

Implementation Status of Dispute Resolution Business in FY 2010

Non-Profit Organization
Financial Instruments Mediation Assistance Center
(FINMAC)

1. Trend of Dispute Resolution Business Carried Out by FINMAC

(1) Status of Mediation, Complaint Handling, and Consultation

The number of cases of dispute resolution, etc. handled in FY 2010 (from April 1, 2010 to March 31, 2011) is as follows: mediations (309), complaints (1,190), and consultations (7,017).

(Unit: 1 case)

	Mediation	Complaint	Consultation
FY 2010	309	1,190	7,017
FY 2009 (from February 1, to March 31, 2010)	38	198	1,659

* Each figure shows the total number of cases of mediation, complaint, and consultation accepted by FINMAC, respectively. The unit of the figure is 1 case; the same applies hereinafter unless otherwise specified.

For your reference, the number of cases of dispute resolution, etc., handled by five associations before FINMAC was entrusted with the business (FY 2009 (from April 1, 2009 to January 31, 2010)) is as follows: mediations (183), complaints (1,093), and consultations (6,001). The total number of cases calculated by simply adding the number of cases handled by these five associations and the number of cases handled by FINMAC after February 2010 is as follows:

[Reference: Total number of cases handled by five associations]

	Mediation	Complaint	Consultation
FY 2009 (including cases accepted by FINMAC)	221	1,291	7,660
FY 2008	294	1,331	9,059

(Note 1) The total number of cases is calculated by simply adding each number of cases handled by five associations (Japan Securities Dealers Association; The Investment Trusts Association, Japan; Japan Securities Investment Advisers Association; The Financial Futures Association of Japan; and Japan Commodities Fund Association). (The Japan Commodities Fund Association was dissolved at the end of February 2011.)

(Note 2) With respect to FY 2009, the total number of cases is calculated by adding the number of cases accepted by five associations from April 2009 to January 2010 and the number of cases accepted by FINMAC from February 2010 to March 2010.

(2) Breakdown by Business Operators

The number of cases handled by the business operators in FY 2010 (from April 1, 2010 to March 31, 2011) is as follows:

	Mediation		Complaint		Consultation	
	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
Self-Regulatory Organizations Affiliate Business Operators	269	38	1,139	198	4,679	1,005
Specified Business Operators	40	0	50	0	28	0
Others	0		1		2,310	654
Total	309	38	1,190	198	7,017	1,659

(Note 1) With respect to FY 2009, the number of cases handled during the period from February 1, 2010 to March 31, 2010 is included.

(Note 2) Self-Regulatory Organizations Affiliate Business Operators: Members of five associations
Specified Business Operators: Type II Financial Instruments Business Operators, etc. who have individually registered to use FINMAC

(3) Breakdown by Self-Regulatory Organizations Affiliate Business Operators (members of five associations)

The number of cases handled by each Self-Regulatory Organizations Affiliate Business Operator (members of five associations) in FY 2010 (from April 1, 2010 to March 31, 2011) is as follows. Many of the mediations, complaints, and consultations are related to the members of the Japan Securities Dealers Association.

	Mediation		Complaint		Consultation	
	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
Japan Securities Dealers Association	239	35	1,001	181	4,098	884
The Financial Futures Association of Japan	25	2	121	14	497	101
Japan Securities Investment Advisers Association	5	0	16	3	51	14
The Investment Trusts Association, Japan	0	1	1	0	33	6
Japan Commodities Fund Association	0	0	0	0	0	0
Total	269	38	1,139	198	4,679	1,005

(Note 1) With respect to FY 2009, the number of cases handled during the period from February 1, 2010 to March 31, 2010 is included.

(Note 2) The Japan Commodities Fund Association was dissolved as of February 28, 2011.

(Note 3) The number of cases handled by Specified Business Operators in FY 2010 is as follows: mediations (40), complaints (50), and consultations (28).

(4) Breakdown by Type of Business

The number of cases handled by each type of business in FY 2010 (from April 1, 2010 to March 31, 2011) is as follows. Many of the cases are related to the Type I Financial Instruments Business.

	Mediation		Complaint		Consultation	
	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
Type I Financial Instruments Business	176	30	946	164	4,188	961
Type II Financial Instruments Business	40	0	50	0	337	0
Investment Management Business	3	1	8	0	57	6
Investment Advisory and Agency Business	2	0	10	3	58	13
Registered Financial Institution Business	88	7	176	31	424	44
Other Business					1,953	635
Total	309	38	1,190	198	7,017	1,659

(Note) With respect to FY 2009, the number of cases handled during the period from February 1, 2010 to March 31, 2010 is included.

2. Status of Mediation, Complaint, and Consultation

(1) Status of Mediation

The number of cases of dispute resolution through mediation in FY 2010 (from April 1, 2010 to March 31, 2011) is as follows: newly claimed cases (309) and concluded cases (226; among them, settlements (123)).

Mediation	FY 2010	FY 2009
Number of Newly Claimed Cases	309	38
Number of Concluded Cases	226	2
Settlement	123	1
Unresolved	94	1
Withdrawal	9	0
Number of Pending Cases at the End of the Relevant Fiscal Year	119	36

(Note) With respect to FY 2009, the number of cases handled during the period from February 1, 2010 to March 31, 2010 is included.

[Reference] Number of mediation cases handled by five associations

FY 2009 (including cases accepted by FINMAC)	FY 2008
221	294

* With respect to FY 2008 and FY 2009, the total number of cases is calculated by simply adding each number of mediation cases handled by five associations. (With respect to FY 2009, the number of cases accepted by FINMAC is included.)

(1)-1 Number of Claim Cases by Category

		Solicitation	Sale and Purchase Transactions	Paperwork	Investment Management	Investment Advisory
FY 2010	Number of Cases	247	49	4	1	2
	(Composition Ratio)	80%	16%	1.3%	0.3%	0.7%
FY 2009	Number of Cases	24	9	2	1	0
	(Composition Ratio)	63%	24%	5.3%	2.6%	-%

		Others	Total
FY 2010	Number of Cases	6	309
	(Composition Ratio)	2.0%	100%
FY 2009	Number of Cases	2	38
	(Composition Ratio)	5.3%	100%

(Note 1) With respect to FY 2009, the number of cases handled during the period from February 1, 2010 to March 31, 2010 is included.

(Note 2) [Solicitation] is related to the content with respect to which a customer makes a claim regarding a violation of the duty of explanation, misleading solicitation, violation of suitability, and the like.

[Sale and Purchase Transactions] are related to the content with respect to which a customer makes a claim regarding the failure of execution of sale and purchase transactions, transactions without permission, and the like.

[Paperwork] is related to the content with respect to which a customer makes a claim regarding the failure or delay of paperwork and procedures for deposits and withdrawals, and the like.

[Investment Management] is related to the Investment Corporation's asset management business, investment trust management business, and the like.

[Investment Advisory] is service, etc. to give advice regarding investment decisions.

(1)-2 Breakdown by Category

1) Main Cases concerning Solicitation

	FY 2010	FY 2009
Disputes regarding Violation of the Duty of Explanation	166 (53.7%)	15 (39.5%)
Disputes regarding Violation of the Suitability Principle	38 (12.3%)	4 (10.5%)
Disputes regarding False Information	31 (10.0%)	3 (7.9%)

2) Main Cases concerning Sale and Purchase Transactions

	FY 2010	FY 2009
Disputes regarding Transactions without Permission	25 (8.1%)	1 (2.6%)
Disputes regarding Failure of Execution of Sale and Purchase Transactions	7 (2.3%)	1 (2.6%)
Disputes regarding Churning	1 (0.3%)	1 (2.6%)

3) Main Cases concerning Paperwork

	FY 2010	FY 2009
Disputes regarding Failure of Paperwork	4 (1.3%)	2 (5.3%)

4) Main Cases concerning Investment Management

	FY 2010	FY 2009
Disputes regarding Wrap Trading	1 (0.3%)	- (-%)

5) Main Cases concerning Investment Advisory

	FY 2010	FY 2009
Disputes regarding Provision of Assertive Information	1 (0.3%)	- (-%)
Disputes regarding Violation of Commitment at the time of Solicitation	1 (0.3%)	- (-%)

6) Other Main Cases

	FY 2010	FY 2009
Disputes regarding Default of Obligations	3 (1.0%)	- (-%)
Disputes regarding Fraud and Embezzlement	2 (0.7%)	2 (5.3%)

(Note) The percentage shown in parentheses is the percentage against the total number of mediation cases handled from April 1, 2010 to March 31, 2011 with respect to FY 2010 and the total number of mediation cases handled in February 2010 and March 2010 with respect to FY 2009.

(1)-3 Number of Claim Cases by Financial Instruments and Services

	FY 2010		FY 2009	
	Number of Cases	(Composition Ratio)	Number of Cases	(Composition Ratio)
Stocks	66	21%	14	37%
Bonds	48	16%	8	21%
Investment Trusts	122	39%	12	32%
Derivatives	30	10%	3	7.9%
Securities-Related	2	(0.6%)	0	(-%)
Financial Futures, etc.	25	(8.1%)	2	(5.3%)
CFD	0	(-%)	1	(2.6%)
Others	3	(1.0%)	0	(-%)
Type II Financial Instruments	40	13%	0	-%
Investment Management	2	0.6%	1	2.6%
Investment Advisory	0	-%	0	-%
Others	1	0.3%	0	-%
Total	309	100%	38	100%

(Notes)

1. Derivatives (Financial Futures, etc.) include interest rate and foreign exchange futures, foreign exchange margin trading (FX), currency option, and the like.
2. Derivatives (Others) include interest rate and foreign currency swap, weather derivatives, and the like.
3. Type II Financial Instruments include beneficial interests of a trust, interests in collective investment schemes, commodity funds, and the like.

(1)-4 Number of Claim Cases by Type of Business

		Securities Company	Registered Financial Institutions including Banks	FX Operator	Others	Total
FY 2010	Number of Cases	214	89	4	2	309
	(Composition Ratio)	69%	29%	1.3%	0.7%	100%
FY 2009	Number of Cases	29	7	1	1	38
	(Composition Ratio)	76%	18%	2.6%	2.6%	100%

(Note) Others include investment advisory companies.

(1)-5 Breakdown by Individuals and Corporations

		Individual		Corporation
		Male	Female	
FY 2010	Number of Cases	125	148	36
	(Composition Ratio)	40%	48%	12%
FY 2009	Number of Cases	16	19	3
	(Composition Ratio)	42%	50%	7.9%

(1)-6 Breakdown by Region

		Hokkaido	Tohoku	Tokyo	Nagoya	Hokuriku	Osaka	Chugoku	Shikoku
FY 2010	Number of Cases	1	6	138	37	17	64	19	6
	(Composition Ratio)	0.3%	1.9%	45%	12%	5.5%	21%	6.1%	1.9%
FY 2009	Number of Cases	1	1	10	3	2	15	2	1
	(Composition Ratio)	2.6%	2.6%	26%	7.9%	5.3%	39%	5.3%	2.6%

		Kyushu	Overseas	Others
FY 2010	Number of Cases	21	0	0
	(Composition Ratio)	6.8%	-%	-%
FY 2009	Number of Cases	3	0	0
	(Composition Ratio)	7.9%	-%	-%

(2) Status of Complaint

The number of complaint cases handled in FY 2010 (from April 1, 2010 to March 31, 2011) is as follows. The number of newly claimed cases was 1,190.

(2)-1 Overview

	FY 2010	FY 2009 (February and March 2010)
Number of Newly Accepted Cases	1,190	198
Number of Concluded Cases	1,113	139
Number of Pending Cases at the End of the Relevant Fiscal Year	128	59

(Note) With respect to FY 2009, the number of cases handled during the period from February 1, 2010 to March 31, 2010 is included.

[Reference] Number of complaint cases accepted by five associations

FY 2009 (including cases accepted by FINMAC)	FY 2008
1,291	1,331

* With respect to FY 2008 and FY 2009, the total number of complaint cases is calculated by simply adding each number of complaints handled by five associations. (With respect to FY 2009, the number of cases handled during the period from April 2009 to January 2010 is included.)

(2)-2 Number of Claim Cases by Category

		Solicitation	Sale and Purchase Transactions	Paperwork	Investment Management	Investment Advisory
FY 2010	Number of Cases	564	314	160	0	10
	(Composition Ratio)	47%	26%	14%	-%	0.8%
FY 2009	Number of Cases	80	43	33	0	3
	(Composition Ratio)	40%	22%	16%	-%	1.5%

		Others	Total
FY 2010	Number of Cases	142	1,190
	(Composition Ratio)	12%	100%
FY 2009	Number of Cases	39	198
	(Composition Ratio)	20%	100%

(2)-3 Breakdown by Category

1) Main Cases concerning Solicitation

	FY 2010	FY 2009
Complaints regarding the Duty of Explanation at the Time of Solicitation	299 (25.1%)	35 (17.7%)
Complaints regarding Suitability	64 (5.4%)	14 (7.0%)
Complaints regarding Aggressive Solicitation	64 (5.4%)	12 (6.1%)

2) Main Cases concerning Sale and Purchase Transactions

	FY 2010	FY 2009
Complaints regarding Transactions without Permission	85 (7.1%)	11 (5.5%)
General Complaints regarding Sale and Purchase	77 (6.5%)	6 (3.0%)
Complaints regarding Failure of Execution of Sale and Purchase Transactions	48 (4.0%)	14 (7.0%)

3) Main Cases concerning Paperwork

	FY 2010	FY 2009
Complaints regarding Deposit and Withdrawal of Money	37 (3.1%)	3 (1.5%)
Complaints regarding Opening or Transfer of Accounts	30 (2.5%)	3 (1.5%)
Complaints regarding Paperwork in connection with Shares	17 (1.4%)	8 (4.0%)

4) Main Cases concerning Investment Advisory

	FY 2010	FY 2009
Complaints regarding an Advisory Agreement	6 (0.5%)	2 (1.0%)
Complaints regarding the Contents of Advisory	3 (0.3%)	- (-%)
Complaints regarding Delay in Cancellation of the Agreement	1 (0.1%)	1 (0.5%)

5) Other Main Cases

	FY 2010	FY 2009
Complaints regarding Grievance against the Company	119 (10.0%)	20 (10.1%)
Complaints regarding Fraud and Embezzlement	8 (0.7%)	3 (1.5%)
Complaints regarding Merchantability	3 (0.3%)	1 (0.5%)

(Note) The percentage shown in parentheses is the percentage against the total number of complaint cases handled from April 1, 2010 to March 31, 2011 with respect to FY 2010 and the total number of complaint cases handled in February 2010 and March 2010 with respect to FY 2009.

(2)-4 Number of Claim Cases by Financial Instruments and Services

	FY 2010		FY 2009	
	Number of Cases	(Composition Ratio)	Number of Cases	(Composition Ratio)
Stocks	378	32%	76	38%
Bonds	211	18%	26	13%
Investment Trusts	353	30%	67	34%
Derivatives	168	14%	18	9.1%
Securities-Related	35	(2.9%)	1	(0.5%)
Financial Futures, etc.	122	(10%)	14	(7.0%)
CFD	10	(0.8%)	2	(1.0%)
Others	1	(0.1%)	1	(0.5%)
Type II Financial Instruments	50	4.2%	0	-%
Investment Management	6	0.5%	1	0.5%
Investment Advisory	0	-%	1	0.5%
Others	24	2.0%	9	4.5%
Total	1,190	100%	198	100%

(Notes)

1. Derivatives (Financial Futures, etc.) include interest rate and foreign exchange futures, foreign exchange margin trading (FX), currency option, and the like.
2. Derivatives (Others) include interest rate and foreign currency swap, weather derivatives, and the like.
3. Type II Financial Instruments include beneficial interests of a trust, interests in collective investment schemes, commodity funds, and the like.
4. Others include cases that are not relevant to the types of Financial Instruments and services (e.g., those related to trading accounts, those related to paperwork, and those related to complaints, etc. against the company's response and person in charge).

(2)-5 Number of Claim Cases by Type of Business

		Securities Company	Registered Financial Institutions including Banks	FX Operator	Others	Total
FY 2010	Number of Cases	940	183	45	22	1,190
	(Composition Ratio)	79%	15%	3.8%	1.9%	100%
FY 2009	Number of Cases	152	31	12	3	198
	(Composition Ratio)	77%	15%	6.1%	1.5%	100%

(Note) Others include investment advisory companies, mainly.

(2)-6 Breakdown by Individuals and Corporations

		Individual		Corporation
		Male	Female	
FY 2010	Number of Cases	625	514	51
	(Composition Ratio)	53%	43%	4.3%
FY 2009	Number of Cases	124	71	3
	(Composition Ratio)	63%	35%	1.5%

(2)-7 Breakdown by Region

		Hokkaido	Tohoku	Tokyo	Nagoya	Hokuriku	Osaka	Chugoku	Shikoku
FY 2010	Number of Cases	18	33	641	141	38	140	62	36
	(Composition Ratio)	1.5%	2.8%	54%	12%	3.2%	12%	5.2%	3.0%
FY 2009	Number of Cases	7	5	109	24	4	22	10	6
	(Composition Ratio)	3.5%	2.5%	55%	12%	2.0%	11%	5.1%	3.0%

		Kyushu	Overseas	Others
FY 2010	Number of Cases	79	0	2
	(Composition Ratio)	6.6%	-%	0.2%
FY 2009	Number of Cases	10	0	1
	(Composition Ratio)	5.1%	-%	0.5%

(Note) Others include complaint cases through mobile phone, etc., by which the location of the person who makes a claim cannot be identified.

(3) Status of Consultation

The number of consultations received in FY 2010 (from April 1, 2010 to March 31, 2011) was 7,017 cases.

(3)-1 Overview

	FY 2010	FY 2009
Number of Cases Accepted	7,017	1,659

(Note) With respect to FY 2009, the number of cases handled during the period from February 1, 2010 to March 31, 2010 is included.

[Reference] Number of consultations accepted by five associations

FY 2009 (including cases accepted by FINMAC)	FY 2008
7,660	9,059

* With respect to FY 2008 and FY 2009, the total number of consultation cases is calculated by simply adding each number of consultations handled by five associations. (With respect to FY 2009, the number of cases handled during the period from April 2009 to January 2010 is included.)

(3)-2 Number of Consultation Cases by Category

		Laws, regulations and practices on Financial Instruments Trading, etc.	Solicitation	Sale and Purchase Transactions	Paperwork	Investment Management
FY 2010	Number of Cases	2,037	1,081	734	513	23
	(Composition Ratio)	29%	15%	11%	7.3%	0.3%
FY 2009	Number of Cases	325	218	94	113	0
	(Composition Ratio)	20%	13%	5.7%	6.8%	-%

		Investment Advisory	Others	Total
FY 2010	Number of Cases	31	2,598	7,017
	(Composition Ratio)	0.4%	37%	100%
FY 2009	Number of Cases	14	895	1,659
	(Composition Ratio)	0.8%	53%	100%

(3)-3 Breakdown of Consultations by Category

1) Main Questions and Comments concerning the laws, regulations and practices on Financial Instruments Trading, etc.

	FY 2010	FY 2009
Consultations regarding the Operation of FINMAC	565 (8.1%)	76 (4.6%)
Consultations regarding the laws, regulations and practices on Financial Instruments Trading	416 (6.0%)	65 (3.9%)
Consultations regarding Securities Taxation System	226 (3.2%)	35 (2.1%)

2) Main Questions and Comments concerning Solicitation

	FY 2010	FY 2009
Consultations regarding the Duty of Explanation	505 (7.2%)	96 (5.8%)
Consultations regarding Aggressive Solicitation	215 (3.1%)	48 (2.9%)
Consultations regarding Suitability	187 (2.7%)	35 (2.1%)

3) Main Questions and Comments concerning Sale and Purchase Transactions

	FY 2010	FY 2009
General Consultations regarding Sale and Purchase	227 (3.2%)	24 (1.4%)
Consultations regarding Transactions without Permission	136 (1.9%)	24 (1.4%)
Consultations regarding Dealer Initiative	129 (1.8%)	19 (1.2%)

4) Main Questions and Comments concerning Paperwork

	FY 2010	FY 2009
Consultations regarding Opening, Transfer, etc. of Accounts	152 (2.2%)	38 (2.3%)
Consultations regarding Deposit and Withdrawal of Money, and Incoming and Outgoing Transfer of Funds	129 (1.8%)	22 (1.3%)
Consultations regarding Paperwork in connection with Shares	45 (0.6%)	12 (0.7%)

5) Other Main Questions and Comments

	FY 2010	FY 2009
Consultations regarding Unlisted Stocks	1,040 (14.8%)	507 (30.6%)
Consultations regarding Other Industries	674 (9.6%)	107 (6.5%)
Comments regarding Financial Instruments Business Operators	532 (7.5%)	93 (5.6%)

(Note) The percentage shown in parentheses is the percentage against the total number of mediation cases handled from April 1, 2010 to March 31, 2011 with respect to FY 2010 and the total number of mediation cases handled in February 2010 and March 2010 with respect to FY 2009.

(3)-4 Number of Consultation Cases by Financial Instruments and Services

	FY 2010		FY 2009	
	Number of Cases	(Composition Ratio)	Number of Cases	(Composition Ratio)
Stocks	2,979	42%	921	56%
Bonds	833	12%	171	10%
Investment Trusts	1,230	18%	260	16%
Derivatives	762	11%	105	6.3%
Securities-Related	136	(1.9%)	2	(0.1%)
Financial Futures, etc.	527	(7.5%)	101	(6.1%)
CFD	86	(1.2%)	2	(0.1%)
Others	13	(0.2%)	0	(-%)
Type II Financial Instruments	362	5.2%	0	-%
Investment Management	13	0.2%	0	-%
Investment Advisory	0	-%	0	-%
Others	838	12%	202	12%
Total	7,017	100%	1,659	100%

(Notes)

1. Derivatives (Financial Futures, etc.) include interest rate and foreign exchange futures, foreign exchange margin trading (FX), currency option, and the like.
2. Derivatives (Others) include interest rate and foreign currency swap, weather derivatives, and the like.
3. Type II Financial Instruments include beneficial interests of a trust, interests in collective investment schemes, commodity funds, and the like.
4. Others include cases that are not relevant to the types of Financial Instruments and services (e.g., those related to trading accounts, those related to paperwork, and those related to complaints, etc. against the company's response and person in charge).

(3)-5 Number of Consultation Cases by Type of Business

		Securities Company	Registered Financial Institutions including Banks	FX Operator	Securities Intermediary Service Provider	Others	Total
FY 2010	Number of Cases	4,197	476	277	5	2,062	7,017
	(Composition Ratio)	59.8%	6.8%	3.9%	0.1%	29.4%	100%
FY 2009	Number of Cases	861	44	100	0	654	1,659
	(Composition Ratio)	51.9%	2.7%	6.0%	-%	39.4%	100%

(Note) Others include, mainly, consultations regarding unlisted stocks (unregistered operators) (1,008), consultations regarding business operators in other industries (503), consultations regarding securities companies that have been abolished (declared insolvent or suspended) (56), and consultations regarding listed companies (54).

(3)-6 Breakdown by Individuals and Corporations

		Individual		Corporation
		Male	Female	
FY 2010	Number of Cases	3,911	2,628	478
	(Composition Ratio)	56%	37%	6.8%
FY 2009	Number of Cases	950	630	79
	(Composition Ratio)	57%	38%	4.8%

(3)-7 Breakdown by Region

		Hokkaido	Tohoku	Tokyo	Nagoya	Hokuriku	Osaka	Chugoku	Shikoku
FY 2010	Number of Cases	163	181	2,972	534	128	1,622	243	131
	(Composition Ratio)	2.3%	2.6%	42%	7.6%	1.8%	23%	3.5%	1.9%
FY 2009	Number of Cases	53	45	755	153	29	339	59	29
	(Composition Ratio)	3.2%	2.7%	45%	9.2%	1.7%	20%	3.6%	1.7%

		Kyushu	Overseas	Others
FY 2010	Number of Cases	337	0	706
	(Composition Ratio)	4.8%	-%	10%
FY 2009	Number of Cases	68	0	129
	(Composition Ratio)	4.1%	-%	7.8%

(Note) Others include consultations through mobile phone, etc., by which the location of the person who consults cannot be identified.