

Japan Securities Clearing Corporation
Statement of Financial Condition
Year Ended March 31, 2017

	<u>Millions of Yen</u>
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and bank deposits	¥48,814
Accounts receivable-trade	2,258
Prepaid expenses	688
Deferred tax assets	83
Margin funds for derivatives	1,638,893
Margin funds in trust for derivatives	0
Deposits for initial margin funds for security trades	68,488
Deposits for clearing funds	144,785
Deposits for clearing funds in trust	0
Deposits as collateral for facilitating settlement	29,100
Margin funds for when-issued transactions	191
Margin funds in trust for CDS	10,367
Deposits for clearing funds in trust for CDS	7,894
Margin funds in trust for IRS	596,783
Deposits for clearing funds in trust for IRS	33,691
Margin funds for JGB	669,715
Deposits for clearing funds for JGB	145,359
Other current assets	100
Total current assets	<u>3,397,215</u>
PROPERTY AND EQUIPMENT:	
Buildings	56
Equipment and furniture	17
Total property and equipment	<u>73</u>
INTANGIBLE FIXED ASSETS:	
Software	97
Other intangible fixed assets	62
Total intangible fixed assets	<u>160</u>
INVESTMENTS AND OTHER ASSETS:	
Investments in securities	504
Long-term prepaid expenses	1,688
Other investments and other assets	80
Total investments and other assets	<u>2,273</u>
TOTAL ASSETS	<u><u>¥3,399,723</u></u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Accounts payable - trade	¥1,416
Accounts payable - other	19
Accrued expenses	22
Income taxes payable	737
Deposits received	11
Unearned revenue	1
Accrued bonuses	130
Accrued bonuses for directors	67
Margin funds received for derivatives	1,638,893
Deposits received for initial margin funds for security trades	68,488
Deposits received for clearing funds	144,785
Deposits received as collateral for facilitating	29,100
Margin funds received for when-issued transactions	191
Margin funds received for CDS	10,367
Deposits received for clearing funds for CDS	7,894
Margin funds received for IRS	596,783
Deposits received for clearing funds for IRS	33,691
Margin funds received for JGB	669,715
Deposits received for clearing funds for JGB	145,359
Total current liabilities	<u>3,347,676</u>
 Total liabilities	 <u>3,347,676</u>

EQUITY

Shareholders' equity	
Capital stock	8,950
Capital surplus	9,476
Retained earnings	33,620
Settlement guarantee reserve for security trades and others	25,000
General reserve	4,088
Retained earnings-unappropriated	4,531
Treasury stock	(0)
Total shareholders' equity	<u>52,046</u>
 Total equity	 <u>52,046</u>

TOTAL LIABILITIES AND EQUITY	<u><u>¥3,399,723</u></u>
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※The figures less than a million yen are rounded down to the nearest million yen.

Japan Securities Clearing Corporation
Statement of Income
Year Ended March 31, 2017

	<u>Millions of Yen</u>
OPERATING REVENUES:	
Clearing fees	21,246
Monthly fees	175
Maintenance fees on cash products and derivatives	443
Other operating revenues	<u>423</u>
Total operating revenues	<u>22,288</u>
OPERATING EXPENSES:	
Total operating expenses	<u>15,727</u>
Operating profit	<u>6,561</u>
OTHER INCOME(EXPENSES):	
Interest income	26
Other-net	<u>(6)</u>
Other income-net	<u>20</u>
INCOME BEFORE INCOME TAXES	<u>6,581</u>
INCOME TAXES	
Current	1,985
Deferred	<u>64</u>
Total income taxes	<u>2,050</u>
NET INCOME	<u><u>4,531</u></u>

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Japan Securities Clearing Corporation
Statement of Changes in Equity
Year Ended March 31, 2017

(Millions of Yen)

	Equity				
	Capital Stock	Capital Surplus		Retained Earnings	
		Additional Paid-In Capital	Total Capital Surplus	Other Retained Earnings	
				Settlement Guarantee Reserve for Security Trades and Others	General Reserve
BALANCE, APRIL 1,2016	8,950	9,476	9,476	20,000	3,504
Transfer to general reserve					583
Transfer to settlement guarantee reserve for security trades and others				5,000	
Net income					
BALANCE, MARCH 31,2017	8,950	9,476	9,476	25,000	4,088

	Equity				Total Net Asset
	Retained Earnings		Treasury Stock	Total Equity	
	Other Retained Earnings	Total Retained Earnings			
	Unappropriated				
BALANCE, APRIL 1,2016	5,583	29,088	(0)	47,514	47,514
Transfer to general reserve	(583)				
Transfer to settlement guarantee reserve for security trades and others	(5,000)				
Net income	4,531	4,531		4,531	4,531
BALANCE, MARCH 31,2017	4,531	33,620	(0)	52,046	52,046

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