



JSCC ANNUAL REPORT 2016



Japan Securities Clearing Corporation

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Financial Statements and Company Profile

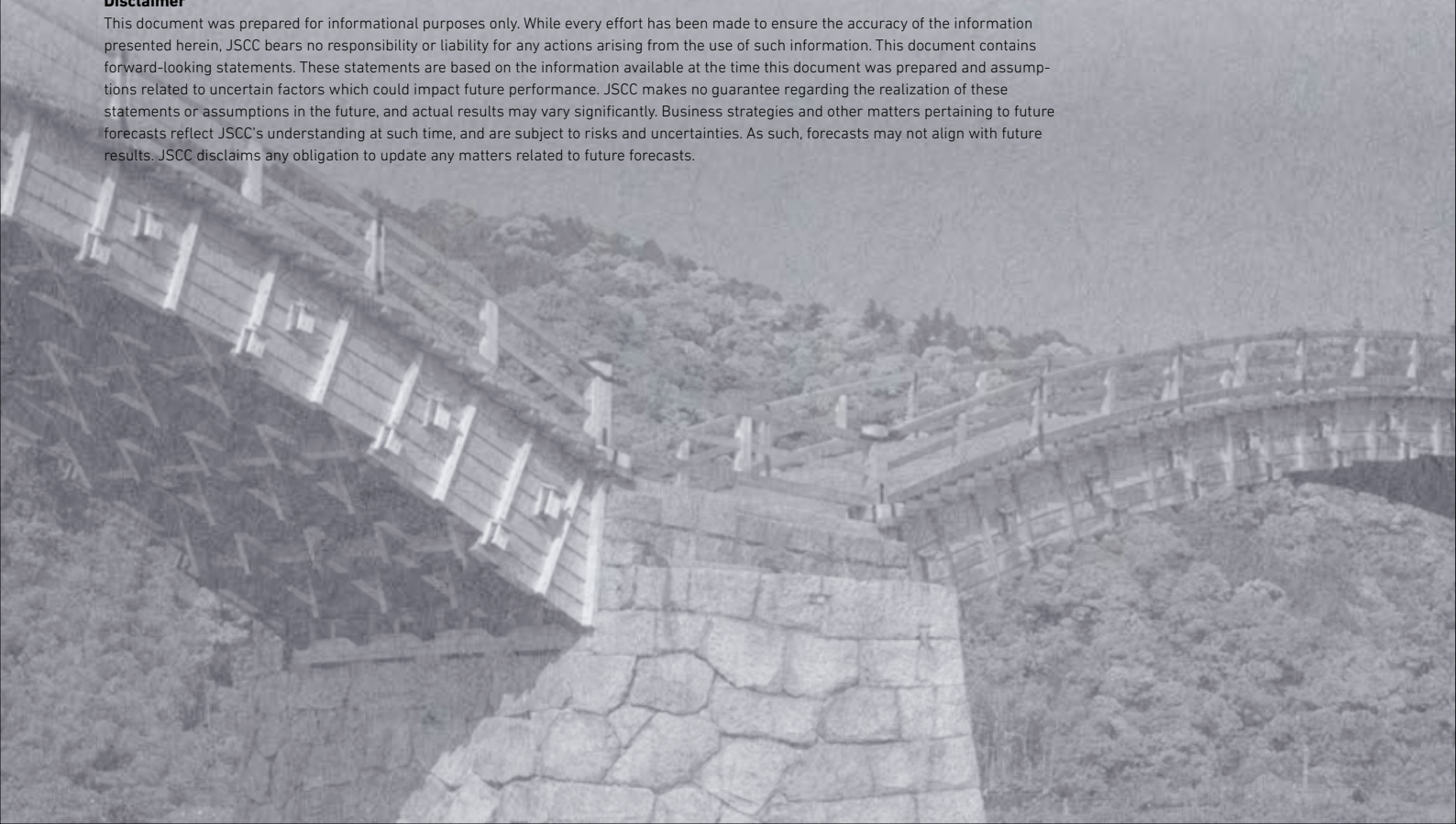
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Cover Design

The cover features a traditional Japanese bridge and a Japanese paper pattern, to evoke JSCC's role as a link between market participants, in Japan, and around the world.

Disclaimer

This document was prepared for informational purposes only. While every effort has been made to ensure the accuracy of the information presented herein, JSCC bears no responsibility or liability for any actions arising from the use of such information. This document contains forward-looking statements. These statements are based on the information available at the time this document was prepared and assumptions related to uncertain factors which could impact future performance. JSCC makes no guarantee regarding the realization of these statements or assumptions in the future, and actual results may vary significantly. Business strategies and other matters pertaining to future forecasts reflect JSCC's understanding at such time, and are subject to risks and uncertainties. As such, forecasts may not align with future results. JSCC disclaims any obligation to update any matters related to future forecasts.



In January 2003, Japan Securities Clearing Corporation (JSCC) was licensed as the first clearing house in Japan to conduct a “Securities Obligation Assumption Service” (current “Financial Instruments Obligation Assumption Service” stipulated in the Financial Instruments and Exchange Act) and commenced clearing services for transactions executed on stock exchanges.

The birth of JSCC enabled the integration of clearing processes that used to be performed separately by individual stock exchanges, dramatically improving the efficiency and serviceability of securities markets.

In addition to listed products, JSCC currently provides clearing services for Over-the-Counter (OTC) derivatives (Credit Default Swaps (CDS) and Interest Rate Swaps (IRS)) and OTC Japanese Government Bond (JGB) transactions, and is working to expand services for foreign users.

CORPORATE PHILOSOPHY

JSCC, with a solid risk-management framework, aims to enhance the competitiveness of Japanese financial and capital markets by improving the efficiency, serviceability, and safety of financial market post-trade processing infrastructure.

1. Reinforcement of Clearing Functions, Risk Management, and IT Systems towards Service Quality Improvement

Recognizing that safety and efficiency are core competences of a CCP, and that the enhancement of “services” to JSCC users, such as Clearing Participants, will be even more critical for JSCC, “Reinforcement of Clearing Functions, Risk Management, and IT Systems towards Service Quality Improvement” is the first pillar of JSCC’s Business Policies.



Business Policies

2. Reinforcement of the Company’s Role as Core Infrastructure through Expansion of the Scope of Services

In light of an expansion of roles required for JSCC as a CCP, to continue providing clearing services for various products to a wider range of participants and actively strengthening JSCC’s role as a core infrastructure in the financial and capital market, “Reinforcement of the Company’s Role as Core Infrastructure through Expansion of the Scope of Services” is the second pillar of JSCC’s Business Policies.

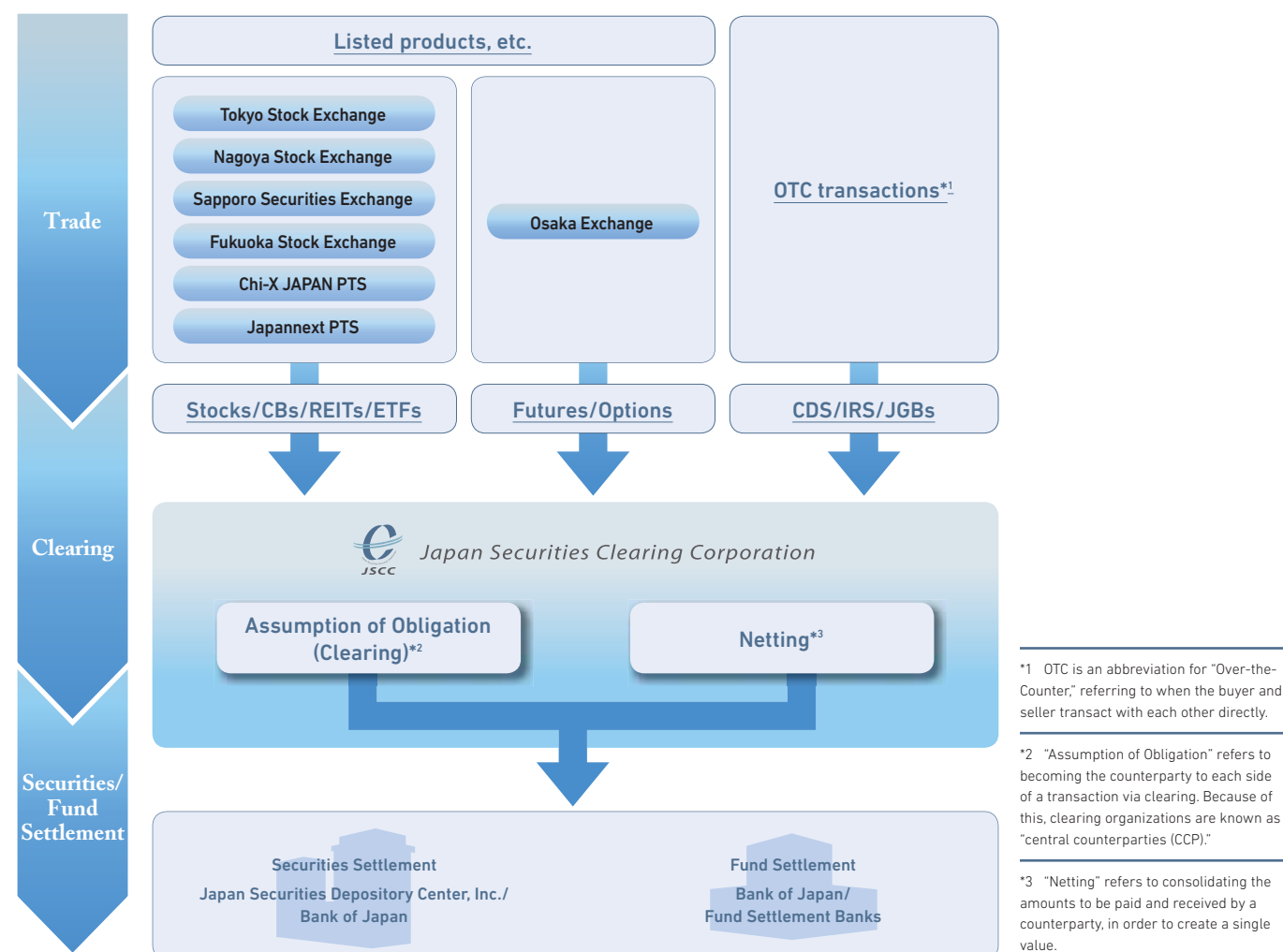
History

September 2016	Authorization as ATS-CCP and Designated CCP in Hong Kong
October 2015	Obtained Exemption from Registration as Derivatives Clearing Organization from CFTC
September 2015	Designated as Prescribed CCP in Australia
April 2015	Received ESMA recognition as Third-Country CCP
October 2013	Merged with Japan Government Bond Clearing Corporation
August 2013	Issued Class D Shares by third-party allotments
July 2013	Migrated Osaka Securities Exchange listed derivatives clearing to JSCC
October 2012	Commenced Interest Rate Swaps (IRS) clearing
September 2012	Issued Class C shares by third-party allotments
July 2011	Commenced Credit Default Swaps (CDS) clearing Issued Class B shares by third-party allotments and converted all the existing common shares into Class A shares
September 2010	Issued new shares by third-party allotments for investment in JGBCC
July 2010	Commenced Proprietary Trading System (PTS) clearing
February 2004	Commenced Tokyo Stock Exchange-listed derivatives clearing
December 2003	Reached basic agreement on business collaboration and mutual cooperation with JASDEC DVP Clearing Corporation and Japan Securities Depository Center, Inc.
January 2003	Licensed to conduct the Securities Obligation Assumption Service (now known as Financial Instruments Obligation Assumption Service) and commenced cash transactions clearing for all domestic securities exchanges
July 2002	Established jointly by 5 Japanese stock exchanges and the Japan Securities Dealers Association

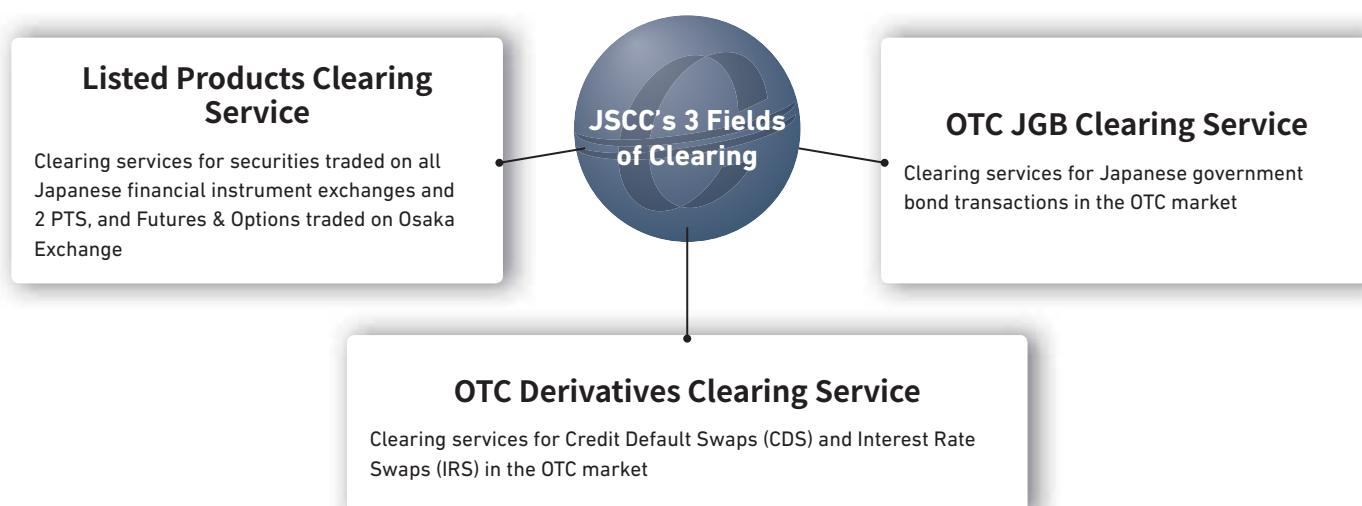
JSCC's Role and Clearing Service

JSCC's Role in Financial and Capital Markets

JSCC provides clearing services for a wide range of transactions, and including listed products on exchanges/PTS, listed derivatives, OTC derivatives, and OTC JGB transactions.



JSCC's Clearing Service



Major Statistics (FY2015)

Average Daily Cleared Value – Cash Products

JPY **3.7** trillion

* Including lending transactions

Average Cleared Value per Cycle – CDS

JPY **10.6** billion

* Sum of index and Single-Name transactions

Average Daily Cleared Value – JGB Futures

JPY **3.4** trillion

Average Daily Cleared Value – IRS

JPY **2.9** trillion

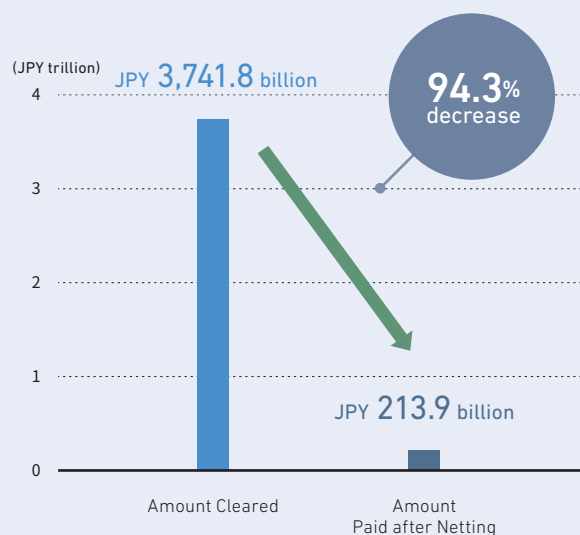
Average Daily Cleared Value – Index Futures

JPY **3.6** trillion

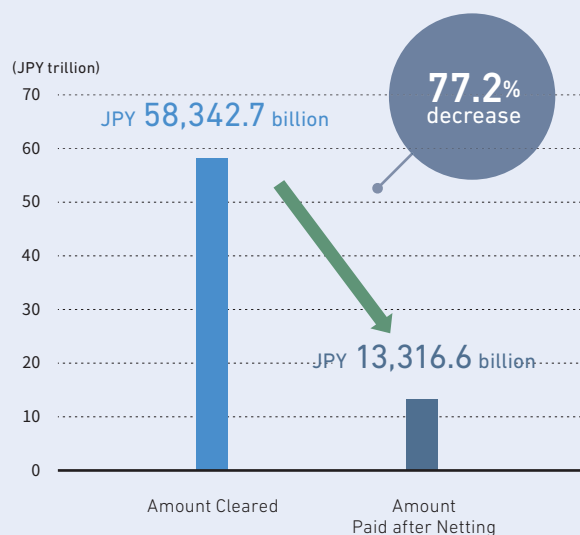
Average Daily Cleared Value – OTC JGBs

JPY **58** trillion

Netting Results (Daily Average) – Cash Products



Netting Results (Daily Average) – OTC JGBs



Message from President & CEO



With its sophisticated risk management framework, JSCC provides highly efficient and convenient clearing services for listed products, OTC derivatives, and OTC JGBs for market participants around the globe.

When commencing of a new medium-term management plan in April 2016, we considered that the enhancement of services for all of our users including clearing participants would be more important than ever, and we have formulated the business policies of “Reinforcement of Clearing Functions, Risk Management, and IT Systems toward Service Quality Improvement” and “Reinforcement of the Company’s Role as Core Infrastructure through Expansion of the Scope of Services.”

As a core component contributing to the safety and reliability of the financial capital markets, JSCC will endeavor to provide high-quality clearing services. We look forward to the continued support of all related parties in our future efforts.

October 2016

President and CEO

Hironaga Miyama

Activities and Achievements (FY2014 to 2015)

JSCC's Medium-Term Business Plan from FY2014 to FY2015 focused on the business policies of "Reinforcement of Business Management Foundation with a Solid Risk Management Framework," "Further Expansion of Clearing Services" and "Enhancement of Information Technology Systems." The following measures were taken to achieve these policies.

► Reinforcement of Business Management Foundation with a Solid Risk Management Framework

Major Initiatives

- Started quantitative information disclosure and qualitative information disclosure in compliance with Principles for FMI (Mar. 2015 and Jan. 2016)
- Started operations based on the comprehensive risk management framework enhanced pursuant to domestic and international regulations and supervisions, and revised monitoring operations in association with starting clearing business of new products (Apr. 2014)
- Revised the risk management system for Cash Equities (Introduction of Clearing Fund Structure which are pre-funded financial resources (Survivor's Pay Type Clearing Fund)) (Jan. 2016)
- Expanded functions of Compression* for OTC derivatives transactions (June and Sept. 2015)
- Introduced Clearing Fund Structure for JGB OTC transactions and revised the loss compensation scheme, etc. (Oct. 2014)

* Compression is a process that reduces the size of OTC derivatives gross notional exposures and the number of line items in a portfolio, whilst maintaining the net risk exposure.

► Further Expansion of Clearing Services

Major Initiatives

- Received Recognitions, etc. for Clearing Service by international regulatory authorities (in Europe (Apr. 2015), Australia (Sept. 2015), and U.S.A. (Oct. 2015))
- Started JPX-Nikkei 400 Futures clearing (Nov. 2014) and Nikkei 225 Weekly Options clearing (May 2015)
- Started Single-Name CDS clearing (Dec. 2014)
- Launched clearing service of OIS/DTIBOR IRS transactions (Dec. 2014) and Non-JPY IRS clearing (Sept. 2015)
- Introduced cross-margining* (between IRS transactions and JGB Futures transactions) (Sept. 2015)
- 3 Trust Bank Participants joined the OTC JGB clearing business (June 2014)

* Cross-margining refers to a process for reducing collateral requirements by off-setting the risk between two different cleared transactions.

► Enhancement of IT Systems

Major Initiatives

- Integrated the clearing system for listed derivatives (Nov. 2014)
- Upgraded systems in association with New BOJ-Net (Oct. 2015)
- Increased system capabilities for OTC derivatives clearing and upgraded systems for starting Non-JPY IRS clearing (Nov. 2014 and Sept. 2015)

Medium-Term Business Plan

Focusing on two management policies of “Reinforcement of Clearing Functions, Risk Management, and IT Systems towards Service Quality Improvement” and “Reinforcement of the Company’s Role as Core Infrastructure through Expansion of the Scope of Services” set forth in the Medium-Term Business Plan from FY2016 to FY2018, JSCC has made its great efforts to achieve the following actions and measures.

I Reinforcement of Clearing Functions, Risk Management, and IT Systems towards Service Quality Improvement

Listed Products Clearing Service	<ul style="list-style-type: none"> • Improve risk management functions in association with the listed derivatives trading system (J-GATE) • Replace current listed derivatives clearing system for improvement of risk management functions as well as capability for new products • Take steps to shorten the settlement cycle for equities (T+2)*
OTC Derivatives Clearing Service	<ul style="list-style-type: none"> • Take measures for further enhancement of functionality/convenience ➤ Improve compression scheme for IRS Clearing Service, etc.
JGB OTC Transaction Clearing Service	<ul style="list-style-type: none"> • Take steps to shorten the settlement cycle for JGB transactions (T+1)*
Company-Wide	<ul style="list-style-type: none"> • Discuss towards optimizing overall Clearing System by streamlining/relocating, etc. system functions • Discuss towards reinforced risk management pursuant to PFMI additional guidance, etc. • Take measures to further strengthen BCP

* T+1 & T+2 Settlements

T+1 Settlement refers to a settlement cycle where settlement is implemented on the next business day (+1) following the Trade Date (T), while T+2 Settlement refers to a settlement cycle where settlement is made on the second business day (+2) from the Trade Date. Currently, the settlement cycle is “T+2” for JGBs and “T+3” for equities, etc.

II Reinforcement of the Company’s Role as Core Infrastructure through Expansion of the Scope of Services

Listed Products Clearing Service	<ul style="list-style-type: none"> • Take steps to expand listed products eligible for clearing in response to the expansion ➤ Start clearing service of TSE Mothers Index Futures Contracts
OTC Derivatives Clearing Service	<ul style="list-style-type: none"> • Expand OTC derivatives products eligible for clearing ➤ Discuss toward clearing Cross Currency Swaps, etc.
JGB OTC Transaction Clearing Service	<ul style="list-style-type: none"> • Take steps for starting clearing service for Inflation-Linked Bonds
Company-Wide	<ul style="list-style-type: none"> • Take measures to deal with expansion of users, including those required by overseas regulations ➤ Authorization as ATS-CCP and Designated CCP, etc. in Hong Kong • In addition to discussing towards expansion of eligible products for clearing, discuss wider range of post-trade service possibilities

Risk Management Framework

As JSCC assumes credit and settlement risks on behalf of clearing participants, it needs to recognize and manage these risks appropriately. In terms of credit risk management for clearing participants, JSCC has a set of risk management systems, including the clearing participant qualification requirements, monitoring of financial and management soundness, and monitoring the risk exposure of clearing participants' positions.

JSCC acts as a central counterparty by interposing itself between clearing participants in order to assume their claims and obligations. Even in the event of a clearing participant's default, JSCC is required to complete settlement for other participants. JSCC has a settlement guarantee system designed on the principle of self-responsibility, which is used to cover any losses first with the defaulting participant's posted collaterals and then with other resources secured within a multi-tiered loss compensation scheme.

Clearing Participant Requirements

JSCC specifies clearing participant requirements by the type of clearing qualifications. Clearing participant requirements are comprised of entry requirements and maintenance requirements. Clearing qualifications for listed products and JGB OTC transactions are further classified into two types: Principal Clearing Participant qualification and Agency Clearing Participant qualification. Principal Clearing Participants are entitled to settle only their own transactions and their customers' transactions, whilst Agency Clearing Participants are entitled to settle transactions executed by non-clearing participants as well as their own and their customers' transactions.

Monitoring of Clearing Participants

JSCC regularly monitors clearing participants' governance structures, business execution capabilities, and financial conditions. When a problem is recognized, JSCC may suspend clearing for the participant and may revoke its clearing qualifications, if deemed necessary.

Collateral System

To ensure proper risk management of participant positions, JSCC requires that participants deposit collateral. The type of eligible collateral and calculation methodologies differ according to the type of transactions.

Management of Clearing Participant Default

In the event of the default of a clearing participant, JSCC first suspends the delivery of settlement funds, securities, and posted collateral to the defaulting participant. Then, its positions are settled in accordance with a predetermined loss compensation scheme as stipulated by the type of transactions.

Regardless of the type of transactions, JSCC completes all the settlements of non-defaulting participants as a central counterparty and assures the safety of transactions for clearing participants.

In addition, JSCC has signed liquidity supply agreements with fund settlement banks in preparation for a clearing participant's default.

1. Risk Management System for Listed Products

Clearing Participant Requirements

► Main Requirements for Listed Products Clearing Qualification

Financial Instruments Business Operator	Principal	Agency
Capital	JPY 300 million or more	JPY 300 million or more
Net Assets	JPY 2 billion or more	JPY 20 billion or more
Capital-to-Risk Ratio	Over 200%	Over 200%

Registered Financial Institution		Principal	Agency
Stated Capital or Total Amount of Contribution		JPY 300 million or more	JPY 300 million or more
Net Assets		JPY 2 billion or more	JPY 20 billion or more
Capital Adequacy Ratio	Uniform International Standard	(1) Over 4.5% in Tier 1 Ratio (common stocks, etc.)	(1) Over 4.5% in Tier 1 Ratio (common stocks, etc.)
		(2) Over 6% in Tier 1 Ratio	(2) Over 6% in Tier 1 Ratio
		(3) Over 8% in Total Capital Ratio	(3) Over 8% in Total Capital Ratio
	Domestic Standard	Over 4%	Over 4%
Solvency Margin Ratio		Over 400%	Over 400%

Collateral System

► Cash Equities

Collateral Type	Outline
Initial Margin	<ul style="list-style-type: none"> Must be deposited to cover 99% of the losses that could arise from price fluctuations over the past 250 days. The required amount is calculated daily.
Clearing Fund	<ul style="list-style-type: none"> Must be deposited to cover potential losses in the scenario that the top two clearing participants default in extreme but plausible market conditions, and the deposited collateral of such participants is insufficient. The required amount is calculated monthly.
Collateral for Facilitating Settlement	<ul style="list-style-type: none"> Deposited voluntarily by participants to receive securities early for DVP settlement of a cash transaction.

► Futures/Options

Collateral Type	Outline
Clearing Margin	<ul style="list-style-type: none"> Must be deposited to cover 99% of losses that could arise from price and volatility fluctuations. The required amount is calculated daily using SPAN®*.
Clearing Fund	<ul style="list-style-type: none"> Must be deposited to proportionally cover potential losses not covered by a defaulting participants' collateral, in cases of multiple participant defaults (including the largest participants in terms of risk) during extreme but plausible market conditions. The required amount is calculated weekly.

* The SPAN® (Standard Portfolio Analysis of Risk) system is a methodology that calculates risk-based margin developed by the Chicago Mercantile Exchange (CME).

Loss Compensation Scheme

If JSCC incurs losses from the default of a clearing participant, the losses will be compensated under the following scheme.

First Tier: Collateral deposited by the defaulting clearing participant

Second Tier: Compensation by exchanges (Cash equities: about JPY 11.3 billion, Futures/options: about JPY 17.4 billion)

Third Tier: Compensation by JSCC (about JPY 25 billion) *(as of September 30, 2016)

Fourth Tier: Clearing Fund contributed by non-defaulting participants (Applicable only for futures/options)

Fifth Tier: Special clearing charges collected from non-defaulting clearing participants

2. Risk Management for OTC Derivatives Transactions

2-1. Risk Management System for CDS

Clearing Participant Requirements

► Main Requirements for CDS Clearing Qualification

Financial Instruments Business Operator

Item	Criteria
Capital	JPY 100 billion or more
Capital-to-Risk Ratio	Over 200%
Credit Standing*	Having a certain level of creditworthiness

* Assessment based on such factors as the credit ratings of clearing participants.

Registered Financial Institution

Item	Criteria
Capital	JPY 100 billion or more
Capital Adequacy Ratio	<div>Uniform International Standard</div> <div>(1) Over 4.5% in Tier 1 Ratio (common stocks, etc.) (2) Over 6% in Tier 1 Ratio (3) Over 8% in Total Capital Ratio</div> <div>Domestic Standard</div> <div>Over 4%</div>
Solvency Margin Ratio	Over 400%
Credit Standing*	Having a certain level of creditworthiness

Collateral System

Collateral Type	Outline
Initial Margin	<ul style="list-style-type: none"> Must be deposited to cover fluctuations in NPV*, which is calculated for each scenario based on changes in market data for any 5 days in the past 750-day period and the largest historical fluctuations assuming a holding period of 10 days (twice the normal period). (Historical simulation (expected shortfall)) The required amount is calculated daily. Extra charges are added, as described below, in consideration of the nature of CDS transactions. <ul style="list-style-type: none"> ✓ A certain amount is added for a CDS seller to cover risk exposure in the case of a credit event for the reference entity (short charge). ✓ An amount is added according to each issue to cover liquidity risk of that issue (bid/offer charge). ✓ A certain amount is added to issues subject to a credit event to cover the risk exposure between the occurrence of the credit event and its settlement (credit event margin).
Variation Margin	<ul style="list-style-type: none"> Must be deposited in an amount determined using the mark-to-market method to cover daily price fluctuations.
Clearing Fund	<ul style="list-style-type: none"> Must be deposited to cover potential losses in the scenario that the top two clearing participants default in extreme but plausible market conditions, and the deposited collateral of such participants is insufficient. The required amount is calculated weekly.

* NPV: Net Present Value

Loss Compensation Scheme

If JSCC incurs losses from the default of a clearing participant, the losses will be compensated under the following scheme.

First Tier: Collateral deposited by the defaulting clearing participant

Second Tier: Compensation by JSCC (JPY 2 billion)

Third Tier: Clearing Fund contributed by non-defaulting participants*¹ and compensation by JSCC (JPY 1 billion)

Fourth Tier: Special clearing charges collected from non-defaulting clearing participants*²

Fifth Tier: Compensation by the recipients of variation margin

*¹ Limited to CDS clearing fund

*² Will be capped with the amount of clearing fund for the clearing participant's default that had occurred by the 30th day from the first default (if another default occurs during that period, then the 30th day from the relevant default).

2-2. Risk Management System for IRS

Clearing Participant Requirements

► Main Requirements for IRS Clearing Qualification

Financial Instruments Business Operator

Item	Criteria
Capital	The lower of USD 50 million or JPY 5 billion
Capital-to-Risk Ratio	Over 200%
Credit Standing*	Having a certain level of creditworthiness

* Assessment based on such factors as the credit ratings of clearing participants.

Registered Financial Institution

Item	Criteria	
Capital	The lower of USD 50 million or JPY 5 billion	
Capital Adequacy Ratio	Uniform International Standard	(1) Over 4.5% in Tier 1 Ratio (common stocks, etc.) (2) Over 6% in Tier 1 Ratio (3) Over 8% in Total Capital Ratio
	Domestic Standard	Over 4%
Solvency Margin Ratio	Over 400%	
Credit Standing*	Having a certain level of creditworthiness	

Collateral System

Collateral Type	Outline
Initial Margin	<ul style="list-style-type: none"> • Must be deposited to cover fluctuations in NPV*, which is calculated for each scenario generated based on changes in market data for any 5 days in the past 1,250-day period and interest rate fluctuations in the largest historical stress event. (Historical simulation (expected shortfall)) • The required amount is calculated daily. • A liquidity charge is added to initial margin for a clearing participant exposed to risks from large positions greater than a predetermined level.
Variation Margin	<ul style="list-style-type: none"> • Must be deposited in an amount determined using the mark-to-market method to cover daily price fluctuations.
Intraday Margin	<ul style="list-style-type: none"> • Must be deposited intraday for positions held by the clearing participant at noon in an amount equal to initial margin recalculated based on the most recent market data, to or from which variation margin recalculated using the most recent market data is added or deducted.
Clearing Fund	<ul style="list-style-type: none"> • Must be deposited to cover potential losses in the case that the top two clearing participants default in extreme but plausible market conditions, and the deposited collateral of such participants is insufficient. • The required amount is calculated weekly.

* NPV: Net Present Value

Loss Compensation Scheme

If JSCC incurs losses from the default of a clearing participant, the losses will be compensated under the following scheme.

First Tier: Collateral deposited by the defaulting clearing participant

Second Tier: Compensation by JSCC (JPY 2 billion)

Third Tier: Clearing Fund contributed by non-defaulting participants*¹ and compensation by JSCC (JPY 2 billion)

Fourth Tier: Special clearing charges collected from non-defaulting clearing participants*²

Fifth Tier: Compensation by the recipients of variation margin

*¹ Limited to IRS clearing fund

*² Will be capped with the amount of clearing fund for the clearing participant's default that had occurred by the 30th day from the first default (if another default occurs during that period, then the 30th day from the relevant default).

3. Risk Management System for OTC JGBs

Clearing Participant Requirements

► Main Requirements for OTC JGB Clearing Qualification

Financial Instruments Business Operator	Principal	Agency
Capital	JPY 300 million or more	JPY 300 million or more
Net Asset	JPY 5 billion or more	JPY 20 billion or more
Capital-to-Risk Ratio	Over 200%	Over 200%

Registered Financial Institution		Principal	Agency
Stated Capital or Total Amount of Contribution		JPY 300 million or more	JPY 300 million or more
Net Asset		JPY 5 billion or more	JPY 20 billion or more
Capital Adequacy Ratio	Uniform International Standard	(1) Over 4.5% in Tier 1 Ratio (common stocks, etc.)	(1) Over 4.5% in Tier 1 Ratio (common stocks, etc.)
		(2) Over 6% in Tier 1 Ratio	(2) Over 6% in Tier 1 Ratio
		(3) Over 8% in Total Capital Ratio	(3) Over 8% in Total Capital Ratio
	Domestic Standard	Over 4%	Over 4%
Solvency Margin Ratio		Over 400%	Over 400%

Collateral System

Collateral Type	Outline
Variation Margin	<ul style="list-style-type: none"> Must be deposited in an amount determined using the mark-to-market method to cover daily price fluctuations.
Initial Margin	<ul style="list-style-type: none"> Must be deposited to cover the risk of price fluctuations that could occur if a clearing participant fails to perform FOS (Funds Only Settlement) settlement or DVP settlement with variation margin. The required amount to cover the risk of FOS settlement failure is equivalent to the average of the 20 largest amounts of funds settled by the clearing participant over the past 120 business days. The required amount to cover the risk of a DVP settlement failure is an amount that covers more than 99% of fluctuations in JGB market value over a 3-day period in the past 250 business days. An extra Market Impact Charge is added to initial margin for clearing participants that are exposed to risks that exceed a predetermined level.
Clearing Fund	<ul style="list-style-type: none"> Must be deposited to cover potential losses in the case that the top two clearing participants default in extreme but plausible market conditions, and the deposited collateral of such participants is insufficient. The required amount is calculated weekly.

Loss Compensation Scheme

If JSCC incurs losses from the default of a clearing participant, the losses will be compensated under the following scheme.

First Tier: Collateral deposited by the defaulting clearing participant

Second Tier: Compensation by JSCC (JPY 1.75 billion)

Third Tier: Clearing Fund contributed by non-defaulting clearing participants* and compensation by JSCC (JPY 1.75 billion)

Fourth Tier: Special clearing charges collected from non-defaulting clearing participants

Fifth Tier: Clearing Fund contributed by original transaction pro-rata clearing participants and compensation by JSCC

Sixth Tier: Special clearing charges collected from original transaction pro-rata clearing participants

Seventh Tier: Compensation by the recipients of variation margin

* Limited to OTC JGB clearing fund

4. List of Clearing Products (as of October 1, 2016)

JSCC provides clearing services as below and includes listed products on exchanges/PTS, listed derivatives, OTC derivatives, and OTC JGB transactions.

Cash Equities	Clearing service for securities traded on all Japanese financial instrument exchanges and 2 Proprietary Trading Systems.	<ul style="list-style-type: none"> • Stocks • Foreign Stocks • ETFs • ETNs • REITs • Venture Funds 	<ul style="list-style-type: none"> • Country Funds • Infrastructure Funds • Preferred Stocks, etc. • Japanese Government Bonds • Convertible Bonds 	<ul style="list-style-type: none"> • Subscription Warrant Securities • Preferred Equity Investment Securities
Futures and Options	Japanese Indices	Nikkei Stock Average (Nikkei 225)	Nikkei 225 Futures (Large Contracts)	
			Nikkei 225 mini	
			Nikkei 225 Options	
		TOPIX (Tokyo Stock Price Index)	TOPIX Futures	
			mini-TOPIX Futures	
			TOPIX Options	
		JPX-Nikkei Index 400	JPX-Nikkei 400 Futures	
			JPX-Nikkei 400 Options	
		TOPIX Core30	TOPIX Core30 Futures	
		Russell/Nomura Prime Index (RN Prime Index)	RN Prime Index Futures	
	Overseas Indices	TOPIX Banks Index	TOPIX Banks Index Futures	
		TSE Mothers Index	TSE Mothers Index Futures	
		Dow Jones Industrial Average (DJIA)	DJIA Futures	
		Nifty 50	India Nifty50 Futures	
		TWSE Capitalization Weighted Stock Index	TAIEX Futures	
		FTSE China 50 Index	FTSE China 50 Index Futures	
	Dividends Indices	Nikkei 225 Dividend Index	Nikkei 225 Dividend Index Futures	
		TOPIX Dividend Index	TOPIX Dividend Index Futures	
		TOPIX Core30 Dividend Index	TOPIX Core30 Dividend Index Futures	
	Volatility Indices	Nikkei Stock Average Volatility Index (Nikkei 225 VI)	Nikkei 225 VI Futures	
	REIT Indices	TSE REIT Index	TSE REIT Index Futures	
	Bonds	Standardized 3%, 5-year JGB	5-year JGB Futures	
		Standardized 6%, 10-year JGB	10-year JGB Futures	
			Options on JGB Futures	
		Price of standardized 6%, 10-year JGB	mini-10-year JGB Futures	
		Standardized 3%, 20-year JGB	20-year JGB Futures	
	Individual Security	Individual Security	Securities Options	

* "Standard Japan Corporate" refers to the term that is prescribed in the Credit Derivatives Physical Settlement Matrix published by ISDA in September 2014.

CDS	Index	Series	Effective Date	Scheduled Termination Date	Fixed Rate	Relevant Standard Terms Supplement	
		iTraxx Japan Series Number 16 Version 1	20-Sep-2011	20-Dec-2016	100bps	iTraxx Asia/Pacific Legacy Untranch Standard Terms Supplement	
		iTraxx Japan Series Number 17 Version 1	21-Mar-2012	20-Jun-2017	〃	〃	
		iTraxx Japan Series Number 18 Version 1	20-Sep-2012	20-Dec-2017	〃	〃	
		iTraxx Japan Series Number 19 Version 1	21-Mar-2013	20-Jun-2018	〃	〃	
		iTraxx Japan Series Number 20 Version 1	20-Sep-2013	20-Dec-2018	〃	〃	
		iTraxx Japan Series Number 21 Version 1	20-Mar-2014	20-Jun-2019	〃	〃	
		iTraxx Japan Series 22 Version 1	22-Sep-2014	20-Dec-2019	〃	〃	
		iTraxx Japan Series 23 Version 1	20-Mar-2015	20-Jun-2020	〃	iTraxx Asia/Pacific Untranch Standard Terms Supplement	
		iTraxx Japan Series 24 Version 1	24-Sep-2015	20-Dec-2020	〃	〃	
		iTraxx Japan Series 25 Version 1	22-Mar-2016	20-Jun-2021	〃	〃	
		iTraxx Japan Series 26 Version 1	20-Sep-2015	20-Dec-2020	〃	〃	
	Single Name	Reference Entity	Tenors			Fixed Rate	Transaction Type
		FUJITSU LIMITED	0M-5Y			100bps	Standard Japan Corporate*
		JFE Holdings, Inc.	〃			〃	〃
		Kobe Steel, Ltd.	〃			〃	〃
		Mitsui Chemicals, Inc.	〃			〃	〃
		Mitsui O.S.K. Lines, Ltd.	〃			〃	〃
		Nippon Paper Industries Co., Ltd.	〃			〃	〃
		NIPPON STEEL & SUMITOMO METAL CORPORATION	〃			〃	〃
NISSAN MOTOR CO., LTD.		〃			〃	〃	
Oji Holdings Corporation		〃			〃	〃	
Panasonic Corporation		〃			〃	〃	
SONY CORPORATION		〃			〃	〃	
TOSHIBA CORPORATION	〃			〃	〃		

IRS	IRS Fix-Float	JPY-LIBOR-ICE (“JPY LIBOR”) (1M, 3M, 6M)
		JPY-TIBOR-ZTIBOR (“Z TIBOR”) (1M, 3M, 6M)
		JPY-TIBOR-17097 (“D TIBOR”) (1M, 3M, 6M)
		USD-LIBOR-ICE (1M, 3M, 6M)
		EUR-EURIBOR-Telerate (3M, 6M)
		EUR-EURIBOR-Reuters (3M, 6M)
		AUD-BBR-BBSW (3M, 6M)
		JPY-TONA-OIS-COMPOUND
	Basis Swap-Tenor Swap (JPY)	JPY LIBOR (1M, 3M, 6M)
		Z TIBOR (1M, 3M, 6M)
		D TIBOR (1M, 3M, 6M)
	Basis Swap-Tenor Swap (USD)	USD-LIBOR-ICE (1M, 3M, 6M)
	Basis Swap-Tenor Swap (EUR)	EUR-EURIBOR-Telerate (3M, 6M)
		EUR-EURIBOR-Reuters (3M, 6M)
	Basis Swap-Tenor Swap (AUD)	AUD-BBR-BBSW (3M, 6M)
	Basis Swap-Curve Swap	JPY LIBOR vs Z TIBOR JPY LIBOR vs D TIBOR Z TIBOR vs D TIBOR

OTC JGB Transaction	Outright JGB
	Cash-secured Bond Lending Transaction
	Repo Transaction

5. List of Clearing Participants (as of October 1, 2016)

Listed Products Clearing Participants (116 companies)

Clearing Participant Name	Cash Products	JGB Futures	Index Futures
● A			
ABN AMRO Clearing Tokyo Co., Ltd.	○	○	○
ACE SECURITIES CO., LTD.	○	○	○
AIZAWA SECURITIES CO., LTD.	○	○	○
Akatsuki Securities, Inc.	○	○	○
ANDO SECURITIES CO., LTD.	—	○	○
Aozora Bank, Ltd.	—	○	—
ARK SECURITIES CO., LTD.	○	○	○
● B			
THE BANK OF FUKUOKA, LTD.	—	○	—
The Bank of Kyoto, Ltd.	—	○	—
THE BANK OF SAGA LTD.	—	○	—
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	○	—
The Bank of Yokohama, Ltd.	—	○	—
Bansei Securities Co., Ltd.	—	—	○
Barclays Securities Japan Limited	○	○	○
BNP Paribas Securities (Japan) Limited	○	○	○
● C			
The Chiba Bank, Ltd.	—	○	—
Chibagin Securities Co., Ltd.	○	○	○
CHUBU SECURITIES FINANCING CO., LTD.	○	—	—
The Chugoku Bank, Limited	—	○	—
Citibank Japan Ltd.	★	★	★
Citigroup Global Markets Japan Inc.	—	★	★
Credit Agricole Securities Asia B.V.	○	○	—
Credit Suisse Securities (Japan) Limited	○	○	○
● D			
Daiwa Securities Co. Ltd.	○	○	○
Deutsche Securities Inc.	○	○	○
DSB Co., Ltd.	★	★	★
● E			
Eiwa Securities Co., Ltd.	—	○	○
● F			
Fukuoka Securities Co., Ltd.	○	○	○
● G			
GMO CLICK Securities, Inc.	○	—	○
Goldman Sachs Japan Co., Ltd.	○	○	○
The Gunma Bank, Ltd.	—	○	—
● H			
H.S. SECURITIES CO., LTD.	○	○	○
The Hachijuni Bank, Ltd.	—	○	—
HACHIJUNI SECURITIES Co., Ltd.	○	—	—
Hibiki Securities Inc.	○	—	○
THE HIKARI SECURITIES CO., LTD.	○	○	○
HINODE SECURITIES CO., LTD.	○	○	○
HIROTA SECURITIES CO., LTD.	○	○	○
The Hongkong and Shanghai Banking Corporation Limited	★	—	★
HSBC SECURITIES (JAPAN) LIMITED	○	○	○
The Hyakujushi Bank, Ltd.	—	○	—
● I			
Ichiyoshi Securities Co., Ltd.	○	○	○
The Imamura Securities Co., Ltd.	○	○	○
Iwai Cosmo Securities Co., Ltd.	★	○	○
● J			
JPMorgan Securities Japan Co., Ltd.	○	○	○
Japan Asia Securities Co., Ltd.	○	○	○
JAPAN SECURITIES FINANCE CO., LTD.	○	—	—
The Joyo Bank, Ltd.	—	○	—

Clearing Qualification Classification ○ : Principal ★ : Agency

Clearing Participant Name	Cash Products	JGB Futures	Index Futures
● K			
kabu.com Securities Co., Ltd.	—	—	○
KIMURA SECURITIES CO., LTD.	○	○	○
The Kosei Securities Co., Ltd.	○	○	○
KYOKUTO SECURITIES CO., LTD.	○	○	○
Kyowa Securities Co., Ltd.	—	○	○
● L			
Leading Securities Co., Ltd.	○	—	—
livestar Securities Co., Ltd.	○	○	○
● M			
Macquarie Capital Securities (Japan) Limited	○	—	—
Maruhachi Securities Co., Ltd.	○	○	○
MARUKUNI SECURITIES CO., LTD.	○	—	—
Marusan Securities Co., Ltd.	○	○	○
MATSUI SECURITIES CO., LTD.	○	○	○
Merrill Lynch Japan Securities Co., Ltd.	★	★	★
MIKI SECURITIES CO., LTD.	○	○	○
MITA SECURITIES Co., Ltd.	○	—	○
Mito Securities Co., Ltd.	○	○	○
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	○	○	○
Mitsubishi UFJ Trust and Banking Corporation	—	○	—
Mizuho Bank, Ltd.	—	○	—
Mizuho Securities Co., Ltd.	○	○	○
Mizuho Trust & Banking Co., Ltd.	—	○	—
Monex, Inc.	○	—	○
Morgan Stanley MUFG Securities Co., Ltd.	○	○	○
Musashi Securities Co., Ltd.	○	○	○
● N			
NAGANO SECURITIES CO., LTD.	○	○	○
NAITO SECURITIES CO., LTD.	○	○	○
The Nakahara Securities Co., Ltd.	○	○	○
Natixis Japan Securities Co., Ltd.	○	○	○
New-S Securities Co., Ltd.	○	—	—
NISHIMURA SECURITIES CO., LTD.	○	—	—
THE NISHI-NIPPON CITY BANK, LTD.	—	○	—
NISSAN CENTURY SECURITIES CO., LTD.	○	○	○
Nomura Securities Co., Ltd.	○	○	○
● O			
The Ogaki Kyoritsu Bank, Ltd.	—	○	—
OKACHI SECURITIES CO., LTD.	○	○	○
OKASAN SECURITIES CO., LTD.	★	○	○
OKASAN NIIGATA SECURITIES CO., LTD.	○	○	○
OKAYASU SECURITIES Co., Ltd.	○	—	—
● P			
Phillip Securities Japan, Ltd.	○	○	○
● R			
Rakuten Securities, Inc.	○	○	○
Resona Bank, Limited	—	○	—
Retela Crea Securities Co., Ltd.	○	○	○
● S			
SANKO SECURITIES CO., LTD.	○	○	○
Sankyo Securities Co., Ltd.	○	—	○
SBI SECURITIES Co., Ltd.	○	○	○
Securities Japan, Inc.	○	○	○
The Senshu Ikeda Bank, Ltd.	—	○	—
The 77 Bank, Ltd.	—	○	—
Shinkin Central Bank	—	○	—
Shinkin Securities Co., Ltd.	—	○	—
THE SHIZUOKA BANK, LTD.	—	○	—

Clearing Participant Name	Cash Products	JGB Futures	Index Futures
The Shoko Chukin Bank, Ltd.	—	○	—
Shinsei Bank, Limited	—	○	—
SMBC Friend Securities Co., Ltd.	○	○	○
SMBC Nikko Securities Inc.	○	○	○
Societe Generale Securities Japan Limited	○	○	○
Sumitomo Mitsui Banking Corporation	—	○	—
Sumitomo Mitsui Trust Bank, Limited	—	○	—
● T			
TAKAGI SECURITIES CO., LTD.	○	○	○
THE TACHIBANA SECURITIES CO., LTD.	○	○	○
Tokai Tokyo Securities Co., Ltd.	○	○	○
TOYO SECURITIES CO., LTD.	○	○	○

Clearing Participant Name	Cash Products	JGB Futures	Index Futures
● U			
UBS Securities Japan Co., Ltd.	○	○	○
UTSUMIYA SECURITIES CO., LTD.	○	○	○
● Y			
YAMAGEN Securities Co., Ltd.	○	○	○
Yamani Securities Co., Ltd.	○	○	○
YAMAWA SECURITIES CO., LTD.	—	○	○
The Yutaka Securities Co., Ltd.	○	○	○

CDS Clearing Participants (10 companies)

Clearing Participant Name
BNP Paribas
Citigroup Global Markets Japan Inc.
Daiwa Securities Co. Ltd.
Deutsche Bank Aktiengesellschaft

Clearing Participant Name
Goldman Sachs Japan Co., Ltd.
Merrill Lynch Japan Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Mizuho Securities Co., Ltd.

Clearing Participant Name
Nomura Securities Co., Ltd.
SMBC Nikko Securities Inc.

IRS Clearing Participants (23 companies)

Clearing Participant Name
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Barclays Bank PLC
BNP Paribas
Citigroup Global Markets Japan Inc.
Crédit Agricole Corporate and Investment Bank
Credit Suisse Securities (Japan) Limited
Daiwa Securities Co. Ltd.
Deutsche Bank Aktiengesellschaft

Clearing Participant Name
Goldman Sachs Japan Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited
JPMorgan Securities Japan Co., Ltd.
Merrill Lynch Japan Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Mizuho Bank, Ltd.
Morgan Stanley MUFG Securities Co., Ltd.

Clearing Participant Name
Nomura Securities Co., Ltd.
Resona Bank, Limited
Shinkin Central Bank
SMBC Nikko Securities Inc.
Societe Generale
Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Trust Bank, Limited
UBS AG

OTC JGB Clearing Participants (38 companies)

Clearing Participant Name	Classification
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	○
Barclays Securities Japan Limited	○
BNP Paribas Securities (Japan) Limited	○
Credit Agricole Securities Asia B.V., Tokyo Branch	○
Central Tanshi Co., Ltd.	○
Central Totan Securities Co., Ltd.	○
Citibank Japan Ltd.	★
Citigroup Global Markets Japan Inc.	○
Credit Suisse Securities (Japan) Limited	○
Daiwa Securities Co. Ltd.	○
Deutsche Securities Inc.	○
Goldman Sachs Japan Co., Ltd.	○
Japan Bond Trading Co., Ltd.	○

Clearing Participant Name	Classification
Japan Trustee Services Bank, Ltd.	○
JPMorgan Securities Japan Co., Ltd.	○
Japan Securities Finance Co., Ltd.	○
The Master Trust Bank of Japan, Ltd.	○
Merrill Lynch Japan Securities Co., Ltd.	○
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	○
Mizuho Bank, Ltd.	○
Mizuho Securities Co., Ltd.	○
Morgan Stanley MUFG Securities Co., Ltd.	○
Natixis Japan Securities Co., Ltd.	○
Nomura Securities Co., Ltd.	○
The Norinchukin Bank	○
Okasan Securities Co., Ltd.	○

Clearing Qualification Classification ○ : Principal ★ : Agency

Clearing Participant Name	Classification
SBI SECURITIES Co., Ltd.	○
Shinsei Securities Co., Ltd.	○
SMBC Friend Securities Co., Ltd.	○
SMBC Nikko Securities Inc.	○
Societe Generale Securities Japan Limited	○
Sumitomo Mitsui Banking Corporation	○
Sumitomo Mitsui Trust Bank, Limited	○
Tokai Tokyo Securities Co., Ltd.	○
The Tokyo Tanshi Co., Ltd.	○
Trust & Custody Services Bank, Ltd.	○
UBS Securities Japan Co., Ltd.	○
Ueda Yagi Tanshi Co., Ltd.	★

Clearing Statistics (Daily Average, Single-leg)

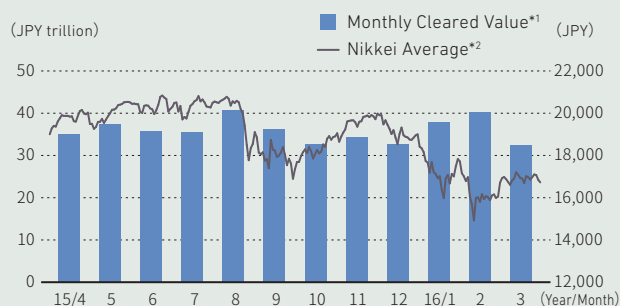
		FY2015	FY2014
Cash Products	Cleared Value	JPY 3.7 trillion	JPY 3.1 trillion
	Cleared Volume	3.35 billion shares	3.26 billion shares
JGB Futures	Cleared Value	JPY 3.4 trillion	JPY 3.6 trillion
	Cleared Volume	34,670 units	36,767 units
Index Futures	Cleared Value	JPY 3.6 trillion	JPY 2.8 trillion
	Cleared Volume	214,182 units	188,821 units

		FY2015	FY2014
CDS*1 *2	Cleared Value	JPY 10.6 billion	JPY 9.8 billion
	Cleared Volume	10 units	10 units
IRS	Cleared Value	JPY 2.9 trillion	JPY 2.9 trillion
	Cleared Volume	266 units	243 units
OTC JGBs	Cleared Value	JPY 58.3 trillion	JPY 57.8 trillion
	Cleared Volume	5,600 units	5,000 units

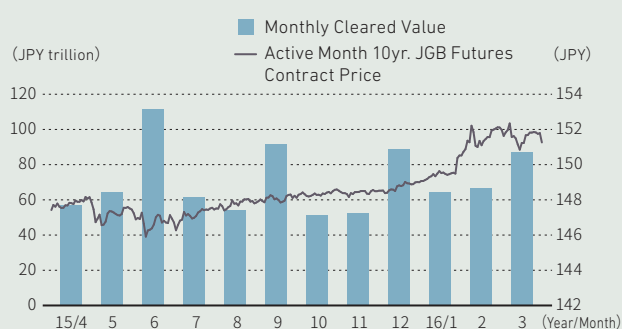
*1 Aggregate of Index and Single-Name transactions

*2 Average per clearing cycle.

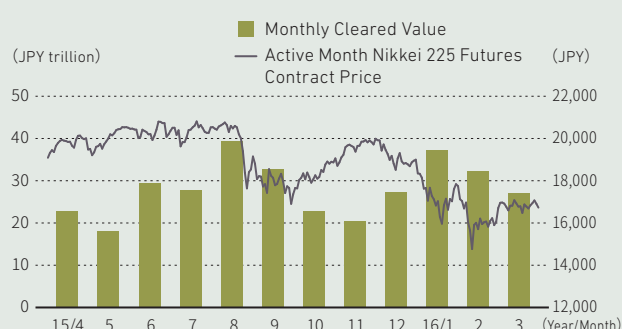
Nikkei Average and Cleared Value for Listed Stocks



Cleared Value for 10yr. JGB Futures

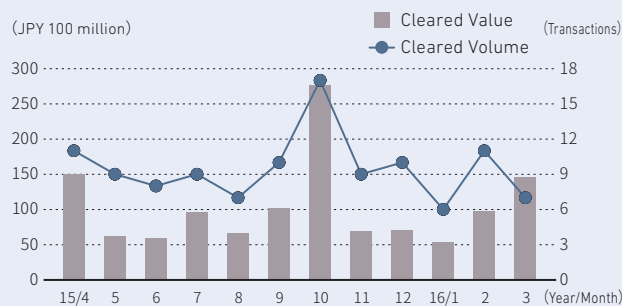


Cleared Value for Index Futures

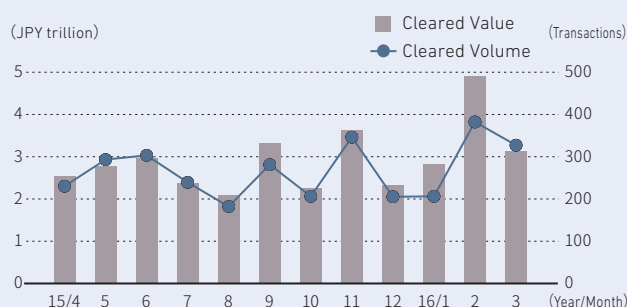


*Cleared Value of Nikkei 225 Futures

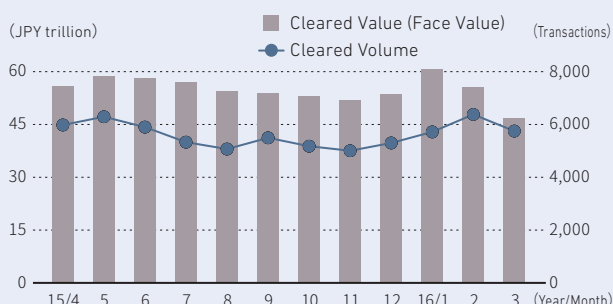
Cleared Value for CDS (Average per Cycle)



Cleared Value for IRS (Daily Average)



Cleared Value and Volume for OTC JGBs (Daily Average)



Financial Statements

Balance Sheet

	(JPY million)	
	2016 As of 2016.3.31	2015 As of 2015.3.31
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	44,840	38,381
Accounts receivable—trade	2,481	2,539
Prepaid expenses	672	
Deferred tax assets	148	135
Marketable securities		769
Margin funds for derivatives	1,213,281	526,869
Margin funds in trust for derivatives	0	427,692
Deposits for initial margin funds for security trades	72,910	
Deposits for clearing funds	353,732	167,396
Deposits for clearing funds in trust	0	92,308
Deposits as collateral for facilitating settlement	29,800	34,000
Margin funds for when-issued transactions	191	191
Margin funds in trust for CDS	14,256	6,960
Deposits for clearing funds in trust for CDS	5,434	2,908
Margin funds in trust for IRS	294,304	219,569
Deposits for clearing funds in trust for IRS	10,843	15,546
Margin funds for JGB	532,817	175,002
Deposits for clearing funds for JGB	208,227	76,343
Other current assets	15	171
Total current assets	2,783,956	1,786,785
PROPERTY AND EQUIPMENT:		
Buildings	61	87
Equipment and furniture	21	114
Construction in progress		2
Total property and equipment	83	204
Accumulated depreciation		(94)
Net property and equipment		110
INTANGIBLE FIXED ASSETS:		
Software	18	1,214
Software in progress		269
Total intangible fixed assets	18	1,483
INVESTMENTS AND OTHER ASSETS:		
Investments in securities	504	505
Long-term prepaid expenses	2,309	1,086
Guarantee money deposits		80
Deferred charges	1	7
Deferred tax assets		1
Other investments and other assets	77	8
Total investments and other assets	2,893	1,691
TOTAL ASSETS	2,786,952	1,790,069

	(JPY million)	
	2016 As of 2016.3.31	2015 As of 2015.3.31
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable—trade	1,592	1,417
Accounts payable—other	0	
Accrued expenses	17	
Income taxes payable	1,562	1,378
Consumption taxes payable		393
Deposits received	7	
Accrued bonuses	136	77
Accrued bonuses for directors	52	22
Margin funds received for derivatives	1,213,281	954,561
Deposits received for initial margin funds for security trades	72,910	
Deposits received for clearing funds	353,732	259,704
Deposits received as collateral for facilitating	29,800	34,000
Margin funds received for when-issued transactions	191	191
Margin funds received for CDS	14,256	6,960
Deposits received for clearing funds for CDS	5,434	2,908
Margin funds received for IRS	294,304	219,569
Deposits received for clearing funds for IRS	10,843	15,546
Margin funds received for JGB	532,817	175,002
Deposits received for clearing funds for JGB	208,227	76,343
Other current liabilities	269	60
Total current liabilities	2,739,437	1,748,138
Total liabilities	2,739,437	1,748,138
EQUITY		
Shareholders' equity:		
Capital stock	8,950	8,950
Capital surplus	9,476	9,476
Retained earnings	29,088	23,505
Settlement guarantee reserve for security trades and others	20,000	17,386
General reserve	3,504	964
Retained earnings—unappropriated	5,583	5,154
Treasury stock	(0)	(0)
Total shareholders' equity	47,514	41,931
Total equity	47,514	41,931
TOTAL LIABILITIES AND EQUITY	2,786,952	1,790,069

* The figures less than a million yen are rounded down to the nearest million yen.

Statement of Income

	(JPY million)	
	2016 As of 2016.3.31	2015 As of 2015.3.31
OPERATING REVENUES:		
Clearing fees	22,744	19,804
Monthly fees	186	192
Maintenance fees on cash products and derivatives	437	437
Other operating revenues	432	612
Total operating revenues	23,801	21,046
OPERATING EXPENSES:		
Total operating expenses	15,474	13,061
Operating profit	8,326	7,985
OTHER INCOME (EXPENSES):		
Interest income	45	43
Other—net	(24)	4
Other income—net	20	47
INCOME BEFORE INCOME TAXES	8,347	8,033
INCOME TAXES		
Current	2,775	2,788
Deferred	(11)	90
Total income taxes	2,764	2,879
NET INCOME	5,582	5,154

* The figures less than a million yen are rounded down to the nearest million yen.

Statement of Changes in Equity

	(JPY million)									
	Capital Surplus			Retained Earnings				Equity		
	Capital Stock	Additional Paid-in Capital	Total Capital Surplus	Settlement Guarantee Reserve for Security Trades and Others	General Reserve	Unappropriated	Total Retained Earnings	Treasury Stock	Total Equity	Total Net Asset
BALANCE, APRIL 1, 2015	8,950	9,476	9,476	17,386	964	5,154	23,505	(0)	41,931	41,931
Transfer to general reserve					2,540	(2,540)				
Transfer to settlement guarantee reserve for security trades and others				2,613		(2,613)				
Net income						5,582	5,582		5,582	5,582
BALANCE, MARCH 31, 2016	8,950	9,476	9,476	20,000	3,504	5,583	29,088	(0)	47,514	47,514

* The figures less than a million yen are rounded down to the nearest million yen.

Company Profile

Management and Auditors (As of October 1, 2016)

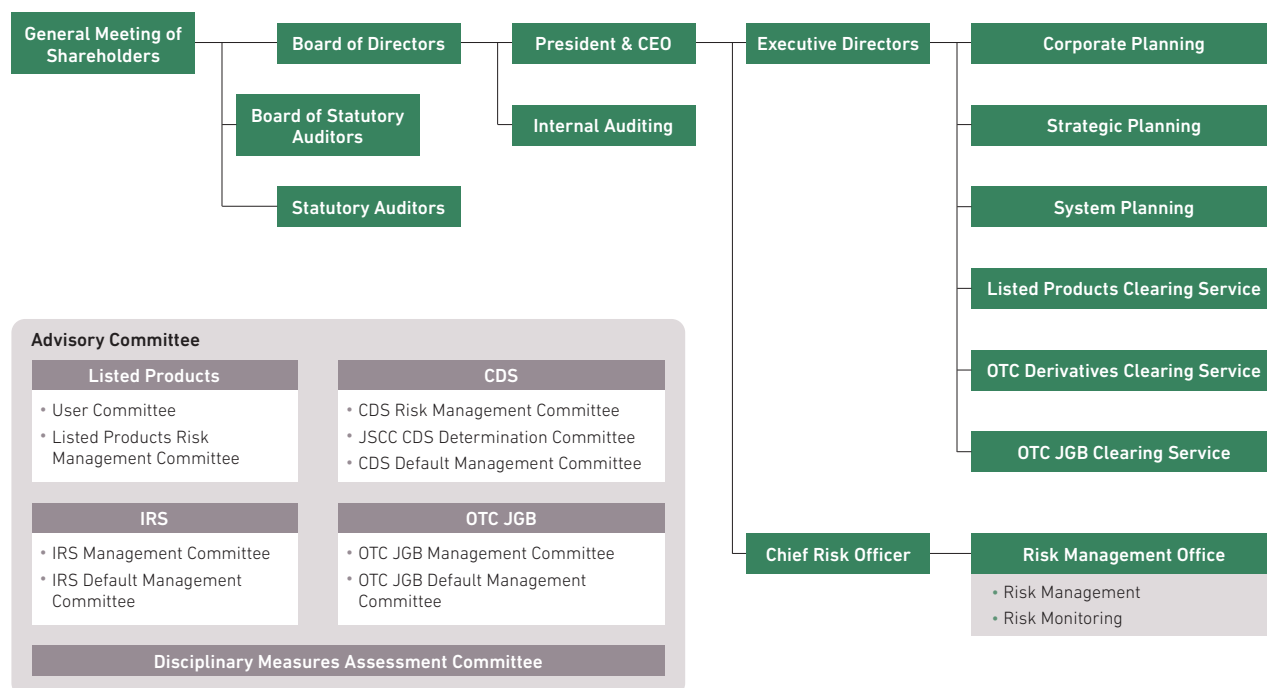
Members of the Board

Director	Hironaga Miyama	President & CEO
Director	Makoto Sonobe	Executive Vice President
Director	Mitsuhiro Hasegawa	Managing Director
Director	Makoto Minoguchi	Managing Director
Director	Yosuke Inaida	Senior Managing Director, Joint Head of Global Markets Japan, Nomura Securities Co., Ltd.
Director	Moriyuki Iwanaga	Senior Executive Officer & CFO, Japan Exchange Group, Inc.
Director	Hironao Eguchi	Managing Director, Head of Japan Fixed Income, Currencies and Commodities, Merrill Lynch Japan Securities Co., Ltd.
Director	Kazuhiko Ohashi	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
Director	Yasumasa Nishi	President & CEO, Asset Management One Co., Ltd.
Director	Naoto Hirota	Senior Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Auditors

Standing Statutory Auditor	Tetsuya Kawamoto	
Statutory Auditor	Shigeru Nakajima	Attorney-at-law
Statutory Auditor	Masao Yanaga	Provost, Faculty of Business Sciences, University of Tsukuba

Organization Chart (As of October 1, 2016)



Company Profile (As of October 1, 2016)

Company Name	Japan Securities Clearing Corporation		
President & CEO	Hironaga Miyama		
Head Office	2-1, Nihombashi-Kabuto-cho, Chuo-ku, Tokyo 103-0026, Japan		
Date of Incorporation (Commencement of Operations)	July 1, 2002 (January 14, 2003)		
Capital	JPY 8.95 billion		
Shareholders (shareholding ratio)	<p>● Class A shares:</p> <p>Japan Exchange Group, Inc. (99.2%) Sapporo Securities Exchange..... (0.05%)</p> <p>Nagoya Stock Exchange, Inc. (0.7%) Fukuoka Stock Exchange (0.05%)</p> <hr/> <p>● Class B shares:</p> <p>Japan Exchange Group, Inc. (100.0%)</p> <hr/> <p>● Class C shares:</p> <p>Japan Exchange Group, Inc. (60.4%) BNP Paribas Securities (Japan) Limited (2.2%)</p> <p>Credit Suisse Securities (Japan) Limited (2.2%) Mizuho Bank, Ltd. (2.2%)</p> <p>Goldman Sachs Japan Co., Ltd. (2.2%) Sumitomo Mitsui Banking Corporation (2.2%)</p> <p>JPMorgan Securities Japan Co., Ltd. (2.2%) Sumitomo Mitsui Trust Bank (2.2%)</p> <p>Citigroup Global Markets Japan Inc. (2.2%) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (2.2%)</p> <p>Société Générale (Société Générale Bank) (2.2%) Merrill Lynch Japan Securities Co., Ltd. (2.2%)</p> <p>Daiwa Securities Group Inc. (2.2%) Morgan Stanley MUFG Securities Co., Ltd. (2.2%)</p> <p>Deutsche Securities Inc. (2.2%) UBS AG..... (2.2%)</p> <p>Barclays Bank PLC (Barclays Bank) (2.2%) Resona Bank, Limited (2.2%)</p> <p>Nomura Holdings, Inc. (2.2%)</p> <hr/> <p>● Class D shares:</p> <p>Japan Exchange Group, Inc. (52.9%) Morgan Stanley MUFG Securities Co., Ltd. (1.9%)</p> <p>Barclays Securities Japan Limited (1.9%) Nomura Holdings, Inc. (1.9%)</p> <p>BGC Shoken Kaisha Ltd. (1.9%) OKASAN SECURITIES GROUP INC. (1.9%)</p> <p>BNP Paribas Securities (Japan) Limited (1.9%) Sumitomo Mitsui Banking Corporation (1.9%)</p> <p>Central Tanshi Co., Ltd. (1.9%) The Norinchukin Bank (1.9%)</p> <p>Central Totan Securities Co., Ltd. (1.9%) Tokai Tokyo Financial Holdings, Inc. (1.9%)</p> <p>Credit Agricole Securities Asia B.V., Tokyo Branch (1.9%) The Tokyo Tanshi Co., Ltd. (1.9%)</p> <p>Credit Suisse Securities (Japan) Limited (1.9%) UBS Securities Japan Co., Ltd. (1.9%)</p> <p>Daiwa Securities Co. Ltd. (1.9%) Ueda Yagi Tanshi Co., Ltd. (1.9%)</p> <p>Deutsche Securities Inc. (1.9%) Mizuho Securities Co., Ltd. (1.7%)</p> <p>Japan Bond Trading Co., Ltd. (1.9%) Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (0.9%)</p> <p>Japan Securities Finance Co., Ltd. (1.9%) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (0.9%)</p> <p>JPMorgan Securities Japan Co., Ltd. (1.9%) Mizuho Bank, Ltd. (0.2%)</p> <p>Merrill Lynch Japan Securities Co., Ltd. (1.9%)</p>		



Japan Securities Clearing Corporation

2-1, Nihombashi-Kabuto-cho, Chuo-ku, Tokyo 103-0026, Japan