



15 July 2011
Japan Securities Clearing Corporation

Tokyo, 15 July 2011 – Japan Securities Clearing Corporation (JSCC) today announced that the amendment in the Article of Incorporation and the payment in relation to the issuance of Class B shares by way of third-party allotment were completed.

In relation to the launch of CDS clearing services on July 19, 2011, Japan Securities Clearing Corporation (JSCC) partially amended the articles of incorporation and issued class shares by way of third-party allotment, based on the resolutions of the extraordinary shareholders meeting and the board of directors meeting held on July 6, 2011, intends to segregate the capital and profits related to CDS clearing services from those related to exchange transactions in terms of the risk management. The payment in relation to this issuance of Class B shares by way of third-party allotment was completed today. The details are as follows:

1. Amendments in the Articles of Incorporation, etc.

In light of differences in the characteristics between CDS transactions and exchange transactions, JSCC has adopted the policy of managing risks relating to clearing services for these transactions separately, specifically by segregating capital and profit/losses (including losses resulting from the default by a clearing participant) by type of clearing services.

Under this policy, JSCC decided to carry out the capital increase relating to CDS clearing services by means of the issuance of class shares, and made necessary changes for such issuance in the articles of incorporation. The outstanding common stocks (those held by the existing shareholders) have become “class shares for the clearing services for exchange transactions (Class A shares)” in connection with this issuance of the “class shares for CDS clearing services (Class B shares).”

As part of this risk segregation measures, the accumulated general reserves will be transferred to “reserves for settlement guarantees relating to securities transactions, etc.” which are exclusively for loss compensation in case where JSCC incurs losses due to default, etc. of a clearing participant relating to the clearing services for exchange transactions, etc., in order to make sure that the reserves will be used only for this purpose.

2. Issuance of Class B Share

- (1) Number of New Shares: 9000 shares
- (2) Issue Price: 500,000 yen per share
- (3) Total Amount of the Issue Price: 4,500,000,000 yen
- (4) Third-Party Allotment Party: Tokyo Stock Exchange Group, Inc.
- (5) Payment Date: 15 July, 2011
- (6) Stated capital after the issuance: 4,850, 000,000 yen*

* Out of the capital increase of 4,500,000,000 yen, the half amount of 2,250,000,000 is included.