

Japan Securities Depository Center, Inc.

Annual Report
2006

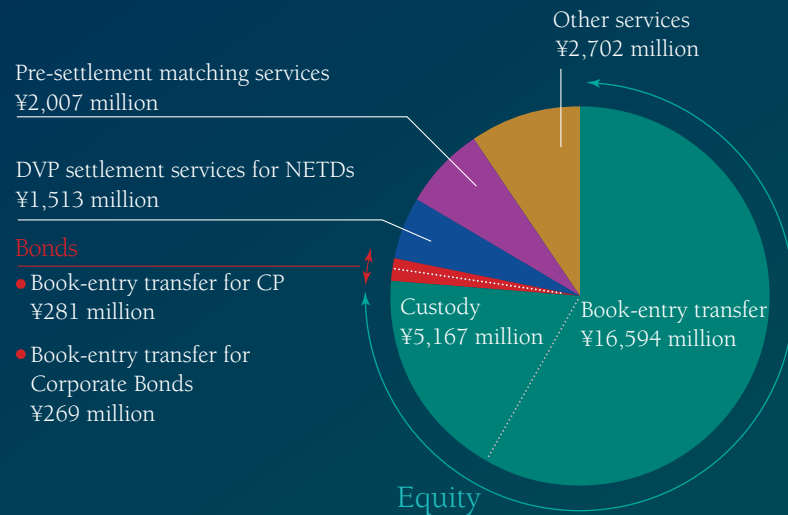
For the year ended March 31, 2006

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REVENUES BY OPERATIONS

Year ended March 31, 2006



Established

DECEMBER 6, 1984

The Japan Securities Depository Center (JASDEC) established as a not-for-profit foundation in line with the November 1984 enforcement of the Law Concerning Central Securities Depository and Book-Entry Transfer of Stock Certificates and Other Securities (the "CSD Law").

OCTOBER 9, 1991

Commenced business as Japan's only central securities depository for stock certificates.

Corporate Structure

JANUARY 4, 2002

The Japan Securities Depository Center, Inc., incorporated as a stock company.

JUNE 17, 2002

Assumed all the businesses of the Japan Securities Depository Center, in accordance with the CSD Law.

JUNE 6, 2003

Established JASDEC DVP Clearing Corporation (JDCC) to undertake clearing services related to the delivery-versus-payment (DVP) settlement system for non-exchange transaction deliveries (NETDs).

Our Mission

In view of our duty to serve the public, our mission as a group is to provide a highly secure, efficient and easy-to-use infrastructure for securities clearing and settlement, which in turn contributes to functional improvement of the securities market.

Toward this end, we seek to establish a book-entry transfer system for investment trusts, and to respond more extensively to the dematerialization of stock certificates as this process continues to unfold in Japan. We will also complement efforts to encourage greater use of the book-entry transfer systems for commercial paper (CP) as well as Corporate Bonds* with efforts to promote straight-through processing (STP), the enhancement of the pre-settlement matching system (PSMS) for wider use of depository services for stock certificates, and more extensive application of the DVP settlement system for NETDs.

To achieve these goals, we will build and replace systems, in line with our medium-term management plan, and strive to cement a stronger foundation for improved stability and reliability in our business activities. We will also endeavor to make our services more convenient for overseas investors using our clearing and settlement systems, and we will reinforce ties with international counterparts to foster cooperation mutually beneficial to both sides.

* "Corporate Bonds" in this report refers to bonds covered by the book-entry transfer system for Corporate Bonds, i.e., corporate bonds, municipal bonds, investment company bonds, specified corporate bonds prescribed in the Law Concerning Liquidization of Assets, rights that should be represented by bond certificates issued by corporations under a special law and rights that should be represented on bond certificates issued by any governments or by companies in foreign countries (excluding those with the characteristics of bonds with subscription rights), such as Samurai bonds and Shogun bonds, while "corporate bonds" is used to denote corporate bonds only.