



JSDA

Annual Report **2018**

Japan Securities Dealers Association

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Preamble 2018



Toward Achieving the Sustainable Development Goals (SDGs)

A series of recent significant developments indicate that “sustainability” has become a key word in the global policy agenda. In 2015, the United Nations announced the Sustainable Development Goals (SDGs) to end poverty, save the planet, and ensure prosperity for all. With the commitment to “leave no one behind”, the SDGs outline 17 goals to be achieved by 2030. To contribute to this global initiative, the Japanese government established the SDGs Promotion Headquarters and set out the “SDGs Implementation Guiding Principles”.

The securities industry is also expected to play significant roles in addressing the challenges listed under the SDGs. With this in mind, the Japan Securities Dealers Association (JSDA) and its member companies are making a concerted effort to work toward achieving the global goals. To demonstrate its resolve, the JSDA issued its Declaration in Support of SDGs in March this year, expressing its aims to:

- resolve social challenges through fund-raising and

the supply functions of the securities market,

- create a working environment with high job satisfaction by improving work-life balance,
- realize a society that ensures equal opportunity for everyone by supporting children living under trying circumstances, and
- improve the awareness and understanding of the SDGs in Japan and overseas, while enhancing the sense of ownership over the SDGs among executives and employees of the JSDA and its members.

Before the declaration, the JSDA had already embarked on its own initiatives to promote the SDGs. The JSDA organized the Council for Promoting the SDGs in the Securities Industry as the JSDA chairperson’s advisory body to deliberate on possible ways for the securities industry to contribute to the SDGs. In light of the 17 goals of the SDGs, the Council decided to focus on three areas where the industry can contribute, and then set up three subcommittees:

- The first subcommittee works on ending poverty/starvation and protecting the global environment. This subcommittee is discussing possible initiatives and tools to activate the provision of funds for tackling global and social challenges, such as alleviating poverty/starvation and mitigating climate change. Specifically, this subcommittee is examining ways to encourage sustainable finance, which includes the issuance of Green, Social, and Sustainable Bonds.
- The second subcommittee works on promoting decent work conditions and women’s participation in society. This subcommittee considers industry-wide strategies and measures that promote decent work conditions and encourage women to fulfill more active roles in society.
- The third subcommittee works on supporting education for the socially vulnerable. This subcommittee is deliberating on the possible methods of assistance to NPOs that offer support to

children by leveraging the expertise of the securities industry, such as providing fund-raising advice.

The JSDA's major work plans for the coming year (July 2018 to June 2019) identify “realizing a securities market that contributes to the SDGs” as an overarching objective and list possible measures to achieve it. Under this objective, the JSDA's most important role is to establish a more efficient securities market and more effectively provide necessary resources, particularly tools of finance for sustainability. The United Nations Conference on Trade and Development (UNCTAD) estimates 5 to 7 trillion dollars per year will be necessary to accomplish the SDGs by 2030. The securities market and industry are expected to facilitate the flow of private funds to fill the funding gap.

As “environment, social and governance (ESG)” is growing in importance in the financial arena, sustainable finance that aims to generate specific social and/or environmental benefits, in addition to financial gain, is an increasingly promising channel for mobilizing private funds. To present an example in line with the SDGs, Green Bonds provide environmental benefits and can have a positive impact on most of the goals, particularly contributing to “Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all”, as well as “Goal 13: Take urgent action to combat climate change and its impacts”.

Globally, sustainable finance, including Green and Social Bonds, is increasing but is still far short of the amount needed. In Japan, the amount of sustainable finance is still small compared to the scale of the economy and the market but is expected to steadily increase as awareness of ESG grows. For the sound development of sustainable finance, it is essential to establish rational standards which issuers, investors, and market professionals think acceptable, reasonable, and workable. Also, further efforts are required in providing information to issuers and investors to promote such finance.



To this end, the JSDA is making joint efforts with the International Capital Market Association (ICMA) and other partners. A good example is the Green and Social Bond Seminar, co-hosted by the ICMA, which took place in November last year. The event attracted 400 participants from not only Japan but the whole of Asia—including (expected) issuers and sell-side/buy-side players in the Green and Social Bond market—and raised their awareness of and interest in sustainable finance as well as the challenges for global sustainability.

The securities market is expected to fulfill a role in building a foundation for sustainable economic growth through the efficient allocation of resources, thereby connecting the fund-raising needs of companies with the asset management needs of investors. The JSDA intends to support the building of a sustainable society by fully exercising the functions of the securities market and the capacity of the industry as a whole.

Shigeharu Suzuki
Chairman and CEO

For a More Active and Efficient Market: Contributing to Sustainable Growth



Promoting NISA, Junior NISA and Dollar-Cost Averaging NISA

To expand the investor base and support the asset-building efforts of individuals, NISA (the Japanese version of the Individual Savings Account) and Junior NISA were introduced in 2014 and 2016, respectively. Along with these two schemes, the Dollar-Cost Averaging NISA was launched in January 2018 to promote regular and diversified investments in ETFs and stock investment trusts using only small sums of money (with an annual investment limit of ¥400,000 (approx. US\$3,670); non-taxable for up to 20 years). The JSDA is actively promoting these NISA schemes through a variety of media including advertisements on TV, newspapers, and the internet.

Shortening the Settlement Cycle of JGBs and Stocks

With regard to the shortening of the settlement cycle for JGBs to T+1, even after the implementation date of May 1, 2018 (trade date basis), the JSDA put together a handbook on running tests conducted at member firms, and cooperated with market participants and relevant institutions in awareness/dissemination activities and in improving market practices in order to smoothen the transition.

Further, for the shortening of the settlement cycle for stocks, through the Working Group on Shortening the Settlement Cycle of Stock Trading, the JSDA collated and published “Guidelines of Borrowing and Lending Transactions of Share Certificates, etc.” and “Points to Note Concerning Settlement Failure for Stocks”. Moreover, in May 2018, the JSDA announced the target implementation date for the shortened T+2 stock settlement cycle to be July 16, 2019 (trade date basis).

* Information on shortening of the stock settlement cycle is available at:
http://www.jsda.or.jp/en/activities/research-studies/html/t2_final_report.html

Realizing an Environment that Supports the Seamless Transfer of Risk Assets between Generations

In its 2018 tax reform requests to relevant authorities, the JSDA recommended a review of the assessed value of the inheritance tax for listed stocks, and suggested the establishment of tax incentive schemes for inheritance taxes related to intergenerational investment as well as tax relief measures to alleviate the drop in stock prices at the time of inheritance. Furthermore, the JSDA established a Study Group in collaboration with the Japan Securities Research Institute (JSRI) to conduct research (including empirical analysis) of the possible tax measures to reduce risks and promote investment that is invaluable to economic growth, as well as to investigate the policy framework to construct an environment supportive of the intergenerational transfer of risk assets.

Facilitating Information Sharing Regarding FinTech

In June 2017, the JSDA established the Study Group for Research on the Securities Industry and FinTech in collaboration with JSRI. The group held

discussions regarding the future expectations and implications of the emergence of FinTech for the securities industry, and compiled the results of the discussions in a report, which was published on the JSDA website in June 2018.

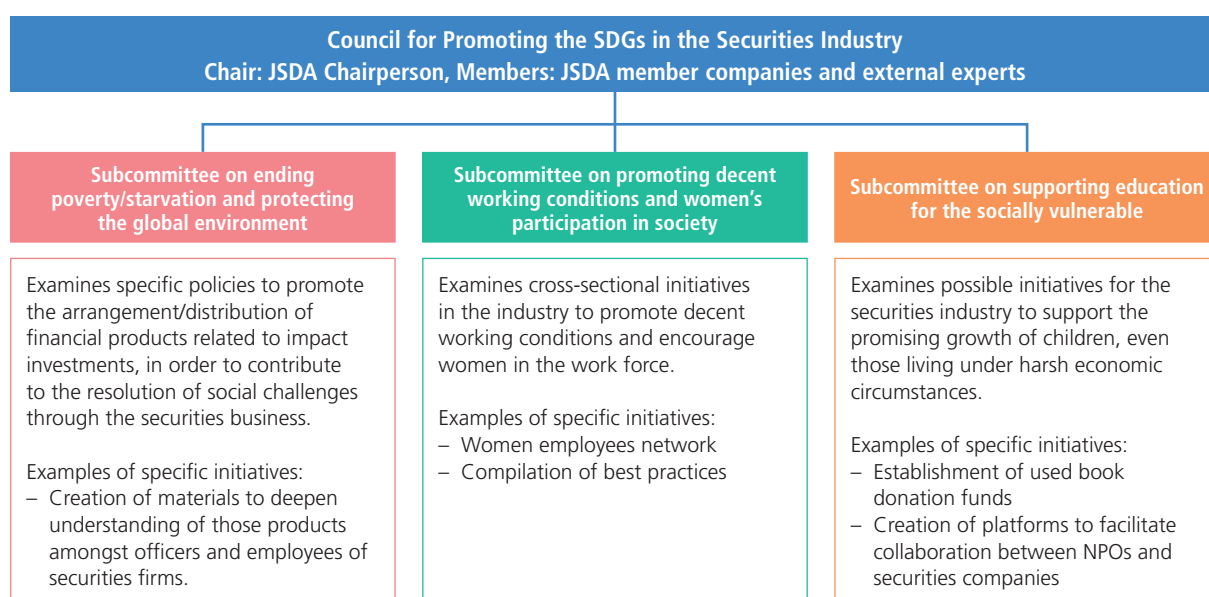
* The report is available at:
<http://www.jsda.or.jp/en/activities/research-studies/html/FinTechReport2018.html>

Measures to Promote the SDGs in the Securities Industry

In September 2017, in order to actively tackle the social challenges raised by the SDGs, the JSDA established the Council for Promoting the SDGs in the Securities Industry as an advisory body to its Chairperson.

In March 2018, the JSDA published “Declaration in Support of SDGs” on its website to promote more intense commitment to the SDGs.

* The Declaration and other publications regarding the SDGs are available at:
<http://www.jsda.or.jp/en/activities/SDGs/index.html>



For Better Self-Regulation



Analyzing Customer Complaints

In Japan, the Financial Instruments Mediation Assistance Center (FINMAC) serves as a dispute resolution body to provide mediation for complaints by customers related to financial instrument transactions. In June 2018, the JSDA conducted qualitative analyses of the specific themes underpinning complaints received by FINMAC. With this, the JSDA began efforts to improve the activities of employees/sales representatives, and made the information available as feedback to the individual companies and to the industry as a whole.

Anti Money Laundering and Combating the Financing of Terrorism

In February 2018, the Financial Services Agency (FSA) published its “Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism”. In response, in June 2018, the JSDA compiled a guide book outlining the practical responses and considerations to serve as reference for Members acting in accordance with the aforementioned guidelines.

Preventing Insider Trading

The JSDA continued, in collaboration with stock exchanges, to encourage listed companies to participate in the Japan Insider Regulation & Identification Support System (J-IRISS), which aims to prevent unintended insider trading by checking registered executive officers and employees of listed companies. As a result, the number of companies participating in J-IRISS as of the end of June 2018 reached 3,186 (85.42% of all listed companies).

Timely and Effective Inspections of Member Firms

During fiscal 2017, in addition to regular inspections of 70 Regular Members and 40 Special Members, the JSDA visited and interviewed 5 Regular Members and 1 Special Member to examine their capital requirements and segregation of customer assets.



Disciplinary Action

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

The number of disciplinary actions taken by the JSDA during fiscal 2017 is shown in the table below.

Disciplinary Actions in Fiscal 2017

Against Regular Members	
Fine and Warning	9
Against Sales Representatives of Regular Members	
Revocation of Sales Representative Registration and Treatment as Class-2 Perpetrator of Inappropriate Acts	18
Treatment as Class-2 Perpetrator of Inappropriate Acts	2
Suspension of Sales Representative Business	6
Against Sales Managers & Internal Administrators of Regular Members	
Prohibition of Allocation of Sales Manager Position	3
Against Sales Representatives of Special Members	
Revocation of Sales Representative Registration and Treatment as Class-2 Perpetrator of Inappropriate Acts	1
Suspension of Sales Representative Business	6
Against Sales Representatives of Financial Instruments Intermediary Servicer Providers	
Suspension of Sales Representative Business	2

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

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

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

The JSDA conducts these qualification examinations based on the syllabus, which is available to the public via the JSDA website.

* The syllabus is available at:

<http://www.jsda.or.jp/en/about/major-activities/html/examination-qualification/SalesRepresentativesManual.html>

The number of examinees and successful applicants for each examination during fiscal 2017 are shown in the following table.

Qualification Examinations in Fiscal 2017

Examination	Examinees	Successful Applicants
Class-1 Sales Representative	58,159	26,961
Class-2 Sales Representative	18,950	9,820
Internal Administrator	22,782	19,283
Special Member Class-1 Sales Representative	10,054	2,945
Special Member Class-2 Sales Representative	16,415	7,028
Special Member Internal Administrator	2,608	2,535



Training Courses and Investor Education

Training Courses

Based on a training program drawn up annually, the JSDA provides training courses for the executive officers and employees of its member firms. The JSDA also conducts additional training courses as necessary in response to amendments of laws and regulations and institutional reforms.

The JSDA's Major Work Plans for 2017–2018 identified “improving intermediaries’ functions and credibility” as one of its six pillars. To achieve this objective, the JSDA aimed to 1) exercise proper self-regulatory functions, 2) support member firm preparations for institutional changes, and 3) foster customer-oriented business conduct.

According to these goals, the JSDA set out the following three basic policies when planning training courses for association members in fiscal 2017: 1) promote professional ethics to improve credibility and conduct programs focusing on compliance with laws and regulations, 2) conduct practical programs through a variety of channels, and 3) be prepared to respond rapidly and with agility to important issues such as revisions of laws and regulations.

Based on the annual plan and basic policies, the JSDA continued to hold seminars focusing on the development of an “ethical” mindset and on compliance with laws and regulations. In addition, in response to the needs of changing tides, the JSDA held training courses on self-regulation, including those focusing on measures related to customer-oriented business conduct, to improve the content of the training courses.

To enhance compliance procedures and internal training systems at member firms, the JSDA distributes training materials, including seminar DVDs, for use in internal training courses, and has recently begun making seminar videos available online as well. Moreover, it dispatches officers and employees to serve as lecturers at in-house training sessions of member firms. During fiscal 2017,

officers and employees of the JSDA held 20 sessions at member firms.

Training Courses in Fiscal 2017

1. Training Courses Based on Self-regulation
 - Seminars for company representatives
 - Training seminars for executives
 - Joint training seminars for internal administration supervisors and assistant supervisors
 - Training seminars for internal administrators
 - Training seminars for sales managers
 - Joint training seminars for sales managers and internal administration supervisors
2. Training Courses Focusing on Ethics and Compliance
 - Basic compliance seminars
 - Compliance practice seminars
 - Compliance seminars for sales staff
 - Risk management seminars
 - Corporate ethics seminars
3. Training Courses on Other Topics
 - Securities business basic seminars
 - Securities business practice seminars
4. Training Seminars for Renewing the Qualification of Sales Representatives

Investor Education

Disseminating and Promoting Financial Literacy

In March 2018, in response to public consultations on the draft proposal for the Ministry of Education, Culture, Sports, Science and Technology's revised school curriculum guidelines for high schools, the JSDA submitted comments to the Ministry requesting more specific information to be included in the content of financial/securities education programs in civics and home economics classes.

For the new curriculum guidelines of junior high schools, the JSDA prepared materials covering the areas of the new guidelines that are closely related to financial and economic education, with the aim that textbook companies may refer to these materials

when editing their textbooks based on the updated guidelines. The JSDA also held seminars for textbook companies to enhance how they communicate necessary information to students.

Further, the JSDA held a series of lectures, the “First Time Asset Management Lectures”, in coordination with the Financial Services Agency (FSA) and other related organizations, for inexperienced or beginner investors to learn the importance of life and money planning and to increase their awareness of the features of financial products, the DC pension system, and NISA. These seminars were held at 66 venues and attracted 6,679 people.

With respect to school education, the JSDA dispatched its staff as lecturers to 141 elementary schools, junior high schools, and high schools to conduct a total of 297 classes as Saturday educational activities, as well as to 121 universities and their career centers to conduct a total of 220 classes on financial literacy.

Moreover, in order to promote the proliferation and deepening of knowledge regarding securities/finance, the JSDA conducts a host of interactive programs for the faculty and instructors of various elementary, junior high, and high schools. In 2017, this was held three times in three different cities, with a total of 139 participants.

In October 2017, a series of nationwide events on “Securities Investment Day” were held by the Securities Knowledge Proliferation Project (JSDA, Japan Exchange Group, including Tokyo Stock Exchange and Osaka Exchange, Nagoya Stock Exchange, Fukuoka Stock Exchange, Sapporo Stock Exchange, Investment Trusts Association of Japan, and Association of Nagoya Stock Exchange Trading Participants). “Securities Investment Day” events were held at 29 venues and attracted 2,662 people. This year’s “Securities Investment Day” also served as the JSDA’s contribution to World Investor Week (WIW), a global campaign initiated by IOSCO C8.



IFIE-IOSCO Global Conference in Tokyo

International Activities



Throughout FY 2018, the JSDA hosted and participated in a wide range of international activities and bolstered its reputation as a globally oriented organization.

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

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. In September 2013, the IOSCO SRO Consultative Committee (SROCC), which was established initially in 1989 as a forum of IOSCO's affiliate members, was reorganized as the Affiliate Members Consultative Committee (AMCC) to reflect the 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 Regulatory Affairs Group ("RAG", previously known as the Ahead of the Curve Working Group (ATC-WG)) functions as a members forum to identify potential regulatory risks at an early stage, share information on them, and help AMCC member organizations explore optimal solutions. Since May 2012, the JSDA has been serving as chair of the RAG. At the IOSCO Mid-year Meeting held in Mumbai in September 2017 and the AGM held in Budapest in May 2018, the group discussed a number of emerging regulatory issues across the world, including those related to cyber security, cryptocurrencies and Initial Coin Offerings (ICO), as well as SME finance.

The IOSCO Committee 8 (C8)

The IOSCO Committee 8 (C8) was established in June 2013 to deal with issues related to retail investors,

and its primary mandate is to conduct policy work on financial literacy and investor protection. The JSDA has participated as an observer in its meetings since September 2014 and contributed to its projects on anti-fraud messaging, investor risk education, and protection of senior retail investors, among others. Recent meetings of the C8 were held in Montreal in October 2017, Madrid in February 2018, and Tokyo in April 2018.

As one of the major initiatives by the C8, a global campaign, “World Investor Week (WIW)”, was implemented on 2 to 8 October 2017 to promote investor protection and asset-building based on adequate financial literacy. The JSDA contributed to this campaign through such activities as holding Securities Investment Day to raise awareness and participating in the opening ceremony conducted at JPX.

Green and Social Bond Seminar

On November 2, 2017, the JSDA and the International Capital Market Association (ICMA) co-organized the Green and Social Bond Seminar in Tokyo to exchange information regarding the development of green and social bonds, facilitate conversation between these bond market participants in Japan and Asia, and further the contribution of the JSDA to the achievement of the SDGs. At the event, institutional investors, underwriters, issuers, policy makers, service providers and other stakeholders discussed recent advancements in this arena and the conditions required to stimulate future growth. The event boasted a total of about 400 participants, reflecting the rapidly-growing green and social bond markets of Asia.

Asia Securities Forum (ASF)

The Asia Securities Forum (ASF) was established in 1995, based on an initiative by the JSDA. The ASF’s objectives are to exchange views and information

between the securities industries in the Asia-Pacific region and to contribute to the development of securities markets and economic growth in the region. The JSDA serves as its secretariat.

In November 2017, the JSDA hosted the ASF’s 2017 Annual General Meeting (AGM) in Tokyo. The meeting was underpinned by the SDGs and included market reports by each member organization, keynote speeches, and panel discussion on the topics, such as “Optimum regulation in the changing environment”, “Asia’s future: Capital markets’ roles to achieve sustainable growth”, “FinTech updates”, and “Expanding the investor base”.

ASF Tokyo Round Table

The JSDA also organizes a training program called the ASF Tokyo Round Table—which is intended for the staff of self-regulatory organizations, securities-related associations, and regulatory authorities in the Asia-Pacific region—to help a plethora of jurisdictions develop their securities markets and bolster their regulatory frameworks. The 13th ASF Tokyo Round Table, held in October 2017, was attended by 21 participants from 18 jurisdictions. At the event, participants studied regulatory frameworks, the roles of self-regulatory organizations, and market infrastructure using the Japanese securities market as a case study.

The Japan Securities Summit

On February 7, 2018, the JSDA and the Securities Industry and Financial Markets Association (SIFMA) co-organized the 10th Japan Securities Summit in New York to promote Japanese markets, inviting institutional investors and financial market participants active in the investment community on the east coast of the United States to attend. The half-day event covered a wide range of topics and included a keynote speech on moving toward a virtuous cycle of finance and economy, a panel discussion on the road towards sustainable growth for the Japanese economy, a presentation on the

Japanese stock market and JPX initiatives, as well as a panel discussion on the schemes and initiatives to enhance the value and functions of Japanese capital markets. In addition, there was a guest speech about finance for SDGs by a United Nations representative. 230 participants attended the event, exemplifying the growing interest of the Japanese economy and markets among industry professionals. Furthermore, following the event, the JSDA visited the United Nations headquarters to exchange views and opinions regarding the achievement of the SDGs in the future.

International Forum for Investor Education (IFIE)

The International Forum for Investor Education (IFIE) is an international platform for the providers of investor education and was formed in 2005 for the exchange of information and ideas among related parties. Elected as the Chair of IFIE in June 2017, the JSDA actively participated in the operations and meetings of the IFIE. One of its regional Chapters, the Asia Chapter Meeting, was held in November 2017 concurrently with the ASF AGM, and was chaired by the JSDA.

The IFIE annual meeting and IFIE-IOSCO 10th Anniversary Global Conference were held in Tokyo in April 2018, hosted by the JSDA. The conference addressed emergent trends, including the growing popularity of cryptocurrencies and ICOs, current demographic challenges, and the development of FinTech.

International Council of Securities Associations (ICSA)

The International Council of Securities Associations (ICSA) was established in 1988 based on a proposal by the JSDA, with the objective of contributing to the 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 June 2018, 17 organizations are members of the ICSA. The 2018 AGM was held in Taipei in June 2018, hosted by the Taiwan Securities Association. The guest speakers and ICSA members discussed various issues including corporate governance, bond market liquidity, emerging risks in capital markets, FinTech and RegTech, as well as sustainable finance.

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 promote the standardization and harmonization of Asian bond markets. The JSDA is actively committed to this forum and participated in the meeting held in Manila in October 2017, in Phnom Penh in January 2018, and in Fukuoka in June 2018.

Active Participation in Discussions on Global/Cross Border Regulations and Standard Setting

In November 2017, the JSDA submitted comments on the consultative document “Governance arrangements for the unique product identifier (UPI): key criteria and functions” published by the Financial Stability Board (FSB) on October 3, 2017.

Additionally, in May 2018, the JSDA submitted comments on the FSB’s second consultative document “Governance arrangements for the unique product identifier (UPI)” published on April 26, 2018.

In both comments, the JSDA requested that the FSB consider working through the existent, effective platforms for transaction data collection, including product type information, so as not to excessively burden market participants.

Membership

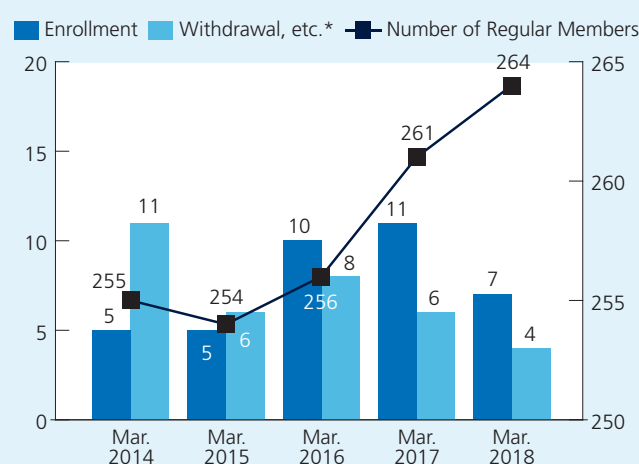
Association Members are categorized into three groups:

(1) Regular Members (264): Securities firms

While 7 new members enrolled in fiscal 2017, 4 members terminated their membership due to withdrawal or merger. Regular Members comprised 254 domestic securities firms and 10 foreign securities firms. Foreign Regular Members accounted for 3.9% of regular membership.

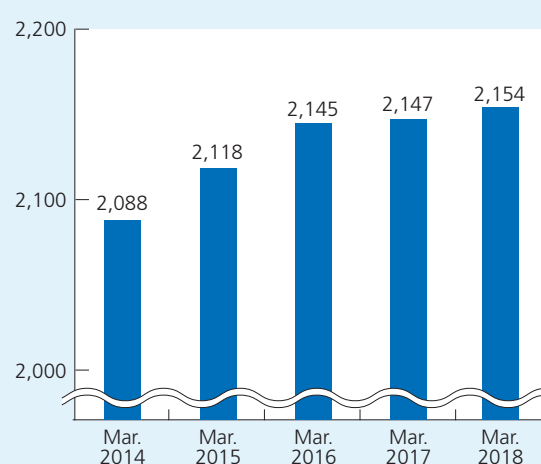
The total number of employees of JSDA Regular Members was about 91,000 at the end of December 2017, an increase of about 1,000 from that of the previous year. The number of offices of JSDA Regular Members at the end of March 2018 was 2,154, an increase of 7 from that of the previous year.

Regular Members

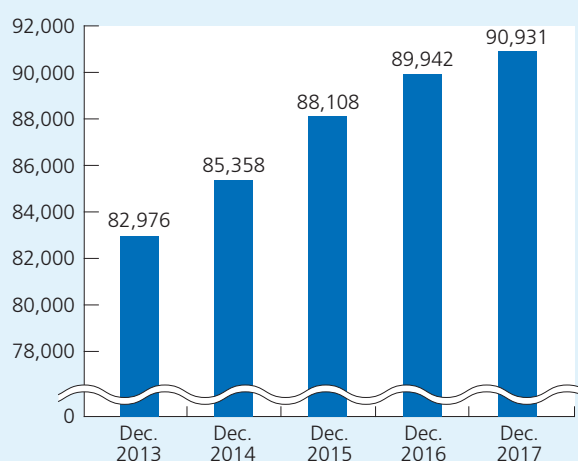


Note: Withdrawal, etc. includes termination of membership due to withdrawal, merger, and expulsion.

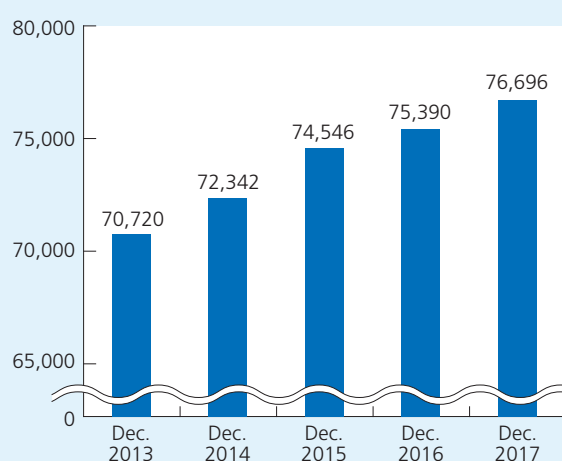
Offices of Regular Members



Employees of Regular Members



Sales Representatives of Regular Members



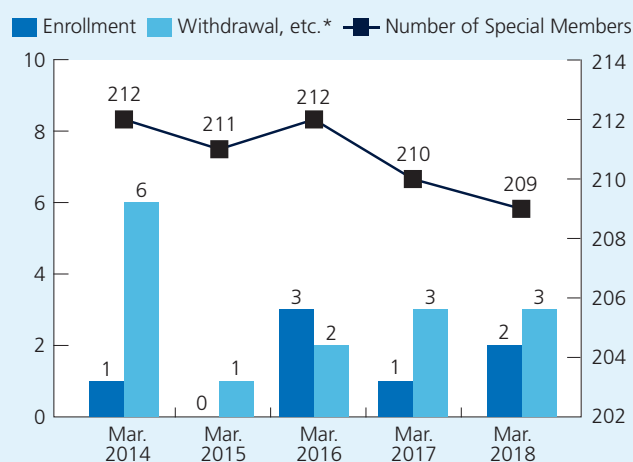
(2) Specified Business Members (6): Firms only conducting specified OTC derivative transactions, etc. or equity-based crowdfunding platforms

During fiscal 2017, 2 new members enrolled.

(3) Special Members (209): Banks, insurance companies, etc. conducting securities business

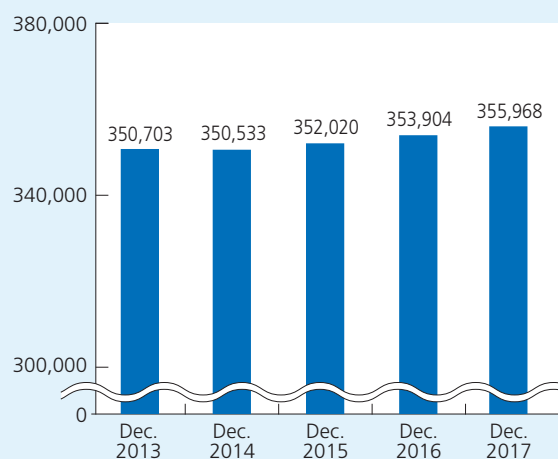
During fiscal 2017, 2 new members enrolled and 3 institutions terminated their membership due to withdrawal.

Special Members

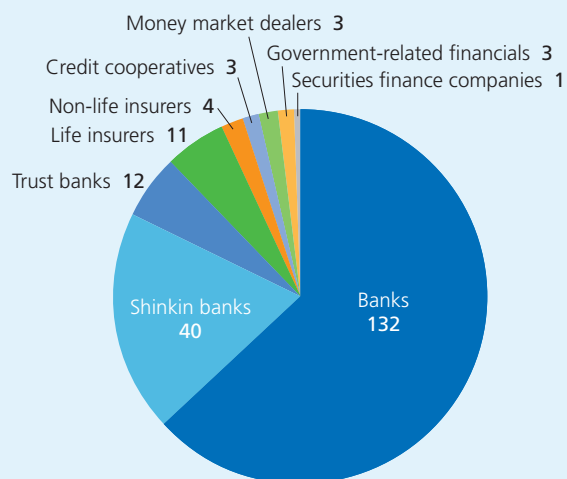


Note: Withdrawal, etc. includes termination of membership due to withdrawal and merger.

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 2018)

I. Assets

	Millions of yen	Thousands of U.S.dollars
1 Current assets:		
Cash & deposits	¥185	\$1,745
Accounts receivable	¥217	\$2,047
Prepayments	¥59	\$554
Subtotal	¥462	\$4,346
2 Fixed assets:		
(1) Special assets:		
Accrued retirement benefits assets	¥4,490	\$42,267
(2) Other fixed assets		
Buildings and accompanying facilities	¥51	\$476
Fixtures and furniture	¥64	\$602
Software	¥303	\$2,852
Software in progress	¥22	\$211
Long-term loans	¥93	\$879
Guarantee deposits	¥2	\$14
Long-term prepaid expenses	¥10	\$92
Reserve assets for stabilization of management	¥1,719	\$16,181
Subtotal	¥6,754	\$63,574
TOTAL ASSETS	¥7,216	\$67,919

II. Liabilities

	Millions of yen	Thousands of U.S.dollars
1 Current liabilities:		
Accounts payable	¥342	\$3,220
Deposits received	¥34	\$319
Reserve for bonuses	¥253	\$2,379
Lease liabilities	¥45	\$425
Asset retirement obligations	¥18	\$165
Reserve allowance for losses incurred in office relocation	¥214	\$2,010
Subtotal	¥905	\$8,518
2 Fixed liabilities:		
Long-term accounts payable	¥104	\$980
Accrued retirement benefits for employees	¥4,313	\$40,599
Accrued retirement benefits for executive officers	¥220	\$2,075
Lease liabilities	¥104	\$983
Subtotal	¥4,742	\$44,637
TOTAL DEBTS	¥5,647	\$53,155

III. Net Assets

1 Designated net assets:	¥0	\$0
Subtotal	¥0	\$0
2 General net assets	¥1,569	\$14,764
Subtotal	¥1,569	\$14,764
TOTAL NET ASSETS	¥1,569	\$14,764
TOTAL NET ASSETS AND LIABILITIES	¥7,216	\$67,919

Notes: 1. Rate of US\$1=¥106.24 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, general account of special members and general account of specified business members are listed on the chart.



IOSCO Annual General Meeting in Budapest

Revenues and Expenses Statement (Fiscal Apr. 2017 to Mar. 2018)

Revenues

	Millions of yen	Thousands of U.S. dollars
1 Revenues from business activities		
Designated Asset Investment Profit	¥25	\$236
Membership fees	¥6,208	\$58,438
- Fixed membership fees	(¥1,861)	(\$17,517)
- Floating rate membership fees	(¥4,347)	(\$40,920)
Business revenues	¥39	\$365
- Training and education fees	(¥20)	(\$190)
- Other business revenues	(¥19)	(\$174)
Subsidies	¥66	\$618
Miscellaneous revenues	¥53	\$497
- Received interest revenues	(¥1)	(\$11)
- Miscellaneous revenues	(¥52)	(\$486)
Transferred revenues from other accounts	¥894	\$8,412
- Transferred revenues from Special Members General Account	(¥653)	(\$6,149)
- Transferred revenues from Specified Business Members General Account	(¥3)	(\$32)
- Transferred revenues from Institute for Securities Education & Public Relations Special Account	(¥19)	(\$183)
- Transferred revenues from Members Securities Market Activation Fund	(¥20)	(\$187)
- Transferred revenues from Qualification Management Business Integration Special Account	(¥20)	(\$184)
- Transferred revenues from Members General Fund Special Account	(¥101)	(\$955)
- Transferred revenues from Members Securities Market Fairness Fund	(¥77)	(\$722)
Subtotal	¥7,284	\$68,566
2 Revenues from investment activities		
Revenues from specified assets	¥324	\$3,046
Revenues from other fixed assets	¥1,307	\$12,307
Revenues from reversal of lease and guarantee deposits	¥1	\$7
Subtotal	¥1,632	\$15,360
3 Revenues from financing activities		
Revenues from financing activities	¥0	\$0
Subtotal	¥0	\$0
Surplus from the previous fiscal year	¥71	\$668
TOTAL REVENUES	¥8,916	\$83,926

Expenses

	Millions of yen	Thousands of U.S. dollars
1 Expenses to business activities		
Operating expenses	¥4,755	\$44,761
Administrative expenses	¥1,988	\$18,714
Transferred expenses to other accounts	¥1,193	\$11,232
- Transferred expenses to Regular Members General Account	(¥657)	(\$6,181)
- Transferred expenses to Institute for Securities Education & Public Relations Special Account	(¥416)	(\$3,911)
- Transferred expenses to System Utilization Special Account	(¥121)	(\$1,140)
Subtotal	¥7,937	\$74,707
2 Expenses for investment activities		
Expenses for specified asset purchases	¥393	\$3,701
Expenses for fixed asset purchases	¥532	\$5,011
Expenses for lease and guarantee deposits	¥1	\$11
Subtotal	¥927	\$8,723
3 Expenses for financing activities		
Expenses for repayments of lease obligations	¥38	\$357
Subtotal	¥38	\$357
TOTAL EXPENSES	¥8,902	\$83,787
Surplus / Deficit amount	¥15	\$139
Amount carried forward	¥85.7	\$806.5

Notes: 1. Rate of US\$1=¥106.24 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, general account of special members and general account of specified business members are listed on the chart.

Dispute Resolutions in Fiscal 2017

Requests for Mediation	107
Successful Settlement	68
Failure in Reaching Settlement	52

Note: The amounts do not match due to cases carried over from fiscal 2016 or issues not concluded within fiscal 2017.

Consultations and Complaints in Fiscal 2017

Consultation	Total Cases of Consultation	4,162
Complaints	Complaints about Solicitation	321
	Complaints about Transactions	306
	Complaints about Processing	132
	Other Complaints	121

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	
Mar. 31, '16	253	66	26.1%	187	73.9%	5	2.0%	2	0.8%	180	71.1%
Sep. 30, '16	257	71	27.6%	186	72.4%	1	0.4%	6	2.3%	179	69.6%
Mar. 31, '17	257	70	27.2%	187	72.8%	2	0.8%	7	2.7%	178	69.3%
Sep. 30, '17	260	72	27.7%	188	72.3%	1	0.4%	9	3.5%	178	68.5%
Mar. 31, '18	260	73	28.1%	187	71.9%	2	0.8%	9	3.5%	176	67.7%

Number of Internet Transaction Accounts

(Unit: accounts)

	Mar. 31, '15	Sep. 30, '15	Mar. 31, '16	Sep. 30, '16	Mar. 31, '17	Sep. 30, '17	Mar. 31, '18
Number of Accounts	20,881,428	21,663,209	22,588,850	22,780,303	23,334,936	23,798,655	24,936,309
Increase from Previous Term-end	666,276	781,781	925,641	191,453	554,633	463,719	1,137,654

Transaction Value

(Unit: billions of yen)

	Stock Transactions			
	Internet Transactions		Transaction Value (c)	Percentage
	Cash Transactions (a)	Margin Transactions (b)		{(a)+(b)}/(c)
Oct. '14 to Mar. '15	58,568.7	112,533.9	738,538.5	23.2%
Apr. '15 to Sep. '15	62,061.6	121,001.0	793,596.7	23.1%
Oct. '15 to Mar. '16	46,511.0	104,143.6	742,942.8	20.3%
Apr. '16 to Sep. '17	37,844.6	97,215.7	656,188.0	20.6%
Oct. '17 to Mar. '18	46,726.1	91,723.2	677,414.4	20.4%
Apr. '18 to Sep. '18	48,437.9	94,723.4	694,964.5	20.6%
Oct. '18 to Mar. '19	61,302.6	119,167.5	853,606.3	21.1%

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) functions as a self-regulatory organization (SRO) and as an interlocutor for the securities industry. 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 the JSDA consist of securities firms, banks, and other financial institutions operating securities businesses in Japan.

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

investors by ensuring fair securities transactions. Its self-regulatory functions encompass rulemaking, enforcement, inspection, disciplinary action, 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 to further activate the market.

History

1940–1941	According to the policy of “one association per prefecture”, securities dealers associations were established in many local districts.
May 1949	The Japan Securities Dealers Joint Association was established.
May 1968	Thirty-three local securities dealers associations were consolidated into ten associations.
July 1973	The Japan Securities Dealers Association (JSDA) was newly established with its headquarters in Tokyo and with ten district offices (the Japan Securities Dealers Joint Association and ten local securities dealers associations were dissolved).
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.
February 2001	The JSDA entrusted the operation of the OTC Stock Market to JASDAQ Inc., a market operation company.
July 2004	The JSDA adopted its new organizational structure consisting of three sectors: Self-regulation, Securities Strategic Policy, and General Affairs and Administration.
December 2004	The JSDA closed the OTC Stock Market. JASDAQ started business as a stock exchange.
September 2007	With the implementation of the Financial Instruments and Exchange Act, the JSDA became an Authorized Financial Instruments Firms Association.
February 2010	The JSDA entrusted the tasks of handling customers’ complaints, offering consultation, and providing mediation services to resolve disputes over securities transactions to the Financial Instruments Mediation Assistance Center (FINMAC).
July 2011	The JSDA established the Financial Literacy & Education Support Committee within the organization to support financial and securities education from a neutral and fair stance.

Major Roles

1. Activities as a Self-Regulatory Organization

Functions	Outline
(1) Rule-making (Article 67-8, Paragraph 1, Item 10)*	Establishing self-regulatory rules applicable to member firms such as those relating to their conduct, products, transactions and internal control, and making these rules known
(2) Monitoring and inspecting members (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) Disciplinary actions (Article 68-2)*	Taking disciplinary actions such as reprimands, fines, suspensions or limitations of membership, as well as expulsions of member firms violating laws or self-regulatory rules
(4) Improving the proficiency of members' officers and employees (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) Complaint handling and mediation (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) Research, study and representation of the securities market	Carrying out research and studies to further activate and sophisticate the securities business and market and, based on the findings and results, presenting the industry's views and proposals to the government and other related parties
(2) Enhancement of public understanding and awareness of the securities market	Disseminating knowledge and promoting understanding of securities transactions, markets and industry, and raising financial literacy among individual investors
(3) Promoting policy measures	Promoting various policy measures in close consultation with members and relevant organizations
(4) Publication of statistics	Collecting, compiling and disclosing statistical information on transactions of stocks, bonds, investment trusts and derivatives, as well as on other market trends

3. International Activities

As globalization progresses in financial transactions and regulations, the JSDA actively participates in various international forums and builds cooperative relationships with relevant overseas organizations. The 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.



Japan Securities Summit in New York

JSDA's Major Work Plans for 2018-2019 (July 2018)

◆ Invigorating financial and capital markets ◆ Promoting asset building through investment

Contributing to individuals' medium- and long-term asset building

1. Further promoting the NISA schemes, particularly the Dollar-Cost Averaging NISA
 - Securing the 20-year installment period for the Dollar-Cost Averaging NISA
 - Making the NISA system permanent and more convenient
 - Actively popularizing the Dollar-Cost Averaging NISA, etc.
2. Deliberating and pursuing measures to promote medium- and long-term asset building
 - Promoting asset building in the workplace
 - Creating an environment for the smooth transfer of risk assets between generations
 - Investigating and studying financial products and securities services that can respond to the needs of an aging society

Investors (individuals)

Spreading and deepening financial and securities knowledge

1. Promoting financial and securities education
 - Carrying out initiatives associated with the revised school curriculum guidelines
 - Conducting activities that consider asset-building support systems such as NISA and iDeCo
 - Enriching educational content targeting the younger generation
 - Supporting the SDGs
 - Promoting information sharing on financial and securities educational activities
2. Implementing PR activities to prevent scams involving fake sales of stocks or corporate bonds

Strengthening financial and capital markets' functions and competitiveness

1. Undertaking initiatives related to FinTech
2. Shortening the settlement cycle for stocks, etc.
3. Improving the environment for expanding and diversifying the corporate bond market
4. Improving the institutional infrastructure for off-exchange transactions related to stocks
5. Promoting the use of unlisted stock transactions
6. Undertaking initiatives aimed at the sound introduction and expansion of use of the Social Security and Tax Number System
7. Promoting studies on financial and capital markets
8. Implementing the "National Survey on Securities Investment"

Market (Infrastructure)

Undertaking initiatives for the entire securities industry

1. Further promoting the SDGs through the securities industry
 - Enacting initiatives to meet social challenges via the securities industry
 - Establishing decent work environments and supporting women in the work-force of the securities industry
 - Supporting children, etc. who face harsh economic circumstances
 - Enacting initiatives to increase awareness and understanding of the SDGs
 - Fostering collaboration with international organizations including the UN
2. Spreading the significance of "Securities Investment Day"
 - Raising awareness of "Securities Investment Day" among the officers and employees of member firms
 - Conducting activities through "Securities Investment Day" that contribute to the SDGs and the improvement of society as a whole

Intermediaries (Members)

Improving intermediaries' functions and credibility

1. Undertaking initiatives to foster customer-oriented business conduct, etc.
2. Studying and deliberating on the business management of member firms
3. Exercising effective self-regulatory functions
 - Making appropriate alterations to self-regulations based on changes to the financial services environment
 - Conducting agile and effective inspections of the member firms
 - Continuing initiatives to prevent insider trading
 - Endeavoring to exclude anti-social forces from the capital markets
4. Adopting initiatives to combat money laundering
5. Finding and analyzing the details of troubles in the use of financial services

Enhancing global outreach and cooperation

1. Actively conducting overseas public relations on the attractiveness and potential of Japanese markets
2. Enhancing cooperation and collaboration with relevant overseas organizations
3. Responding to global regulatory reform
4. Expanding the provision of information in English

Overseas

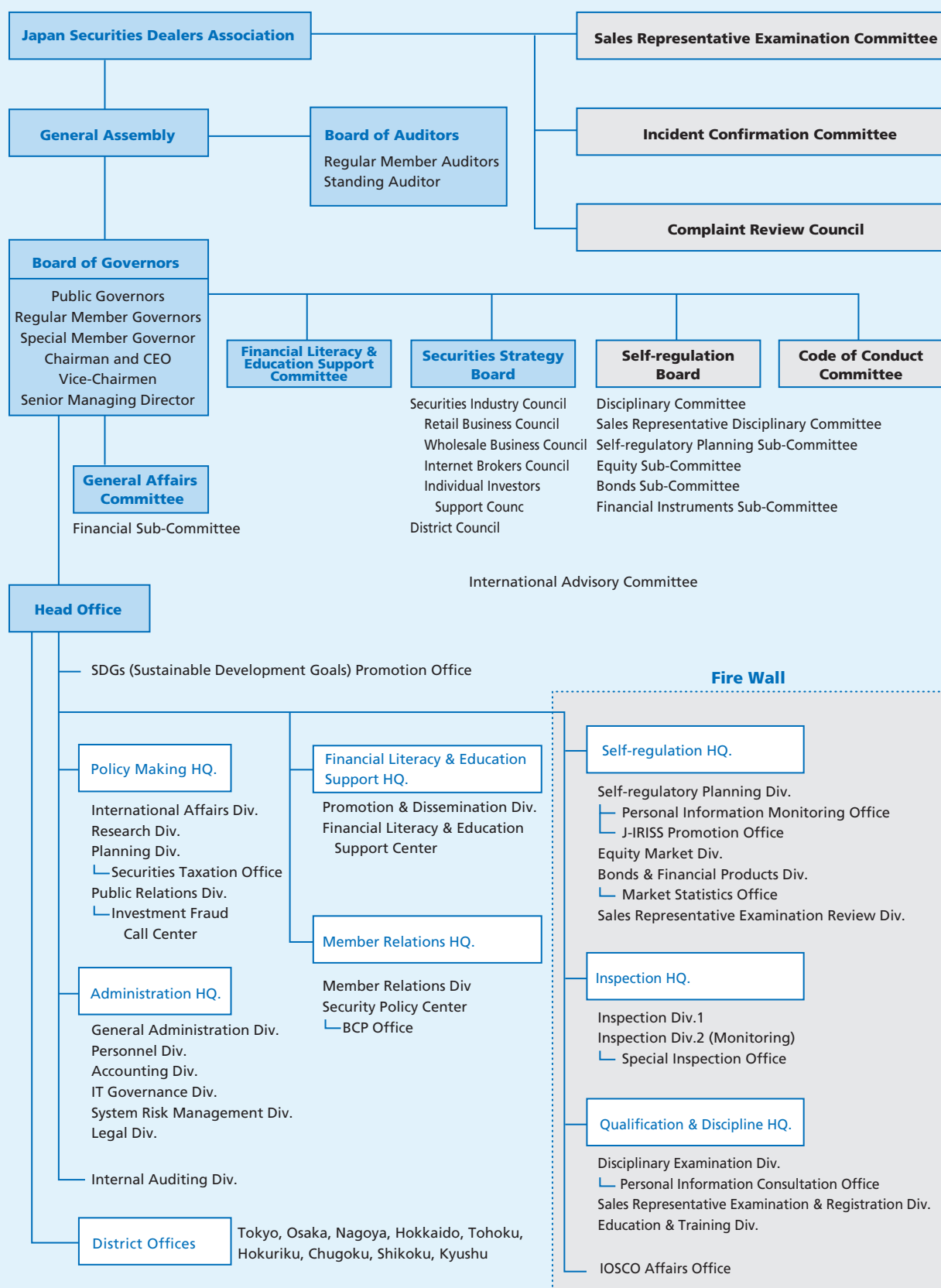
Improving JSDA's operations

1. Actively disseminating information about issues being tackled by the securities industry
2. Renewing the JSDA website
3. Developing and strengthening business continuity planning (BCP) and cybersecurity measures
4. Fostering collaboration with local stakeholders

JSDA's Operations

5. Reviewing and improving organizational structure and operations
 - Undertaking measures related to office relocation
 - Developing qualified human resources through strategic recruitment and training
 - Improving staff members' work-life balance

Organizational Structure



As of July 2, 2018

Member List of Full-time Executives (As of July 2, 2018)

Chairman and CEO

Shigeharu Suzuki

Vice-Chairman

Manabu Morimoto

(Chief Operating Officer for the Self-regulation Board)

Vice-Chairman & Senior Managing Director

Mario Takeno

(Chief Operating Officer for the Securities Strategy Board)

Standing Auditor

Tsuyoshi Murai (Independent Evaluation Officer)

Senior Executive Director

Koichi Hirata

(Chief Financial Officer (CFO), Chief Compliance Officer (CCO) & Chief Officer for Administration)

Executive Directors

Kimiaki Yamauchi

(Chief Officer for Rules & Regulations)

Koji Kikuchi

(Chief Officer for Financial Literacy & Education Support)

Directors

Koichi Ishikura

(Chief Officer for International Affairs & Research)

Masayuki Shimamura

(Chief Officer for Planning & Public Relations)

Atsushi Ishikuro

(Chief Officer for Member Relations &

Chief Regional-Relationship Officer)

Chief Officers

Toshiaki Matsuda (Chief Officer for Inspection)

Sawaichiro Kamata

(Chief Officer for IT & System Risk Management,

Chief Information Officer (CIO) & Chief Risk

Officer (CRO))

Shigeto Kurabayashi

(Chief Officer for Human Resources)

Masao Matsumoto

(Chief Officer for Qualification & Discipline)

Organizational Structure

1. Central Bodies

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

General Assembly	Supreme body for making decisions
Board of Governors	Body for making decisions on items related to the JSDA's overall association management and for assuming responsibility for supervision
Self-regulation Board	Body entrusted by the Board of Governors with making decisions for self-regulatory business
Securities Strategy Board	Body entrusted by the Board of Governors with making decisions for business strategy related to vitalizing the securities market
General Affairs Committee	Body entrusted by the Board of Governors with deliberating overall matters about the operation of the JSDA
Financial Literacy & Education Support Committee	Body entrusted by the Board of Governors with deliberating the basic policy and action plan regarding the JSDA's activities for promoting financial and securities knowledge among the public
Code of Conduct Committee	Body entrusted by the Board of Governors with deliberating the code of conduct for the association members

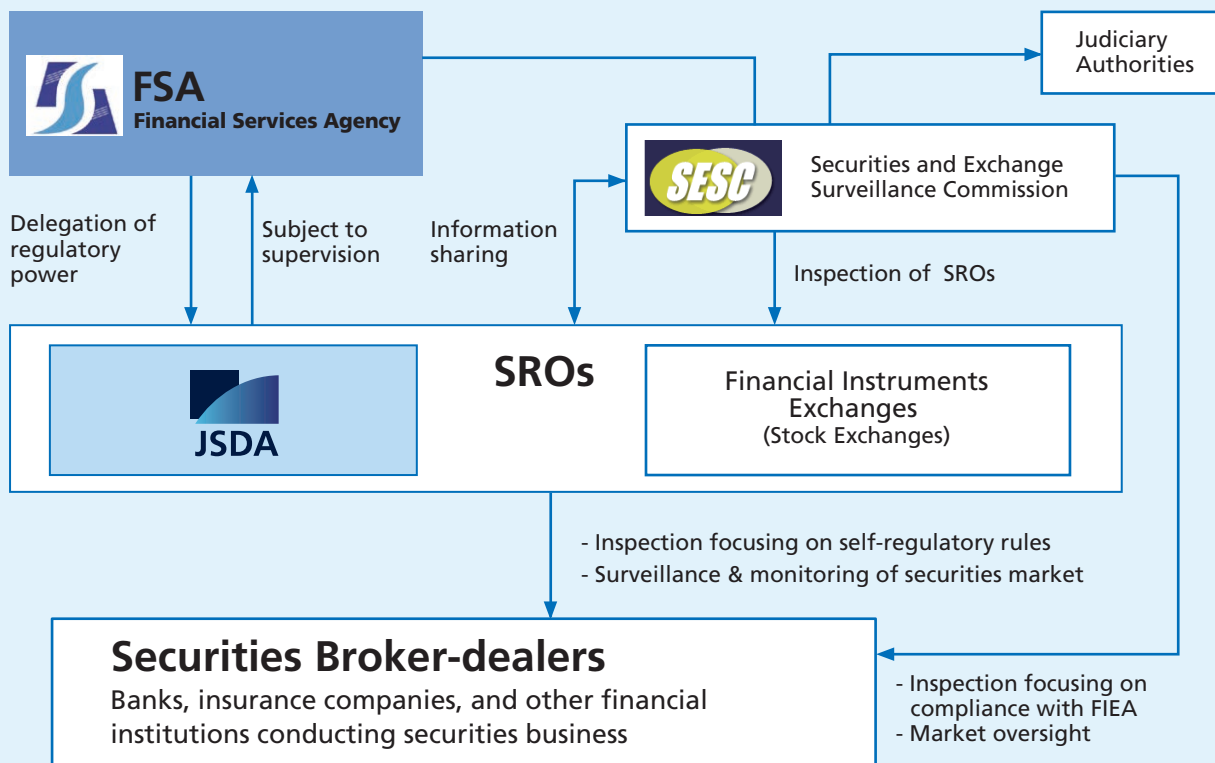
2. District Offices

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

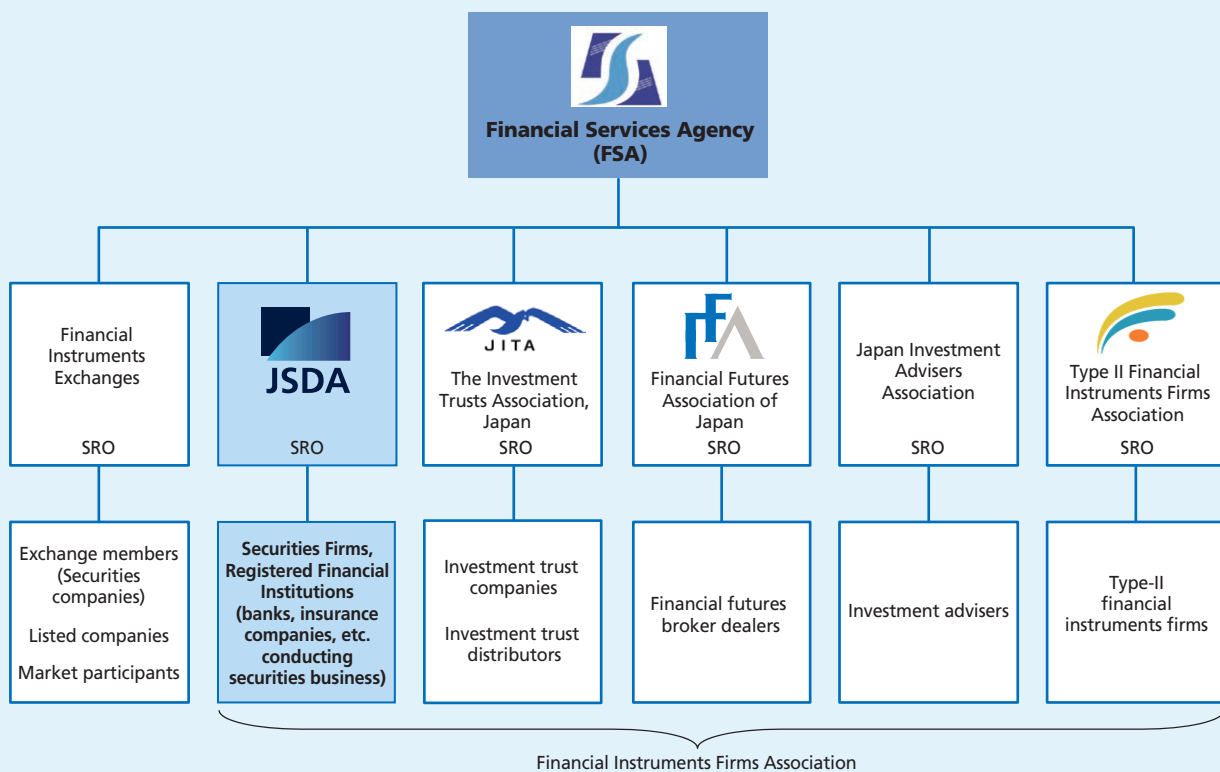
3. Affiliated Bodies

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

Self-regulatory Structure for Securities Broker-dealers



Securities-related SROs in Japan



List of Members

List of Regular Members (As of July 2, 2018)

77 Securities Co., Ltd.	DBJ Securities., Co., Ltd.	HSBC Securities (Japan) Limited
8 Securities Inc.	DBS Securities (Japan) Company Limited	Hyakugo Securities Company Limited
ABN AMRO Clearing Tokyo Co., Ltd.	Deutsche Asset Management (Japan) Limited	i SECURITIES Co., Ltd.
ACE SECURITIES CO., LTD.	Deutsche Securities Inc.	ICAP Totan Securities Co., Ltd.
Aioi Securities Co., Ltd.	DMM.com SECURITIES Co., Ltd.	Ichiyoshi Securities Co., Ltd.
Aizawa Securities Co., Ltd.	DSB Co., Ltd.	IG Securities Limited
Akatsuki Securities, Inc.	Ehime Securities Co., Ltd.	Imamura Securities Co., Ltd.
AllianceBernstein Japan Ltd.	Eiwa Securities Co., Ltd.	Interactive Brokers Securities Japan, Inc.
AMP Capital Investors KK	EVOLUTION JAPAN SECURITIES Co., Ltd.	INVEST SECURITIES CO., LTD.
Amundi Japan Ltd.	eWarrant Japan Securities K.K.	IR Japan, Inc.
Ando Securities Co., Ltd.	EZ Invest Securities Co., Ltd.	IS Securities Co., Ltd.
Aozora Securities Co., Ltd.	FFG Securities Co., Ltd.	Isurugi Securities Co., Ltd.
Ark Securities Co., Ltd.	FIL Securities(Japan) K.K.	IwaiCosmo Securities Co., Ltd.
Awa Securities Co., Ltd.	FOLIO Co., Ltd.	Japan Bond Trading Co., Ltd.
AXA INVESTMENT MANAGERS JAPAN LTD.	FPG Securities Co., Ltd.	Japan Private Asset Securities Inc.
Bansei Securities Co., Ltd.	FPL SECURITIES INC.	Japan Securities Agents. Ltd.
Banyo Securities Co., Ltd.	FUJITOMI CO., LTD.	JBond Totan Securities Co., Ltd.
Barclays Securities Japan Limited	Futanami Securities Co., Ltd.	JC Securities Co., Ltd.
BGC Shoken Kaisha Limited	GAM Japan Limited	Jefferies (Japan) Limited
BlackRock Japan Co., Ltd.	GCM Investments Japan K.K.	JPMorgan Asset Management (Japan) Limited
Bloomberg Tradebook Japan Limited	GI Capital Management Ltd.	JPMorgan Securities Japan Co., Ltd.
BNP Paribas Securities (Japan) Limited	GMO CLICK Securities, Inc.	Jyoko Securities Co., Ltd.
Brown Brothers Harriman Securities (Japan) Inc.	Gogin Securities Co., Ltd.	kabu.com Securities Co., Ltd.
Buko Securities Co., Ltd.	Goldman Sachs Asset Management Co., Ltd.	Kagawa Securities Co., Ltd.
Cantor Fitzgerald Securities Japan Co., Ltd.	Goldman Sachs Japan Co., Ltd.	KANETSU FX SECURITIES CO., LTD.
Capital Partners Securities Co., Ltd.	GreensLedge Asia Limited	Kimura Securities Co., Ltd.
Centrade Securities Co., Ltd.	Guggenheim Partners Japan, Ltd.	KKR Capital Markets Japan Ltd.
Central Totan Securities Co., Ltd.	Gungin Securities Co., Ltd.	Kokufu Securities Co., Ltd.
Chi-X Japan Limited	H.S.Securities Co., Ltd.	Kotobuki Securities Co., Ltd.
Chibagin Securities	HACHIJUNI Securities Co., Ltd.	KOYO SECURITIES CO., LTD.
Chugin Securities Co., Ltd.	Hamagin Tokai Tokyo Securities Co., Ltd.	Kyogin Securities Co., Ltd.
CIBC World Markets (Japan) Inc.	HC Asset Management Co., Ltd.	Kyokuto Securities Co., Ltd.
Citigroup Global Markets Japan Inc.	Hedgefund Securities Co., Ltd.	Kyowa Securities Co., Ltd.
CLSA Securities Japan Co., Ltd.	Hibiki Securities Inc.	Kyushu FG Securities, Inc.
Crédit Agricole Securities Asia B.V.	Hikari Securities Co., Ltd.	Leading Securities Co., Ltd.
Credit Suisse Securities (Japan) Limited	Himawari Securities, Inc.	Leonteq Securities (Japan) Limited
Crowd Securities Japan, Inc.	Hinode Securities Co., Ltd.	Liquidnet Japan Inc.
Daikumamoto Securities Co., Ltd.	HIROGIN SECURITIES CO., LTD.	livestar Securities Co., Ltd.
Daiman Securities Co., Ltd.	Hirota Securities Co., Ltd.	LockeHallard Securities Co., Ltd.
Daisen Hinomaru Securities Co., Ltd.	Hokuhoku Tokai Tokyo Securites Co., Ltd.	Macquarie Capital Securities (Japan) Limited.
Daishi Securities Co., Ltd.	HSBC Global Asset Management (Japan) K.K.	Maruchika Securities Co., Ltd.
Daiwa Securities Co., Ltd.		Maruhachi Securities Co., Ltd.

Marukuni Securities Co., Ltd.	OKASAN NIIGATA SECURITIES CO., LTD.	State Street Global Markets Securities Co., Ltd.
Marusan Securities Co., Ltd.	Okasan Online Securities Co., Ltd.	StormHarbour Japan Ltd.
Masumo Securities Co., Ltd.	OKASAN SECURITIES CO., LTD.	Superfund Japan Co., Ltd.
Matsui Securities Co., Ltd.	Okayasu Securities Co., Ltd.	Tahara Securities Co., Ltd.
Matsusaka Securities Co., Ltd.	Okinawa Securities Limited	Takagi Securities Co., Ltd.
MCP Asset Management (Japan), Inc.	One Asia Securities Co., Ltd.	Takematsu Securities Co., Ltd.
Mebuki Securities Co., Ltd.	One Tap BUY Co., Ltd.	TD Securities(Japan) Co., Ltd.
Meiwa Securities Co., Ltd.	Orbis Investments KK	Teneo Partners Japan Limited
Merrill Lynch Japan Securities Co., Ltd.	Phillip Securities Japan, Ltd.	The Air's Sea Securities Co., Ltd.
Mirai Securities Co., Ltd.	Premiere Securities Co., Ltd.	The Bank of New York Mellon Securities Company Japan Ltd.
MITA SECURITIES Co., Ltd.	Putnam Investments Securities Co., Ltd.	The Blackstone Group Japan k.k.
Mito Securities Co., Ltd.	PWM Japan Securities Co., Ltd.	The Kosei Securities Co., Ltd.
Mitoyo Securities Co., Ltd.	Rakuten Securities, Inc.	The Miki Securities Co., Ltd.
Mitsubishi Corporation Asset Management Ltd.	RBC Capital Markets (Japan) Limited	The Nakahara Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd.	Retela Crea Securities Co., Ltd.	The Tachibana Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	SAMURAI SECURITIES Co., Ltd.	Tobu Securities Co., Ltd.
Mitsui & Co. Alternative Investments Ltd.	Sanen Securities Co., Ltd.	TOGAKU Securities Co., Ltd.
Mitsui Securities Co., Ltd.	Sanko Securities Co., Ltd.	Togo Securities Co., Ltd.
Miyako Securities Co., Ltd.	Sankyo Securities Co., Ltd.	Toho Securities Co., Ltd.
Mizuho Global Alternative Investments, Ltd.	Sasayama Securities Co., Ltd.	Tokai Tokyo Securities Co., Ltd.
Mizuho Securities Co., Ltd.	Saxo Bank Securities Ltd.	Tokushima-Godo Securities Co., Ltd.
Monex, Inc.	SB Prime Securities Co., Ltd.	Tokyo Securities Transfer Agent Co., Ltd.
MONEY DESIGN Co., Ltd.	SBI Japannext Co., Ltd.	Tomioka Securities Co., Ltd.
Money Partners Co., Ltd.	SBI SECURITIES Co., Ltd.	TOWER INVESTMENT MANAGEMENT Co., Ltd
MONEY SQUARE, INC.	Scotia Securities Asia Limited	Toyo Securities Co., Ltd.
Morgan Stanley MUFG Securities Co., Ltd.	Securities Japan, Inc.	Traders Securities Co., Ltd.
Musashi Securities Co., Ltd.	Senshu Ikeda Tokai Tokyo Securities Co., Ltd.	Tradeweb Japan K.K.
Nagano Securities Co., Ltd.	Shikoku Alliance Securities Co., Ltd.	UBS Securities Japan Co., Ltd.
Naito Securities Co., Ltd.	Shimadai Securities Co., Ltd.	Ueda Tradition Securities Ltd.
Nara Securities Co., Ltd.	Shin Securities Sakamoto Inc.	Ueda Yagi Securities Co., Ltd
Natixis Japan Securities Co., Ltd.	Shin-Ogaki Securities Co., Ltd.	Usuki Securities Co., Ltd.
NatWest Markets Securities Japan Limited	Shinbayashi Securities Co., Ltd.	Utsumiya Securities Co., Ltd.
New-S Securities Co., Ltd.	Shinkin Securities Co., Ltd.	Utsunomiya Securities Co., Ltd.
Nihon Capital Securities Inc.	Shinsei Securities Co., Ltd.	Vanguard Investments Japan, Ltd.
Nikko Asset Management Co., Ltd.	SHIZUGIN TM SECURITIES Co., Ltd.	Vantage Capital Markets Japan K.K.
Nishi-Nippon City Tokai Tokyo Securities Co., Ltd.	Shizuoka Tokai Securities Co., Ltd.	WealthNavi Inc.
Nishimura Securities Co., Ltd.	Shonai Securities Co., Ltd.	Wells Fargo Securities (Japan) Co., Ltd.
Nissan Securities Co., Ltd.	Smartplus Ltd.	WisdomTree Japan Inc.
NN Investment Partners Japan Co., Ltd.	SMBC Nikko Securities Inc.	Yamagata Securities Co., Ltd.
Nobata Securities Co., Ltd.	Societe Generale Securities Japan Limited	YAMAGEN Securities Co., Ltd.
Nomura Financial Products & Services, Inc.	Sompo Japan Nipponkoa DC Securities Inc.	Yamani Securities Co., Ltd.
Nomura Securities Co., Ltd.	SPARX Asset Management Co., Ltd.	Yamawa Securities Co., Ltd.
Northern Trust Global Investments Japan, K.K.	SPC Securities Inc.	Yensai.com Co., Ltd.
Okachi Securities Co., Ltd.	Standard Chartered Securities (Japan) Limited	YJFX, Inc.
	Starts Securities Co., Ltd.	YM Securities Co., Ltd.
	State Street Global Advisors (Japan) Co., Ltd.	Yutaka Securities Co., Ltd.
		YUTAKA SHOJI Co., Ltd.
		Zukawa Securities Co., Ltd.

List of Special Members (As of July 2, 2018)

ÆON BANK, LTD.	Okayama Shinkin Bank	THE DAITO BANK, LTD.
Aioi Nissay Dowa Insurance Co., Ltd.	ORIX Bank Corporation	The Ehime Bank, Ltd.
Aozora Bank, Ltd.	ORIX Life Insurance Corporation	The Eighteenth Bank, Limited
Australia and New Zealand Banking Group Limited	Rakuten Bank, Ltd.	THE FAIRST BANK OF TOYAMA, LTD.
Bank of America, National Association	Resona Bank, Limited	THE FUKUHO BANK, LTD.
Bank of The Ryukyus, Limited	Royal Bank of Canada, Tokyo Branch.	The Fukui Bank, Ltd.
Barclays Bank PLC	Saitama Resona Bank, Limited	THE FUKUOKA CHUO BANK, LTD.
BNP PARIBAS S.A.	SBI Sumishin Net Bank, Ltd.	THE FUKUSHIMA BANK, LTD.
Central Tanshi Co., Ltd.	Shimada Shinkin Bank	The Gifu Shinkin Bank
Citibank, N.A., Tokyo Branch	Shinkin Central Bank	The Gunma Bank, Ltd.
Commonwealth Bank of Australia	Shinsei Bank, Limited	The Hachijuni Bank, Ltd.
Credit Agricole Corporate and Investment Bank	Shinsei Trust & Banking, Ltd.	The Hekikai Shinkin Bank
DAI-ICHI KANGYO CREDIT COOPERATIVE	SMBC Trust Bank Ltd.	The Higashi-Nippon Bank, Limited
Deutsche Bank Aktiengesellschaft	Sompo Japan Nipponkoa Insurance Inc.	The Higo Bank, Ltd.
Development Bank of Japan Inc.	Sony Bank Incorporated	The Himeji Shinkin Bank
Fukoku Mutual Life Insurance Co.	Sony Life Insurance Co., Ltd.	The Hiroshima Bank, Ltd.
Fukuoka Hibiki Shinkin Bank	State Street Trust and Banking Company, Limited	The Hokkaido Bank, Ltd.
Hiroshima Shinkin Bank	Sumitomo Life Insurance Co.	The Hokkoku Bank, Ltd.
Hongkong and Shanghai Banking Corporation Limited	Sumitomo Mitsui Banking Corporation	The Hokuetsu Bank, Ltd.
ING Bank N.V.	Sumitomo Mitsui Trust Bank, Limited	The Hokuriku Bank, Ltd.
Japan Post Bank Co., Ltd.	Suruga Bank Ltd.	The Hokuto Bank, Ltd.
Japan Securities Finance Co., Ltd.	The 77 Bank, Ltd.	THE HOWA BANK, LTD.
Japan Trustee Services Bank, Ltd.	The Aichi Bank, Ltd.	The Hyakugo Bank, Ltd.
Jibun Bank Corporation	THE AKITA BANK, LTD.	The Hyakujushi Bank, Ltd.
JPMorgan Chase Bank, N.A.	The Amagasaki Shinkin Bank	THE HYOGOSHINKIN BANK
Kansai Urban Banking Corporation	The Aomori Bank, Ltd.	The Iyo Bank, Ltd.
kinki sangyou Credit Union	The Asahi Shinkin Bank	The Japan Net Bank, Limited
Kiraboshi Bank, Ltd.	The Ashikaga Bank, Ltd.	The Johnan Shinkin Bank
Kirayaka Bank, Ltd.	The Awa Bank, Ltd.	THE JOHOKU SHINKIN BANK
Meiji Yasuda Life Insurance Company	THE BANK OF FUKUOKA, LTD.	The Joyo Bank, Ltd.
MetLife Insurance K.K.	The Bank of Iwate, Ltd.	The Juroku Bank, Ltd.
Mitsubishi UFJ Trust and Banking Corporation	THE BANK OF KOCHI, LTD.	THE KAGAWA BANK, LTD.
Mitsui Life Insurance Company Limited	The Bank of Kyoto, Ltd.	THE KAGOSHIMA BANK, LTD.
Mitsui Sumitomo Insurance Co., Ltd.	The Bank of Nagasaki, Ltd.	THE KANAGAWA BANK, LTD.
Mitsui Sumitomo Primary Life Insurance Company Limited	The Bank of Nagoya, Ltd.	THE KANAGAWA SHINKIN BANK
Mizuho Bank, Ltd.	The Bank of Okinawa, Ltd.	The Kanazawa Shinkin Bank
Mizuho Trust & Banking Co., Ltd.	THE BANK OF SAGA LTD.	THE KAWASAKI SHINKIN BANK
Momiji Bank, Ltd.	The Bank of Toyama, Ltd.	The Keiyo Bank, Ltd.
MUFG Bank, Ltd.	The Bank of Yokohama, Ltd.	The Kinki Osaka Bank, Ltd.
Nagano-Ken Credit Cooperative	The Banshu Shinkin Bank	The Kita-Nippon Bank, Ltd.
Nara Shinkin Bank	The Chiba Bank, Ltd.	The Kitakyushu Bank, LTD.
NIPPON LIFE INSURANCE COMPANY	The Chiba Kogyo Bank, Ltd.	The Kiyo Bank, Ltd.
Nisshin Shinkin Bank	The Chikuho Bank, Ltd.	The Kumamoto Bank, Ltd.
North Pacific Bank, Ltd.	The Chugoku Bank, Limited	THE KYOTO CHUO SHINKIN BANK
	The Chukyo Bank, Limited	THE KYOTO SHINKIN BANK
	The Dai-ichi Life Insurance Company, Limited	The Master Trust Bank of Japan, Ltd.
	The Daisan Bank, Ltd.	THE MICHINOKU BANK, LTD.
	The Daishi Bank, Ltd.	The Mie Bank, Ltd.

The Minami-Nippon Bank, Ltd.
 THE MINATO BANK, LTD.
 The Miyazaki Bank, Ltd.
 The Miyazaki Taiyo Bank, Ltd.
 The Musashino Bank, Ltd.
 THE NAGANO SHINKIN BANK
 THE NAGANOBANK, LTD.
 The Nanto Bank, Ltd.
 THE NISHI-NIPPON CITY BANK,
 LTD.
 The Nomura Trust and Banking Co., Ltd.
 The Norinchukin Bank
 The Norinchukin Trust & Banking
 Co., Ltd.
 The Ogaki Kyoritsu Bank, Ltd.
 THE OITA BANK, LTD.
 The Okazaki Shinkin Bank
 THE OKINAWA KAIHO BANK. LTD.
 THE OME SHINKIN BANK
 The Osaka City Shinkin Bank
 THE SAGA KYOEI BANK, LTD.
 THE SAIKYO BANK, LTD.
 THE SAITAMAKEN SHINKIN BANK
 The San-in Godo Bank, Ltd.
 The Sawayaka Shinkin Bank
 THE SEIBU SHINKIN BANK
 The Seishin Shinkin Bank
 THE SENDAI BANK, LTD.
 The Senshu Ikeda Bank, Ltd.
 The Seto Shinkin Bank
 THE SHIGA BANK, LTD.
 The Shikoku Bank, Ltd.
 THE SHIMANE BANK, LTD.
 THE SHIMIZU BANK, LTD.
 THE SHINWABANK, LTD.
 THE SHIZUOKA BANK, LTD.
 THE SHIZUOKACHUO BANK, LTD.
 The Shoko Chukin Bank, Ltd.
 THE SHONAI BANK, LTD.
 The Shonan Shinkin Bank
 The Sugamo Shinkin Bank
 THE TAIKO BANK, LTD.
 THE TAISHO BANK, LTD.
 The Tajima Bank, Ltd.
 The Tama Shinkin Bank
 THE TOCHIGI BANK, LTD.
 The Toho Bank, Ltd.
 THE TOHOKU BANK, LTD.
 THE TOKUSHIMA BANK, LTD.
 THE TOKYO HIGASHI SHINKIN
 BANK
 The Tokyo Star Bank, Limited

The Tokyo Tanshi Co., Ltd.
 The Tono Shinkin Bank
 THE TOTTORI BANK, LTD
 THE TOWA BANK, LTD.
 The Yamagata Bank, Ltd.
 The Yamaguchi Bank, Ltd.
 The Yamanashi Chuo Bank, Ltd.
 The Yokohama Shinkin Bank
 Tokio Marine & Nichido Fire Insurance
 Co., Ltd.
 TOKYO CITY SHINKIN BANK
 TOMATO BANK, LTD.
 Toyota Shinkin Bank
 Trust & Custody Services Bank, Ltd.
 Tsukuba Bank, Ltd.
 UBS AG
 Ueda Yagi Tanshi Co., Ltd.
 Yamato Shinkin Bank

Specified Business Members **(As of July 2, 2018)**

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 DAN Venture Capital, Inc.
 Emerada Co., Ltd.
 Japan Cloud Capital Inc.
 Totan ICAP Co., Ltd
 Tullet Prebon ETP (Japan) Ltd.

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Note: From 29 October, 2018, the office address will change to the following.

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Tel: +81-3-6665-6764