal entity identifier (LEI). In addition to the private sector discussions, JSDA participated as an industry advisor in the FSB LEI deliberation process and the workshops organized by the FSB in September 2011 and March 2012 in Basel, Switzerland. Since July 2012, the JSDA has participated in FSB LEI Private Sector Preparatory Group (PSPG) to further contribute to the global discussions.

Membership

Association Members are categorized into three groups:

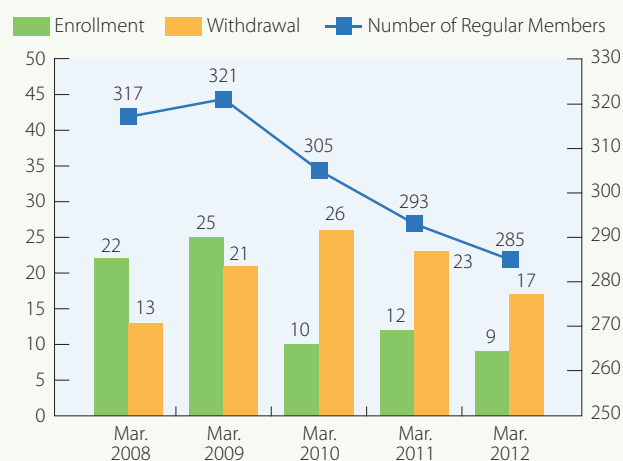
(1) Regular Members (285): Securities firms

While 9 new members enrolled in fiscal 2011, 17 members withdrew as a result of mergers or for other reasons. The breakdown includes 263 domestic securities companies and 22 foreign

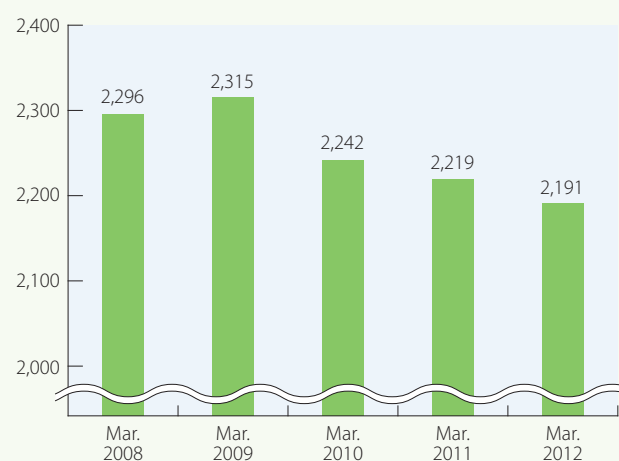
securities companies. Foreign regular members accounted for 7.7% of regular membership.

The total number of employees of JSDA regular members was about 89,000 at the end of December 2011. The number had been declining since 2008. The number of offices of JSDA regular members at the end of March 2011 was 2,191. This figure decreased for the past three years in a row.

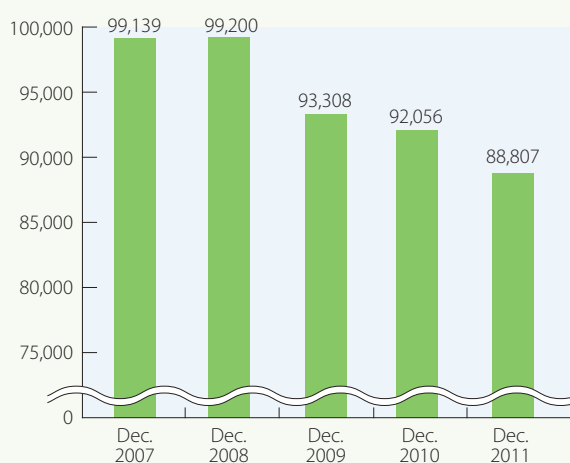
Regular Members



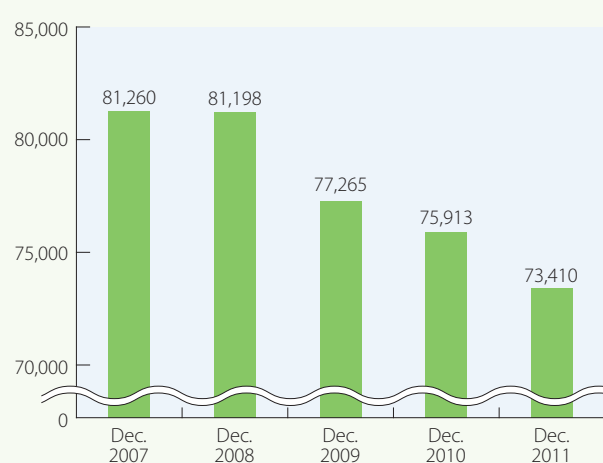
Offices of Regular Members



Employees of Regular Members



Sales Representatives of Regular Members



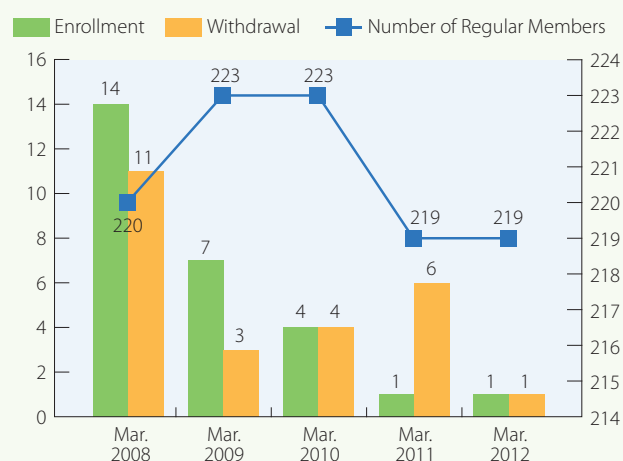
(2) OTC Derivative Transaction Members (0): Firms only conducting specified OTC derivative transactions

(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 2011, 1 financial institution joined the JSDA as a special member, and 1 institution lost its membership.

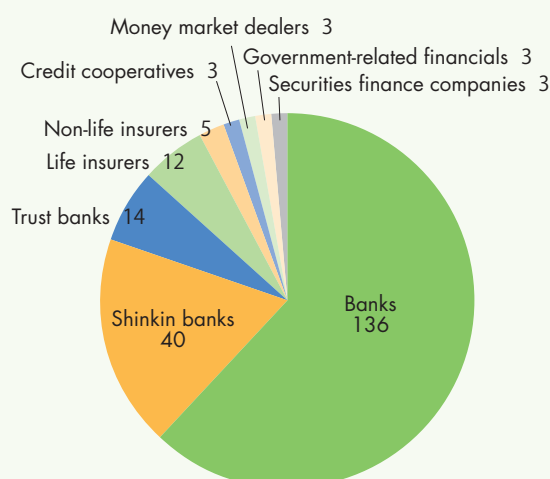
Special Members



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.

Balance Sheet (as of the end of March 2012)

Assets

	Millions of yen	Thousands of U.S.dollars
1 Floating assets:		
Cash & deposits	¥233	\$2,834
Advances	¥1	\$7
Accounts receivable	¥93	\$1,135
Prepayments	¥43	\$517
Stored goods	¥0	¥0
Subtotal	¥369	\$4,494
2 Fixed assets:		
(1) Special assets:		
Accrued retirement benefits assets	¥4,162	\$50,634
Accumulated assets related to securities laws	¥20	\$243
(2) Other fixed assets	¥3,333	\$40,548
Subtotal	¥7,514	\$91,425
TOTAL ASSETS	¥7,884	\$95,918

Liabilities

	Millions of yen	Thousands of U.S.dollars
1 Floating debts:		
Accounts payable	¥333	\$4,047
Deposits received	¥37	\$447
Reserve for bonuses	¥225	\$2,733
Lease Liabilities	¥34	\$414
Subtotal	¥628	\$7,642
2 Fixed debts:		
Accrued retirement benefits for employees	¥3,790	\$46,118
Accrued retirement benefits for executive officers	¥391	\$4,761
Lease liabilities	¥33	\$404
Subtotal	¥4,215	\$51,283
TOTAL LIABILITIES	¥4,843	\$58,924

Net Assets

1 Designated net assets:		
Private subsidy	¥20	\$243
Subtotal	¥20	\$243
2 General net assets	¥3,021	\$36,751
Subtotal	¥3,021	\$36,751
TOTAL NET ASSETS	¥3,041	\$36,994
TOTAL NET ASSETS AND LIABILITIES	¥7,884	\$95,918

* Rate of US\$1=¥82.19 used for conversion

* Each of total and sub-total figures may not match the ones in the relevant row or column because of rounding off.



Revenues and Expenses Statement (Fiscal Apr. 2011 to Mar. 2012)

Revenues

	Millions of yen	Thousands of U.S. dollars
1 Revenues from business activities		
Designated Asset Investment Profit	¥32	\$389
Membership fees		
- Fixed membership fees	¥1,523	\$18,529
- Floating rate membership fees	¥3,600	\$43,802
Business revenues		
- Sales Representative registration fees	¥9	\$104
- Training and education fees	¥23	\$281
- Qualification examination fees	¥554	\$6,743
- Other business revenues	¥27	\$329
Subsidies	¥36	\$438
Other revenues	¥22	\$273
Transferred revenues from other accounts	¥992	\$12,072
- Transferred revenues from Special Members General Account	(¥760)	(\$9,246)
- Transferred revenues from Institute for Securities Education & Public Relations Special Account	(¥36)	(\$443)
- Transferred revenues from Members General Fund Special Account	(¥85)	(\$1,034)
- Transferred revenues from Members Training Fund Special Account	(¥32)	(\$395)
- Transferred revenues from Securities Market Activating Fund Special Account	(¥74)	(\$905)
- Transferred Revenues from Sales Representative Business Unified Special Account	(¥4)	(\$48)
Subtotal	¥6,818	\$82,959
2 Revenues from investment activities		
Revenues from investment activities	¥927	\$11,279
Subtotal	¥927	\$11,279
3 Revenues from financing activities		
Revenues from financing activities	—	—
Subtotal	—	—
Surplus from the previous fiscal year	—	—
TOTAL REVENUES	¥7,745	\$94,238

Expenses

	Millions of yen	Thousands of U.S. dollars
1 Expenses to business activities		
Operating expenses	¥4,503	\$54,786
Administrative expenses	¥1,522	\$18,518
Transferred expenses to other accounts	¥615	\$7,478
- Transferred Expenses to Special Member General Account	(¥92)	(\$1,120)
- Transferred Expenses to Institute for Securities Education & Public Relations Special Account	(¥397)	(\$4,834)
- Transferred Expenses to System Utilization Special Account	(¥1)	(\$8)
- Transferred Expenses to Sales Representative Business Unified Special Account	(¥125)	(\$1,515)
Subtotal	¥6,639	\$80,782
2 Expenses to investment activities		
Expenses to investment activities	¥1,068	\$12,989
Subtotal	¥1,068	\$12,989
3 Expenses to financing activities		
Expenses to financing activities	¥38	\$468
Subtotal	¥38	\$468
4 Other expenses		
Other expenses	—	—
Subtotal	—	—
TOTAL EXPENSES	¥7,745	\$94,238
Surplus / Deficit amount	—	—
Amount carried forward	—	—

* Rate of US\$1=¥82.19 used for conversion

Dispute Resolutions in Fiscal 2011

Requests for Mediation	308
Successful Settlement	156
Failure in Reaching Settlement	144

(Note) The amounts do not match due to cases carried over from fiscal 2010 or issues not concluded within fiscal 2011.

Consultations and Complaints in Fiscal 2011

Consultation	Inquiry or Opinion regarding Securities Transactions	4,359
Complaints	Complaints about Solicitation	692
	Complaints about Transactions	286
	Complaints about Processing	134
	Other Complaints	93

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, '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%
Sep. 30, '11	289	51	17.6%	238	82.4%	2	0.7%	3	1.0%	233	80.6%
Mar. 31, '12	279	60	21.5%	219	78.5%	1	0.4%	3	1.1%	215	77.1%

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	Sep. 30, '11	Mar. 31, '12
Number of Accounts	14,136,269	15,013,134	15,419,010	15,743,521	16,078,857	16,468,789	16,959,034	17,569,423
Increase from Previous Term-end	609,210	876,865	405,876	324,511	335,336	389,932	490,245	610,389

Transaction Value

(Unit: billions of yen)

	Stock Transactions			
	Internet Transactions		Transaction Value (c)	Percentage
	Cash Transactions (a)	Margin Transactions (b)		{(a)+(b)}/(c)
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	266,692.2	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	266,692.2	20.3%
Apr. '11 to Sep. '11	21,380.4	35,259.8	296,596.5	19.1%
Oct. '11 to Mar. '12	20,860.7	35,017.3	276,005.5	20.2%

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.



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 around 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

1940 to 1941	According to the policy of one association for one prefecture, securities dealers associations were established in many local districts.
May 1949	The Japan Securities Dealers Joint Association was established as a federation of securities dealers associations.
May 1968	33 local securities dealers associations were consolidated into 10 associations.
July 1973	The Japan Securities Dealers Joint Association and 10 local securities dealers associations were dissolved and Japan Securities Dealers Association was newly established, consisting of all national securities companies as direct constituent members, with its headquarters in Tokyo and with 10 district offices.
July 1992	The JSDA was reorganized from a corporate juridical person under the Civil Code to an authorized corporation under the Securities and Exchange Law.
April 1994	Financial institutions authorized to undertake securities business joined the JSDA as special members.
April 1995	South Kyushu District Office was consolidated into the Kyushu District Office.
July 1998	The JSDA integrated the Bond Underwriters Association of Japan.
February 2001	The JSDA entrusted the operation of the over-the-counter securities market to a market operation company.
July 2004	The JSDA changed to the new structured organization consisting of three departments: Self-regulation, Securities Strategy, and General Affairs and Administration. The JSDA also merged with the Association of Tokyo Stock Exchange Regular Members.
December 2004	The JSDA closed the over-the-counter securities market and the Jaspac Securities Exchange, Inc. started business.
April 2005	The JSDA integrated the Japan Institute for Securities Information and Public Relations.
September 2007	With the implementation of the FIEA, the JSDA became an Authorized Financial Instruments Firms Association under the Act.
February 2010	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 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.

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 JSDA's 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 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

Under the FIEA, the JSDA provides counseling services relating to customers' complaints concerning the business of Association Members and Financial Instruments Intermediary Service Providers, and also provides mediation services to settle disputes over securities transactions, etc. between Association Members and their customers.

The JSDA currently commissions this business to the specified nonprofit organization, Financial Instruments Mediation Assistance Center (FINMAC).

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 “Act on the 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 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, “Reference Prices (Yields) for OTC Bond Transactions” for about 7,500 public and corporate bonds and “Information on OTC Price Quotations” for about 60 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 PTSs (proprietary trading systems) for listed stocks etc. through the Internet, and by publishing statistical information on PTSs through the Internet.

6. Promoting Knowledge Dissemination on and Understanding and Public Awareness of Securities and Finance

The JSDA promotes knowledge dissemination on and understanding and public awareness of securities and finance. To do so, the JSDA strengthens the development of such activities for the school education and the general public with the fair and independently positioned Securities Education and Public Relation Committee and the implementing arm, the Institute for Securities Education & Public Relations, both acting as driving forces.

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.

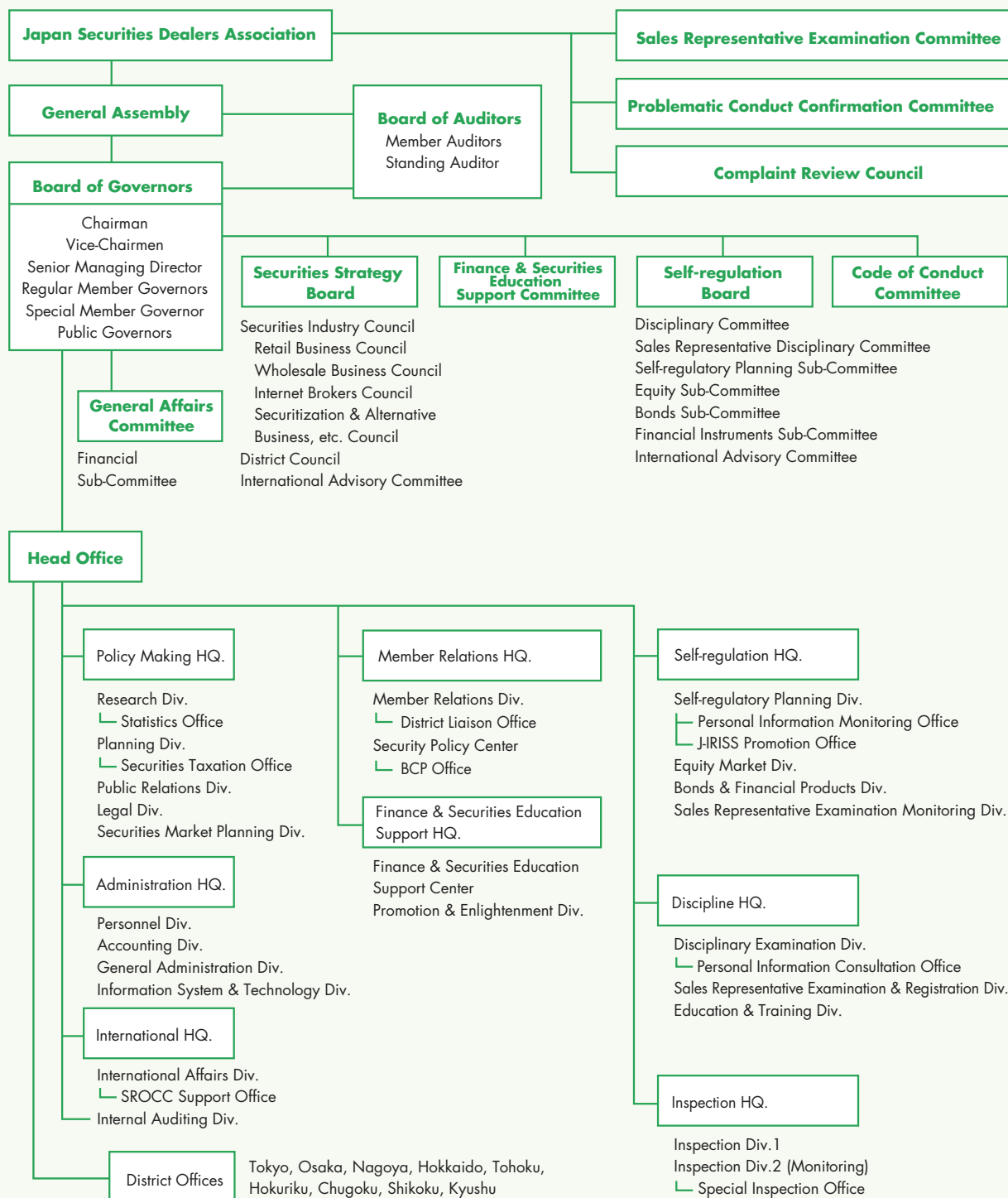
8. Implementation of Education and Training

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 2, 2012

Officers (As of July 2, 2012)

Chairman

Tetsuo Mae

Public Governors

Noriaki Shimazaki

Sumitomo Corporation

Masaharu Hino

Lawyer

Toshihiko Fukui

The Canon Institute for Global Studies

Kumi Fujisawa

Think Tank Sophia Bank

Vice-Chairmen 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

Takashi Tsukamoto

Mizuho Bank, Ltd.

Vice-Chairman

Kiichiro Masui

Vice-Chairman & Senior Managing Director

Yoshio Okubo

Senior Executive Director

Hidemi Ijichi

Executive Director

Koichi Hirata

Masahiko Koyanagi

Toshihiko Sasaki

Executive Officer

Tsuyoshi Murai

Member Auditors

Hiroyuki Kikuchi

Kyokuto Securities Co., Ltd.

Nobuyuki Zukawa

Zukawa Securities Co., Ltd.

Standing Auditor

Yoji Kanie

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 June, 2012)

ABN AMRO Clearing Tokyo Co., Ltd.	Daewoo Securities Co., Ltd.
ACE SECURITIES CO., LTD.	Daihoku Securities Co., Ltd.
Aioi Securities Co., Ltd.	Daiko Clearing Services Corporation
AIP Securities Co., Ltd.	Daikumamoto Securities Co., Ltd.
Aizawa Securities Co., Ltd.	Daiman Securities Co., Ltd.
Akakiya Securities Co., Ltd.	Daisen Hinomaru Securities Co., Ltd.
Akatsuki Securities, Inc.	Daitoku Securities Co., Ltd.
Alba Ace Securities Co., Ltd.	Daiwa Securities Co., Ltd.
Alliance Bernstein Investments, Inc., Tokyo Branch	DBJ Securities, Co. Ltd.
AMP Capital Investors KK	Deutsche Securities Inc.
Amundi Japan Securities Ltd.	DMM.com SECURITIES Co., Ltd.
Ando Securities Co., Ltd.	Ehime Securities Co., Ltd.
Angel Securities Co., Ltd.	Eiwa Securities Co., Ltd.
Aozora Securities Co., Ltd.	eWarrant Japan Securities K.K.
Ark Securities Co., Ltd.	FIL Securities(Japan) K.K.
Awa Securities Co., Ltd.	FinTech Global Securities, Inc.
AXA INVESTMENT MANAGERS JAPAN LTD.	FTN Financial Asia Limited.
Bansei Securities Co., Ltd.	Fukuoka Securities Co., Ltd.
Banyo Securities Co., Ltd.	Futanami Securities Co., Ltd.
Barclays Securities Japan Limited	FXCM Japan Securities Co., Ltd.
BGC Shoken Kaisha Limited	GAM Japan Limited
BlackRock Japan Co., Ltd.	GCM Investments Japan K.K.
Bloomberg Tradebook Japan Limited	GFI Securities Limited
BNP PARIBAS Securities (Japan) Limited	GI Capital Securities Limited
Bridge Capital Securities Co., Ltd.	GK Partners Securities Corp
Brown Brothers Harriman Securities (Japan) Inc.	GMO CLICK Securities, Inc.
Buko Securities Co., Ltd.	Goldman Sachs Asset Management Co., Ltd.
C&M Securities Co., Ltd.	Goldman Sachs Japan Co., Ltd.
Capital Partners Securities Co., Ltd.	GreensLedge Asia Limited
CATALYST Securities Co., Ltd.	Gster Securities Inc.
Centrade Securities Co., Ltd.	H.S.Securities Co., Ltd.
Central Totan Securities Co., Ltd.	HACHIJUNI Securities Co., Ltd.
Chibagin Securities	Hamagin Tokai Tokyo Securities Co., Ltd
Chi-X Japan Limited	Hedfund Securities Co., Ltd.
Chugin Securities Co., Ltd.	Henderson Global Investors (Japan) Limited
CIBC World Markets (Japan) Inc.	Hibiki Securities Inc.
Citigroup Global Markets Japan Inc.	Hikari Securities Co., Ltd.
CMC Markets Japan K.K.	Himawari Securities, Inc.
Crédit Agricole Securities Asia B.V.	Hinode Securities Co., Ltd.
Credit Suisse Securities (Japan) Limited	Hirogin Utsumiya Securities Co., Ltd.

Hirota Securities Co., Ltd.	KOYO SECURITIES CO., LTD.
HSBC Securities (Japan) Limited	Kyokuto Securities Co., Ltd.
Hyakugo Securities Company Limited	Kyowa Securities Co., Ltd.
HYUNDAI SECURITIES CO., LTD.	Leading Securities Co., Ltd.
i SECURITIES Co., Ltd.	Liquidnet Japan Inc.
ICAP Totan Securities Co., Ltd.	livestar Securities Co., Ltd.
Ichiyoshi Securities Co., Ltd.	Macquarie Capital Securities (Japan) Limited.
IG Markets Securities Limited	Man Investments Securities Japan, Limited
Iizukanakagawa Securities Co., Ltd.	Maruchika Securities Co., Ltd.
Imamura Securities Co., Ltd.	Marufuku Securities Co., Ltd.
i-NET Securities Co., Ltd.	Maruhachi Securities Co., Ltd.
ING Mutual Funds Management Company (Japan), Ltd.	Marukuni Securities Co., Ltd.
Initia Star Securities, Inc.	Marusan Securities Co., Ltd.
Instinet Japan Limited	Masumo Securities Co., Ltd.
Interactive Brokers Securities Japan, Inc.	Matsui Securities Co., Ltd.
Intercapital Securities, Inc.	Matsusaka Securities Co., Ltd.
INVEST SECURITIES CO., LTD.	Meiwa Securities Co., Ltd.
IR Japan, Inc.	Merrill Lynch Japan Securities Co., Ltd.
IS Securities Co., Ltd.	MIDORI Securities Co., Ltd.
Isurugi Securities Co., Ltd.	Mirai Securities Co., Ltd.
Itaú Asia Securities Ltd.	MITA SECURITIES Co., Ltd.
ITM Securities Co., Ltd.	Mito Securities Co., Ltd.
ITOCHU Capital Securities Ltd.	Mitoyo Securities Co., Ltd.
IwaiCosmo Securities Co., Ltd.	Mitsubishi Corporation Asset Management Ltd.
Japan Alternative Investment Co., Ltd.	Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd.
Japan Asia Securities Co., Ltd.	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Japan Bond Trading Co., Ltd.	Mitsui Securities Co., Ltd.
Japan Private Asset Securities Inc.	Miyako Securities Co., Ltd.
Japan Securities Agents Ltd.	Mizuho Global Alternative Investments, Ltd.
JBond Totan Securities Co., Ltd.	Mizuho Investors Securities Co., Ltd.
Jefferies (Japan) Limited	Mizuho Securities Co., Ltd.
JPMorgan Asset Management (Japan) Limited	Monex, Inc.
JPMorgan Securities Japan Co., Ltd.	Money Partners Co., Ltd.
Jyoko Securities Co., Ltd.	Morgan Stanley MUFG Securities Co., Ltd.
kabu.com Securities Co., Ltd.	Musashi Securities Co., Ltd.
Kagawa Securities Co., Ltd.	Nagano Securities Co., Ltd.
KANETSU FX SECURITIES CO., LTD.	Naito Securities Co., Ltd.
KAZAKA Securities Co., Ltd.	Nakaizumi Securities Co., Ltd.
Kimura Securities Co., Ltd.	Nara Securities Co., Ltd.
Kitada Securities Co., Ltd.	Natixis Japan Securities Co., Ltd.
Kokufu Securities Co., Ltd.	Newedge Japan Inc.
Kotobuki Securities Co., Ltd.	New-S Securities Co., Ltd.

Niigata Securities Co., Ltd.	Shinbayashi Securities Co., Ltd.
Nishimura Securities Co., Ltd.	Shinkin Securities Co., Ltd.
Nishi-Nippon City Tokai Tokyo Securities Co., Ltd.	Shin-Ogaki Securities Co., Ltd.
Nishiwaki Securities Co., Ltd.	Shinsei Securities Co., Ltd.
Nissan Century Securities Co., Ltd.	Shinwa Securities Co., Ltd.
Nobata Securities Co., Ltd.	SHIZUGIN TM SECURITIES Co., Ltd.
Nomura Securities Co., Ltd.	Shizuoka Tokai Securities Co., Ltd.
Northern Trust Global Investments Japan, K.K.	Shonai Securities Co., Ltd.
Okachi Securities Co., Ltd.	SMBC Friend Securities Co., Ltd.
Okasan Online Securities Co., Ltd.	SMBC Nikko Securities Inc.
OKASAN SECURITIES CO., LTD.	Societe Generale Securities (North Pacific) Ltd.
Okayasu Securities Co., Ltd.	Sompo Japan DC Securities Inc.
Okinawa Securities Limited	Sony Bank Securities Incorporated
One Asia Securities Co., Ltd.	SPARX Asset Management Co., Ltd.
ORIX Wholesale Securities Corporation	SPC Securities Inc.
Ouji Securities Co., Ltd.	STAR KAWASE SECURITIES CO., LTD.
Phillip Securities Japan, Ltd.	Starts Securities Co., Ltd.
Phoenix Securities Co., Ltd.	State Street Global Advisors (Japan) Co., Ltd.
Pregian Securities Co., Ltd.	State Street Global Markets Securities Co., Ltd.
Premiere Securities Co., Ltd.	StormHarbour Japan Ltd.
Prestige Asset Management Co., Ltd.	Strategic Investments KK
Putnam Investments Securities Co., Ltd.	Superfund Securities Japan Co., Ltd.
PWM Japan Securities Co., Ltd.	Tahara Securities Co., Ltd.
Rakuten Securities, Inc.	Takagi Securities Co., Ltd.
Ramius Japan Ltd	Takematsu Securities Co., Ltd.
RBC Capital Markets (Japan) Limited	Tama Securities Co., Ltd.
RBS Securities Japan Limited	Teneo Partners Japan Limited
Retela Crea Securities Co., Ltd.	The Air's Sea Securities Co., Ltd.
REXEM SECURITIES Co., LTD.	The Arts Securities Co., Ltd.
Rokuwa Securities Co., Ltd.	The Bank of New York Mellon Securities Company Japan Ltd.
Sakamoto Hokuriku Securities Co., Ltd.	The Joyo Securities Co., Ltd.
SAMSUNG SECURITIES Co., Ltd. Tokyo Branch	The Kosei Securities Co., Ltd.
Sanei Securities Co., Ltd.	The Miki Securities Co., Ltd.
Sanen Securities Co., Ltd.	The Nakahara Securities Co., Ltd.
Sanko Securities Co., Ltd.	The Tachibana Securities Co., Ltd.
Sankyo Securities Co., Ltd.	Tobu Securities Co., Ltd.
Sasayama Securities Co., Ltd.	TOGAKU Securities Co., Ltd.
Saxo Bank FX Securities K.K.	Tokai Tokyo Securities Co., Ltd.
SBI Japannext Co., Ltd.	Tokio Marine Financial Solutions Ltd.
SBI SECURITIES Co., Ltd.	Tokushima-Godo Securities Co., Ltd.
Securities Japan, Inc.	Tokyo Securities Transfer Agent Co., Ltd.
Shimadai Securities Co., Ltd.	Tomioka Securities Co., Ltd.

Tower Securities Co., Ltd.
Toyo Securities Co., Ltd.
Traders Securities Co., Ltd.
Tradeweb Europe Ltd.
Tradition Securities Japan Co., Ltd.
UBS Securities Japan Co., Ltd.
Ueda Yagi Securities Co., Ltd.
United World Securities (Japan) K.K.
Usuki Securities Co., Ltd.
Utsumiya Securities Co., Ltd.
Utsunomiya Securities Co., Ltd.
Vanguard Investments Japan, Ltd.
Wells Fargo Securities (Japan) Co., Ltd.
Yahata Securities Co., Ltd.
Yamagata Securities Co., Ltd.
YAMAGEN Securities Co., Ltd.
Yamani Securities Co., Ltd.
Yamawa Securities Co., Ltd.
Yensai.com Co., Ltd.
YM Securities Co., Ltd.
Yutaka Securities Co., Ltd.
YUTAKA SHOJI Co., Ltd.
Zukawa Securities Co., Ltd.

Notes: 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 June, 2012)

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

Sumitomo Mitsui Trust Bank, Limited
Japan Trustee Services Bank, Ltd.
Mitsubishi UFJ Trust and Banking Corporation
Mizuho Trust & Banking Co., Ltd.
ORIX Bank Corporation
Shinkin Trust Bank, Ltd.
Shinsei Trust & Banking, Ltd.
State Street 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.
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 Kitakyushu 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

Asahi Mutual Life Insurance Company.
Daido Life Insurance Co.
Fukoku Mutual Life Insurance Co.
Hartford Life Insurance K.K.
ING Life Insurance Company, Ltd.
Meiji Yasuda Life Insurance Company
MetLife Alico Life Insurance K.K.
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.
Sampo 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.

Government-related Financials, etc.

Development Bank of Japan Inc.
Shinkin Central Bank
The Norinchukin Bank
The Shoko Chukin Bank, Ltd.

JSDA Website

JSDA

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

JSDA (English website)

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



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