

Japan Securities Clearing Corporation
Statement of Financial Condition
Year Ended March 31, 2014

	<u>Millions of Yen</u>
ASSETS	
CURRENT ASSETS:	
Cash and bank deposits	34,982
Accounts receivable - trade	1,976
Marketable securities	802
Margin funds for derivatives	700,606
Deposits for clearing funds	136,751
Deposits as collateral for facilitating settlement	10,500
Margin funds for when-issued transactions	191
Margin funds in trust for CDS	3,829
Deposits for clearing funds in trust for CDS	1,303
Margin funds in trust for IRS	114,707
Deposits for clearing funds in trust for IRS	50,188
Margin funds for FX	16,317
Deposits for clearing funds for FX	491
Margin funds for JGB	77,784
Deferred tax assets	224
Other current assets	27
Total current assets	<u>1,150,685</u>
PROPERTY AND EQUIPMENT:	
Buildings	75
Equipment and furniture	70
Net property and equipment	<u>145</u>
INTANGIBLE FIXED ASSETS:	
Software	637
Software in progress	950
Net intangible fixed assets	<u>1,588</u>
INVESTMENTS AND OTHER ASSETS:	
Investments in securities	1,279
Long-term prepaid expenses	120
Deferred tax assets	2
Guarantee money deposits	80
Other investments and other assets	5
Deferred charges	18
Total investments and other assets	<u>1,506</u>
TOTAL	<u><u>1,153,926</u></u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Accounts payable - trade	1,318
Income taxes payable	2,732
Consumption taxes payable	293
Accrued bonuses	62
Accrued bonuses for directors	19
Margin funds received for derivatives	700,606
Deposits received for clearing funds	136,751
Deposits received as collateral for facilitating settlement	10,500
Margin funds received for when-issued transactions	191
Margin funds received for CDS	3,829
Deposits received for clearing funds for CDS	1,303
Margin funds received for IRS	114,707
Deposits received for clearing funds for IRS	50,188
Margin funds received for FX	16,317
Deposits received for clearing funds for FX	491
Margin funds received for JGB	77,784
Other current liabilities	49
Total current liabilities	<u>1,117,148</u>

Total liabilities	<u>1,117,148</u>
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EQUITY

Shareholders' equity	
Capital stock	8,950
Capital surplus	9,476
Retained earnings	18,351
Settlement guarantee reserve for securities trades and others	12,800
General reserve	810
Retained earnings-unappropriated	4,741
Treasury stock	(0)
Total shareholders' equity	<u>36,777</u>

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TOTAL	<u><u>1,153,926</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, 2014

	<u>Millions of Yen</u>
OPERATING REVENUES:	
Clearing fees	¥17,995
Monthly fees	189
Maintenance fees on cash products and derivatives	439
Other operating revenues	<u>510</u>
Total operating revenues	<u>19,133</u>
OPERATING EXPENSES:	
Outsourcing business costs	9,923
Salaries and compensation	762
Real estate rental fees	112
Facility expenses	39
Other operating expenses	<u>901</u>
Total operating expenses	<u>11,739</u>
Operating profit	<u>7,394</u>
OTHER INCOME (EXPENSES):	
Gain on negative goodwill	147
Interest income	44
Other-net	<u>(6)</u>
Other income-net	<u>185</u>
INCOME BEFORE INCOME TAXES	<u>7,579</u>
INCOME TAXES	
Current	2,994
Deferred	<u>(151)</u>
Total income taxes	<u>2,842</u>
NET INCOME	<u>¥4,736</u>

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Japan Securities Clearing Corporation
Statement of Changes in Equity
Year Ended March 31, 2014

(Millions of Yen)

	Equity										Total Net Asset
	Capital Stock	Capital Surplus			Retained Earnings				Treasury Stock	Total Equity	
		Additional Paid-in Capital	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings			Total Retained Earnings			
					Settlement Guarantee Reserve for Security Trades and Others	General Reserve	Unappropriated				
BALANCE, MARCH 31, 2013	7,350	6,900	–	6,900	12,180	410	1,025	13,615	–	27,865	27,865
Issuance of new shares	1,000	272		272						1,272	1,272
Increase by share exchange	600	2,304		2,304					△ 0	2,903	2,903
Transfer to general reserve						400	△ 400				
Transfer to settlement guarantee reserve for security trades and others					620		△ 620				
Purchase of treasury stock									△ 0	△ 0	△ 0
Retirement of treasury stock			△ 0	△ 0					0		
Transfer of other capital surplus			0	0			△ 0	△ 0			
Net income							4,736	4,736		4,736	4,736
Total amount of change	1,600	2,576		2,576	620	400	3,715	4,735	△ 0	8,911	8,911
BALANCE, MARCH 31, 2014	8,950	9,476	–	9,476	12,800	810	4,741	18,351	△ 0	36,777	36,777

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