

Update of Medium-Term Business Plan (FY2022-2024)

April 30, 2024

Japan Securities Clearing Corporation



- Under the current medium-term business plan, from the viewpoint of playing a function as a core infrastructure of market and contributing to its continuous development, we set the following 3 management policies and 5 critical issues, under which we formulate/implement the detailed business plan.

Management Policy

- I . Expand the scope of trades eligible for clearing to cover wider market
- II . Offer top-tier global level clearing services
- III . Offer services with related post-trade services

Critical Issue

- i. Expand clearing service for uncleared cash market trades
- ii. Enhance the competitiveness in derivatives market
- iii. Continue to improve the serviceability in light of global best practices
- iv. Build a robust business continuity system
- v. Improve existing services by leveraging new technologies and introduce new services

Update Policies for Business Plan

- Since FY ended March 31, 2025 is the last fiscal year of the current medium-term business plan, we are focusing on robust implementation of each of the measures based on the management policies and the critical issues.
- In addition, we are actively making efforts to take measures in light of the changing environment including the shift in monetary policy and progress of new technologies such as DLT/AI, and the needs from market participants and new measures from a mid/long term viewpoint.

Key Measures (Against Each Critical Issue)



(Note) Unlined are updated items.

Critical issue	Market	Specific measures
1) Market clearing of uncleared trades in cash market	Equity market	<ul style="list-style-type: none"> ● Consider measures to expand the scope of trades eligible for clearing (<u>including improvement to the clearing framework related to settlement of creation/redemption of cash type ETF</u>)
	JGB market	<ul style="list-style-type: none"> ● Improve serviceability to market new customers (<u>establishing framework for new users in place</u>) ● Promote marketing activities to expand the user base of clearing services
2) Enhance the competitiveness in derivatives market	Listed derivatives market	<ul style="list-style-type: none"> ● Deal with the introduction of new products/new scheme on the exchanges(mainly dealing with the listing of new products and extending trading hours) to activate markets
	OTC Derivatives market	<ul style="list-style-type: none"> ● Deal with permanent cessation of Euroyen TIBOR in IRS Clearing ● Promote marketing activities to expand the user base of clearing services ● Expand the number of reference entities and tenors for CDS towards expansion of trades eligible for clearing
3) Continue to improve the serviceability in light of global best practice	Equity market	<ul style="list-style-type: none"> ● Deal with further shortening of settlement cycle that is in progress in overseas market
	Listed derivatives market	<ul style="list-style-type: none"> ● Review of margin/clearing fund
	OTC derivatives market	<ul style="list-style-type: none"> ● Improve the serviceability in light of efforts by major overseas CCPs (<u>acceptance of USD cash as eligible collateral in IRS Clearing and other measures</u>)
4) Build robust business continuity system	Common issues across markets	<ul style="list-style-type: none"> ● Strengthen business continuity system such as further improving resilience
5) Improve the existing service utilizing new technologies and launch new services	Utilization/ application of new technology	<ul style="list-style-type: none"> ● Apply new technologies to the existing services/develop new services (apply blockchain technology deployed in the delivery of rubber futures settlement to other products and <u>leverage AI technologies</u>)