

## WFC Single Disclosure Report 2024

## AGC answers

Date submitted

17/12/2024 02:02:05

AGC: 0a

Please indicate the full name of the responding institution:

Japan Securities Depository Center, Incorporated

AGC: 0c

Registered address:

KABUTO ONE, 7-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo, 103-0026, Japan

AGC: 0d

Country of registered address:

Japan

AGC: 1

Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD 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?

☒ Yes☐ No

AGC: 1a

Please explain

Securities (excluding foreign stocks listed on stock exchanges in Japan) 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 stock exchanges in Japan, please see 98 for details.

AGC: 2

Rule 17f-7 also requires that an Eligible Securities CSD "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:

☒ Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?☐ Act as or operate a transnational system for the central handling of securities or equivalent book-entries?☐ Act in another capacity with respect to the handling of securities or equivalent book-entries?☐ Not applicable☐ OTHER:

AGC: 2a.

Please explain:

AGC: 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 shares listed on stock exchanges in Japan  
 Corporate bonds with share options listed on stock exchanges in Japan  
 Preferred equity investments issued by cooperative structured financial institutions listed on stock exchanges in Japan  
 Exchange Traded Funds (ETFs) listed on stock exchanges in Japan  
 Investment equity such as Real Estate Investment Trusts (REITs) listed on stock exchanges in Japan  
 Foreign stocks listed on stock exchanges in Japan  
 Certificates of foreign share options listed on stock exchanges in Japan  
 Foreign investment trust beneficiary certificates listed on stock exchanges in Japan  
 Foreign investment securities listed on stock exchanges in Japan  
 Depositary receipts of foreign stocks listed on stock exchanges in Japan  
 Foreign covered warrants listed on stock exchanges in Japan  
 Beneficiary certificates of trust issuing foreign beneficiary certificates listed on stock exchanges in Japan  
 Short-term corporate bonds (CP)  
 Corporate bonds  
 Local government bonds  
 Investment corporation bonds  
 Special corporation bonds  
 Bonds issued in Japan by any governments or companies in foreign countries  
 Corporate bond beneficial interests in specific purpose trusts  
 Investment Trusts  
 Share options listed on stock exchanges in Japan  
 Investment equity subscription rights listed on stock exchanges in Japan  
 Beneficial interest in trust issuing beneficiary certificates such as JDR, etc. listed on stock exchanges in Japan  
 Qualified non-listed shares  
 Qualified non-listed corporate bonds with share options  
 Qualified non-listed share options  
 Qualified non-listed investment equity such as Real Estate Investment Trusts  
 Qualified non-listed investment equity subscription rights  
 Qualified non-listed preferred equity investments issued by cooperative structured financial institutions  
 Qualified delisted ETFs  
 Qualified non-listed beneficial interest in trust issuing beneficiary certificates such as JDR, etc.

AGC: 3

What type of legal entity is the institution?

- ☐ Public Company  
☐ Stock Exchange (or part thereof)  
☐ Central Bank (or part thereof)  
☒ Private Company  
☐ OTHER:

AGC: 4

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

- ☐ Not for profit  
☒ For profit

AGC: 5

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

There are 115 shareholders as of the end of March 2024.

The main shareholders are as follows.

Japan Exchange Group, Inc. 24.80%

Japan Securities Dealers Association 12.55%

Nomura Holdings, Inc. 5.70%

MUFG Bank, Ltd. 5.00%

Mizuho Bank, Ltd. 5.00%

Custody Bank of Japan, Ltd. 5.00%

Mitsubishi UFJ Trust and Banking Corporation 4.98%

Daiwa Securities Co. Ltd. 4.23%

Sumitomo Mitsui Trust Bank, Ltd. 3.85%

Citigroup Global Markets Japan Inc. 3.77%

AGC: 6a

What is the date of establishment of the CSD?

Please enter the answer in DD/MM/YYYY format.

If you are filling the survey for more than one organization, please enter the name of each organization in different lines and in front of each one the corresponding date.

2002-01-04 00:00:00

AGC: 6b

What is the date that the CSD's operations began?

Please enter the answer in DD/MM/YYYY format.

If you are filling the survey for more than one organization, please enter the name of each organization in different lines and in front of each one the corresponding date.

2002-06-17 00:00:00

AGC: 7

Under what regulation or statute is the CSD established and governed?

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

AGC: 7a

Is the regulation or statute electronically available?

☒ Yes☐ No

AGC: 7b

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

Please retrieve "Companies Act" and "Act on Book Entry of Corporate Bonds and Shares" in the following web site.

Japanese Law Translation Database System

<https://www.japaneselawtranslation.go.jp/en/>

AGC: 7c

filecount - Please supply document(s) here:

AGC: 7d

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

JASDEC's organizational structure is that of a Company with Nominating Committee, etc., providing a clear separation of functions between business supervision and execution of operations in accordance with the Companies Act, based on international principles and practices.

The Board of Directors comprises a majority of outside directors who are participant shareholders, with the remainder being independent directors and directors who concurrently serve as executive officers. This composition is aimed at facilitating user-orientated business operations and ensuring that JASDEC's business serves as a public utility. JASDEC's Board of Directors comprises 8 outside directors who are participant shareholders, 3 independent directors, and 2 directors who concurrently serve as executive officers of JASDEC, making a total of 13 directors.

Article 3 (1)(iv) of the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc., hereinafter referred to as the "Act", prescribes the qualifications to become a board member as follows:

(iv) none of the applicant's directors, accounting advisors, auditors, or executive officers are:

(a) a person specified by the ordinance of the competent ministry as persons who cannot properly perform their duties due to physical or mental disorders;

(b) a person who do not get reinstatement after the decision to start bankruptcy proceedings or a person treated in the same manner under foreign laws and regulations;

(c) a person that has been sentenced to imprisonment or a heavier punishment (or to an equivalent sentence under a foreign law or regulation), if five years have yet to pass since the day the person finished serving the sentence or ceased to be subject to its enforcement;

(d) a person that was the director, accounting advisor, company auditor, or executive officer of a company (or a person treated in the same manner under foreign laws and regulations; the same applies in sub-item (e)) within thirty days of the rescission of a designation as referred to in this paragraph pursuant to the provisions of Article 22, paragraph (1) or within thirty days of the rescission of an administrative disposition equivalent to a designation as referred to in this paragraph which a company has been granted in a foreign state pursuant to the provisions of any law or regulation of that foreign state which is equivalent to this Act, if five years have yet to pass since the day of rescission;

(e) a person falling under the category of a director, accounting advisor, company auditor, or executive officer whose dismissal has been ordered pursuant to the provisions of Article 22, paragraph (1) or the provisions of a foreign law or regulation that is equivalent to this Act, if five years have yet to pass since the day of that disposition;

(f) a person that has been sentenced to a fine (or to an equivalent sentence under a foreign law or regulation) for violating this Act, the Companies Act, or the provisions of any foreign law or regulation equivalent thereto, or for committing a crime as referred to in Article 204, 206, 208, 208-2, 222, or 247 of the Penal Code (Act No. 45 of 1907); a crime referred to in the Act on Punishment of Violence (Act No. 60 of 1926); or a crime as referred to in Article 46 to 49 inclusive or Article 50 (limited to the provisions related to item (i)) or Article 51 of the Act to Prevent Illegal Activities by Members of Organized Crime Groups (Act No. 77 of 1991), if five years have yet to pass since the day the person finished serving the sentence or ceased to be subject to its enforcement.

AGC: 7e

What are the election procedures?

The Nominating Committee determines the directors candidates and then the general meeting of shareholders elects them by a resolution.

AGC: 7f

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

One year. They can be reappointed.

AGC: 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.

AGC: 7h

What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

President & CEO is.

AGC: 8

Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act, with section 2(a)(50) establishing that a 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

☐ A membership organization which regulates the participation of its members in securities matters or other financial activities.

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

☐ A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.

☐ OTHER:

AGC: 8a.  
Please explain:

AGC: 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) The Bank of Japan Oversight organization

AGC: 10  
Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

- ☐ Regulatory authorities?
- ☒ Independent accountants?
- ☐ OTHER:

AGC: 10a  
Please explain:

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

Financial Services Agency (FSA) Ministry of Justice

AGC: 11a.  
What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

- ☒ Fines
- ☒ Restrictions on CSD activities.
- ☒ Suspension of CSD activities.
- ☒ Termination of CSD activities.
- ☒ OTHER: please answer 11b

AGC: 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.

AGC: 11c.  
What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

- ☐ Suspension of CSD activities.
- ☐ Restrictions on CSD activities.
- ☐ Termination of CSD activities.
- ☐ Fines
- ☐ OTHER:

AGC: 11d.  
Please explain:

AGC: 12

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

☒ No☐ Yes☐ OTHER:

AGC: 12a.

If yes, please explain:

AGC: 13

Capital. Are annual financial statements publicly disclosed?

☐ No☒ Yes

AGC: 13a.

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

☒ Yes☐ No

AGC: 13b.

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

AGC: 13c.

filecount - If more than one document for 13b, please upload the additional document here:

AGC: 13d.

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

[https://www.jasdec.com/assets/en/download/company/Financial\\_Statements\\_March\\_2024.pdf](https://www.jasdec.com/assets/en/download/company/Financial_Statements_March_2024.pdf)

AGC: 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):

AGC: 13f.

Reserves (then please answer 13g):

AGC: 13g.

Retained Earnings:

AGC: 14.

Internal Audit. Is an internal audit undertaken in your CSD?

☒ Yes☐ No

AGC: 14a.

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

Internal audit covers all activities of JASDEC and JASDEC DVP Clearing Corporation. Internal Audit Office handles them.

AGC: 14b.

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

End date: 02/09/2024

Start date: 01/04/2023

Audit date: 17/09/2024

AGC: 14c.

How frequently does the internal audit occur?

☐ Less than annually☐ Annually☒ Two or more times a year

AGC: 14d.

If less than annually, please explain:

AGC: 14e.

Are the results of the internal audit publicly available?

☐ Yes☒ No

AGC: 14f.

Please select the statement that most accurately characterizes the results of the last internal audit:

☐ Material exceptions found.☐ Minor exceptions found.☒ No material exceptions found.

AGC: 14g.

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

AGC: 15

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

☒ Yes☐ No

AGC: 15a.

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

Deloitte Touche Tohmatsu LLC

AGC: 15b.

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

23/05/2024

AGC: 15c.

Please list the period that the audit covered:

Start date: 01/04/2023

End date: 31/03/2024

AGC: 15d.

How frequently does the financial audit occur?

☐ Less than annually☐ Annually☒ Two or more times a year

AGC: 15e.

If less than annually, please explain:

AGC: 15f

Are the results of the financial audit publicly available?

☒ Yes☐ No

AGC: 15g.

Please select the statement that most accurately characterizes the results of the last financial audit:

☐ Material exceptions found.☐ Minor exceptions found.☒ No material exceptions found.

AGC: 15h.

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



AGC: 16

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

☐ Yes☒ No

AGC: 16a.

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

AGC: 16b.

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

AGC: 16c.

Please list the period that the audit covered:

Start date:

End date:

AGC: 16d.

How frequently does the operational audit occur?

☐ Less than annually☐ Annually☐ Two or more times a year

AGC: 16e.

If less than annually, please explain:

AGC: 16f

Are the results of the operational audit publicly available?

☐ Yes☐ No

AGC: 16g.

Please select the statement that most accurately characterizes the results of the last operational audit:

☐ Material exceptions found.☐ Minor exceptions found.☐ No material exceptions found.

AGC: 16h.

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

AGC: 17, 17q

**PARTICIPANTS AND PARTICIPATION.** The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

- ☐ Foreign Institutions
- ☒ Brokers
- ☐ Individuals
- ☐ Not applicable
- ☒ Banks
- ☒ OTHER: Financial instruments exchanges, Securities finance companies -Insurance companies, etc.

AGC: 17a.

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

"Participant" in this context represents "JASDEC participant" (excluding indirect participants). Shares, etc.: 17 banks, CP: 29 banks, Corporate Bonds: 31 banks, Investment Trusts: 44 banks (As of September 30, 2024)

AGC: 17b, 17d

Please select the features included in the eligibility requirements for Banks.

- ☐ Regulatory Oversight
- ☐ Market Experience
- ☐ Financial Thresholds
- ☒ OTHER: Please see Q597(AGC17d).

AGC: 17c.

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

AGC: 17d.

Please explain:

Shares, etc.: The eligibility requirements for participants are described in Article 18, Paragraph 3 of Operational Rules regarding Book-Entry Transfer of Shares, 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 Shares, 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 Operational Rules regarding 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 Trusts, excluding Fund Settlement Corporations) and other matters set forth in the Rules.

AGC: 17e.

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

Shares, etc.: 129 brokers, CP: 19 brokers, Corporate Bonds: 43 brokers, Investment Trusts: 96 brokers (As of September 30, 2024)

AGC: 17f, 17h

Please select the features included in the eligibility requirements for Brokers.

- ☐ Financial Thresholds
- ☐ Market Experience
- ☐ Regulatory Oversight
- ☒ OTHER: Please see Q597(AGC: 17d).

AGC: 17g.

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

AGC: 17i.

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

AGC: 17j.

Please select the features included in the eligibility requirements for Individual participants.

- ☐ Market Experience
- ☐ Regulatory Oversight
- ☐ Financial Thresholds
- ☐ OTHER:

AGC: 17k.

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

AGC: 17m.

How many Foreign Institution participants are there currently?

AGC: 17n, 17p.

Please select the features included in the eligibility requirements for Foreign Institution participants.

- ☐ Financial Thresholds
- ☐ Regulatory Oversight
- ☐ Market Experience
- ☐ OTHER:

AGC: 17o.

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

AGC: 17q.

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

Financial instruments exchanges, Securities finance companies -Insurance companies, etc.

AGC: 17r.

Indicate how many "Other entities" are currently participants?

Shares, etc.: 14 participants including 4 financial instruments exchanges, 1 securities finance company, 2 clearing houses, 3 money market dealers, and 4 other participants

CP: 5 participants including 1 securities finance company, 3 money market dealers, and the central bank

Corporate Bonds: 11 participants including 2 financial instruments exchanges, 1 securities finance company, 3 money market dealers, the central bank, 1 clearing house, and 3 other participants

Investment Trusts: 32 participants including 2 financial instruments exchanges, 1 securities finance company, 5 insurance companies, 2 money market dealers, 1 clearing house, 19 Investment trust management companies and 2 other participants

(As of September 30, 2024)

AGC: 17s, 17u

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

- ☐ Financial Thresholds
- ☐ Regulatory Oversight
- ☐ Market Experience
- ☒ OTHER: Please see Q597(AGC: 17d).

AGC: 17t.

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

AGC: 18

Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 18a.

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

AGC: 19

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

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 20

What governs the relationship between the CSD and the participants?

- ☒ Rules of the CSD
- ☒ Relevant law and regulation
- ☐ Not applicable
- ☐ By-laws of the CSD
- ☐ Standard participation contract
- ☐ Established terms and conditions of participation
- ☐ OTHER:

AGC: 20a  
Please explain:

AGC: 21  
Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

- ☒ Yes
- ☐ No
- ☐ Not applicable

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

AGC: 21b, 21c.  
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.

- ☐ Standard participation contract
- ☒ Rules of the CSD
- ☒ Relevant Law and Regulation
- ☐ By-laws of the CSD
- ☐ Established terms and conditions of participation
- ☐ OTHER:

AGC: 21d  
For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

Relevant law and Regulation: The Act on Book-Entry Transfer of Corporate Bonds and Shares, etc.  
Rules of the depository: Business regulations

AGC: 22  
How does the CSD notify participants of material changes to the conditions of participation?

- ☐ Not applicable
- ☒ By e-mail
- ☐ By telephone
- ☒ By public announcement
- ☐ By press release
- ☒ OTHER: Please see Q615 (ACG:22a.)

AGC: 22a.  
Please explain:

By information providing network for participants (Target JASDEC site), website of JASDEC

AGC: 23

Who enforces compliance with the CSD's conditions of participation?

- ☐ The exchange
- ☐ Not applicable
- ☐ The CSD's regulator
- ☒ The CSD
- ☐ OTHER:

AGC: 23a

Please explain:

AGC: 24

What enforcement actions are available to the enforcement authority?

- ☒ Termination of participation
- ☐ Fines
- ☐ Not applicable
- ☒ Restrictions on participation
- ☒ Suspension of participation
- ☐ OTHER:

AGC: 24a

Please explain:

AGC: 25

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

- ☐ Yes
- ☒ No

AGC: 25a.

If yes, please explain, including information relative to any suspensions of CSD participants:

AGC: 26

CSD 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. For which of the following security types do you serve as a CSD or clearing system?

- ☒ Corporate money market
- ☐ Not applicable
- ☒ Corporate bonds
- ☒ Equities
- ☐ Government securities
- ☒ OTHER: Please see Q271 (AGC: 26a).

AGC: 26a.

Please name the other security types:

ETFs,

Preferred equity investments issued by cooperative structured financial institutions listed on stock exchanges in Japan,

Investment equity such as REITs listed on stock exchanges in Japan,

Share options,

Investment equity subscription rights,

Beneficial interest in trust issuing beneficiary certificates such as JDR, etc. listed on stock exchanges in Japan

Investment corporation bonds,

Local government bonds,

Special corporation bonds,

Bonds issued in Japan by any governments or companies in foreign countries

Corporate bond beneficial interests in specific purpose trusts

Investment Trusts,

Foreign stocks, etc. listed on stock exchanges in Japan

Qualified non-listed share options

Corporate bonds with share options listed on stock exchanges in Japan

Qualified non-listed corporate bonds with share options

Qualified non-listed investment equity such as Real Estate Investment Trusts

Qualified non-listed investment equity subscription rights

Qualified non-listed preferred equity investments issued by cooperative structured financial institutions

Qualified delisted ETFs

Qualified non-listed beneficial interest in trust issuing beneficiary certificates such as JDR, etc.

AGC: 27a. (i)

Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

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 of stock exchanges (not the Act). Securities issued exempt from the Act, such as non-listed shares, physical shares, registered bonds, etc. are not handled at JASDEC.

AGC: 27a. (ii)

(ii) safekeep in your CSD:

Please see Q273(AGC: 27a. (i)).

AGC: 27b. (i)

Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD

Please see Q273(AGC: 27a. (i)).

AGC: 27b. (ii)

(ii) safekeep in your CSD:

Please see Q273(AGC: 27a. (i)).

AGC: 27, 27c

Is the use of the CSD 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).

- ☒ Yes by market practice for safekeeping, but not for all instrument types
- ☐ Neither
- ☐ Yes by law for safekeeping, but not for all instrument type
- ☒ Yes by market practice for settlement, but not for all instrument types
- ☐ Yes by law for settlement, but not for all instrument types
- ☐ Yes by market practice for safekeeping of all instrument types
- ☐ Yes by market practice for settlement of all instrument types
- ☐ Yes by law for settlement of all instrument types
- ☐ Yes by law for safekeeping of all instrument types
- ☐ OTHER:

AGC: 28 28a

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 shares, corporate bonds (excluding special cases), share options, ETFs (excluding special cases), preferred equity investments, and investment equity 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)

AGC: 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 shares, corporate bonds (excluding special cases), share options, ETFs (excluding special cases), preferred equity investments, and investment equity 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)

AGC: 29, 29i

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

- ☐ Yes
- ☐ No
- ☒ Not applicable
- ☐ OTHER:

AGC: 29a.

If third parties are employed, please indicate which services they supply:

AGC: 29b.

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

- ☐ Yes
- ☐ No



AGC: 29c, 29e.

If you acknowledge responsibility, please indicate whether your responsibility is assumed

- ☐ if the loss was caused by the willful default or other willful conduct on the part of the agent
- ☐ if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent
- ☐ if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent
- ☐ regardless of whether such loss was caused by any action or inaction of the agent
- ☐ OTHER:

AGC: 29f.

Please specify limit:

AGC: 29g.

Please specify limit:

AGC: 29d, 29h.

If you acknowledge responsibility for agents, your responsibility is assumed for losses

- ☐ without limit
- ☐ which are not consequential losses
- ☐ subject to a monetary limit not based on insurance limits
- ☐ subject to a monetary limit based on insurance limits
- ☐ OTHER:

AGC: 30, 30m

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

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 30a, 30j

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.

- ☐ System Outage
- ☐ Corporate Action
- ☐ Settlement Process - Securities
- ☐ Settlement Process - Cash
- ☐ OTHER:

AGC: 30b.

Corporate Action. Please specify number of instances:

AGC: 30c.

Corporate Action. Please specify total loss in USD:

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

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

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

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

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

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

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

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

AGC: 31  
Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

- ☐ Not applicable
- ☐ Banks appointed by CSD
- ☐ Central Bank
- ☐ Neither or others (e.g. credit lines used)
- ☐ CSD

☒ OTHER: JASDEC does not handle itself cash clearing and settlement. DVP settlement of book-entry transfer for non-exchange transaction deliveries of shares, corporate bonds with share options, ETFs, REITs and preferred equity investments, etc. are conducted by JASDEC DVP Clearing Corporation (JDCC: JASDEC's wholly owned subsidiary). As to DVP for shares and corporate bonds with share options issuance and redemption, cash settlement is conducted via BOJ-NET by book-entry transfer between Fund Settlement Corporations (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 CP, Corporate Bonds, Investment Trusts, etc. is conducted via BOJ-NET by book-entry transfer between Fund Settlement Corporations which are appointed by participants with registration at JASDEC. Cash for the settlement is accepted by Fund Settlement Corporations.

AGC: 31a  
Please indicate the name of the banks appointed by the CSD

AGC: 32

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

- ☐ Central Bank
- ☐ Neither or others (e.g. credit lines used)
- ☐ Not applicable
- ☐ CSD
- ☐ Banks appointed by the CSD
- ☒ OTHER: Please see 31b

AGC: 32a

Please name banks appointed by the CSD

AGC: 33a

Please name banks appointed by the CSD

AGC: 33, 33b

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

- ☐ Not applicable
- ☐ Neither or others (e.g. credit lines used)
- ☐ Banks appointed by CSD
- ☐ Central Bank
- ☐ CSD
- ☒ OTHER: Please see 31b

AGC: 34

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

- ☐ CSD
- ☐ Central Bank
- ☐ Banks appointed by CSD
- ☐ Neither or others (e.g. credit lines used)
- ☐ Not applicable
- ☒ OTHER: Please see 31b

AGC: 34a

Please name banks appointed by CSD

AGC: 35

Please indicate services you provide.

- ☐ Information on distribution of new issues (IPO, Privatization).
- ☒ Same day turnaround settlements.
- ☐ Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
- ☐ Not applicable
- ☐ Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- ☐ In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
- ☐ Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.
- ☒ OTHER: Please see Q397(AGC: 35d).

AGC: 35a

Automatic securities lending facility is provided for:

- ☐ Other financial institutions
- ☐ Banks
- ☐ Brokers
- ☐ OTHER:

AGC: 35c

Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

AGC: 35c

If collateral handling, please provide details

AGC: 35d

Other, please explain:

Mediation of demand for exercise of share options attached to corporate bonds with share options

Mediation of demand for exercise of share options

Mediation of demand for exercise of investment equity subscription rights

Mediation of demand for purchase of shares less than one unit / mediation of demand for sale of shares less than one unit

Mediation of demand for designation of dividend remittance

Mediation of demand for exercise of put options

Mediation of demand for acquisition of shares with put options

Mediation of demand for notice of account

Publication of a foreign ownership limitation issue 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.

AGC: 36

What procedures are in place for the processing of corporate action entitlements?

- ☐ Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- ☐ Not applicable
- ☐ Corporate action entitlements are handled by an entity separate from the CSD.
- ☒ Credited to the securities account upon actual receipt by the CSD.
- ☐ OTHER:

AGC: 36a

Credited to the securities account:

- ☐ On pay date +1.
- ☐ On pay date.
- ☐ On pay date +2.
- ☐ OTHER:

AGC: 36c

Name of entity:

AGC: 37a

Credited to the cash account:

- ☐ On pay date +1.
- ☐ On pay date.
- ☐ On pay date +2.
- ☐ OTHER:

AGC: 37c

Name of entity:

AGC: 37, 37d.

What procedures are in place for the processing of interest and dividends?

- ☐ Income and dividend collection is handled by an entity separate from the CSD.
- ☐ Not applicable
- ☐ Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- ☐ Credited to the cash account upon actual receipt by the CSD.
- ☒ OTHER: JASDEC does not collect income and dividends on behalf of the participants or its clients. Dividends of shares, ETFs, REITs, etc. are distributed by transfer agents nominated by issuing companies, directly or through their immediately upper-tier 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.

AGC: 38

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

See 72 and 98.

AGC: 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?

- ☐ No
- ☐ Yes
- ☒ Not applicable

AGC: 39a

Please explain

AGC: 40

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

- ☐ Yes
- ☐ No
- ☒ Not applicable
- ☐ Other

AGC: 40a.

If no or other, please explain

AGC: 41

Are participants permitted to maintain more than one account at the CSD?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 41a, 41c

If yes, please indicate number:

- ☐ An unlimited number of accounts
- ☒ More than one account
- ☐ OTHER:

AGC: 41b

If more than one account what is the maximum?

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

AGC: 42

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

- ☒ Yes
- ☐ No
- ☐ Not applicable
- ☐ OTHER:

AGC: 42a

If yes, is segregation required or simply permitted?

- ☐ Permitted
- ☒ Required

AGC: 42b, 42c

How does segregation occur?

- ☐ By sub-accounts within a single participant account.
- ☒ By separately designated participant accounts.
- ☐ By separately designated beneficial owner accounts.
- ☐ OTHER:

AGC: 43, 43b

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

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 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?

- ☐ Yes
- ☐ No

AGC: 44a

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: By the participant's clients?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 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:

The participant's clients can access to their securities without delay in the usual way

AGC: 44d.

By the intervening authorities controlling insolvency or other proceedings?

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 44e.

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

AGC: 44h

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

AGC: 44g, 44i

By the participant's creditors?

☐ Not applicable☒ No☐ Yes

AGC: 44j.

By the CSD's creditors?

☐ Not applicable☒ No☐ Yes

AGC: 44k.

If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

AGC: 45

In what form does the CSD maintain records identifying the assets of each participant?

☒ Computer tape☒ Computer file☐ Hard copy☐ Microfiche☒ OTHER: Some information before January 2009 is maintained in the form of Microfilm.

AGC: 45b

In which format is the source data maintained?

Proprietary format

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

☐ No☒ Yes

AGC: 46a.

If no or other, please explain



AGC: 46b, 46c.

If yes, please indicate the scheduled frequency:

- ☐ Annually
- ☐ Quarterly
- ☐ Monthly
- ☐ Weekly
- ☐ Daily
- ☐ Upon request
- ☒ OTHER: Daily and upon request.

AGC: 47, 47a

What is your document and record retention policy for documents and records described above in this section?

- ☐ 7 years
- ☐ 5 years
- ☐ 3 years
- ☐ 1 year
- ☐ 6 months or less
- ☒ Other: 10 years.

AGC: 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.

- ☐ Not applicable
- ☐ Model3
- ☒ Model2
- ☒ Model1
- ☐ OTHER:

AGC: 48a

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

For non-exchange transaction deliveries of shares, foreign stocks, etc., corporate bonds with share options, ETFs and REITs, etc. JDCC handles with Model 2 DVP. Regarding corporate bonds, issuance, redemption, and transfer of CP, 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 corporate bonds with share options and redemption of corporate bonds with share options.).

AGC: 49

Are the cash and security movements simultaneous?

- ☐ Not applicable
- ☐ No
- ☐ Yes
- ☒ Other: Non-exchange transaction deliveries of shares, corporate bonds with share options, ETFs and REITs, etc. are settled by JDCC on Gross-Net basis. Delivery of securities from delivering participants to JDCC shall be made by 2:00 pm, and then JDCC delivers securities to payee participants' right after 2:00 pm. Meanwhile, paying participants have to complete cash settlement to JDCC by 3:10 pm to receive securities from JDCC. Completion of DVP book-entries can be executed before 2 pm when participants meet their risk requirements. Fund payment from JDCC to payee participants takes place by 3:30 pm. For corporate bonds, CP and Investment Trusts, etc., settlement is conducted on Gross-Gross basis, so cash and security movements are simultaneous.

AGC: 49a

If cash and security movements are not simultaneous, please indicate the duration of the timing gap

- ☐ 2 days
- ☐ Overnight
- ☐ 5 hours
- ☐ 4 hours
- ☐ 3 hours
- ☐ 2 hours
- ☐ 1 hour

AGC: 50, 50a

How are CSD eligible securities held by the CSD?

- ☒ In dematerialized form
- ☐ In certificated form
- ☐ OTHER:

AGC: 51

If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

- ☒ Not applicable
- ☐ Certain designated securities may be held outside the CSD
- ☐ Once entered into the CSD, eligible securities must remain in the CSD
- ☐ Securities may move freely into and out of the CSD
- ☐ All eligible securities must be held in the CSD

AGC: 51a

If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

AGC: 51b

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

AGC: 51c

Are these certificates:

- ☐ Bearer
- ☐ Registered
- ☐ OTHER:

AGC: 51d

If registered, how are the CSD eligible securities registered?

- ☐ In the name of the CSD
- ☐ In the name of the depositing participant or its nominee
- ☐ In the name of a separate nominee of the CSD
- ☐ OTHER:

AGC: 51f

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

AGC: 51h

If CSD eligible securities may be held either in or out of the CSD, are these certificates:

- ☐ Registered
- ☐ Bearer

AGC: 51i

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

AGC: 52

If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 52a, 52k

Are the securities held:

- ☒ Through book-entry at the CSD
- ☐ Through book-entry at a registrar or issuer
- ☐ OTHER:

AGC: 52b

Please identify which types of entities may act as registrars:

- ☐ Issuers
- ☐ Separate companies that perform registrar functions
- ☐ CSD
- ☐ OTHER:

AGC: 52d

If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

- ☐ No
- ☐ Yes

AGC: 52e

If yes, how are securities held at the registrar for the account of the CSD?

- ☐ In the name of a separate nominee of the CSD
- ☐ In the name of the CSD

AGC: 52f

Please describe:

AGC: 52g

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

- ☐ A nominee
- ☐ The beneficial owner

AGC: 52h

Please describe:

AGC: 52i

If the securities held with the CSD 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 CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

AGC: 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 CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

- ☐ No
- ☒ Yes
- ☐ Not applicable
- ☐ OTHER:

AGC: 53a

If answer to question 'G23Q031' is other or not applicable, please explain

AGC: 54

Does the law protect participant assets from claims and liabilities of the CSD?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 55

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

- ☐ Yes
- ☒ No
- ☐ Not applicable

AGC: 55a

If yes, for what reasons are liens or similar claims imposed?

- ☐ To secure payment for purchased securities
- ☐ Collateralization of overdrafts
- ☐ Fees and expenses
- ☐ OTHER:

AGC: 55b

Please describe:

AGC: 55c

Please indicate the limits of this lien as indicated below:

- ☐ The lien may extend to settled client positions
- ☐ The lien is limited to securities in the course of purchase and sale transactio
- ☐ The lien is limited to securities in the participant's proprietary account

AGC: 55d

Please explain:

AGC: 55e

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

- ☐ No
- ☐ Yes

AGC: 55f

If yes, please indicate whether:

- ☐ The lien is placed on the securities with the greatest value in the account
- ☐ The lien is placed on the most liquid securities in the account

AGC: 55g

Please explain:

AGC: 55h

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

- ☐ No
- ☐ Yes

AGC: 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?

- ☐ No
- ☐ Yes

AGC: 55k

If yes, are the restrictions accomplished by:

- ☐ Contract between the CSD and the participant

AGC: 55l

Please explain:

AGC: 56, 56e

Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 56a

When does title or entitlement to CSD securities pass between participants?

- ☐ When the transaction is processed on an intra-day basis
- ☐ When corresponding money or other consideration is transferred
- ☐ At the end of the business day on which the transfer occurs
- ☒ Other: (please answer 56b)

AGC: 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.

AGC: 56c

Where does title or entitlement to CSD securities pass between participants?

- ☐ On the registrars books
- ☐ On the CSD books

AGC: 56d

Please describe:

AGC: 57, 57a

How are eligible securities lodged in the CSD system?

- ☐ A registered certificate in the name of the CSD is delivered to the CSD.
- ☐ A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.
- ☐ A registrar re-registers the security in the name of the CSD.
- ☒ Not applicable
- ☐ OTHER:

AGC: 58, 58a

When are securities lodged into the CSD reflected in a participant's CSD account?

- ☐ Securities are re-registered prior to being reflected in the participant CSD account.
- ☒ Not applicable
- ☐ Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- ☐ OTHER:

AGC: 59a

Please specify

AGC: 59, 59b

How long does it usually take to lodge securities with the CSD?

- ☒ Not applicable
- ☐ More than 4 weeks
- ☐ 2 to 4 weeks
- ☐ 3 days to 1 week
- ☐ 1 to 2 days

AGC: 60

During the process of lodging securities into the CSD, can the securities be traded?

- ☒ Not applicable
- ☐ No
- ☐ Yes

AGC: 60a

During the process of lodging securities into the CSD, can the securities be settled?

☒ Not applicable☐ No☐ Yes

AGC: 60b

During the process of lodging securities into the CSD, can the securities have ownership transferred?

☒ Not applicable☐ No☐ Yes

AGC: 60c

If they cannot be traded, or if you answered other, please explain

AGC: 60d

If they cannot be settled, or if you answered other, please explain

AGC: 60e

If ownership cannot be transferred, or if you answered other, please explain

AGC: 61a

If no: Securities are unavailable for

☐ Not applicable☐ More than 4 weeks☐ 2 to 4 weeks☐ 3 days to 1 week☐ 1 to 2 days

AGC: 61b

If more than 4 weeks, please specify

AGC: 61c

If not applicable, please explain



AGC: 61, 61d

Are securities immediately available for delivery upon transfer to the CSD?

☒ Not applicable☐ No☐ Yes

AGC: 62

Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, 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.

AGC: 63, 63a

What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

☒ Not applicable☐ Securities are transferred as is any physical delivery in the market.☐ Securities are re-certificated and delivered as bearer instruments.☐ Securities are re-certificated and re-registered into the name of the beneficia☐ Securities are re-registered into the name of the beneficial owner or a nominee.

AGC: 64a

If more than 4 weeks, please specify

AGC: 64, 64b

How long does it usually take to remove securities from the CSD?

☒ Not applicable☐ More than 4 weeks☐ 2 to 4 weeks☐ 3 days to 1 week☐ 1 to 2 days

AGC: 65a

While the securities are being removed from the CSD, can they be traded? (Choose one)

☐ Yes☒ Not applicable☐ No

AGC: 65b

If they cannot be traded please explain

AGC: 65c

While the securities are being removed from the CSD, can they be settled? (Choose one)

- ☐ Yes
- ☒ Not applicable
- ☐ No

AGC: 65d

If they cannot be settled, please explain

AGC: 65e

While the securities are being removed from the CSD, can they have ownership transferred? (Choose one)

- ☐ Yes
- ☒ Not applicable
- ☐ No

AGC: 65f

If ownership cannot be transferred, please explain

AGC: 66, 66a, 66d

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

- ☐ Yes
- ☐ Not applicable
- ☒ No

AGC: 66b 66c

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

- ☐ Financial limits are imposed on the amount of liability assumed by the CSD
- ☐ The CSD assumes liability for indirect or consequential losses
- ☐ The CSD assumes liability for direct losses
- ☐ OTHER:

AGC: 66e, 66g, 66h

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

- ☐ Not applicable
- ☒ Yes
- ☐ No

AGC: 66f

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

- ☐ Financial limits are imposed on the amount of liability assumed by the CSD
- ☒ The CSD assumes liability for direct losses
- ☐ The CSD assumes liability for indirect or consequential losses
- ☐ OTHER:

AGC: 66i, 66l

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

- ☐ Not applicable
- ☐ Yes
- ☐ No
- ☒ Other: Except when 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.

AGC: 66j, 66k

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

- ☐ Financial limits are imposed on the amount of liability assumed by the CSD
- ☐ The CSD assumes liability for indirect or consequential losses
- ☐ The CSD assumes liability for direct losses
- ☐ OTHER:

AGC: 66m, 66p

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

- ☐ Yes
- ☐ No
- ☐ Not applicable
- ☒ OTHER: Except when 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.

AGC: 66n

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

- ☐ Financial limits are imposed on the amount of liability assumed by the CSD
- ☐ The CSD assumes liability for direct losses
- ☐ The CSD assumes liability for indirect or consequential losses
- ☐ OTHER:

AGC: 66q

Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

- ☐ Not applicable
- ☐ No
- ☐ Yes
- ☒ Other: JASDEC DVP Clearing Corporation, a wholly owned subsidiary of JASDEC, provides CCP functions for non-exchange trade deliveries.

AGC: 66r.

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

- ☐ Financial limits are imposed on the amount of liability assumed by the CSD
- ☐ The CSD assumes liability for direct losses
- ☐ The CSD assumes liability for indirect or consequential losses
- ☐ OTHER:

AGC: 66u.

Does the CSD guaranty settlement?

- ☐ Not applicable
- ☐ Yes
- ☐ No
- ☒ Other: JASDEC DVP Clearing Corporation, a wholly owned subsidiary of JASDEC, provides CCP functions for non-exchange trade deliveries and guarantees the settlement of trades.

AGC: 66v.

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

AGC: 66x.

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

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 66y.

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

- ☐ The CSD assumes liability for indirect or consequential losses
- ☐ The CSD assumes liability for direct losses
- ☐ Financial limits are imposed on the amount of liability assumed by the CSD
- ☐ OTHER:

AGC: 66+

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

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 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.

AGC: 67a, 67b.

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

☐ Not applicable

☐ Yes

☐ No

☒ OTHER: 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 Book-Entry Transfer of Corporate Bonds and 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.

AGC: 67b.

Please explain (then please answer 67c):

AGC: 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 Book-Entry Transfer of Corporate Bonds and Shares, etc.

Article 3 to 6 of Enforcement Order of the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc.

Order on Participant Protection Trusts

Financial Instruments and Exchange Act

Operational Rules regarding Participants' Meetings and Participant Protection Trusts of JASDEC

Article 36 of Operational Rules regarding Book-Entry Transfer of Shares, etc. of JASDEC

Article 59(2) of Operational Rules regarding Corporate Bonds, etc. of JASDEC

AGC: 67d.

Insurance

☐ Yes

☒ No

☐ Not applicable

☐ OTHER:

AGC: 67e.

Please explain (then please answer 67f):

AGC: 67f.

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

AGC: 67g.

Acknowledgement of liability for losses caused by CSD's own actions.

☐ Not applicable

☐ No

☒ Yes

AGC: 67h.

Please explain (then please answer 67i):

Please see Q371(AGC: 67a).

AGC: 67i.

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

Please see Q372(AGC: 67c).

AGC: 67j.

Other

☐ Yes☒ No

AGC: 67k.

Please explain (then please answer 67l:

AGC: 67l.

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

AGC: 68

Is the CSD immune from legal action in its own jurisdiction?

☒ No☐ Yes

AGC: 69

Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

☐ Not applicable☒ By receipt of physical account holding statements☒ By direct electronic link☐ OTHER:

AGC: 69a.

Please explain:

AGC: 70

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

☐ Not applicable☐ No☒ Yes

AGC: 70a.

How is access given to participants?

☒ By direct electronic link☐ OTHER:

AGC: 70b.

Please select type of electronic link:

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

AGC: 70c.

Please explain:

AGC: 71 71a.

Regarding data security: Are passwords used by participants to access their accounts?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 71c.

Does each user have a unique user ID?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 71e.

Are passwords regularly changed?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 71f.

How often?

The Integrated Web Terminal requires participants to update their passwords every 30 days, while the Participant Information Web terminal requires updates every 3 months.

AGC: 71h.

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

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 71i.  
How many?

Integrated Web Terminal Five times Participant Information Web terminal Three times

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

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 72a  
Please explain:

Shares: The computer system of the Japan Securities Clearing Corporation (JSCC) and the Bank of Japan Financial Network System are linked to the JASDEC system.

CP&Corporate Bonds, Investment Trusts: Bank of Japan Financial Network System is directly linked to the JASDEC system.

In addition to these linkages, regarding Japanese Government Bond (JGB), JSCC recognizes JASDEC as the external matching institution and uses JASDEC Pre-settlement Matching System.

AGC: 73 73a  
How does the CSD communicate with Stock Exchanges?

- ☐ Dial-up modem
- ☐ other
- ☐ Paper
- ☐ Fax
- ☐ Not applicable
- ☒ Secured, leased, dedicated telephone line
- ☒ Internet
- ☐ OTHER:

AGC: 73b  
How does the CSD communicate with Payment Systems?

- ☐ Dial-up modem
- ☒ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper
- ☐ other
- ☐ Not applicable
- ☐ OTHER:



AGC: 73c

How does the CSD communicate with Clearing Houses?

- ☐ Dial-up modem
- ☒ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper
- ☐ other
- ☐ Not applicable
- ☐ OTHER:

AGC: 73d

How does the CSD communicate with Registrars?

- ☐ Dial-up modem
- ☐ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper
- ☐ other
- ☒ Not applicable
- ☐ OTHER:

AGC: 74

How is access to the physical building controlled?

- ☒ By guards
- ☒ By alarm system
- ☒ personal ID card
- ☒ By electronic keys
- ☐ OTHER:

AGC: 74a.

Please explain:

AGC: 75

What are the vault security procedures for the safekeeping of physical paper?

- ☐ Fire alarms
- ☐ Intrusion alarms
- ☐ Vault counts
- ☐ Visitor logs
- ☐ Dual access control
- ☐ Electronic keys or combinations
- ☒ Not applicable, no vault is maintained
- ☐ Guards
- ☐ OTHER:

AGC: 75a.

Please indicate frequency of vault counts:

AGC: 75b

Please explain:

AGC: 76, 76d

Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

- ☐ CSD insurance covers the loss
- ☐ The CSD guaranty fund covers the loss
- ☐ Loss is shared among participants
- ☐ Not applicable
- ☒ OTHER: Please see Q430(ACG:76d).

AGC: 76a

Please explain the process:

AGC: 76b

Please explain the process of how the loss is shared:

- ☐ Limited to participants with transactions with failing counterparty
- ☐ Pro-rata based on participant's volume
- ☐ Equally, among participants

AGC: 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 transaction deliveries of shares, foreign stocks etc., corporate bonds with share options, ETFs and REITs, etc.. When JDCC assumes obligations on the transaction of securities, JDCC secures the asset which value is estimated more than the total amount of obligations that JDCC assumes with respect to each participant. JDCC recovers the defaulted amount by conversion of this asset into cash in case of payment failure of participant.

AGC: 77

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

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 77a

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

AGC: 78

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

☐ Not applicable☐ No☐ Yes

☒ Other: 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 DVP Participants deposit the Participant Funds with JDCC in advance to ensure the performance of its obligation owed to JDCC.

AGC: 78a.

If yes, please respond to the following questions: What is the size of the fund?

AGC: 78b.

How is the size of the fund determined?

☐ A fixed amount☐ By asset value☐ By participant volume

AGC: 78d.

How is the fund financed?

☐ Funding from retained earnings☐ Contributions from participants☐ Contributions from owner

AGC: 78e.

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

AGC: 78f.

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

AGC: 78h.

Who is covered by the fund?

☐ Direct CSD participants only☐ The beneficial owner also☐ OTHER:

AGC: 78j.

When is the guaranty fund used?

☐ When a broker defaults☐ When a direct participant defaults☐ OTHER:

AGC: 79

Does the CSD have forms of oversight management for assessing and monitoring of the following?

- ☐ Collateral requirements for participants
- ☐ Blocking of securities movement before receipt of payment
- ☐ Other loss or default protections the CSD maintains
- ☒ Settlement controls that minimize or eliminate the risk of default by a participant
- ☐ Participant financial strength
- ☐ Blocking payment until securities are moved
- ☐ Not applicable
- ☐ Debit caps for participants
- ☐ Participant volumes
- ☒ Participant eligibility requirements
- ☐ OTHER:

AGC: 79a

Please explain other loss or default protections:

AGC: 79a

Please explain other loss or default protections:

AGC: 79b

Please explain the requirements:

AGC: 79c

Please explain how these debit caps work:

AGC: 79d.

What type or types of settlement controls

- ☐ Blocking or freezing of securities positions
- ☒ Controlling DVP settlement
- ☒ Simultaneous DVP
- ☐ OTHER:

AGC: 79e.

Please explain:

AGC: 79f.

Please explain:

For non-exchange transaction deliveries of shares, foreign stocks, etc. , corporate bonds with share options, ETFs and REITs, etc., JDCC handles with Model 2 DVP.

AGC: 79g.  
Please explain:

Regarding corporate bonds, issuance, redemption, and transfer of CP, 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 shares and corporate bonds with share options and redemption of corporate bonds with share options.).

AGC: 79h  
Please identify and explain:

AGC: 79i  
Please explain briefly how these work:

AGC: 80  
Does the stock exchange have default protections that extend to the CSD, such as the following?

- ☐ Margin requirements for stock exchange members
- ☐ Guaranty fund for stock exchange members
- ☐ Financial requirements for stock exchange membership
- ☒ No
- ☐ Not applicable
- ☐ OTHER:

AGC: 80a  
Please explain:

AGC: 81  
BUSINESS RECOVERY PLAN. This section is intended to identify key aspects of the CSD'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. Do you have a formal business recovery plan?

- ☒ Yes
- ☐ No

AGC: 81b.  
Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

Information liaison test: Once a year / November, 15, 2023  
Systems switchover test: Once a year / February 3, 2024

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

Same as Q568(AGC81b).

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

Same as Q568(AGC81b).

AGC: 81e.

Please identify both the frequency and the last date of testing for the following third party: Local brokers

Same as Q568(AGC81b).

AGC: 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, September 20, 2024. Systems switchover test: Issuing companies (administrator of shareholder register), Once a year, February 3, 2024.

AGC: 81a, 81h.

Does your Business Recovery Plan include:

- ☒ Back-up of all computer files
- ☒ Back-up files stored and locked
- ☒ Off-site operations facility
- ☒ Off-site data storage
- ☐ OTHER:

AGC: 82

How quickly can the main system be reactivated in the event of an outage?

- ☐ Not applicable
- ☐ Longer than 24 hours
- ☐ 8 - 24 hours
- ☐ 4 - 8 hours
- ☒ 1 - 4 hours

AGC: 83

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

- ☐ Not applicable
- ☐ Longer than 24 hours
- ☐ 8 - 24 hours
- ☐ 4 - 8 hours
- ☒ 1 - 4 hours

AGC: 84

Will the CSD publicly announce any system interruption?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 84a.

To whom will the CSD disclose any system interruptions?

- ☒ To all direct participants
- ☒ To the CSD regulators
- ☒ To direct and indirect participants
- ☒ To the public via the internet
- ☒ In the press
- ☐ OTHER:

AGC: 84b.

If so, please list webpage address:

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

AGC: 84c.

If so, please list all publications:

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

AGC: 84d.

Please explain:

AGC: 84e.

How will the CSD disclose any system interruptions?

- ☒ Public announcement
- ☒ By e-mail
- ☒ By telephone
- ☒ Press release
- ☒ OTHER: please answer 84f

AGC: 84f.

Please explain:

Through website for our participants.

AGC: 85

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

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 85a.

If yes, how much time was needed to implement the recovery plan?

- ☒ Longer than 4 hours
- ☐ 2 - 4 hours
- ☐ 1 - 2 hours
- ☐ Less than 1 hour

AGC: 85b.

How much time was needed to recover and restore business to normal operations?

- ☐ Longer than 24 hours
- ☐ 8 - 24 hours
- ☒ 4 - 8 hours
- ☐ 1 - 4 hours

AGC: 85c, 85d.

What was the impact to the market?

- ☐ As a result of the system failure, all fines and penalties for late settlements were waived
- ☐ All cash settlements took place more than one business day late
- ☐ All securities settlements took place more than one business day late
- ☐ All cash settlements took place one business day late with value one day late
- ☐ All securities settlements took place one business day late with value one day late
- ☐ All cash settlements took place one business day late with good value
- ☐ All securities settlements took place one business day late with good value
- ☐ Even though there was a system failure, all fines and penalties for late settlements were still assessed
- ☐ All cash settlements took place as scheduled on the same day with good value
- ☐ All securities settlements took place as scheduled on the same day with good value
- ☒ OTHER: On the day of the network failure in December 2022, the settlement of securities related to some exchange trades was carried over to the next business day. As a result, a portion of the customer side securities settlement associated with the delayed securities settlement was executed at the scheduled price on the next business day.

AGC: 86

Has there been any material loss by the CSD during the past three years?

- ☐ Not applicable
- ☒ No
- ☐ Yes

AGC: 86a.

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



AGC: 87

Has the CSD been subject to any litigation involving a participant during the past three years?

☐ Not applicable☒ No☐ Yes

AGC: 87a.

Please explain the circumstances and resolution:

AGC: 88, 88a

Has the CSD realized revenues sufficient to cover expenses during the past three years?

☐ Not applicable☐ None of the last three years☐ Yes for one of the last three years☐ Yes for two of the last three years☒ Yes for all three years

AGC: 89, 89b

Does the CSD maintain a reserve for operating losses?

☐ Not applicable☐ No☒ Yes

AGC: 89a.

Please describe and indicate reserve (for operating losses) amount:

56,800 million yen (As of March 31, 2024)

AGC: 90

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

☐ Not applicable☒ No☐ Yes

AGC: 90a.

Please describe:

AGC: 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 CSD?

☐ No☐ Yes

AGC: 90c.

If yes, please describe:

AGC: 90d.

If no, why not?

AGC: 91

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

☐ Not applicable☐ No☐ Yes

☒ Other: In case of default caused by JASDEC, it will be covered by the insurance.

AGC: 91a

What is the amount of the coverage?

AGC: 91b

What is the amount of the deductible?

AGC: 92

Does the CSD 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)?

☐ Not applicable☐ No☒ Yes

AGC: 92a.

What is the amount of the coverage?

N.A.

AGC: 92b.

What is the amount of the deductible?

N.A.

AGC: 93  
Does the CSD have insurance for Operational Errors?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 93a.  
What is the amount of the coverage?

N.A.

AGC: 93b.  
What is the amount of the deductible?

N.A.

AGC: 94  
Does the CSD have Errors and Omissions insurance?

- ☐ Not applicable
- ☐ No
- ☒ Yes

AGC: 94a.  
What is the amount of the coverage?

N.A.

AGC: 94b.  
What is the amount of the deductible?

N.A.

AGC: 95  
Does the CSD have insurance for the Premises?

- ☐ Not applicable
- ☐ No
- ☐ Yes
- ☒ Other: The depository rents the Premises. The owner has insurance for them.

AGC: 95a.  
What is the amount of the coverage?

AGC: 95b.  
What is the amount of the deductible?

AGC: 96a.  
If so, what is it for?

Application for Directors & Officers

AGC: 96b.  
What is the amount of the coverage?

N.A.

AGC: 96c.  
What is the amount of the deductible?

N.A.

AGC: 96, 96d  
Does the CSD have any other insurance?

☐ Not applicable

☐ No

☒ Yes

AGC: 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.

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

N.A.

AGC: 97b.  
What is the term of the policy?

One year

AGC: 97c, 97d  
Who does the insurance cover?

☒ CSD

☐ Direct CSD participants

☐ Final investors

☐ Not applicable

☐ OTHER:

AGC: 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 2024 situation unless specified.

(2)Q76

Regarding the settlement of CP, corporate bonds, and investment trusts, 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 CP or corporate bonds, etc on its own account, in an amount equal to such excess (Article 78 and 79 of the Act on Book-Entry Transfer of Corporate Bonds and 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-tier 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 trusts 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 immediately upper-tier institution at the time of the commencement of the bankruptcy procedures, etc. (Article 60 of the Act)

(3)Foreign stocks, etc.

Of the security types JASDEC handles, foreign stocks, etc. listed on stock exchanges in Japan are not covered by the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc. Their transactions are processed through Business Rules of JASDEC etc. Considering also the fact that the proportion of foreign stocks, etc. listed on stock exchanges in Japan is very small among securities JASDEC handles, the answers only applicable for foreign securities are mentioned hereinafter collectively.

Q29a: Practical operation for corporate action, etc.

Q35d: Practical operation for distribution of the dividend to beneficial shareholders, 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 (dividend-paying bank).

Q38: Regarding foreign stocks, etc. listed on stock exchanges in Japan, JASDEC has settlement and custody linkage with foreign depositories (DTC, Clearstream Banking Luxembourg and KSD) directly or through custodian banks (Standard Chartered Bank). The participants may instruct JASDEC to deposit with or delivery 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 delivery 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 stocks, etc. listed on 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: Foreign stocks, etc. are deposited in foreign depositories.

AGC: 98a.

filecount - Upload document here:

AGC: 99

The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

☒ Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of.

☐ Yes, my response will be public, but only for my answers to AGC questions.

☐ Yes, my response will be public, but only for my answers to PFMI questions.

☐ No, I do not wish my response to be publicly available.

AGC: 99a

How will you be making your answers publicly available?

☐ Upon request

☒ Website

☐ OTHER:

AGC: 99b

This disclosure can also be found at the following web address(es):

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

AGC: 99c

First and Last Name of the contact person:

Yuji Sato (Mr.) / Corporate Strategy Department

AGC: 99d

How do you prefer to be contacted?

☐ mail/air courier☐ Fax☐ Telephone☒ e-mail

AGC: 99e

Telephone number (please include the international country code):

+81-3-3661-0161

AGC: 99f

Fax number

AGC: 99g

What is the preferred street address for mailing requests?

KABUTO ONE, 7-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo, 103-0026, Japan

AGC: 99h

Email address of the contact person:

[jasdec\\_international@jasdec.com](mailto:jasdec_international@jasdec.com)

AGC: 100

AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

☒ Yes☐ No

AGC: 101

Does your organization have a documented cyber security policy in place?

☒ Yes☐ No

Please refer to our Basic Policy on Information Security.

<https://www.jasdec.com/en/about/security/rm/>

AGC: 102

Please confirm that your staff receive relevant training about this policy.

☒ Yes☐ No

AGC: 103

Please provide an overview of your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

Please refer to our Basic BCP Policy and Basic Policy on Response to System Failure.

<https://www.jasdec.com/en/about/security/rm/>

AGC: 104

In the last 12 months have there been any changes to the policy?

☐ Yes☒ No

AGC: 105

Please advise how often you review the policy.

☐ Annually☐ Semi-annually☒ Other

AGC: 106

filecount - Please provide (as an attachment) a diagram showing where your cyber security function resides and who it reports to.

AGC: 107

How does your organization identify which business functions carry a cyber risk

Please refer to our Basic Policy on Risk Management.

<https://www.jasdec.com/en/about/security/rm/>

AGC: 108

Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches?

☒ Yes☐ No

We conduct the vulnerability assessment and the penetration test once a year.

AGC: 109

What technological controls and protections are in place for your systems and networks?

Due to security concerns, we can't answer.

AGC: 110

Does your organization use multi-factor authentication

☒ Yes☐ No

AGC: 111

Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

☐ Yes☐ No

AGC: 112

What measures does your organization have to ensure early detection of a cyber attack?

We have implemented a monitoring function for our system 24H365.

AGC: 113

What is the agreed resumption time for critical operations following a cyber attack?

We will resume business operations in accordance with the Basic Policy on Response to System Failure on our best effort basis.

AGC: 114

How would you advise clients of a successful cyber attack against your organization?

Same as item 84.

AGC: 115

In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

☐ Yes☒ No

AGC: 116

Are the following elements of your cybersecurity framework tested pre and post deployment of changes?

☒ Vulnerability assessment☒ Scenario based penetration tests☒ Testing of incident response process and technical/business/operations (e.g. table-top exercise)☐ OTHER:



AGC: 117

For cloud technology and associated cyber security risks, do you have procedures and controls in place to protect our information from mishandling or theft?

In the comments section could you please explain how these procedures and controls tie back to your record retention policy?

☒ Yes☐ No

We are checking the necessary security measures are implemented according to the information handled by the cloud service and the characteristics of the business.

AGC: 118

Does your organization conduct dark web searches for signs of a breach (internet protocol or customer/client personally identified information for sale)?

☐ Yes☒ No

AGC: 119

Is your organization aware of SWIFT's Customer Security Program (CSP)?

☒ Yes☐ No

AGC: 120

Does your organization ensure compliance with SWIFT's CSP controls?

☒ Yes☐ No

AGC: 121

Does your organization respond to requests for your institution's attestations?

☐ Yes☐ No

AGC: 122

Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?

☐ Yes☐ No