



# CHANGE

Annual Report 2008

# 奏

## Progress

### Society

#### CHANGE

#### **More efficient and lower cost services**

As an organization responsible for the reform of securities clearing and settlement system in Japan, we are pursuing greater convenience in the securities market.

Stock certificates, with long history in Japan, are now facing a major turning point. Since established in 1984, as Japan's only central securities depository, Japan Securities Depository Center, Inc. (JASDEC\*) has consistently endeavored to promote convenience and efficiency in the securities market. The percentage of shares in custody at JASDEC accounts currently represents approximately 80% of the entire domestic stock market. In January 2009\*\*, dematerialization of stock certificates will be inaugurated, following such systems for corporate bonds and investment trusts, thereby accomplishing our goal in the early stages of infrastructure reform of securities clearing and settlement system of Japan. These reforms are expected to bring significant positive impact on the Japanese economy through increased efficiencies of the securities settlement and lowered costs related to issuance and trading of securities. As a major infrastructure of securities market, we continuously pursue benefits for stakeholders—that is what we take pride in at JASDEC.


(Notes)

\*JASDEC is Central Securities Depository according to the Law Concerning Central Securities Depository and Bank-Entry Transfer.

\*\*The enforcement date will be announced in Government Order.







# 守

## Protection

### Investor

#### CHANGE

JASDEC realized secure transactions. Investors' assets are protected with our highly reliable services.

To address the growing needs of shareholders and investors for more convenient and safer transactions in stocks, corporate bonds and investment trusts, since 1991, JASDEC has been working for efficient and cost-effective custodial and delivery services of securities. In 2004, JASDEC initiated DVP (delivery versus payment) settlement services for NETD to enhance safe settlement of securities transactions. In addition, dematerialization of stock certificates will be implemented in January 2009. This new system is committed to streamlining all transactions, from trading to settlement without manual processing, as well as eliminating the risks of lost or stolen stock certificates and minimizing operational risks. Investors' important assets will thus be well protected. This is our mission at JASDEC.





# 拡

## Broadening

### **Globalization** **CHANGE**

In response to increased cross-border trading in global capital markets, JASDEC is committed to leveraging capabilities for the global standardization in clearing and settlement systems.

With the recent trend of increased cross-border trading, needs for greater efficiency and enhanced convenience of securities transactions have been growing. In the shifting environment of the capital markets both in Japan and overseas, we constantly recognize global needs for standardization of operational practices. For external activities, JASDEC enhances communication and exchange of information with CSDs in other countries to promote international standardization of settlement system. Meanwhile, in Japan, JASDEC launched its depository and book-entry transfer system for foreign stocks in May 2006. Responding to the worldwide trend for dematerialization of securities, we will work to strengthen the competitive position of Japanese securities market. To build more attractive market for both Japanese and foreign investors, we will “continue to broaden” our perspective for global markets. This is our challenge at JASDEC.

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\*DVP: Delivery versus Payment. This system simultaneously attaches specific conditions to the delivery of and payment for securities.

\*\*NETDs: non-exchange transaction deliveries

\*\*\*Pre-Settlement Matching System (PSMS): This central matching system automatically confirms the contents of trade and settlement, such as trade names/amounts, counterparties and account numbers.