



JSDA

Annual Report 2013

Japan Securities Dealers Association

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Preamble



Dear Readers,

Currently in Japan, a number of signs of a pickup in the economy are emerging. Corporate earnings have turned favorable and the stock market has regained its vitality under the new government's economic agenda of "Abenomics," consisting of three pillars: bold monetary policy, flexible fiscal policy and economic growth strategies. This said, Japan faces significant challenges to revive the economy while ensuring sustainable growth and achieving fiscal consolidation. To actively tackle these challenges, the government announced in June 2013 its Japan Rehabilitation Strategy, "Japan is BACK" as the growth strategy that gives shape to the third pillar of Abenomics. In this

growth strategy, the securities market is expected to play a key role in underpinning the growth of the real economy through efficient allocation of available funds and enabling increased mobility of resources.

An active and sound securities market is indispensable to fulfill this challenging task. To that end, the Japanese securities industry and Japan Securities Dealers Association (JSDA) are fully committed to further improving our market's integrity and efficiency. JSDA is ready to contribute to the growth strategy through:

- 1) facilitating and enhancing provision of risk money to start-up and growth companies,
- 2) enhancing and diversifying equity financing tools for listed companies, and
- 3) promoting "NISA," the Japanese version of an Individual Savings Account.

We hope and believe that these measures will broaden the base of investors and enhance the market's risk capital supply function. Remaining optimistic about these developments occurring in the market, JSDA, as a self-regulatory organization, will perform its responsibilities to ensure investor confidence in the securities market and market intermediaries.

Even from a global perspective, Japan's securities market is well-functioning and one of the deepest and most liquid markets in the world. The market embraces a tremendous pool of wealth including household financial assets amounting to US\$15.6 trillion. A multitude of leading enterprises that maintain cutting-edge technologies and are competitive in the international market exist as fund-raisers. Of special note is the business combination that the

Tokyo Stock Exchange (TSE) Group and Osaka Securities Exchange (OSE) carried out this year to establish the Japan Exchange Group (JPX). This business combination gave birth to an exchange group with a good balance of strengths in both cash and derivatives transactions and is expected to further enhance the functionality and attractiveness of the Japanese securities market as a trading venue.

Making the best of our market's advantages, we believe that our current efforts will revitalize the

Japanese economy and, at the same time, succeed in reasserting our market's position as one of the world's leading financial centers.



Kazutoshi Inano

Chairman

Japan Securities Dealers Association



For a More Active and Efficient Market



Promoting appeal of Japanese securities market

In February 2013, the JSDA and International Capital Market Association (ICMA) co-organized the 5th Japan Securities Summit in London to provide overseas market professionals and investors with the opportunity to better understand the attractiveness of the Japanese securities market. Since the event took place when stock prices were surging in a positive response to “Abenomics,” the three-pronged economic strategy of the new government, around 300 investors and financial experts mainly from London and Europe participated in the event.

Through fiscal 2012, the JSDA ran a series of panel meetings composed of knowledgeable experts to reaffirm the significance and potential of the Japanese market, and to further promote to investors the importance of asset management as well as stock investment. At these meetings, the experts explored

various promotion measures to raise the presence of Japanese companies and markets both domestically and internationally.

Furthermore, the JSDA embarked on some measures to enhance its information dissemination through the Internet and social networking services (SNS) during the same fiscal year. Among them, the JSDA redesigned its website by organizing and developing content from users’ point of view, and launched a mail magazine service in June 2012.

Reinforcing market functions for more efficient resource allocation

Aiming at sound development of off-exchange trading and proprietary trading systems (PTS) in Japan, the JSDA conducted research on overseas trading platforms and held the study-group meetings to exchange views with PTS operators in April and August 2012. The study group also examined the

PTS related issues reflecting relaxation of the tender offer regulation and business combination of the two major stock exchanges.

Following proposals made in the study group's report on the Green Sheet (OTC market for unlisted stocks operated and regulated by the JSDA) published in June 2012, the JSDA discussed specific measures to facilitate financing intermediated by securities firms for start-up and local companies including reform of the Green Sheet System.

The JSDA is dedicated to the vitalization of the Japanese corporate bond market, involving a wide range of market participants and experts in its ongoing project. The following were the major developments during fiscal 2012.

- The JSDA revised its self-regulatory rule on trading reports for corporate bonds by member firms in response to discussion at the Working Group on Market Infrastructure for Corporate Bonds. Under the revised rule, the JSDA started to receive trading reports from members via the Japan Securities Depository Center in January 2013.
- The conversion to T+2 settlement for outright JGB transactions was implemented on April 23, 2012 (contract basis). Following up on this outcome, the JSDA launched studies in October to further shorten the settlement cycle to T+1 for outright JGB transactions.

In May 2012, the FSA published the Action Plan for Japanese Financial Industry: Desirable State in the Medium- and Long-Term. Following a recommendation in the action plan, the FSA hosted a Public-Private Financial Roundtable meeting in September 2012, and established under the roundtable three task forces on improvement of financial services in an aging society, enhancement of SME finance, and international expansion by Japanese companies and financial institutions. The JSDA actively engaged in the discussions of these task forces and expressed its views representing the securities industry.



The amendment of the Financial Instruments and Exchange Act, which included measures to establish an integrated exchange, was enacted in September 2012. Responding to this legislation, the JSDA started to review the sphere of its businesses and mandates, exchanging views with the FSA.

NISA: a measure to facilitate asset formation amid the ongoing population aging

To encourage securities investment and measures to support asset formation by Japanese citizens in an aging society with a declining birthrate, the JSDA set up the Working Group on Asset Formation by Japanese Citizens in December 2012. The working group specifically discussed possible measures to promote wider use of the defined contribution pension system and the Japanese version of an individual savings account (Nippon Individual Savings Account, or NISA), which will be introduced in January 2014.

To facilitate the smooth introduction of NISA, 12 organizations from the securities industry and other financial industries including the asset management industry established the Liaison Council for promoting NISA in March 2013. The JSDA has been serving as the secretariat for the Council. Moreover, a working group composed of officers and employees of JSDA member firms and a project team within the JSDA secretariat were set up to ensure the orderly launch of the NISA system.

For Better Self-Regulation



Fulfilling self-regulatory responsibilities and firmly establishing code of conduct for members

In 2012, a series of incidents seriously deteriorated investors' confidence in the financial industry. The incidents included serious frauds concerning pension asset management in which a securities firm was involved and bankruptcies of securities firms that required indemnification by the investor protection fund for losses caused by their misuse of customer assets.

In response to these incidents, the JSDA's Code of Conduct Committee made a resolution, "Toward Regaining Confidence in Financial Instruments Business Operators," which called on all the member firms to fully comply with high ethical standards. Furthermore, the Securities Strategy Board and Self-Regulation Board deliberated possible measures to prevent recurrence of such incidents and to restore

trust in financial instruments business operators. The actions described below were taken following the resolution.

Preventing insider trading and promoting proper management of confidential corporate information

In July 2012, the JSDA put together and published "Issues for Restoration of Trust in Association Members," to respond to insider trading incidents concerning public offerings and, in October, elaborated "Policies to Establish Robust System for Confidential Corporate Information Management and to Prevent Recurrence of Insider Trading" through studies on various cases of insider trading and hearings from and discussions with related parties. In December, the Working Group on Internal Control System to Prevent Insider Trading drew up the outline of the proper corporate information management

system to be established. Reflecting this outline and further discussion in the working group, the JSDA revised its self-regulatory rules, “Rules Concerning the Establishment of Confidential Corporate Information Management System by Association Members,” etc. in March 2013.

Enhancing investor confidence in the securities industry

The JSDA conducted a survey addressed to its member firms to identify specific measures to further boost investor confidence in the securities industry, including encouragement of external audits of financial statements and fuller disclosure of their businesses and audit results. Based on the survey outcome, the JSDA drew up “Action Plan to Tackle Issues for Boosting Investor Confidence in Securities Industry” in November 2012. In January 2013, as one of the measures proposed in the action plan, the JSDA required each member firm to report on lending to its own officers, and set up a contact point at the JSDA dedicated to receiving reports of alleged inappropriate acts by its member firms from the public.

Deliberating regulatory framework for public offering and establishing code of conduct for underwriting activities by securities firms

Establishing the Study Group on Vitalization of the Japanese Economy and Public Offerings in September 2012, the JSDA intensively discussed issues regarding public offerings and measures to tackle them with the aims of revitalizing the Japanese economy and driving its further growth. In March 2013, the Code of Conduct Committee enacted the “Code of Conduct for Underwriting Public Offering by JSDA Member Firms.”

Review of self-regulatory rules in line with changing environment

To fulfill its self-regulatory functions in changing market and business environments, the JSDA compiled a plan to review its self-regulatory rules in July 2012. Proposed items in the plan were discussed by working groups concerned, with the discussion results being published in December 2012.

Easy-to-understand documents and explanations

In June 2012, the JSDA study group discussed easy-to-understand documents and explanations delivered to retail investors by securities firms to help retail investors better understand the characteristics and risks associated with financial products, and issued



an interim report. The JSDA also set up a working group in September to further discuss various issues raised in the report.

Review of legislation for investment trusts

The FSA reviewed regulation on investment trusts and corporations to reflect changes in social and economic circumstances, as well as international rules, and to ensure a supply of appropriate products for ordinary investors. Based on the review, the FSA published the “Interim Report of Working Group on Review of Investment Trust and Investment Corporation Regulation” in July 2012. Responding to the interim report, the JSDA started deliberations in a working group on related business practices of firms (association members) marketing investment trusts.

Continued efforts to encourage registration of listed companies on J-IRISS

In collaboration with stock exchanges, the JSDA continued to encourage the registration of listed companies on the Japan-Insider Registration & Identification Support System (J-IRISS) through visits to unregistered companies. As a result, the number of J-IRISS registered companies at June 30, 2013 reached 2,569 companies, or 72.37% of all listed companies. This figure compares with 2,300 companies, or 64.53% of all listed companies at June 30, 2012.

Investor alerts

The JSDA issued and updated investor alerts on risky and complex financial products and frauds on its website to enhance investor protection. The JSDA also reviewed explanatory documents on currency-select-type investment funds to help investors become fully aware of risks associated with the product.

Inspections of members

In inspections of member firms, the JSDA aims to protect investors while constantly respecting the voluntary efforts of members to that end. During the period from April 2012 to March 2013, the JSDA carried out inspections of a total of 140 firms, including 87 regular members and 53 special members focusing on improving internal control systems and ensuring fair market practices.

The main areas of emphasis in the inspection plan for fiscal 2012 were: 1) the internal control system (including risk management), 2) financial product explanation and sales solicitation practices, 3) sales of structured bonds whose complexity is equivalent to OTC derivatives, 4) segregation of customer assets, and 5) the sale and purchase monitoring system (insider trading). Each inspection was conducted by identifying specific inspected items on a case-by-case basis with a view to the nature and risks involved in the business of each inspected member. In responding to the Code of Conduct Committee’s recommendation to raise ethical awareness in the securities industry, at inspections into member firms this year, the JSDA assessed ethical values of the management and compliance of officers and employees with the ethical code.

The JSDA set up the Special Inspection Office in July 2012 to swiftly and effectively conduct inspections of its members facing lower capital adequacy ratios and/or rumors of business and financial problems.

Disciplinary actions

In cases of violation of laws and regulations including JSDA’s self-regulatory rules, the JSDA strictly imposes self-regulatory disciplinary actions in order to avoid the recurrence of such violations. The disciplinary actions taken against member firms include reprimand, imposition of fine, and limitation, suspension or revocation of membership. The JSDA also takes disciplinary actions against sales representatives imposing suspension and revocation

of their registrations and qualifications, and treatment as a perpetrator of inappropriate acts.

As prevention measures against insider trading, the Working Group Regarding Perpetrators of Inappropriate Acts reviewed the scope of actions

subject to treatment as the class-1 perpetrators of inappropriate acts during the fiscal year under review.

The numbers of disciplinary actions taken by the JSDA during fiscal 2012 are shown in the table below.

Disciplinary Actions in Fiscal 2012

Against Member Firms	
Fine and Warning	4
Reprimand and Warning	4
Against Sales Representatives of Member Firms	
Revocation of Sales Representative Registration and Treatment as Class 1 Perpetrator of Inappropriate Acts	1
Revocation of Sales Representative Registration and Treatment as Class 2 Perpetrator of Inappropriate Acts	7
Treatment as Class 2 Perpetrator of Inappropriate Acts	3
Suspension of Sales Representative Business & Qualification	63
Suspension of Sales Representative Business	2
Suspension of Sales Representative Qualification	9
Against Sales Managers of Member Firms	
Suspension of Sales Manager Qualification	2
Against Sales Representatives of Special Members	
Revocation of Sales Representative Registration and Treatment as Class 2 Perpetrator of Inappropriate Acts	4
Suspension of Sales Representative Business & Qualification	9
Against Sales Managers & Internal Administrators of Special Members	
Suspension of Sales Manager & Internal Administrator Qualifications	2
Suspension of Sales Manager Qualification	2
Against Sales Representatives of Financial Instruments Intermediary Service Providers	
Revocation of Sales Representative Registration	1
Suspension of Sales Representative Business & Qualification	10

* Under the JSDA self-regulatory rule, member firms shall not hire a person treated as a Perpetrator of Inappropriate Act during the following periods:

Class 1 Perpetrator of Inappropriate Act: Indefinite period

Class-2 Perpetrator of Inappropriate Act: Five years after the disciplinary action is taken

Qualification examinations

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

In March 2013, the JSDA compiled a syllabus to clearly identify knowledge necessary for sales representatives and sales managers/internal administrators in reference to the existing sales representative manuals. The JSDA reviewed all the examination questions in fiscal 2012 and then restructured the examinations according to the syllabus.

The numbers of the examinees and successful applicants for each examination during fiscal 2012 are shown in the following table.

Examination	Examinees	Successful Applicants
Class-1 Sales Representative	87,606	33,923
Class-2 Sales Representative	29,934	15,482
Internal Administrator	27,400	22,945
Special Member's Class-1 Sales Representative	15,125	4,397
Special Member's Class-2 Sales Representative	19,215	7,369
Special Member's Class-4 Sales Representative	125	46
Special Member's Internal Administrator	3,203	2,780



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 conducts necessary training courses along with those included in the program in response to amendments of laws and institutional reform.

In fiscal 2012, the JSDA held training courses for executive officers and employees of member firms aimed at building confidence in the securities market and industry among investors. In the wake of a series of insider trading incidents, the JSDA held special training courses on preventing insider trading and managing confidential corporate information for those at compliance departments, including trading monitoring divisions, of member firms. A total of 5,176 participants attended these courses during the fiscal year.

Moreover, to further heighten awareness of ethics among member firms, the JSDA organized training courses based on the ethical standards defined by the Code of Conduct Committee, one of the central bodies of the association. Among other actions, the JSDA launched a training program customized for each class of executive officers and employees on a more interactive basis to cultivate their professional ethics and sense of compliance.

To contribute to enhancing compliance procedure

and internal training systems in member firms, the JSDA compiled and distributed training materials on laws and regulations to be used in internal training courses. In addition, the JSDA provided summaries and reference materials on compliance-related issues 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 26 in-house training sessions of member companies during the fiscal year.

Training courses during Fiscal 2012

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
14. Special seminars to prevent insider trading

Investor education

(1) Supporting financial and securities education

As one of its major tasks, the JSDA conducts various activities to enhance financial instruments and investment literacy of all segments of the public. Among these activities, the JSDA holds public events including those scheduled around Securities Investment Day (October 4) in collaboration with member firms.

In the year under review, the theme of Investment Day was “we create our own future.” In addition to the public events, the JSDA also sponsored a radio program on the basics of securities investment from October to December 2012, which was later podcasted. The recorded videos of various seminars and events and an e-learning application for financial planning were posted on the JSDA website. The JSDA also launched a YouTube channel, to make its seminars and materials available online and widely utilized.

The JSDA also conducted activities for middle and high school teachers and the staff of education-related bodies to foster better understanding of the importance of financial and economic education at schools. 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. The JSDA held seminars for school principals as well as seminars for schoolteachers during summer holidays and produced “hands on” educational materials in accordance with the Education, Science and Technology Ministry’s new curriculum guidelines implemented in April 2013.

(2) Other activities

- **Warnings about unlisted shares scams**

To prevent fraud using unlisted shares, the JSDA, police authority, finance bureaus and other related bodies collaboratively conducted an intensive public campaign on the street to warn the public of such scams in September 2012. They produced leaflets and videos to warn investors about such scams and to prevent them from becoming victims. These materials were widely distributed to all parties concerned and publicized. The JSDA was awarded a certificate of gratitude for its contribution to fraud prevention by the police authority in April 2013.

- **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.

- **International Forum for Investor Education (IFIE)**

As a member of the International Forum for Investor Education (IFIE), JSDA participated in its annual conference in Toronto in June 2013 and exchanged views with IFIE members and relevant parties. Also, the JSDA actively engaged in activities of the Asian chapter of the IFIE (AFIE) and participated in its annual meeting in New Delhi in March 2013.

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. 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 more than 70 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. The JSDA chaired the SROCC for three consecutive terms from June 2006 to May 2012.

Within the SROCC, the Ahead of the Curve Working Group (ATC-WG) functions as a members' forum to detect potential regulatory risks at an early stage, to share information on them, and to help SROs explore best solutions. Since May 2012, the JSDA has been serving as the chair of the ATC-WG. At the most recent SROCC conference in Toronto in May 2013, the working group discussed a number of emerging regulatory issues across the world, including expansion of algorithmic and high frequency trading, new lending programs marketed to retail investors and potential risks in business outsourcing by financial institutions.

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 Toronto in May 2013.

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 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 2013, 19 organizations are members of the ICSA. At the AGM held in Sydney in May 2013, the guest speakers and member associations discussed cross-border supervision, ongoing regulatory work on OTC derivatives, and resolution regimes.

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 November 2012, the Association of National Exchanges Members of India (ANMI) hosted the 2012 AGM in Mumbai. More than 150 people participated from the Asia-Pacific region. On the agenda at the 2012 AGM were market reports from the member organizations, lectures by guest speakers, and panel discussions on the following topics: "Risk Perception in Derivative Products," "Role of SRO's and Trade Associations in the Securities Market," "Restoring Faith and Widening Participation of Investors," and "Opportunities from Cross Border Listing, Trade and Investments."

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 development of their securities markets and regulatory frameworks. The eighth ASF Tokyo Round Table was held in October 2012 and attended by 17 participants from 16 jurisdictions. Participants mainly studied regulatory frameworks and market infrastructure using the Japanese market framework as an example.

Signing MOUs with overseas counterparties

To fulfill its responsibilities to cope with issues with international implications, the JSDA is committed to enhancing linkages with overseas SROs and other related parties. In fiscal 2012, the JSDA signed Memorandum of Understanding (MOU) with the Association of Capital Market Intermediary Institutions of Turkey (TSPAKB) and the US Financial Industry Regulatory Authority (FINRA). These MOUs are expected to facilitate the exchange of information on regulatory matters and allow further sharing of regulatory techniques with them.

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) to further promote the standardization and harmonization of the Asian bond markets. JSDA actively committed to this activity (currently in phase 2 discussions) as a National Member in Sub-Forum 1 that deals with the harmonization of legal frameworks. In the fiscal 2012, JSDA participated in the Sub-Forum meetings held in Manila (April 2012), Seoul (September 2012), Bangkok (December 2012), and Singapore (February 2013).

Global Legal Entity Identifier

Reflecting lessons from the financial crisis, the need to create a Global Legal Entity Identifier (LEI) that uniquely identifies parties to financial transactions has been recognized by G20 Leaders. Following the deliberations at the Financial Stability Board (FSB) based on a mandate given by G20, the Regulatory Oversight Committee (ROC) of the Global LEI System was established in January 2013. The ROC moves ahead with the project preparing the establishment of the Central Operating Unit (COU) of the global system and facilitating the implementation of the global standards for pre-LEIs as a preliminary step toward the global LEI. JSDA has been actively engaging in the global discussions on LEI putting forward views from the Japanese securities industry, including participation in PSPG (Private Sector Preparatory Group) meetings held in New York (July 2012) and Basel (October 2012).

International Organization for Standardization (ISO)

The International Organization for Standardization (ISO) has several technical committees (TCs) related to each category of standards and has been developing a variety of international standards. TC68, one of such technical committees, is in charge of standardization in the financial service sector. Sub-Committee 4 (SC4) under the TC68 investigates and sets up standards for information technology utilized in securities transactions. The JSDA engages in TC68/SC4 work forging a convergence of opinions from securities industry and other stakeholders in Japan and putting forward their views to SC4.

Membership

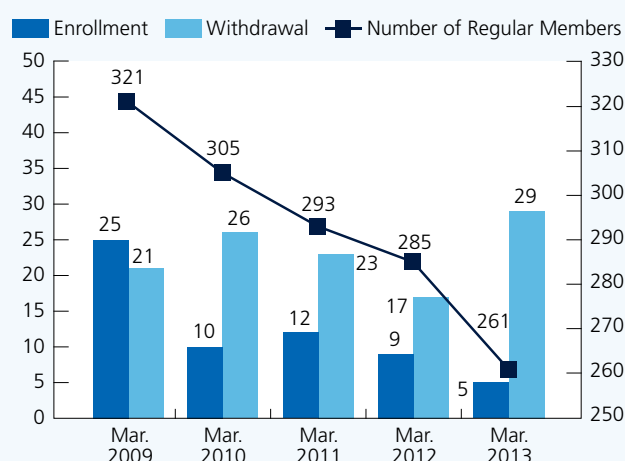
Association Members are categorized into three groups:

(1) Regular Members (261): Securities firms

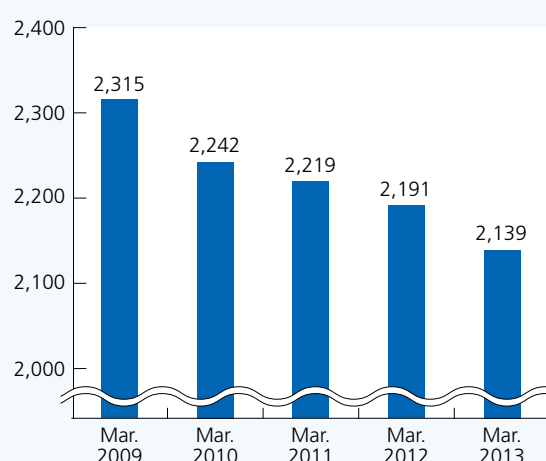
While 5 new members enrolled in fiscal 2012, 29 members withdrew as a result of mergers or for other reasons. The breakdown includes 245 domestic securities companies and 16 foreign securities companies. Foreign regular members accounted for 6.1% of regular membership.

The total number of employees of JSDA regular members was about 83,000 at the end of December 2012. The number had been declining since 2008. The number of offices of JSDA regular members at the end of March 2012 was 2,139. This figure decreased for the past four years in a row.

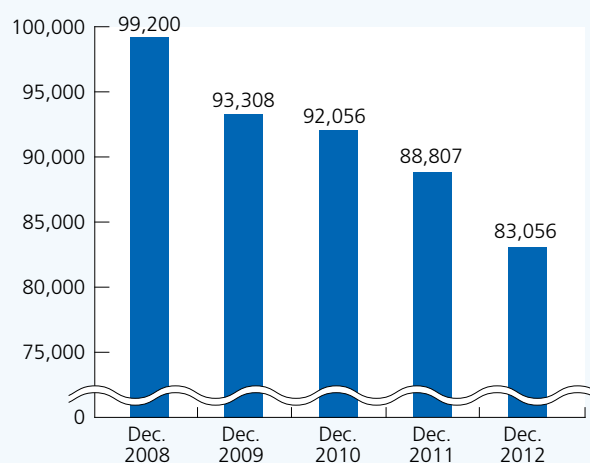
Regular Members



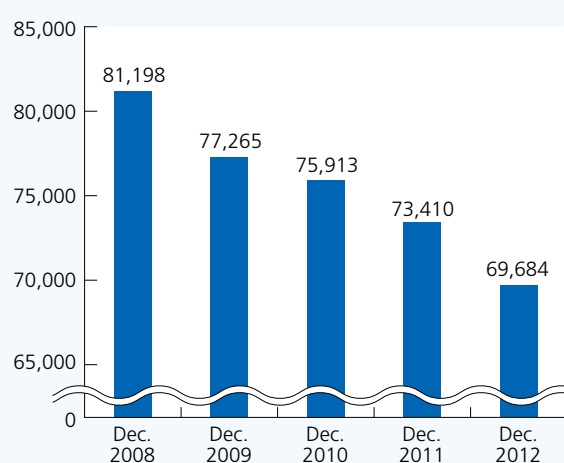
Offices of Regular Members



Employees of Regular Members



Sales Representatives of Regular Members



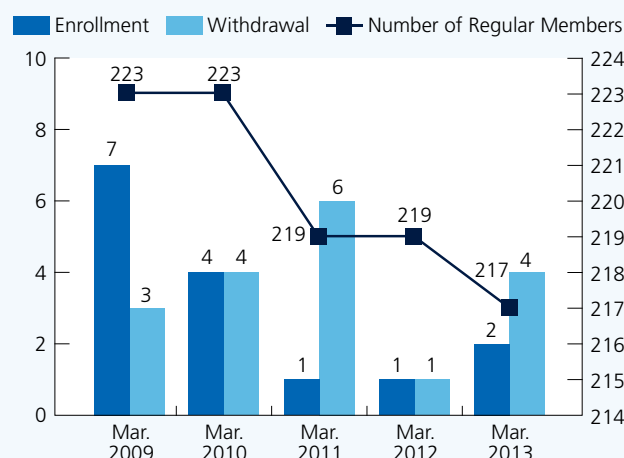
**(2) OTC Derivative Transaction Members
(0): Firms only conducting specified OTC derivative transactions**

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

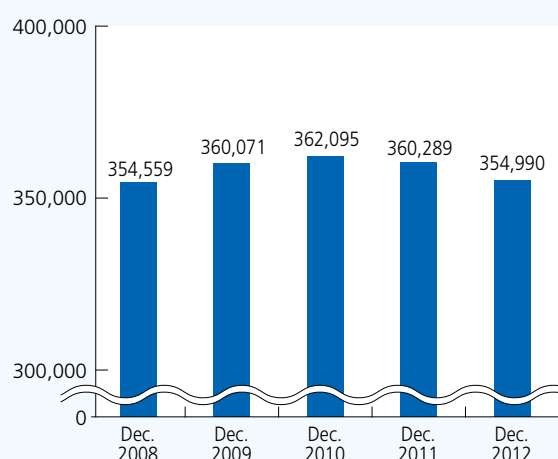
(3) Special Members (217): Banks, insurance companies, etc. conducting securities business

During fiscal 2012, 2 financial institutions joined the JSDA as a special member, and 4 institutions lost their membership.

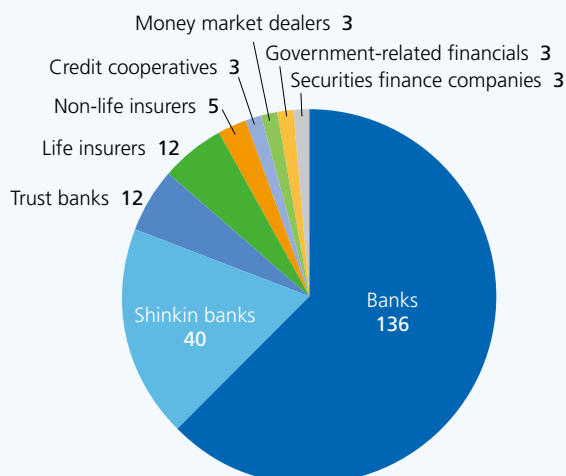
Special Members



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.

JSDA Data

Balance Sheet (as of the end of March 2013)

I. Assets

	Millions of yen	Thousands of U.S.dollars
1 Floating assets:		
Cash & deposits	¥88	\$939
Advances	-	-
Accounts receivable	¥79	\$844
Prepayments	¥43	\$454
Stored goods	-	-
Subtotal	¥210	\$2,236
2 Fixed assets:		
(1) Special assets:		
Accrued retirement benefits assets	¥4,286	\$45,567
Accumulated assets related to securities laws	¥15	\$159
(2) Other fixed assets	¥3,509	\$37,314
Subtotal	¥7,810	\$83,040
TOTAL ASSETS	¥8,020	\$85,276

II. Liabilities

	Millions of yen	Thousands of U.S.dollars
1 Floating debts:		
Accounts payable	¥179	\$1,906
Deposits received	¥31	\$330
Reserve for bonuses	¥223	\$2,371
Lease liabilities	¥69	\$736
Subtotal	¥503	\$5,344
2 Fixed debts:		
Long-term accounts payable	¥2	\$20
Accrued retirement benefits for employees	¥3,912	\$41,591
Accrued retirement benefits for executive officers	¥400	\$4,253
Lease liabilities	¥159	\$1,687
Subtotal	¥4,472	\$47,550
TOTAL DEBTS	¥4,975	\$52,894

III. Net Assets

1 Designated net assets:		
Private subsidy	¥15	\$159
Subtotal	¥15	\$159
2 General net assets	¥3,031	\$32,223
Subtotal	¥3,031	\$32,223
TOTAL NET ASSETS	¥3,046	\$32,382
TOTAL NET ASSETS AND LIABILITIES	¥8,020	\$85,276

* Rate of US\$1=¥94.05 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. 2012 to Mar. 2013)

Revenues

	Millions of yen	Thousands of U.S. dollars
1 Revenues from business activities		
Designated Asset Investment Profit	¥34	\$359
Membership fees	¥4,812	\$51,163
- Fixed membership fees	(¥1,439)	(\$15,304)
- Floating rate membership fees	(¥3,373)	(\$35,859)
Business revenues	¥45	(\$483)
- Training and education fees	(¥21)	\$220
- Other business revenues	(¥25)	\$263
Subsidies	¥34	\$362
Other revenues	¥40	\$420
Transferred revenues from other accounts	¥1,018	\$10,823
- Transferred revenue from Special Members General Account	(¥765)	(\$8,130)
- Transferred revenues from Institute for Securities Education & Public Relations Special Account	(¥45)	(\$478)
- Transferred revenue from Members General Fund Special Account	(¥88)	(\$936)
- Transferred revenue from Members Training Fund Special Account	(¥33)	(\$349)
- Transferred revenue from Securities Market Activating Fund Special Account	(¥71)	(\$755)
- Transferred Revenues from Sales Representative Business Unified Special Account	(¥16)	(\$175)
Subtotal	¥5,982	\$63,609
2 Revenues from investment activities		
Revenues from investment activities	¥696	\$7,406
Subtotal	¥696	\$7,406
3 Revenues from financing activities		
Revenues from financing activities	—	—
Subtotal	—	—
Surplus from the previous fiscal year	—	—
TOTAL REVENUES	¥6,679	\$71,015

Expenses

	Millions of yen	Thousands of U.S. dollars
1 Expenses to business activities		
Operating expenses	¥3,712	\$39,472
Administrative expenses	¥1,572	\$16,712
Transferred expenses to other accounts	¥461	\$4,906
- Transferred Expenses to Institute for Securities Education & Public Relations Special Account	(¥386)	(\$4,106)
- Transferred Expenses to System Utilization Special Account	(¥75)	(\$800)
Subtotal	¥5,746	\$61,090
2 Expenses to investment activities		
Expenses to investment activities	¥859	\$9,128
Subtotal	¥859	\$9,128
3 Expenses to financing activities		
Expenses to financing activities	¥75	\$797
Subtotal	¥75	\$797
4 Other expenses		
Other expenses	—	—
Subtotal	—	—
TOTAL EXPENSES	¥6,679	\$71,015
Surplus / Deficit amount	—	—
Amount carried forward	—	—

* Rate of US\$1=¥94.05 used for conversion

Dispute Resolutions in Fiscal 2012

Requests for Mediation	208
Successful Settlement	103
Failure in Reaching Settlement	113

(Note) The amounts do not match due to cases carried over from fiscal 2011 or issues not concluded within fiscal 2012.

Consultations and Complaints in Fiscal 2012

Consultation	Inquiry or Opinion regarding Securities Transactions	4,496
Complaints	Complaints about Solicitation	470
	Complaints about Transactions	240
	Complaints about Processing	112
	Other Complaints	82

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, '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%
Sep. 30, '12	268	61	22.8%	207	77.2%	1	0.4%	4	1.5%	202	75.4%
Mar. 31, '13	254	57	22.4%	197	77.6%	2	0.8%	3	1.2%	192	75.6%

Number of Internet Transaction Accounts

(Unit: accounts)

	Sep. 30, '09	Mar. 31, '10	Sep. 30, '10	Mar. 31, '11	Sep. 30, '11	Mar. 31, '12	Sep. 30, '12	Mar. 31, '13
Number of Accounts	15,419,010	15,743,521	16,078,857	16,468,789	16,959,034	17,569,423	17,788,064	18,156,218
Increase from Previous Term-end	405,876	324,511	335,336	389,932	490,245	610,389	218,641	368,154

Transaction Value

(Unit: billions of yen)

	Stock Transactions			
	Internet Transactions		Transaction Value (c)	Percentage
	Cash Transactions (a)	Margin Transactions (b)		((a)+(b))/(c)
Apr. '10 to Sep. '10	22,359.2	38,993.2	283,498.5	21.6%
Oct. '10 to Mar. '11	25,171.8	41,825.3	330,593.6	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%
Apr. '12 to Sep. '12	26,817.7	31,510.8	260,694.0	22.4%
Oct. '12 to Mar. '13	60,761.4	70,257.3	413,569.9	31.7%

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.

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 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 Jsdax 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 Shares, etc.

The JSDA is engaged in necessary system reforms to make the system for transactions of listed shares 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 website, “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 shares, 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.

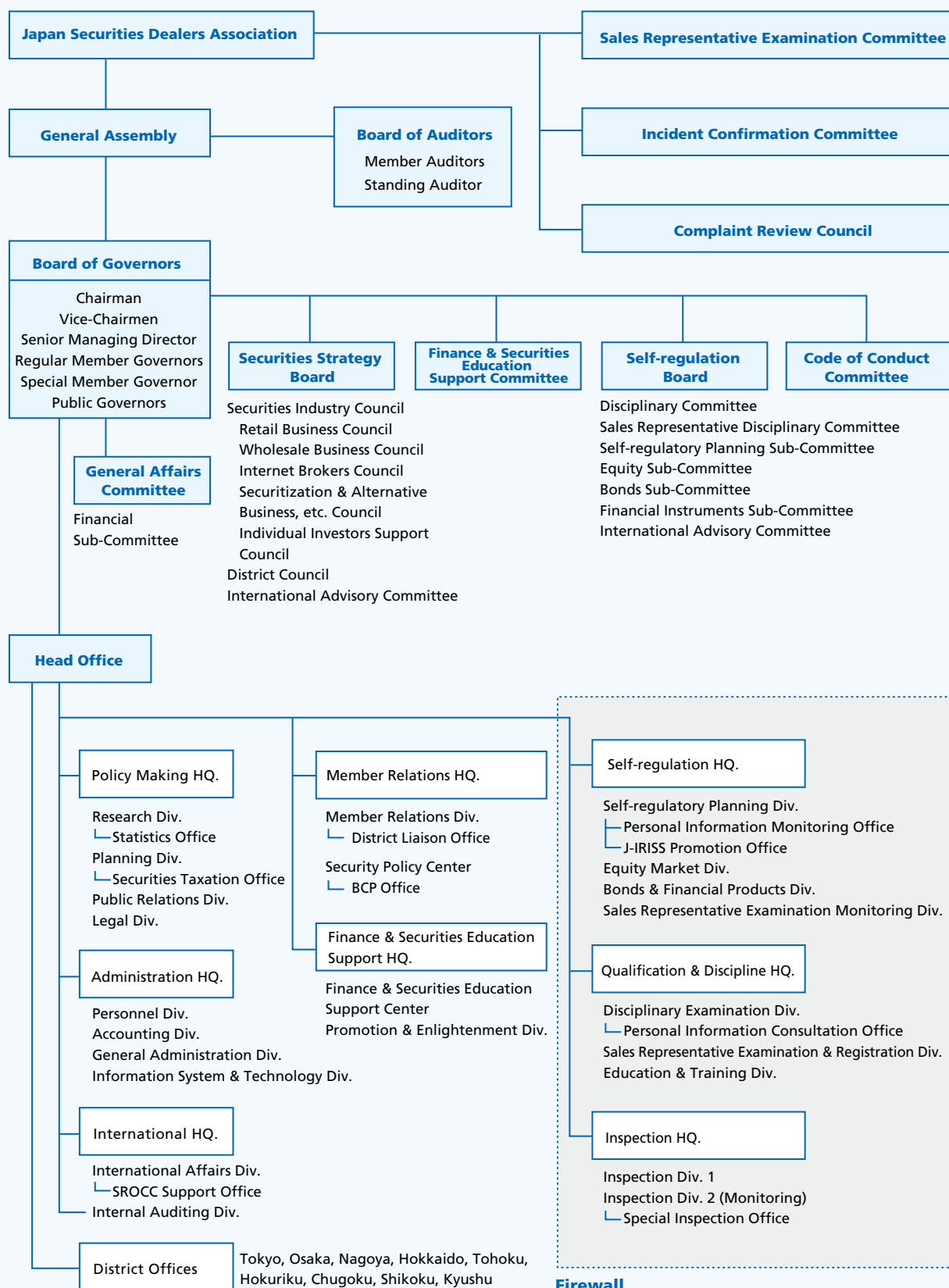
8. Implementation of Education and Training

To improve the proficiency of executive officers and employees of Association Members, the JSDA conducts various educational training programs.

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 1, 2013

Officers (As of July 1, 2013)

Chairman

Kazutoshi Inano

Vice Chairman & Public Governor

Noriaki Shimazaki

Public Governor

Masaharu Hino

Lawyer

Toshihiko Fukui

The Canon Institute for Global Studies

Kumi Fujisawa

Think Tank Sophia Bank

Vice Chairman & Member Governor

Nobuyuki Koga

Nomura Securities Co., Ltd.

Shigeharu Suzuki

Daiwa Securities Co., Ltd.

Member Governor

Tetsuo Kato

Okasan Securities Group Inc.

Special Member Governor

Takeshi Kunibe

Sumitomo Mitsui Banking Corporation

Vice Chairman

Yoshio Okubo

Senior Managing Director

Yoji Kanie

Senior Executive Director

Hidemi Ijichi

Executive Director

Koichi Hirata

Masahiko Koyanagi

Toshihiko Sasaki

Executive Officer

Tsuyoshi Murai

Member Auditor

Hiroyuki Kikuchi

Kyokuto Securities Co., Ltd.

Masahito Miura

Mitoyo Securities Co, Ltd.

Standing Auditor

Tadashi Omae

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

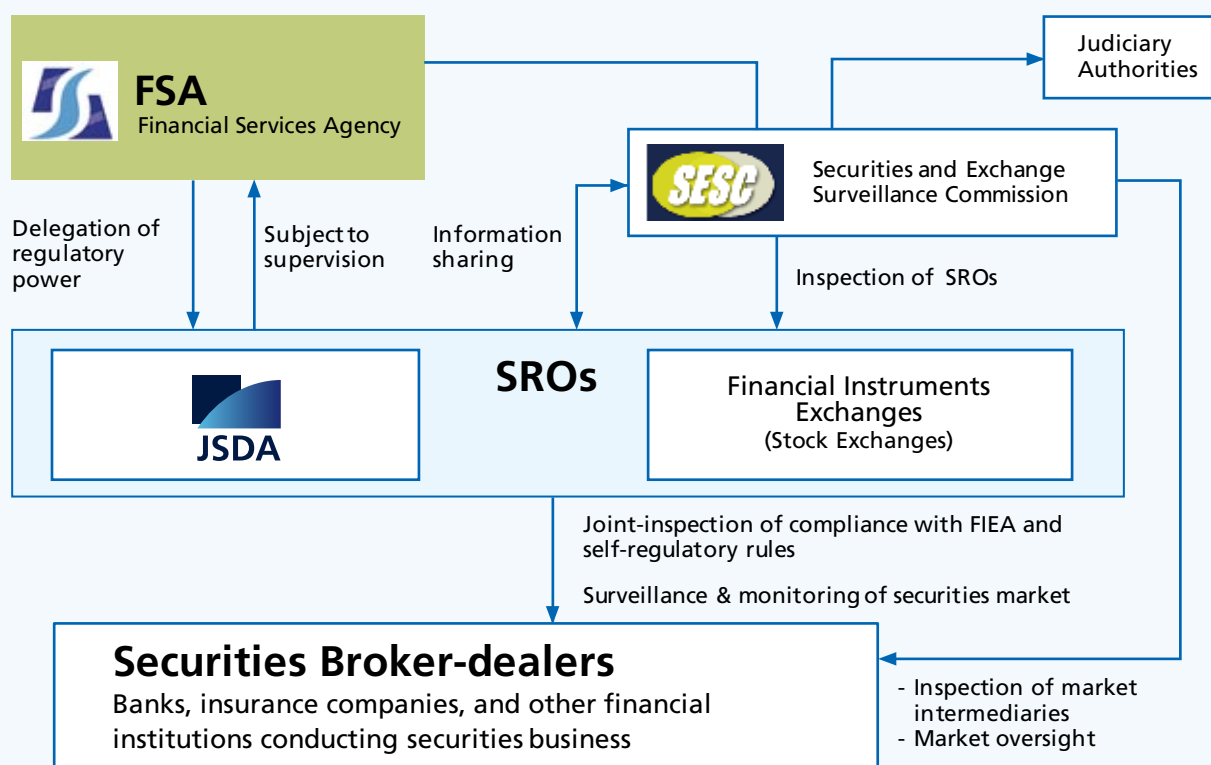
2. District Offices

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

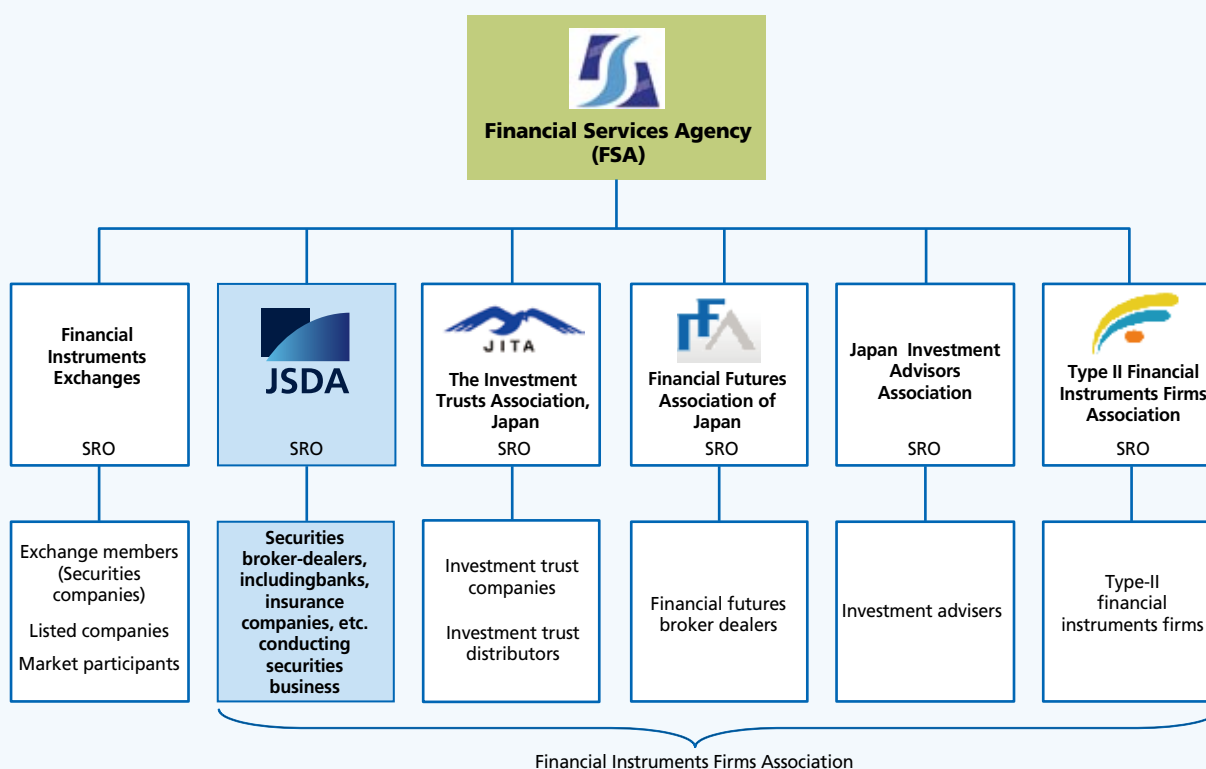
3. Affiliated Bodies

The JSDA has the Sales Representative Examination Committee, Incident Confirmation Committee as well as Complaint Review Council as sub-organs.

Self-regulatory Structure for Securities Broker-dealers



Securities-related SROs in Japan



List of Members

List of Regular Members (As of End of June, 2013)

ABN AMRO Clearing Tokyo Co., Ltd.	Daiwa Securities Co., Ltd.	IR Japan, Inc.
ACE SECURITIES CO., LTD.	DBJ Securities., Co., Ltd.	IS Securities Co., Ltd.
Aioi Securities Co., Ltd.	Deutsche Securities Inc.	Isurugi Securities Co., Ltd.
AIP Securities Co., Ltd.	DMM.com SECURITIES Co., Ltd.	Itaú Asia Securities Ltd.
Aizawa Securities Co., Ltd.	Ehime Securities Co., Ltd.	IwaiCosmo Securities Co., Ltd.
Akatsuki Securities, Inc.	Eiwa Securities Co., Ltd.	Iyogin Securities Co., Ltd.
Alba Ace Securities Co., Ltd.	eWarrant Japan Securities K.K.	Japan Alternative Investment Co., Ltd.
Alliance Bernstein Investments, Inc., Tokyo Branch	FIL Securities (Japan) K.K.	Japan Asia Securities Co., Ltd.
AMP Capital Investors KK	FPG Securities Co., Ltd.	Japan Bond Trading Co., Ltd.
Amundi Japan Securities Ltd.	Fukuoka Securities Co., Ltd.	Japan Private Asset Securities Inc.
Ando Securities Co., Ltd.	Futanami Securities Co., Ltd.	Japan Securities Agents.Ltd.
Aozora Securities Co., Ltd.	FXCM Japan Securities Co., Ltd.	JBond Totan Securities Co., Ltd.
Ark Securities Co., Ltd.	GAM Japan Limited	Jefferies (Japan) Limited
Astmax Asset Management, Inc.	GCM Investments Japan K.K.	JPMorgan Asset Management (Japan) Limited
Awa Securities Co., Ltd.	GI Capital Securities Limited	JPMorgan Securities Japan Co., Ltd.
AXA INVESTMENT MANAGERS JAPAN LTD.	GKFX Securities Co., Ltd.	Jyoko Securities Co., Ltd.
Bansei Securities Co.,Ltd	GMO CLICK Securities, Inc.	kabu.com Securities Co., Ltd.
Banyo Securities Co., Ltd.	Goldman Sachs Asset Management Co., Ltd.	Kagawa Securities Co., Ltd.
Barclays Securities Japan Limited	Goldman Sachs Japan Co., Ltd.	KANETSU FX SECURITIES CO., Ltd.
BGC Shoken Kaisha Limited	GreensLedge Asia Limited	KAZAKA Securities Co., Ltd.
BlackRock Japan Co., Ltd.	H.S.Securities Co., Ltd.	Kimura Securities Co., Ltd.
Bloomberg Tradebook Japan Limited	HACHIJUNI Securities Co., Ltd.	Kokufu Securities Co., Ltd.
BNP Paribas Securities (Japan) Limited	Hamagin Tokai Tokyo Securities Co.,Ltd	Kotobuki Securities Co., Ltd.
Brown Brothers Harriman Securities(Japan) Inc.	Hedgefund Securities Co., Ltd.	KOYO SECURITIES CO. , LTD.
Buko Securities Co., Ltd.	Henderson Global Investors (Japan) Limited	Kyokuto Securities Co., Ltd.
C&M Securities Co., Ltd.	Hibiki Securities Inc.	Kyowa Securities Co., Ltd.
Capital Partners Securities Co., Ltd.	Hikari Securities Co., Ltd.	Leading Securities Co., Ltd.
CATALYST Securities Co., Ltd.	Himawari Securities, Inc.	Liquidnet Japan Inc.
Centrade Securities Co., Ltd.	Hinode Securities Co., Ltd.	livestar Securities Co., Ltd.
Central Totan Securities Co., Ltd.	Hirogin Utsumiya Securities Co., Ltd.	Macquarie Capital Securities (Japan) Limited.
Chibagin Securities	Hirota Securities Co., Ltd.	Man Investments Securities Japan, Limited
Chi-X Japan Limited	HSBC Securities (Japan) Limited	Maruchika Securities Co., Ltd.
Chugin Securities Co., Ltd.	Hyakugo Securities Company Limited	Marufuku Securities Co., Ltd.
CIBC World Markets (Japan) Inc.	i SECURITIES Co., Ltd.	Maruhachi Securities Co., Ltd.
Citigroup Global Markets Japan Inc.	ICAP Totan Securities Co., Ltd.	Marukuni Securities Co., Ltd.
CLSA Securities Japan Co., Ltd.	Ichiyoshi Securities Co., Ltd.	Marusan Securities Co., Ltd.
Crédit Agricole Securities Asia B.V.	IG Securities Limited	Masumo Securities Co., Ltd.
Credit Suisse Securities (Japan) Limited	Iizukanakagawa Securities Co., Ltd.	Matsui Securities Co., Ltd.
Crowd Securities Japan, Inc.	Imamura Securities Co., Ltd.	Matsusaka Securities Co., Ltd.
Daewoo Securities Co. , Ltd.	i-NET Securities Co., Ltd.	MCP Asset Management Securities, Inc.
Daiko Clearing Services Corporation	ING Mutual Funds Management Company (Japan), Ltd.	Meiwa Securities Co., Ltd.
Daikumamoto Securities Co., Ltd.	Interactive Brokers Securities Japan, Inc.	Merrill Lynch Japan Securities Co., Ltd.
Daiman Securities Co., Ltd.	Intercapital Securities, Inc.	Mirai Securities Co., Ltd.
Daisen Hinomaru Securities Co., Ltd.	INVEST SECURITIES CO., LTD.	MITA SECURITIES Co., Ltd.

Mito Securities Co., Ltd.	Rakuten Securities, Inc.	The Arts Securities Co., Ltd.
Mitoyo Securities Co., Ltd.	RBC Capital Markets (Japan) Limited	The Bank of New York Mellon Securities Company Japan Ltd.
Mitsubishi Corporation Asset Management Ltd.	RBS Securities Japan Limited	The Joyo Securities Co., Ltd.
Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd.	Retela Crea Securities Co., Ltd.	The Kosei Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	REXEM SECURITIES Co.LTD.	The Miki Securities Co., Ltd.
Mitsui Securities Co., Ltd.	Rokuwa Securities Co., Ltd.	The Nakahara Securities Co., Ltd.
Miyako Securities Co., Ltd.	Sakamoto Hokuriku Securities Co., Ltd.	The Tachibana Securities Co., Ltd.
Mizuho Global Alternative Investments, Ltd.	SAMSUNG SECURITIES Co., Ltd. Tokyo Branch	Tobu Securities Co., Ltd.
Mizuho Securities Co., Ltd.	Sanei Securities Co., Ltd.	TOGAKU Securities Co., Ltd.
Monex, Inc.	Sanen Securities Co., Ltd.	Tokai Tokyo Securities Co., Ltd.
Money Partners Co., Ltd.	Sanko Securities Co., Ltd.	Tokio Marine Financial Solutions Ltd.
Morgan Stanley MUFG Securities Co., Ltd.	Sankyo Securities Co., Ltd.	Tokushima-Godo Securities Co., Ltd.
Musashi Securities Co., Ltd.	Sasayama Securities Co., Ltd.	Tokyo Securities Transfer Agent Co., Ltd.
Nagano Securities Co., Ltd.	Saxo Bank FX Securities K.K.	Tomiooka Securities Co., Ltd.
Naito Securities Co., Ltd.	SBI Japannext Co., Ltd.	Tower Securities Co., Ltd.
Nakaizumi Securities Co., Ltd.	SBI SECURITIES Co., Ltd.	Toyo Securities Co., Ltd.
Nara Securities Co., Ltd.	Securities Japan, Inc.	Traders Securities Co., Ltd.
Natixis Japan Securities Co., Ltd.	Shimadai Securities Co., Ltd.	Tradeweb Europe Ltd.
Newedge Japan Inc.	Shinbayashi Securities Co., Ltd.	Tradition Securities Japan Co., Ltd.
New-S Securities Co., Ltd.	Shinkin Securities Co., Ltd.	UBS Securities Japan Co., Ltd.
Niigata Securities Co., Ltd.	Shin-Ogaki Securities Co., Ltd.	Ueda Yagi Securities Co., Ltd.
Nishimura Securities Co., Ltd.	Shinsei Securities Co., Ltd.	United World Securities (Japan) K.K.
Nishi-Nippon City Tokai Tokyo Securities Co., Ltd.	SHIZUGIN TM SECURITIES Co., Ltd.	Usuki Securities Co., Ltd.
Nishiwaki Securities Co., Ltd.	Shizuoka Tokai Securities Co., Ltd.	Utsumiya Securities Co., Ltd.
Nissan Century Securities Co., Ltd.	Shonai Securities Co., Ltd.	Utsunomiya Securities Co., Ltd.
Nobata Securities Co., Ltd.	SMBC Friend Securities Co., Ltd.	Vanguard Investments Japan, Ltd.
Nomura Financial Products & Services, Inc.	SMBC Nikko Securities Inc.	Wells Fargo Securities (Japan) Co., Ltd.
Nomura Securities Co., Ltd.	Societe Generale Securities (North Pacific) Ltd.	Yahata Securities Co., Ltd.
Northern Trust Global Investments Japan, K.K.	Sompo Japan DC Securities Inc.	Yamagata Securities Co., Ltd.
Okachi Securities Co., Ltd.	SPARX Asset Management Co., Ltd.	YAMAGEN Securities Co., Ltd.
Okasan Online Securities Co., Ltd.	SPC Securities Inc.	Yamani Securities Co., Ltd.
OKASAN SECURITIES CO., LTD.	STAR KAWASE SECURITIES CO., Ltd.	Yamawa Securities Co., Ltd.
Okayasu Securities Co., Ltd.	Starts Securities Co., Ltd.	Yensai.com Co., Ltd.
Okinawa Securities Limited	State Street Global Advisors (Japan) Co., Ltd.	YM Securities Co., Ltd.
One Asia Securities Co., Ltd.	State Street Global Markets Securities Co., Ltd.	Yutaka Securities Co., Ltd.
ORIX Wholesale Securities Corporation	StormHarbour Japan Ltd.	YUTAKA SHOJI Co., Ltd.
Phillip Securities Japan, Ltd.	Strategic Investments KK	Zukawa Securities Co., Ltd.
Pregian Securities Co., Ltd.	Superfund Securities Japan Co., Ltd.	
Premiere Securities Co., Ltd.	Tahara Securities Co., Ltd.	
Profit Securities Corp.	Takagi Securities Co., Ltd.	
Putnam Investments Securities Co., Ltd.	Takematsu Securities Co., Ltd.	
PWM Japan Securities Co., Ltd.	Teneo Partners Japan Limited	
	The Air's Sea Securities Co., Ltd.	

Notes: Six 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, 2013)

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 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 Bank, Ltd.
The Minami-Nippon Bank, Ltd.
THE MINATO BANK, LTD.
The Miyazaki Taiyo Bank, Ltd.
THE NAGANO BANK, 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.
 Jibun Bank Corporation
 Rakuten Bank, Ltd.
 SBI Sumishin Net Bank, Ltd.

Shinsei Bank, Limited
 Sony Bank Incorporated
 The Japan Net Bank, Limited

Life Insurers

Asahi Mutual Life Insurance Company.
 Daido Life Insurance Co.
 Fukuoku 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.
 Sompo Japan Insurance Inc.
 Tokio Marine & Nichido Fire Insurance Co., Ltd.

Monetary Market Dealers

Central Tanshi 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 Website

JSDA

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

JSDA (English website)

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



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