

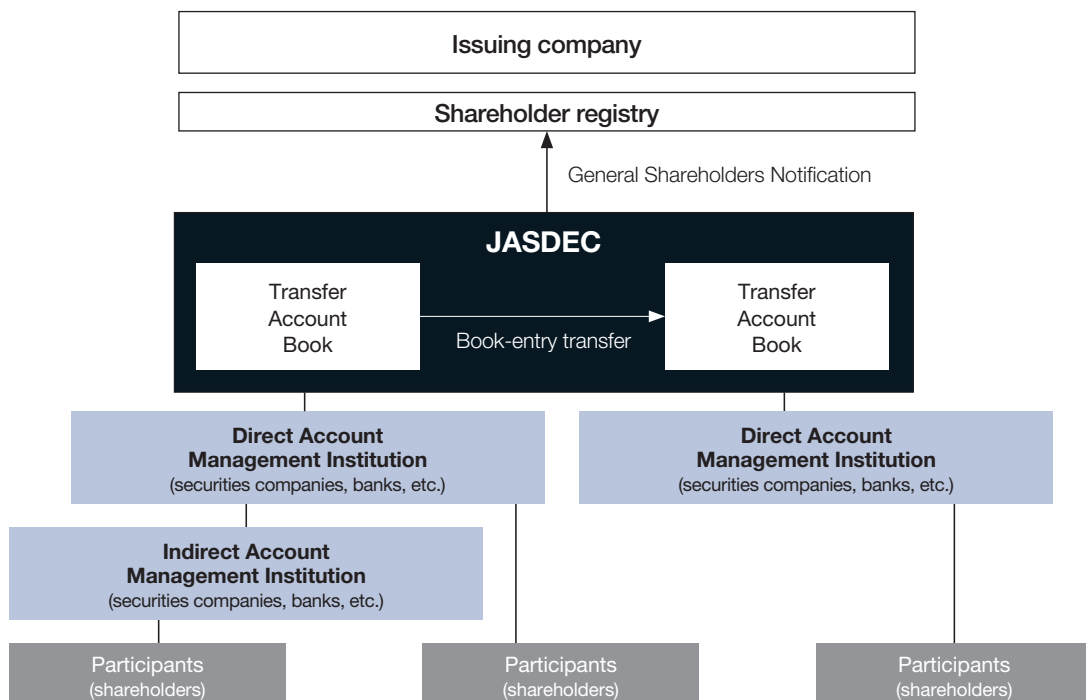
## BUSINESS OVERVIEW

## 01

# Book-Entry Transfer System for Stocks, etc.

Ongoing enhancements to this all-electronic record system are bringing greater convenience, speed, and flexibility to stock ownership transfers.

The Book-entry Transfer System for Stocks, etc.



## The Book-entry Transfer System for Stocks, etc., has been operating smoothly

JASDEC launched its Book-entry Transfer System for Stocks, etc., under the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc. ("Book-Entry Transfer Act") in January 2009. Under this system, listed securities are managed in the accounts opened at JASDEC or Account Management Institutions (AMIs) such as securities companies and banks by electronic records registered in their computer systems. The Book-entry Transfer System has a variety of features that contribute to the safety and convenience of securities settlement.

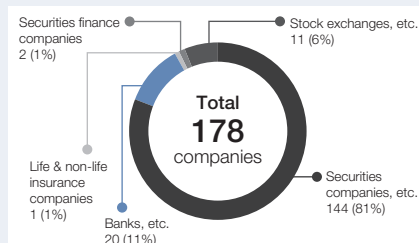
- Only the electronic records noted above determine the vesting of rights pertaining to stocks, etc.; and the rewriting of those records transfers those rights. This reduces the cost of printing, storing and transporting securities in physical form, along with the risk of loss or theft.
- JASDEC provides issuing companies with all shareholder information as of the record date (General Shareholder Notifications), which is needed to compile shareholder registries. To ensure that information is supplied efficiently, JASDEC maintains centralized management of shareholder information. For example, JASDEC preliminarily obtains and integrates names, addresses and other shareholder information from AMIs.

The dematerialization system applies not only to stocks, but also to bonds with share options, share options, investment units of Real Estate Investment Trusts (REITs), investment equity subscription rights, preferred equity investment of cooperative financial institutions, Exchange Traded Funds (ETFs), beneficial interest in a trust issuing a beneficiary certificate such as Japanese Depositary Receipts (JDRs), and similar products (herein after referred to as "JDRs").

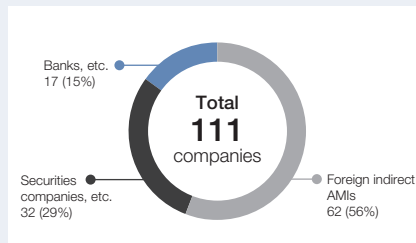
As of March 2015, the total number of issues handled was 3,884, including 3,602 share issues, 24 bonds with share options, 20 share options, 52 investment units, 1 preferred share issue, 130 ETFs, and 55 JDRs. The number of companies participating in the Book-entry Transfer System, including JASDEC participants (direct AMIs), indirect AMIs, and fund settlement corporations, etc., was 381. Foreign institutions designated by the competent minister are also allowed to participate in the System as AMIs. As of March 2015, 62 foreign financial institutions are indirect AMIs.

### JASDEC participants and indirect AMIs (as of March 31, 2015)

#### JASDEC participants by category



#### Indirect AMIs by category



**Note: "Banks, etc."** include The Norinchukin Bank, Tokyo Shoken Shinyou Kumiai, and Japanese Banks' Payment Clearing Network.  
**"Stock exchanges, etc."** include Japan Securities Clearing Corporation, JASDEC DVP Clearing Corporation, three securities agents and three Tanshi companies (which offer short-term credit brokerage services)

## Ongoing enhancements to increase user convenience

JASDEC is continually developing a variety of enhanced measures to ensure the smooth operation and to improve the usability of the Book-entry Transfer System of Stocks, etc. We also implement programs to inform participants about these improvements.

First, we take appropriate steps in response to the legal reforms. In December 2014, we implemented new measures in order to handle investment equity subscription rights, to cancel investment units owned by the issuer and to merge investment trusts following changes to “the Act on Investment Trusts and Investment Corporations” and “the Book-Entry Transfer Act”, based on relevant law<sup>1</sup>.

In May 2015, we revised our operations in order to handle purchase accounts pertaining to share purchase demands by shareholders who object to organizational restructuring, etc., following amendments to “the Book-Entry Transfer Act”, based on relevant law<sup>2</sup>.

We also continue to improve our business in response to the situations and needs of participants. In January 2015, we implemented a new scheme in cases of discontinuance to handle any issues of ETFs and JDRs. In the past, ETF or JDR issuers had been required to issue beneficiary certificates stipulating those rights and

allocate them to beneficiaries. Since the dematerialization of stock certificates, however, issuers and AMIs have seen substantially reduced ability to manage and forward certificates. For these reasons we modified our systems to allow monetary redemptions in place of the allocation of beneficiary certificates. In January 2015, we also modified our systems to enable ETF and JDR issuers to make the demand for a General Beneficiaries Notice at any time, subject to certain conditions.

In October 2014, in order to respond to the Social Security and Tax Number (“My Number”) system from January 2016, we finalized the pending agenda and released the revised version of “the outline requirements for My Number Act<sup>3</sup> in relation to the Book-Entry Transfer System for Stocks, etc.,” whose first edition had been announced in the previous fiscal year.

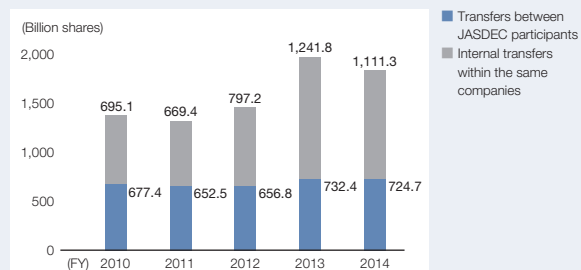
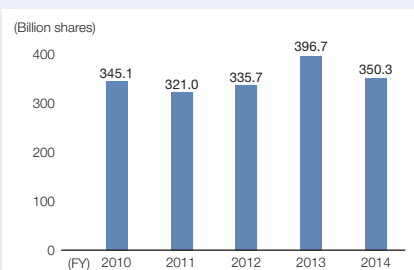
Issuers of book-entry shares are required to notify JASDEC of the details of corporate actions when they decided to initiate them. We conducted the review of guideline to explain notification procedures, and published the Guidebook for Notification in February 2015 which is more intelligible for issuers. We also conducted promotion activities for them to introduce notification procedures.

<sup>1</sup> “the Act on Partial Revision of the Financial Instruments and Exchange Act, etc.”

<sup>2</sup> “the Act on the Arrangement, etc. of Related Acts that Accompany the Enforcement of the Act on Partial Revision of the Companies Act”

<sup>3</sup> The official name of My Number Act is “the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure”

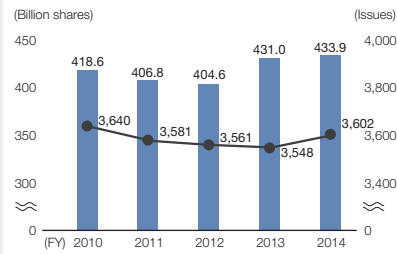
### Book-entry transfers



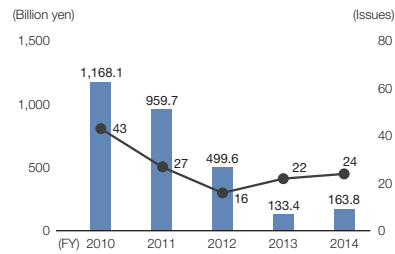
## Account balance and number of issues

■ Account balance (end of FY) ● Number of issues (end of FY)

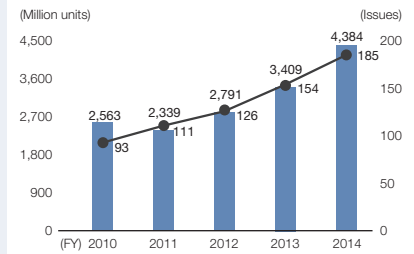
## Stocks



## Bonds with share options

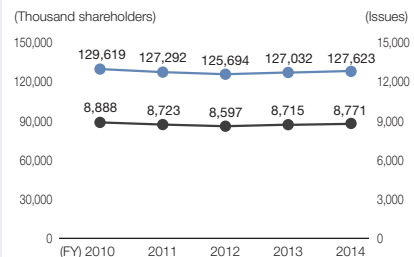


## ETFs and JDRs

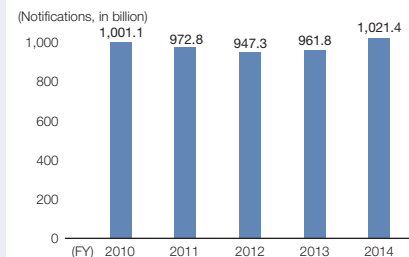


## General shareholder notifications

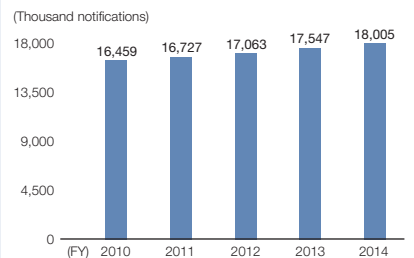
## Number of issues and total shareholders

● Number of issues  
● Total shareholders

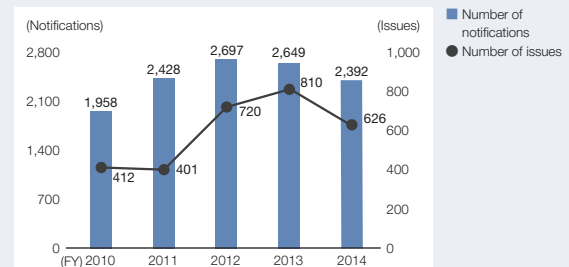
## Number of general shareholder notifications



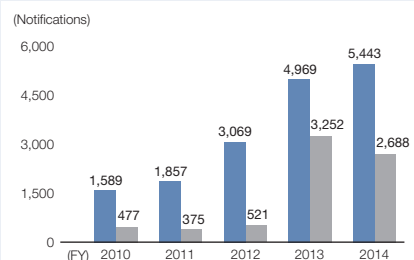
\*Figures are as of day of notification to issuers.

Number of shareholders  
(Data for shareholder notifications)\*Number of shareholders (data for shareholder notifications) is integration of participant information notified by AMIs.  
\*Figures are as of end of fiscal year.

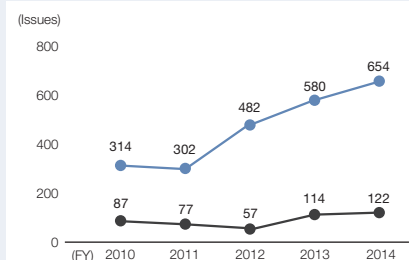
## Individual shareholder notifications

■ Number of notifications  
● Number of issuesInformation requests<sup>4</sup>

## Number of notifications

■ (Total record) notifications  
■ (Partial record) notifications

## Number of issues

● (Total record) number of issues  
● (Partial record) number of issues

<sup>4</sup> Requests for information (total record) refer to requests for data recorded on book-entry transfer registries of either JASDEC participants (direct AMIs) or indirect AMIs where shareholders in question have opened accounts. Requests for information (partial record) refer to requests for data recorded solely on book-entry registries of JASDEC participants where shareholders in question have opened accounts.

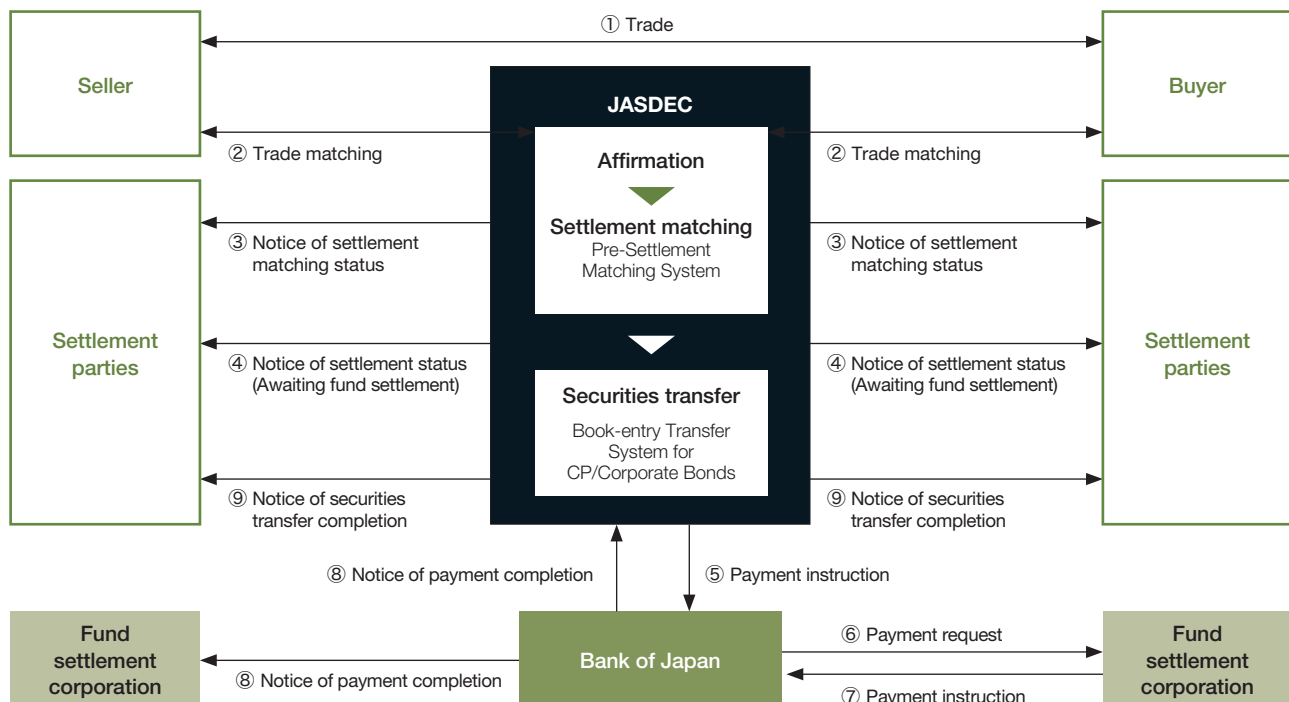
## BUSINESS OVERVIEW

## 02

# Book-Entry Transfer System for Commercial Paper and Corporate Bonds

JASDEC is maintaining the security of the CP and corporate bond book-entry transfer system whose daily settlement value typically surpasses the trading value per day at the Tokyo Stock Exchange.

Flowchart for Book-entry Transfer for CP/Corporate Bonds (DVP)



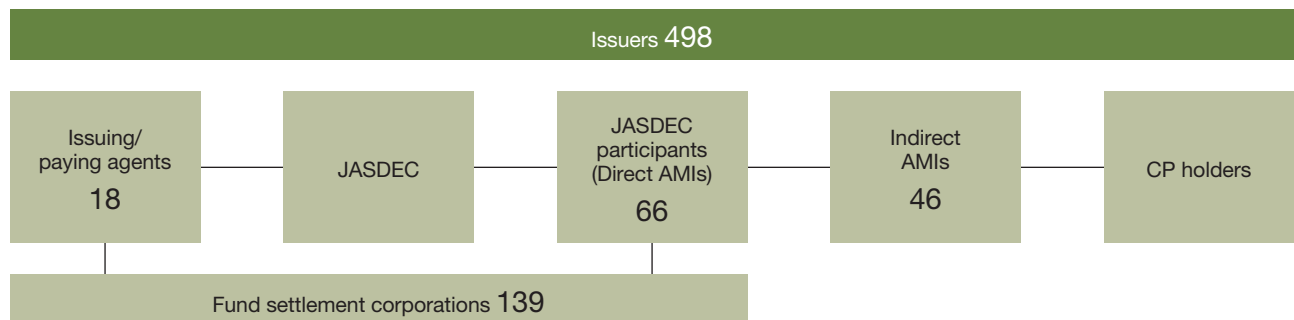


## Supporting seamless and secure CP and corporate bond settlement

In March 2003, JASDEC launched the Book-entry Transfer System for Short-Term Corporate Bonds (dematerialized CP), and this was followed by the launch of the Book-entry Transfer System for Corporate Bonds in January 2006. In each system, settlement procedures—issuance, transfer (trading), and redemption—are conducted based on the balance electronically recorded in the transfer account books. In addition, at all stages of issuance, transfer, and redemption of CP and corporate bonds, DVP settlement is available by the linkage between JASDEC's book-entry transfer system and the Bank of Japan Financial Network System (BOJ-NET). Furthermore, interfacing the book-entry transfer system to its PSMS (Pre-Settlement Matching System; see page 34, JASDEC has realized Straight Through Processing (STP), which fully automates the entire process through trade matching to settlement of securities and funds.

As a means of managing participation in JASDEC's Book-entry Transfer System, we set up a multilayer holding structure for direct/indirect Account Management Institutions (AMIs) to address the diverse needs of investors and financial institutions. For example, direct AMIs can open an account directly at JASDEC and indirect participation is possible by opening an account at a direct AMI. Another option for indirect participation is through the opening of an account at an indirect AMI. Upon the payments of principal and interest of corporate bonds to bondholders, AMIs receive principal and interest from paying agents or their upper AMIs through the multilayered structure on behalf of their bondholders.

Participants in Book-entry Transfer System for CP (as of the end of March 2015)



## The Book-entry Transfer System for Commercial Paper continues to operate efficiently

Commercial Paper (CP) currently refers to short-term corporate bonds in a dematerialized form issued by corporate entities as a means of procuring short-term funds. As CP was previously drawn as promissory notes in physical form, there were always some risks of theft or loss when notes were transferred or deposited, as well as costs of a documentary stamp tax upon transfers. To eliminate such risks and costs, the fully electronic Book-entry Transfer System for dematerialized CP was launched in 2003. Almost all CP issued in Japan is handled by this system.

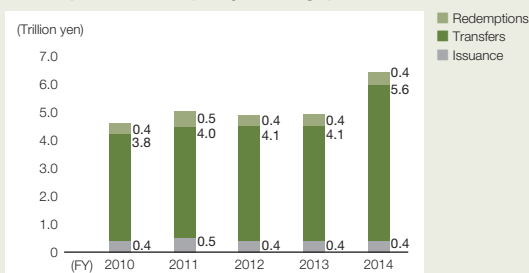
In fiscal 2014, improving business performance and other factors were reflected in lively issuing activity by issuers in a wide range of industries, and the account balance increased from the ¥16 trillion level to the ¥17

trillion level in the second half of the fiscal year. Although the account balance fell sharply toward the end of the fiscal year because of a combination of factors specific to the year-end period, it stood at ¥14.2 trillion as of March 31, 2015, an increase of ¥1.6 trillion from the position at the end of the previous fiscal year. A total of 3,717 issues were being handled, an increase of 165 from the end of the previous fiscal year. The settlement methods used for new records, redemptions and book-entry transfer are “DVP settlement,” which links CP records by JASDEC with settlements using the BOJ-NET, and “non-DVP settlement” for other types of transactions. DVP settlements accounted for 66% in terms of the number of settlements and 75% of settlements on a value basis.

**CP account balance (nominal value) and number of issues**



**Issuance, transfer and redemption of CP (daily average)**



## Continually adapting to CP market needs

The total settlement amount of issuance, transfer and redemption of CP handled by JASDEC's Book-entry Transfer System averages ¥6.5 trillion per day. In addition, month-end settlements sometimes surpass ¥13 trillion. This means that the settlement value of CP at JASDEC is more than the daily trading value at the Tokyo Stock Exchange.

In fiscal 2014, lively trading activity lifted the value of settlements by over 30% year on year to ¥1,300 trillion. In

addition to an increase in the amount of issues, this trend also reflects a growing need for investment in CP.

This huge settlement amount reflects the importance of CP in the Japanese financial market. JASDEC is willing to continue maintaining a high level of safety in the Book-entry Transfer System for CP, which is a critical role for securities settlement infrastructure, while rapidly reflecting market needs in the system.

## The Book-entry Transfer System for Corporate Bonds operates with security and reliability

JASDEC's Book-entry Transfer System for Corporate Bonds handles various types of bonds, both through public offerings and private placements. These include bonds issued by business companies, municipal bonds, bonds of special corporations, such as quasi-government and local government bodies, bonds issued by investment firms, specified bonds issued by special purpose companies (SPCs), Samurai bonds (yen-denominated bonds issued in the Japanese bond market by foreign governments or entities), J-Sukuk (Islamic financial instruments similar to bonds) and others.

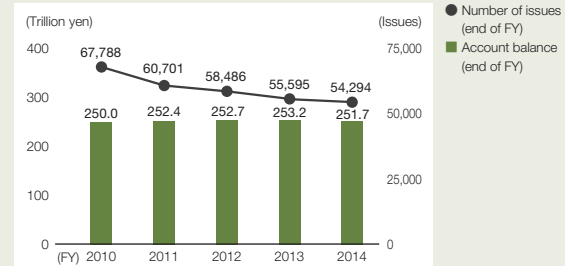
In fiscal 2014, both new records and redemptions were around the same levels as the previous fiscal year. As of March 31, 2015, the number of issues being handled was 54,294, a decrease of 1,301 from the end of the previous fiscal year, and the account balance was ¥1.4 trillion lower at ¥251.7 trillion. Meanwhile, demand for foreign currency denominated funding expanded in the previous fiscal year, and that trend continued in the year ended March 2015. In particular new issues denominated in U.S. dollars increased. On a face value basis, the account balance of U.S. dollars denominated bonds rose by US\$2,695 million year on year to US\$6,168 million as of March 31, 2015.

The settlement methods used for new issues, redemptions and book-entry transfer are “DVP settlement,” which links corporate bond records by JASDEC with settlements using the BOJ-NET, and “non-DVP settlement” for other types of transactions. DVP settlements accounted for 28% in terms of the number of settlements and 49% of settlements on a value basis.

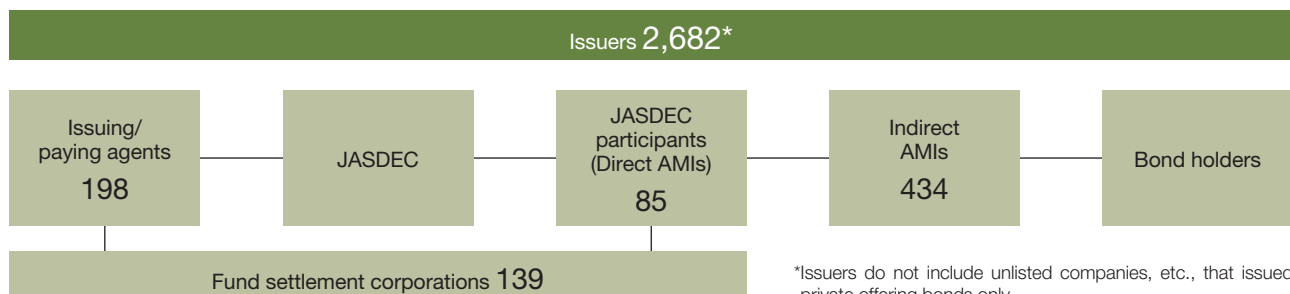
At the request of the Study Group to Vitalize the Corporate Bond Market, which is administered by the Japan Securities Dealers Association, JASDEC explored ways to create a framework to ensure the efficient transmission of information, including issuer-related information, to bondholders in Book-entry Transfer System for Corporate Bonds. This resulted in the publication of *Outline of Bond Information Transmission Service* in January 2015. We will next establish detailed administrative procedures based on the Outline in preparation for the introduction of services before the end of fiscal 2015.

In January 2016, integrated taxation on financial income and gains will be introduced. JASDEC is making the necessary preparations, including the disclosure of technical specifications, to ensure smooth connection to the new system.

**Corporate Bonds account balance and number of issues**



### Participants in Book-entry Transfer System for Corporate Bonds (as of the end of March 2015)



\*Issuers do not include unlisted companies, etc., that issued private offering bonds only.

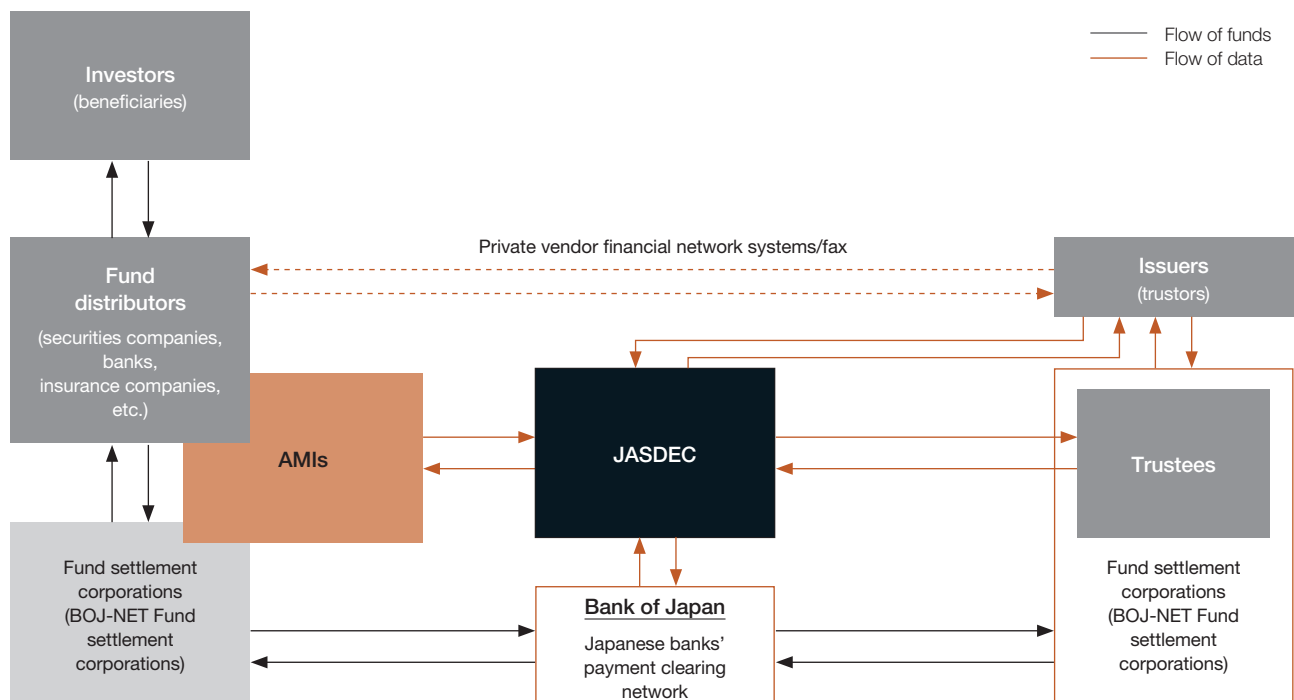


## 03

# Book-Entry Transfer System for Investment Trusts

JASDEC is streamlining the process for trustors, trustees and beneficiaries, ensuring security and convenience for a system that serves virtually all investment trusts in Japan.

Basic Model of Book-entry Transfer System for Investment Trusts



## A faster, safer approach to investment trust administration

The Book-entry Transfer System for Investment Trusts is a computer system for managing beneficial rights of investment trusts.

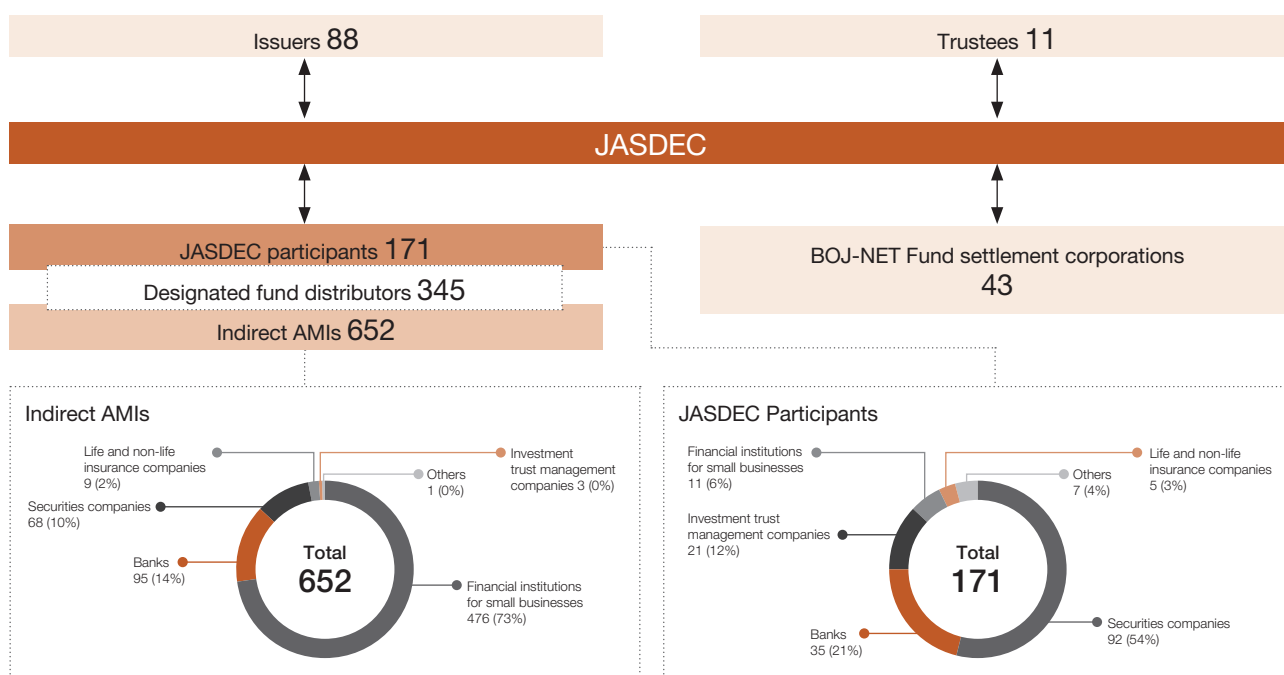
The system covers contract-type investment trusts (hereinafter, simply called “investment trusts”), which involve three parties—a trustor, a trustee, and a beneficiary who is an investor in the investment trust. (Exchange Traded Funds (ETFs) and investment trusts of the non-trustor instruction type are outside the scope of the system.) Since the system was launched on January 2007, all trustors and trustees involved in investment trusts have participated in the system, and thus almost all investment trusts issued in Japan have been dematerialized.

Diverse institutions, including fund distributors, participate in the Book-entry Transfer System for Investment Trusts as Account Management Institutions

(AMIs), which open accounts at JASDEC to record Beneficial Interest in Investment Trusts owned by investors. They consist of not only securities companies, but also entities such as banks, insurance companies, Shinkin banks, credit cooperatives, agricultural cooperatives, and investment trust management companies engaged in direct marketing. The total number of institutions having accounts at JASDEC as AMIs or JASDEC participants was 823 as of March 31, 2015.

The Book-entry Transfer System for Investment Trusts enables direct or indirect connection between trustors, trustees, AMIs, and JASDEC. This ensures greater security, accuracy, and speed of processing through the electronic management of the accounts of investment trust beneficiaries.

Participants in Book-entry Transfer System for Investment Trusts (as of the end of March 2015)



\*Others: Securities agents, securities exchanges, CCPs, call loan dealers, etc.

## Strong support from users

The total number of investment trusts handled by JASDEC as of March 31, 2015 was 8,956 issues (a 1,016-issue increase from March 31, 2014), comprising 5,412 publicly offered and 3,544 privately placed investment trusts. The number and balance of new trusts recorded (purchases) remained high, reflecting a favorable investment environment and the introduction of the Nippon Individual Savings Account (NISA) tax exemption scheme for small investments in January 2014. Throughout the entire business year, the account balance increased consistently. As a result, the outstanding balance as of March 31, 2015 increased ¥17.3 trillion year on year to ¥141.8 trillion, comprising ¥98.3 trillion in publicly offered and ¥43.4 trillion in privately placed investment trusts.

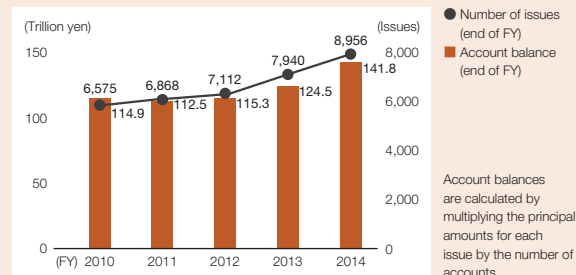
Fund settlement systems in the Book-entry Transfer System for Investment Trusts include DVP settlement (linking record by JASDEC with settlements using the Bank of Japan Financial Network System) and non-DVP settlement (using the Japanese Bankers Association's financial network system for online fund settlement between financial institutions). In fiscal 2014, the proportion of settlements using DVP was 27% by transaction volume and 61% by principal value.

## Dedicated to ongoing improvement

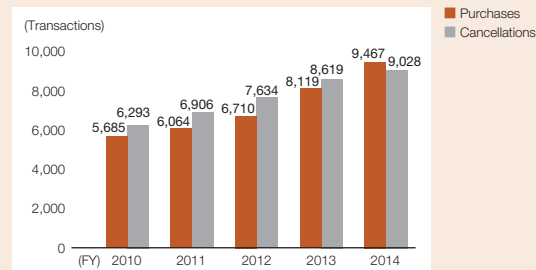
Amendments to the Act on Book-Entry of Corporate Bonds, Shares, etc. in December 2014 resulted in the establishment of provisions relating to transfer account book entries and record procedures pertaining to the merger of investment trusts. We made the necessary changes to our procedures, including Business Regulations Relating to Corporate Bonds, etc. We also formulated and published administrative rules concerning the treatment of trust mergers under the Book-entry Transfer System for Investment Trusts, which stipulate administrative processes pertaining to the parties to a trust merger.

JASDEC will continue to implement measures that enhance the user-friendly Book-entry Transfer System for Investment Trusts, while maintaining the high level of safety required for settlement infrastructure.

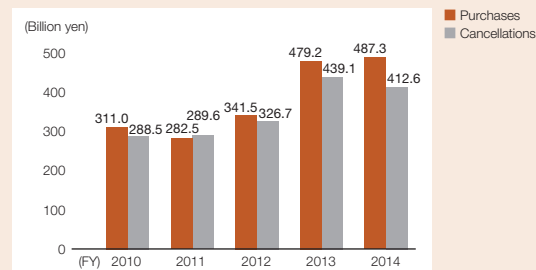
**Investment trusts account balance and number of issues**



**Purchase and cancellation transactions (Daily average)**



**Principal values of investment trusts for purchases and cancellations (Daily average)**



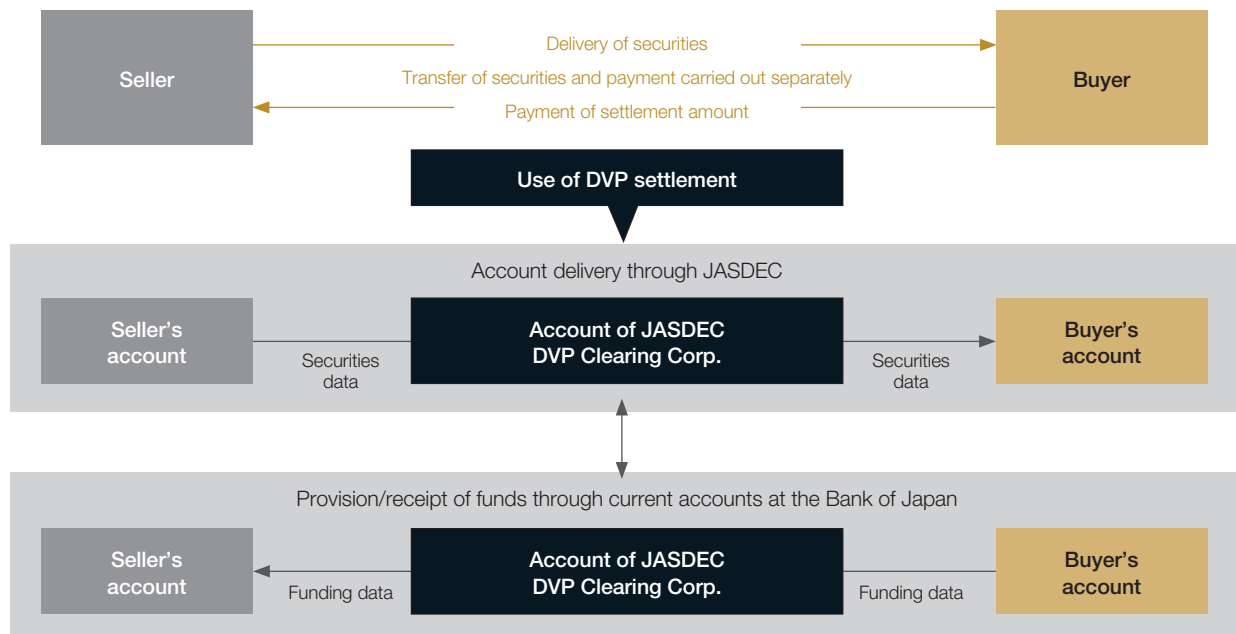
## BUSINESS OVERVIEW

## 04

DVP  
Settlement System  
for NETDs

JASDEC has combined delivery and payment into a single, smooth reciprocal system, reducing risk and raising convenience for participants on both sides of the trade.

Reducing principal risk by using the DVP settlement method





## Providing safe, secure securities transactions

The Non-Exchange Transaction Deliveries (NETDs) refer to Book-entry Transfers for Stocks, etc., carried out by JASDEC for non-exchange transactions, and the majority of them consist of such trades of domestic and overseas institutional investors buying and selling Japanese stocks, etc., through the DVP settlement system for NETDs.

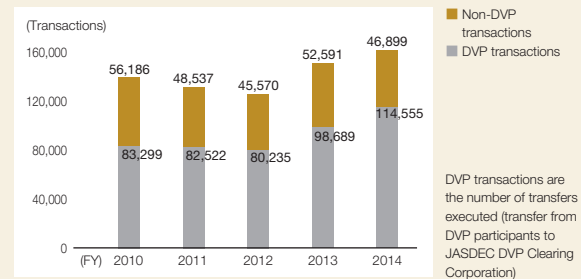
Previously, the delivery of the securities and the payment of the settlement amounts for non-exchange transactions have mostly been processed separately, so the transactions have been exposed to the risk (principal risk) that settlement payments may not be made even though the securities have been delivered. The use of the DVP settlement system for NETDs links the delivery of the securities and the payment of the settlement amounts through the system, diminishing the risk and making it possible for securities settlements to be conducted safely and reliably. To further support reliability, the entire administrative process is handled automatically and electronically using Straight Through Processing (STP).

Since May 2004, the DVP settlement system for NETDs has been administered by JASDEC's wholly owned subsidiary, JASDEC DVP Clearing Corporation (JDCC). JASDEC participants applying to make use of the system are examined for their suitability in terms of financial condition, organizational structure, and other such factors before receiving authorization from JDCC. In order to ensure stringent risk management of all participants, JDCC secures collateral in advance, comprising assets (assurance assets) with the appraisal value that exceeds the net debit (total payables – total receivables) of each participant, and sets an upper limit to the value of the

liabilities payable (the net debit cap) in proportion to the trading status of each participant. Settlement within the DVP settlement system for NETDs is conducted in accordance with the so-called “Gross-Net DVP model” system by which securities pass through the JDCC account within JASDEC and the transfer of the securities from the seller's into the buyer's account is conducted separately for each transaction (gross). Meanwhile, the settlement amounts pass through the JDCC's account within the BOJ-NET funds transfer system, and settlement is concluded by the appropriate net calculated amount of funds being paid on each settlement date (net).

The DVP settlement system for NETDs mainly deals with securities handled by JASDEC through its Book-entry Transfer System for Stocks, etc., such as shares and bonds with share options, etc. In January 2014, we commenced DVP settlements for stock lending transactions.

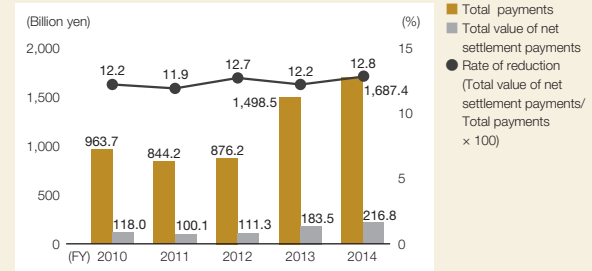
**DVP settlement for NETD transactions  
(Daily average)**



As of the end of March 2015, 54 companies (comprising 12 banks and 42 securities companies) were participants in the DVP settlement system for NETDs. Excluding internal transfers within the same company, DVP transactions accounted for about 70% of NETD transactions—evidence that use of the system has become firmly established as an important customer-side settlement method.

In fiscal 2014, the usage of DVP settlements continued to increase. Considering this situation, we refunded settlement fees according to each participant's usage level between April 2014 and February 2015. Total refunds in fiscal 2014 amounted to ¥ 277 million.

#### DVP settlement for NETD fund settlement (Daily average)



Securities covered: Stocks, bonds with share options (convertible bonds), ETFs, REITs, share options (share subscription warrants), foreign stocks, etc.

Total payments is the total amount used for execution of securities transfers.

Total value of net settlement payments is the total amount used for a net transaction basis.



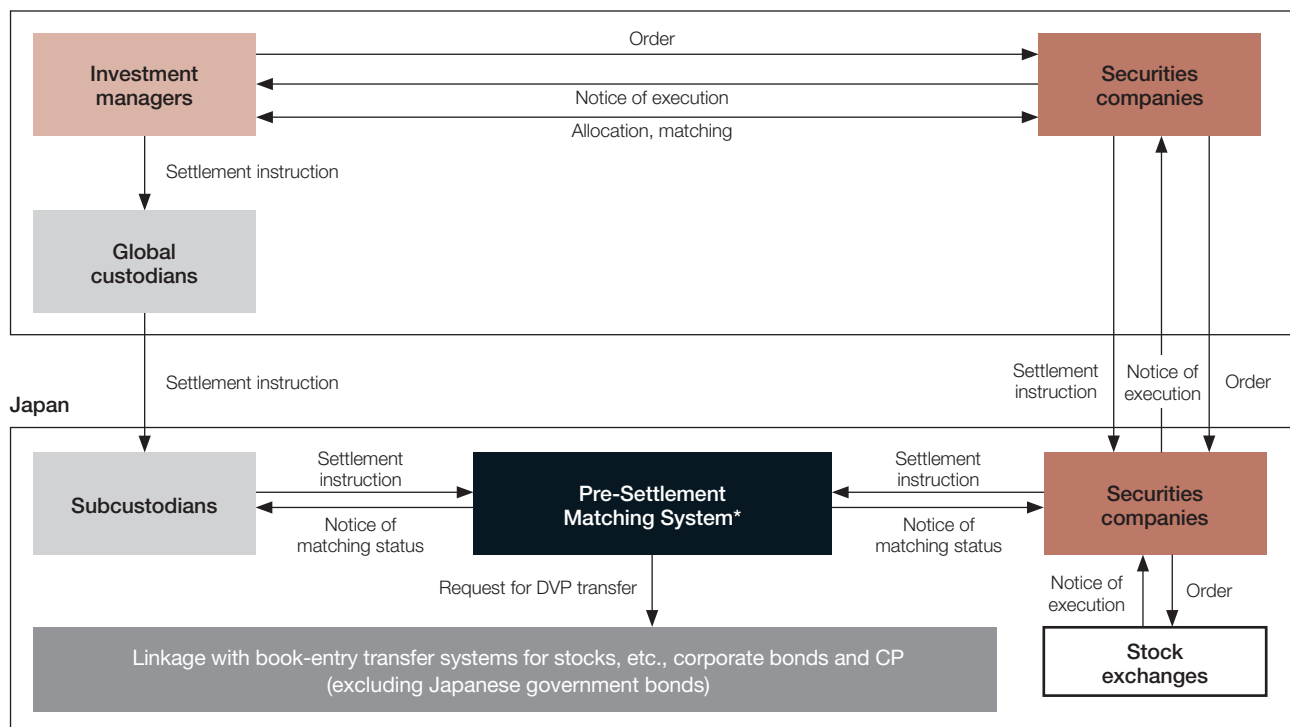
## 05

# Pre-Settlement Matching System (PSMS)

In January 2014, JASDEC launched brand new services in PSMS for further enhancement of STP, including introduction of the ISO 20022 standard and SWIFTNet.

## PSMS for non-residents' transactions

### Overseas



\* From January 2014, onward, "Tolerance Matching" function is available.

## Pre-Settlement Matching System (PSMS)— for smooth and secure matching infrastructure in the Japanese securities market

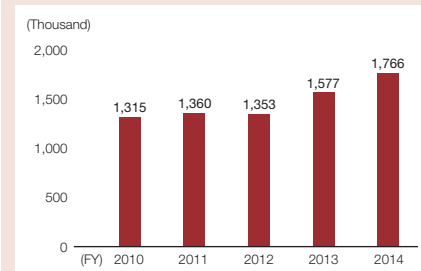
It is crucial for financial institutions to smoothly and securely complete the settlement of a huge number of transactions. While our Book-entry Transfer Systems (BETS) realize secure settlement, PSMS realizes smooth settlement on top of that.

Since the launch of PSMS in September 2001, JASDEC has promoted Straight Through Processing (STP) in Japanese securities market, by matching the trade and settlement information for institutional investors, and others. PSMS has three basic attributes below, as a bridge between trades and settlements.

1. **Rapid post-trade process**
2. **Automatic data linkage to Central Counterparty (CCP) and BETS for Delivery Versus Payment (DVP) settlement**
3. **Globally standardized protocol suitable to both domestic and non-resident transactions**

Following the booming stock market in Japan, in fiscal 2014, the number of input/output transactions of PSMS significantly increased to 1,766 thousand on a daily average. Furthermore, 681 users are utilizing PSMS as a primary matching infrastructure in the Japanese market.

**Total number of PSMS input/output instructions using the PSMS system (Daily average)**



## More Standardized Communication— ISO 20022 and SWIFT Network

With non-residents now accounting for more than half of the stock transactions, it is important to provide smooth communication to the Japanese market from overseas. As one of the first major adoptors in the world, JASDEC leveraged the ISO 20022, the new international standard for financial messaging, in its system. JASDEC now supports system connectivity via SWIFT network as well.

The adoption of ISO 20022 will not only improve system connectivity, but will also help to enhance harmonization with worldwide and Japanese market

practices. JASDEC has been actively participating in market practice groups like the global Securities Market Practice Group (SMPG), as well as ISO 20022 Securities SEG.

All JASDEC participants are required to migrate from the old message format to the ISO 20022-based format by the end of 2018. As of March 31, 2015, 51 companies out of total of 172 had completed the migration to the ISO 20022-based format.

## Further actions for ongoing progress

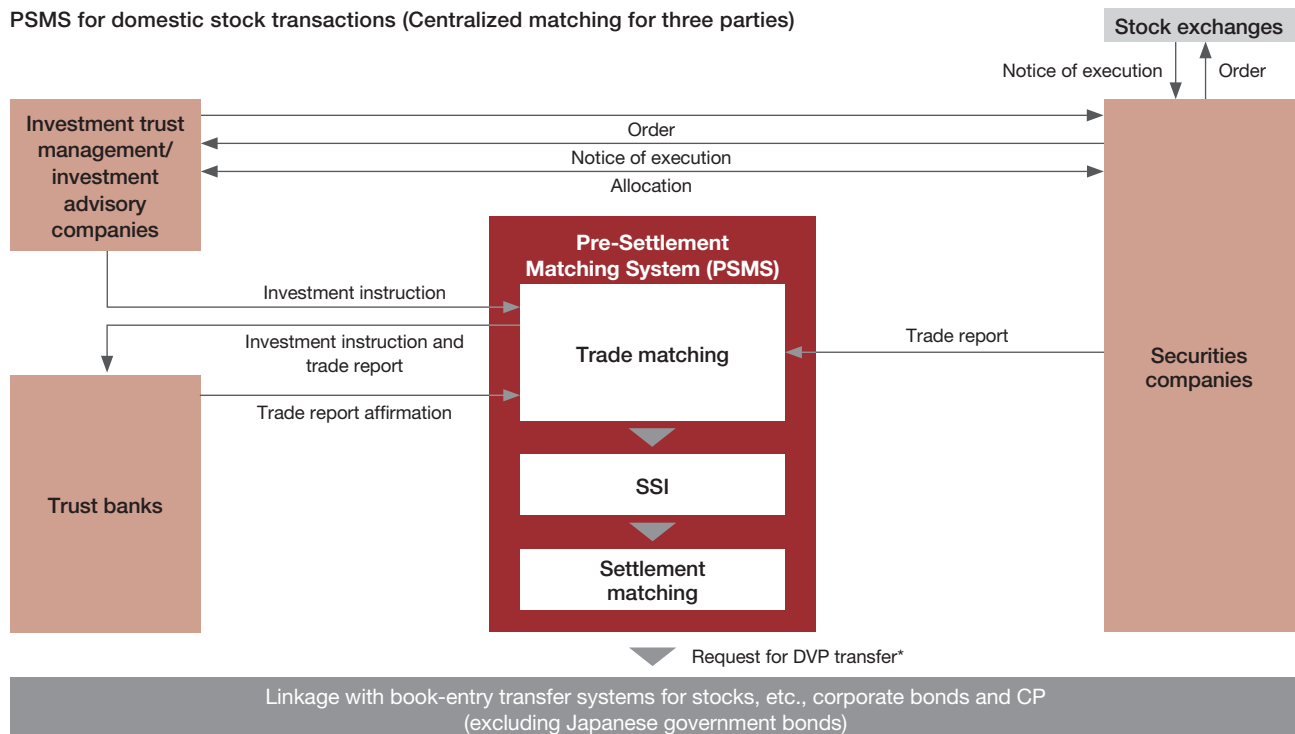
JASDEC has been continuously working on initiatives that will contribute to further efficiency improvements in the Japanese securities market. In November 2015, the Japan Securities Dealers Association (JSDA) plans to enforce a system that will disclose trade information of specific corporate bond transactions, aiming at revitalization in the Japanese bond market. JASDEC cooperates on the project by making use of transaction data of corporate bonds sent to PSMS.

With market participants, JASDEC also takes part in the discussion on shortening the settlement cycle for Japanese Government Bonds (JGB). The balance of JGB has tended to rise over the years, and the market is now

quite large. JASDEC believes a shorter settlement cycle would contribute to reduction of settlement risk as a direct effect, as well as improvement in market liquidity and enhancement in competitiveness among overseas markets as an indirect effect.

JASDEC is currently making system preparations to start T+1 settlements (T+0 settlements for GC repo transactions) for outright transactions in JGB from 2017 onward. System implementation includes revision of trade matching functions, linking matched trade data to Japan Securities Clearing Corporation (JSCC), and the distribution of JSCC notices to PSMS users.

### PSMS for domestic stock transactions (Centralized matching for three parties)



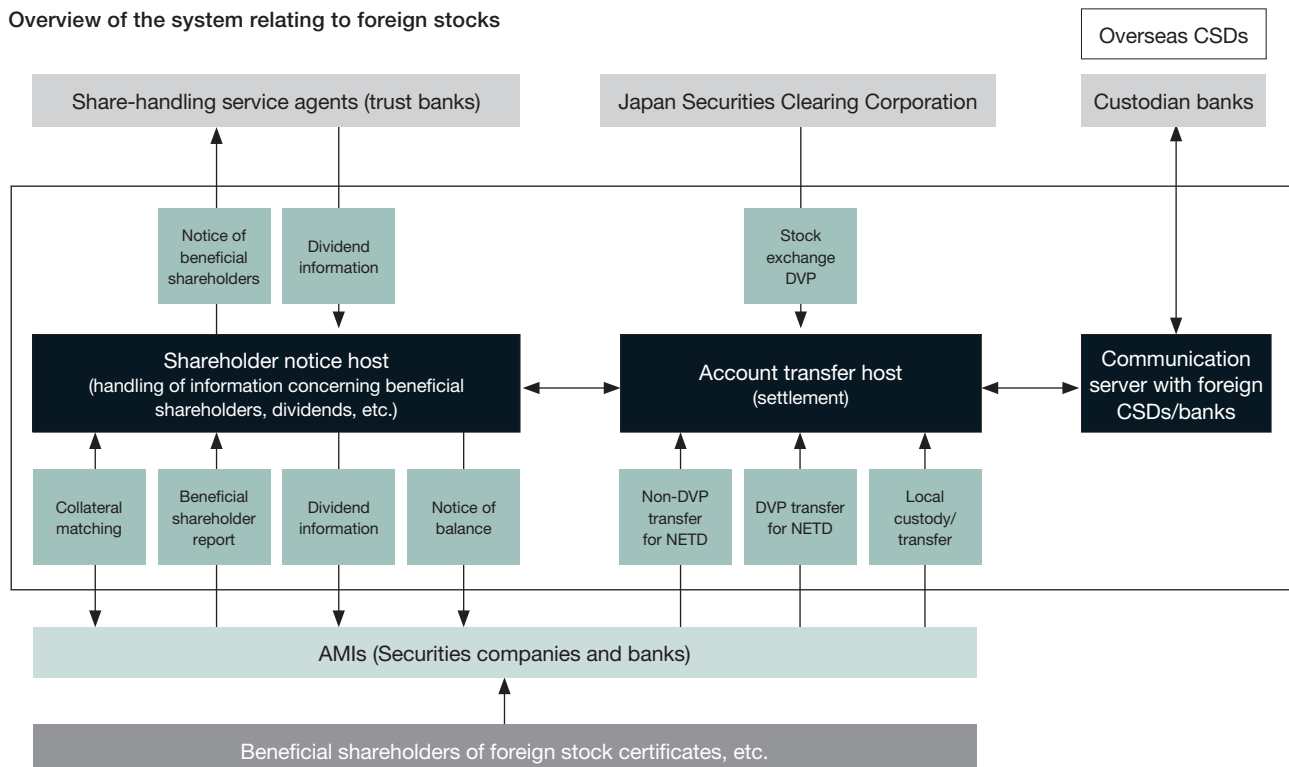
\* From January 2014 on, DVP settlement for Stock Lending and Borrowing (SLB) transactions is available.

## 06

# Custody Services for Foreign Stock Certificates, etc.

Making it easier for Japanese investors to invest in foreign companies by handling the complicated procedures involved in transfers, dividend payments and taxation.

Overview of the system relating to foreign stocks



## Safe and secure settlement infrastructure and services for listed foreign securities

In May 2006, JASDEC commenced services to process deposits, transfers, and corporate actions for foreign stock certificates, etc., listed on Japanese stock exchanges. Although foreign stock certificates, etc., are generally deposited with CSDs or custodians in the same countries as the issuing companies, settlements of transactions at Japanese stock exchanges are conducted through book-entry transfers in JASDEC.

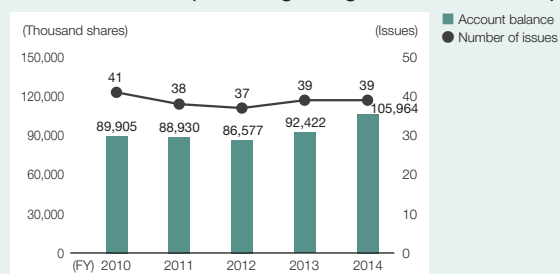
JASDEC entrusts dividend payments to relevant share-handling service agents and dividend-paying banks. Information on beneficial shareholders at the dividend record date is transferred from the JASDEC participants to the share-handling service agents through JASDEC.

Based on this information, the share-handling service agents calculate the amount of dividends, which are then paid directly to the beneficial shareholders from the dividend-paying banks.

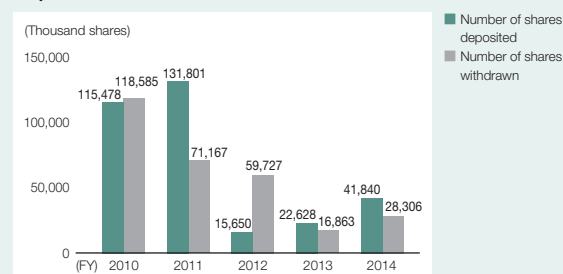
JASDEC also undertakes the necessary procedures regarding dividend taxation for local tax authorities and other such entities, for tax relief under tax treaties with the countries concerned. Beneficial shareholders can also exercise their voting rights at general meetings of shareholders through instructions issued to JASDEC.

JASDEC therefore provides the infrastructure and services necessary for reliable settlement of trading activities in foreign stock certificates, etc., smooth exercise of shareholder rights, and error-free receipt of dividends and other payments.

**Foreign stocks, etc. account balance and number of issues (excluding foreign covered warrants)**



**Number of shares deposited/withdrawn**





## Service improvements for beneficial shareholders and participants

As a part of the revision of service, we introduced a new custodial fee structure in October 2014. Specifically, in order to ensure that custodial fees can be levied appropriately according to the price level for each issue, we have amended the custodial fee structure for those issues of which the trading unit was not determined based upon the price level when such issues were newly listed.

We also took appropriate steps in response to changes in the QI withholding tax system relating to U.S. shares, etc., as a result of the enforcement of the U.S. Foreign Tax Compliance Act (FATCA) from July 1, 2014. For example, we modified our format between JASDEC and JASDEC participants for tax relief of dividends on U.S. shares, etc.

In addition, JASDEC worked to improve services for beneficial shareholders and participants, including a study concerning the handling of listed products from various

countries that are likely to be listed on Japanese stock exchanges.

At present, there are four types of foreign securities that are handled by JASDEC, such as, foreign stocks, foreign investment trust beneficiary certificates, etc., foreign investment securities, etc., and depository receipts of foreign stocks. As of March 31, 2015, the total number of issues handled by JASDEC was 39.

### Book-entry transfers

