

Implementation Status of Dispute Resolution Business in FY 2015

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

1. Trend of Dispute Resolution Business Carried Out by FINMAC

(1) Accepted Cases of Mediation, Complaint, and Consultation

Among the total number of cases of claims accepted by FINMAC in FY 2015, the number of “Mediation” was up by 30 from the year earlier to 140, while that of “Complaint” was up by 745 to 1,374 and that of “Consultation” was down by 1,449 to 7,616 cases.

(Please refer to P7 and P11 for the reasons for an increase of complaint cases and a decrease of consultation cases.)

(Unit: Case)

	Mediation	Complaint	Consultation
FY 2015	140	1,374	7,616
FY 2014	110	629	9,065
FY 2013	159	975	7,406

(2) Breakdown by Type of Business Operators

When we look at the number of accepted cases by type of business operators in the relevant FY, the numbers of “Mediation” and “Complaint” increased in cases involving “Self-Regulatory Organizations Affiliate Business Operators,” and the numbers of “Mediation”, “Complaint”, and “Consultation” decreased in cases involving “Specified Business Operators” compared with the previous FY.

(Unit: Case)

	Mediation		Complaint		Consultation	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Self-Regulatory Organizations Affiliate Business Operators	140	109	1,372	624	6,728	7,892
Specified Business Operators	0	1	2	5	6	26
Others	0	0	0	0	882	1,147
Total	140	110	1,374	629	7,616	9,065

(Notes)

“Self-Regulatory Organizations Affiliate Business Operators” mean members of self-regulatory organizations (five associations) to which the business is entrusted.

“Specified Business Operators” mean Type II Financial Instruments Business Operators, etc. who have individually registered to use FINMAC.

“Others” mean business operators that are not classified into any types (in the cases of financial instruments and services that are not handled by FINMAC.)

(3) Breakdown by Self-Regulatory Organizations Affiliate Business Operators

Among the number of accepted cases by each of “Self-Regulatory Organizations Affiliate Business Operators” in the relevant FY, the number of “Complaint” concerning the business of members of all the five associations increased. On the other hand, the numbers of “Consultation” concerning the business of members of the “Japan Securities Dealers Association,” the “Financial Futures Association of Japan,” and the “Investment Trusts Association, Japan” decreased. The numbers of “Consultation” concerning the business of members of the “Japan Investment Advisers Association” and the “Type II Financial Instruments Firms Association” increased.

(Unit: Case)

	Mediation		Complaint		Consultation	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Japan Securities Dealers Association	118	101	1,190	544	5,970	7,092
Financial Futures Association of Japan	19	7	129	63	542	615
Japan Investment Advisers Association	3	1	44	17	149	133
Investment Trusts Association, Japan	0	0	4	0	40	48
Type II Financial Instruments Firms Association	0	0	5	0	27	4
Total	140	109	1,372	624	6,728	7,892

(4) Breakdown by Type of Business

Among the number of accepted cases by type of business in the relevant FY, the numbers of “Complaint” increased compared with the previous FY except for “Investment Advisory and Agency Business”. The number of “Consultation” concerning “Investment Management Business” increased compared with the previous FY. On the other hand, the numbers of “Type I Financial Instruments Business” and “Registered Financial Institution Business” decreased remarkably.

(Unit: Case)

	Mediation		Complaint		Consultation	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Type I Financial Instruments Business	131	101	1,263	580	6,089	7,048
Type II Financial Instruments Business	0	1	7	5	37	47
Investment Management Business	3	0	38	6	113	79
Investment Advisory and Agency Business	0	1	10	11	74	98
Registered Financial Institution Business	6	7	56	27	387	613
Other Businesses					916	1,180
Total	140	110	1,374	629	7,616	9,065

(Note) “Other Businesses” mean businesses related to instruments and services that are not handled by FINMAC.

(5) Breakdown by Financial Instruments and Services

When we look at the number of accepted cases by type of financial instruments and services in the relevant FY, as for the numbers of “Complaint”, all instruments and services except “CFD” and “Investment Advisory” increased compared with the previous FY. In addition, the numbers of “Consultation” concerning “Bonds” and “Securities-Related Derivatives,” “CFD” and “Investment Management” increased, while other instruments and services generally decreased compared with the previous FY.

(Unit: Case)

	Mediation		Complaint		Consultation	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Stocks	49	45	482	257	3,072	3,578
Bonds	29	25	279	103	838	672
Investment Trusts	32	22	332	150	1,290	1,591
Derivatives	27	16	174	88	653	702
Securities-Related	4	2	32	12	55	40
Financial Futures, etc.	19	7	129	63	550	620
CFD	3	6	11	12	43	35
Others	1	1	2	1	5	7
Type II Financial Instruments	0	1	7	5	41	47
Investment Management	3	0	34	7	78	33
Investment Advisory	0	0	0	0	0	0
Others	0	1	66	19	1,644	2,442
Total	140	110	1,374	629	7,616	9,065

(Notes)

- (i) “Derivatives (Financial Futures, etc.)” include currency options, interest rate and foreign exchange futures, foreign exchange margin trading (FX), etc.
- (ii) “Derivatives (Others)” include interest rate and foreign exchange swaps, weather derivatives, etc.
- (iii) “Type II Financial Instruments” include beneficial interests of a trust, interests in collective investment scheme, commodity funds, etc.
- (iv) “Others” include cases that are not relevant to the types of financial instruments or services (e.g. those related to trading accounts, those related to paperwork, those related to complaints, etc. against the company’s responses and the person in charge.)

2. Status of Mediation, Complaint, and Consultation

(1) Status of Mediation

The number of newly claimed cases of “Mediation” in the relevant FY was up by 30 cases (+27.3%) from the previous FY to 140 cases. We guess that this is due to the terrible ups and downs of the exchange rate along with the sudden drop of the Nikkei Average and sharp yen’s appreciation in late August 2015; since then the Nikkei Average remained bearish and the tendency to strong yen continued.

In addition, the number of concluded cases was up by 17 (+15.7%) to 125 cases on a year-on-year basis.

The number of pending cases at the end of the relevant FY was 40 cases, up by 15 cases compared with the previous FY.

(Unit: Case)

Mediation		FY 2015	FY 2014
Number of Newly Claimed Cases		140	110
Number of Concluded Cases		125	108
	Settlement	62	59
	Unresolved	55	41
	Withdrawal	8	8
Number of Pending Cases at the End of the Relevant FY		40	25

1) Number of Claim Cases by Category

When we look at the number of claim cases by category in the relevant FY, the number of “Disputes concerning Solicitation” continued to be the highest at 101 cases, and this category was also the highest in the previous FY. The next was “Disputes concerning Sale and Purchase Transactions,” with 36 cases. In the composition ratio, the number of “Disputes concerning Solicitation” was down by 7.0 points to 72.1% on a year-on-year basis. On the other hand, the number of “Disputes concerning Sale and Purchase Transactions” was up by 7.5 points to 25.7%.

(Unit: Case, %)

		Solicitation	Sale and Purchase Transactions	Paperwork	Investment Management	Investment Advisory	Others	Total
FY 2015	Number of Cases	101	36	3	0	0	0	140
	(Composition Ratio)	72.1	25.7	2.1	—	—	—	100
FY 2014	Number of Cases	87	20	1	0	1	1	110
	(Composition Ratio)	79.1	18.2	0.9	—	0.9	0.9	100

(Notes) Claim cases are classified into the following depending on what a customer claims:

“Dispute concerning Solicitation” means dispute related to violation of the duty of explanation, violation of the suitability principle, misleading solicitation, etc.

“Dispute concerning Sale and Purchase Transactions” means dispute related to a claim about transactions without permission, execution error of sale and purchase transactions, etc.

“Dispute concerning Paperwork” means dispute related to errors or delay of paperwork, procedures for deposits and withdrawals, etc.

“Dispute concerning Investment Management” means dispute related to the discretionary investment/fund management, investment trust management business, etc.

“Dispute concerning Investment Advisory” means dispute related to services, etc. that give advice on investment decisions.

“Other Dispute” means dispute that is not classified into any categories.

2) Breakdown by Category

In the breakdown (composition ratio) by category in the relevant FY, the ratio of “Disputes regarding Violation of the Duty of Explanation” was up by 1.1 points compared with the previous FY to 29.3%, which was the highest. Next is “Disputes regarding Violation of the Suitability

Principle,” which was 26.4% (down by 8.1 points Y/Y.)

<Main Disputes concerning Solicitation> (Unit: Case, %)

	FY 2015	FY 2014
Disputes regarding Violation of the Duty of Explanation	41 (29.3)	31 (28.2)
Disputes regarding Violation of the Suitability Principle	37 (26.4)	38 (34.5)
Disputes regarding False Information	15 (10.7)	8 (7.3)

<Main Disputes concerning Sale and Purchase Transactions> (Unit: Case, %)

	FY 2015	FY 2014
Disputes regarding Transactions without Permission	12 (8.6)	3 (2.7)
Disputes regarding Execution Errors of Sale and Purchase Transactions	8 (5.7)	5 (4.5)
Disputes regarding Excessive Sale and Purchase	3 (2.1)	3 (2.7)

<Main Disputes concerning Paperwork> (Unit: Case, %)

	FY 2015	FY 2014
Disputes regarding Paperwork Errors	3 (2.1)	1 (0.9)

(Note) The percentage shown in parentheses is the percentage against the total number of mediation cases in each FY.

3) Number of Claim Cases by Financial Instruments and Services

Among the total number of claim cases by financial instruments and services in the relevant FY, the number of claims about “Stocks” was the highest at 49 cases, followed by claims about “Investment Trusts” at 32 cases and “Bonds” at 29 cases. In the composition ratio, the ratio of “Stocks” was down by 5.9 points to 35.0% and that of “Bonds” was down by 2.0 points to 20.7% compared with the previous year. On the other hand, the ratio of “Investment Trusts” was up by 2.9 points to 22.9% and that of “Financial Futures, etc. (such as FX trading, etc.)” was also up by 7.2 points to 13.6% on a year-on-year basis.

(Unit: Case, %)

	FY 2015		FY 2014	
	Number of Cases	Composition Ratio	Number of Cases	Composition Ratio
Stocks	49	35.0	45	40.9
Bonds	29	20.7	25	22.7
Investment Trusts	32	22.9	22	20.0
Derivatives	27	19.3	16	14.5
Securities-Related	4	2.9	2	1.8
Financial Futures, etc.	19	13.6	7	6.4
CFD	3	2.1	6	5.5
Others	1	0.7	1	0.9
Type II Financial Instruments	0	—	1	0.9
Investment Management	3	2.1	0	—
Investment Advisory	0	—	0	—
Others	0	—	1	0.9
Total	140	100	110	100

4) Number of Claim Cases by Type of Business

Among the claim cases by type of business in the relevant FY, the number of claim cases about “Securities Companies” was the highest at 129 cases. In the composition ratio, as the ratio of “Registered Financial Institutions” was down, “Securities Companies” increased relatively compared with the previous year.

(Unit: Case, %)

		Securities Companies	Registered Financial Institutions	FX Operators	Securities Intermediary Business Operator	Others	Total
FY 2015	Number of Cases	129	7	0	0	4	140
	(Composition Ratio)	92.1	5.0	—	—	2.9	100
FY 2014	Number of Cases	100	7	1	0	2	110
	(Composition Ratio)	90.9	6.4	0.9	—	1.8	100

(Note) “Others” mean other business operators who conduct FX business and securities-related business, etc.

5) Breakdown by Individuals and Corporations

In the breakdown by the numbers of cases concerning “Individuals” and “Corporations” in the relevant FY, the ratio of claim cases of “Individuals” was higher at 134 cases. In the composition ratio, as the ratio of claim cases about currency options, etc. decreased following the previous year, the ratio of “Corporation” was down and that of “Individual” relatively increased.

(Unit: Cases, %)

		Individual		Corporation
		Male	Female	
FY 2015	Number of Cases	61	73	6
	(Composition Ratio)	43.6	52.1	4.3
FY 2014	Number of Cases	42	52	16
	(Composition Ratio)	38.2	47.3	14.5

6) Breakdown by Region

(Unit: Cases, %)

		Hokkaido	Tohoku	Tokyo	Nagoya	Hokuriku	Osaka	Chugoku	Shikoku
FY 2015	Number of Cases	5	4	57	25	1	32	2	2
	(Composition Ratio)	3.6	2.9	40.7	17.9	0.7	22.9	1.4	1.4
FY 2014	Number of Cases	1	1	※49	※17	2	27	7	1
	(Composition Ratio)	0.9	※0.9	※44.5	※15.5	1.8	24.5	6.4	0.9

		Kyushu	Others
FY 2015	Number of Cases	12	0
	(Composition Ratio)	8.6	—
FY 2014	Number of Cases	5	0
	(Composition Ratio)	4.5	—

(Note) ※ indicates the revised value. The same applies hereinafter.

(2) Status of Complaint

The number of newly accepted complaints in the relevant FY was 1,374 cases, including 1,233 cases transmitted to Financial Instruments Business Operators, etc. (an increase by 604 cases compared with the previous FY (+96.0%)). The reason for an increase of newly accepted cases is due to the alteration of the statistical method to add up “Complaint” in the relevant FY. As a result of that, the newly accepted cases include the presentation of dissatisfaction with such operators as “Complaint.” Traditionally, the presentation of dissatisfaction with such operators was not transmitted to Financial Instruments Business Operators and was dealt as with “Consultation.” Furthermore, as we conduct profounder hearings about the users’ cases, newly accepted cases include the cases dealt as “Complaint”, which had been dealt as “Consultation.” Therefore, as for the rate of change of newly accepted cases compared with the previous FY, we used the number of “cases that were transmitted to Financial Instruments Business Operators, etc.”

The number of concluded cases was up by 697 cases (+107.9%) to 1,343 cases compared with the previous FY.

(Unit: Case)

Item	FY 2015	FY 2014
Number of Newly Accepted Cases	1,374	629
Cases Transmitted to Financial Instruments Business Operators, etc.	1,233	629
Cases not Transmitted to Financial Instruments Business Operators, etc.	141	—
Number of Concluded Cases	1,343	646
Settled Cases	1,199	530
Transition to Mediation	140	110
Unresolved	2	5
Others	2	1
Number of Unsettled Cases at the End of the Relevant FY	61	30

1) Number of Claim Cases by Category

Among the number of claim cases by category in the relevant FY, the number of “Complaints concerning Sale and Purchase Transactions” is the highest at 515 cases (an increase by 286 cases compared with the previous FY). The next was “Complaints concerning Solicitation”, which was up by 283 cases to 512 cases on a year-on-year basis. In the composition ratio, the ratio of “Complaints concerning Solicitation” was up by 0.9 points to 37.3% and that of “Complaints concerning Sale and Purchase Transactions” was up by 1.1 points to 37.5% compared with the previous FY. On the other hand, “Complaints concerning Paperwork” was down by 3.1 points to 14.7%.

(Unit: Case, %)

		Solicitation	Sale and Purchase Transactions	Paper-work	Investment Management	Investment Advisory	Others	Total
FY 2015	Number of Cases	512	515	202	4	8	133	1,374
	(Composition Ratio)	37.3	37.5	14.7	0.3	0.6	9.7	100
FY 2014	Number of Cases	229	229	112	2	8	49	629
	(Composition Ratio)	36.4	36.4	17.8	0.3	1.3	7.8	100

(Notes) Claim cases are classified into the following depending on what a customer claims:

“Complaints concerning Solicitation” mean complaints related to violation of the duty of explanation, violation of the suitability principle, misleading solicitation, etc.

“Complaints concerning Sale and Purchase Transactions” mean complaints related to a claim about transactions without permission, execution errors of sale and purchase transactions, etc.

“Complaints concerning Paperwork” mean complaints related to errors or delay of paperwork, procedures for deposits and withdrawals, etc.

“Complaints concerning Investment Management” mean complaints related to the discretionary investment/fund management and investment trusts management business, etc.

“Complaints concerning Investment Advisory” mean complaints related to services, etc. that give advice on investment decisions.

“Other Complaints” mean complaints that are not classified into any categories.

2) Breakdown by Category

When we look at the breakdown (composition ratio) by category in the relevant FY, the ratio of “General Complaints regarding Sale and Purchase” was the highest at 18.1% (at the same point as the previous FY). Next was the “Complaints regarding the Duty of Explanation at the Time of Solicitation” at 16.2% (up by 2.5 points), followed by “Complaints regarding the dissatisfaction with companies” at 9.5% (up by 2.7 points) compared with the previous year.

<Main Complaints concerning Solicitation> (Unit: Case, %)

	FY 2015	FY 2014
Complaints regarding the Duty of Explanation at the Time of Solicitation	223 (16.2)	86 (13.7)
Complaints regarding Aggressive Solicitation	85 (6.2)	26 (4.1)
Complaints regarding Suitability	75 (5.5)	55 (8.7)

<Main Complaints concerning Sale and Purchase Transactions> (Unit: Case, %)

	FY 2015	FY 2014
General Complaints regarding Sale and Purchase	249 (18.1)	114 (18.1)
Complaints regarding Transactions without Permission	106 (7.7)	53 (8.4)
Complaints regarding Dealer Initiative	44 (3.2)	28 (4.5)

(Notes)

“General Complaints regarding Sale and Purchase” mean complaints that are classified into “Complaints concerning Sale and Purchase Transactions” but are not classified into any of “Complaints regarding Transactions without Permission,” “Complaints regarding Dealer Initiative,” “Complaints regarding Execution Errors of Sale and Purchase Transactions,” and “Complaints regarding System Failure.”

<Main Complaints concerning Paperwork> (Unit: Case, %)

	FY 2015	FY 2014
Complaints regarding Deposit and Withdrawal of Money, and Incoming and Outgoing Transfer of Funds	62 (4.5)	38 (6.0)
Complaints regarding Opening or Transfer of Accounts	50 (3.6)	24 (3.8)
Complaints regarding Securities Taxation	18 (1.3)	6 (1.0)

<Main Complaints concerning Investment Advisory> (Unit: Case, %)

	FY 2015	FY 2014
Complaints regarding Advice	6 (0.4)	1 (0.2)
Complaints regarding Advisory Agreements	1 (0.1)	6 (1.0)

<Main Complaints concerning Other Cases> (Unit: Case, %)

	FY 2015	FY 2014
Complaints regarding Dissatisfaction with Companies	130 (9.5)	43 (6.8)
Complaints regarding Fraud and Embezzlement	1 (0.1)	4 (0.6)
Complaints concerning IPOs	1 (0.1)	2 (0.3)

(Note) The percentage shown in parentheses is the percentage against the total number of complaints cases in each FY.

3) Number of Claim Cases by Financial Instruments and Services

Among the number of claim cases by financial instruments and services in the relevant FY, the number of claims about “Stocks” continued to be the highest at 482 cases, followed by the claims about “Investment Trusts” at 332 cases and “Bonds” at 279 cases. In the composition ratio, the ratio of “Stocks” was down by 5.8 points to 35.1%, that of “Investment Trusts” was up by 0.4 points to 24.2%, and that of “Bonds” increased by 3.9 points to 20.3% compared with the previous FY.

(Unit: Case, %)

	FY 2015		FY 2014	
	Number of Cases	Composition Ratio	Number of Cases	Composition Ratio
Stocks	482	35.1	257	40.9
Bonds	279	20.3	103	16.4
Investment Trusts	332	24.2	150	23.8
Derivatives	174	12.6	88	14.0
Securities-Related	32	2.3	12	1.9
Financial Futures, etc.	129	9.4	63	10.0
CFD	11	0.8	12	1.9
Others	2	0.1	1	0.2
Type II Financial Instruments	7	0.5	5	0.8
Investment Management	34	2.5	7	1.1
Investment Advisory	0	—	0	—
Others	66	4.8	19	3.0
Total	1,374	100	629	100

4) Number of Claim Cases by Type of Business

Among the claim cases by type of business in the relevant FY, the number of claims about “Securities Companies” was the highest at 1,234 cases. When we look at the composition ratio, the ratio of “FX Operators” increased compared with the previous FY.

(Unit: Case, %)

		Securities Companies	Registered Financial Institutions	FX Operators	Securities Intermediary Business Operator	Others	Total
FY 2015	Number of Cases	1,234	56	44	0	40	1,374
	(Composition Ratio)	89.8	4.1	3.2	—	2.9	100
FY 2014	Number of Cases	566	28	16	0	19	629
	(Composition Ratio)	90.0	4.5	2.5	—	3.0	100

(Note) “Others” mean other business operators who conduct FX business and securities-related business, etc.

5) Breakdown by Individuals and Corporations

When we look at the number of cases concerning “Individuals” and “Corporations” in the relevant FY, the number of cases of “Individuals” was higher at 1,349 cases. In the composition ratio, as the number of cases concerning currency options, etc. decreased following the previous FY, the ratio of “Corporations” was down and that of “Individuals” was relatively up.

(Unit: Case, %)

		Individuals		Corporations
		Male	Female	
FY 2015	Number of Cases	779	570	25
	(Composition Ratio)	56.7	41.5	1.8
FY 2014	Number of Cases	355	255	19
	(Composition Ratio)	56.4	40.5	3.0

6) Breakdown by Region

(Unit: Case, %)

		Hokkaido	Tohoku	Tokyo	Nagoya	Hokuriku	Osaka	Chugoku	Shikoku
FY 2015	Number of Cases	26	25	593	159	30	356	71	31
	(Composition Ratio)	1.9	1.8	43.2	11.6	2.2	25.9	5.2	2.3
FY 2014	Number of Cases	12	17	344	88	4	87	13	16
	(Composition Ratio)	1.9	2.7	54.7	14.0	0.6	13.8	2.1	2.5

		Kyushu	Others
FY 2015	Number of Cases	75	8
	(Composition Ratio)	5.5	0.6
FY 2014	Number of Cases	48	0
	(Composition Ratio)	7.6	—

(Note) "Others" mean complaints cases for which initiation locations cannot be identified (i.e., through a mobile phone.)

(Reference)

We received the following complaints in the relevant FY:

- a. A customer bought an investment trust recommended by a sales representative in a securities company. However, as the standard price of it started to fall after the purchase, the customer incurred a great loss. Is he/she able to get compensation from the securities company?
- b. A customer bought structured bonds of 50 million yen from a bank. However, it was knocked in and he/she incurred a loss of more than 40 million yen. As he/she did not receive a full explanation about the associated risks before the purchase, he/she wants the bank to take responsibilities for the loss.
- c. A customer bought the Brazilian Real-denominated bonds from the sales representative without receiving a full explanation about the exchange risk. However, he/she incurred a great loss. Therefore, he/she wants the sales representative to take responsibilities.
- d. Although a customer presented his/her intention to operate an alternative of a fixed time deposit, a new sales representative recommended foreign stocks or margin transactions and forced him/her to conduct transactions frequently. As a result of that, the customer lost almost all of his/her assets. He/she is thinking of making a claim for damages against the sales representative.
- e. Although a customer requested to cancel an investment trust, a sales representative did not sell it. As a result, the investment trust fell and he/she incurred a loss.
- f. Although a customer directed a sales representative to sell the foreign bonds and transfer the price to the designated account, the sales representative forgot to sell the foreign bonds.

(3) Status of Consultation

The number of accepted cases of consultation in the relevant FY was 7,616 cases, down by 1,449 cases (16.0%) compared with the previous FY. This is due to a decrease of consultation regarding documents delivered prior to conclusion of agreements. Moreover, because of the alternation of the statistical method to add up “Complaints,” the cases concerning “the presentation of dissatisfaction that is not transmitted to Operators”, which were dealt as “Consultation” so far, are included in “Complaint” in the relevant FY. Furthermore, as we conduct profounder hearings about the users’ cases, as a result, the cases that had been usually dealt as “Consultation,” were dealt with as “Complaint” in the relevant FY. Therefore, the number of cases regarding “Consultation” decreased.

(Unit: Case)

	FY 2015	FY 2014
Number of Accepted Cases	7,616	9,065

(Note)

Consultation includes inquiries, opinions, requests, and questions concerning the methods to handle cases. In addition, consultation by people other than an account holder (such as relatives, acquaintances, Consumer Affairs Centers, etc.) and consultation of cases that are not covered by FINMAC are included.

1) Number of Consultation Cases by Category

Among the consultation cases by category in the relevant FY, the number of “Consultation regarding Laws, Regulations, and Practices on Financial Instruments Trading, etc.” remained the highest at 3,484 cases following the previous year. Next was “Consultation regarding Sale and Purchase Transactions” at 1,240 cases, followed by “Others” at 1,080 cases. When we look at the composition ratio, the ratio of “Consultations regarding Laws, Regulations, and Practices on Financial Instruments Trading, etc.” was down by 0.2 points to 45.7%, and that of “Consultations regarding Sale and Purchase Transactions” was up by 1.8 points to 16.3% compared with the previous FY. The ratio of “Consultations regarding Solicitation” was up by 2.8 points to 9.5% on a year-on-year basis.

(Unit: Case, %)

		Laws, Regulations, and Practices on Financial Instruments Trading, etc.	Solicitation	Sale and Purchase Transactions	Paperwork	Investment Management	Investment Advisory	Others	Total
FY 2015	Number of Cases	3,484	724	1,240	1,042	12	34	1,080	7,616
	(Composition Ratio)	45.7	9.5	16.3	13.7	0.2	0.4	14.2	100
FY 2014	Number of Cases	4,164	610	1,311	1,442	12	53	1,473	9,065
	(Composition Ratio)	45.9	6.7	14.5	15.9	0.1	0.6	16.2	100

(Notes)

“Consultations regarding Laws, Regulations, and Practices on Financial Instruments Trading, etc.” mean questions and comments on general laws, regulations, and practices on financial instruments trading, etc., statutory books, account opening, a mediation system, etc.

“Consultations regarding Solicitation” mean questions and comments on the duty of explanation at the time of solicitation and the suitability principle, etc.

“Consultations regarding Sale and Purchase Transactions” mean questions and comments on sale and purchase transactions.

“Consultations regarding Paperwork” mean questions and comments on paperwork, procedures for deposits and withdrawals, etc.

“Consultations regarding Investment Management” mean questions and comments on the discretionary investment/fund

management and investment trusts management business, etc.

“Consultations regarding Investment Advisory” mean questions and comments on services, etc. that give advice regarding investment decisions.

“Others” mean questions and comments that are not classified into any categories. Consultation about unlisted stocks, etc. (including bonds and funds) is classified into “Others.”

2) Breakdown by Category

Among the breakdown (composition ratio) by category in the relevant FY, in comparison with the previous FY, the ratio of “Consultation regarding Securities Companies” was the highest at 15.1%, up by 7.4 points, followed by “General Consultations regarding Sale and Purchase” which was up by 1.3 points to 11.3% and that of “Consultations regarding the Operation of FINMAC” was down by 3.7 points to 10.0%. While the ratio of “Consultations regarding the Duty of Explanation at the Time of Solicitation” increased by 1.5 points to 4.1% and that of “Consultations on How to Respond to Aggressive Solicitation” was up by 0.5 points to 2.2% on a year-on-year basis, the ratio of “Consultations regarding Opening, Transfer, etc. of Accounts” was down by 3.3 points to 5.4%.

<Main Questions and Comments concerning “Consultations regarding Laws, Regulations, and Practices on Financial Instruments Trading, etc.”> (Unit: Case, %)

	FY 2015	FY 2014
Consultations regarding Securities Companies (including Inquiries to a Contact Window)	1,148 (15.1)	700 (7.7)
Consultations regarding the Operation of FINMAC	762 (10.0)	1,240 (13.7)
Consultations regarding Marketability	506 (6.6)	568 (6.3)

<Main Questions and Comments concerning “Consultations regarding Solicitation”> (Unit: Case, %)

	FY 2015	FY 2014
Consultations regarding the Duty of Explanation at the Time of Solicitation	312 (4.1)	239 (2.6)
Consultations regarding How to Respond to Aggressive Solicitation	171 (2.2)	154 (1.7)
Consultations regarding Suitability	145 (1.9)	125 (1.4)

<Main Questions and Comments concerning “Consultations regarding Sale and Purchase Transactions”> (Unit: Case, %)

	FY 2015	FY 2014
General Consultations on Sale and Purchase	863 (11.3)	903 (10.0)
Consultations regarding Laws, Regulations, and Practices on Financial Instruments Trading, etc.	146 (1.9)	109 (1.2)
Consultations on How to Respond to Dealer Initiative	83 (1.1)	131 (1.4)

<Main Questions and Comments concerning “Consultations regarding Paperwork”> (Unit: Case, %)

	FY 2015	FY 2014
Consultations regarding Opening, Transfer, etc. of Accounts	411 (5.4)	792 (8.7)
Consultations regarding Deposit and Withdrawal of Money, and Incoming and Outgoing Transfer of Funds	227 (2.9)	246 (2.7)
Consultations regarding Securities Companies	106 (1.4)	114 (1.3)

<Main Questions and Comments concerning “Others” > (Unit: Case, %)

	FY 2015	FY 2014
Consultations regarding Other Industries	524 (6.9)	563 (6.2)
General Consultations on Services Provided by Financial Instruments Business Operators	309 (4.1)	567 (6.3)
Consultations on Unlisted Stocks	81 (1.1)	154 (1.7)

(Note)

(i) The percentage shown in parentheses is the percentage against the total number of consultation cases in each fiscal year.

- (ii) “Consultations regarding the Operation of FINMAC” mean questions and comments on the FINMAC business such as the mediation system provided by FINMAC and cases FINMAC can handle.

(Reference)

We received the following comments and questions:

- a. An investment trust that a customer holds is falling suddenly. Therefore, he/she wants to know future prospects. Furthermore, the customer wants to know whether he/she should keep it or not.
- b. A customer wants to buy a newly listed stock. What kind of procedure should he/she take?
- c. A customer is requested to present the customer’s my number from an affiliated securities company. Should he/she present the customer’s my number?
- d. A customer does not know how to transact due to alternation of the system of the affiliated securities company. Therefore, he/she wants to know the contact window.
- e. Although a customer had applied to buy a structured bond a week ago, he/she claimed to cancel it due to the bad market price. However, a sales representative said that it was impossible to cancel it. The customer wants to know the reason why it is impossible to cancel it before paying the price.
- f. (A question by a daughter of an account holder) – My mother was solicited by a sales representative even though she does not have full information. How should my mother respond to the sales representative?

3) Number of Consultation Cases by Financial Instruments and Services

Among the number of cases by financial instruments and services in the relevant FY, the number of consultations about “Stocks” was the highest at 3,072 cases, followed by “Others” at 1,644 cases, “Investment trusts” at 1,290 cases, “Bonds” at 838 cases, and “Financial Futures, etc.” at 550 cases. When we look at the composition ratio, the ratio of “Stocks” was up by 0.8 points to 40.3% compared with the previous FY. Next was the ratio of “Others” that was down by 5.4 points to 21.5%. The ratio of “Investment Trusts” was down by 0.7 points to 16.9%, the ratio of “Bonds” was up by 3.6 points to 11.0%, and the ratio of “Financial Futures, etc.” was up by 0.4 points to 7.2% on a year-on-year basis.

(Unit: Case, %)

	FY 2015		FY 2014	
	Number of Cases	Composition Ratio	Number of Cases	Composition Ratio
Stocks	3,072	40.3	3,578	39.5
Bonds	838	11.0	672	7.4
Investment Trusts	1,290	16.9	1,591	17.6
Derivatives	653	8.6	702	7.7
Securities-Related	55	0.7	40	0.4
Financial Futures, etc.	550	7.2	620	6.8
CFD	43	0.6	35	0.4
Others	5	0.1	7	0.1
Type II Financial Instruments	41	0.5	47	0.5
Investment Management	78	1.0	33	0.4
Investment Advisory	0	—	0	—
Others	1,644	21.5	2,442	26.9
Total	7,616	100	9,065	100

4) Number of Consultation Cases by Type of Business

Among the number of consultation cases by type of business in the relevant FY, the number of consultations about “Securities Companies” was the highest at 5,947 cases, whose composition ratio was up by 2.3 points to 78.1% compared with the previous FY. The ratio of “FX operators” was also up by 0.3 points to 2.5%. Additionally, the ratio of “Registered Financial Institutions” decreased by 1.3 points to 6.9% compared with the previous year.

(Unit: Case, %)

		Securities Companies	Registered Financial Institutions	FX Operators	Securities Intermediary Business Operators	Others	Total
FY 2015	Number of Cases	5,947	524	193	13	939	7,616
	(Composition Ratio)	78.1	6.9	2.5	0.2	12.3	100
FY 2014	Number of Cases	6,869	741	200	4	1,251	9,065
	(Composition Ratio)	75.8	8.2	2.2	0.0	13.8	100

(Note)

“Others” mean investment advisory companies and other business operators who conduct FX operations, etc. It also includes Financial Instruments Business Operators whose registration expired.

5) Breakdown by Individuals and Corporations

When we look at the number of cases concerning “Individuals” and “Corporations” in the relevant FY, the number of cases of “Individuals” was 7,323, larger than the cases initiated by “Corporations.” The composition ratio was almost the same as in the previous year.

(Unit: Case, %)

		Individuals		Corporations
		Male	Female	
FY 2015	Number of Cases	4,275	3,048	293
	(Composition Ratio)	56.1	40.0	3.8
FY 2014	Number of Cases	4,980	※3,737	※348
	(Composition Ratio)	54.9	※41.2	3.8

6) Breakdown by Region

(Unit: Case, %)

		Hokkaido	Tohoku	Tokyo	Nagoya	Hokuriku	Osaka	Chugoku	Shikoku
FY 2015	Number of Cases	138	174	2,807	752	106	876	170	123
	(Composition Ratio)	1.8	2.3	36.9	9.9	1.4	11.5	2.2	1.6
FY 2014	Number of Cases	184	238	3,238	894	107	1,075	248	158
	(Composition Ratio)	2.0	2.6	35.7	9.9	1.2	11.9	2.7	1.7

		Kyushu	Others
FY 2015	Number of Cases	406	2064
	(Composition Ratio)	5.3	27.1
FY 2014	Number of Cases	506	2,417
	(Composition Ratio)	5.6	26.7

(Note) “Others” mean consultation cases for which initiation locations cannot be identified (i.e., through a mobile phone.)