



JAPAN'S LEADING CLEARING HOUSE

Annual Report 2007
FOR THE YEAR ENDED MARCH 31, 2007



Japan Securities Clearing Corporation

Profile

Japan Securities Clearing Corporation (JSCC) was licensed to conduct the Securities Obligation Assumption Business for the first time in Japan and commenced its operations as a unified cross-market clearing organization in January 2003.

The birth of JSCC has led to dramatic improvements in the efficiency and convenience of the securities market as the clearing of securities transactions that used to be performed separately by individual markets was consolidated.

In addition, JSCC is entrusted by other clearing organizations with the task of monitoring the financial standing of clearing participants. This enables the consolidation of the liaison channels of participants. JSCC strives to improve convenience and contribute to the efficient operation of clearing organizations through such arrangement.

Based on its basic corporate philosophy to "contribute to increase the global competitiveness of Japan's securities market by improving the efficiency, convenience, and safety of securities transactions," JSCC is committed to continue providing the infrastructure for clearing and settlements for securities markets as Japan's core clearing organization and steadfastly fulfill its role as such.

■ JSCC's Business

Securities Obligation Assumption Business based on the Securities Exchange Law*

■ Basic Corporate Philosophy

To contribute to increase the global competitiveness of Japan's securities market by improving the efficiency, convenience and safety of securities transactions

* Following the enforcement of the Financial Instruments and Exchange Law on September 30, 2007, the definition of JSCC's business will be revised as "Financial Instruments Obligation Assumption Business based on the Financial Instruments and Exchange Law".

Contents

2~3	Message from the President	10~13	Securing even higher levels of safety
4~5	Roles as a cross-market clearing organization in Japan	14~17	Financial statements
6~7	Strengthening the settlement reliability even further	18~19	Clearing participants
8~9	Improving the presence in the international securities markets	20~21	Board of Directors and Auditors, Corporate Data and Organization Chart

《History》

July 2002

Established jointly by Japan's five stock exchanges and the Japan Securities Dealers Association.

December 2003

Reached a basic agreement on business collaboration and mutual cooperation with JASDEC DVP Clearing Corporation and Japan Securities Depository Center, Inc.

June 2004

Reached a basic agreement on business collaboration with Japan Government Bond Clearing Corporation.

June 2007

Signed MOU on mutual cooperation with Taiwan Depository & Clearing Corporation.

January 2003

Licensed to conduct the Securities Obligation Assumption Business by the Prime Minister for the first time in Japan. Commenced clearing business for cash transactions.

February 2004

Commenced clearing business for derivatives transactions at the Tokyo Stock Exchange.

January 2006

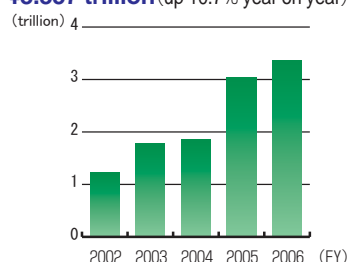
Launched a new clearing system.

Obligation Assumption Data《FY 2006》

The daily average values of obligation assumption for cash products, JGB Futures, and stock index futures all reached record high levels since JSCC started its business (see the tables below).

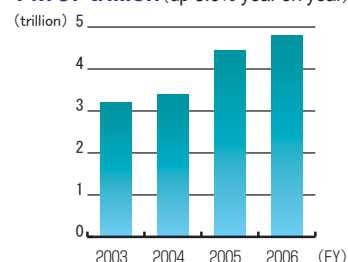
● Cash products (Value-based)

¥3.357 trillion (up 10.7% year on year)



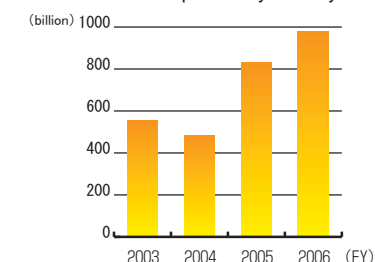
● JGB Futures (Face value-based)

¥4.797 trillion (up 8.0% year on year)



● Stock index futures (Value-based)

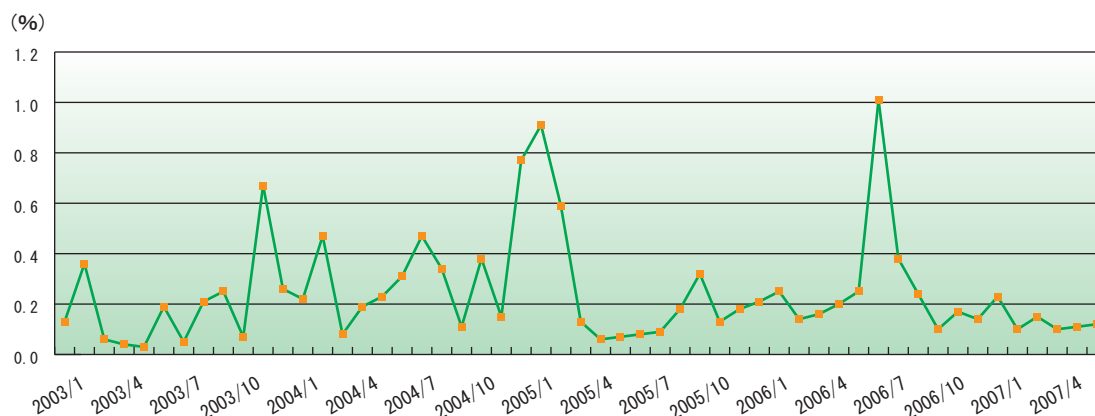
¥981.1 billion (up 18.3% year on year)



* 1 The figure for Cash products of fiscal year 2002 was that dating from January 2003, when JSCC started clearing business for cash transactions.

* 2 The figures for JGB Futures and Stock index futures of fiscal year 2003 were those dating from February 2004, when JSCC started clearing business for derivatives transactions.

Fail rate





Q: What has Japan Securities Clearing Corporation (JSCC) been working on and accomplished during FY2006 ?

A: In keeping with its corporate philosophy of "contributing to increase the global competitiveness of Japan's securities market by improving the efficiency, convenience and safety of securities transactions," JSCC focused its efforts on the following areas in FY2006:

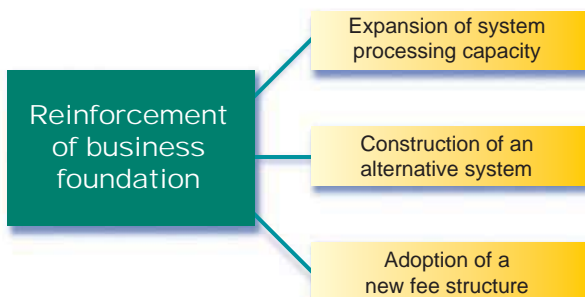
First of all, in the area of strengthening the foundation of its business operation, JSCC increased the processing capacity of its clearing system in May 2006 so that 11 million transactions can be cleared per day, in response to a growing number of obligation assumptions. In addition, JSCC established a simplified alternative system with essential function for the day's operation in March 2007 to ensure that the day's settlement is completed even in the event of a system failure. These allowed JSCC to strengthen the base of the system.

Also, JSCC amended the structure of clearing fees for cash products in October 2006. A fee based on the number of obligation assumptions and a monthly fee were newly added to the existing fees that are based on the value of obligations assumed. The change was made so as to strengthen the financial base and ensure that all clearing participants are charged fairly.

Secondly, in the area of improving the quality of services offered, a review of clearing funds was conducted in July 2006 to enable proper levels of deposits that are commensurate with risk levels even when rapid changes occur in participants' position. This was done to strengthen JSCC's risk management function.

In order to enhance the convenience of services offered and strengthen functions, JSCC newly designated a foreign bank as its fund settling bank in June 2006 in response to the needs of clearing participants. Furthermore, JSCC became a participant of the Book-Entry Transfer System for investment trust, which was introduced in January 2007 by Japan Securities Depository Center (JASDEC). This enables JSCC's participants to use transferred investment trust as collaterals.

In May 2006, JSCC became a member of ACG (Asia-Pacific CSD Group), an international group of securities settlement and clearing organizations in the Asia-Pacific region. This has lead JSCC to further strengthen the relationship in information exchanges with foreign clearing organizations.



Message from the President

Q: What is the current environment that surrounds JSCC like?

A: While the stock market advances more or less steadily against the backdrop of a gradual economic expansion, system-based trading, including direct market access by institutional investors and algorithmic trading by securities firms, has been on the rise. As a result, stability and reliability have become all the more important in the operation of securities infrastructure. Furthermore, discussions at the Securities Market BCP Council led to a recommendation that a back-up center for clearing and settlement functions be constructed at the earliest possible time. At the same time, stock exchanges are aggressively introducing new types of products and revising their rules while forming alliances with foreign exchanges. As a clearing organization, JSCC is expected to respond flexibly to these changes. As these developments attest, the importance of the role that clearing organizations play has been growing and the need for its continued stable operation and improved convenience is ever so great.

Q: What are the areas on which you plan to focus your efforts in the future?

A: JSCC positions the following three areas at the core of its future business policies and intends to focus its efforts on them:

1. Continued reinforcement of the business operations foundation

First of all, JSCC has always strived to fortify its business operations foundation so as to ensure reliable execution of its operations in fulfillment of its role as a core securities infrastructure. Considering that reliability with respect to clearing and settlement operations is now viewed to be as important as ever, the most important of the basic business policies of JSCC is to "continuously reinforce its business operations base." As far as specific measures are concerned, placing the construction of a back-up center as the top priority, JSCC will strengthen the system base, including the expansion of the clearing system processing capacity. Furthermore, JSCC will accurately perceive operational risks and execute necessary risk reduction measures.

2. Efforts to provide services that respond to needs

Secondly, it is important for JSCC to appropriately absorb the needs of market participants for clearing and settlements. As increasingly diverse forms of transactions emerge, JSCC must take action that meets the needs of participants in addition to responding to newly listed products, in the light of JSCC's position as the unified clearing organization. For this reason, "providing services that respond to needs" is JSCC's second-most important basic business policy. Specific measures include active and appropriate absorption of market participants' needs for clearing and settlement against the backdrop of diverse transactions so as to offer enhanced convenience. JSCC will also examine possibilities of forming alliances with foreign clearing organizations in light of alliances that have been formed between exchanges.

3. Further enhancement of the risk management system

Finally, enhancement of the risk management function, along with daily settlement operations, is one of the most important tasks for JSCC, which is engaged in conduct the Securities Obligation Assumption Business. It is also a task that needs to be tackled as a high priority item in terms of ensuring international competitiveness. Accordingly, "further enhancement of the risk management system" is JSCC's third most important basic business policy. Specific steps are to establish a system that permits efficient and accurate monitoring of clearing participants, and to conduct a thorough review of the framework of settlement guarantees for a participant's default. These steps will help ensure the enhancement of the risk management function.

Concluding Remarks

JSCC intends to continue to contribute to the development of Japan's securities markets by seeking new ways to improve efficiency, convenience and safety in securities transactions. It recognizes the importance of its mission as a core infrastructure in the securities markets and that of reflecting the opinions of relevant parties in the market regarding JSCC rules and operations. We therefore request the continued understanding and support of all parties concerned.

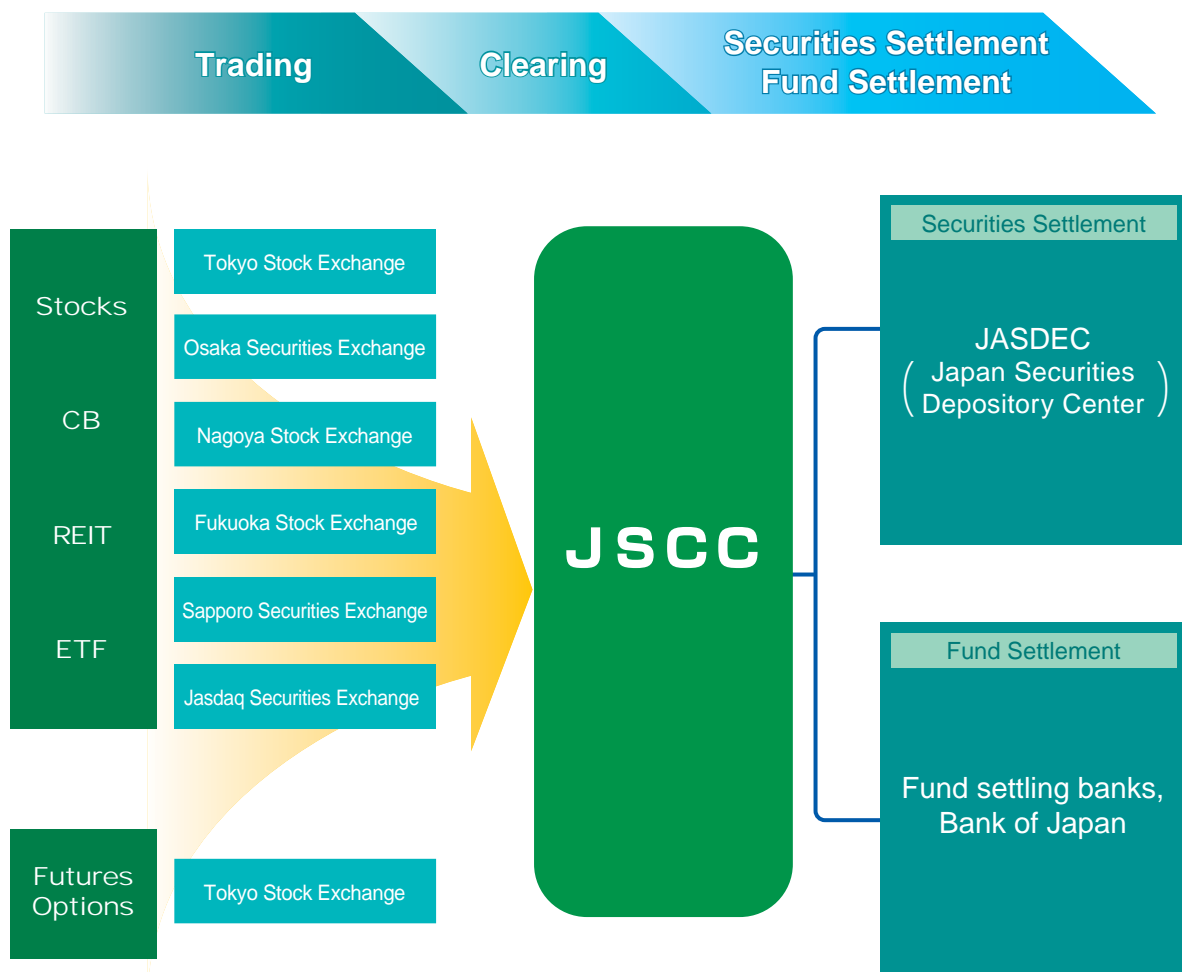


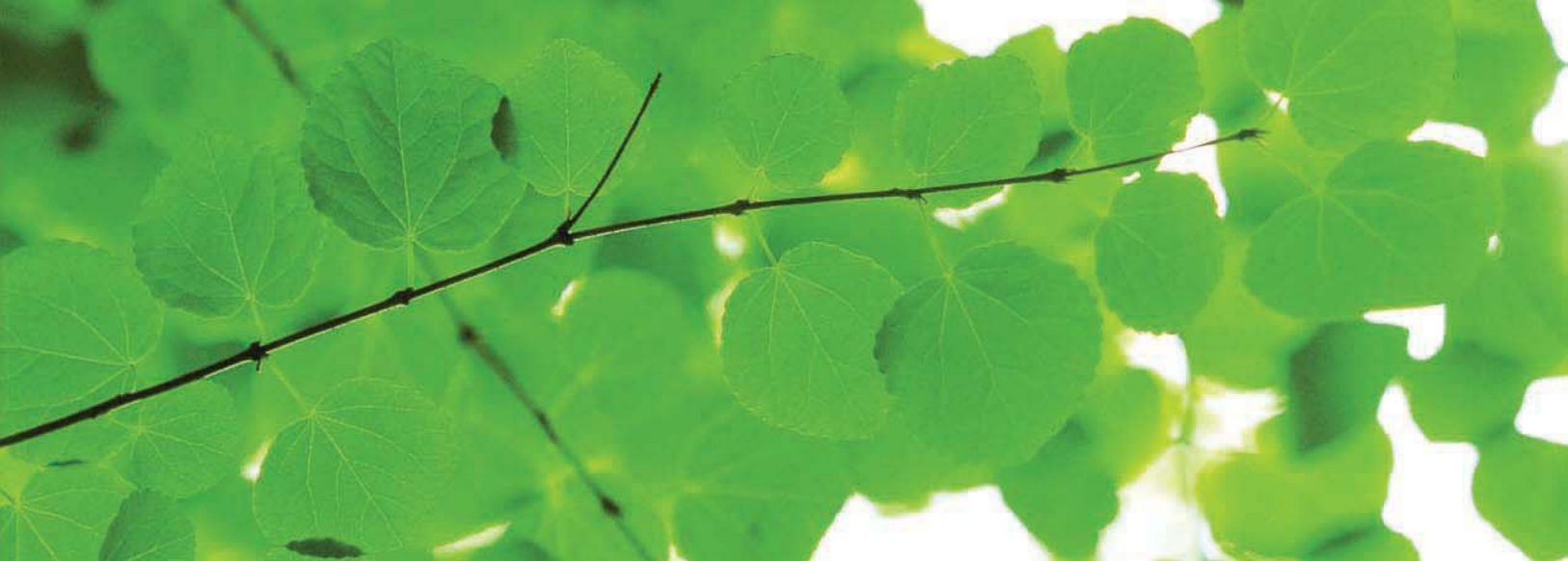
Yoshimasa Yamashita
President and CEO
August 2007

Roles as a cross-market clearing organization in Japan

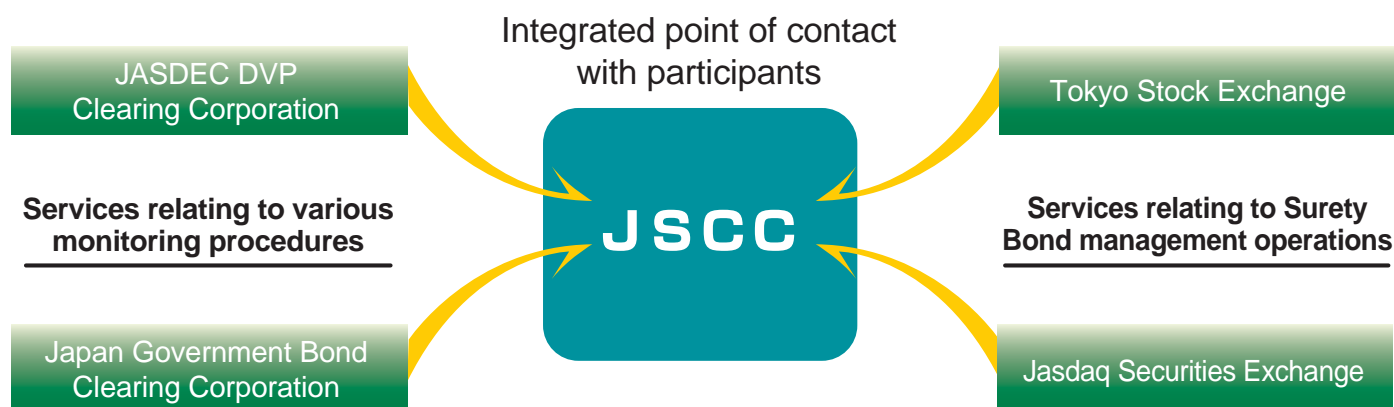
Role of JSCC in Japan's Securities Market

As a unified clearing organization in Japan, Japan Securities Clearing Corporation (JSCC) provides services relating to the assumption of obligations in connection with all cash transactions that are executed at any of the stock exchanges in Japan, as well as futures and options transactions that are executed at Tokyo Stock Exchange, Inc.





Services to Securities Infrastructures



Services relating to Monitoring Procedures

JSCC is entrusted by JASDEC DVP Clearing Corporation and Japan Government Bond Clearing Corporation with various procedures relating to the monitoring of financial conditions of clearing participants (such as submission of required documents). JSCC thus serves as an integrated liaison channel for these clearing organizations. As the result, clearing participants of these clearing organizations can complete filing with and reporting to all clearing organizations by submitting various documents to JSCC.

Services relating to Surety Bond management operations

JSCC is entrusted with management operations relating to Surety Bond that participants deposit with Tokyo Stock Exchange, Inc. and Jasdaq Securities Exchange, Inc. As the result, JSCC serves as an integrated point for participants to deposit various types of collaterals, including clearing funds.

Strengthening the settlement reliability even further

Efforts to Reinforce the System Base

In recent years, trading that takes advantage of systems, including direct market access by institutional investors and algorithmic trading by securities firms, has been on the rise. As a result, stability and reliability have become all the more important in the operation of securities infrastructure. Furthermore, discussions at the Securities Market BCP Council* led to a recommendation that a back-up center for clearing and settlement functions be constructed at the earliest possible time and that operations be examined and reinforced so that the day's clearing and settlements are completed on the same day.

In response, Japan Securities Clearing Corporation (JSCC) is going to conduct an overall review of its operations and take action, starting with items that can be immediately implemented. Further reinforcement of the system base is planned for the future.

* Established for the purpose of studying a BCP (Business Continuity Plan) and implementing appropriate measures as needed, it is at the top of the BCP forum of the securities market. Securities-related organizations comprise its membership.



Improving a System to Prevent Erroneous Orders

Industry Efforts to Prevent Erroneous Orders

Prompted by a massive erroneous order for J-COM shares that occurred in December 2005, the Japan Securities Dealers Association formed "Working Group on Improving Order Management/Risk Management System for Stocks" and examined measures to prevent erroneous orders. In April 2006, the association adopted a resolution of its Board of Governors regarding the "Improving Order Management System in each Member". At the same time, individual stock exchanges started to strengthen their order managements to prevent erroneous orders, including the improvement of their systems that curb them. Additionally, the working group examined the handling of cancellations of executed transactions in the event of an erroneous order that leads to colossal transactions as well as the study of the rules and laws concerned. The final summary report of the examination, which includes measures that prevent erroneous orders, was issued in November 2006.

Efforts by JSCC

Erroneous orders can exert immense impact on the clearing and settlement functions and have the potential to damage the credibility of the securities market as they can result in the revision of settlement conditions. For these reasons, JSCC considers the prevention of erroneous orders to be of utmost importance.

Consequently, JSCC sent all clearing participants the notice entitled "Improving a System to Prevent Erroneous Orders" (dated November 24, 2006) in an effort to verify the participants' status regarding the creation of a system to prevent erroneous orders. The notice requested that they set up an internal system and re-inspect their existing systems to ensure that adequate action continues to be taken properly and reliably.

Colossal impact is anticipated in the event of an erroneous order that involves so-called basket trading and program trading, considering such trading methods entail the large number of issues or volumes. Furthermore, an erroneous order of futures and options leads to the generation of huge risks, due to the nature of such transactions. Establishing a system to prevent erroneous orders is extremely important in connection with these transactions too. For these reasons, participants have been asked to verify and take action on the status of their readiness.

Re-examination of Clearing Fees for Cash Products

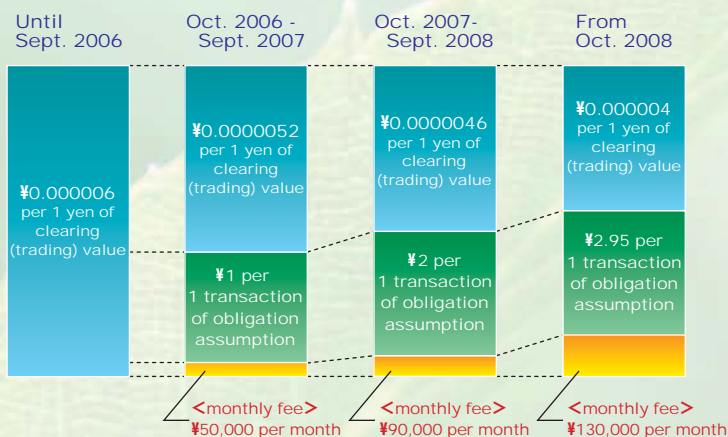
As a principle, JSCC's clearing fees are charged in accordance with the levels of service use by clearing participants, reflecting benefits reaped by them.

The clearing fee schedule that was in use previously was based on clearing (trading) value. In recent years, however, the number of obligation assumptions has reached record high levels. The fee schedule in effect did not take into consideration the number of obligation assumptions, which triggers system-related cost. It therefore did not permit fees to be borne equitably by all participants, based on benefits derived. For this reason, a new fee structure that is based on the number of obligation assumptions was added to the existing value-based structure in an effort to ensure fairness of cost burden that is borne.

Additionally, a monthly fee was introduced as it was believed that a levy of a fixed fee on all clearing participants would be appropriate in terms of fairness in light of the fact that a fixed operating cost is incurred regardless of the volume traded by individual clearing participants.

These revisions of clearing fees pertaining to cash products were reflected on the new fee structure, which became effective in October 2006. The following diagram provides an illustration of the changes in the fee structure:

<Visual Diagram of the Changes in the Clearing Fee Structure>



(Note 1) Transition from the existing fee structure to the new structure is phased over a period of time. The complete transition to the new structure will take place in October 2008.

(Note 2) Clearing participants whose monthly clearing (trading) value or the number of transactions of obligation assumption exceeds a certain level are given a high-volume discount, which reduces clearing fees. Clearing participants whose clearing fees fall below a certain level are exempted from a monthly fee for the time being.



Improving the presence in the international securities markets

Participation in International Conferences

Japan Securities Clearing Corporation (JSCC) has pressed forward with cooperation with overseas organizations so as to strengthen the global competitiveness of Japan's securities market. For example, JSCC has become a member of CCP12, a group that consists of major clearing organizations of the world, since JSCC's foundation. The group conducts reviews and makes suggestions to strengthen the Central Counterparty functions. JSCC has also led the launch of the Asia-Oceania CCP to achieve coordination among clearing organizations in Asian countries. Furthermore, JSCC joined the ACG (Asia-Pacific CSD Group) in May 2006. ACG is an international association of securities settlement and clearing organizations in the Asia-Pacific region. Through participation in these organizations, JSCC strives to boost its international presence.

Co-hosting of the 9th Conference of CSD

In April 2007, JSCC co-hosted the 9th conference of Central Securities Depository (CSD9) in Seoul, Korea, together with Japan Securities Depository Center, Inc., Korea Securities Depository and Taiwan Depository & Clearing Corporation.

The Conference of Central Securities Depository is a biennial international gathering of securities clearing and settlement organizations from all over the world, held for the exchange of information and opinions on common themes. The latest conference was attended by over 200 people from approximately 70 countries and territories. Panel discussions and speeches were held mainly on topics relating to internationalization of securities settlement, including efforts focused on cross-border trading and tax treatment of international trading.

Conference of CSDs

2007 April 11~13
The Hotel Shilla Seoul, Korea



Signing of a Memorandum of Understanding on Mutual Cooperation with Taiwan Depository & Clearing Corporation

In June 2007, JSCC signed a Memorandum of Understanding on Mutual Cooperation with Taiwan Depository & Clearing Corporation. The MOU is aimed to promote cooperative relations on mutual benefit and will further strengthen the relationship through exchanges of information on each securities market, personnel exchanges and cross-training.



Securing even higher levels
of safety

Basic policy for risk management

Japan Securities Clearing Corporation (JSCC) clears huge amounts and volumes of transactions. Settlement guarantees are thus essential in maintaining the stability and credibility of the securities markets. These guarantees, along with the fairness and efficiency of transactions, form the basis for the assurance of the overall quality of the markets. As JSCC becomes the counterparty for transactions of which JSCC assumes the obligation, JSCC is required to complete the settlement of its transactions with the other participants even if a participant defaults.

In order to respond to this risk, JSCC has established a set of financial standards for all clearing participants, and constantly monitors their financial standing from the viewpoint of managing their credit risks.

In addition, JSCC employs a DVP settlement system as its settlement method, which eliminates the principal risk arising from a default.

Furthermore, JSCC has a multi-tiered structure in place to compensate for any loss incurred in the event of a default by a clearing participant. The structure is built on the principle that the defaulting party is primarily responsible for compensation of the loss with the application of its assets, and that any remaining loss is met with loss compensation by stock exchanges and other funds collected from other clearing participants.

Financial criteria for participation

Securities company	Principal	Agency
Capital	¥300 million	¥300 million
Net Assets	¥2 billion	¥20 billion
Net Capital Requirement Ratio	200%	200%
Registered financial institution	Principal	Agency
Capital	¥300 million	¥300 million
Shareholders' Equity	¥2 billion	¥20 billion
Capital Adequacy Ratio ^(※1)		
International standard ^(※2)	8%	8%
Domestic standard ^(※3)	4%	4%
Solvency Margin Ratio ^(※4)	400%	400%

*1 Applicable to registered financial institutions other than insurance companies

*2 With branch offices overseas

*3 Without branch office overseas

*4 Applicable to insurance companies

Financial criteria for suspension of operation

Securities company	Principal	Agency
Capital	¥300 million	¥300 million
Net Assets	¥300 million	¥20 billion
Net Capital Requirement Ratio	120%	200%
Registered financial institution	Principal	Agency
Capital	¥300 million	¥300 million
Shareholders' Equity	¥300 million	¥20 billion
Capital Adequacy Ratio ^(※1)		
International standard ^(※2)	4%	8%
Domestic standard ^(※3)	2%	4%
Solvency Margin Ratio ^(※4)	100%	400%

Clearing Participant Qualification

As a clearing organization, JSCC assumes the obligations of clearing participants and bears the burden of credit risks for individual clearing participants. It is therefore necessary for JSCC to manage the credit risks of clearing participants. JSCC has defined the qualifications (Financial criteria for participation and for suspension of operation) to become a clearing participant, and regularly monitors the financial standing of clearing participants. Should the participant be found to have financial problems, JSCC has the right to suspend the assumption of obligations for any clearing participant, as well as revoke the clearing qualification of that clearing participant.

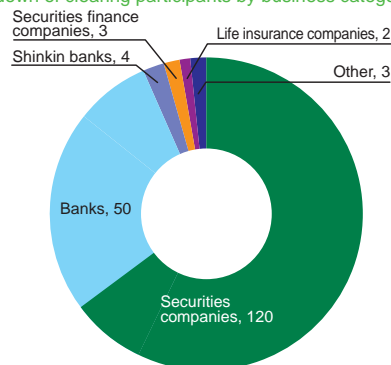
In addition, JSCC monitors unsettled positions of participants on a daily basis, thus ensuring at all times that there is no clearing participant that is exposed to excessively high levels of risks.

There are four categories of clearing qualifications: cash products, JGB Futures & Options on JGB Futures, stock index futures & options, and equity options. Within each of these categories are two classes: principal clearing qualifications and agency clearing qualifications. Agency clearing qualifications allow clearing for the trades of other participants as well as its own trades.

The Number of Clearing Qualified Corporations by Category and Class (As of August 1, 2007)

	Cash products	JGB Futures & Options on JGB Futures	Stock index futures & options	Equity options
Principal Clearing	117	161	102	103
Agency Clearing	4	1	1	1

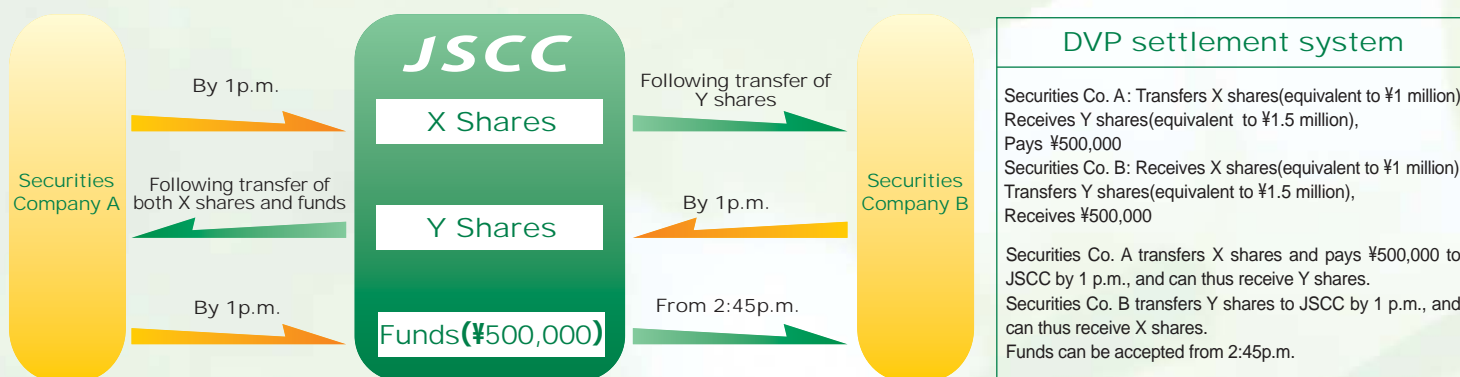
Breakdown of clearing participants by business category



Securing even higher levels of safety

DVP settlement

Japan Securities Clearing Corporation (JSCC) employs the DVP settlement system with the clearing participants. In a DVP (Delivery Versus Payment) settlement, the transfer of securities and that of funds are linked. Thus, payment becomes a condition for the delivery of securities (or the delivery of securities a condition for payment) in the settlement process. Consequently, the principal risk, arising from a default, is eliminated.



Review of the Clearing Fund System

In case of a participant's default, JSCC has Loss Compensation Scheme, as described on the opposite page. Nonetheless, self-responsibility is the principle. The primary means of loss compensation is thus the Clearing Fund System in which each clearing participant deposits a clearing fund.

Until recently, the required amount for the Clearing Fund System was revised once a month. However, problems have been recognized that the system is not equipped to deal with sudden changes in trading situations. For example, there have been cases in which some clearing participants sharply increased long or short positions over a short period of time, causing its deposited amount to be too little in comparison with the risks assumed by JSCC on behalf of the participant.

In addition, JSCC is required to meet certain standards concerning requirements for a collateral system, such as the level of coverage against price volatility and other factors, according to the "Recommendations for Central Counterparties" published in November 2004 as an international standard for clearing organizations.

With this situation in mind, JSCC reviewed the Clearing Fund System with the goal of strengthening it. The revised Clearing Fund System, which includes an earlier review of required clearing fund amounts, was implemented on July 1, 2006 and contains the following major changes:

Efforts toward preparations for a participant's default

Actions in case of a default

In the event of a clearing participant's default, JSCC suspends the delivery of the settlement funds or securities to the defaulting participant. JSCC then conducts offset transactions concerning the unsettled positions of the defaulting participant, and at the same time sells the securities whose delivery was suspended so as to figure out the amount of the loss that results from the default. Clearing participants are thus assured of safe market transactions even in the event of a default as JSCC acts on behalf of the defaulting participant to execute any settlement with other clearing participants.

In order to deal with potential defaults by clearing participants, JSCC maintains over-draft agreements with fund-settling banks to secure short-term liquidity^{*1}

^{*1} JSCC maintains a level of liquidity large enough to cover the settlement amounts of the two largest participants in the event of their default.

Loss Compensation Scheme

In the event that JSCC incurs loss as the result of a default by a clearing participant, the loss is compensated for in the following order:

- First priority: Deposits of the defaulting participant (clearing funds, etc.)
- Second priority: Loss compensation by stock exchanges (default compensation reserve fund, etc.)
(Cash products: approximately ¥10.8 billion; derivatives: approximately ¥10.4 billion)
- Third priority: Shareholders' equity of JSCC (approximately ¥7.5 billion)^{*2}
- Fourth priority: Special clearing charge collected from other participants

^{*2} As of March 31, 2007



Summary of the Review

- Under the previous system, the amount required for the clearing fund was announced on the 10th business day of every month and applied on the 15th business day. This was changed to announcement on the 4th business day of every month with application on the 5th business day.
- For the amount required for the clearing funds deposit for cash products, the criteria of temporary changes were clarified. The "temporarily amended base amount" is calculated for each clearing participant on a daily basis.

The percentage of price movements used in calculating the "temporarily amended base amount" should be at a level that covers 99% of the volatility for 4 days, 3 days, and 2 days at TOPIX during the past 60 business days (approximately 3 months).

Financial Statements

Balance Sheets

Assets	Millions of Yen		Thousands of US dollars	Liabilities	Millions of Yen		Thousands of US dollars
	2007 As of March 31, 2007	2006 As of March 31, 2006	2007 As of March 31, 2007		2007 As of March 31, 2007	2006 As of March 31, 2006	2007 As of March 31, 2007
Current assets	435,569	500,926	3,689,707	Current liabilities	427,137	495,080	3,618,274
Cash and bank deposits	4,366	5,023	36,987	Accounts payable -trade	974	1,018	8,254
Accounts receivable - trade	1,660	1,660	14,062	Margin funds received for derivatives [Note 4.(3)]	224,069	262,985	1,898,090
Marketable securities	4,496	1,999	38,088	Deposits received for clearing funds [Note 4.(3)]	134,583	181,782	1,140,056
Deferred income taxes [Note 7]	99	141	840	Deposits received as collateral for facilitating settlement [Note 4.(3)]	65,911	46,911	558,331
Margin funds for derivatives [Note 4.(3)]	224,069	262,985	1,898,090	Margin funds received for when-issued transactions [Note 4.(3)]	374	417	3,170
Deposits for clearing funds [Note 4.(3)]	134,583	181,782	1,140,056	Income taxes payable	1,111	1,754	9,415
Deposits as collateral for facilitating settlement [Note 4.(3)]	65,911	46,911	558,331	Consumption taxes payable	64	177	543
Margin funds for when-issued transactions [Note 4.(3)]	374	417	3,170	Allowance for employee bonuses	24	22	206
Other current assets	9	3	79	Allowance for bonuses for directors and statutory auditors	8	-	73
				Other current liabilities	15	10	131
Non-current assets	2,154	1,584	18,250	Non-current liabilities	13	9	116
(Tangible fixed assets) [Note 4.(2)]	75	30	639	Allowance for retirement benefits for directors and statutory auditors	13	9	116
Buildings	56	16	478	Total liabilities	427,151	495,089	3,618,390
Equipment and furniture	19	14	161	Net assets			
(Intangible fixed assets)	30	7	259	Shareholders' equity	10,573	7,422	89,567
Software	25	7	216	Common stock Authorized 120,000 shares at March 31, 2006 and 2007			
Development in progress - software	5	-	42	Issued and outstanding 30,000 shares at March 31, 2006 and 2007	1,700	1,700	14,400
(Investment and other assets)	2,048	1,546	17,352	Capital surplus	1,300	1,300	11,012
Investments in securities	1,994	1,495	16,896	Additional paid-in capital	1,300	1,300	11,012
Deferred income taxes [Note 7]	5	3	47	Retained earnings	7,573	4,422	64,154
Guarantee money deposits	48	47	408	Other retained earnings	7,573	4,422	64,154
				Other reserve	4,410	1,540	37,357
				Retained earnings carried forward	3,163	2,882	26,797
Total assets	437,724	502,511	3,707,958	Total net assets	10,573	7,422	89,567
				Total liabilities and net assets	437,724	502,511	3,707,958

The accompanying notes are an integral part of these statements.

Statements of Income

	Millions of Yen		Thousands of US dollars
	2007 Fiscal Year ended on March 31, 2007	2006 Fiscal Year ended on March 31, 2006	2007 Fiscal Year ended on March 31, 2007
Operating revenues [Note 5]	11,291	10,356	95,649
Clearing fees	10,588	9,728	89,694
Monthly fees	29	-	251
Maintenance fees on cash products and derivatives	441	439	3,741
Other operating income	231	189	1,962
Operating expenses [Note 5]	5,981	5,496	50,668
Outsourcing business costs	5,354	4,889	45,358
Salaries and compensation	346	316	2,931
Real estate rental fees	48	45	413
Facilities expenses	23	23	202
Other operating expenses	208	220	1,763
Operating profit	5,309	4,860	44,980
Non-operating income	28	5	239
Non-operating expenses	0	0	7
Ordinary profit	5,337	4,865	45,213
Net income before taxes	5,337	4,865	45,213
Income taxes - current	2,137	2,083	18,107
Income taxes - deferred	40	(98)	345
Net income	3,158	2,881	26,759

The accompanying notes are an integral part of these statements.

Statement of Changes in Net Assets

Millions of Yen / Thousands of US dollars

	Shareholders' equity						Total net assets	
	Common Stock [Note 6]	Capital surplus		Retained earnings				Total shareholders' equity
		Additional paid-in capital	Total capital surplus	Other retained earnings		Total retained earnings		
				Other reserve	Retained earnings carried forward			
Balance as of March 31, 2006	1,700 / 14,400	1,300 / 11,012	1,300 / 11,012	1,540 / 13,045	2,882 / 24,415	4,422 / 37,460	7,422 / 62,873	7,422 / 62,873
Changes in fiscal year ended on March 31, 2007								
Provision for other reserve				2,870 / 24,311	(2,870) / (24,311)	-	-	-
Bonuses to directors and statutory auditors					(7) / (66)	(7) / (66)	(7) / (66)	(7) / (66)
Net income					3,158 / 26,759	3,158 / 26,759	3,158 / 26,759	3,158 / 26,759
Total changes in fiscal year ended on March 31, 2007	-	-	-	2,870 / 24,311	281 / 2,381	3,151 / 26,693	3,151 / 26,693	3,151 / 26,693
Balance as of March 31, 2007	1,700 / 14,400	1,300 / 11,012	1,300 / 11,012	4,410 / 37,357	3,163 / 26,797	7,573 / 64,154	10,573 / 89,567	10,573 / 89,567

The accompanying notes are an integral part of these statements.

Notes to the Financial Statements

1. Basis of Presenting Financial Statements

The accompanying financial statements of Japan Securities Clearing Corporation ("JSCC") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards, and are compiled from the financial statements prepared by the Japanese Companies Act. A statement of cash flows is not required under the Japanese Companies Act.

The figures are rounded down to the nearest million yen and thousand U.S. dollar. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥118.05 = U.S.\$1, the approximate rate of exchange prevailing as of March 31, 2007, has been used in translation. The inclusion of such amounts are not intended to imply that Japanese yen has been or could be readily converted, realized or settled in U.S. dollars at the rate or any other rates.

Figures for the previous fiscal year, which are not presented in the financial statements prepared under the Japanese Companies Act, are included solely for the convenience of readers. As such, notes to the financial statements below are described only for the current fiscal year.

2. Significant Accounting Policies

(1) Marketable securities

Held-to-maturity debt securities, which JSCC intends to hold to maturity, are stated at cost after accounting for premiums or discounts on acquisition, which are amortized over the period to maturity.

(2) Tangible fixed assets

Tangible fixed assets are depreciated using the declining-balance method.

(3) Intangible fixed assets

Software for internal use is amortized using the straight-line method over an estimated useful life, five years.

(4) Allowances

Allowance for employee bonuses ...

Allowance is made for bonuses to employees at the amount expected to be paid in respect of the fiscal year.

Allowance for bonuses for directors and statutory auditors ...

Allowance is made for bonuses to directors and statutory auditors at the amount expected to be paid in respect of the fiscal year.

Allowance for retirement benefits for directors and statutory auditors ...

Allowance for retirement benefits for directors and statutory auditors is provided at an amount JSCC would be required to pay, if all eligible directors and statutory auditors retired at the fiscal year-end, in accordance with JSCC's internal rule.

(5) Accounting for leases

All finance lease contracts of JSCC are deemed not to transfer the ownership of the leased assets, and are thus accounted for as the operating lease contracts under Japanese accounting standards.

(6) Accounting for obligation assumption

Obligations and credits that JSCC assumes and acquires in the securities obligation assumption business and the business specified under Article 156-6 Paragraph 1 of the Securities and Exchanges Law are accounted for at the point of settlement.

(7) Accounting for consumption taxes

Consumption taxes are imposed at a flat rate of 5 percent for all domestic consumption of goods and services with certain limited exemptions. Consumption taxes imposed on JSCC's sales are withheld by JSCC at the time of sale and are subsequently paid to the government tax authority.

Consumption taxes withheld and consumption taxes paid by JSCC on the purchases of goods and services from vendors are not included in the any amounts in the accompanying Statements of Income.

(8) Income taxes

Income taxes of JSCC consist of corporate income taxes, local inhabitants taxes and enterprise taxes. Income taxes are determined using the asset and liability method, where deferred tax assets and liabilities are recognized for temporary differences between the tax basis of assets and liabilities and their reported amount in the financial statements.

(9) Appropriation of retained earnings

Under the Japanese Companies Act and the Articles of Incorporation, the plan for appropriation of retained earnings proposed by the Board of Directors is required to be approved at the shareholders' meeting which must be held within three months after the end of each fiscal year.

Unappropriated retained earnings at the end of each fiscal year does not represent the results of such an appropriation applicable to that fiscal year, which was approved at the shareholders' meeting and disposed of during the next fiscal year.

3. Accounting Change

(1) Application of "Accounting standard for presentation of net assets in the balance sheet", etc.

Effective from the year ended March 31, 2007, JSCC applied "Accounting standards for presentation of net assets in the balance sheet (Accounting Standards Board of Japan Statement No.5)", and "Implementation guidance for Accounting standards for presentation of net assets in the balance sheet (Accounting standards of Japan Guidance No.8)" both issued by the Accounting Standard Board of Japan on December 9, 2005.

The amounts corresponding to the conventional "Shareholders' equity" in the balance sheet is 10,573 million yen (89,567 thousand dollars).

(2) Application of "Accounting standard for directors' bonus"

Until the year ended March 31, 2006, bonuses to directors and statutory auditors were reduced from retained earnings after approval of the appropriation of retained earnings at the shareholders' meeting. Effective from the year ended March 31, 2007, JSCC applied "Accounting standard for directors' bonus" (Accounting Standard Board of Japan Statement No.4 issued on November 29, 2005 by the Accounting Standards Board of Japan). Thus, bonuses to directors and statutory auditors are expensed in a fiscal year occurred.

As a result of the application of this standard, operating profit, ordinary profit and net income before taxes for the year ended March 31, 2007 decreased by 8 million yen (73 thousand dollars), respectively, compared with the previous standard.

4. Notes to Balance Sheet

(1) Monetary claims and liabilities for related companies

	Thousands of Millions of Yen	U.S.dollars
	2007	2007
1) Short-term monetary claims	37	317
2) Short-term monetary liabilities	498	4,223
3) Long-term monetary claims	47	405

(2) Accumulated depreciation of tangible fixed assets

2007 38 million yen 325 thousand U.S. dollars

(3) Clearing deposits

Since JSCC, as a securities clearing organization, assumes and acquires the obligations and credits of transactions from clearing participants at the moment transactions are executed in the stock exchanges, JSCC receives clearing deposits (Margin funds for derivatives, Deposits for clearing funds, Deposits as collateral for facilitating settlement, and Margin funds for when-issued transactions) from clearing participants, in accordance with the Securities and Exchanges Law and relevant ordinances and rules, in order to cover risks arising from participants' default from trade execution to settlement. Assets to be deposited are either cash or certain collateral securities defined by the provision of the rules of JSCC. These deposits are segregated from JSCC's own assets, and the cash deposits are shown on the assets or liabilities section of the balance sheet under the account titles representing the purpose of deposits. The market values of collateral securities at the end of the fiscal year are as follows:

	Thousands of Millions of Yen	U.S.dollars
	2007	2007
1) Collateral securities as Margin funds for derivatives	1,032,253	8,744,206
2) Collateral securities as clearing funds	278,443	2,358,693
3) Collateral securities as collateral for facilitating settlement	167,053	1,415,104
4) Collateral securities as Margin funds for when-issued transactions	552	4,679

5. Notes to Statement of Income

Volume of transactions with related companies

	Thousands of Millions of Yen	U.S.dollars
	2007	2007
1) Sales to related companies (operating revenues)	434	3,681
2) Purchases from related companies (operating expenses)	5,626	47,659

6. Notes to Statement of Changes in Net Assets

The class and number of outstanding stocks are as follows:

	2007
Common Stock	30,000 shares

7. Notes to Deferred Income Taxes

Principal components of deferred income taxes as of March 31, 2007 are accrued enterprise taxes and others.

8. Notes to Fixed Assets with lease contracts

In addition to fixed assets on the balance sheet, certain equipment and furniture are used under finance lease contracts which are deemed not to transfer the ownership of the leased assets to the lessee.

9. Related Party Transactions

As of March 31, 2007

Parent company and principal shareholder Millions of Yen (Thousands of U.S. dollars)

Attribute	Parent company
Name of related company	Tokyo Stock Exchange, Inc.
Percentage of equity ownership	(Possessed by) Directly 86.3%
Business Relationship	Entrustment of clearing system processing
Description of the company's transactions	Payment of entrustment fees for clearing system processing
Amount of transactions	5,159 (43,708)
Account	Accounts payable-trade
Balance as of March 31, 2007	485 (4,111)

1. Above mentioned amount of transactions excludes consumption taxes, but balance as of March 31, 2007 includes consumption taxes.

2. Transaction conditions and policies regarding decisions on transaction conditions:

At the beginning, entrustment fees for clearing system processing were determined based on the offer in the competition, and at the subsequent revisions, the fees have been determined based on the negotiation after the offer from Tokyo Stock Exchange, Inc.

10. Per Share Information

	Yen	U.S. dollars
	2007	2007
1) Net assets per share	352,447.28	2,985.57
2) Earnings per share	105,299.72	891.99

Report of Independent Auditors

To the Board of Directors and Shareholders of Japan Securities Clearing Corporation

We have audited the accompanying balance sheet of Japan Securities Clearing Corporation as of March 31, 2007, and the related statements of income and changes in net assets for the year then ended, all expressed in Japanese yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Securities Clearing Corporation as of March 31, 2007, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 3, effective for the year ended March 31, 2007, Japan Securities Clearing Corporation adopted the new accounting standards for presentation of net assets in the balance sheet and for directors' bonus.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying financial statements.

Mitsugu Audit Corporation

A network firm of PricewaterhouseCoopers
Tokyo, Japan
May 11, 2007

Clearing participants

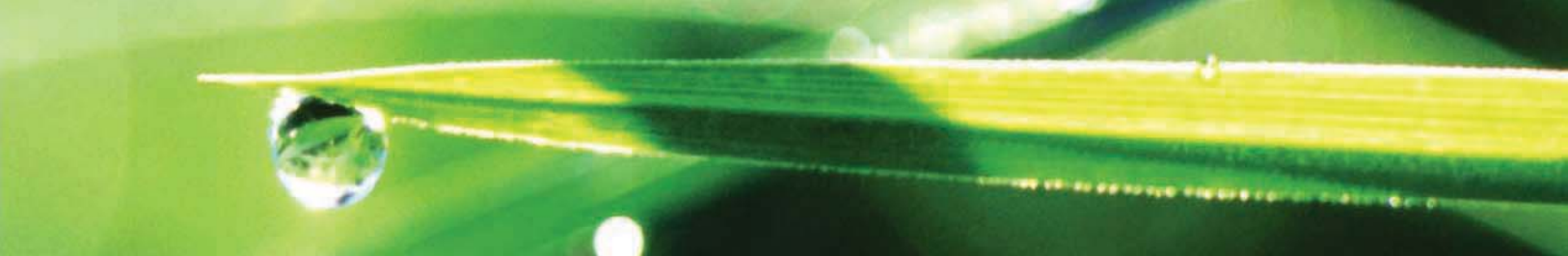
(As of August 1, 2007)

a = Cash products
b = JGB Futures & Options on JGB Futures
c = Stock index futures & options
d = Equity options

Principal Clearing Participant: ○ Agency Clearing Participant: ★

	a	b	c	d
A ABN AMRO Securities (Japan) Limited	—	○	○	—
ACE SECURITIES CO.,LTD.	○	○	○	○
The Aichi Bank, Ltd.	—	○	—	—
AIZAWA SECURITIES CO.,LTD.	○	○	○	○
AKAKIYA SECURITIES CO.,LTD.	○	○	○	○
ALPS SECURITIES CO.,LTD.	○	○	○	○
ANDO SECURITIES CO.,LTD.	○	○	○	○
The Aomori Bank, Ltd.	—	○	—	—
Aozora Bank, Ltd.	—	○	—	—
ARK SECURITIES CO.,LTD.	○	○	○	○
The Awa Bank, Ltd.	—	○	—	—
B THE BANK OF FUKUOKA, LTD.	—	○	—	—
The Bank of Ikeda, Ltd.	—	○	—	—
The Bank of Kyoto, Ltd.	—	○	—	—
THE BANK OF SAGA LTD.	—	○	—	—
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	○	—	—
The Bank of Yokohama, Ltd.	—	○	—	—
Barclays Capital Japan Limited	○	○	○	○
Bear Stearns (Japan) , Ltd.	○	○	○	○
BNP PARIBAS Securities (Japan) Limited	○	○	○	○
Bright Securities Company,Limited	○	○	○	○
C Calyon Capital Markets Asia B.V.	○	○	○	○
The Chiba Bank, Ltd.	—	○	—	—
CHUBU SECURITIES FINANCING CO.,LTD.	○	—	—	—
The Chugoku Bank, Limited	—	○	—	—
The Chuo Mitsui Trust and Banking Company, Limited	—	○	—	—
Chuo Securities Co.,Ltd.	○	○	○	○
Cosmo Securities Co.,Ltd.	★	○	○	○
Credit Suisse Securities (Japan) Limited	○	○	○	○
D The Dai-ichi Mutual Life Insurance Company	—	○	—	—
Daiko Clearing Services Corporation	★	★	★	★
Daiman Securities Co., Ltd.	○	—	—	—
DAISEI SECURITIES CO.,LTD.	○	○	○	○
The Daishi Bank, Ltd.	—	○	—	—
Daiwa Securities Co.Ltd.	○	○	○	○
Daiwa Securities SMBC Co.Ltd.	○	○	○	○
Deutsche Securities Inc.	○	○	○	○
DOJIMAKANTO Securities Co.,Ltd.	○	○	○	○
DRESDNER KLEINWORT (JAPAN) LIMITED	○	○	○	○
E The Eighteenth Bank, Limited	—	○	—	—
Eiwa Securities Co.,Ltd.	○	○	○	○
G Goldman Sachs Japan Co ., Ltd .	○	○	○	○
The Gunma Bank, Ltd.	—	○	—	—
H H.S. SECURITIES CO.,LTD.	○	○	○	○
The Hachijuni Bank, Ltd.	—	○	—	—
Hibiki Securities Inc.	○	—	—	—

	a	b	c	d
The Higo Bank, Ltd.	—	○	—	—
THE HIKARI SECURITIES CO.,LTD.	○	○	○	○
HINODE SECURITIES CO.,LTD.	○	○	○	○
HIROTA SECURITIES CO.,LTD.	○	○	○	○
The Hokkoku Bank, Ltd.	—	○	—	—
The Hokuetsu Bank, Ltd.	—	○	—	—
The Hokuriku Bank, 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.	○	○	○	○
INSTINET JAPAN LIMITED	○	○	○	○
INVEST SECURITIES CO., LTD.	○	○	○	○
Iwai Securities Co.,Ltd.	○	○	○	○
IXIS Corporate & Investment Bank	○	○	○	○
J JP Morgan Securities Japan Co., Ltd.	○	○	○	○
Japan Asia Securities Co.,Ltd.	○	○	○	○
JAPAN SECURITIES AGENTS,LTD.	○	—	—	—
JAPAN SECURITIES FINANCE CO.,LTD.	○	—	—	—
Jefferies (Japan) Limited	○	—	—	—
JET Securities, Inc.	○	—	○	○
The Johnan Shinkin Bank	—	○	—	—
The Joyo Bank, Ltd.	—	○	—	—
The Juroku Bank, Ltd.	—	○	—	—
Jyoko Securities Co.,Ltd.	○	—	—	—
Jyujiya Securities Co.,Ltd.	○	○	○	○
K kabu.com Securities Co.,Ltd.	○	—	○	○
THE KAGAWA BANK, LTD.	—	○	—	—
THE KAGOSHIMA BANK, LTD.	—	○	—	—
KANEJU SECURITIES CO.,LTD.	○	○	○	○
Kaneyama Securities Co.,Ltd.	○	○	○	○
Kaneyoshi Securities Co., Ltd.	○	—	—	—
KAZAKA Securities Co., Ltd.	○	○	○	○
KBC FINANCIAL PRODUCTS UK LIMITED	○	○	○	○
The Keiyo Bank, Ltd.	—	○	—	—
KIMURA SECURITIES CO.,LTD.	○	○	○	○
The Kiyo Bank, Ltd.	—	○	—	—
The Kosei Securities Co.,Ltd.	○	○	○	○
KUROKAWAKITOKU SECURITIES CO.,LTD.	○	○	○	○
KYOKUTO SECURITIES CO.,LTD.	○	○	○	○
Kyowa Securities Co.,Ltd.	○	○	○	○
L Lehman Brothers Japan Inc.	○	○	○	○
M Macquarie Securities (Japan) Limited	○	—	—	—
MAEDA SECURITIES CO.,LTD.	○	○	○	○
Marufuku Securities Co.,Ltd.	○	○	○	○



	a	b	c	d
Maruhachi Securities Co.,Ltd.	○	○	○	○
MARUKUNI SECURITIES CO.,LTD.	○	○	○	○
Marusan Securities Co.,Ltd.	○	○	○	○
MARUWA SECURITIES CO.,LTD.	○	○	○	○
MATSUI SECURITIES CO.,LTD.	○	○	○	○
MEIWA SECURITIES CO.,LTD.	○	○	○	○
Merrill Lynch Japan Securities Co.,Ltd.	★	○	○	○
MIKI SECURITIES CO.,LTD.	○	○	○	○
MITA SECURITIES Co.,Ltd.	○	—	—	—
Mito Securities Co.,Ltd.	○	○	○	○
Mitsubishi UFJ Securities Co., Ltd.	○	○	○	○
Mitsubishi UFJ Trust and Banking Corporation	—	○	—	—
Mizuho Bank, Ltd.	—	○	—	—
Mizuho Corporate Bank, Ltd.	—	○	—	—
Mizuho Investors Securities Co.,Ltd.	○	○	○	○
Mizuho Securities Co.,Ltd.	○	○	○	○
Mizuho Trust & Banking Co.,Ltd.	—	○	—	—
Monex, Inc.	○	—	—	—
Morgan Stanley Japan Securities Co., Ltd.	○	○	○	○
The Murosei Securities Co.,Ltd.	○	○	○	○
NAGANO SECURITIES CO.,LTD.	○	○	○	○
NAITO SECURITIES CO.,LTD.	○	○	○	○
The Nakahara Securities Co.,Ltd.	○	○	○	○
The Naruse Securities Co.,Ltd.	○	○	○	○
NETWING SECURITIES CO., LTD.	○	○	○	○
New-S Securities Co.,Ltd.	○	—	—	—
Niigata Securities Co.,Ltd.	○	○	○	○
Nikko Cordial Securities Inc.	○	○	○	○
Nikko Citigroup Limited	○	○	○	○
NIPPON LIFE INSURANCE COMPANY	—	○	—	—
NIS Securities Co.,Ltd.	○	○	○	○
NISHIMURA SECURITIES CO.,LTD.	○	○	○	○
THE NISHI-NIPPON CITY BANK, LTD.	—	○	—	—
NISSAN CENTURY SECURITIES CO., LTD.	○	○	○	○
Nomura Securities Co.,Ltd.	○	○	○	○
The Norinchukin Bank	—	○	—	—
Nozomi Securities Co.,Ltd.	○	○	○	○
The Ogaki Kyoritsu Bank, Ltd.	—	○	—	—
THE OITA BANK, LTD.	—	○	—	—
OKACHI SECURITIES CO.,LTD.	○	○	○	○
OKASAN SECURITIES CO.,LTD.	★	○	○	○
OKAYASU SECURITIES, Co.,Ltd	○	—	—	—
ORIX Securities Corporation	○	○	○	○
Osaka Securities Finance Co.,Ltd.	○	—	—	—
Phoenix Securities Co., Ltd.	○	—	—	—
Rakuten Securities, Inc.	○	○	○	○

	a	b	c	d
Resona Bank, Limited	—	○	—	—
Retela Crea Securities Co.,Ltd.	○	○	○	○
San-ei Securities Co.,Ltd.	○	○	○	○
The San-in Godo Bank, Ltd.	—	○	—	—
SANKO SECURITIES CO.,LTD.	○	○	○	○
Sankyo Securities Co., Ltd.	○	—	—	—
SBI Securities Co., Ltd.	○	○	○	○
SBI E*TRADE SECURITIES Co., Ltd.	○	○	○	○
THE SEIBU SHINKIN BANK	—	○	—	—
The 77 Bank, Ltd.	—	○	—	—
THE SHIGA BANK, LTD.	—	○	—	—
THE SHIMIZU BANK, LTD.	—	○	—	—
Shinkin Central Bank	—	○	—	—
Shinkin Securities Co., Ltd.	—	○	—	—
Shinko Securities Co.,Ltd.	○	○	○	○
THE SHIZUOKA BANK, LTD.	—	○	—	—
The Shoko Chukin Bank	—	○	—	—
SIEG SECURITIES CO.,LTD.	○	—	—	—
Sinsei Bank, Limited	—	○	—	—
SMBC Friend Securities Co.,Ltd.	○	○	○	○
Societe Generale Securities(North Pacific) Ltd.	○	○	○	○
Socius Securities Co.,Ltd.	○	○	○	○
Sumitomo Mitsui Banking Corporation	—	○	—	—
The Sumitomo Trust and Banking Company, Limited	—	○	—	—
Sunrise Capital Corporation	○	○	○	○
Suruga Bank Ltd.	—	○	—	—
TAKAGI SECURITIES CO.,LTD.	○	○	○	○
The Tama Shinkin Bank	—	○	—	—
THE TACHIBANA SECURITIES CO.,LTD.	○	○	○	○
Tokai Tokyo Securities Co.,Ltd.	○	○	○	○
THE TOKUSHIMA BANK, LTD.	—	○	—	—
THE TOKYO HIGASHI SHINKIN BANK	—	○	—	—
The Tokyo Tomin Bank, Limited	—	○	—	—
TOYO SECURITIES CO.,LTD.	○	○	○	○
Tsukamoto Securities Co., Ltd.	○	—	—	—
UBS Securities Japan Ltd.	○	○	○	○
unimat-yamamaru Securities Co., Ltd.	○	○	○	○
UTSUMIYA SECURITIES CO.,LTD.	○	○	○	○
The Yachiyo Bank, Limited	—	○	—	—
YAHATA SECURITIES CO.,LTD.	○	○	○	○
The Yamaguchi Bank, Ltd.	—	○	—	—
Yamani Securities Co.,Ltd.	○	○	○	○
YAMAWA SECURITIES CO.,LTD.	○	○	○	○
The Yutaka Securities Co.,Ltd.	○	○	○	○

Board of Directors and Auditors

Member of the Board
Eiji Watanabe
(Senior Executive Managing Director,
Nikko Cordial Securities Inc.)

Member of the Board
Seiji Miyauchi
(Senior Executive Officer,
KYOKUTO SECURITIES CO., LTD.)

Member of the Board
Hideki Ishibashi
(Managing Director, Legal and Compliance,
Credit Suisse Securities (Japan) Limited)



Statutory Auditor
Shigeru Nakajima
(Attorney-at-law)

Member of the Board
Yusuke Yamada
(Executive Managing Director,
NOMURA SECURITIES CO., LTD.)

Member of the Board
Akio Takahashi
(Senior Executive Officer,
Daiwa Securities SMBC Co. Ltd.)

President & CEO
Yoshimasa Yamashita

Corporate Data (As of August 1, 2007)

■ Company Name	Japan Securities Clearing Corporation
■ President & CEO	Yoshimasa Yamashita
■ Head Office	2-1, Nihombashi-Kabuto-cho, Chuo-ku, Tokyo 103-0026, Japan
■ TEL	+81-3-3665-1234
■ URL	http://www.jscc.co.jp
■ Date of Incorporation	July 1, 2002 (Commenced business on January 14, 2003)
■ Capital	1.7 billion yen
■ Shareholders	<ul style="list-style-type: none"> •Tokyo Stock Exchange, Inc. •Osaka Securities Exchange Co., Ltd. •Jasdaq Securities Exchange, Inc. •Nagoya Stock Exchange, Inc. •Fukuoka Stock Exchange •Sapporo Securities Exchange

Member of the Board
Masakazu Kubota
 (Managing Director,
 Japan Business Federation)

Member of the Board
Yasuo Tobiyama
 (Senior Managing Director, COO & CFO,
 Tokyo Stock Exchange, Inc.)

Standing Statutory Auditor
Sakae Tanaka



Executive Director & General Manager
Hirokazu Fujisawa

Member of the Board
Shigeharu Kobayashi
 (Executive Managing Director,
 JASDAQ Securities Exchange, Inc.)

Member of the Board
Mikio Hinoide
 (Branch Manager, Tokyo Branch,
 Osaka Securities Exchange Co., Ltd.)

Statutory Auditor
Tsutoo Matsumoto
 (CPA)

Organization Chart (As of August 1, 2007)

