

JASDEC-Link , Promoting Efficiency to Omgeo Clients

Sep. 10, 2009

Omgeo Client Forum Japan

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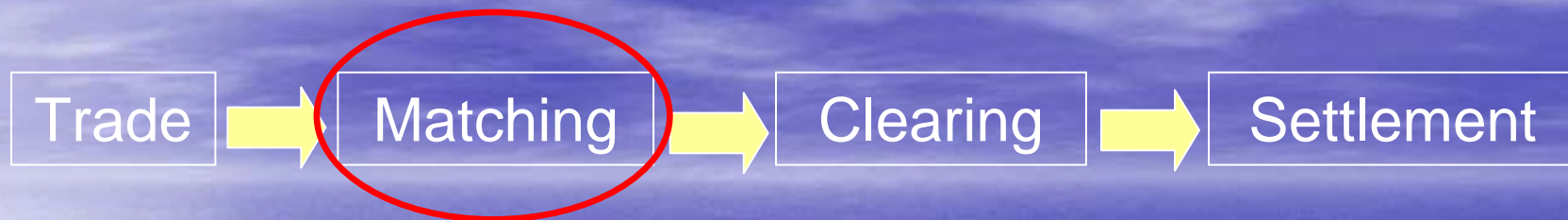
Post-trade Services

Japan Securities Depository Center, Inc.

AGENDA

- ◆ Introduction of PSMS
- ◆ Objective of JASDEC-Link
- ◆ Outline of JASDEC-Link
- ◆ Future Plan

Introduction of PSMS



➤ Provide pre-settlement matching function for DVP settlement and clearing

- ✓ DVP settlement for non-exchange stock transaction deliveries, straight bonds and short-term corporate bonds on JASDEC
- ✓ Clearing on Japan Government Bond Clearing Corporation

➤ Promote STP in securities market

- ✓ What extent and how should a CSD commit to this process?

Introduction of PSMS

➤ Central Matching Service for Domestic Institutional Trades and Cross-border Trades (Pre-Settlement Matching System)

- ✓ Trade matching and Settlement matching for domestic trades
- ✓ Settlement matching for cross-border trades
- ✓ Covering all asset class incl. JGB

➤ Ratio of Participants Classified by Industry (based on transactions)

- ✓ Domestic trade
 - Investment Managers : About 60%
 - Brokers/Dealers, Trust Banks: Almost 100%
- ✓ Cross-border trade
 - Brokers/Dealers, Custodian Banks: Almost 100%

Introduction of PSMS

Promotional Programs for Investment Managers

➤ Reduction of service charges for Investment Managers

- ✓ Cap at 100 thousand Yen (Monthly)

- ✓ Introduction of special charges for small sized users *

*effective from Jan. 2006, applied to not only investment managers but all users

➤ Alliance with some domestic ETC service vendors



➤ What's the next step?

➤ What can JASDEC do for IMs' efficiency?

Objective of JASDEC-Link

➤ Provide STP environment including allocation process

✓ Global Single Platform for IMs

✓ Achievement of Accurate Net Asset Value Calculation for IMs and TBs

✓ Paperless Investment Instruction to TBs

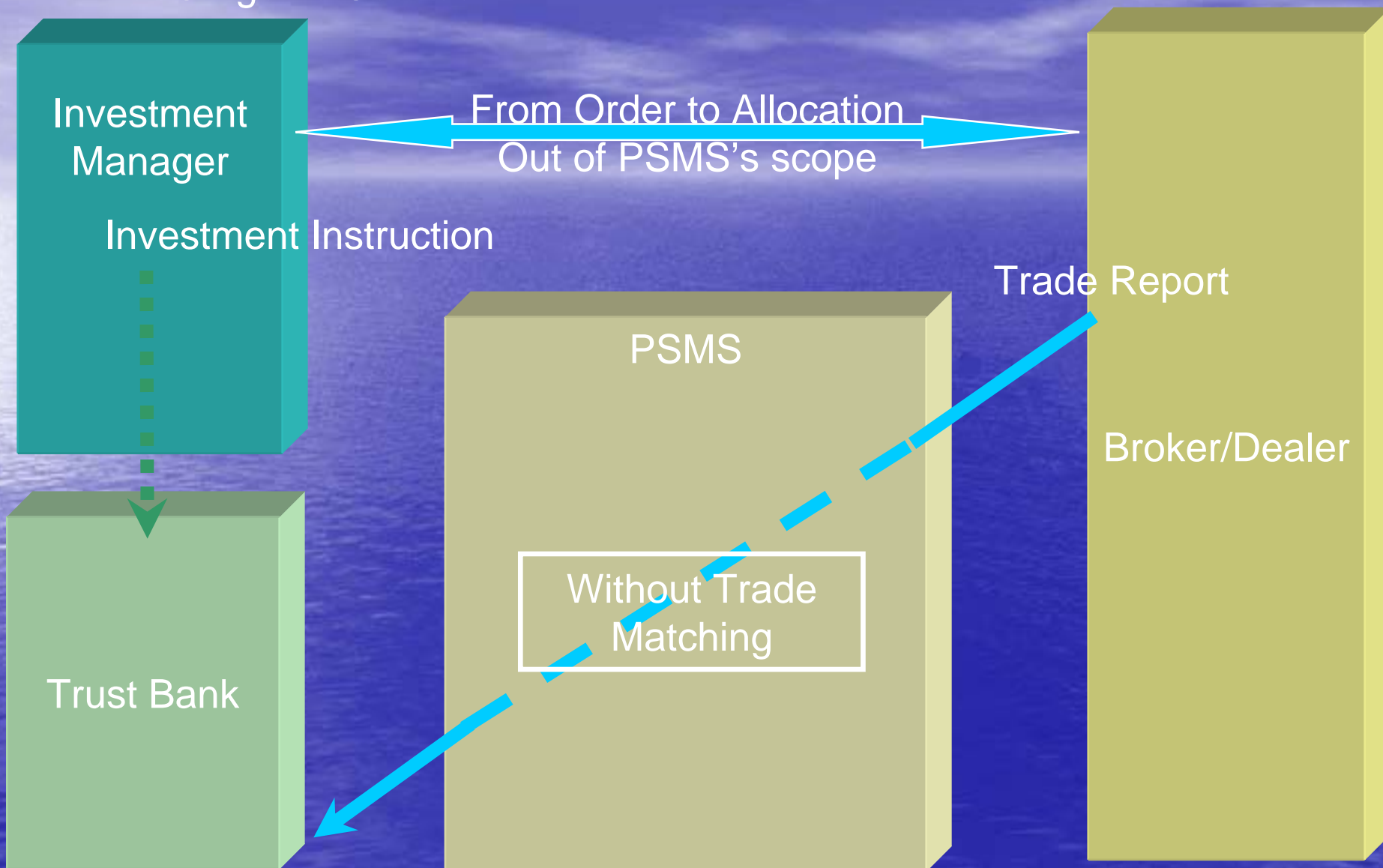
✓ Single Accessibility to TBs



Alliance with Omgeo, who has advantages of allocation function

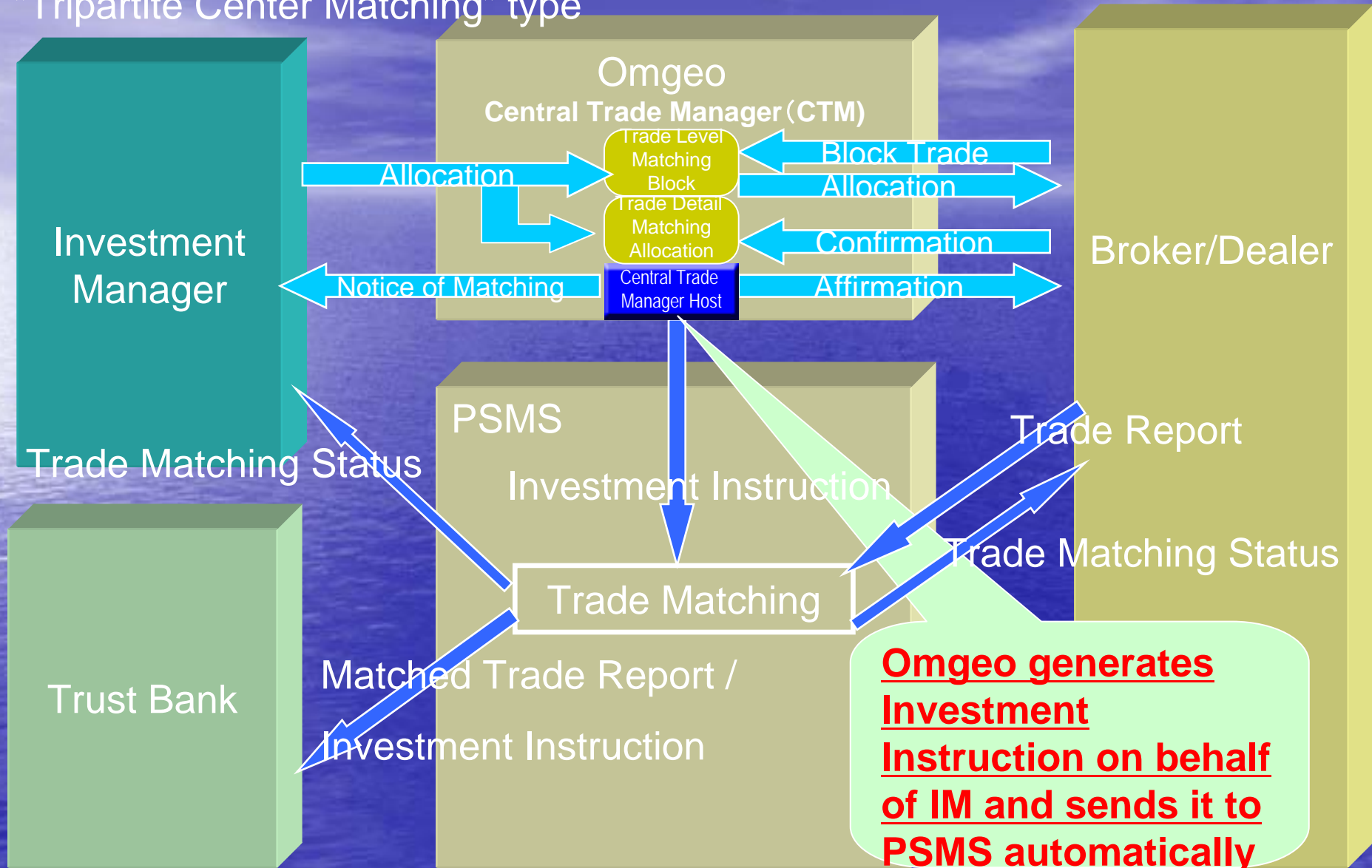
Outline of JASDEC-Link

Without Omgeo's Service

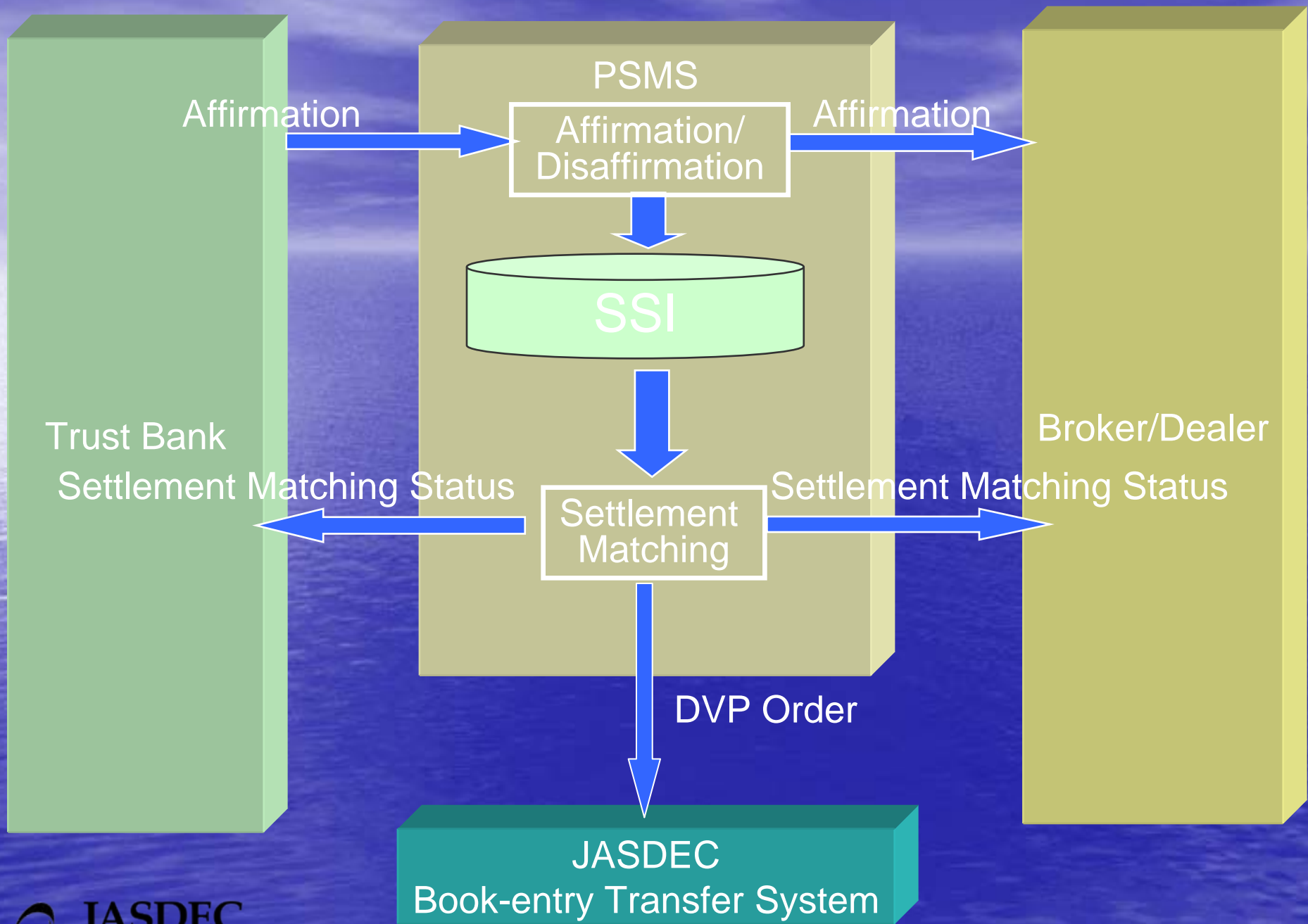


Outline of JASDEC-Link

"Tripartite Center Matching" type



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Outline of JASDEC-Link

- Scope of Securities/Transaction Types
 - ✓ Stocks (Regular trade, Offering/Issuing trade)
 - ✓ Convertible Bonds (Regular trade, Offering trade)
 - ✓ Japanese Government Bonds (Regular trade)
 - ✓ Straight Bonds (Regular trade, Offering trade)
 - ✓ Short-term Corporate Bonds (Regular trade, Offering trade)
- Supplemental Functionality by JASDEC Web Terminal
 - ✓ Trade Matching Status (PSMS)
 - ✓ Transmission Completion Report
- Out of Scope
 - ✓ Futures & Options
 - ✓ Net Asset Value Data

Outline of JASDEC-Link

➤ Press Release

✓ Omgeo Develops Domestic and Cross-Border Trade Processing Interface by Partnering with JASDEC

(<http://www.jasdec.com/en/news/20061031.html>)

✓ PCA ASSET MANAGEMENT ADOPTS JASDEC PSMS AND OMGEO CTM/OASYS

(<http://www.jasdec.com/en/news/20090701.html>)

Future Plan

- Development of the New Message Standard
 - Co-work on ISO20022 Post Trade PJ

- Expansion of Participants
 - from Foreign IMs to Domestic IMs

- Expansion of Asset Class
 - Addition of Foreign Securities (Outbound)

Thank you

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