

The Association of Global Custodians - Questionnaire

Name	Japan- Japan Securities Depository Center
Contact Name	
Address	
Country	Japan
Phone	
Fax	
E-mail	
Web Site	http://www.jasdec.com

Welcome to the Depository-
Information Gathering Project. Before
beginning, we suggest that you: print
the entire document for review on
paper; review the Glossary of Terms.
Each will assist you with answering
the questions. For help, contact: Robin
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SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as “Eligible Securities Depositories”), the depository must be a “system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities.”

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

Other (please answer 1a)

1a. Please explain:

Securities (excluding foreign stocks listed on Japanese exchanges) handled at Japan Securities Depository Center, Inc. (JASDEC) are dematerialized, and answers to questions hereafter are subject to the dematerialized securities. As to foreign stocks listed on Japanese exchanges, please see 98 for details.

2. Rule 17f-7 also requires that an Eligible Securities Depository “acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated,” or “acts as or operates a transnational system for the central handling of securities or equivalent book-entries.”

Does your institution: (Choose all that apply.)

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)

2a. Please explain:

2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

Japanese stocks listed on stock exchanges in Japan, convertible bonds (CBs) listed on stock exchanges in Japan, preferred equity securities by credit union-based financial institutions listed on stock exchanges in Japan, beneficial rights of Exchange Traded Funds (ETFs) listed on stock exchanges in Japan, investment

securities such as Real Estate Investment Trust(REITs) listed on stock exchanges in Japan, foreign stocks listed on stock exchanges in Japan, beneficial certificates of foreign investment trusts listed on stock exchanges in Japan, foreign investment securities listed on stock exchanges in Japan, foreign stock depository receipts listed on stock exchanges in Japan, foreign covered warrants listed on stock exchanges in Japan, beneficial certificates of trusts issuing foreign rights listed on stock exchanges in Japan, short-term corporate bonds (CP), corporate bonds, municipal bonds, investment company bonds, government agency bonds and other special corporation bonds, bonds issued in Japan by any governments or companies in foreign countries, Investment Trust Beneficial Rights, share options, beneficial rights of investment trusts such as JDR, etc. listed on stock exchanges in Japan, qualified non-listed stocks, qualified non-listed CB, qualified non-listed share options

3. What type of legal entity is the institution? (Choose all that apply.)

Private Company

3a. Please explain:

4. Is the institution operated as a "for profit" or a "not for profit" organization?

Other (please answer 4a)

4a. If other, please explain:

Japan Securities Depository Center (JASDEC) is a stock company, but its business is on at-cost basis, so it may refund its excess profit to its participants.

5. Please provide the names of the owners and their ownership interest percentages.

The shareholder structure was not changed at the end of March 2011 compared to the previous year. There are 155 shareholders. The main shareholders are as follows: Tokyo Stock Exchange Group, Inc. (22.68%), Japan Securities Dealers Association (12.34%), Nomura Holdings, Inc. (5.70%), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (5.00%), Mizuho Corporate Bank, Ltd. (5.00%), Mitsubishi UFJ Trust and Banking Corporation (4.98%), Citigroup Global Market Japan Inc. (3.77%), Japan Trustee Services Bank, Ltd. (3.76%), Trust & Custody Services Bank, Ltd. (3.34%), Daiwa Securities Capital Markets Co. Ltd. (2.70%)

6. Please answer the following:

6a. What is the date of establishment of the depository?

04/Jan/2002

6b. What is the date that the depository's operations began?

17/Jun/2002

7. Under what regulation or statute is the depository established and governed?

JASDEC is established based on the Companies Act of Japan and governed by the Act on Transfer of Bonds, Shares, etc.

7a. Is the regulation or statute electronically available?

Yes (please answer 7b)

7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.

<http://www.japaneselawtranslation.go.jp/law/detail/?ft=1&re=01&dn=1&co=01&x=45&y=17&ky=%E4%BC%9A%E7%A4%BE%E6%B3%95&page=7> <http://www.japaneselawtranslation.go.jp/law/detail/?ft=1&re=01&dn=1&co=01&x=45&y=17&ky=%E4%BC%9A%E7%A4%BE%E6%B3%95&page=8> As to the Act on Transfer of Bonds, Shares, etc., only Japanese version is available through: <http://law.e-gov.go.jp/htmldata/H13/H13HO075.html>

7c. Please supply document(s) here:

7d. Please provide details of the structure and composition of your Board together with their

industry experience and responsibilities in governing the depository.

What are the qualifications to become a board member?

The board is composed of 19 members, Chairman, President & CEO, 3 Managing Directors and 14 External Directors. The Board of Directors is basically structured to achieve a balanced approach to business with user-oriented views, as well as business-oriented ideas on maintaining operational neutrality and fairness. To fully reflect the opinions of users in our operations, 9 of the 14 External Directors are selected from JASDEC participants, two from issuing companies and related organization, one from Japan Securities Dealers Association, one from academia, and one from the legal profession. In principle, the Board meets once a month to decide basic management policies and discuss other key issues. Article 3 of the Act on Transfer of Bonds, Shares, etc., hereinafter referred to as the "Act", prescribes the qualifications to become a board member as follows: None of the directors, accounting advisors, auditors or executive officers of the applicant fall under any of the items as follows: a. Persons adjusted incompetent or quasi-incompetent, or deemed to fall under a similar situation under foreign laws and regulations; b. Bankrupt persons who have not been reinstated or a person deemed to fall under similar situations under foreign laws and regulations; c. Persons who have been sentenced to a penalty heavier than imprisonment (including a penalty equivalent to this under the foreign laws and regulations) with respect to which five (5) years have not elapsed since the ending of the execution of such penalty or from the date on which the execution of the penalty was suspended; d. In case the designation prescribed in this Article was cancelled pursuant to the provisions of Paragraph 1 of Article 22 of the Act, or in case an administrative disposition similar to these designations in foreign countries pursuant to the provisions of foreign laws and regulations equivalent to the Act was cancelled, persons who had been directors, executive directors or auditors (including persons deemed to have the same capacity of office under foreign laws and regulations; the same shall apply as used in the next sub-item) for thirty (30) days prior to such cancellation with respect to which five (5) years have not elapsed since the cancellation of the disposition; e. Directors, executive officers or auditors who were discharged from the office pursuant to the provisions of Paragraph 1 of Article 22 of the Act or the provisions of foreign laws and regulations equivalent to the Act with respect to which five (5) years have not elapsed since the discharge; f. Persons who contravened the Act, Companies Act or foreign laws and regulations equivalent to these, or persons who have committed crimes prescribed in Article 204, Article 206, Article 208, Article 208-3, Article 222 or Article 247 of Criminal Law (Law No. 45 of 1907), crimes prescribed in the Law Concerning the Punishment of Acts of Violence, etc. (Law No. 60 of 1926), or crimes prescribed in Article 46, Article 47, Article 49 or Article 50 of the Law Concerning the Prevention of Illegal Acts by Members of a Criminal Organization (Law No. 77 of 1991) and were sentenced to the penalty of fine (including penalty equivalent to this under foreign laws and regulations) with respect to which five (5) years have not elapsed since the ending of the execution of such penalty or from the date on which the execution of the penalty was suspended.

7e. What are the election procedures?

The board of directors nominates candidates and then the general meeting of shareholders elects them by a resolution.

7f. What is the maximum length of time a board member can serve?

Two years. They can be reappointed.

7g. How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

Each board member has one vote.

7h. Who is responsible for regulating the board members?

President & CEO (Representative Director) is.

Who regulates the activities of the depository? (Choose all that apply.)

A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.

8a. Please explain:

9. Please provide the name of regulatory authority(ies) identified in question 8:

Financial Services Agency, Ministry of Justice, Ministry of Finance (only for Participant Protection Trusts)

10. Rule 17f-7 requires that an Eligible Securities Depository “is subject to periodic examination by regulatory authorities or independent accountants.”

Is the depository subject to periodic examination by: (Choose all that apply.)

Independent accountants?

10a. Please explain:

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

Name of Authority #1 (please answer 11a):

Financial Services Agency (FSA), Ministry of Justice

11a.

Fines, Restrictions on depository activities., Suspension of depository activities., Termination of depository activities., Other (please answer 11b)

11b. Please explain:

FSA or Ministry of Justice can enforce filing of reports about businesses or properties, inspections and order to improve depository / book-entry transfer businesses.

Name of Authority #2 (please answer 11c):

11c.

11d. Please explain:

12. Has there been any use of such enforcement actions in the last three years?

No

12a. If yes or other, please explain:

Capital

13. Are annual financial statements publicly disclosed?

Yes (please answer 13a)

13a. If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

Yes (please answer 13b)

13b. If yes, please upload the document(s) here or insert web link(s) in question 13d:

13c. If more than one document for 13b, please upload the additional document here:

13d. Please insert web link(s) for 13b here:

http://www.jasdec.com/en/about/action/report_en/index.html

13e. If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting

standards).

Share Capital (then please answer 13f):

13f. Reserves (then please answer 13g):

13g. Retained Earnings:

13h. If other, please explain:

Internal Audit

14. Is an internal audit undertaken in your depository?

Yes (please answer 14a)

14a. If yes, what areas does the audit cover (financials, operations, etc.) and which department in your depository handles it?

Internal audit covers general business of JASDEC and JASDEC DVP Clearing Corporation. Compliance office of JASDEC handles it.

Question numbers 14b, 14c, 14d and 14f have been modified. Thus, your answers from last year have not been populated for these questions.

14b. Please list the date of your last internal audit and the period that the audit covered:

01/Apr/2010

to

31/Mar/2011

14c. How frequently does the internal audit occur? (Choose one.)

Two or more times a year (please answer 14e)

14d. If less than annually, please explain:

14e. Are the results of the internal audit publicly available?

No

14f. Please select the statement that most accurately characterizes the results of the last internal audit: (Choose one.)

No material exceptions found.

14g. If minor or material exceptions were found, what actions were taken? Please describe:

15. Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

Yes (please answer 15a)

15a. If yes, please state the name(s) of the entity(ies) who perform the financial audit.

Ernst & Young ShinNihon LLC

Question numbers 15b, 15c, 15d, 15e and 15f have been modified. Thus, your answers from last year have not been populated for these questions.

15b. Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

17/Jun/2011

15c. Please list the period that the audit covered:

01/Apr/2010

to

31/Mar/2011

15d. How frequently does the financial audit occur? (Choose one.)

Two or more times a year (please answer 15f)

15e. If less than annually, please explain:

15f. Are the results of the financial audit publicly available?

Yes

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

No material exceptions found.

15h. If minor or material exceptions were found, what actions were taken? Please describe:

16. Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

Yes (please answer 16a)

16a. If yes, please state the name(s) of the entity(ies) who perform the operational audit.

Global Security Expert

Question numbers 16b, 16c, 16e, 16f and 16g have been modified. Thus, your answers from last year have not been populated for these questions.

16b. Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

08/Jun/2011

16c. Please list the period that the audit covered:

01/Apr/2010

to

31/Mar/2011

16d. How frequently does the operational audit occur? (Choose one.)

Annually (please answer 16f)

16e. If less than annually, please explain:

16f. Are the results of the operational audit publicly available?

No

16g. Please select the statement that most accurately characterizes the results of the last operational audit: (Choose one.)

No material exceptions found.

16h. If minor or material exceptions were found, what actions were taken? Please describe:

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

Banks (please answer 17a), Brokers (please answer 17e), Other entities (please answer 17q)

17a. How many Bank participants are there currently? (then please answer 17b)

*"Participant" in this context represents "JASDEC participant" (excluding indirect participants).

Equity:23 banks, CP:35 banks, Corporate Bonds:33 banks, Investment Trusts: 47 banks (As of September 30, 2011)

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

Other (please answer 17d)

17c. Where can a description of the specific eligibility requirements for Bank participants be found?

17d. Please explain:

Stocks, etc.: The eligibility requirements for participants are described in Article 18, Paragraph 3 of BUSINESS REGULATIONS ON THE BOOK-ENTRY TRANSFER OF STOCKS, ETC. as follows: (1) The JASDEC Participation Applicant is a person to whom/which any of the items of Article 44, Paragraph 1 of the Act applies (with respect to any person prescribed in Item 13 of the same paragraph, however, this shall be limited to a person admitted especially by JASDEC) or a person admitted especially by JASDEC (limited to an judicial person); (2) The JASDEC Participation Applicant's becoming a JASDEC Participant is not likely to adversely affect the reputation of Book-entry Transfer System for Stocks, etc., or its efficient operation; and (3) The JASDEC Participation Applicant appoints a Fund-Settlement Corporation which the JASDEC Participation Applicant may use. CP, Corporate Bonds and Investment Trusts: The eligibility requirements for participants are described in Article 16 of BUSINESS REGULATIONS RELATING TO CORPORATE BONDS, ETC. as follows: (1)The applicant is a person to whom/which any of the Items of Paragraph 1 of Article 44 of the Act applies (in the event that the account to be opened by JASDEC relates to "Corporate Bonds", excluding any person which/who is described in Item 13 of Paragraph 1 of Article 44), or which is a person (limited to a corporation) specifically approved by JASDEC; (2)The applicant's becoming a JASDEC Participant is not likely to adversely affect the reputation of the Book-Entry Transfer System for Corporate Bonds, etc., or its efficient operation; (3) The applicant has previously notified JASDEC of the Fund Settlement Corporation prescribed in Article 15 which the applicant uses (in the event that the account to be opened relates to Investment Trust Beneficial Rights, excluding Fund Settlement Corporations) and other matters set forth in the Rules

17e. How many Broker participants are there currently? (then please answer 17f)

Equity: 182 brokers, CP: 24 brokers, Corporate Bonds: 42 brokers, Investment Trusts: 103 brokers (As of September 30, 2011)

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

Other (please answer 17h)

17g. Where can a description of the specific eligibility requirements for Broker participants be found?

17h. If other, please explain:

see 17 d.

17i. How many Individual participants are there currently? (then please answer 17j)

17j. Please select the features included in the eligibility requirements for Individual participants. (Choose all that apply.)

17k. Where can a description of the specific eligibility requirements for Individual participants be found?

17l. If other, please explain:

17m. How many Foreign Institution participants are there currently?

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

17o. Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

17p. If other, please explain:

17q. If you have selected "Other entities" above, please explain:

Stock exchanges, Securities finance companies, Insurance companies, etc.

17r. Indicate how many "Other entities" are currently participants?

Equity: 16 participants including 2 stock exchanges, 1 financial exchange, 3 securities finance companies, 2 insurance companies, 2 clearing houses and 6 others; CP: 9 participants including 2 securities finance companies, 3 insurance companies, 3 money market dealers, and the central bank. Corporate Bonds: 13 participants including 2 stock exchanges, 2 securities finance companies, 3 money market dealers, the central bank, 1 clearing house, 1 trust company, and 3 other participants; Investment Trusts: 32 participants including 2 stock exchanges, 2 securities finance companies, 6 insurance companies, 1 money market dealer, 1 clearing house, 18 Investment trust management companies and 2 other participants (As of September 30, 2011)

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

Other (please answer 17u)

17t. Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

17u. If other, please explain:

see 17 d.

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

No

18a. If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

18b. If other, please explain:

19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

Yes

19a. If other, please explain:

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

Relevant law and regulation, Rules of the depository

20a. Please explain:

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

Yes (please answer 21b)

21a. If no, other or not applicable, please explain:

Question number 21b has been modified. Thus, your answer from last year has not been populated for this question.

21b. Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants. (Choose all that apply.)

Rules of the depository

21c. Please explain:

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

By e-mail, By public announcement, Other (please answer 22a)

22a. Please explain:

By information providing network for participants (Target JASDEC site), website of JASDEC and the web function for participants to confirm their position etc. (Integrated Web Terminal)

Governance of Participants

23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)

The depository

23a. Please explain:

24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)

Termination of participation

24a. Please explain:

25. Has there been any such enforcement actions in the last three years?

No

25a. If yes, please explain, including information relative to any suspensions of depository participants:

25b. If other, please explain:

DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

General

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

Equities, Corporate bonds, Corporate money market instruments, Others (please answer 26a)

26a. Please name the other security types:

Exchange Traded Fund, preferred investment securities of financial institutions established by cooperative associations listed on a stock exchange in Japan, investment securities such as Real Estate Investment Trusts listed on a stock exchange in Japan, share options, beneficial rights of investment trust such as JDR, etc. listed on a stock exchange in Japan, investment company bonds, municipal bonds, government agency bonds and other special corporation bonds, bonds issued in Japan by any governments or companies in foreign countries, Investment Trust Beneficial Rights, foreign securities, etc. listed on stock exchanges in Japan, qualified non-listed share options

27. Is the use of the depository in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc). (Choose all that apply.)

Yes by market practice for settlement, but not for all instrument types (please answer 27a), Yes by market practice for safekeeping, but not for all instrument types (please answer 27b)

27a. Please list the instrument types for which it is not compulsory by law to:

(i) settle in your depository

All the securities issued within applicable scope of the Act are handled at JASDEC. As to foreign stocks, etc., JASDEC is obligated to handle them by the Securities Listing Regulations (not the Act). Securities issued exempt from the Act, such as non-listed stocks, physical shares, recorded bonds, etc. are not handled at JASDEC.

(ii) safekeep in your depository:

Please see 27a (i)

27b. Please list the instrument types for which it is not compulsory by market practice to:

(i) settle in your depository

Please see 27a

(ii) safekeep in your depository:

Please see 27a

27c. If neither/other, please explain:

28. Settlement and Safekeeping Percentages

28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

As to equities, corporate bonds (excluding special cases), share options, Exchange Traded Fund (excluding special cases), preferred investment securities, and investment securities which are listed on stock exchanges in Japan, the use of book-entry transfer system managed by JASDEC is compulsory by market practice (regulations of exchanges) for settlement and safekeeping (recording). (100% settlement by book-entry transfer)

28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

As to equities, corporate bonds (excluding special cases), share options, Exchange Traded Fund (excluding special cases), preferred investment securities, and investment securities which are listed on stock exchanges in Japan, the use of book-entry transfer system managed by JASDEC is compulsory by market practice (regulations of exchanges) for settlement and safekeeping (recording). (100% settlement by book-entry transfer)

29. Are there any activities performed by a third party on behalf of the depository for the depository participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

Not applicable

29a. If third parties are employed, please indicate which services they supply (then please answer 29b):

29b. If third parties are employed, does the depository assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

29c. If you acknowledge responsibility, please indicate whether your responsibility is assumed (Choose all that apply.)

29d. If you acknowledge responsibility for agents, your responsibility is assumed for losses (Choose all that apply.)

29e. If other, please explain:

29f. Please specify limit:

29g. Please specify limit:

29h. If other, please explain:

29i. If other, please explain:

30. Has any participant suffered any losses in the past three years due to the depository's performance?

No

30a. If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter. (Choose all that apply.)

30b. Corporate Action. Please specify number of instances:

30c. Corporate Action. Please specify total loss in USD:

30d. Settlement Process - Securities. Please specify number of instances:

30e. Settlement Process - Securities. Please specify total loss in USD:

30f. Settlement Process - Cash. Please specify number of instances:

30g. Settlement Process - Cash. Please specify total loss in USD:

30h. System Outage. Please specify number of instances:

30i. System Outage. Please specify total loss in USD:

30j. If Other, please explain:

30k. For Other, please specify number of instances:

30l. For Other, please specify total loss in USD:

30m. If other, please explain:

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)

Neither/others (e.g. credit lines used; please answer 31b)

31a. Please name banks:

31b. If neither/others, please explain:

JASDEC does not handle itself cash clearing and settlement. DVP settlement of book-entry transfer for stocks, CBs, ETFs, REITs and Certificates of preferred equity securities, etc. are conducted by JASDEC DVP Clearing Corporation (JDCC). As to DVP for stocks and CB issuance and redemption, cash settlement is conducted via BOJ-NET by book-entry transfer between Fund Settlement Companies (banks, trust banks and securities companies, etc) which are appointed by participants with registration at JASDEC. Cash deposit for the settlement of those securities is accepted by Bank of Japan (BOJ) if participants have their account in BOJ. In case they don't have it in BOJ, it is accepted by Settling Banks with JDCC's approval. Cash Settlement for CPs, Corporate Bonds, Investment Trusts, etc. is conducted via BOJ-NET by book-entry transfer between Fund Settlement Companies which are appointed by participants with registration at JASDEC. Cash for the settlement is accepted by Fund Settlement Companies.

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

Neither/others (please answer 32b)

32a. Please name banks appointed by depository:

32b. If others, please explain:

Please see 31b

33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

Neither/others (please answer 33b)

33a. Please name banks appointed by depository:

33b. If others, please explain:

Please see 31b

34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

Neither/others (please answer 34b)

34a. Please name banks appointed by depository:

34b. If others, please explain:

Please see 31b

35. Please indicate services you provide. (Choose all that apply.)

Same day turnaround settlements., Other (please answer 35d)

35a. Automatic securities lending facility is provided for: (Choose all that apply.)

35b. If other please explain:

35c. Collateral Handling: please provide details:

35d. If other services, please explain:

CB: Service of conversion from convertible bonds to stocks is available; mediation of a demand for exercise of share options relating to the book-entry share options, mediation for the share option exercise demand, mediation of demand for purchase of shares less than one unit / mediation of demand for sales of shares less than one unit, mediation for notification of dividends payment account, mediation for exercise of a put option, mediation of demand for acquisition of shares with put options, mediation for notice of account, publication of the direct holding ratio of foreign nationals during the period, mediation of demand for information by the issuer; PSMS: JASDEC provides Pre-settlement Matching System (PSMS) in order that participants can electronically match information related to trades and settlements among institutional investors, securities firms, trust banks, custodian banks and other entities once equities, fixed income and listed derivatives have been traded.

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

Credited to the securities account upon actual receipt by the depository.

36a. Credited to the securities account: (Choose all that apply.)

36b. If other please explain:

36c. Name of entity:

36d. If other, please explain:

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

Other (please answer 37d)

37a. Credited to the cash account: (Choose all that apply.)

37b. If other please explain:

37c. Name of entity:

37d. If other please explain:

JASDEC does not collect income and dividends on behalf of the participants or its clients. Dividends of stocks, ETFs, REITs, etc. are distributed by transfer agents nominated by issuing companies, directly or

through their upper institutions to owners based on the owners list provided by JASDEC. As for corporate bonds, etc, paying agents pay interest in the amount calculated based on information collected through JASDEC to the JASDEC participants, and then such amounts are distributed to the holders of corporate bonds, etc.

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

38. Please list all depositories or settlement systems to which you have an electronic link.

See 72 and 98

39. Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

Not applicable

39a. Please explain:

40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

Not applicable

40a. If no or other, please explain:

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

Yes (please answer 41a)

41a. If yes, please indicate number: (Choose one.)

More than one account (please answer 41b and indicate how many)

41b. If more than one account what is the maximum?

It is possible to make up to 100 accounts totally. (for foreign stocks listed on a stock exchange in Japan, up to 98 accounts)

41c. If other, please explain:

41d. If other, please explain:

42. Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

Yes (please answer 42a)

42a. If yes, is segregation required or simply permitted?

Required (please answer 42b)

42b. How does segregation occur? (Choose all that apply.)

By separately designated participant accounts.

42c. If other, please explain:

42d. If other, please explain:

42e. If other, please explain:

43. Does the depository permit its participants to open accounts in the participant's own nominee name(s)?

No

43a. If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

43b. If other, please explain:

44. In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible:

44a. By the participant's clients?

No

44b. If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

44c. If other, please explain:

44d. By the intervening authorities controlling insolvency or other proceedings?

Other (please answer 44f)

44e. If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

44f. If other, please explain:

It depends on occasions. Could be possible if there are orders by court. However, the account on behalf of the participant's client's asset shall be segregated from the account on behalf of the participants' own asset, so the participant's client's asset can not be blocked for insolvency, etc. of the participant.

44g. By the participant's creditors?

No

44h. If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

44i. If other, please explain:

44j. By the depository's creditors?

No

44k. If yes, please describe briefly under what conditions access would be granted to the depository's creditors:

44I. If other, please explain:

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)

Computer file (please answer 45b), Computer tape (please answer 45b), Other (please answer 45a)

45a. If other, please explain:

Some information before January 2009 is maintained in the form of Microfilm.

45b. In which format is the source data maintained?

Proprietary format

46. Rule 17f-7 requires that an Eligible Securities Depository "provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account."

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

Yes (please answer 46b)

46a. If no or other, please explain:

46b. If yes, please indicate the scheduled frequency: (Choose one.)

Other (please answer 46c)

46c. If other, please explain:

Daily and upon request.

47. What is your document and record retention policy for documents and records described above in this section? (Choose one.)

Other (please answer 47a)

47a. If other, please explain:

10 years

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. (please answer 48a), Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. (please answer 48a)

48a. Please briefly describe your settlement process, including how your settlement procedures may vary from the model chosen above (and as described below in the Help section)?

For non-exchange trade delivery of stocks, CBs, ETFs and REITs, etc, JDCC handles with Model 2 DVP. Regarding corporate bonds, issuance, redemption, and transfer of CPs, as well as issuance and partial cancellation of Investment Trusts, Model 1 of DVP is adopted (After January 2009, Model 1 of DVP is adopted for issuance of stocks and CBs and redemption of CBs.).

48b. If other, please explain:

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by book-entry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.

49. Are the cash and security movements simultaneous?

Other (please answer 49c)

49a. If cash and security movements are not simultaneous, please indicate the duration of the timing gap. (Choose one.)

49b. If other, please explain:

49c. If other, please explain:

Off-exchange trades of stocks, CBs, ETFs and REITs, etc. are settled by JDCC on Gross-Net basis. Securities settlement shall be made by 2:00 pm, meanwhile deadline for cash settlement is 3:10 pm for paying participants. For corporate bonds, CPs and Investment Trust Beneficial Rights, etc., settlement is conducted on Gross-Gross basis, so cash and security movements are simultaneous.

OWNERSHIP OF SECURITIES

The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository.

50. How are depository eligible securities held by the depository?

Securities in the depository are held in dematerialized form.

50a. If other, please explain and identify amount held in this other form as a percentage of total depository holdings:

51. If depository eligible securities are certificated, can depository eligible securities be held outside of the depository?

Not applicable

51a. If certain designated securities are held outside the depository, please indicate under which conditions these securities would be held outside the depository:

51b. If depository eligible securities are required to be centrally immobilized at the depository, where and with whom are the certificates safekept? (then please answer 51c)

51c. Are these certificates:

51d. If registered, how are the depository eligible securities registered?

51e. If other, please describe:

51f. If in the name of a separate nominee, please identify by name the nominee used:

51g. If other, please explain:

51h. If depository eligible securities may be held either in or out of the depository, are these certificates:

51i. What are the control features for receipt of certificates to the depository (e.g., authentication procedures, re-registration)? Please describe:

51k. If other, please explain:

52. If securities are dematerialized:

May dematerialized security positions be re-certificated and held outside the depository?

No (please answer 52a)

52a. Are the securities held: (Choose all that apply.)

Through book-entry at the depository

52b. Please identify which types of entities may act as registrars: (Choose all that apply.)

52c. Please explain:

52d. If the securities held by the depository are recorded by book entry at the registrar, are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market? (Choose all that apply.)

52e. If yes, how are securities held at the registrar for the account of the depository? (Choose one.)

52f. Please describe:

52g. If the securities held with the depository are recorded by book-entry at the registrar but are not registered exclusively to the depository, may they be registered to:

52h. Please describe:

52i. If the securities held with the depository are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the depository

(e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

52j. If other, please explain:

52k. If other, please explain:

52l. If other, please explain:

53. Rule 17f-7 requires that an Eligible Securities Depository “maintains records that identify the assets of each participant and segregate the system's own assets from the assets of participants.”

Does the depository maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

Yes

53a. If other, please explain:

54. Does the law protect participant assets from claims and liabilities of the depository?

Yes

54a. If other, please explain:

55. Can the depository assess a lien on participant accounts? (A lien would entitle the depository to take and hold or sell the securities of the participant in payment of a debt.)

No

55a. If yes, for what reasons are liens or similar claims imposed? (Choose all that apply.)

55b. Please describe:

55c. Please indicate the limits of this lien as indicated below: (Choose one.)

55d. Please explain:

55e. If a lien is placed on a participant's account which has been designated for its clients, will the depository select certain securities to be subject to the lien?

55f. If yes, please indicate whether: (Choose one.)

55g. Please explain:

55h. If no, please indicate whether the entire account will be subject to the lien.

55i. If other, please describe:

55j. For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

55k. If yes, are the restrictions accomplished by:

55l. Please explain:

55m. If other, please explain:

55n. If other, please explain:

55o. If other, please explain:

56. Transfer of Legal Ownership

Does the depository have legal authority to transfer title to securities?

Yes (please answer 56a)

56a. When does title or entitlement to depository securities pass between participants? (Choose one.)

Other (please answer 56b)

56b. Please describe:

Title to securities transfers to the participant when securities are recorded by book-entry to the participant's self accounts on the depository book (Transfer Account Book). Title to securities transfers to the participant's customer when securities are recorded by book-entry to the customer's self account on the participant book after securities being recorded by book-entry to the participant's customer account at the depository book. Records to the depository book are made during the day of transfer going through night-time process or day time, real-time process.

56c. Where does title or entitlement to depository securities pass between participants? (Choose one.)

56d. Please describe:

56e. If other, please explain:

HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT

The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are being removed from a depository and being lodged into a depository.

57. How are eligible securities lodged (that is, placed) in the depository system? (Choose all that apply.)

Not applicable

57a. Please describe:

58. When are securities lodged into the depository reflected in a participant's depository account? (Choose all that apply.)

Not applicable

58a. Please explain:

59. How long does it usually take to lodge securities with the depository? (Choose one.)

Not applicable

59a. Please specify:

59b. If other, please explain:

60. During the process of lodging securities into the depository, can the securities:

Be traded?

Not applicable

60a. During the process of lodging securities into the depository, can the securities:

Be settled?

Not applicable

60b. During the process of lodging securities into the depository, can the securities:

Have ownership transferred?

Not applicable

60c. If they cannot be traded, or if you answered other, please explain:

60d. If they cannot be settled, or if you answered other, please explain:

60e. If ownership cannot be transferred, or if you answered other, please explain:

61. Are securities immediately available for delivery upon transfer to the depository?

Not applicable

61a. If no: Securities are unavailable for:

61b. If more than 4 weeks, please specify:

61c. If other, please explain:

61d. If other, please explain:

62. Please describe briefly the arrangements/procedures/facilities you maintain to ensure that eligible securities held at the depository are handled at least as efficiently as compared to securities held outside the depository, particularly in relation to income, corporate actions and proxy services.

In relation to income and value of corporate actions, customers can receive them automatically through participants.

63. What transfer process steps are involved when eligible securities are withdrawn from the depository for safekeeping? (Choose one.)

Not applicable.

63a. Please specify:

64. How long does it usually take to remove securities from the depository? (Choose one.)

Not applicable

64a. Please specify:

64b. If other, please explain:

65. While the securities are being removed from the depository, can they:

65a. Be traded? (Choose one)

Not applicable

65b. Please explain:

65c. Be settled?

Not applicable

65d. Please explain:

65e. Have ownership transferred?

Not applicable

65f. Please explain:

STANDARD OF CARE

The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of protections exist for participants in the event of a participant failure/default.

Depository Liability

66. Does the depository accept liability (independent of any insurance coverage) for the following:

66a. Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

No

66b. If yes, please check all of the following that apply:

66c. If other, please explain:

66d. If other, please explain:

66e. Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository that result in direct damages or losses to participants?

Other (please answer 66h)

66f. If yes, please check all of the following that apply:

66g. If other, please explain:

66h. If other, please explain:

Except in the case where JASDEC is deemed to have committed intentional misconduct or gross negligence, JASDEC shall not owe any liability for damages to participants resulting from operations related to JASDEC.

66i. Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

Other (please answer 66l)

66j. If yes, please check all of the following that apply:

66k. If other, please explain:

66l. If other, please explain:

Except in the case where JASDEC is deemed to have committed intentional misconduct or gross negligence, JASDEC shall not owe any liability for damages to participants resulting from operations related to JASDEC.

66m. Any direct damages or losses to participants caused by the depository due to its errors, omissions or fraud?

Other (please answer 66p)

66n. If yes, please check all of the following that apply:

66o. If other, please explain:

66p. If other, please explain:

Except in the case where JASDEC is deemed to have committed intentional misconduct or gross negligence, JASDEC shall not owe any liability for damages to participants resulting from operations related to JASDEC.

66q. Any direct damages or losses to participants caused by the depository in its capacity as a central counterparty?

Other (please answer 66t)

66r. If yes, please check all of the following that apply:

66s. If other, please explain:

66t. If other, please explain:

JASDEC DVP Clearing Corporation, a wholly owned subsidiary of JASDEC, provides CCP functions for non-exchange trade deliveries.

66u. Does the depository guaranty settlement?

Other (please answer 66w)

66v. Please explain how this is accomplished. What are the procedures and safeguards that permit the depository to guaranty settlement?

66w. If other, please explain:

JASDEC DVP Clearing Corporation, a wholly owned subsidiary of JASDEC, provides CCP functions for non-exchange trade deliveries and guarantees the settlement of trades.

66x. Any direct damages or losses to participants caused by the depository as a result of force majeure events, acts of God, or political events, etc.?

No

66y. If yes, please check all of the following that apply:

66z. If other, please explain:

66~. If other, please explain:

66+. In all cases where the depository assumes responsibility for direct or indirect or consequential losses, is the depository's liability limited by a standard of care determination?

Yes (please answer 66*)

66*. Please define the standard of care applied:

Even if participants of JASDEC suffer damage relating to the business concerning the operation of JASDEC, JASDEC shall not be liable for compensating damage unless there is willful or material negligence by JASDEC.

66!. If other, please explain:

67. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?

67a. Indemnification

Other (please answer 67b)

67b. Please explain (then please answer 67c):

Obligations on Account Management Institutions to retire the securities of bona fide purchase by record mistake, to make payments for capital redemption, or to jointly and severally guarantee the obligations of their upper-positioned institutions, etc. are prescribed under the Act on Transfer of Bonds, Shares, etc. As a safety net for cases where such obligations were not fulfilled, JASDEC established Participant Protection Trusts. In addition, Investor Protection Fund is established under the Financial Instruments and Exchange Act.

67c. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Article 51 to 65(2), 78 to 81, and 145 to 148 of the Act on Transfer of Bonds, Shares, etc.; Article 3 to 6 of Enforcement order of the Act on Transfer of Bonds, Shares, etc.; Order on Subscriber's Protective Trust; Financial Instruments and Exchange Act; Business Regulations Concerning Participants' Meetings and Participant Protection Trusts of JASDEC; Article 36 of Business Regulations Relating to Stock Certificates, etc. of JASDEC; Article 59(2) of Business Regulations Relating to Corporate Bonds, etc. of JASDEC

67d. Insurance

No

67e. Please explain (then please answer 67f):

67f. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

67g. Acknowledgement of liability for losses caused by depository's own actions.

Yes (please answer 67h)

67h. Please explain (then please answer 67i):

Please see 67b

67i. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please see 67c

67j. Other

No

67k. Please explain (then please answer 67l):

67l. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

68. Is the depository immune from legal action in its own jurisdiction?

No

68a. If other, please explain:

Security Control

69. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts? (Choose all that apply.)

By direct electronic link, By receipt of physical account holding statements

69a. Please explain:

70. Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

Yes (please answer 70a)

70a. How is access given to participants? (Choose all that apply.)

By direct electronic link (please answer 70b)

70b. Please select type of electronic link:

Dial-up modem, Secured, leased, dedicated telephone line

70c. Please explain:

70d. If other, please explain:

71. Regarding data security:

71a. Are passwords used by participants to access their accounts?

Yes

71b. If other, please explain:

71c. Does each user have a unique user ID?

Yes

71d. If other, please explain:

71e. Are passwords regularly changed?

Yes (please answer 71f)

71f. How often?

While passwords in direct electronic link are given to participants by JASDEC everyday, those in participant terminals are updated every three months.

71g. If other, please explain:

71h. Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

Yes (please answer 71i)

71i. How many?

Three times.

71j. If other, please explain:

72. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

Yes (please answer 72a)

72a. Please explain:

Equity: The computer system of the unified clearing house for stock exchange trades (JSCC) is directly linked to the JASDEC system. Bank of Japan Financial Network System is linked with the JASDEC system; CP&Corporate Bonds, Investment Trust Beneficial Rights: Bank of Japan Financial Network System is directly linked to the JASDEC system. In addition to these linkages, Japan Government Bond Clearing Corporation (JGBCC) recognizes JASDEC as the external matching institution and uses JASDEC PSMS system.

73. How does the depository communicate with other market entities?

73a. Stock Exchanges (Choose all that apply.)

Dial-up modem, Secured, leased, dedicated telephone line, Internet, Fax

73b. Payment Systems (Choose all that apply.)

Secured, leased, dedicated telephone line

73c. Clearing Houses (Choose all that apply.)

Secured, leased, dedicated telephone line

73d. Registrars (Choose all that apply.)

Not applicable

74. How is access to the physical building controlled? (Choose all that apply.)

By guards, By electronic keys/personal ID card, By alarm system

74a. Please explain:

75. What are the vault security procedures for the safekeeping of physical paper? (Choose all that apply.)

Not applicable; no vault is maintained

75a. Please indicate frequency of vault counts:

75b. Please explain:

Participant Default Protections Resulting from a Participant Failure

76. If a participant defaults, how is the loss covered? (Choose all that apply?)

Other (please answer 76d)

76a. Please explain the process:

76b. Please explain the process of how the loss is shared: (Choose one.)

Limited to participants with transactions with failing counterparty

76c. If other, please explain:

76d. Please explain:

JASDEC doesn't compensate for the loss caused by payment failure of participant in defaults. However, in case where participants suffer a loss by mistake of record by JASDEC or an Account Management Institution, and JASDEC or the Account Management Institution which made such a mistake falls into bankruptcy before compensating for the loss, participants are compensated by Participant Protection Trusts. In cases where securities companies fall into bankruptcy, losses are also covered by Investor Protection Fund. JASDEC DVP Clearing Corporation (JDCC: JASDEC wholly owned subsidiary) acts as CCP for non-exchange trade deliveries. When JDCC assumes obligations on the trading of securities, JDCC secures the asset estimated more than the total amount of obligations that JDCC assumes with respect to each participant. JDCC meets obligations by conversion of this asset into cash in case of failure.

77. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

No

77a. How was the situation resolved? Or if you answered "Other," then please explain:

78. Does the depository have a guaranty fund independent of stock exchange or other market guarantees?

Other (please answer 78i)

78a. If yes, please respond to the following questions:

What is the size of the fund (then please answer 78b)?

78b. How is the size of the fund determined? (Choose one.)

78c. If other, please explain:

78d. How is the fund financed? (Choose one.)

78e. If so, what is the amount or percentage per owner?

78f. If so, what is the amount or percentage per participant?

78g. If other, please explain:

78h. Who is covered by the fund? (Choose all that apply.)

78i. If other, please explain:

78j. When is the guaranty fund used? (Choose all that apply.)

78k. If other, please explain:

78l. If other, please explain:

In case of default of an Account Management Institution, investors loss suffered from the default will be compensated by the Participant Protection Trusts which is jointly paid by JASDEC and Account

Management Institutions. JASDEC DVP Clearing Corporation (JDCC, JASDEC's wholly owned subsidiary) acts as CCP for non-exchange trade deliveries, and the Participant Funds deposited in advance by DVP participants are used to ensure fulfillment of obligation to JDCC.

79. Does the depository have forms of oversight management for assessing and monitoring of the following? (Choose all that apply.)

Participant eligibility requirements, Settlement controls that minimize or eliminate the risk of default by a participant (please answer 79d)

79a. Please explain other loss or default protections:

79b. Please explain the requirements:

79c. Please explain how these debit caps work:

79d. What type or types of settlement controls (Choose all that apply.)

Controlling DVP settlement (please answer 79f), Simultaneous DVP (please answer 79g)

79e. Please explain:

79f. Please explain:

For non-exchange trade delivery of stocks, CBs, ETFs and REITs, etc., JDCC handles with Model 2 DVP.

79g. Please explain:

Regarding corporate bonds, issuance, redemption, and transfer of CPs, as well as issuance and partial cancellation of Investment Trusts, Model 1 of DVP is adopted (After January 2009, Model 1 of DVP is adopted for issuance of stocks and CBs and redemption of CBs.).

79h. Please identify and explain:

79i. Please explain briefly how these work:

80. Does the stock exchange have default protections that extend to the depository, such as the following? (Choose all that apply.)

No

80a. Please explain:

BUSINESS RECOVERY PLAN

This section is intended to identify key aspects of the depository's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.

81. Do you have a formal business recovery plan?

Yes (please answer 81a)

81a. Does your Business Recovery Plan include: (Choose all that apply.)

Back-up of all computer files, Off-site data storage, Back-up files stored and locked, Off-site operations facility

81b. Please identify both the frequency and the last date of testing for the following third party:

Depository participants/members

Information liaison test: Once a year, November 17, 2010; Systems switchover test: Once a year, February 5, 2011

81c. Please identify both the frequency and the last date of testing for the following third party:

Stock exchange

Information liaison test: Once a year, November 17, 2010; Systems switchover test: Once a year, February 5, 2011

81d. Please identify both the frequency and the last date of testing for the following third party:

Central bank

Information liaison test: Once a year, November 17, 2010; Systems switchover test: Once a year, February 5, 2011

81e. Please identify both the frequency and the last date of testing for the following third party:

Local brokers

Information liaison test: Once a year, November 17, 2010; Systems switchover test: Once a year, February 5, 2011

81f. Please identify both the frequency and the last date of testing for the following third party:

Any other third party

Information liaison test: Financial Services Agency, Once a year, November 17, 2010; Systems switchover test: Issuing companies (registrars of shareholders' books), Once a year, February 5, 2011

81g. If other, please explain:

81h. If other, please explain:

82. How quickly can the main system be reactivated in the event of an outage? (Choose one.)

1 - 4 hours

82a. If other, please explain:

83. If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing? (Choose one.)

1 - 4 hours

83a. If other, please explain:

84. Will the depository publicly announce any system interruption?

Yes (please answer 84a)

84a. To whom will the depository disclose any system interruptions? (Choose all that apply.)

To the depository regulators, To all direct participants, To direct and indirect participants, To the public via the internet (please answer 84b), In the press (please answer 84c)

84b. If so, please list webpage address:

<http://www.jasdec.com/en/>

84c. If so, please list all publications:

Press release issued at a press club in the Tokyo Stock Exchange.

84d. Please explain:

84e. How will the depository disclose any system interruptions? (Choose all that apply.)

By e-mail, Public announcement, Press release, Other (please answer 84f)

84f. Please explain:

By fax

84g. If other, please explain:

85. In the past three years, has it been necessary to activate the recovery plan in a live situation?

No

85a. If yes, how much time was needed to implement the recovery plan? (Choose one.)

85b. How much time was needed to recover and restore business to normal operations? (Choose one.)

85c. What was the impact to the market? (Choose all that apply.)

85d. If other, please explain:

85e. If other, please explain:

PERFORMANCE, INSURANCE, AND LOSS

This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.

86. Has there been any material loss by the depository during the past three years?

No

86a. If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

86b. If other, please explain:

87. Has the depository been subject to any litigation involving a participant during the past three years?

No

87a. Please explain the circumstances and resolution:

87b. If other, please explain:

88. Has the depository realized revenues sufficient to cover expenses during the past three years? (Choose one.)

Yes for all three years

88a. If other, please explain:

89. Does the depository maintain a reserve for operating losses?

Yes (please answer 89a)

89a. Please describe and indicate reserve amount:

10,308million yen (as of March 31, 2011)

89b. If other, please explain:

90. Has the regulatory body with oversight responsibility for the depository issued public notice that the depository is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

No

90a. Please describe:

90b. In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the depository?

90c. If yes, please describe:

90d. If no, why not?

90e. If other, please explain:

90f. If other, please explain:

91. Does the depository have insurance to cover losses in the event of Default on settlement commitments by the depository or a participant?

Other (please answer 91c)

91a. What is the amount of the coverage?

91b. What is the amount of the deductible?

91c. If other, please explain:

In case of default caused by JASDEC, it will be covered by the insurance

92. Does the depository have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

Yes (please answer 92a)

92a. What is the amount of the coverage?

N.A.

92b. What is the amount of the deductible?

N.A.

92c. If other, please explain:

93. Does the depository have insurance for Operational Errors?

Yes (please answer 93a)

93a. What is the amount of the coverage?

N.A.

93b. What is the amount of the deductible?

N.A.

93c. If other, please explain:

94. Does the depository have Errors and Omissions insurance?

Yes (please answer 94a)

94a. What is the amount of the coverage?

N.A.

94b. What is the amount of the deductible?

N.A.

94c. If other, please explain:

95. Does the depository have insurance for the Premises?

Other (please answer 95c)

95a. What is the amount of the coverage?

95b. What is the amount of the deductible?

95c. If other, please explain:

The depository rents the Premises. The owner has insurance for them.

96. Does the depository have any other insurance?

Yes (please answer 96a)

96a. If so, what is it for?

Litigation Expense

96b. What is the amount of the coverage?

N.A.

96c. What is the amount of the deductible?

N.A.

96d. If other, please explain:

97. Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

N.A.

97a. Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

N.A.

97b. What is the term of the policy?

One year.

97c. Who does the insurance cover? (Choose all that apply.)

Depository

97d. If other, please identify:

98. If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

(1)Base date of data: Data is based on as of the end of March 2011 situation unless specified. (2)Q76: Regarding the settlement of CPs, corporate bonds, and investment trust beneficial rights, etc, model 1 (Gross-Gross) of DVP is adopted. If the amount of accounts managed by JASDEC or its participants exceeds the true amount by mistake of JASDEC or its participants and the excess amount is to be transferred to third parties, such JASDEC or its participants who made a mistake shall acquire CPs or corporate bonds, etc on its own account, in an amount equal to such excess (Article 78 and 79 of the Act on Transfer of Bonds, Shares, etc. (Act No.75 of 2001)), and shall be liable for the duty to compensate the damage arising out of the failure to fulfill the duty mentioned in Article 78 and 79 of the Act. Each lower-positioned account management institution (excluding the foreign account management institutions mentioned in Article 44, Paragraph 1, Item 13 of the Act) shall jointly and severally guarantee its customers (excluding the foreign account management institutions, eligible institutional investors and the state, local authorities and such other persons as prescribed in the ordinance) the fulfillment of all the duties mentioned above (Article 11, Paragraph 2 of the Act). The participant protection trust shall pay to the investors the amount of money equivalent to the credit that relates to the damage which the investor incurred due to the false description of the accounts made by JASDEC or its participants and that the investor holds against the bankrupt nearest upper-positioned institution at the time of the commencement of the bankruptcy procedures, etc. (Article 60 of the Act) (3)Foreign securities listed on a Japanese exchange: Of the security types JASDEC handles, foreign securities listed on the stock exchanges in Japan are not covered by the Act on Transfer of Bonds, Shares, etc. Their transaction is processed through Business Regulations of JASDEC etc. Considering also the fact that the proportion of foreign securities listed on the stock exchange in Japan is very small among securities JASDEC handles, the answers only applicable for foreign securities are written hereinafter collectively. Q29a: Practical operation for corporate action, etc. Q35d: Practical operation for distribution of beneficial shareholder's dividend, proceeds of a sale of Share Option etc., and remittance, etc. Q36d: Stock dividend may not be recorded until the completion of domestic tax withholding. Q37d: Dividends of foreign stocks are collected by JASDEC. Such amounts are credited to the cash account of JASDEC upon actual payment by paying agents, and then the amounts are distributed to the beneficial owners through intermediary. Q38: Regarding foreign stocks listed on a Japanese stock exchange, we have settlement and custody linkage with foreign depositories (DTCC and Clearstream Banking Frankfurt & Luxembourg) directly or through custodian banks (Citibank, Standard Chartered Bank, etc.). The participants may instruct JASDEC to deposit with or withdraw from JASDEC account by using JASDEC book-entry transfer system which is connected to such foreign depositories or custodian banks through SWIFT. The deposit or withdrawal is effected by book-entry transfer to/from JASDEC account based on a free of payment basis. Q39a: The linkage is designed to utilize safekeeping and custody services, provided by overseas CSDs, for foreign securities listed on the stock exchanges in Japan. Settlement of trades conducted in Japan is controlled by JSCC and JASDEC, which have risk management system for the settlement. Q40a: Alternatives have been developed in the event the linkages should become inoperable. Q51: Securities certificates are deposited in foreign institutions.

98a. Upload document here:

PUBLIC AVAILABILITY

99. The AGC encourages respondents/depositories to make their answers to this questionnaire publicly available. Will you be making your response publicly available? (For additional guidance, please review the help feature to this question.)

Yes (please answer 99a)

Question 99 Help: The AGC suggests that you consider making your completed questionnaire available to the public - either in response to requests or, if possible, by posting it on a web site. The information provided in response to the questionnaire will be used by the member banks of the Association in compiling Rule 17f-7 risk analyses and may also be furnished by members to U.S. investment companies. The information may also be furnished to other types of institutional investors, or to other parties who have an interest in the securities markets of various countries. However, the Association does not intend to release questionnaire responses

directly to the general public. (For these reasons, the members of the Association cannot assure that responses will be treated as confidential or that responses will not become public.)

99a. If yes, how will you be making it publicly available: (Choose all that apply.)

Web site (please answer 99b)

99b. Please provide web site address of publicly available questionnaire:

<http://www.jasdec.com/en/index.html>

99j. Please be sure your contact details are updated. Your contact information is located in the first section of Part One within this questionnaire.

You have reached the end of the questionnaire. Please be sure to print your responses and review them prior to changing Datasheet Progress to "Completed" under Part Two. (To print, select the printer friendly link at the top of the questionnaire.) When you are prepared to submit your answers, please return to Part One and Part Two of the questionnaire and change Datasheet Progress to "Completed". The members of The Association of Global Custodians thank you for your time and for your helpful response.

Please provide any comments you have regarding the questionnaire.