



**JSDA**

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Annual Report **2015**



**Japan Securities Dealers Association**



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# Preamble



Dear Readers,

The Japanese economy has remained on a steady recovery path under Abenomics, the government's three-pronged strategy consisting of bold monetary policy, flexible fiscal policy and a growth strategy. The stock market has also reacted favorably as evidenced by the substantial hike in stock prices, steady increase in the number of IPOs, and considerable growth in market capitalization.

In the securities market, the Nippon (Japan) Individual Savings Account (NISA) scheme was launched in January 2014 with the aim of effectively expanding the investor base. NISA encourages individual investment by exempting dividends and capital gains on small investments from taxation, and is expected to be an effective instrument for mid-to-long-term asset accumulation as well as a functional conduit of funds to promising businesses. The securities industry has been making a concerted effort to popularize NISA and encourage self-reliant asset formation by individuals. Furthermore, in December 2014, the government's tax reform package incorporated the introduction of Junior NISA, which provides investors with opportunities

to contribute to asset formation by their children or grandchildren and raises the ceiling on NISA annual investment.

Under these circumstances, aiming to keep Japan's economic growth on track and further improve people's standards of living, the Japan Securities Dealers Association (JSDA) has embraced two goals: "strengthening functions and competitiveness of the capital market underpinning the Japanese economy" and "supporting individual investors by expanding and promoting financial and economic education." With these two goals in mind, JSDA continues to fulfill its roles and functions to achieve fair and effective self-regulation, promote sound development of financial and capital markets and industries, and further enhance links and networks with overseas counterparties. Major developments in our mandates are outlined below.

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## **Strengthening functions and competitiveness of the capital market underpinning the Japanese economy**

JSDA expanded the scope of its self-regulation to include equity-based crowdfunding and swap execution facilities, which are newly defined as Type I Financial Instruments Business by an amendment of the Financial Instrument and Exchange Act. Equity-based crowdfunding is expected to support fund-raising by venture enterprises, and swap execution facilities are platforms to ensure transparency of swap trading. JSDA also set up a regulatory framework regarding a shareholders' community system for unlisted regional companies to provide investors with opportunities for trading and liquidating shares of such companies.

In conjunction with these efforts, in order to establish Tokyo's status as a global financial center and enhance the functions of Japan's financial and capital markets, the securities and asset management industries collaborated in setting up the Council for Tokyo Global Financial Center Promotional

Activities. Taking a broad perspective, this council examined Japan's advantages, expected roles and challenges as a global financial center.

Japan has the third largest economy in the world and a huge and deep capital market. This said, in order to further raise Tokyo's profile as a global financial center, it is imperative to implement initiatives to create an attractive and access-friendly market for overseas investors, and communicate information about such initiatives abroad. With this in mind, JSDA carries out a number of initiatives to promote the attractiveness and potential of the Japanese market overseas.

As our core activity for this purpose, since 2008 we have been holding an annual Japan Securities Summit, which is a seminar event to promote the Japanese securities market overseas. Following the past six successful events in London (2008 and 2013), Hong Kong (2009), Singapore (2010), and New York (2011 and 2014), JSDA held this event again in London on February 11, 2015. The event was co-organized by JSDA and the International Capital Market Association (ICMA).

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### **Supporting individual investors by expanding and promoting financial and economic education**

Amid ongoing demographic changes in Japan, it is becoming critically important for individuals to build personal assets at their own discretion and responsibility in order to secure stable and prosperous lives. As mentioned above, NISA assumes a significant role in supporting the asset formation efforts of individuals under these circumstances. Accordingly, the promotion of NISA presently ranks as our top priority in supporting individual investors.

By the end of March 2015, almost nine million NISA accounts had been opened and the total amount of investment through NISA had reached almost ¥4.5 trillion (US\$37 billion). This indicates that NISA has become an effective tool to expand

the investor base and support the asset formation efforts of individuals. JSDA will continue to actively promote NISA and the forthcoming Junior NISA through public relations and educational activities targeting investors through TV commercials, Internet advertisements, and other media.

An important aspect of NISA is encouraging a wide range of people, including those who are new to investment, to invest in diverse financial products with significant variations in risks and returns. In light of the industry's awareness of the pressing need to raise financial literacy among individual investors, JSDA is promoting financial and economic education to encourage their asset formation efforts.

For instance, JSDA enhanced its Financial Literacy Seminars for university students and dispatched lecturers for Saturday Classes at elementary and junior high schools in collaboration with Japan's Ministry of Education, Culture, Sports, Science and Technology (MEXT) as a part of its financial and economic education program. For the general public, particularly focusing on those new to investment and the younger generations, JSDA annually hosts Investment Day events to raise financial literacy and organizes special seminars on NISA as well as Visiting Lectures to Support NISA in workplaces.

JSDA is fully committed to further improving our market's integrity and efficiency and has implemented a number of initiatives to this end as mentioned above. Leveraging our market's strengths, these efforts will contribute to affirming future sustainable growth for Japan and the world, and solidify Tokyo's status as one of the world's leading financial centers.



Kazutoshi Inano  
Chairman and CEO



# For a More Active and Efficient Market: Contributing to Growth Strategies



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## Increasing Japan's Status and Enhancing International Competitiveness in Capital Markets

Currently, the Japanese government and private sector are working together to make Tokyo a global financial center. To this end, in September 2014 JSDA collaborated with other related industries to organize the Council for Tokyo Global Financial Center Promotional Activities and discussed issues and necessary measures in the aim of analyzing Japan's advantages, expected roles, and challenges as a global financial center among international financial and capital markets.

JSDA took several steps toward establishing a comprehensive exchange, which will enhance Japan's financial competitiveness. JSDA established a special committee to discuss and examine issues surrounding the realization of the comprehensive exchange. As a result of the discussion, in November

2014 the committee published an extensive report recommending that JSDA extend the scope of its self-regulatory rules and membership to facilitate the establishment of the comprehensive exchange and protect future investors.

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## Developing Infrastructure for Settlement of Bonds and Stocks

JSDA's Working Group on Shortening of the JGB (Japanese Government Bonds) Settlement Cycle finalized discussion on the development of infrastructure for JGB settlement and published a report in November 2014. The report discussed a grand design to shorten settlement cycles and achieve T+1 for outright JGB transactions (T+0 for general collateral (GC) repo transactions). JSDA held a meeting to explain this grand design and exchange opinions with its members.

In August 2014, JSDA, the Tokyo Stock Exchange, and the Japan Securities Clearing Corporation acted as secretariat to organize a Study Group on Shortening the Stock Trading Settlement Cycle (to T+2). The study group analyzed effects and deliberated tasks required to shorten the stock settlement cycle, and published a report in March 2015. The study group was established in consideration of the recent trend of discussions in the U.S. and European and Asia-Pacific countries to shorten stock settlement cycles.

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### **Vitalizing the Corporate Bond Market**

To enhance the corporate bond market, JSDA finalized discussion on the protection of corporate bondholders. A JSDA Working Group on Market Infrastructure for Corporate Bonds issued its report for public consultation in March 2015. The report dealt with new measures to protect corporate bondholders, and particularly discussed the establishment of an information notification system for bondholders and the setting up of a Bond Administrator system.

Currently, JSDA plans to launch the new system in November 2015 with a view to promoting corporate bond market transparency. The new system will publish real contract prices of OTC corporate bond transactions. JSDA has cooperated with securities firms and other market-related organizations to prepare the new system, which is expected to stimulate corporate bond transactions.

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### **Developing New Methods to Foster Startup and Growth Companies**

In May 2015, JSDA revised and enacted self-regulatory rules to promote financing for startup and growth companies and ensure liquidity of those companies' stocks. The revision introduced an "equity-based crowdfunding system" and a "shareholders community system" aiming to protect investors in unlisted stocks. The equity-based crowdfunding system is a framework

that links new and growing companies with investors through the Internet, and facilitates their financing by enabling small equity investments from a wide range of investors. The shareholders community system is a regulatory framework to allow securities firms to solicit investors who participate in a shareholders community. The system was launched in response to needs for transaction and liquidation of stocks issued by unlisted companies, including regional companies.

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### **Promoting NISA, the Tax Exemption Program for Investments by Individuals**

JSDA promoted and advertised NISA to individuals, focusing on those who have no experience investing in financial instruments. JSDA ran a wide range of advertisements through TV commercials and the Internet, setting up an original NISA website and making pamphlets and posters. To answer questions and inquiries from individuals, JSDA operated the NISA Enquiry Call Center.

JSDA made efforts to increase the ceiling for tax-free annual NISA investment, simplify the NISA scheme, make NISA a permanent system, and establish the Junior NISA, another new scheme to encourage asset formation by the next generation. As a result, the NISA schemes were incorporated in the Outline of Revisions to the Tax System in Fiscal 2015, which includes: increasing the ceiling for annual NISA investment from ¥1 million (approximately US\$8,322) to ¥1.2 million (approximately US\$9,986), creating a Junior NISA scheme, and simplifying and expediting NISA account opening procedures. In December 2014, to promote workplace NISA, which encourages company employees' continuous investment through the NISA system, JSDA issued guidance and provided a sample application form for the scheme.



# For Better Self-Regulation



IOSCO AMCC General Meeting

## Establishing Confidence in Securities Firms and Market

Since December 2013, JSDA has applied a new rule to its members to protect elderly customers. The rule requires members to set up in-house rules stipulating products eligible for sale to elderly customers, methods for explanation and acceptance of orders, and other key points for investor protection. JSDA has inspected its members' compliance with the new rule. To further discuss the issues and examine an appropriate Internet trading system for elderly customers, JSDA organized a study group on Self-Regulation for Internet Trading in June 2014 and published its interim report in December 2014.

Meanwhile, JSDA's Working Group on Segregation Audit of Customer Assets considered an audit process for segregation of customers' assets and disclosure of audit results. Based on discussions, the working group published its report in April 2015.

## Preventing Insider Trading

JSDA continued to collaborate with stock exchanges in encouraging the participation of listed companies in the Japan Insider Registration & Identification Support System (J-IRISS), which aims to prevent unintended insider trading through checking of registered executive officers and employees of listed companies. As a result, the number of companies participating in J-IRISS as of August 24, 2015 reached 2,948, or 81.78% of all listed companies. This figure represents an increase from 2,748 companies, or 77.58% of all listed companies, as of March 31, 2014.

## Inspections of Members

Through inspections of member firms, JSDA aims to ensure investor protection while constantly respecting members' voluntary efforts to that end.



During fiscal 2014, JSDA inspected a total of 132 member firms, including 84 Regular Members and 48 Special Members, from the perspectives of members' compliance with laws and regulations and the establishment and effectiveness of internal administrative systems. JSDA specifies inspection methods, priority items for inspection, and particular inspection items based on the nature of the business, customer base, and risks involved with the business of each inspected member.

The main focus of the inspection plan for fiscal 2014 were: 1) internal administration system (including risk management), 2) solicitation and sales practices, 3) maintenance of and compliance with a code of ethics, 4) segregation of customer assets, 5) financial soundness, 6) sale and purchase monitoring system, 7) banning relationships with anti-social forces, and 8) system management. Each inspection was conducted by identifying specific issues on a case-by-case basis.

Of the 78 Regular Members and 47 Special Members receiving notifications of inspection results in fiscal 2014, 23 Regular Members and 9 Special Members were found to be in violation of laws or regulations.

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### **Inspection Monitoring System (System for Receiving Comments on Inspections)**

From among the 132 association members inspected, JSDA collected opinions on its on-site inspection from 27 Regular Members and 10 Special Members. This monitoring system allows JSDA to more fully understand the conditions under which inspections are conducted, enabling the implementation of appropriate inspections.

The system also helps to ensure highly transparent and trustworthy inspections.



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### **Collaborating with Government Authorities and Other Self-Regulatory Organizations**

JSDA, the Financial Services Agency (FSA), the Securities and Exchange Surveillance Commission (SESC), and stock exchanges share information regarding their inspections and audits. JSDA strives to improve the quality of its inspection activities in cooperation with government authorities. Measures include participating in training sessions organized by the SESC and inviting lecturers from the SESC to speak at training courses for inspectors held by JSDA.

## Disciplinary Action

In cases of violation of laws and regulations, including JSDA's self-regulatory rules, JSDA rigorously imposes self-regulatory disciplinary action in order to avoid the recurrence of such violations. Disciplinary action is taken against member firms as well as their sales representatives.

The numbers of disciplinary actions taken by JSDA during fiscal 2014 are shown in the table below.

## Disciplinary Actions in Fiscal 2014

<b>Against Regular Members</b>	
Expulsion	1
Fine and Warning	2
<b>Against Sales Representatives of Regular Members</b>	
Treatment as Class 1 Perpetrator of Inappropriate Acts	1
Revocation of Sales Representative Registration and Treatment as Class 2 Perpetrator of Inappropriate Acts	16
Treatment as Class 2 Perpetrator of Inappropriate Acts	3
Suspension of Sales Representative Business	74
Prohibition of Sales Representative Business	3
<b>Against Sales Managers &amp; Internal Administrators of Regular Members</b>	
Prohibition Appointment of Sales Manager Position	7
Prohibition Appointment of Internal Administrator Position	1
<b>Against Sales Representatives of Special Members</b>	
Revocation of Sales Representative Registration and Treatment as Class 2 Perpetrator of Inappropriate Acts	6
Suspension of Sales Representative Business	6
Prohibition of Sales Representative Business	2
<b>Against Sales Managers &amp; Internal Administrators of Special Members</b>	
Prohibition Appointment of Sales Manager Position	1
Prohibition Appointment of Internal Administrator Position	4
<b>Against Sales Representatives of Financial Instruments Intermediary Service Providers</b>	
Suspension of Sales Representative Business	3

Note: 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  
 Suspension of Sales Representative Business is an administrative disciplinary action and Prohibition of Sales Representative Business is a self regulatory disciplinary action.

## Qualification Examinations

JSDA holds qualification examinations for Class-1 Sales Representative, Class-2 Sales Representative, and Internal Administrator for its member firms' employees involved in securities business operations. The Class-1 and Class-2 Examinations are open to the public to disseminate financial literacy and securities knowledge.

JSDA also holds qualification examinations for Special Member Class-1 Sales Representative, Special Member Class-2 Sales Representative, and Special Member Internal Administrator.

JSDA conducts these qualification examinations based on the syllabus compiled in January 2014.

The numbers of examinees and successful applicants for each examination during fiscal 2014 are shown in the following table.

## Qualification Examinations in Fiscal 2014

Examination	Examinees	Successful Applicants
Class-1 Sales Representative	58,310	25,705
Class-2 Sales Representative	27,175	14,551
Internal Administrator	18,903	15,910
Special Member's Class-1 Sales Representative	9,786	2,986
Special Member's Class-2 Sales Representative	14,983	6,514
Special Member's Class-4 Sales Representative*	0	0
Special Member's Internal Administrator	2,971	2,775

Note: Special Member's Class-4 Sales Representative Qualification Examination was abolished as of December 31, 2014.



ASF Annual General Meeting

# 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 its member firms. JSDA also conducts additional training courses as necessary in response to amendments of laws and regulations and institutional reforms.

Ensuring that appropriate ethical standards are maintained by its member firms and their employees continues to be one of JSDA's key initiatives. In line with this initiative, JSDA set out three basic policies in its basic plan for training courses for association members in fiscal 2014: 1) foster greater awareness of business ethics among member firms and enhance continuous programs aimed at ensuring thorough compliance awareness, 2) introduce practical and diverse training methods, and 3) revise the contents of training courses in a timely manner to deal with emerging issues including revisions of laws and regulations.

In implementing such annual plans, JSDA continuously conducts various training courses based on its self-regulatory rules in the aim of raising awareness of ethics and codes of conduct. Moreover, periodic reviews are undertaken to further improve the content of training courses and new topics, such as solicitation methods for elderly customers, are added in a timely manner.

To contribute to enhancing compliance procedures and internal training systems in member firms, JSDA compiles and distributes training materials on laws and regulations to be used in internal training courses. In addition, JSDA provides summaries and reference materials on compliance-related issues from among its training themes for the fiscal year. Moreover, it dispatches or refers its officers and employees to act as lecturers at in-house training sessions of member firms. During fiscal 2014, JSDA officers and employees held 24 sessions in member firms.

## Training Courses during Fiscal 2014

1. Seminar for company representatives
2. Training seminars for executives
3. Joint training seminars for internal administration supervisors and internal administration assistant supervisors
4. Training seminars for internal administrators
5. Training seminars for sales managers
6. Joint training seminars for sales managers and internal administration supervisors
7. Training seminars for qualification renewal of sales representatives
8. Basic compliance seminars
9. Compliance practice seminars
10. Securities business basic seminars
11. Securities business practice seminars
12. Compliance seminars for sales staff
13. Risk management seminars
14. Corporate ethics seminar

## Investor Education

### (1) Supporting financial literacy and education

- Raising financial literacy of school and university students

JSDA started new programs of "Home Delivery Lectures on Financial Literacy" by dispatching JSDA executive officers and employees as lecturers to universities throughout the country, in the aim of ensuring that university students acquire basic knowledge of the economy, finance, and asset management in order to enable them to become financially independent adults. JSDA also held seminars for university students to support a deeper understanding of matters including securities investment, systems for asset formation such as defined contribution pension plans, and the significance of financial literacy.

For those aged 15 or under, JSDA dispatched its employees to elementary and junior high schools as lecturers for Saturday courses aimed at enhancing financial literacy and education. In these courses students can acquire basic knowledge of how a company works through a simulated program called "Challenge! Snack Co., Ltd." This activity supports the Saturday Education Volunteer Movement initiative being promoted by MEXT.



- **Enhancing financial education for junior high and high school teachers**

To encourage a deeper understanding of the importance of financial and economic education, JSDA offered a variety of financial and economic education support activities for teachers. These included hosting Summer Seminars for Civics Teachers, the First Hand Experience Finance and Securities Program for Educators, and Seminars for Principals and Vice-Principals. Support for Financial and Economic Education Study Activities by Teachers was also included.

With the aim of further promoting the use of the supplementary educational materials offered by the Securities Knowledge Proliferation Project, JSDA produced video content (DVDs) for use by junior high and high school teachers as supplementary educational materials. In addition, the Project set up a financial and economic education website for teachers and students. This contains resources including a comic and quiz for students and a teaching guide on how to use these materials in classes.

- **Raising public financial literacy**

Besides seminars for teachers and students, JSDA held various public events to enhance and improve the overall level of financial literacy. These included Financial Literacy Study Courses and Seminars for Young Women. Considering that a key challenge is to broaden and encourage financial literacy among less-experienced individual investors who have opened NISA accounts, the topics in the courses and seminars include the significance of developing individual life plans or money plans and better understanding of investment risks, as well as a comprehensive summary of the NISA framework.

JSDA also hosted various events to enhance understanding of NISA. In Fiscal 2014, Special Financial Literacy Seminars were launched as a new initiative. These seminars also focus on the importance of life plans and money plans, an outline of the NISA scheme, better understanding of the risks involved in investment, and a summary of various financial products for asset building. To further raise awareness of the seminars, they were recorded on video and have been viewed on the web more than 9,500 times.

Various events are held each year, especially on and around October 4, which is Investment Day in Japan, as part of the activities of the Securities Knowledge Proliferation Project. During the period from September to November 2014, the Project held a wide variety of Investment Day events throughout Japan, including lectures, panel discussions on current economic trends, and life plans. The events also aimed to alert investors to the danger of scams involving alleged unlisted shares. A survey was conducted after Investment Day to assess the effectiveness of the events. The survey found that lack of financial literacy was cited as one of the major reasons why many people hesitate to invest, and indicated that it is worth continuing such public seminars on financial literacy.

- **Publications**

JSDA produces a variety of publications for distribution to enhance financial literacy and securities knowledge. These include pamphlets on stocks, bonds, and investment trusts offered for a small charge. The content of these pamphlets is available on the JSDA website free of charge.

## **(2) Other activities**

- **Public relations activities to prevent scams involving alleged unlisted shares and corporate bonds**

JSDA distributed cautionary materials, such as alert pamphlets, for the use of association members, prefectural police authorities, and other related parties. In addition, mainly during October 2014, JSDA carried out public street campaigns in major cities nationwide in collaboration with member firms, prefectural police, regional finance bureaus, the Consumer Agency, and registered financial institutions. These campaigns were publicized on the TV news and in newspapers. During the campaigns, approximately one million PR leaflets and other materials were distributed at relevant events supported by regional police as well as through flyers in newspapers and ads alerting people to the dangers of securities fraud.

Furthermore, the call center for unlisted shares set up by JSDA receives notifications from people who have been solicited to purchase unlisted shares or corporate bonds, etc., and passes information received on to government authorities.

# International Activities



## International Organization of Securities Commissions (IOSCO)/ Affiliate Members Consultative Committee (AMCC)

The International Organization of Securities Commissions (IOSCO) is the international organization that brings together the regulators of the world's securities and futures markets to establish global standards. In September 2013, the IOSCO SRO Consultative Committee (SROCC), established initially in 1989 as a forum of IOSCO's affiliate members, was reorganized as the Affiliate Members Consultative Committee (AMCC) reflecting diversification of its membership. The AMCC has more than 60 members representing developed and emerging securities and derivatives markets around the world and has become an important part of the global regulatory community responsible for securities regulation and fair market practices.

Within the AMCC, the Ahead of the Curve Working Group (ATC-WG) functions as a members'

forum to detect potential regulatory risks at an early stage, share information on them, and help AMCC member organizations explore optimal solutions. Since May 2012, JSDA has been serving as chair of the ATC-WG. At the IOSCO AGMs held in Rio de Janeiro in September 2014 and London in June 2015, the working group discussed a number of emerging regulatory issues across the world, including transparency of price and liquidity in corporate bond markets.

## The IOSCO Committee Eight (C8)

The IOSCO Committee Eight (C8), which covers issues related to retail investors, was set up in June 2013 with a mandate to conduct policy work on financial literacy and investor protection. JSDA participated as an observer in the discussion and exchange of views at the C8 meetings held in Singapore in September 2014, Mexico City in January 2015, and Jersey in May 2015.

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## **International Council of Securities Associations (ICSA)**

The International Council of Securities Associations (ICSA) was established in 1988 based on a proposal by JSDA. The objective of 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. ICSA membership comprises self-regulatory organizations and trade associations representing major securities markets throughout the world. As of July 2015, 19 organizations are members of ICSA. At the AGM held in Mumbai in April 2015, guest speakers and member associations discussed topics including “Competitive cities”, “Developments and Challenges in global equity markets”, “The impact of tapering QE on capital flows to emerging countries” and “G20 highlights”.

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## **Asia Securities Forum (ASF)**

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

The ASF annual general meeting is hosted by its members on a rotating basis. In November 2014, the Association of Thai Securities Companies (ASCO) hosted the 2014 AGM in Bangkok. More than 150 people participated from the Asia-Pacific region as well as the local securities industry. On the agenda at the 2014 AGM were market reports from member organizations, keynote speeches, and panel discussions on the following topics: “Capital Market Trends and Implications for Asia,” “Rule & Regulation Development Trends,” and “The Growing Importance of Retail Investors.”

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## **ASF Tokyo Round Table**

JSDA also organizes a training program called the ASF Tokyo Round Table, which targets the staff of self-regulatory organizations, securities-related associations, and regulatory authorities in the Asia-Pacific region to help countries develop their securities markets and build up regulatory frameworks. The 10th ASF Tokyo Round Table, held in December 2014, was attended by 23 participants from 18 jurisdictions. Participants mainly studied regulatory frameworks and market infrastructure using the Japanese securities market as an example.

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## **The 7th Japan Securities Summit in London**

On February 11, 2015, JSDA and the International Capital Markets Association (ICMA) co-organized the 7th Japan Securities Summit in London to promote Japanese markets, inviting institutional investors and financial market participants active in the investment community in the United Kingdom and Europe. The main topics covered were the status of Japanese economic recovery under Abenomics, major challenges in the Growth Strategy of Japan, and prospects for fiscal consolidation as well as the JGB market. Reflecting growing interest in Japanese markets, the event was attended by about 280 participants.

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

The International Forum for Investor Education (IFIE) is an alliance chartered in 2005 that brings together providers of investor education, serving as a forum for the exchange of information and ideas. As a member of IFIE, JSDA participated in the annual IFIE conference in Kuala Lumpur in May 2015 and exchanged views with members and other relevant parties. JSDA also actively participated in the Asian



Chapter of IFIE, serving as its Chair and attending its Annual Meeting held concurrently with the IFIE conference in May 2015.

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### **ASEAN+3 Bond Market Forum**

The ASEAN+3 Bond Market Forum was launched in September 2010 as a deliberative body for governments and market players under the Asian Bond Market Initiative (ABMI) to further promote the standardization and harmonization of Asian bond markets. JSDA actively committed to this activity (currently in phase 3 discussions) as a National Member in Sub-Forum 1 that deals with the harmonization of legal frameworks. In fiscal 2014, JSDA participated in the Sub-Forum meetings held in Hong Kong (September 2014) and Manila (January and April 2015).

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### **International Organization for Standardization (ISO)**

The International Organization for Standardization (ISO) has several technical committees (TCs) related

to various categories of standards, and has been developing a variety of international standards. One of the technical committees, TC68, is in charge of standardization in the financial services sector. Sub-Committee 4 (SC4) of TC68 investigates and sets up standards for information technology utilized in securities transactions. JSDA undertakes tasks for TC68/SC4, forging a consensus from the securities industry and other stakeholders in Japan and putting forward their views to SC4. JSDA participated in the 2015 plenary meeting held in Toronto in May.

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### **Active participation in discussions on global/cross border regulations and standard setting**

In February 2015, JSDA submitted comments concerning the Consultative Report of the IOSCO Task Force on Cross-Border Regulation released by IOSCO, requesting the choice of proper tools fitting specific regulatory objectives, remedies for duplicate regulations, and consistency with WTO rules.



ASF Tokyo Round Table



# Membership

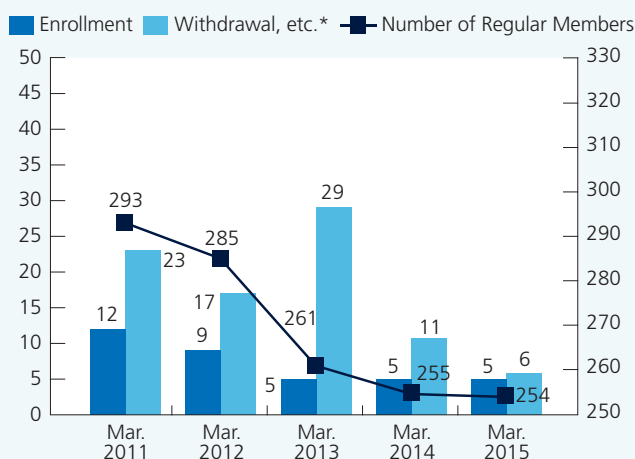
## Association Members are categorized into three groups:

### (1) Regular Members (254): Securities firms

While 5 new members enrolled in fiscal 2014, 6 members terminated their membership due to withdrawal, merger, or expulsion. Regular Members comprised 239 domestic securities firms and 15 foreign securities firms. Foreign Regular Members accounted for 5.9% of regular membership.

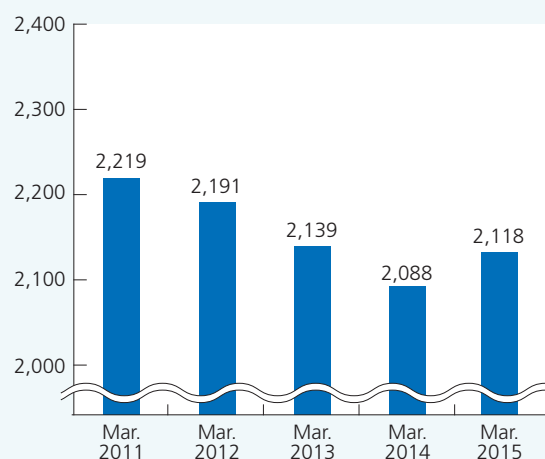
The total number of employees of JSDA Regular Members was about 85,000 at the end of December 2014, an increase of about 2,000 from the previous year. The number of offices of JSDA Regular Members at the end of March 2015 was 2,188. This figure increased for the first time in six years.

### Regular Members

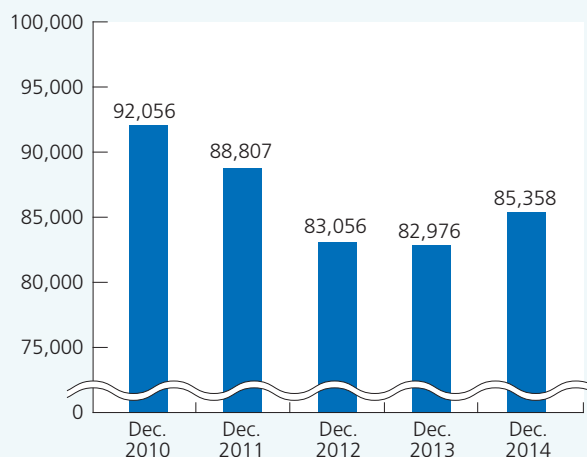


Note: Withdrawal, etc. includes termination of membership due to withdrawal, merger, and expulsion.

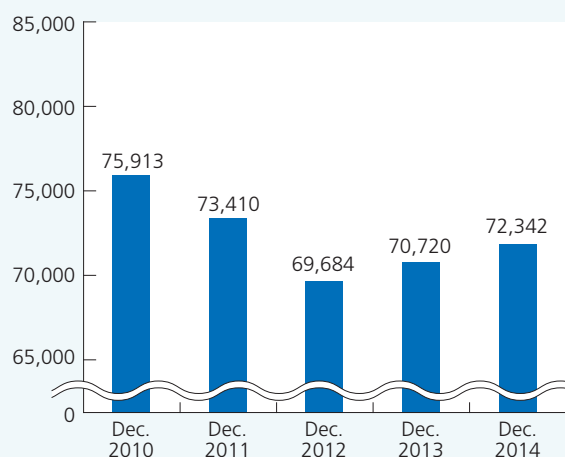
### Offices of Regular Members



### Employees of Regular Members



### Sales Representatives of Regular Members



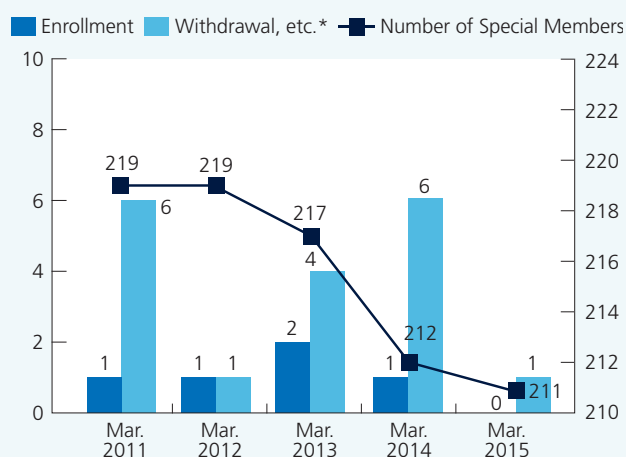
**(2) Specified Business Members (0): Firms only conducting specified OTC derivative transactions, etc. or Type I Small Amount Electronic Offering Handling Business.**

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

**(3) Special Members (211): Banks, insurance companies, etc. conducting securities business**

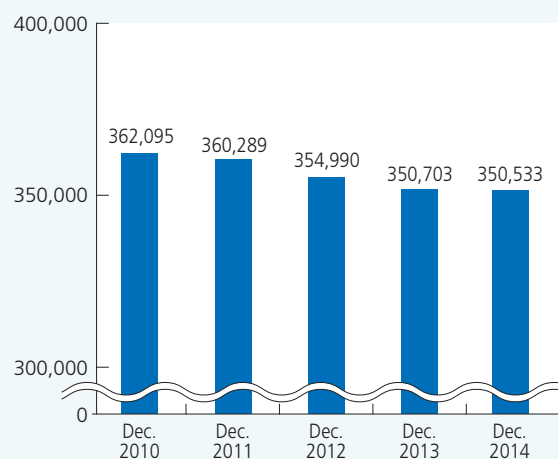
During fiscal 2014, 1 institution lost its membership due to merger.

**Special Members**

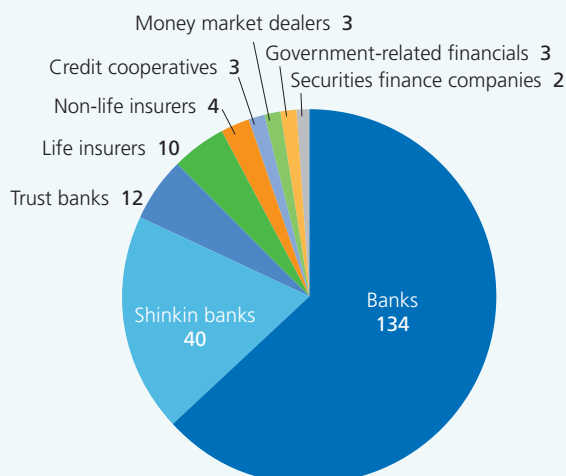


Note: Withdrawal, etc. includes termination of membership due to withdrawal and merger.

**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 2015)

### I. Assets

	Millions of yen	Thousands of U.S.dollars
<b>1 Floating assets:</b>		
Cash & deposits	¥101	\$841
Advances	¥1	\$7
Accounts receivable	¥144	\$1,200
Prepayments	¥45	\$372
Securities	—	—
Stored goods	—	—
<b>Subtotal</b>	<b>¥291</b>	<b>\$2,420</b>
<b>2 Fixed assets:</b>		
(1) Special assets:		
Accrued retirement benefits assets	¥4,394	\$36,568
Accumulated assets related to securities laws	¥5	\$42
Accumulated assets related to special businesses	¥16	\$133
Other Special assets	—	—
(2) Other fixed assets	¥3,368	\$28,023
<b>Subtotal</b>	<b>¥7,783</b>	<b>\$64,766</b>
<b>TOTAL ASSETS</b>	<b>¥8,074</b>	<b>\$67,186</b>

### II. Liabilities

	Millions of yen	Thousands of U.S.dollars
<b>1 Floating debts:</b>		
Accounts payable	¥188	\$1,562
Deposits received	¥29	\$245
Reserve for bonuses	¥222	\$1,846
Lease liabilities	¥63	\$524
<b>Subtotal</b>	<b>¥502</b>	<b>\$4,177</b>
<b>2 Fixed debts:</b>		
Long-term accounts payable	¥1	\$8
Accrued retirement benefits for employees	¥4,131	\$34,377
Accrued retirement benefits for executive officers	¥299	\$2,492
Lease liabilities	¥83	\$694
<b>Subtotal</b>	<b>¥4,515</b>	<b>\$37,570</b>
<b>TOTAL DEBTS</b>	<b>¥5,017</b>	<b>\$41,748</b>

### III. Net Assets

<b>1 Designated net assets:</b>		
Private subsidy	¥21	\$175
<b>Subtotal</b>	<b>¥21</b>	<b>\$175</b>
<b>2 General net assets</b>	<b>¥3,036</b>	<b>\$25,264</b>
<b>Subtotal</b>	<b>¥3,036</b>	<b>\$25,264</b>
<b>TOTAL NET ASSETS</b>	<b>¥3,057</b>	<b>\$25,438</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>¥8,074</b>	<b>\$67,186</b>

- Notes: 1. Rate of US\$1=¥120.17 used for conversion.  
 2. Each of total and sub-total figures may not match the ones in the relevant row or column because of rounding off.  
 3. Total amount of general account of members and general account of special members are listed on the chart.



## Revenues and Expenses Statement (Fiscal 2014: Apr. 2014 to Mar. 2015)

### Revenues

	Millions of yen	Thousands of U.S. dollars
<b>1 Revenues from business activities</b>		
Designated Asset Investment Profit	¥33	\$275
Membership fees	¥5,767	\$47,986
- Fixed membership fees	(¥1,699)	(\$14,134)
- Floating rate membership fees	(¥4,068)	(\$33,852)
Business revenues	¥49	\$407
- Training and education fees	(¥23)	(\$190)
- Other business revenues	(¥26)	(\$217)
Subsidies	¥24	\$200
Other revenues	¥49	\$412
Transferred revenues from other accounts	¥1,133	\$9,427
- Transferred revenue from Special Members General Account	(¥796)	(\$6,625)
- Transferred revenues from Institute for Securities Education & Public Relations Special Account	(¥20)	(\$170)
- Transferred revenue from Members General Fund Special Account	(¥89)	(\$741)
- Transferred revenue from Members Training Fund Special Account	(¥29)	(\$242)
- Transferred revenue from Securities Market Activating Fund Special Account	(¥87)	(\$724)
- Transferred revenues from Member Securities Market Fairness and Activation Fund Special Account	(¥91)	(\$761)
- Transferred revenues from Special Members General Fund Special Account	(¥2)	(\$20)
- Transferred revenues from Sales Representative Business Unified Special Account	(¥17)	(\$144)
<b>Subtotal</b>	<b>¥7,055</b>	<b>\$58,708</b>
<b>2 Revenues from investment activities</b>		
Revenues from investment activities	¥931	\$7,749
<b>Subtotal</b>	<b>¥931</b>	<b>\$7,749</b>
<b>3 Revenues from financing activities</b>		
Revenues from financing activities	—	—
<b>Subtotal</b>	<b>—</b>	<b>—</b>
Surplus from the previous fiscal year	—	—
<b>TOTAL REVENUES</b>	<b>¥8,054</b>	<b>\$67,024</b>

### Expenses

	Millions of yen	Thousands of U.S. dollars
<b>1 Expenses to business activities</b>		
Operating expenses	¥4,011	\$33,377
Administrative expenses	¥1,602	\$13,331
Transferred expenses to other accounts	¥1,315	\$10,946
- Transferred revenues from Special Members General Account	(¥796)	(\$6,625)
- Transferred Expenses to Institute for Securities Education & Public Relations Special Account	(¥424)	(\$3,527)
- Transferred Expenses to System Utilization Special Account	(¥95)	(\$793)
<b>Subtotal</b>	<b>¥6,928</b>	<b>\$57,654</b>
<b>2 Expenses to investment activities</b>		
Expenses to investment activities	¥981	\$8,160
<b>Subtotal</b>	<b>¥981</b>	<b>\$8,160</b>
<b>3 Expenses to financing activities</b>		
Expenses to financing activities	¥72	\$597
<b>Subtotal</b>	<b>¥72</b>	<b>\$597</b>
<b>4 Other expenses</b>		
Other expenses	—	—
<b>Subtotal</b>	<b>—</b>	<b>—</b>
<b>TOTAL EXPENSES</b>	<b>¥7,981</b>	<b>\$66,411</b>
<b>Surplus / Deficit amount</b>	<b>¥6</b>	<b>\$46</b>

<b>Amount carried forward</b>	<b>¥74</b>	<b>\$613</b>
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Notes: 1. Rate of US\$1=¥120.17 used for conversion.  
2. Each of total and sub-total figures may not match the ones in the relevant row or column because of rounding off.  
3. Total amount of general account of members and general account of special members are listed on the chart.



## Dispute Resolutions in Fiscal 2014

Requests for Mediation	101
Successful Settlement	47
Failure in Reaching Settlement	39

Note: The amounts do not match due to cases carried over from fiscal 2013 or issues not concluded within fiscal 2014.

## Consultations and Complaints in Fiscal 2014

Consultation	Inquiry or Opinion Regarding Securities Transactions	7,092
Complaints	Complaints about Solicitation	208
	Complaints about Transactions	186
	Complaints about Processing	104
	Other Complaints	46

## Internet Transaction Survey

### Number of Securities Firms Providing Internet Transactions

(Unit: firms)

	Total Member Firms	Handling Internet Transactions		Not Handling Internet Transactions							
						Making Preparations		Studying Plans		Having No Plans	
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%
Sep. 30, '13	255	58	22.7%	197	77.3%	3	1.2%	5	2.0%	189	74.1%
Mar. 31, '14	251	61	24.3%	190	75.7%	3	1.2%	7	2.8%	180	71.7%
Sep. 30, '14	250	60	24.0%	190	76.0%	3	1.2%	9	3.6%	178	71.2%
Mar. 31, '15	252	61	24.2%	191	75.8%	4	1.6%	7	2.8%	180	71.4%

### Number of Internet Transaction Accounts

(Unit: accounts)

	Sep. 30, '11	Mar. 31, '12	Sep. 30, '12	Mar. 31, '13	Sep. 30, '13	Mar. 31, '14	Sep. 30, '14	Mar. 31, '15
Number of Accounts	16,959,034	17,569,423	17,788,064	18,156,218	18,960,034	19,682,982	20,215,152	20,881,428
Increase from Previous Term-end	490,245	610,389	218,641	368,154	803,816	722,948	532,170	666,276

## Transaction Value

(Unit: billions of yen)

	Stock Transactions			
	Internet Transactions		Transaction Value (c)	Percentage
	Cash Transactions (a)	Margin Transactions (b)		{{(a)+(b)}}/(c)
Apr. '12 to Sep. '12	17060.2*	31,510.8	260,694.0	18.6%*
Oct. '12 to Mar. '13	37917.8*	70,257.3	413,569.9	26.2%*
Apr. '13 to Sep. '13	72,996.5	142,449.3	748,307.3	28.8%
Oct. '13 to Mar. '14	55,971.8	112,737.8	663,404.3	25.4%
Apr. '14 to Sep. '14	46,459.3	99,874.7	574,325.0	25.5%
Oct. '14 to Mar. '15	58,568.7	112,533.9	738,538.5	23.2%

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.

3. Due to a reporting error on cash transactions during the period from April 1, 2012 to September 30, 2013, figures have been revised (indicated with asterisks).

# Profile



Japan Securities Dealers Association (JSDA) is a primary self-regulatory organization (SRO) in Japan's securities market. Its legal status is as a Financial Instruments Firms Association authorized by the Prime Minister, pursuant to Article 67-2, Paragraph 2, of the Financial Instruments and Exchange Act. The members of JSDA consist of securities firms, banks, and other financial institutions operating securities businesses in Japan.

As a fully empowered SRO, JSDA extensively regulates market intermediaries, aiming to protect

investors by ensuring fair securities transactions. Its self-regulatory functions encompass rulemaking, enforcement, inspection, disciplinary actions, accreditation of sales representatives, and dispute mediations.

JSDA also functions as an interlocutor for the securities industry, providing vehicles for policy dialogue among the industry, the government and other related parties, as well as conducts and promotes investor education, and implements studies to further activating the market.

## History

1940 to 1941	33 Securities Dealers Associations were established in local districts.
May 1949	Japan Securities Dealers Joint Association was established.
July 1973	Japan Securities Dealers Association (JSDA) was newly established (Japan Securities Dealers Joint Association and local securities dealers associations were dissolved.).
July 1992	JSDA was reorganized to be an authorized organization under the Securities and Exchange Act.
April 1994	Financial institutions authorized to undertake securities business joined JSDA as special members.
February 2001	JSDA entrusted the operation of the OTC Securities Market to JASDAQ Inc., a market operation company.
July 2004	JSDA adopted the organizational structure consisting of three departments.
December 2004	JSDA closed the OTC Securities Market. JASDAQ started business as a stock exchange.
September 2007	In accordance with the enforcement of the Financial Instruments and Exchange Act, JSDA became an authorized association under the new law.
February 2010	JSDA entrusted the task of handling of customers' complaints, consultation and providing mediation service to resolve dispute over securities transaction to Financial Instruments Mediation Assistance Center (FINMAC).
July 2011	JSDA established Financial Literacy & Education Support Committee within the organization to support financial and securities education from a more neutral and fairer point of view.

## Major Roles

### 1. Activities as a Self-Regulatory Organization (SRO)

Functions	Outline
(1) <b>Rule-making</b> (Article 67-8, Paragraph 1, Item 10)*	Establishing self-regulatory rules applicable to member firms such as those for their conduct, products, transactions and internal control, and making these rules known
(2) <b>Monitoring and inspecting members</b> (Article 67-8, Paragraph 1, Item 14) *	Conducting inspection and monitoring of members' business activities, compliance with laws and regulations, as well as internal control systems
(3) <b>Disciplinary actions</b> (Article 68-2)*	Taking disciplinary actions that include a reprimand, fines, suspension or limitation of membership, as well as expulsion of member firms violating laws or self-regulatory rules
(4) <b>Improving the proficiency of members' officers and employees</b> (Article 67-8, Paragraph 1, Item 9)*	Granting accreditation of securities sales representatives and employees responsible for internal controls and raising their proficiency through capacity building
(5) <b>Complaint handling and mediation</b> (Article 67-8, Paragraph 1, Item 11) *	Handling complaints from investors and conducting mediation to resolve disputes between member firms and their customers**

\* Financial Instruments and Exchange Act (Act No. 25 of 1948)

\*\* These activities are entrusted to the Financial Instruments Mediation Assistance Center (FINMAC), a certified non-profit organization

### 2. Activities to promote sound financial and capital markets

Functions	Outline
(1) <b>Research, study and representation of the securities market</b>	Carrying out research and studies to further activate and sophisticate the securities business and market and, based on findings and results, presenting the industry's views and proposals to the government and other related parties
(2) <b>Enhancement of public understanding and awareness of securities market</b>	Disseminating knowledge and promoting understanding of securities transactions and the market and industry, and raising financial literacy among individual investors
(3) <b>Promoting policy measures</b>	Promoting various policy measures in close consultation with members and relevant organizations
(4) <b>Publication of statistics</b>	Collecting, compiling and disclosing statistical information on transactions of stocks, bonds, investment trusts and derivatives, and on other market trends



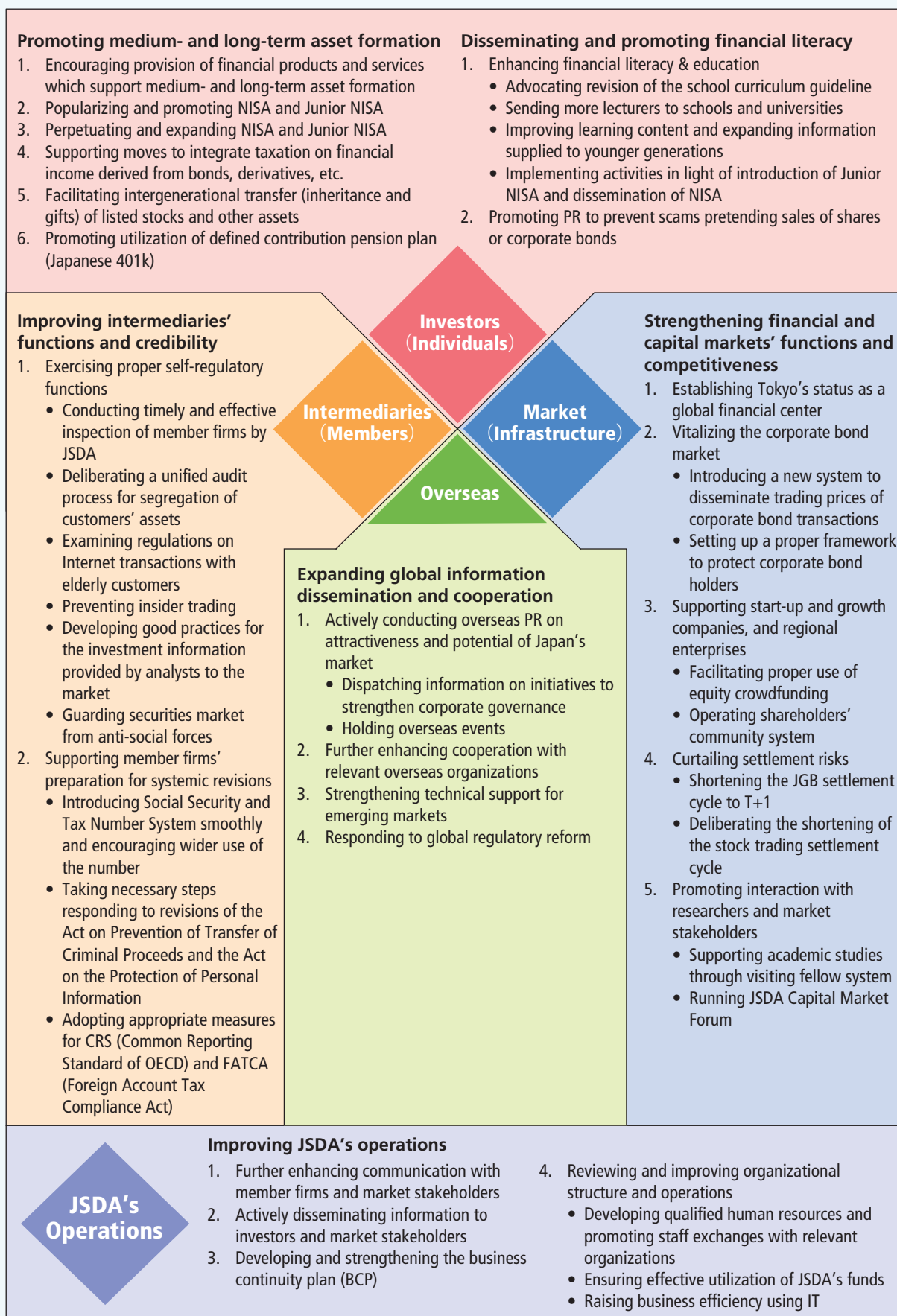
### 3. International Activities

As further globalization progresses in financial transactions and regulations, JSDA actively participates in various international forums and builds cooperative relationships with relevant overseas organizations. JSDA also endeavors to deepen overseas investors' and financial experts' understanding of the Japanese economy and securities market and promotes Japan's attractiveness as an investment choice as well as an effective trading venue.

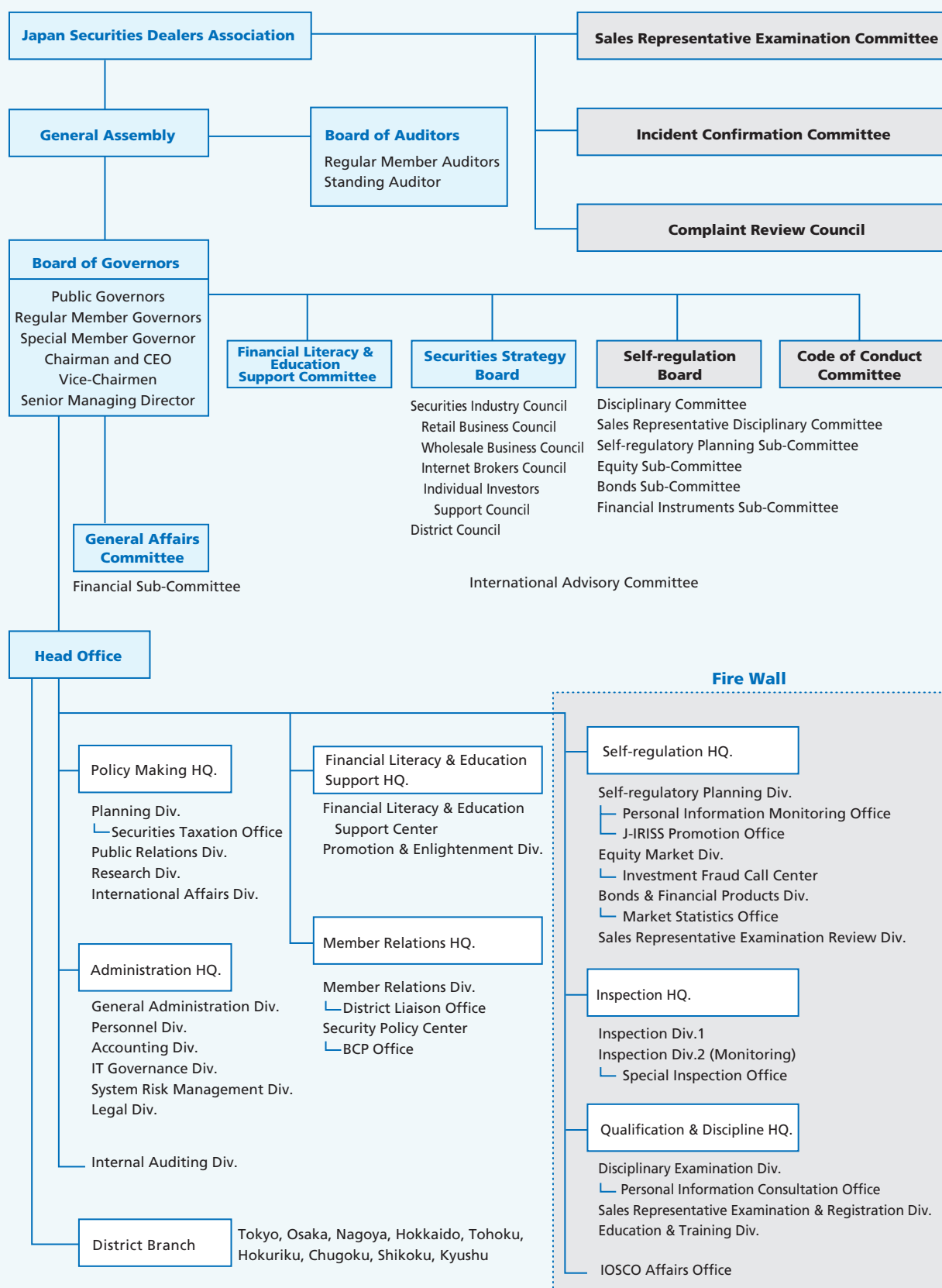


AMCC Training Seminar

**Invigorating Capital Market Promoting Asset Formation through Investment**



## Organization Chart



As of March 31, 2015

## Member List of Full-time Executives (As of July 1, 2015)

### Chairman and CEO

Kazutoshi Inano

### Vice-Chairman

Manabu Morimoto

(Chief Operating Officer for the Self-regulation Board)

### Senior Managing Director

Mario Takeno

(Chief Operating Officer for the Securities Strategy Board)

### Standing Auditor

Hidemi Ijichi

### Senior Executive Director

Koichi Hirata

(Chief Financial Officer (CFO) & Chief Officer for Administration)

### Executive Directors

Tsuyoshi Murai

(Chief Officer for Member Relations)

Shinji Kitamura

(Chief Information Officer (CIO) & Chief Risk Officer (CRO))

### Director

Kimiaki Yamauchi

(Chief Officer for Rules & Regulations)

Koichi Ishikura

(Chief Officer for International Affairs & Research)

### Chief Officer for Qualification & Discipline

Tatsuhiro Sakai

### Chief Officer for Financial Literacy & Education Support

Koji Kikuchi

### Chief Officer for Planning & Public Relations

Atsushi Ishikuro

### Chief Officer for Inspection

Toshiaki Matsuda

## Organization Structure

### 1. Central Bodies

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

<b>General Assembly:</b>	Supreme body for decision-making
<b>Board of Governors:</b>	Body to make an arbitrary decision on items related to the JSDA's overall association management and to assume a responsibility for supervision
<b>Self-regulation Board:</b>	Body entrusted by the Board of Governors with decision-making for self-regulatory business
<b>Securities Strategy Board:</b>	Body entrusted by the Board of Governors with decision-making for business strategy related to vitalizing securities market
<b>General Affairs Committee:</b>	Body entrusted by the Board of Governors which deliberates overall matters about operating the JSDA
<b>Financial Literacy &amp; Education Support Committee:</b>	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
<b>Code of Conduct Committee:</b>	Body entrusted by the Board of Governors which deliberates the code of conduct for the Association Members

### 2. District Offices

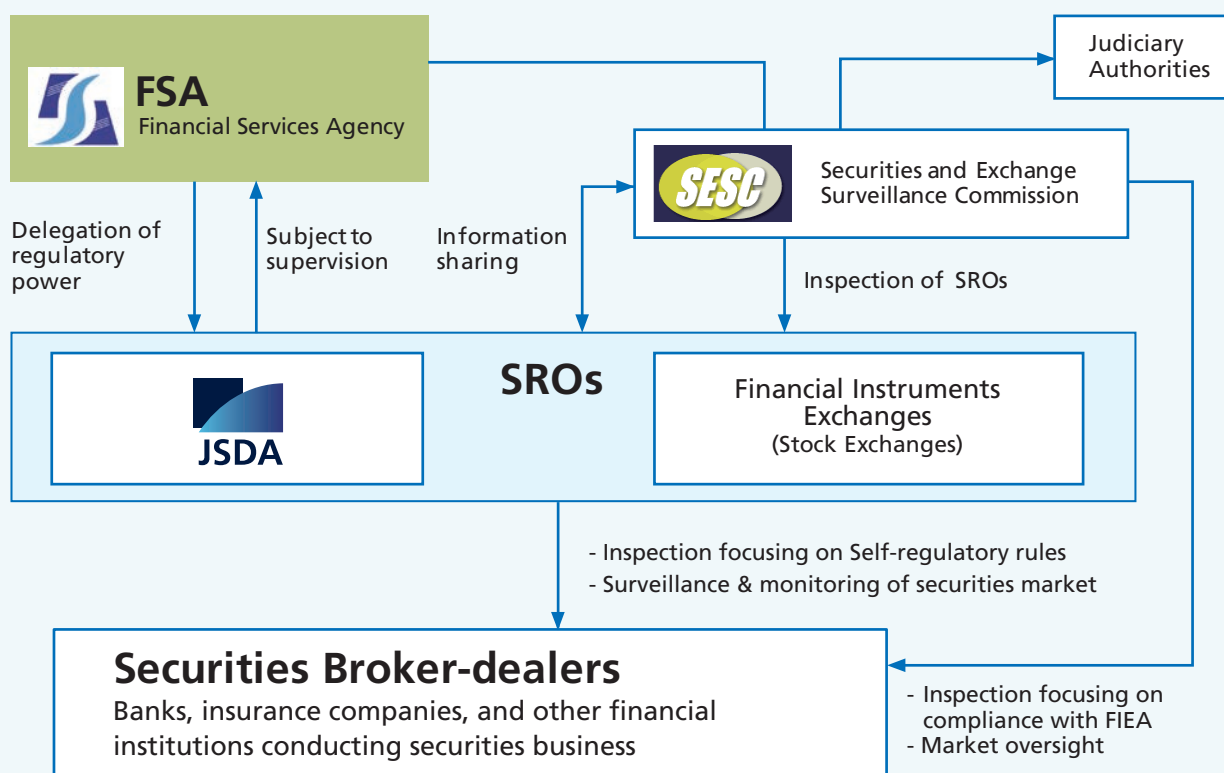
The JSDA has nine district offices throughout the nation and each district office has a District Council.

### 3. Affiliated Bodies

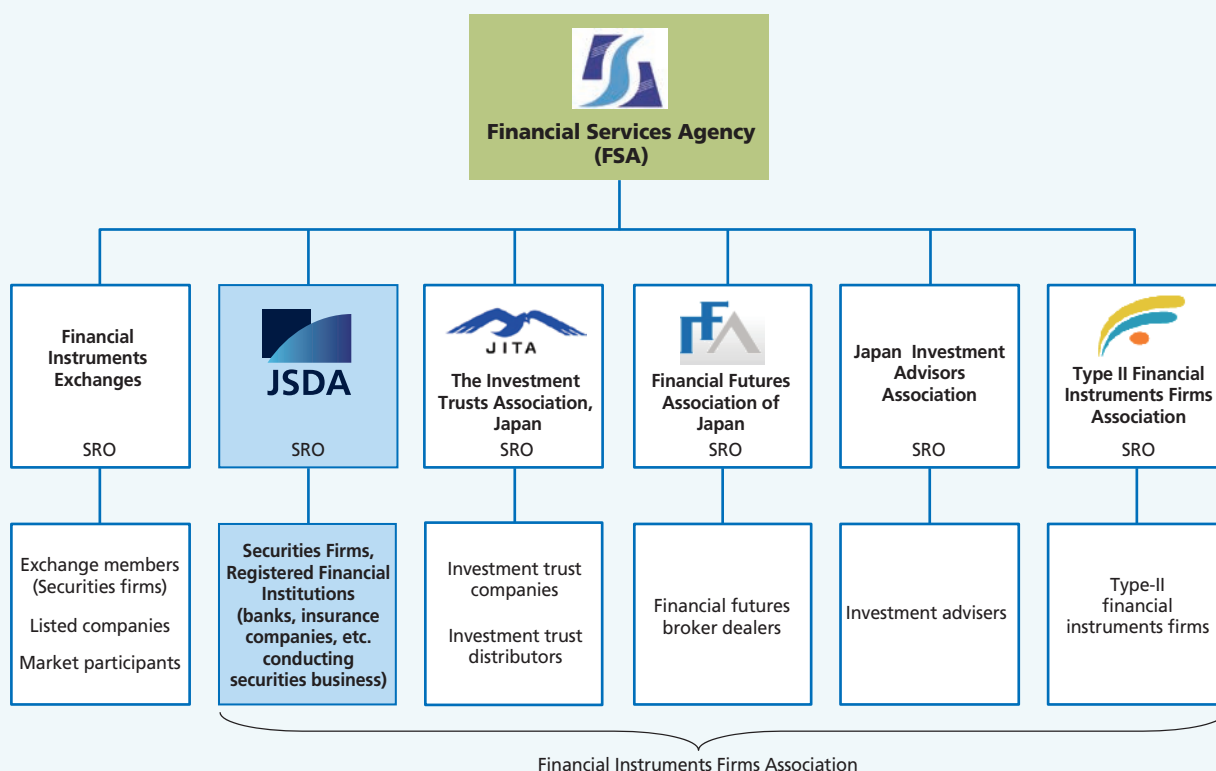
The JSDA has the Sales Representative Examination Committee, Incident Confirmation Committee as well as Complaint Review Council as sub-organs.



## Self-regulatory Structure for Securities Broker-dealers



## Securities-related SROs in Japan



# List of Members

## List of Regular Members (As of August 1, 2015)

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

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
 Mitsui Securities Co., Ltd.  
 Miyako Securities Co., Ltd.  
 Mizuho Global Alternative Investments, Ltd.  
 Mizuho Securities Co., Ltd.  
 Monex, Inc.  
 Money Partners Co., Ltd.  
 Morgan Stanley MUFG Securities Co., Ltd.  
 Musashi Securities Co., Ltd.  
 Nagano Securities Co., Ltd.  
 Naito Securities Co., Ltd.  
 Nakaizumi Securities Co., Ltd.  
 Nara Securities Co., Ltd.  
 Natixis Japan Securities Co., Ltd.  
 Newedge Japan Inc.  
 New-S Securities Co., Ltd.  
 Niigata Securities Co., Ltd.  
 Nikko Asset Management Co., Ltd.  
 Nishimura Securities Co., Ltd.  
 Nishi-Nippon City Tokai Tokyo Securities Co., Ltd.  
 Nissan Century Securities Co., Ltd.  
 NN Investment Partners Japan Co., Ltd.  
 Nobata Securities Co., Ltd.  
 Nomura Financial Products & Services, Inc.  
 Nomura Securities Co., Ltd.  
 Northern Trust Global Investments Japan, K.K.  
 Okachi Securities Co., Ltd.  
 OKASAN NIIGATA SECURITIES CO., LTD.  
 Okasan Online Securities Co., Ltd.  
 OKASAN SECURITIES CO., LTD.  
 Okayasu Securities Co., Ltd.  
 Okinawa Securities Limited  
 One Asia Securities Co., Ltd.  
 ORIX Wholesale Securities Corporation  
 Phillip Securities Japan, Ltd.  
 Pregian Securities Co., Ltd.  
 Premiere Securities Co., Ltd.  
 Putnam Investments Securities Co., Ltd.  
 PWM Japan Securities Co., Ltd.  
 Rakuten Securities, Inc.  
 RBC Capital Markets (Japan) Limited  
 RBS Securities Japan Limited  
 Retela Crea Securities Co., Ltd.  
 Rokuwa Securities Co., Ltd.  
 Sanen Securities Co., Ltd.  
 Sanko Securities Co., Ltd.  
 Sankyo Securities Co., Ltd.  
 Sasayama Securities Co., Ltd.

Saxo Bank FX Securities K.K.  
 SBI Japannext Co., Ltd.  
 SBI SECURITIES Co., Ltd.  
 Scotia Securities Asia Limited  
 Securities Japan, Inc.  
 Senshu Ikeda Tokai Tokyo Securities Co., Ltd.  
 Shimadai Securities Co., Ltd.  
 Shin Securities Sakamoto Inc.  
 Shinbayashi Securities Co., Ltd.  
 Shinkin Securities Co., Ltd.  
 Shin-Ogaki Securities Co., Ltd.  
 Shinsei Securities Co., Ltd.  
 SHIZUGIN TM SECURITIES Co., Ltd.  
 Shizuoka Tokai Securities Co., Ltd.  
 Shonai Securities Co., Ltd.  
 SMBC Friend Securities Co., Ltd.  
 SMBC Nikko Securities Inc.  
 Societe Generale Securities (North Pacific) Ltd.  
 Sampo Japan Nipponkoa DC Securities Inc.  
 SPARX Asset Management Co., Ltd.  
 SPC Securities Inc.  
 Starts Securities Co., Ltd.  
 State Street Global Advisors (Japan) Co., Ltd.  
 State Street Global Markets Securities Co., Ltd.  
 StormHarbour Japan Ltd.  
 Strategic Investments KK  
 Superfund Securities Japan Co., Ltd.  
 Tahara Securities Co., Ltd.  
 Takagi Securities Co., Ltd.  
 Takematsu Securities Co., Ltd.  
 Teneo Partners Japan Limited  
 The Air's Sea Securities Co., Ltd.  
 The Arts Securities Co., Ltd.  
 The Bank of New York Mellon Securities Company Japan Ltd.  
 The Jyo Securities Co., Ltd.  
 The Kosei Securities Co., Ltd.  
 The Miki Securities Co., Ltd.  
 The Nakahara Securities Co., Ltd.  
 The Tachibana Securities Co., Ltd.  
 Tobu Securities Co., Ltd.  
 TOGAKU Securities Co., Ltd.  
 Tokai Tokyo Securities Co., Ltd.  
 Tokushima-Godo Securities Co., Ltd.  
 Tokyo Securities Transfer Agent Co., Ltd.  
 Tomioka Securities Co., Ltd.  
 TOWER INVESTMENT MANAGEMENT Co., Ltd.  
 Toyo Securities Co., Ltd.  
 Traders Securities Co., Ltd.

Tradeweb Europe Ltd.  
 UBS Securities Japan Co., Ltd.  
 Ueda Tradition Securities Ltd.  
 Ueda Yagi Securities Co., Ltd.  
 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.  
 YoZIGExN Securities Co., Ltd.  
 Yutaka Securities Co., Ltd.  
 YUTAKA SHOJI Co., Ltd.  
 Zukawa Securities Co., Ltd.

## List of Special Members (As of August 1, 2015)

### City Banks

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

### Trust Banks

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.  
SMBC Trust Bank Ltd.  
State Street Trust and Banking Company, Limited  
Sumitomo Mitsui Trust Bank, 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 Toyama, 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 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 BANK 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 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 HYOGOSHINKIN BANK  
The Johnan Shinkin Bank  
THE JOHOKU SHINKIN BANK  
THE KANAGAWA SHINKIN BANK  
The Kanazawa Shinkin Bank  
THE KAWASAKI SHINKIN BANK  
THE KYOTO CHUO SHINKIN BANK



THE KYOTO SHINKIN BANK  
 THE NAGANO SHINKIN BANK  
 The Okazaki Shinkin Bank  
 THE OME SHINKIN BANK  
 The Osaka City 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.  
 Commonwealth Bank of Australia  
 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

Aozora Bank, Ltd.  
 Citibank Japan, Ltd.  
 IEON BANK, 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

Fukoku Mutual Life Insurance Co.  
 Meiji Yasuda Life Insurance Company  
 MetLife Insurance K.K.  
 Mitsui Life Insurance Company Limited  
 NIPPON LIFE INSURANCE COMPANY  
 NN Life Insurance Company, Ltd.  
 ORIX Life Insurance Corporation  
 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.  
 Sompo Japan Nipponkoa 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.

#### Government-related Financials, etc.

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

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## **JSDA Websites**

### **JSDA**

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

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

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

### **JSDA (Twitter)**

<https://twitter.com/JSDAofficial>

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<https://www.facebook.com/JSDA.PR>

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<https://www.youtube.com/user/JSDAmovie>

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