

# *Japan Securities Clearing Corporation*



Annual Report

**2010**

FOR THE YEAR ENDED MARCH 31, 2010



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## About JSCC

Japan Securities Clearing Corporation (JSCC) is a unified cross-market clearing organization in Japan.

### ■ Objectives of Incorporation

To improve the efficiency and convenience of the market and to ensure safety in settlement

In January 2003, Japan Securities Clearing Corporation (JSCC) was licensed as the first clearing organization in Japan to conduct the Securities Obligation Assumption Service (current Financial Instruments Obligation Assumption Service) and commenced its operations. The birth of JSCC led to dramatic improvements in the efficiency and convenience of the securities market by consolidating the clearing of securities transactions that used to be performed separately by individual markets.

### ■ Corporate Philosophy

We endeavor to enhance the competitiveness of Japanese securities and derivatives markets by improving the efficiency, convenience and safety in post-trade processing infrastructure.

Under its corporate philosophy, JSCC is committed to continuing to provide the clearing and settlement infrastructure for securities markets as Japan's core clearing organization and steadfastly fulfill its role as such.

## History

#### July 2002

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

#### January 2003

Licensed as the first clearing organization in Japan to conduct the Securities Obligation Assumption Service (current Financial Instruments Obligation Assumption Service), and commenced clearing of cash transactions.

#### December 2003

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

#### February 2004

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

#### June 2004

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

#### January 2008

Released the "Comprehensive Improvement Plan of the Risk management System".

#### March 2009

Released the "Report on Improvements of Post-Trade Processing of OTC Derivatives Trades" by the Study Group which consisted of major financial institutions.

#### June 2009

Added TOKYO AIM as a designated market operator.

#### June 2010

Announced a plan to introduce clearing services for OTC derivatives trades.

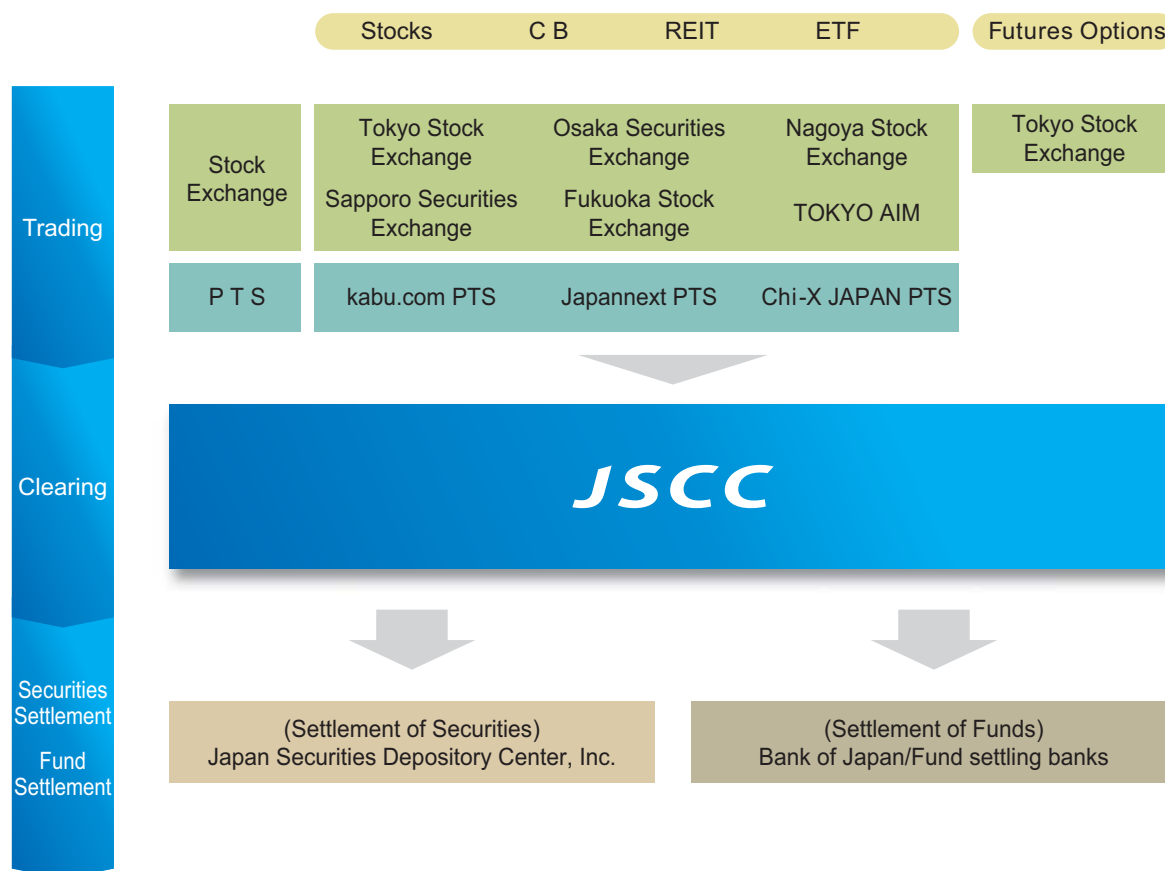
#### July 2010

Commenced clearing business for Proprietary Trading System (PTS) trades.

# Roles as a Cross-market Clearing Organization in Japan

## Roles of JSCC in Japan's Securities Markets

Japan Securities Clearing Corporation (JSCC) provides the clearing services for all cash transactions executed at any of the stock exchanges and three PTSs (proprietary trading system) in Japan, as well as futures and options transactions executed at the Tokyo Stock Exchange, Inc.



## Services to Securities Infrastructures

### 【Services relating to various monitoring procedures】

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

Japan Government Bond Clearing Corporation

JASDEC DVP Clearing Corporation

Services relating to various monitoring procedures

**JSCC**

(Integrated point of contact with participants)

Services relating to management of participant bonds

Tokyo Stock Exchange

### 【Services relating to management of participant bonds】

JSCC is entrusted with management operations relating to participant bonds that participants deposit with Tokyo Stock Exchange, Inc. As a result, JSCC serves as an integrated point of contact for participants to deposit various forms of collateral, including clearing funds.



## MESSAGE FROM THE PRESIDENT

# Activities and Achievements in Fiscal Year 2009

In line with its corporate philosophy, “to enhance the competitiveness of Japanese securities and derivatives markets by improving the efficiency, convenience and safety in post-trade processing infrastructure”, JSCC focused its efforts on the following areas in fiscal year 2009.

### Efforts toward More Reliable Operational Capability

In terms of the further strengthening of risk management functions as a clearing organization, JSCC implemented the revision of evaluation method for collateral securities according to the “Comprehensive Improvement Plan of the Risk Management System”. In addition, JSCC reviewed the effectiveness of the collateral model and stress test scenarios. As part of preparations for the introduction of the intra-day collateral deposit system, JSCC started accepting transaction data during business hours in addition to conducting a preliminary research of the collateral system of foreign clearing organizations.

In terms of the system base, JSCC increased the processing capacity of the clearing system from 21.80 million to 28 million transactions per day, in connection with the launch of the TSE's new stock trading system, “arrowhead”.

From the viewpoint of BCP (business continuity plan), JSCC conducted a drill to switch from main site system operation to back-up site system operation in cooperation with Japan

Securities Depository Center, Inc. (JASDEC) in order to accumulate business operation know-how in emergency situations.

Other actions include the implementation of Enterprise Risk Management (ERM) to further reduce operational risk.

### Expansion of Clearing Functions

With a view to providing clearing services for OTC derivatives (interest rate swap (IRS) and credit default swap (CDS)), JSCC set up the “Working Group on Clearing Operations for OTC Derivatives Trades” and proceeded with preparations, such as considering the concrete operation model and system structure.

In addition, for the purpose of contributing to the reduction in settlement risks concerning rapidly growing PTS trades, JSCC released a plan to accept those trades as trades eligible for clearing in October 2009 and started assuming obligations for those trades in July 2010. As of August 2010, JSCC provides its clearing services for trades executed on kabu.com PTS, Japannext PTS and Chi-X Japan PTS.

# Future Outlook and Issues

Through the global efforts in settlement risk reduction following the financial crisis of 2008, progress toward the more active use of central counter party (CCP) function has been made. In Japan, the bill for amendment of the Financial Instruments and Exchange Act passed the Diet on May 12, 2010, mandating the use of CCP for OTC derivatives trades, specifically for IRS which is widely traded among the Japanese financial institutions and for CDS whose market is rapidly growing.

On the other hand, as the push for the greater use of clearing has been gaining momentum, concerns have been raised over the concentration of counterparty risk among the market participants and the authorities.

Under these circumstances, the CPSS/IOSCO announced their intention to update the “Recommendations for Central Counterparties 2004” so that CCPs meet higher standards in terms of risk management ability. In addition, the Basel Committee on Banking Supervision is proposing that transactions cleared by CCPs which do not meet the CPSS/IOSCO standards should be required a capital charge. In view of these situations, JSCC will focus on the following areas under its business plan.

## Further Expanding Clearing Service

Considering the wide experiences and know-how JSCC has accumulated through the clearing of exchange-traded equities, futures and options, JSCC believes that it can contribute to the development of the Japanese financial and capital markets by expanding the scope of its clearing services to include more diversified products. JSCC thus sets “Further Expansion of Clearing Service” as the first pillar of its business policy.

More specifically, JSCC will focus on:

- Working on the concrete operation model, system structure, cost analysis, etc. with respect to the clearing services for OTC derivatives products.
- Providing the clearing services for new products listed on the exchanges and actively developing post-trade infrastructure to satisfy the needs of market participants.
- Starting considering the upgrading of clearing system to enhance its functions.

## Further Strengthening Risk Management System

JSCC, as the core clearing organization in Japan, has worked on various measures such as reviewing the risk management system or strengthening BCP-related activities in order to gain more trust of stakeholders. These efforts are based on our view that providing a more robust risk management system is most important. Thus, JSCC sets “Further Strengthening Risk Management System” as the second pillar of its business policy.

More specifically, JSCC will focus on:

- Starting discussion with participants for the introduction of the intra-day collateral call.
- Continuing efforts for the enhancement of the quality of the risk management functions while keeping up with the updating of CPSS/IOSCO's “Recommendations for Central Counterparties”.
- Strengthening the basic business functions by improving the IT security standards and enhancing the quality of operations.

# Concluding Remarks

JSCC has been providing clearing services for a wide range of products, from cash to derivatives in Japan's securities markets. As a core clearing organization, we will continue pursuing the improvement in efficiency, convenience and safety through our services while reflecting the views of market players. We believe that in doing so, we can contribute to the development of the Japanese financial and capital markets.

On behalf of JSCC, I respectfully request your continuing support and cooperation with our endeavors.



飛山 康雄

Yasuo Tobiyama  
President and CEO  
August 2010



The background is a solid blue color with a complex pattern of white, semi-transparent lines and numbers. The lines are of varying thickness and orientation, some straight and some curved, creating a sense of depth and movement. Numbers, including '258', '9016', '8715', and '324', are scattered throughout the composition, appearing as if they are floating or layered within the lines. The overall effect is a high-tech, digital aesthetic.

**Expanding Services Even Further**



## Launch of Clearing Services for PTS Trades

In July 2010, JSCC became the first clearing organization to assume obligations for trades executed on PTS. As of August 2010, JSCC provides its clearing services to three PTSs (kabu.com PTS, Japannext PTS, and Chi-X Japan PTS).

Through the clearing of PTS trades, JSCC becomes the counterparty to those trades, and as the same time, guarantees settlements. Specifically, the introduction of CCP function to PTS removed counterparty risk, the risk of incurring losses due to a counterparty's failure to meet its settlement obligations, to which PTS participating firms had been exposed, in addition to increasing the security of PTS trades (see Figure 1).

In addition, since PTS trades cleared through JSCC are netted with exchange trades, the settlement efficiency has improved (see Figure 2).

Figure 1: Counterparty Risk when Securities Company A Trades

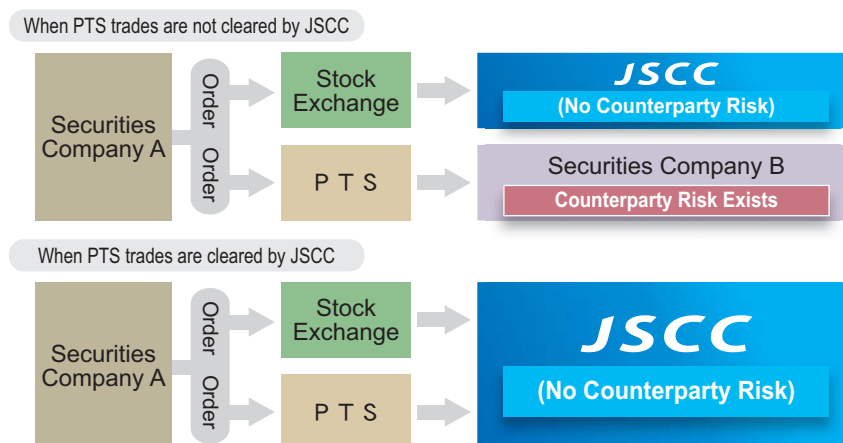
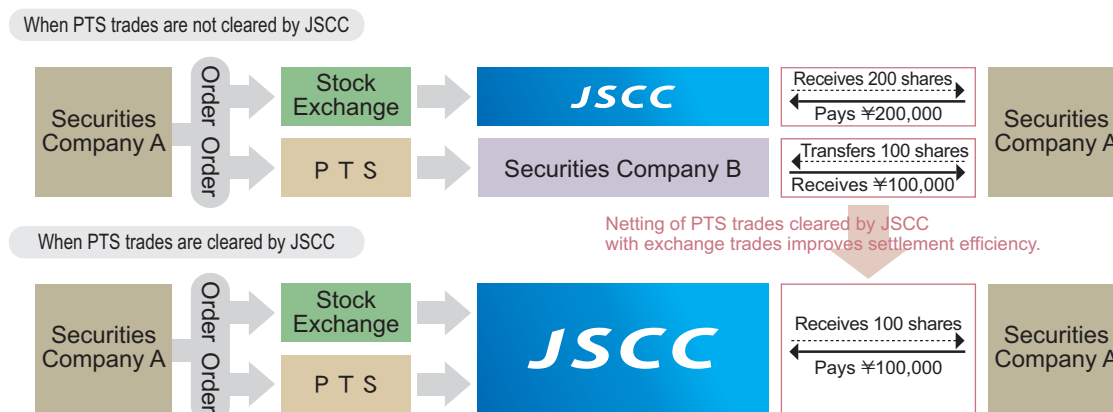


Figure 2

Example: Securities Company A places a buy order (200 shares of Company X at ¥1,000 per share (total: ¥200,000)) to the Stock Exchange and places a sell order (100 shares of Company X at ¥1,000 per share (total: ¥100,000)) to PTS.

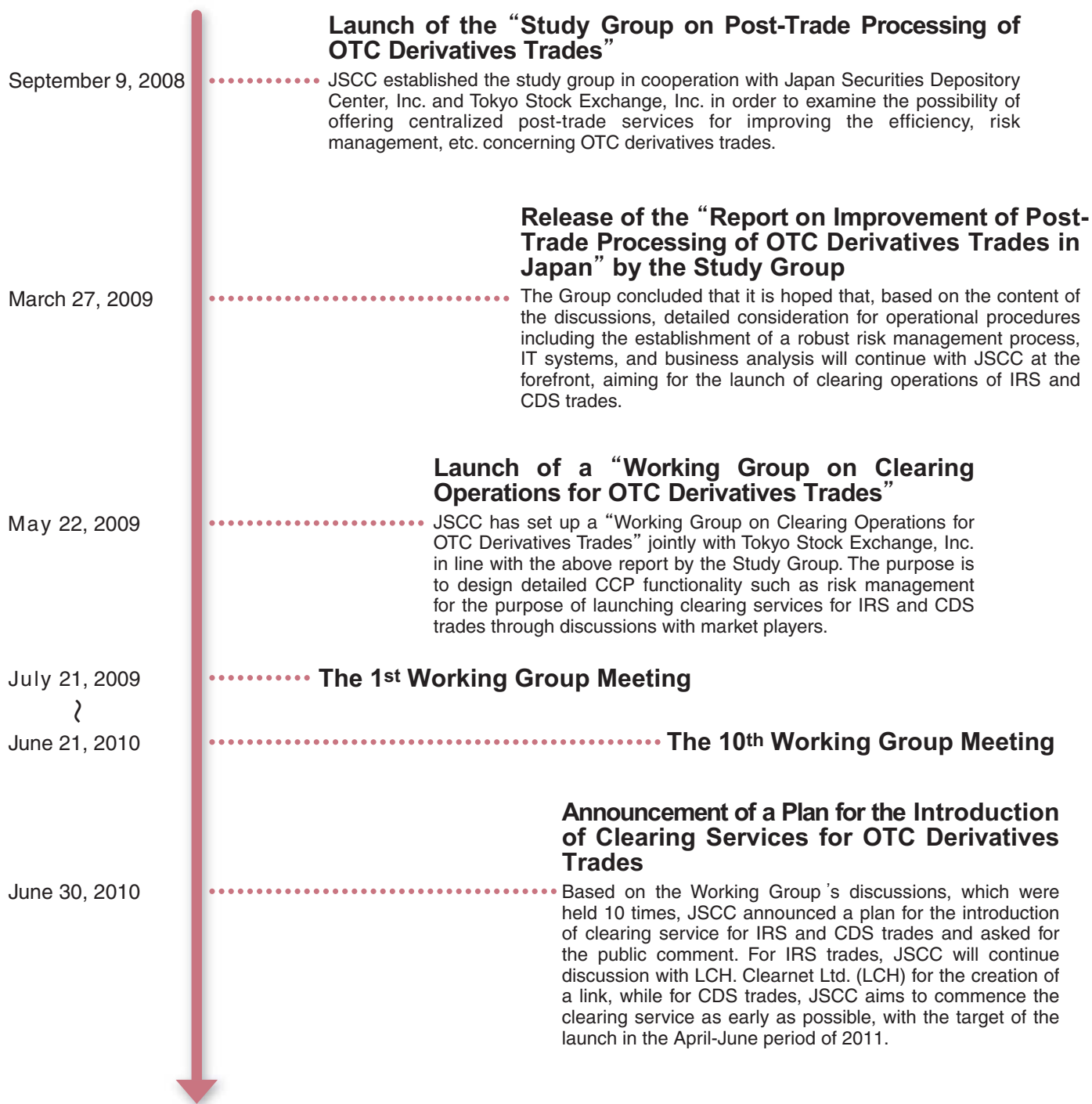




## **Expanding Services Even Further**

## Examination of the Introduction of Clearing Services for OTC Derivatives Trades

JSCC is now preparing for the introduction of clearing services for widely-traded IRS trades and rapidly-expanding CDS trades for the purpose of improving the security and transparency of OTC derivatives trades. The details are as follows:



The background of the slide is a close-up, slightly blurred image of a clock face. The clock is white with black hands and numbers. A semi-transparent teal overlay covers the entire image, creating a monochromatic effect. The text is centered in the upper half of the image.

## **Securing Reliability in Settlement**

## Basic Policy for Risk Management

**J**apan Securities Clearing Corporation (JSCC) assumes obligations for all cash transactions such as for stocks, etc. at all stock exchanges and three PTSs in Japan as well as futures and options transactions executed at the Tokyo Stock Exchange, Inc. Accordingly, JSCC provides the basis for assuring the overall quality of the securities markets as a vital organization in maintaining their stability and reliability.

As JSCC assumes the credit risks and settlement risks of clearing participants in a concentrated manner, it needs to recognize and manage these risks appropriately. Therefore, JSCC has established a set of financial standards for all clearing participants from the perspective of managing their credit risks. JSCC constantly monitors the financial standing of clearing participants to ensure the appropriateness of their positions. In addition, JSCC employs a DVP (Delivery Versus Payment) settlement system as its settlement method, which eliminates the principal risk arising from a default.

As JSCC becomes the counterparty to transactions involving clearing participants for which JSCC has assumed the obligations, JSCC is required to complete the settlement of the transactions with the other participants, even in the event of the default of a clearing participant. Therefore, JSCC has a settlement guarantee system in place, under which a multi-tiered framework works to compensate for any losses incurred in the event of a default by a clearing participant. This structure is built on the principle that the defaulting party is primarily responsible for the compensation of losses by appropriating its collateral and any remaining losses are met with loss compensation by stock exchanges, PTSs, and other funds collected from other clearing participants.



## Clearing Participant Qualifications

JSCC has defined the qualifications to become a clearing participant (entrance and maintenance requirements) and regularly monitors the management structure, ability to conduct business and financial standing of clearing participants. If there are significant problems in relation to these matters, JSCC has the right to suspend the assumption of its obligations and revoke its qualification as a clearing participant.

There are four categories of clearing qualifications: Cash Products, JGB Futures & Options on JGB Futures, Index Futures & Options and Securities Options. Within each of these categories are two classes: Principal Clearing Qualification and Agency Clearing Qualification. Agency Clearing Qualification enables clearing for the transactions of other participants, as well as a clearing participant's own transactions.

### Entry requirements

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

### Maintenance requirements

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%

## Position Management System

When a clearing participant holds an excessive volume of positions in relation to its financial base, probabilities of a default by the participant are heightened if the position risk materializes as losses. Depending on the size of the losses, collection of a special clearing charge from other participants may become necessary in order to compensate such losses. In order to prevent such a situation from occurring, JSCC monitors unsettled positions of participants on a daily basis. When JSCC finds a clearing participant that is exposed to excessively high levels of risk, JSCC has the right to take the following measures.

### Request a report concerning the risk

When the estimated amount of the position risk of a participant exceeds a certain ratio in relation to its own capital, the participant is required to report the reasons therefor, etc.

### Increase collateral amount

When it is identified from the report on risk factors, etc. that a clearing participant is exposed to an excessively high level of risk, JSCC has the right to take measures including increasing the collateral amount up to the necessary level.

### Issue instructions to improve positions

Despite the fact that measures including increase in the collateral amount have been taken, if the situation that triggered such measures persists, or it is deemed necessary to promptly resolve any concern over certainty of fulfillment of obligations to JSCC by the clearing participant because, for instance, the positions are further increased, then JSCC has the right to instruct the clearing participant concerned to improve its position status up to the necessary level.\*

\*This measure is applicable only to derivatives transactions.

## Efforts toward Preparations for a Participant's Default

### Actions in case of a default

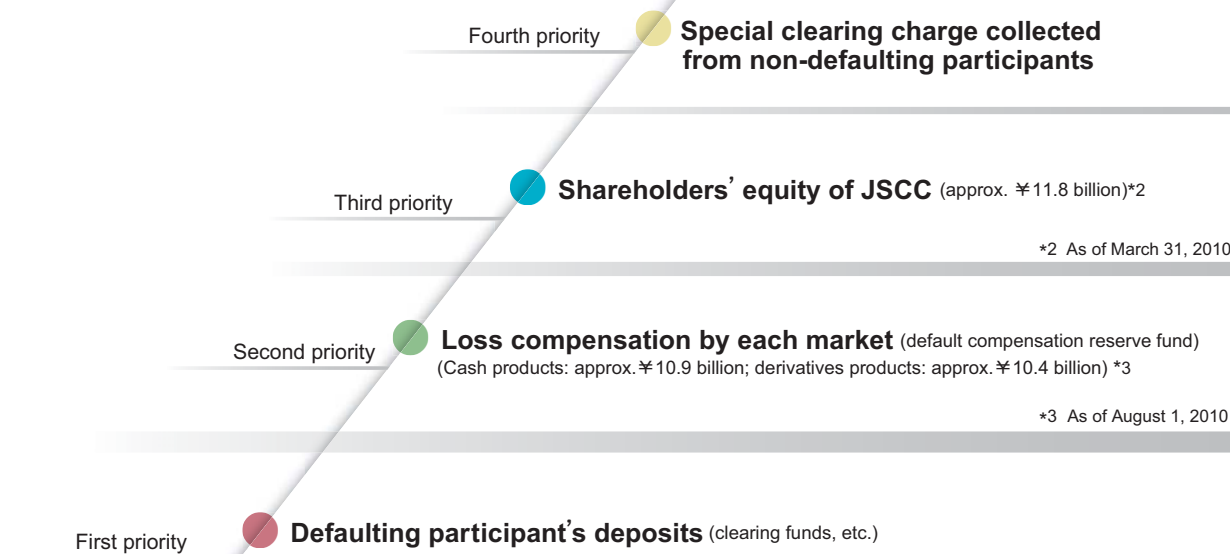
In the event of a clearing participant's default, JSCC is required to complete the settlement of the transactions with the other participants since JSCC becomes the counterparty to transactions for which JSCC assumes the obligation. As the guarantee scheme in case of a participant's default, JSCC first suspends the delivery of the settlement funds and securities to the defaulting participant. JSCC then conducts transactions to offset the unsettled contracts of the defaulting participant, while at the same time selling the securities whose delivery was suspended so as to determine the amount of the loss resulting 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 the agreements on liquidity provision 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 clearing participant's default, the loss is compensated for in the following order:

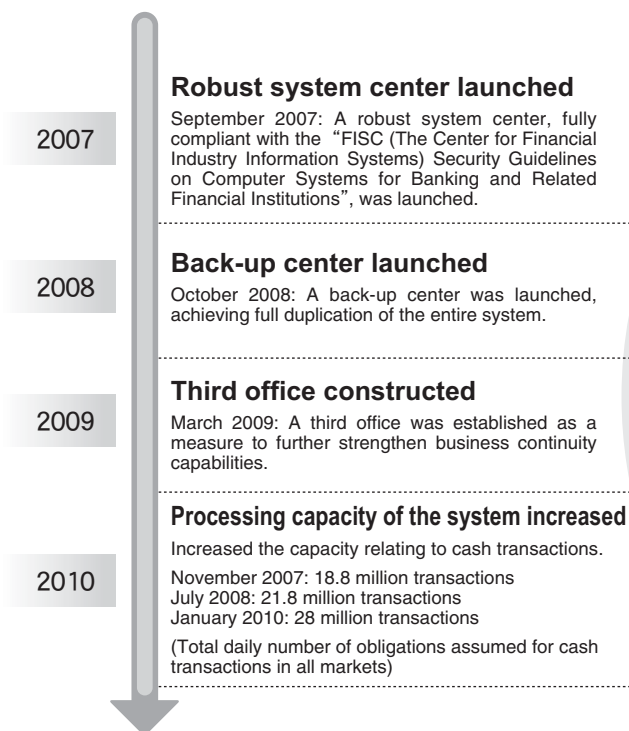
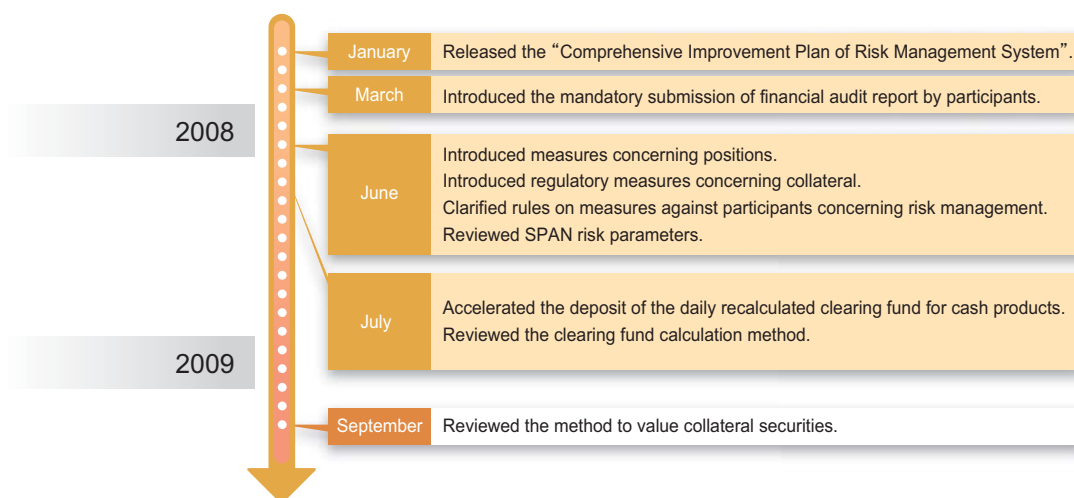




## **Securing Even Higher Levels of Stability in Settlement**

## Comprehensive Improvement Plan of Risk Management System

Since clearing organizations assume clearing participants' credit risks and settlement risks in a concentrated manner, enhancing risk management functions is essential in order to avoid systemic risks. JSCC has implemented various initiatives to achieve a high standard risk management system from both a domestic and global perspective, based on the "Comprehensive Improvement Plan of the Risk Management System", which was released in January 2008.



### Efforts toward the Reinforcement of the System Base

Based on the discussions at the Securities Market BCP Council\*, JSCC launched the back-up center in October 2008, achieving full duplication of the system. In addition, JSCC established the third office in March 2009 to ensure stable and reliable operations in emergency situations.

JSCC is continually making efforts to improve the safety and reliability by reviewing the system base and taking appropriate measures as needed.

\*Established for the purpose of studying BCP 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.



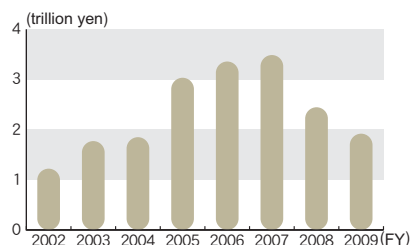
## **Business Data and Statistics**



## Obligation Assumption Values

Cash products(daily average)

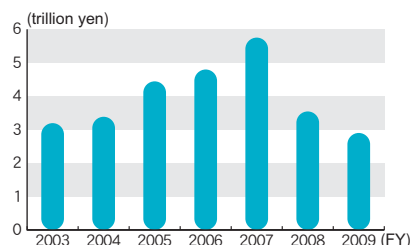
¥1.918 trillion



JGB Futures

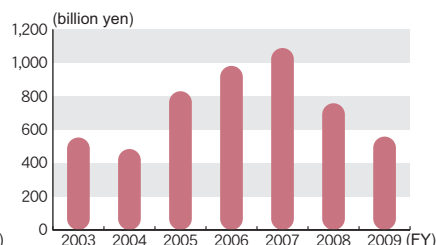
(Face value-based, daily average)

¥2.900 trillion



Index Futures(daily average)

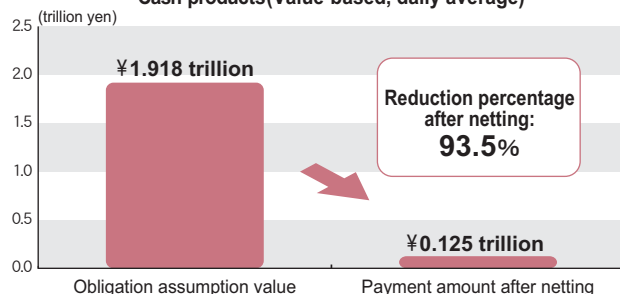
¥558.3 billion



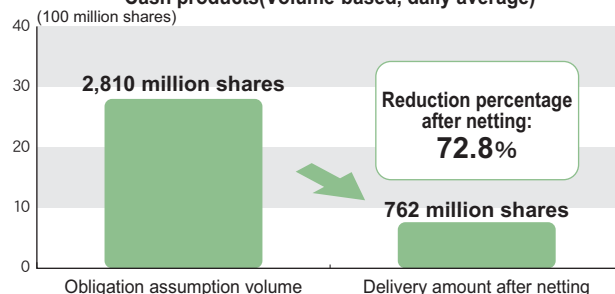
## Netting

Netting has improved the efficiency of settlement significantly.

Cash products(Value-based, daily average)

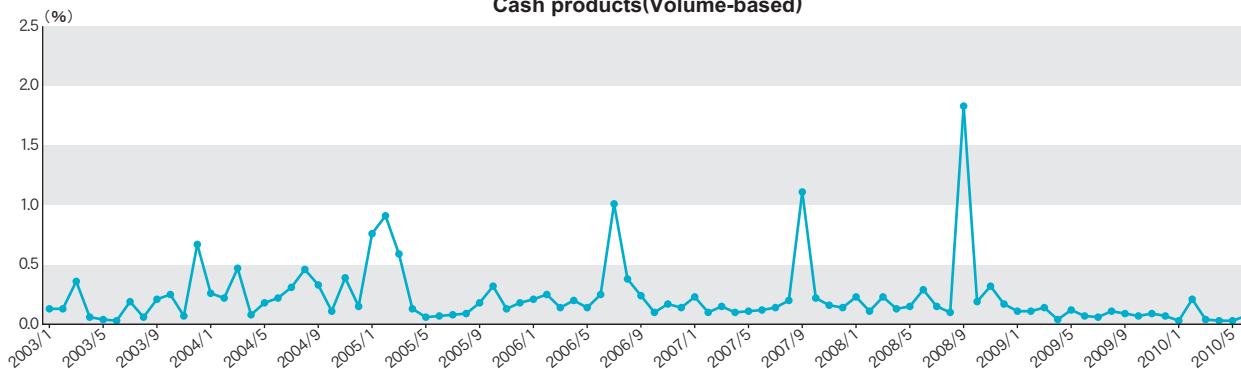


Cash products(Volume-based, daily average)

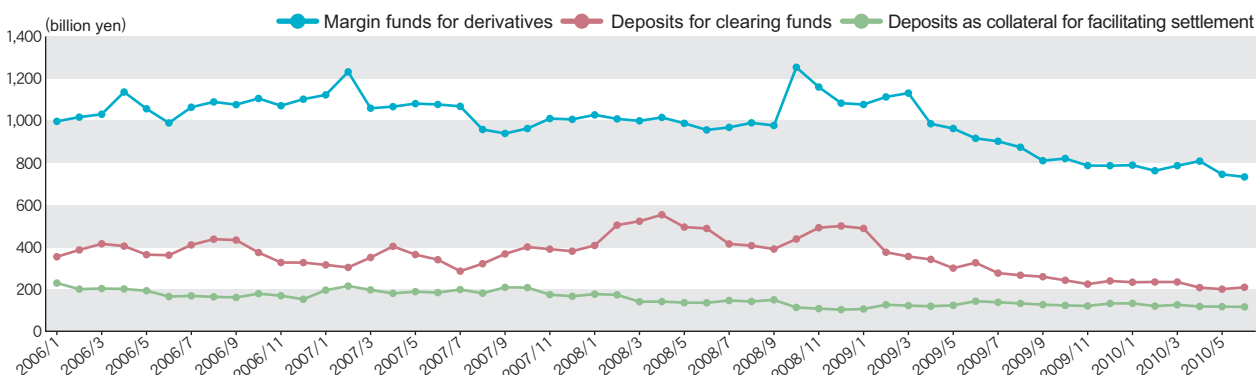


## Fail Rate

Cash products(Volume-based)



## Changes in Clearing Fund Deposits, etc.



# Financial Statements

## Balance Sheets March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2010	2009	2010
<b>CURRENT ASSETS:</b>			
Cash and bank deposits (Note 7)	¥ 12,547	¥ 8,095	\$ 134,859
Accounts receivable—trade (Note 7)	1,006	1,087	10,821
Marketable securities (Note 7)	1,999	5,198	21,491
Margin funds for derivatives (Notes 4 and 7)	136,082	304,561	1,462,622
Deposits for clearing funds (Notes 4 and 7)	87,442	206,769	939,838
Deposits as collateral for facilitating settlement (Notes 4 and 7)	13,011	12,105	139,843
Margin funds for when-issued transactions (Notes 4 and 7)	251	361	2,697
Deferred income taxes (Note 5)	26	14	280
Consumption taxes receivable	44	138	475
Other current assets	53	25	570
<b>Total current assets</b>	<b>252,464</b>	<b>538,356</b>	<b>2,713,501</b>
<b>PROPERTY AND EQUIPMENT—Net (Note 3):</b>			
Buildings	30	37	327
Equipment and furniture	7	12	85
<b>Total property and equipment</b>	<b>38</b>	<b>49</b>	<b>412</b>
<b>INTANGIBLE FIXED ASSETS—Net—</b>			
software	22	33	243
<b>Total intangible fixed assets</b>	<b>22</b>	<b>33</b>	<b>243</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investments in securities		996	
Long-term prepaid expenses	47		506
Guarantee money deposits	48	48	517
Deferred income taxes (Note 5)	7	5	77
<b>Total investments and other assets</b>	<b>102</b>	<b>1,049</b>	<b>1,101</b>
<b>TOTAL</b>	<b>¥ 252,627</b>	<b>¥ 539,489</b>	<b>\$ 2,715,259</b>

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
LIABILITIES AND EQUITY	2010	2009	2010
<b>CURRENT LIABILITIES:</b>			
Accounts payable—trade (Notes 7 and 8)	¥ 889	¥ 1,010	\$ 9,555
Income taxes payable	60	0	645
Accrued bonuses	37	28	404
Accrued bonuses for directors	6	7	74
Margin funds received for derivatives (Notes 4 and 7)	136,082	304,561	1,462,622
Deposits received for clearing funds (Notes 4 and 7)	87,442	206,769	939,838
Deposits received as collateral for facilitating settlement (Notes 4 and 7)	13,011	12,105	139,843
Margin funds received for when-issued transactions (Notes 4 and 7)	251	361	2,697
Other current liabilities	14	13	156
<b>Total current liabilities</b>	<b>237,795</b>	<b>524,855</b>	<b>2,555,839</b>
<b>NON-CURRENT LIABILITIES—</b>			
Long-term accounts payable	17	12	191
<b>Total non-current liabilities</b>	<b>17</b>	<b>12</b>	<b>191</b>
<b>Total liabilities</b>	<b>237,813</b>	<b>524,868</b>	<b>2,556,030</b>
<b>EQUITY (Notes 6 and 9):</b>			
Shareholders' equity:			
Common stock—authorized, 120,000 shares at March 31, 2010 and 2009; issued, 30,000 shares at March 31, 2010 and 2009	1,700	1,700	18,271
Capital surplus	1,300	1,300	13,972
Retained earnings	11,814	11,621	126,984
General reserve	11,620	10,680	124,892
Retained earnings—unappropriated	194	941	2,092
<b>Total shareholders' equity</b>	<b>14,814</b>	<b>14,621</b>	<b>159,229</b>
<b>Total equity</b>	<b>14,814</b>	<b>14,621</b>	<b>159,229</b>
<b>TOTAL</b>	<b>¥ 252,627</b>	<b>¥ 539,489</b>	<b>\$ 2,715,259</b>

See notes to financial statements.

## Statements of Income Years Ended March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	2010
<b>OPERATING REVENUES:</b>			
Clearing fees	¥ 6,737	¥ 8,145	\$ 72,415
Monthly fees	138	119	1,486
Maintenance fees on cash products and derivatives	440	447	4,731
Other operating income	417	380	4,492
<b>Total operating revenues</b>	<b>7,734</b>	<b>9,092</b>	<b>83,126</b>
<b>OPERATING EXPENSES (Note 8):</b>			
Outsourcing business costs	6,845	6,930	73,579
Salaries and compensation	421	382	4,532
Real estate rental fees	53	49	574
Facility expenses	11	24	119
Other operating expenses	132	198	1,425
<b>Total operating expenses</b>	<b>7,464</b>	<b>7,585</b>	<b>80,231</b>
<b>Operating profit</b>	<b>269</b>	<b>1,507</b>	<b>2,894</b>
<b>OTHER INCOME—Net</b>	<b>65</b>	<b>81</b>	<b>700</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>334</b>	<b>1,588</b>	<b>3,595</b>
<b>INCOME TAXES—Current (Note 5)</b>	<b>155</b>	<b>571</b>	<b>1,672</b>
<b>INCOME TAXES—Deferred (Note 5)</b>	<b>(14)</b>	<b>83</b>	<b>(151)</b>
<b>NET INCOME (Note 9)</b>	<b>¥ 193</b>	<b>¥ 933</b>	<b>\$ 2,074</b>

See notes to financial statements.

## Statements of Changes in Equity Years Ended March 31, 2010 and 2009

	Millions of Yen					
	Outstanding Number of Shares of Common Stock (Note 9)	Common Stock	Capital Surplus	Retained Earnings		Total Equity (Note 9)
			Additional Paid-in Capital	General Reserve	Unappropriated	
<b>BALANCE, APRIL 1, 2008</b>	<b>30,000</b>	<b>¥ 1,700</b>	<b>¥ 1,300</b>	<b>¥ 7,570</b>	<b>¥ 3,118</b>	<b>¥ 13,688</b>
Net income					933	933
Transfer to general reserve				3,110	(3,110)	
<b>BALANCE, MARCH 31, 2009</b>	<b>30,000</b>	<b>1,700</b>	<b>1,300</b>	<b>10,680</b>	<b>941</b>	<b>14,621</b>
Net income					193	193
Transfer to general reserve				940	(940)	
<b>BALANCE, MARCH 31, 2010</b>	<b>30,000</b>	<b>¥ 1,700</b>	<b>¥ 1,300</b>	<b>¥ 11,620</b>	<b>¥ 194</b>	<b>¥ 14,814</b>

	Thousands of U.S. Dollars (Note 1)				
	Common Stock	Capital Surplus	Retained Earnings		Total Equity (Note 9)
		Additional Paid-in Capital	General Reserve	Unappropriated	
<b>BALANCE, MARCH 31, 2009</b>	<b>\$ 18,271</b>	<b>\$ 13,972</b>	<b>\$ 114,789</b>	<b>\$ 10,121</b>	<b>\$ 157,154</b>
Net income				2,074	2,074
Transfer to general reserve			10,103	(10,103)	
<b>BALANCE, MARCH 31, 2010</b>	<b>\$ 18,271</b>	<b>\$ 13,972</b>	<b>\$ 124,892</b>	<b>\$ 2,092</b>	<b>\$ 159,229</b>

See notes to financial statements.

# Notes to Financial Statements

Years Ended March 31, 2010 and 2009

## 1. BASIS OF PRESENTING FINANCIAL STATEMENTS

The accompanying financial statements of Japan Securities Clearing Corporation ("JSCC" or the "Company") are prepared in accordance with the provisions set forth in the Companies Act of Japan (the "Companies Act") and in conformity with accounting principles generally accepted in Japan. A statement of cash flows is not required as a part of the basic financial statements under the Companies Act and, accordingly, is not presented herein and the information provided in the notes to the financial statements is limited to that required by Japanese laws and regulations. Japanese yen figures less than a million yen are rounded down to the nearest million yen. The financial statements are stated in Japanese yen, the currency of the country in which JSCC is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥93.04 to U.S.\$1, the approximate rate of exchange at March 31, 2010. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. **Marketable Securities**—Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost.
- b. **Property and Equipment**—Property and equipment are stated at cost. Depreciation is computed using the declining-balance method over the estimated useful lives of the assets.
- c. **Software**—Software for internal use is amortized using the straight-line method over an estimated useful life, normally five years.
- d. **Bonuses to Employees and Directors**—Bonuses to employees and directors are accrued at the year end to which such bonuses are attributable.
- e. **Accounting for Obligation Assumption**—Obligations and credits that JSCC assumes and acquires in the financial instruments obligation assumption business and the business specified under Article 156-6 Paragraph 1 of the Financial Instruments and Exchange Act are accounted for at the time of settlement.
- f. **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 bases of assets and liabilities and their reported amounts in the financial statements.
- g. **Accounting for Consumption Taxes**—Consumption taxes are imposed at a flat rate of 5% 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.
- h. **Appropriation of Retained Earnings**—Under the 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 do not represent the results of such an appropriation applicable to that fiscal year, which will be approved at the shareholders meeting and disposed of during the next fiscal year.

## 3. ACCUMULATED DEPRECIATION OF PROPERTY AND EQUIPMENT

Accumulated depreciation of property and equipment at March 31, 2010 and 2009 is as follows:

Millions of Yen		Thousands of U.S. Dollars
2010	2009	2010
¥82	¥70	\$ 887

## 4. CLEARING DEPOSITS

JSCC, as a financial instruments clearing institution, assumes obligations and obtains credits from clearing participants when securities are traded in the market. In order to secure against default by the clearing participants for the period from the trading date through the settlement date, JSCC receives clearing deposits in accordance with the Financial Instruments and Exchange Act and relevant ordinances and rules and keeps them segregated from JSCC's own assets. Deposited monetary assets and related offsetting liabilities are presented in the accompanying balance sheets as "Margin funds (received) for derivatives," "Deposits (received) for clearing funds," "Deposits (received) as collateral for facilitating settlement" and "Margin funds (received) for when-issued transactions." Deposited securities and related offsetting liabilities are not included in the accompanying balance sheets. The market values of such deposited securities as of March 31, 2010 and 2009 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Margin funds for derivatives	¥791,409	¥960,601	\$8,506,120
Deposits for clearing funds	169,002	165,618	1,816,454
Deposits as collateral for facilitating settlement	129,382	121,149	1,390,611
Margin funds for when-issued transactions	142	89	1,535

## 5. INCOME TAXES

The Company is subject to several taxes based on income, which in the aggregate resulted in a statutory tax rate of approximately 41% for the years ended March 31, 2010 and 2009. Significant components of the Company's deferred income tax assets and liabilities as of March 31, 2010 and 2009 are accrued bonuses and accrued enterprise taxes, respectively. As the differences between the statutory tax rates and the effective tax rates for the years ended March 31, 2010 and 2009 are less than 5% of the statutory tax rates, the reconciliations are omitted.

## 6. EQUITY

Japanese companies are subject to the Companies Act. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

- a. **Dividends**—Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having a board of directors, (2) having independent auditors, (3) having a board of statutory auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the board of directors may declare dividends at any time during the fiscal year if the company has prescribed so in its articles of incorporation.
- b. **Increases/Decreases and Transfer of Common Stock, Reserve and Surplus**—The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of the legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, additional paid-in capital, other capital surplus, legal reserve and other retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.
- c. **Treasury Stock and Treasury Stock Acquisition Rights**—The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the board of directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

## 7. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

On March 10, 2008, the Accounting Standards Board of Japan (the "ASBJ") revised ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. JSCC applied the revised accounting standard and the new guidance effective March 31, 2010.

- a. **Policy and Risk Management for Financial Instruments**—JSCC invests only in low-risk financial instruments under its internal management rules regarding fund management. Regarding the clearing deposits, JSCC keeps them segregated from its own assets. Regarding credit risks of customers associated with account receivables, JSCC manages them according to its internal rules.
- b. **Fair Values of Financial Instruments**—Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead.

March 31, 2010	Millions of Yen			Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain	Carrying Amount	Fair Value	Unrealized Gain
Cash and bank deposits	¥12,547	¥12,547		\$134,859	\$134,859	
Accounts receivable—trade	1,006	1,006		10,821	10,821	
Marketable securities and investments in securities	1,999	2,006	¥6	21,491	21,560	\$68
Margin funds for derivatives	136,082	136,082		1,462,622	1,462,622	
Deposits for clearing funds	87,442	87,442		939,838	939,838	
Deposits as collateral for facilitating settlement	13,011	13,011		139,843	139,843	
Margin funds for when-issued transactions	251	251		2,697	2,697	
Account payable—trade	(889)	(889)		(9,555)	(9,555)	
Margin funds received for derivatives	(136,082)	(136,082)		(1,462,622)	(1,462,622)	
Deposits received for clearing funds	(87,442)	(87,442)		(939,838)	(939,838)	
Deposits received as collateral for facilitating settlement	(13,011)	(13,011)		(139,843)	(139,843)	
Margin funds received for when-issued transactions	(251)	(251)		(2,697)	(2,697)	

Cash and Bank Deposits: The carrying values of cash and bank deposits approximate fair value because of their short maturities.

Accounts Receivable—Trade: The carrying values of accounts receivable—trade approximate fair value because of their short maturities.

Accounts Payable—Trade: The carrying values of accounts payable—trade approximate fair value because of their short maturities.

Marketable Securities and Investments in Securities: All marketable securities and investments in securities are debt instruments. The fair values of marketable securities and investments in securities are measured at quoted prices obtained from the Japan Securities Dealers Association.

Deposited Monetary Assets and Related Offsetting Liabilities: The carrying values of margin funds for derivatives, deposits for clearing funds, deposits as collateral for facilitating settlement, margin funds for when-issued transactions, margin funds received for derivatives, deposits received for clearing funds, deposits received as collateral for facilitating settlement and margin funds received for when-issued transactions approximate fair values because they are deposited in the form of cash and are subject to the deposit and withdrawal in a short period.

## 8. RELATED PARTY TRANSACTIONS

Under the Companies Act and regulations, and the accounting standard for related party disclosures, transactions with "Related companies" and "Related parties" need to be disclosed.

- a. **Transactions with "Related Companies"**  
The "Related companies" are defined as follows: (1) A parent company, subsidiaries and associated companies of JSCC. (2) In the case where JSCC is an associated company of a company, that company is also an associated company of JSCC. JSCC has not held any subsidiaries or associated companies, and only its parent company has been a related company of JSCC.

Transactions of JSCC with its parent company for the years ended March 31, 2010 and 2009 were as follows:	Millions of Yen		Thousands of U.S. Dollars		The balances due to or from its parent company at March 31, 2010 and 2009 were as follows:	Millions of Yen		Thousands of U.S. Dollars	
	2010	2009	2010	2009		2010	2009	2010	2009
Operating expenses	¥310	¥285	\$3,336		Accounts payable—trade	¥0	¥0	\$2	

- b. **Transactions with Related Parties**

Material transactions of the Company with related parties for the years ended March 31, 2010 and 2009 are as follows:

Name of Related Party	Percentage of Equity Ownership by the Company	Relationship	Transactions					
		Business Relationship	Description of the Company's Transaction	Amount of the Transactions		Account	End of Period Account Balance	
				2010	2009		2010	2009
Tokyo Stock Exchange, Inc. (a subsidiary of the parent company)	—	Entrustment of clearing system processing	Payment of entrustment fees for clearing system processing	¥6,662 million (\$71,605 thousand)	¥6,726 million	Accounts payable—trade	¥575 million (\$6,187 thousand)	¥690 million

Notes: 1. The above transaction amounts exclude consumption taxes, but consumption taxes are included in the end of period balances.

2. Transaction conditions and policies regarding decisions on transaction conditions are as follows: With respect to entrustment fees for clearing system processing, initially these were determined based on prices proposed in the competition. In subsequent revisions, the fees have been determined after negotiation based on conditions provided by the Tokyo Stock Exchange, Inc.

## 9. PER SHARE INFORMATION

- a. **Net Income per Share**—Net income per share of common stock is based upon the weighted-average number of shares of common stock outstanding during each year. Net income per share of common stock for the years ended March 31, 2010 and 2009 is as follows:
- |                                      | Yen       |            | U.S. Dollars |
|--------------------------------------|-----------|------------|--------------|
|                                      | 2010      | 2009       | 2010         |
| Net income per share of common stock | ¥6,433.43 | ¥31,122.23 | \$69.14      |
- b. **Equity per Share**—Equity per share of common stock is based upon the number of shares of common stock outstanding at the end of each year. Equity per share of common stock for the years ended March 31, 2010 and 2009 is as follows:

	Yen		U.S. Dollars
	2010	2009	2010
Equity per share of common stock	¥493,822.38	¥487,388.94	\$5,307.63
Outstanding numbers of shares of common stock	30,000 shares	30,000 shares	

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Japan Securities Clearing Corporation:

We have audited the accompanying balance sheets of Japan Securities Clearing Corporation (the "Company") as of March 31, 2010 and 2009, and the related statements of income and changes in equity for the years 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, 2010 and 2009, and the results of its operations for the years then ended in conformity with the applicable Japanese laws and regulations and accounting principles generally accepted in Japan.

As explained in Note 1, the information provided in the notes to the financial statements is limited to that required by the applicable Japanese laws and regulations.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.



May 13, 2010



# Clearing Participants (As of August 1, 2010)

		1	2	3	4			1	2	3	4				
A	ABN AMRO Clearing Tokyo Co., Ltd.	○	○	○	○			Hibiki Securities Inc.	○	—	—	—			
	ACE SECURITIES CO.,LTD.	○	○	○	○			The Higo Bank, Ltd.	—	○	—	—			
	The Aichi Bank, Ltd.	—	○	—	—			THE HIKARI SECURITIES CO.,LTD.	○	○	○	○			
	AIZAWA SECURITIES CO.,LTD.	○	○	○	○			HIMAWARI SECURITIES, INC.	—	—	○	—			
	AKAKIYA SECURITIES CO.,LTD.	○	○	○	○			HINODE SECURITIES CO.,LTD.	○	○	○	○			
	ANDO SECURITIES CO.,LTD.	○	○	○	○			HIROTA SECURITIES CO.,LTD.	○	○	○	○			
	Aozora Bank, Ltd.	—	○	—	—			The Hokkoku Bank, Ltd.	—	○	—	—			
	ARK SECURITIES CO.,LTD.	○	○	○	○			The Hokuetsu Bank, Ltd.	—	○	—	—			
	B	THE BANK OF FUKUOKA, LTD.	—	○	—	—			HSBC SECURITIES (JAPAN) LIMITED	○	○	○	○		
The Bank of Kyoto, Ltd.		—	○	—	—			The Hyakujushi Bank, Ltd.	—	○	—	—			
THE BANK OF SAGA LTD.		—	○	—	—			I	Ichiyoshi Securities Co.,Ltd.	○	○	○	○		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		★	○	—	★				IDO Securities Co.,Ltd.	○	○	○	○		
The Bank of Yokohama, Ltd.		—	○	—	—				The Imamura Securities Co., Ltd.	○	○	○	○		
Barclays Capital Japan Limited		○	○	○	○			INSTINET JAPAN LIMITED	○	○	○	○			
BNP PARIBAS Securities (Japan) Limited		○	○	○	○			Iwai Securities Co.,Ltd.	○	○	○	○			
C		The Chiba Bank, Ltd.	—	○	—	—			J	JP Morgan Securities Japan Co., Ltd.	○	○	○	○	
		CHUBU SECURITIES FINANCING CO.,LTD.	○	—	—	—				Japan Asia Securities Co.,Ltd.	○	○	○	○	
	The Chugoku Bank, Limited	—	○	—	—			JAPAN SECURITIES FINANCE CO.,LTD.		○	—	—	—		
	The Chuo Mitsui Trust and Banking Company, Limited	—	○	—	—			Jefferies (Japan) Limited	○	—	—	—			
	Chuo Securities Co.,Ltd.	○	○	○	○			The Johnan Shinkin Bank	—	○	—	—			
	Citibank Japan Ltd.	★	★	★	★			The Joyo Bank, Ltd.	—	○	—	—			
	Citigroup Global Markets Japan Inc.	○	○	○	○			Jyoko Securities Co.,Ltd.	○	—	—	—			
	CLICK Securities, Inc.	○	—	—	—			Jyujiya Securities Co.,Ltd.	○	○	○	○			
	Cosmo Securities Co.,Ltd.	★	○	○	○			K	kabu.com Securities Co.,Ltd.	—	—	○	—		
Credit Agricole Securities Asia B.V.	○	○	○	○			KANEJU SECURITIES CO.,LTD.		○	○	○	○			
Credit Suisse Securities (Japan) Limited	○	○	○	○			Kaneyama Securities Co.,Ltd.		○	○	○	○			
D	Daiko Clearing Services Corporation	★	★	★	★			KAZAKA Securities Co., Ltd.	○	○	○	○			
	Daiman Securities Co., Ltd.	○	—	—	—			The Keiyo Bank, Ltd.	—	○	—	—			
	DAISEI SECURITIES CO.,LTD.	○	○	○	○			KIMURA SECURITIES CO.,LTD.	○	○	○	○			
	The Daishi Bank, Ltd.	—	○	—	—			The Kiyo Bank, Ltd.	—	○	—	—			
	Daiwa Securities Co.Ltd.	○	○	○	○			The Kosei Securities Co.,Ltd.	○	○	○	○			
	Daiwa Securities Capital Markets Co.Ltd.	○	○	○	○			KUROKAWAKITOKU SECURITIES CO.,LTD.	○	○	○	○			
	Deutsche Securities Inc.	○	○	○	○			KYOKUTO SECURITIES CO.,LTD.	○	○	○	○			
	DOJIMAKANTO Securities Co.,Ltd.	○	○	○	○			Kyowa Securities Co.,Ltd.	○	○	○	○			
	E	Eiwa Securities Co.,Ltd.	○	○	○	○			L	Leading Securities Co., Ltd.	○	—	—	—	
G		Goldman Sachs Japan Co., Ltd.	○	○	○	○				M	Macquarie Capital Securities (Japan) Limited	○	—	—	—
		The Gunma Bank, Ltd.	—	○	—	—					MAEDA SECURITIES CO.,LTD.	○	○	○	○
H	H.S. SECURITIES CO.,LTD.	○	○	○	○			Marufuku Securities Co.,Ltd.	○		○	○	○		
	The Hachijuni Bank, Ltd.	—	○	—	—			Maruhachi Securities Co.,Ltd.	○	○	○	○			
	HACHIJUNI SECURITIES Co.,Ltd.	○	○	○	○			MARUKUNI SECURITIES CO.,LTD.	○	○	○	○			

1...Cash products 2...JGB Futures & Options on JGB Futures 3...Index Futures & Index Options 4...Securities Options  
Principal Clearing Participant: ○ Agency Clearing Participant: ★

	1	2	3	4
Marusan 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 Morgan Stanley 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 MUFG Securities Co., Ltd.	○	○	○	○
The Murosei Securities Co.,Ltd.	○	○	○	○
Musashi Securities Co., Ltd.	○	○	○	○
<b>N</b> NAGANO SECURITIES CO.,LTD.	○	○	○	○
NAITO SECURITIES CO.,LTD.	○	○	○	○
The Nakahara Securities Co.,Ltd.	○	○	○	○
The Naruse Securities Co.,Ltd.	○	○	○	○
Natixis	○	○	○	○
New-S Securities Co.,Ltd.	○	—	—	—
Newedge Japan Inc.	○	○	○	○
Niigata Securities Co.,Ltd.	○	○	○	○
Nikko Cordial Securities Inc.	○	○	○	○
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.	○	○	○	○
<b>O</b> The Ogaki Kyoritsu Bank, Ltd.	—	○	—	—
THE OITA BANK, LTD.	—	○	—	—
OKACHI SECURITIES CO.,LTD.	○	○	○	○
OKASAN SECURITIES CO.,LTD.	★	○	○	○
OKAYASU SECURITIES, Co.,Ltd.	○	—	—	—
Osaka Securities Finance Co.,Ltd.	○	—	—	—
<b>P</b> Phoenix Securities Co., Ltd.	○	—	—	—

	1	2	3	4
<b>R</b> Rakuten Securities, Inc.	○	○	○	○
RBS SECURITIES JAPAN LIMITED	○	○	○	○
Resona Bank, Limited	—	○	—	—
Retela Crea Securities Co.,Ltd.	○	○	○	○
<b>S</b> San-ei Securities Co.,Ltd.	○	○	○	○
The San-in Godo Bank, Ltd.	—	○	—	—
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.	—	○	—	—
The Shoko Chukin Bank, Ltd.	—	○	—	—
Sinsei Bank, Limited	—	○	—	—
SMBC Friend Securities Co.,Ltd.	○	○	○	○
Societe Generale Securities (North Pacific) Ltd.	○	○	○	○
Sumitomo Mitsui Banking Corporation	—	○	—	—
The Sumitomo Trust and Banking Company, Limited	—	○	—	—
Suruga Bank Ltd.	—	○	—	—
<b>T</b> TAKAGI SECURITIES CO.,LTD.	○	○	○	○
The Tama Shinkin Bank	—	○	—	—
THE TACHIBANA SECURITIES CO.,LTD.	○	○	○	○
Tokai Tokyo Securities Co.,Ltd.	○	○	○	○
THE TOKYO HIGASHI SHINKIN BANK	—	○	—	—
TOYO SECURITIES CO.,LTD.	○	○	○	○
<b>U</b> UBS Securities Japan Ltd.	○	○	○	○
Unimat Securities Co., Ltd.	○	○	○	○
UTSUMIYA SECURITIES CO.,LTD.	○	○	○	○
<b>Y</b> YAHATA SECURITIES CO.,LTD.	○	○	○	○
YAMAGEN Securities Co.,Ltd.	○	○	○	○
The Yamaguchi Bank, Ltd.	—	○	—	—
Yamani Securities Co.,Ltd.	○	○	○	○
YAMAWA SECURITIES CO.,LTD.	○	○	○	○
The Yutaka Securities Co.,Ltd.	○	○	○	○
Principal Clearing Participant	106	137	95	93
Agency Clearing Participant	6	2	2	3

# Board of Directors and Auditors



# Corporate Data (As of August 1, 2010)

■ Company Name	Japan Securities Clearing Corporation
■ President & CEO	Yasuo Tobiyama
■ Head Office	2-1, Nihombashi-Kabuto-cho, Chuo-ku, Tokyo 103-0026, Japan
■ TEL	+81-3-3665-1234
■ URL	<a href="http://www.jscc.co.jp">http://www.jscc.co.jp</a>
■ Date of Incorporation	July 1, 2002 (Commenced business on January 14, 2003)
■ Capital	1.7 billion yen
■ Shareholders	Tokyo Stock Exchange Group, Inc.    Osaka Securities Exchange Co., Ltd. Nagoya Stock Exchange, Inc.        Fukuoka Stock Exchange Sapporo Securities Exchange

# Organization Chart (As of August 1, 2010)

