

*Securities Industry
Performance and
Market Overview*

FACT BOOK

Japan Securities Dealers Association

2000



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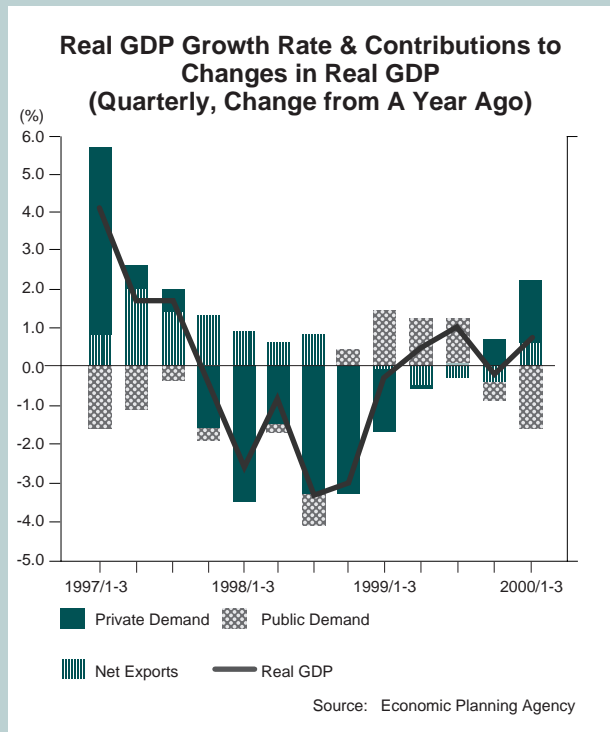
Securities Market in 1999 (Overview)

Economic and Financial Conditions

Japan's economy in 1999 was supported by the government's economic stimulus measures, which finally brought a halt to the serious recession.

From mid-year, while private demand remained weak and severe difficulties persisted, the economy began to show moderate improvement, as industrial production began to show signs of recovery along with the growth in exports.

In financial markets, short-term money market rates dropped after the Bank of Japan decided to implement a "zero interest rate policy." Long-term interest rates showed some tendency to move upward because of the improvement in economic sentiment and concern over the worsening balance between supply and demand in Japanese government bonds (JGBs), but moved within a box between 1.7% to 1.9% in the second half of the year.



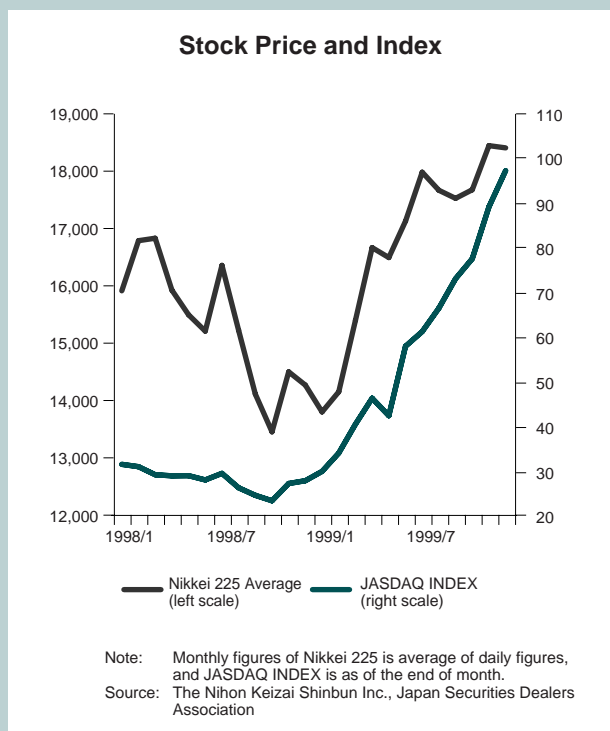
Events surrounding Securities Markets

During 1999, securities markets became more active in response to growing confidence in the financial system and rising expectations of improvements in corporate performances.

With the implementation of the Financial System Reform Law in December 1998, the financial system reforms took a large step forward. Securities firms reacted positively to the changes, with a marked emergence of online securities firms and new business strategies.

In addition, there was an acceleration in the numbers of strategic alliances being formed, as companies formed alliances in various forms, such as joint ventures or mergers, that crossed the previous demarcation lines between the banking, securities, and insurance industries.

Moreover, there was a flurry of announcements of intentions to establish new equity markets to support start-up companies, and in November, the Tokyo Stock Exchange established a new market called "Mothers."



Securities Industry

Total recurring profits of the 286 companies in the securities industry for the fiscal year ended March 2000 advanced 8.7 times compared with the previous fiscal year, to ¥1,254 billion, moving substantially into the black.

Operating revenues increased significantly, but among operating expenses, operating & administrative expenses also rose for the first time in 10 years.

Net income amounted to ¥392 billion, while ROE was positive for the first time in 9 years, at 6.8%.

Capital Markets

The value of equity issues made by public companies to raise funds jumped 6.5 times to the ¥10 trillion level based on a substantial increase in private placements. Against the backdrop of low overall demand for capital, straight bond issuance declined approximately 41%, to ¥7.5 trillion. Public bond issues rose about 21%, to ¥107 trillion, principally because of the large growth government bonds.

Secondary Stock Markets

The Nikkei 225 stock average started the year at a low of 13,232, but rose throughout the year on the strength of growing confidence in the financial system and expectations of economic recovery, ending the year at a high of 18,934.

Average daily volume on the Tokyo Stock Exchange reached the 600 million mark, the highest level since 1989.

Trading on the over-the-counter (OTC) market continued at high levels, with stock prices mostly rising together. The total market value more than tripled during the year to ¥27.4 trillion, reaching a record level.

Bond Markets

After some fluctuation, long-term rates moved within a box for the rest of the year. Beginning the year at 1.985%, the long-term rate jumped to 2.366% in February, then fell to 1.205% in May. During the last half of the year, the long-term rate moved within a box between 1.7% to 1.9%, ending the year at 1.656%.

Transaction volume was approximately ¥3,800 trillion, mainly due to a sudden increase in financial bill trading.

Investment Trusts

Reflecting the ultralow interest rate policy and robust stock markets, investment in bond & income funds expanded while there was also a clear recovery in equity funds. Total assets held in investment trust at the end of the year amounted to ¥51.3 trillion, an increase of ¥8.6 trillion. Total assets recovered to the ¥50 trillion for the first time in 6 years.

The diversification of product types and sales channels resulting from the sale of investment trusts through banks and other institutions supported the flow of capital in to investment trusts, providing an added boost to growth.

Investors and their Deposits and Investments

Based on the vitality of the equity markets, the number of individual shareholders of listed stocks grew for the fourth consecutive year, breaking the 30 million level for the first time. The proportion of shares held by foreign investors hit a record high of 18.6%.

These trends were also notable in the buying and selling of shares, as individual and foreign investors were active participants in the market.

Total household liquid financial assets at the end of 1999 rose to ¥1,377 trillion, boosted by rising stock prices. Facing the ultralow interest rate climate, cash and time deposits made little headway.

Securities Industry

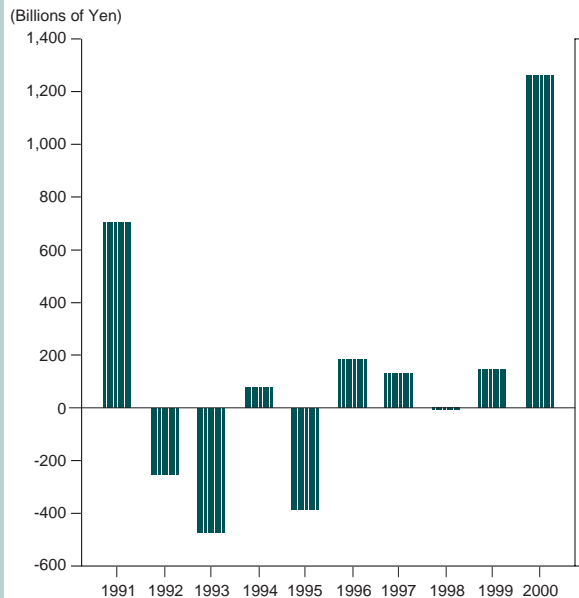
Securities Industry Performance

Overview: Total recurring profits up 8.7 times

Looking at the overall performance of the industry (286 securities companies) during the fiscal year ended March 2000, total operating revenues increased substantially from the previous fiscal year, rising 47%, to ¥3,795.6 billion. Total operating expenses expanded 4%, to ¥2,527.9 billion. Consequently, total recurring profits amounted to ¥1,254 billion, up 8.7 times from the previous fiscal year.

Overall, the impact of the liberalization of equity commissions in October 1999 was kept to a minimum. Securities companies created their own independent business strategies and worked toward strengthening their profitability base and diversifying their sources of income.

Securities Industry Recurring Profits (Loss)



Source: Japan Securities Dealers Association

Total Operating Revenues: Large increase because of robust equity market

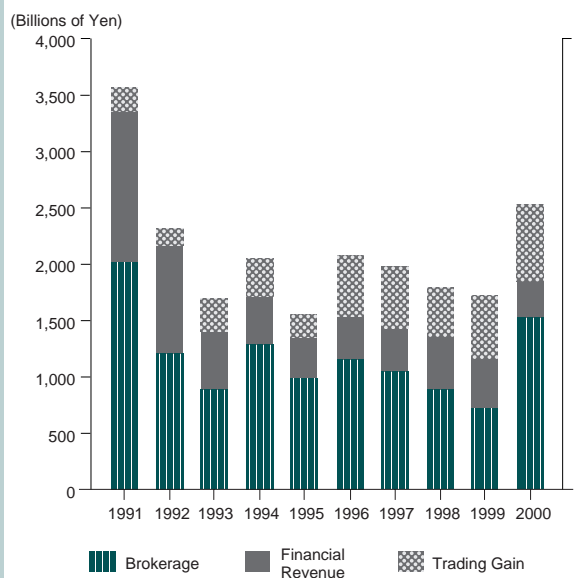
Among revenues, commissions advanced 76%, to ¥2,791.2 billion. Trading gain increased 23%, to ¥680.6 billion. Financial revenues were down 27%, to ¥323.1 billion.

Reflecting the active equity market, brokerage commissions contributed strongly to doubling of commissions.

Moreover, trading gain rose because the growth in equity-related gains more than offset the decline in bond-related gains.

Financial revenues declined principally because of a decrease in dividends and interest on bonds.

Operating Revenues



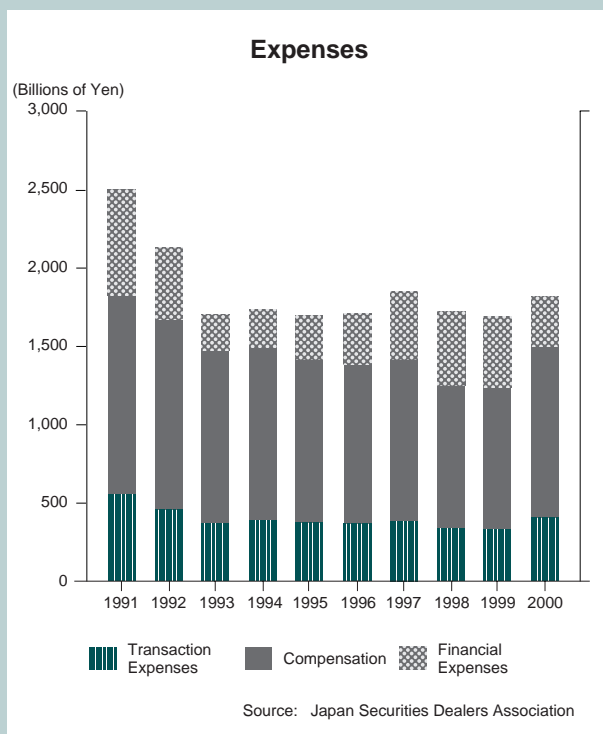
Source: Japan Securities Dealers Association

Expenses: Total operating and administrative expenses rise for the first time in 10 years

Since 1990, administration expenses, which account for the largest portion of operating expenses, have been on a steady downward trend because of the efforts of securities firms to cut costs by reducing the number of employees and shrinking their office networks by combining domestic branches and closing overseas offices.

During the year under review, however, along with the sudden increase in turnover in the equity market, transaction expenses and compensation increased, resulting in operating & administrative expenses posting double digit growth, expanding 12%, to ¥2,209.5 billion. Consequently, operating & administration expenses, which had been in a downward trend since the year ended March 1990, rose for the first time in 10 years.

Financial expenses were ¥318.3 billion, down 30% from the previous fiscal year.

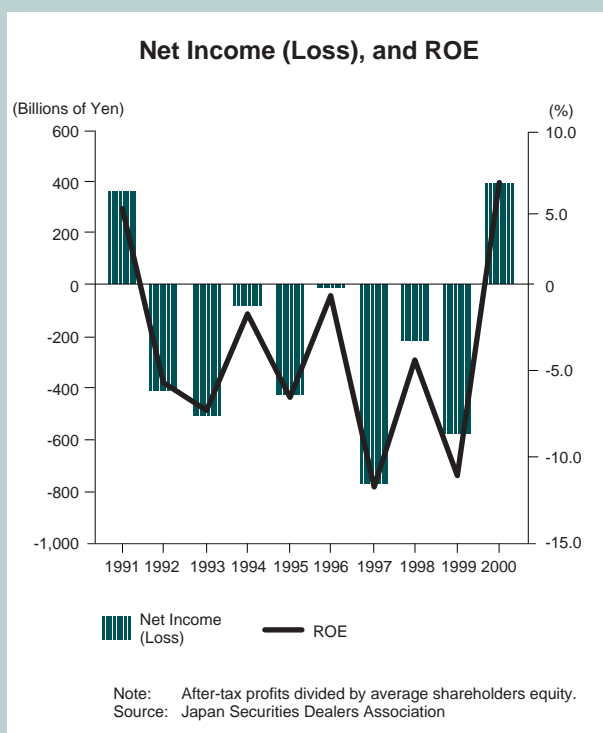


Profitability: ROE is positive for the first time in 9 years

Because of large extraordinary losses posted during the fiscal year due to write-offs of goodwill related to the break up of large securities companies into several subsidiaries and expenditures by some second tier securities firms to support their subsidiaries, net income was held to ¥392 billion.

This performance, however, represents a giant step forward into the black compared with the net loss of ¥572.6 billion in the previous year, resulting in a positive return on equity (ROE) for the first time in 9 years, at 6.8%.

Looking at individual securities firms, 222 companies recorded profits (net income basis) up from 108 companies in the previous year.



Performance Trends by Type of Securities Firm

Operating revenues: The proportion of foreign securities firms and securities subsidiaries of banks falls

Looking at operating revenues by type of securities firms for the fiscal year ended March 2000, approximately three fourths of total operating revenues were accounted for by major securities firms with paid-in capital of ¥100 billion or more and the remaining other domestic securities firms.

On the other hand, foreign securities firms accounted for 23% of total operating revenues while the securities subsidiaries of banks accounted for 3%. Compared with the previous fiscal year, the proportion of operating revenues accounted for by foreign securities companies dropped a little under 10% while that accounted for by the securities subsidiaries of banks declined by slightly over 2%.

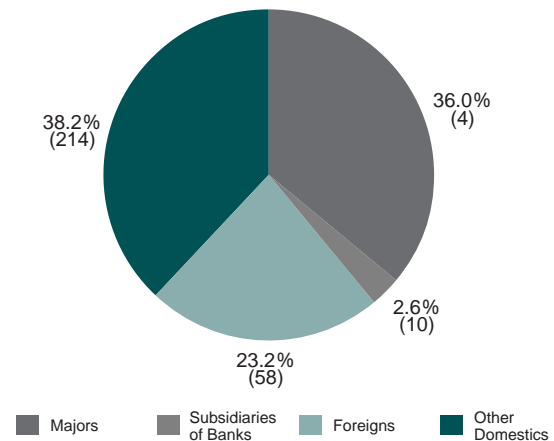
This trend could be mainly attributed to the large increase in commissions earned by major securities companies and other domestic securities companies. The financial revenues and trading gain of foreign securities firms and the securities subsidiaries of banks decreased during the fiscal year in review.

Operating Revenue Structure: The proportion of brokerage revenues remains high among domestic securities firms

Looking at operating revenues by type of securities firms for the fiscal year ended March 2000, major securities companies made progress in achieving better balance in their revenue structures, but domestic securities firms continued to have a high dependence on brokerage commissioned, which accounted for approximately 55% of their operating revenues.

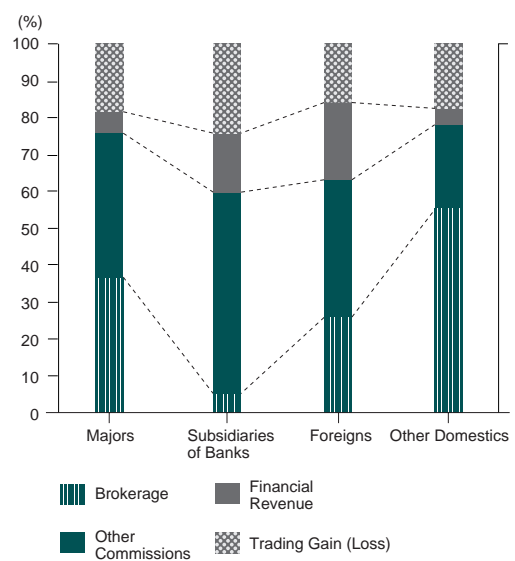
On the other hand, the revenue structures of foreign securities firms and the securities subsidiaries of banks are centered on underwriting and other commissions, and also have a high proportion of financial revenues. Moreover, trading gain accounted for approximately one quarter of the revenues of the securities subsidiaries of banks, the highest among the four types of securities firms.

Composition of Total Operating Revenues (FY 1999)



Note: No. of corporations indicated in parentheses.
Source: Japan Securities Dealers Association

Operating Revenue Structure by Type of Securities Firm (FY 1999)



Source: Japan Securities Dealers Association

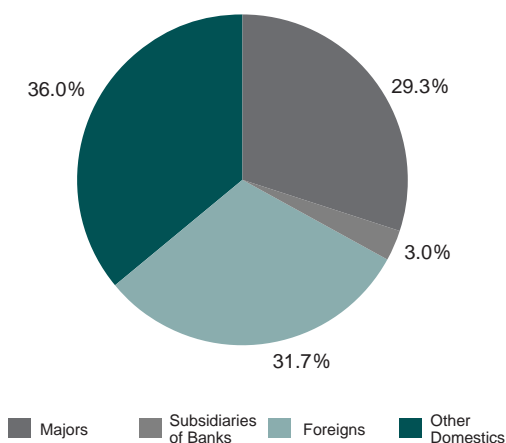
Operating Expenses: Major securities firms and other domestic securities firms account for approximately two thirds

Looking at operating expenses by type of securities firms for the fiscal year ended March 2000, major securities firms with paid-in capital of ¥100 billion or over and other domestic securities accounted for approximately two thirds of total operating expenses.

On the other hand, the proportion of operating expenses accounted for by foreign securities firms was 32% while the securities subsidiaries of banks recorded operating expenses in line with their proportion of revenues, at 3%.

All types of securities firms posted their first increases in operating & administration expenses in 10 years.

Composition of Total Operating Expenses (FY 1999)



Source: Japan Securities Dealers Association

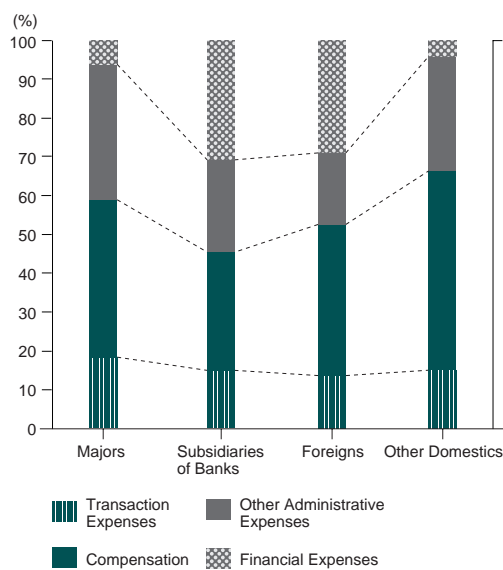
Operating Expense Structure: Compensation generally accounts for the largest portion

Looking at operating expense by type of securities firms for the fiscal year ended March 2000, compensation accounted for the largest portion of operating & administration expenses. In particular, the compensation expenses of other domestic securities firms accounted for more than half of their total operating expenses.

On the other hand, financial expenses had high weighting in the total operating expenses of foreign securities firms and the securities subsidiaries of banks because of increased capital financing related to Repo and dealing transactions.

One of the issues facing Japanese securities firms in relation to their operating expense structure is that rather than simply reducing compensation expenses, they need to create new reward systems that will encourage high productivity and established these systems throughout their firms.

Expenses Structure by Type of Securities Firm (FY 1999)



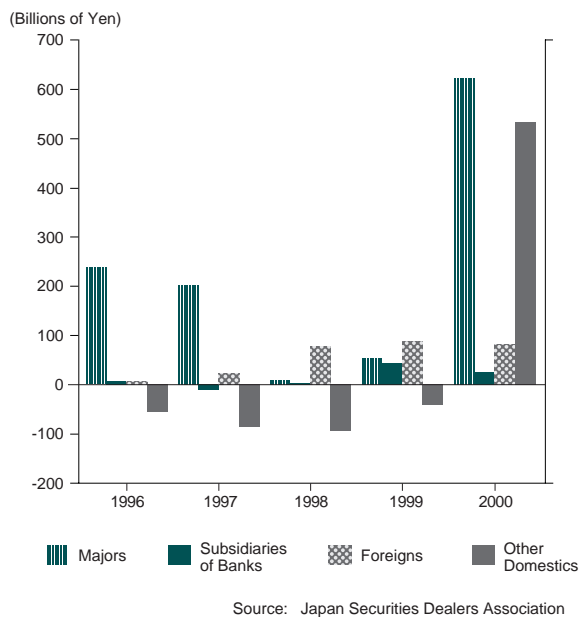
Source: Japan Securities Dealers Association

Performance: Major securities firms and other domestic securities firms grow substantially

Considering the performance of securities firms for the fiscal year ended March 2000 by type of securities firms, the recurring profits of major securities firms and other domestic securities firms grew substantially, reflecting the active equity market. The recurring profit of major securities firms rose from approximately ¥54.0 billion to more than ¥620.0 billion, while other domestic securities firms posted a recurring profit of more than ¥530.0 billion, up from a recurring loss of approximately ¥42.0 billion in the previous year.

The recurring profit of foreign securities firms remained in the black but declined 18%, to ¥73.1 billion. The securities subsidiaries of banks also posted a decline in recurring profits, dropping 42%, to ¥25.4 billion.

Recurring Profits by Type of Securities Firm (FY 1999)

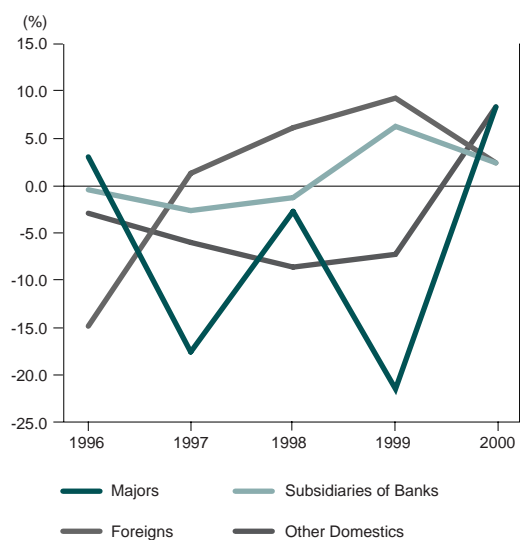


Profitability: Major securities firms achieves a high ROE

During the fiscal year ended March 2000, major securities firms and other domestic securities firms again booked significant extraordinary losses. Foreign securities firms and the securities subsidiaries of banks also recorded extraordinary losses. However, on a net income basis, all types of securities firms posted profits; major securities firms, ¥206.6 billion; other domestic securities firms, ¥152.1 billion; foreign securities firms, ¥18.9 billion; and securities subsidiaries of banks, ¥14.2 billion.

As a result, looking at return on equity (ROE) by type of securities firms, major securities firms and other domestic securities firms registered high ROEs.

ROE by Type of Securities Firm

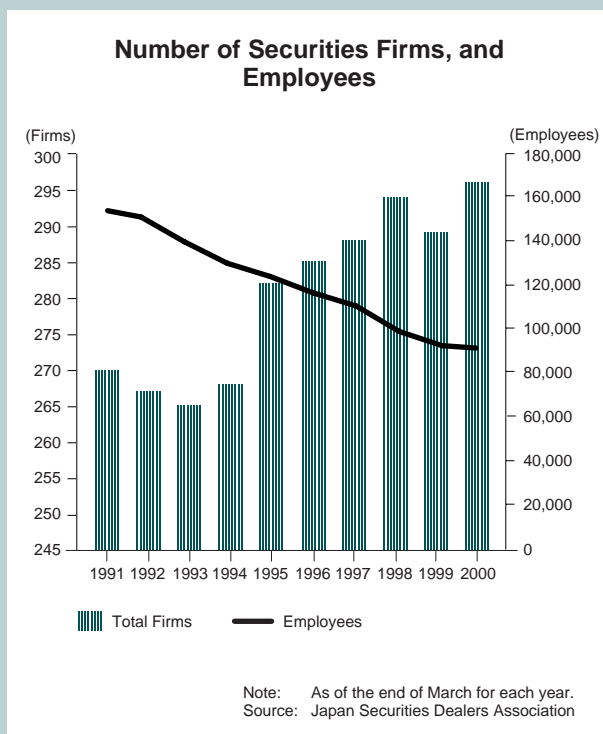


Number of Securities Firms and Employees: Employee numbers continue to fall

During the fiscal year under review, the total number of securities firms increased by a net of eight firms, mainly firms from other industries and new online securities firms, bringing the total to 297.

The number of employees, however, continued to decline from the peak of 167,000 at the end of June 1991, falling to approximately 91,000 at the end of March 2000, a decrease of 1,000 from the previous fiscal year.

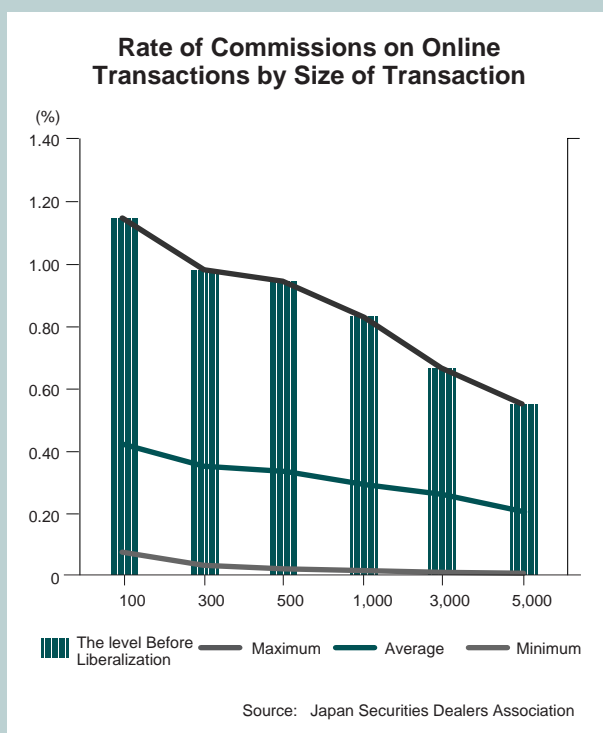
Nevertheless, the degree of contraction narrowed during the year because of the end to employee cuts due to restructuring and the upswing in the market, dropping by about one sixth of that in the previous fiscal year.



Impact of Deregulation: Notable decline in online transaction commissions

With the full liberalization of equity commissions on October 1, 1999, intensive competition for online customer accounts began between large securities companies that have been offering internet trading from early on and medium-sized and internet specialist securities firms newly entering the market.

From the end of October 1999 to the end of March 2000, the number of internet accounts increased by 449 thousand to 746 thousand. While commissions for full service transactions by salespersons remained at approximately 90% of the pre-liberalization figures, the commissions for online transactions dropped to the 40% level.



Operating Revenues

(Billions of Yen)

	1991.3	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3
Total Operating Revenues	4,428.8	2,996.5	2,263.0	2,809.6	2,241.0	2,802.7	2,871.0	2,523.3	2,579.1	3,795.6
Commissions	2,877.5	1,888.9	1,454.3	2,047.6	1,670.6	1,876.4	1,943.6	1,617.8	1,585.3	2,791.2
Brokerage	2,023.0	1,207.5	888.5	1,289.8	988.1	1,157.7	1,051.3	885.5	726.4	1,536.8
(Equity)	1,879.3	1,119.0	787.8	1,109.6	866.7	972.6	928.3	800.4	662.4	1,488.3
Underwriting	172.1	163.0	107.2	148.9	187.3	181.6	264.8	118.7	163.9	259.9
Selling	314.3	176.9	133.3	241.8	177.6	213.9	255.0	224.7	237.4	442.7
Financial Revenue	1,333.8	959.5	518.1	421.8	362.9	373.4	381.8	475.5	441.0	323.1
Trading Gain	217.4	147.9	290.4	340.2	207.4	552.7	545.5	429.6	552.0	680.6

Notes: Because of the introduction of a market value accounting method for trading gain in the fiscal year ended March 1998, trading gain figures for fiscal 1998 and 1999 are not directly comparable with figures of previous years.

Operating Expenses

(Billions of Yen)

	1991.3	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3
Total Operating Expenses	3,714.0	3,266.3	2,758.2	2,744.1	2,633.3	2,632.3	2,747.5	2,540.9	2,422.3	2,527.9
Operating & Administrative Expenses	3,036.1	2,807.2	2,521.3	2,502.4	2,344.6	2,307.9	2,308.2	2,062.1	1,967.1	2,209.5
Transaction Expenses	562.7	462.0	371.3	395.1	374.4	360.9	379.1	328.1	325.1	406.6
Compensation	1,264.3	1,208.5	1,101.1	1,097.3	1,038.5	1,024.3	1,033.0	921.3	911.8	1,110.0
Occupancy & Equipment	372.9	414.4	422.9	391.2	374.1	350.9	335.8	290.9	292.2	284.5
Data Processing & Stationary	335.5	343.6	306.9	284.2	270.5	251.2	251.5	204.9	208.7	224.4
Financial Expenses	677.8	459.1	236.8	241.7	288.6	324.3	439.2	478.7	455.2	318.3

Source: Japan Securities Dealers Association

Revenue, Expense, Asset and Liabilities

(Billions of Yen)

	1991.3	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3
Total Revenues	4,489.8	3,044.3	2,309.8	2,845.1	2,267.8	2,832.5	2,895.6	2,549.3	2,597.0	3,817.2
Total Expenses	3,784.8	3,296.2	2,780.0	2,767.4	2,658.4	2,646.9	2,767.2	2,558.9	2,452.1	2,563.2
Recurring Profits (Loss)	704.9	-251.9	-470.2	77.6	-390.6	185.6	128.4	-9.5	144.8	1,254.0
Net Income	360.8	-407.3	-505.5	-80.1	-422.0	-3.2	-764.1	-215.3	-572.6	392.0
Assets	42,255.0	34,320.4	34,359.7	39,369.3	42,152.1	53,991.7	70,885.9	113,436.2	107,477.1	107,308.7
Liabilities	34,408.7	26,987.3	27,649.4	32,545.0	35,421.1	47,075.1	64,662.5	107,930.3	102,204.6	101,122.2
Equity	7,846.3	7,333.1	6,710.2	6,824.3	6,731.0	6,916.6	6,223.3	5,505.8	5,272.4	6,186.5
ROE	4.7%	-5.4%	-7.2%	-1.2%	-6.2%	-0.05%	-11.6%	-3.9%	-10.9%	6.8%

Notes: 1. "Total revenues(expenses)" is the sum of total operating revenues(expenses) and other revenues(expenses).

2. Because of a change in the accounting method for enterprise tax in the fiscal year ended March 1999, recurring profit (loss) for fiscal 1999 is not directly comparable with figures of previous years.

Revenue and Expenses Structure

(%)

	1991.3	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3
Revenue Structure Total=100%										
Brokerage	45.1	39.7	38.5	45.3	43.6	40.9	36.3	34.7	28.0	40.3
Underwriting	3.8	5.4	4.6	5.2	8.3	6.4	9.1	4.7	6.3	6.8
Selling	7.0	5.8	5.8	8.5	7.8	7.6	8.8	8.8	9.1	11.6
Other Commissions	8.2	11.2	14.1	12.9	14.0	11.4	12.9	15.3	17.6	14.5
Financial Revenues	29.7	31.5	22.4	14.8	16.0	13.2	13.2	18.7	17.0	8.5
Trading Gain	4.8	4.9	12.6	12.0	9.1	19.5	18.8	16.9	21.3	17.8
Other Revenue	1.4	1.6	2.0	1.3	1.2	1.0	0.9	1.0	0.7	0.6
Expense Structure Total=100%										
Floor Costs	5.3	4.8	4.3	5.3	5.1	5.0	5.2	4.9	5.1	6.4
Communications	4.6	4.6	4.6	4.7	4.5	4.4	4.2	3.9	4.0	4.1
Advertising	1.9	1.5	1.2	1.1	1.1	1.0	1.1	0.9	1.1	1.6
Other Transactions	3.1	3.0	3.2	3.2	3.4	3.3	3.3	3.1	3.1	3.7
Compensation	33.4	36.7	39.6	39.7	39.1	38.7	37.4	36.0	37.2	43.3
Occupancy	9.9	12.6	15.2	14.1	14.1	13.3	12.2	11.4	11.9	11.1
Data Processing	8.9	10.4	11.0	10.3	10.2	9.5	9.1	8.0	8.5	8.8
Other Administrative	13.2	11.5	11.6	12.1	10.8	12.1	10.9	12.4	9.3	7.2
Financial Expenses	17.9	13.9	8.5	8.7	10.9	12.2	15.9	18.7	18.6	12.4
Other Expenses	1.9	0.9	0.8	0.8	0.9	0.5	0.7	0.7	1.2	1.4

Source: Japan Securities Dealers Association

Revenue and Expenses Structure by Type of Securities Firms (FY 1999)

(%)

	Majors	Subsidiaries of Banks	Foreigns	Other Domestics
Operating Revenue Structure Total=100%				
Brokerage Commission	36.5	5.6	26.1	55.4
Underwriting Commission	7.2	34.2	10.1	2.7
Selling Commission	18.2	6.2	0.2	12.8
Other Commission	14.2	14.2	27.1	7.2
Financial Revenue	5.2	15.6	20.1	4.1
Trading Gain	18.6	24.2	16.4	17.8
Operating Expenses Structure Total=100%				
Transaction Expenses	18.3	15.8	14.7	15.5
Compensation	41.2	30.5	38.7	51.8
Occupancy & Equipment	14.4	9.4	5.7	13.8
Data Processing & Stationary	13.0	4.5	5.1	9.2
Other Operating & Administrative Expenses	7.6	9.7	7.7	6.5
Financial Expenses	5.5	30.1	28.1	3.3

Net Income, Equity and ROE by Type of Securities Firm

(Billions of Yen)

	1996.3	1997.3	1998.3	1999.3	2000.3
Net Income (Loss)					
Majors	116.4	-633.8	-82.2	-542.1	206.6
Subsidiaries of Banks	-2.2	-14.5	-7.4	34.3	14.2
Foreigns	-58.3	5.4	31.7	58.4	18.9
Other Domestics	-59.0	-121.1	-157.4	-123.3	152.1
Equity					
Majors	3,933.5	3,249.6	2,677.7	2,351.3	2,645.0
Subsidiaries of Banks	509.0	573.0	557.6	547.6	669.5
Foreigns	400.8	480.2	563.4	706.5	822.3
Other Domestics	2,073.1	1,920.4	1,706.8	1,666.9	2,049.5
ROE					
Majors	3.0%	-17.6%	-2.8%	-21.6%	8.3%
Subsidiaries of Banks	-0.5%	-2.7%	-1.3%	6.2%	2.3%
Foreigns	-14.9%	1.2%	6.1%	9.2%	2.5%
Other Domestics	-2.8%	-6.1%	-8.7%	-7.3%	8.2%

Notes: Because of the introduction of a market value accounting method for trading gain in the fiscal year ended March 1998, trading gain figures for fiscal 1998 and 1999 are not directly comparable with figures of previous years.

Source: Japan Securities Dealers Association

Composition of Total Equity by Type of Securities Firm

(%)

	1996.3	1997.3	1998.3	1999.3	2000.3
Majors	56.9	52.2	48.7	44.6	42.8
Subsidiaries of Banks	7.3	9.2	10.1	10.4	10.8
Foreigns	5.8	7.7	10.2	13.4	13.3
Other Domestics	30.0	30.9	31.0	31.6	33.1
Total	100.0	100.0	100.0	100.0	100.0

Composition of Total Employees by Type of Securities Firm

(%)

	1996.3	1997.3	1998.3	1999.3	2000.3
Majors	37.7	37.8	33.9	33.5	31.3
Subsidiaries of Banks	1.3	1.6	2.1	1.8	2.2
Foreigns	5.1	6.2	8.0	8.9	10.0
Other Domestics	56.0	54.4	56.0	55.9	56.5
Total	100.0	100.0	100.0	100.0	100.0

Number of Securities Firms, Employees, and Offices

	Total Firms	TSE Member Firms	Employees (in Thousands)	Registered Representatives (in Thousands)	Offices
1990	272	124	158.6	101.3	3,198
1991	267	124	156.5	100.7	3,297
1992	265	124	145.3	95.6	3,072
1993	268	124	132.6	87.4	2,919
1994	277	124	127.5	83.7	2,879
1995	282	124	118.8	79.1	2,761
1996	289	124	113.0	75.8	2,740
1997	291	124	108.0	72.5	2,625
1998	288	122	95.1	62.6	2,335
1999	288	124	92.0	69.8	2,294

Source: Japan Securities Dealers Association

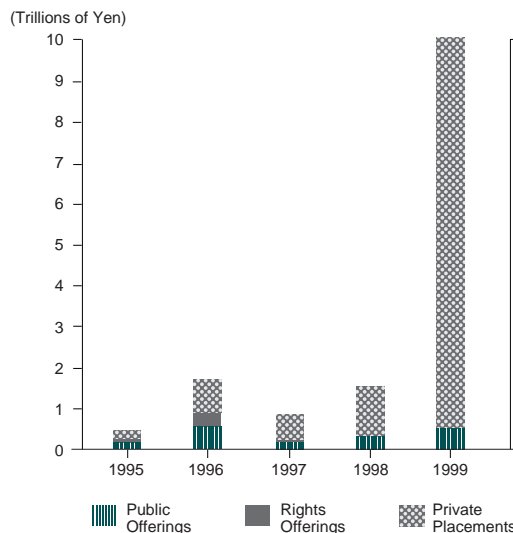
Capital Markets

Equity Financing Tops 10 trillion

Equity financing (excluding exercise of warrants) by publicly listed companies in 1999 rose from ¥1.5 trillion in the previous year to ¥10,046 billion, jumping 6.5 times in topping the ¥10 trillion mark.

By issuing categories, there was a marked increase in placements, such as the ¥585.7 billion issuance made by Nissan Motor Co., Ltd., in conjunction with their capital tie-up with France's Renault SA. Total private placements amounted to ¥9,518 billion, an increase of ¥8,309 billion from the previous fiscal year.

Equity Financing by Corporations (excludes exercises of Warrants)



Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

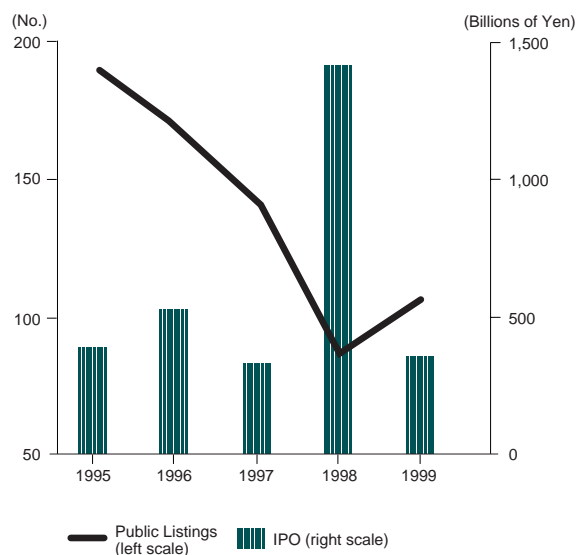
Public Listings Recover to the 100 Mark

A total of 106 companies went public—73 registered on JASDAQ and 33 listed on stock exchanges, including 2 companies listing on the Tokyo Stock Exchange's Mothers market. This represented an increase of 22 companies from the previous year, as public listings recovered to the 100 mark.

Total capital raised through IPOs amounted to ¥354 billion. Of this amount, funds raised through listings on stock exchanges totaled ¥162 billion while funds raised through registrations on JASDAQ totaled ¥192 billion.

In November 1999, the Mothers market was established on the Tokyo Stock Exchange and a concept for a new market to promote promising companies was announced. Because of the strong interest by venture companies in going public, the new listings market is expected to be very active.

Number of Public Listings and IPO Amounts

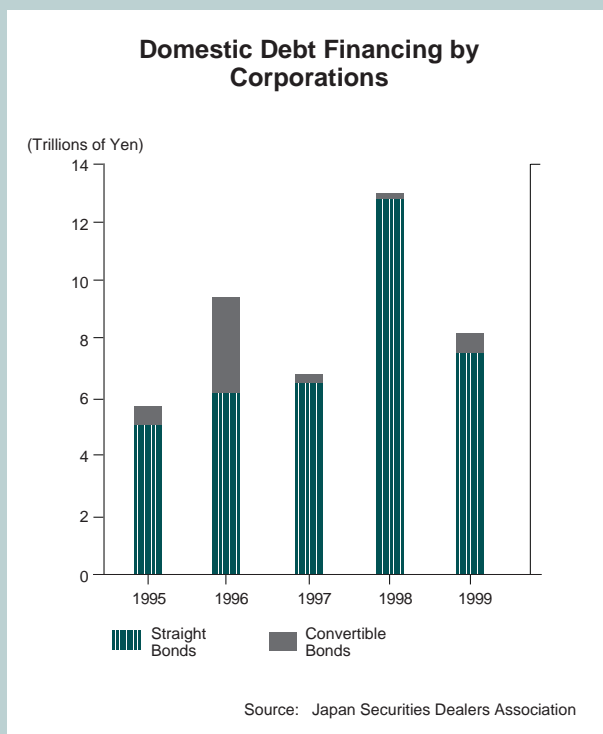


Source: Japan Securities Dealers Association

Domestic Straight Bond Issuance Drops Substantially

Corporate debt financing reflected the overall low demand for capital, dropping 37.9% from the ¥13 trillion recorded in the previous year, to ¥8 trillion. Of that amount, convertible bond issuance was given a boost by the upswing in stock prices, rising 2.5 times to ¥592 billion. In contrast, straight bond issuance dropped 41.3%, to ¥7.5 trillion.

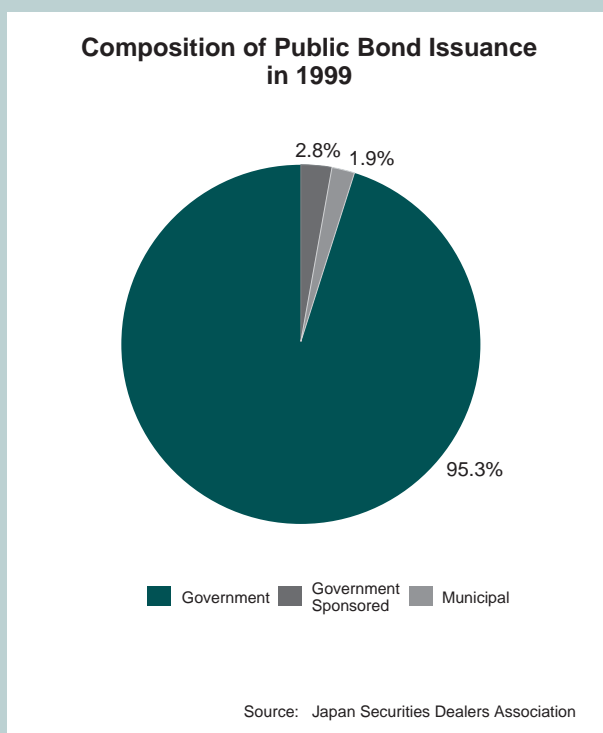
Among overseas debt offerings, straight and convertible bond issuance also increased substantially. In addition, warrant bond issues, of which there were none in the previous year, posted a recovery. Consequently, overseas debt offerings advanced 89.5%, to ¥1.9 trillion.



Public Bond Issuance Breaks Through ¥100 trillion for the First Time

Public bond issuance rose substantially, principally because of the large increase in JGBs, advancing 20.5%, to ¥107 trillion, breaking through the ¥100 trillion level for the first time. In addition to the substantial increase in government bond issues for public subscription to finance the government's economic stimulus measures, the Ministry of Finance began public auctions of financial bills (FBs) in April 1999, issuing (outstanding amount at end of March 2000) ¥38.4 trillion in FBs. Consequently, total government bond issuance rose to ¥102 trillion, a record high.

Planned issuance of municipal and government guaranteed bonds increased in 1999, rising to ¥3.0 trillion and ¥2.0 trillion, respectively. Looking at government bonds for public subscription by category, long-term (over 10 year) bonds amounted to ¥2.6 trillion, long-term (10 and 6 year) bonds totaled ¥23.7 trillion, medium-term bonds were ¥12.7 trillion, and treasury bills totaled ¥48.8 trillion.



Equity Financing by Corporations

(Billions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Listed Companies										
Public Offerings	1,975	125	4	7	236	33	305	128	284	370
Rights Offerings	824	218	110	47	9	95	337	72	0	0
Private Placements	314	103	102	150	238	210	757	593	1,167	9,444
Total Listed Companies	3,114	447	216	205	485	338	1,400	794	1,451	9,815
JASDAQ Companies										
Public Offerings	78	-	-	-	59	128	257	45	49	156
Rights Offerings	30	3	0	1	-	-	0	1	-	0
Private Placements	101	62	10	6	11	2	67	14	41	74
Total JASDAQ Companies	209	66	11	8	70	131	325	60	91	231
Total Corporate New Equity Issues										
Public Offerings	2,053	125	4	7	296	161	563	173	333	527
Rights Offerings	855	221	111	49	9	95	337	74	0	0
Private Placements	416	166	112	156	250	212	825	607	1,209	9,518
Total	3,324	513	227	213	555	470	1,726	854	1,543	10,046
Initial Public Offerings				416	616	382	526	324	1,416	354

Notes: 1. IPOs do not include public offerings made by foreign companies listing on Japanese stock exchanges.

2. "-" indicates nil, empty space indicates not calculated.

Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

Debt Financing by Corporations

(Billions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Straight Bonds										
Domestic	1,834	2,381	3,010	3,710	2,970	5,046	6,146	6,526	12,784	7,498
Overseas	1,677	4,026	4,057	2,951	824	549	1,160	1,403	901	1,307
Convertible Bonds										
Domestic	2,727	1,091	566	1,689	2,860	737	3,289	270	246	592
Overseas	901	379	414	532	411	418	575	547	118	407
Bonds with Warrants										
Domestic	925	381	-	-	-	-	-	-	-	-
Overseas	2,906	3,882	1,662	1,820	887	492	646	62	-	216
Total										
Domestic	5,486	3,854	3,576	5,399	5,830	5,783	9,435	6,796	13,031	8,090
Overseas	5,485	8,289	6,134	5,304	2,123	1,461	2,382	2,013	1,019	1,931

Notes: 1. "Overseas" includes new issues of privately placed bonds. 2. "-" indicates nil.

Source: Japan Securities Dealers Association

New Issuance of Public Bonds

(Billions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Government Bonds	36,314	38,567	43,888	51,314	55,855	65,677	72,219	67,824	84,804	102,050
Public Subscriptions	32,215	32,364	35,695	39,083	47,487	54,663	54,825	54,864	61,395	88,057
Long-term (over 10 years)	637	1,343	1,000	1,345	1,534	2,008	1,533	1,594	2,195	2,599
Long-term (10 and 6 year)	9,079	9,920	10,292	10,504	14,711	16,551	15,578	14,985	17,316	23,662
Med-term (2-to-4 years)	1,845	1,870	1,529	2,706	5,673	5,479	5,576	4,618	5,521	12,734
Med-term (zero-coupon 5 year)	334	309	282	266	264	257	257	250	239	243
Treasury Bills	20,320	18,921	22,591	24,260	25,304	30,366	31,879	33,415	36,122	48,817
Municipal Bonds	996	903	1,027	1,396	1,552	1,967	1,893	1,852	1,722	1,998
Gov. Sponsored Bonds	1,774	1,951	1,852	2,123	2,747	2,952	3,106	2,939	2,271	2,966
Total Public Bonds	39,084	41,422	46,768	54,833	60,154	70,597	77,218	72,615	88,797	107,015

Notes: 1. From 1994, 6-year bonds were included in long-term government bonds.
2. Municipal bonds and government sponsored bonds do not include private placements.

New Issuance of Corporate Bonds

(Billions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Corporate Bonds	5,486	3,854	3,576	5,399	5,830	5,783	9,435	6,796	13,030	8,090
Electric Power Bonds	1,678	1,765	1,785	1,810	1,345	1,625	1,515	1,555	2,465	1,718
NTT, JR Bonds	150	200	180	160	290	150	285	220	420	515
Other Straight Bonds	6	416	1,045	1,740	1,335	3,271	4,346	4,751	9,899	5,265
Convertible Bonds	2,727	1,091	566	1,689	2,860	737	3,289	270	246	592
Bonds with Warrants	925	381	-	-	-	-	-	-	-	-
Bank Debentures	45,524	44,151	47,911	45,100	36,040	42,594	43,966	30,780	23,305	24,517
Samurai Bonds	1,203	681	1,149	1,685	1,212	1,616	3,923	2,145	329	935
Nonresident Euroyen Bonds	4,980	3,290	3,328	5,102	10,194	10,955	12,676	17,872	11,302	N.A.

Notes: 1. Do not include private placements.
2. "-" indicates nil.

Source: Japan Securities Dealers Association

Outstanding Public Bonds

(Trillions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Government Bonds	164.0	170.1	176.4	184.8	201.4	218.7	239.2	254.1	280.1	320.5
Public Subscriptions	101.9	107.1	111.0	117.2	132.7	148.5	161.3	170.7	182.7	216.1
Long-term (over 10 years)	11.6	13.0	14.0	15.3	16.9	18.9	20.4	22.0	22.9	23.5
Long-term (10 and 6 year)	74.8	78.7	82.0	85.8	93.4	103.8	111.0	117.9	126.7	142.6
Med-term (2-to-4 years)	5.0	3.9	3.3	4.2	8.3	12.2	16.2	16.9	17.2	24.7
Med-term (zero-coupon 5 year)	2.8	2.3	2.0	1.6	1.4	1.3	1.3	1.2	1.2	1.2
Treasury Bills	7.6	9.0	9.4	10.0	10.5	12.0	12.2	12.4	14.5	23.9
Municipal Bonds	7.2	7.3	7.6	8.2	9.0	10.1	11.2	12.2	13.1	14.5
Gov. Sponsored Bonds	19.6	19.8	19.6	19.6	20.3	21.6	22.9	23.9	20.6	21.8
Total Public Bonds	190.9	197.3	203.7	212.8	230.9	250.5	273.3	290.4	313.9	356.9

Note: Municipal bond and government sponsored bond data in the Public Bonds table does not include private placements.

Outstanding Corporate Bonds

(Trillions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Corporate Bonds	27.6	29.7	31.7	35.3	38.1	41.6	47.5	49.8	57.5	58.9
Electric Power Bonds	7.5	8.4	9.5	10.5	11.2	12.2	12.8	13.6	15.2	15.7
NTT, JR Bonds	1.3	1.5	1.6	1.6	1.8	1.9	2.0	2.0	2.1	2.5
Other Straight Bonds	1.0	1.1	2.0	3.6	4.8	7.8	11.6	15.7	24.6	28.1
Convertible Bonds	16.2	16.7	16.6	17.9	19.5	19.2	20.7	18.1	15.3	12.5
Bonds with Warrants	1.4	1.8	1.7	1.4	0.4	0.3	0.3	0.2	0.1	-
Bank Debentures	67.5	73.6	78.4	78.3	78.2	76.6	76.0	67.2	56.9	56.6
Samurai Bonds	5.7	6.1	6.4	7.4	8.0	9.2	12.2	12.0	9.9	8.3

Notes: 1. Do not include private placements.
2. "-" indicates nil.

Source: Japan Securities Dealers Association

New Issuance of Private Placements

(Billions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Municipal Bonds	1,064	1,471	2,316	4,372	6,091	6,376	6,172	4,407	4,767	5,425
Gov. Agency Bonds	6,099	5,458	6,753	7,145	6,717	5,335	4,762	4,968	6,373	3,712
Corporate Bonds	452	1,763	1,040	530	407	244	368	501	765	652
Total	7,616	8,693	10,111	12,048	13,216	11,956	11,304	9,878	11,866	9,790

Outstanding Private Placements

(Trillions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Municipal Bonds	12.0	12.0	12.7	15.3	19.8	24.7	26.5	29.2	32.2	35.4
Gov. Agency Bonds	33.1	35.8	39.9	44.6	48.9	52.0	53.9	55.7	48.5	48.1
Corporate Bonds	1.5	3.2	4.2	4.5	4.5	4.3	3.9	3.4	3.0	3.0
Total	46.7	51.1	56.9	64.5	73.3	81.1	84.4	88.4	83.8	86.6

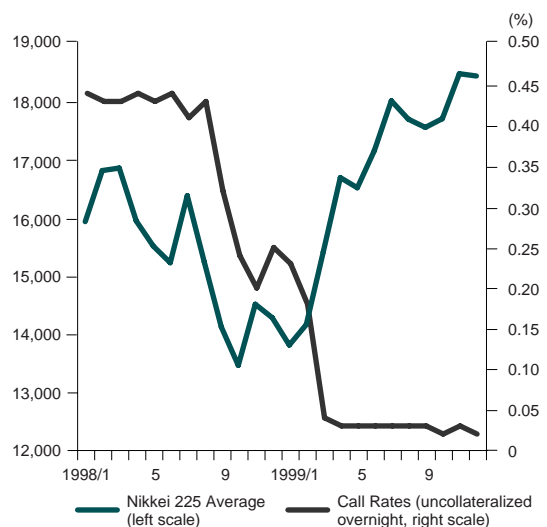
Source: Japan Securities Dealers Association

Secondary Stock Markets

Stock Prices Surge

The Nikkei 225 stock average began the year at 13,232, but rallied to 16,000 during the last part of March based on growing optimism about Japan's economic recovery because of the Bank of Japan's zero interest rate policy and the infusion of public funds into major Japanese banks. By the first part of July, the stock average had climbed to 18,000 for the first time in one year and nine months. Following this peak, the Bank of Japan's decision to postpone an interest rate cut and a sudden appreciation of the yen to ¥104 to the U.S. dollar, caused the stock average to fall below 17,000. From October, an improvement in economic sentiment and expectations for The Policy Measures for Economic Rebirth helped the stock average recover to the 18,000 level. The Nikkei 225 stock average ended the year at 18,934, up 36.8% from the previous year, and its high for the year. It was the first time in four years that the Nikkei 225 stock average had ended the year above its starting position.

Nikkei 225 Stock Average vs Short-Term Money Market Rates

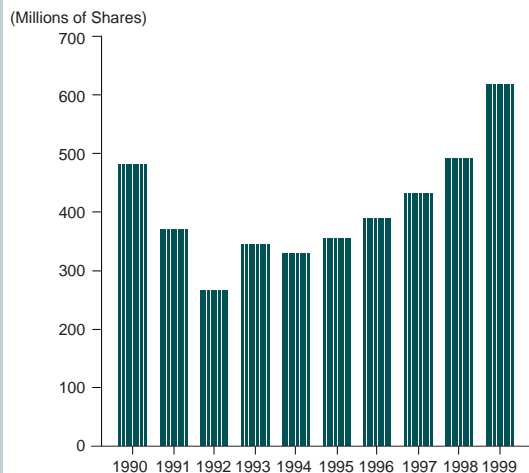


Note: Data are monthly averages.
Sources: Bank of Japan, Nihon Keizai Shinbun, Inc.

Average Daily Volume on TSE Hits 10-year High

The average daily volume of the Tokyo Stock Exchange (TSE) increased 25.4%, to 617.1 million shares a day, breaking through the 600 million mark and posting its highest level since 1989. The average daily trading volume also soared, rising 87.0%, to ¥726.7 billion. During the year, average daily trading volume in November hit ¥1 trillion for the first time since December 1989, reaching ¥1.2 trillion, partially because of heated trading in information technology stocks. On a full year basis, total trading volume increased 24.3%, to 151.2 billion shares while aggregate trading value rose 85.5%, to ¥178.0 trillion. Total market value at the end of the year was up 65.2%, to ¥442 trillion.

Daily Volume on TSE (1st Section)



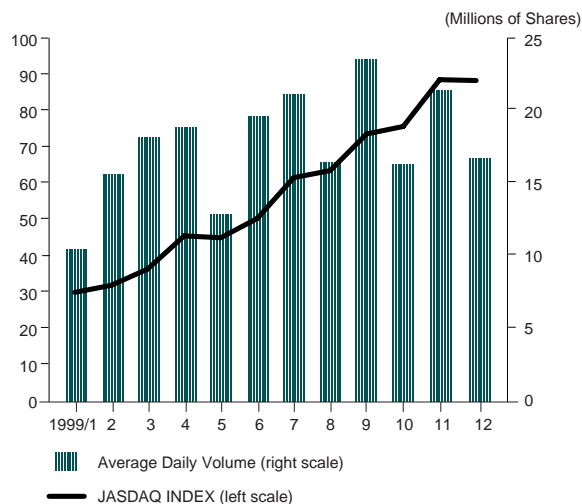
Source: Tokyo Stock Exchange

JASDAQ INDEX Soars

The JASDAQ market was very active during the year, centered mainly on information technology stocks, and the index move steadily upward for most of the year. In May 1999, a correction in the NASDAQ market in the United States was reflected slightly in the JASDAQ market, but over the year, the JASDAQ INDEX rose from its start of 28.32 points to 97.28 points at year end, recording substantial growth.

Total trading volume reflected the vigorous market, jumping 3.3 times, to 4.3 billion shares. A daily trading volume record of 40 million shares was set on July 5 and an monthly average trading volume record of 23 million shares was registered during September.

JASDAQ Activity



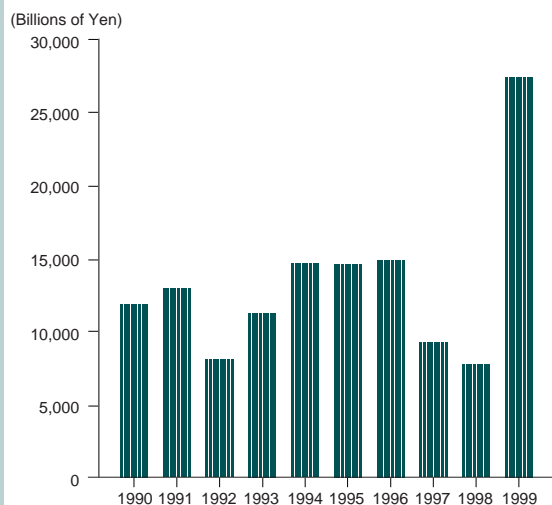
Note: Data are monthly averages.
Source: Japan Securities Dealers Association

JASDAQ Aggregate Trading Value Reaches Record Level

The aggregate trading value of the JASDAQ market reflected the high turnover, rising 7.8 times to ¥12.2 trillion. Total market capitalization expanded more than three times, increasing from ¥7.7 trillion at the end of 1998 to ¥27.4 trillion at the end of 1999, a record figure.

The total number of listed companies rose by 12, to 868, including 73 new listings.

JASDAQ Market Capitalization



Source: Japan Securities Dealers Association

Listed Companies

	Tokyo Stock Exchange		Osaka Securities	All Stock	JASDAQ
	1st & 2nd	1st	Exchange	Exchanges	
1990	1,627	1,191	1,138	2,071	357
1991	1,641	1,223	1,158	2,107	446
1992	1,651	1,229	1,163	2,118	451
1993	1,667	1,234	1,178	2,155	491
1994	1,689	1,235	1,199	2,205	581
1995	1,714	1,253	1,222	2,263	698
1996	1,766	1,293	1,256	2,334	779
1997	1,805	1,327	1,274	2,387	847
1998	1,838	1,340	1,271	2,416	868
1999	1,890	1,364	1,281	2,472	871

Note: "All stock Exchanges" excludes duplication of dual listings.

Market Capitalization

(Billions of Yen)

	Tokyo Stock Exchange		Osaka Securities	All Stock	JASDAQ
	1st & 2nd	1st	Exchange	Exchanges	
1990	379,231	365,154	321,082	393,594	11,972
1991	377,924	365,938	315,357	391,985	13,001
1992	289,483	281,005	244,061	299,275	8,008
1993	324,357	313,563	270,888	335,522	11,318
1994	358,392	342,140	299,552	371,024	14,628
1995	365,716	350,237	304,725	378,299	14,604
1996	347,578	336,385	287,302	358,538	14,952
1997	280,930	273,907	226,457	288,226	9,246
1998	275,181	267,783	211,081	281,521	7,754
1999	456,027	442,443	298,861	466,215	27,414

Notes: 1. "All stock Exchanges" excludes duplication of dual listings.
2. "JASDAQ" does not include securities issued by the Bank of Japan.

Sources: Tokyo Stock Exchange, Osaka Securities Exchange, Japan Securities Dealers Association

Tokyo Stock Exchange Activity (1st & 2nd Sections)

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
1990	123,098	186,666	500.4	758.8
1991	93,605	110,897	380.5	450.8
1992	66,407	60,110	268.8	243.3
1993	86,934	86,889	353.3	353.2
1994	84,514	87,355	342.1	353.6
1995	92,033	83,563	369.6	335.5
1996	100,170	101,892	405.5	412.5
1997	107,566	108,500	439.0	442.8
1998	123,198	97,391	498.7	394.2
1999	155,163	185,486	633.3	757.0

Source: Tokyo Stock Exchange

Osaka Securities Exchange Activity (1st & 2nd Sections)

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
1990	17,186	35,812	69.8	145.5
1991	10,998	18,722	44.7	76.1
1992	12,069	15,574	48.8	63.0
1993	10,439	14,634	42.4	59.4
1994	14,903	19,349	60.3	78.3
1995	21,093	24,719	85.0	99.6
1996	20,783	27,280	84.1	110.4
1997	15,407	27,024	62.8	110.3
1998	12,836	20,532	51.9	83.1
1999	14,972	22,105	61.1	90.2

Source: Osaka Securities Exchange

All Stock Exchanges Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
1990	145,837	231,837	592.8	942.4
1991	107,844	134,159	438.3	545.3
1992	82,563	80,455	334.2	325.7
1993	101,172	106,122	411.2	431.3
1994	105,936	114,622	428.8	464.0
1995	120,148	115,839	482.5	465.2
1996	126,496	136,169	512.1	551.2
1997	130,657	151,445	533.2	618.1
1998	139,757	124,101	565.8	502.4
1999	175,455	210,236	716.1	858.1

Source: All Stock Exchanges

JASDAQ Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
1990	1,263	6,111	5.1	24.8
1991	1,135	5,043	4.6	20.5
1992	507	1,091	2.0	4.4
1993	1,215	2,880	4.9	11.7
1994	2,357	5,384	9.5	21.7
1995	2,596	5,889	10.4	23.6
1996	2,546	5,910	10.3	23.9
1997	1,460	2,661	5.9	10.8
1998	1,303	1,554	5.2	6.2
1999	4,287	12,197	17.5	49.7

Note: Includes registered issues and supervised issues.

Source: Japan Securities Dealers Association

Nikkei 225 Stock Average

	Close	%Change	High	Date	Low	Date
1990	23,848.71	-38.7	38,712.88	1.4	20,221.86	10.1
1991	22,983.77	-3.6	27,146.91	3.18	21,456.76	8.19
1992	16,924.95	-26.4	23,801.18	1.6	14,309.41	8.18
1993	17,417.24	2.9	21,148.11	9.13	16,078.71	11.29
1994	19,723.06	13.2	21,552.81	6.13	17,369.74	1.4
1995	19,868.15	0.7	20,011.76	12.27	14,485.41	7.3
1996	19,361.35	-2.6	22,666.80	6.26	19,161.71	12.24
1997	15,258.74	-21.2	20,681.07	6.16	14,775.22	12.29
1998	13,842.17	-9.3	17,264.34	3.2	12,879.97	10.9
1999	18,934.34	36.8	18,934.34	12.30	13,232.74	1.5

Source: The Nihon Keizai Shinbun, Inc.

TOPIX

	Close	%Change	High	Date	Low	Date
1990	1,733.83	-39.8	2,867.70	1.4	1,523.43	10.1
1991	1,714.68	-1.1	2,028.85	3.18	1,638.06	12.24
1992	1,307.66	-23.7	1,763.43	1.6	1,102.50	8.18
1993	1,439.31	10.0	1,698.67	9.3	1,250.06	1.25
1994	1,559.09	8.3	1,712.73	6.13	1,445.97	1.4
1995	1,577.70	1.2	1,585.87	12.27	1,193.16	6.13
1996	1,470.94	-6.8	1,722.13	6.26	1,448.45	12.24
1997	1,175.03	-20.1	1,560.28	6.26	1,130.00	12.22
1998	1,086.99	-7.5	1,300.30	2.10	980.11	10.15
1999	1,722.20	58.4	1,722.20	12.30	1,048.33	1.5

Source: Tokyo Stock Exchange

JASDAQ INDEX

	Close	%Change	High	Date	Low	Date
1990	-	-	-	-	-	-
1991	-	-	-	-	-	-
1992	44.07	-	44.22	12.28	44.02	12.29
1993	53.32	21.0	64.06	10.8	43.18	3.5
1994	60.87	14.2	70.63	7.5	53.33	1.4
1995	54.14	-11.1	62.70	1.11	41.20	6.15
1996	47.08	-13.0	63.10	7.2	46.49	12.26
1997	27.68	-41.2	47.22	1.6	26.71	12.24
1998	28.24	2.0	32.16	2.12	23.00	10.13
1999	97.28	244.5	97.28	12.30	28.32	1.4

Notes: 1. The JASDAQ INDEX was introduced on December 28, 1992.

2. The JASDAQ INDEX is a composite index of all stocks registered on JASDAQ. The base for the index is the aggregate market value of its component stocks as of the close of business on December 28, 1991 (the index value on that date was adjusted to 100).

Source: Japan Securities Dealers Association

Nikkei OTC Stock Average

	Close	%Change	High	Date	Low	Date
1990	2,175.48	-16.2	4,149.20	7.9	2,154.20	12.26
1991	1,946.14	-10.5	3,333.78	6.14	1,918.06	12.24
1992	1,227.93	-36.9	2,022.41	2.7	1,099.32	11.17
1993	1,447.60	17.9	1,728.13	10.8	1,200.84	3.8
1994	1,776.05	22.7	2,002.73	7.15	1,445.47	1.4
1995	1,488.40	-16.2	1,852.13	1.11	1,194.77	6.15
1996	1,330.55	-10.6	1,747.17	7.2	1,316.25	12.26
1997	721.53	-45.8	1,333.11	1.6	708.23	12.24
1998	724.99	0.5	842.74	1.30	610.86	10.13
1999	2,270.14	213.1	2,480.44	11.15	724.89	1.4

Source: The Nihon Keizai Shinbun, Inc.

Stock Index Futures

(Billions of Yen, Thousands of Contracts)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Trading Value										
NIKKEI 225	394,871	536,729	219,871	162,367	124,219	125,364	148,306	136,973	124,949	153,083
TOPIX	71,774	31,555	18,572	33,016	42,089	38,103	45,808	42,173	32,073	44,046
NIKKEI 300	-	-	-	-	12,400	5,964	5,589	4,125	3,567	4,038
Number of Contracts										
NIKKEI 225	13,588	21,643	11,927	8,461	6,208	7,220	7,043	7,484	8,191	9,067
TOPIX	3,091	1,676	1,358	2,156	2,623	2,745	2,857	3,035	2,726	3,157
NIKKEI 300	-	-	-	-	4,184	2,318	1,872	1,526	1,531	1,470

Note: NIKKEI 225 and TOPIX futures began trading on September 3, 1998. NIKKEI 300 futures began trading in February 14, 1994.

Stock Index Options

(Total Puts and Calls, Billions of Yen, Thousands of Contracts)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Trading Value										
NIKKEI 225	3,561	5,512	4,096	2,000	1,175	1,432	928	1,270	1,166	1,374
TOPIX	222	117	8	8	3	8	3	2	0.1	0.6
NIKKEI 300	-	-	-	-	41	27	23	6	2	0.4
Number of Contracts										
NIKKEI 225	9,187	11,835	9,256	6,090	4,273	5,174	3,924	4,910	5,230	5,753
TOPIX	462	120	48	37	20	16	13	9	0.6	2
NIKKEI 300	-	-	-	-	269	122	44	7	2	0.6

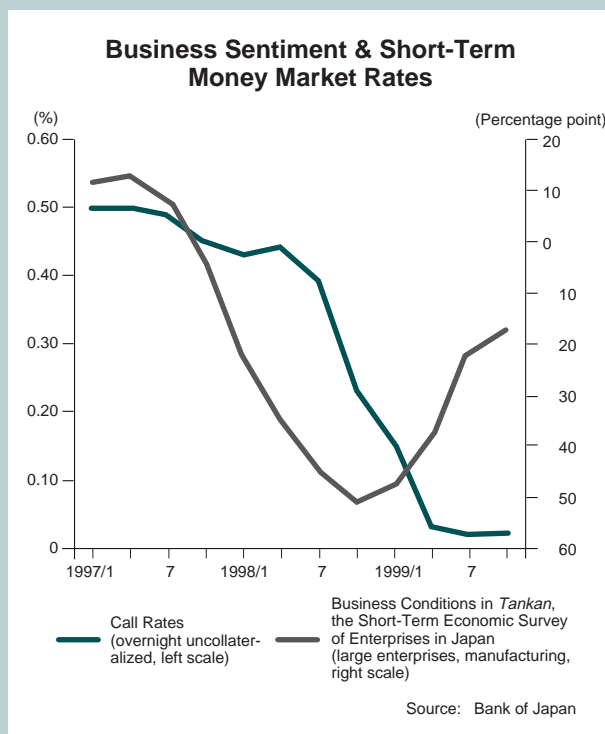
Note: NIKKEI 225 Options began trading on June 12, 1989 while TOPIX and options began trading on October 20, 1989. NIKKEI 300 Options began trading in February 14, 1994.

Sources: Tokyo Stock Exchange, Osaka Securities Exchange, Japan Securities Dealers Association

Bond Markets

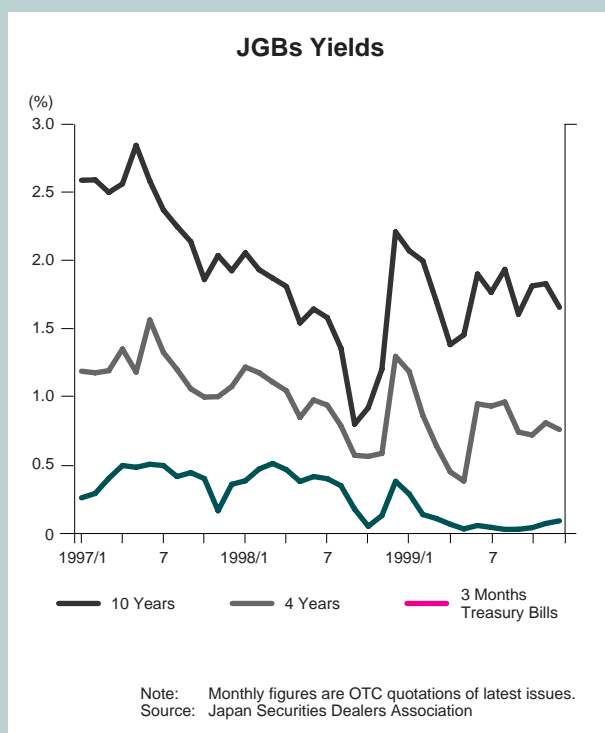
Upward pressure on interest rates curtailed by zero interest rate policy

Up to the end of 1998, business and consumer sentiment worsened. Because of rising concern over deflation, the Bank of Japan decided to ease monetary policy through a zero interest rate policy. During the same month, the Ministry of Finance announced a shift to issuance of medium-term bonds from long-term bonds. The impact of these measures during the first half was to curtail the upward pressure on long-term bond interest rates because of the concern over the worsening balance of supply and demand for Japanese government bonds (JGBs), and overall rates moved downward. In the second half, despite rising concern over the large increase in the volume of JGBs being issued to cover the supplementary budget and growing optimism for a economic recovery, money market rates moved within a box because of the perception that the zero interest rate policy would remain in place for the long term.



After Fluctuating Strongly, Long-term Interest Rates Move in a Box

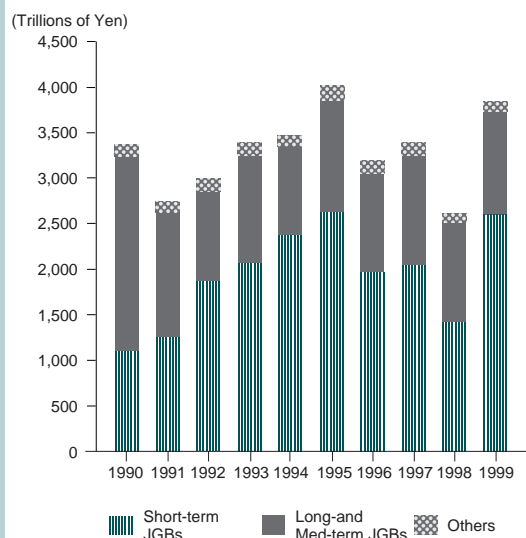
After beginning the year at 1.985%, the yield on the benchmark JGB climbed to 2.366% based on a sell off over concern that the balance between supply and demand had worsened. However, the yield then fell to 1.205% in May, its low for the year, under the impact of the zero interest rate policy, the resumption of JGB purchases by the Trust Fund Bureau, and a decline in issuance of 10-year JGBs. Following this bottom, the yield again rose to the 2% level by the end of August because of the perception that bond prices were too high and the economy was improving and concern over the worsening balance between supply and demand. From September, the yield move in a tight box between 1.7% to 1.9%, vacillating between the upward pressure from concerns over demand and supply and the downward pressure from the continued ultralow interest rate policy. The yield ended the year at 1.656%.



Sudden Jump in Financial Bill Trading Volume

The total transaction volume (OTC and exchanges, including Repos) of bonds increased 46.6%, to ¥3,847 trillion, testing levels last seen in 1995 (¥4,063 trillion). The two major factors in this growth were the abolition of the securities transaction tax in April 1999 and the start of public auctions of financial bills. Looking at a breakdown of OTC trading volume, the volume of outstanding financial bills rose substantially, and this was reflected in the connected Repo (Gensaki) market, where transactions climbed to ¥1,085.1 trillion compared with ¥2.4 trillion in the previous year. Among corporate bonds, transaction volume of convertible bonds was especially strong because of the bullish stock market, jumping approximately eight times from the previous year, to ¥2.5 trillion.

OTC Bond Trading (Including Repos)

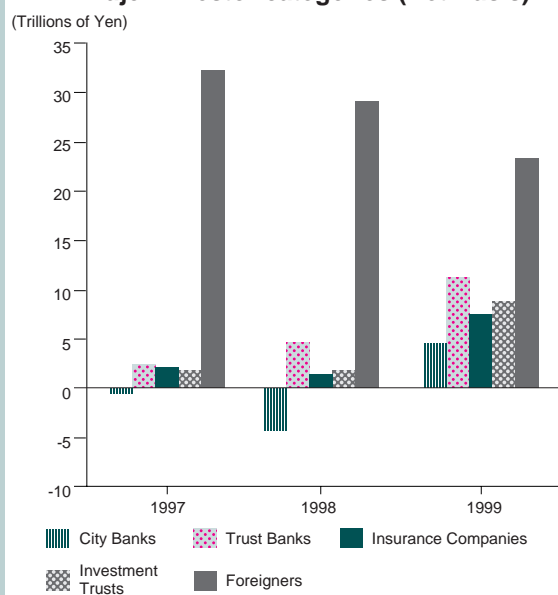


Note: "Short-term JGBs" totaled treasury bills and financial bills.
Source: Japan Securities Dealers Association

City Banks Become Net Buyers

Looking at the breakdown of net purchases, city banks shifted from being net sellers in the previous year to being net buyers of ¥4.3 trillion in bonds. In addition, the amount of bonds purchased by trust banks and by life and non-life insurance companies expanded. Large purchases of short-term bills because of the start of public auctions of financing bills were behind these increases in net purchases. Investment trusts reacted to the steady increase in gross sales of bond investment trusts by making net purchases of ¥8.8 trillion, up ¥1.8 trillion from the previous year. The net purchases of foreigners, whose shift to equity markets strengthened during the year, contracted to ¥23.2 trillion compared with ¥28.9 trillion in the previous year.

Net Purchases and Sales of Bonds by Major Investor categories (Net Basis)



Note: Excludes Repos.
Source: Japan Securities Dealers Association

Trading Value of Public and Corporate Bonds on the Tokyo OTC Market

(Trillions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	3,360.4	2,747.9	2,994.8	3,390.9	3,460.5	4,012.6	3,182.8	3,385.7	2,606.7	3,836.7
Repos	1,105.5	1,070.1	1,392.0	1,451.6	1,910.0	2,201.1	1,694.5	1,759.1	1,081.0	2,272.4
Monthly Average	280.0	228.9	249.5	282.5	288.3	334.3	265.2	282.1	217.2	319.7
Total Government Bonds	3,231.6	2,621.9	2,857.6	3,242.2	3,341.1	3,846.2	3,037.3	3,242.1	2,497.2	3,734.1
Long-term (over 10 years)	15.4	20.3	22.1	50.5	49.7	55.0	43.5	69.3	77.6	62.1
Long-term (10 and 6 year)	2,094.8	1,342.5	967.6	1,127.3	901.4	1,109.8	972.9	1,091.7	959.4	995.2
Med-term (2-to-4 years)	10.9	8.0	5.5	7.4	30.7	47.7	47.6	41.8	37.6	69.0
Med-term (zero-coupon 5 year)	5.2	3.8	3.2	2.6	1.2	1.4	0.7	3.6	1.0	0.7
Treasury Bills	632.1	764.4	1,319.2	1,441.5	1,535.5	1,849.9	1,339.2	1,396.0	1,419.0	1,521.8
Financing Bills	473.0	482.6	539.8	612.7	822.3	782.1	633.1	693.5	2.4	1,085.1
Municipal Bonds	4.3	5.1	7.0	7.3	5.6	8.5	8.3	7.6	7.0	6.7
Gov. Sponsored Bonds	15.2	21.8	27.6	30.7	23.6	29.6	24.2	26.2	20.4	15.4
Total Corporate Bonds	8.9	8.7	9.0	13.5	10.6	17.3	18.6	19.8	21.9	23.3
Electric Power Bonds	5.7	5.9	4.6	7.5	4.9	7.9	6.4	6.7	7.4	8.4
NTT Bonds	0.5	0.7	1.1	1.2	0.8	0.8	0.8	0.4	0.4	0.5
Other Straight Bonds	2.2	1.9	3.0	4.2	4.1	6.9	10.0	11.9	13.6	11.6
Convertible Bonds	0.4	0.0	0.1	0.4	0.7	1.6	1.4	0.5	0.3	2.5
Bonds with Warrants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Bank Debentures	90.2	77.2	75.0	71.2	53.2	68.0	55.1	54.9	32.9	31.8
Samurai Bonds	2.7	3.5	3.0	4.6	3.6	4.5	6.1	5.6	3.0	3.1
Others	7.1	9.0	15.2	21.0	22.2	38.1	32.8	29.2	23.9	21.9

Notes: 1. Total of purchases and sales.

2. From April 1994, 6-year bonds were included in long-term government bonds.

3. From April 1994, the Treasury Bills and Financing Bills transactions of money market dealers are included in those totals.

Source: Japan Securities Dealers Association

Trading Value of Public and Corporate Bonds on Exchanges

(Trillions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	138.1	74.3	37.8	49.2	38.6	50.4	44.9	37.1	18.4	11.1
Government Bonds	84.5	42.9	14.6	10.5	7.7	10.0	11.9	9.7	3.7	0.0
Convertible Bonds	53.5	31.3	23.1	38.5	30.7	40.0	32.6	27.1	14.6	11.0
Bonds with Warrants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-

Note: Total of Purchases and Sales.

Source: All Stock Exchanges

Trading Value of Public and Corporate Bonds by Investor Categories

(Trillions of Yen)

	FY1997			FY1998			FY1999		
	Sales	Purchases	Net	Sales	Purchases	Net	Sales	Purchases	Net
Total Financial Institutions	148.3	155.3	-7.0	133.0	143.6	-10.5	135.6	165.0	-29.4
City Banks	30.4	29.7	0.6	36.0	31.6	4.4	32.7	37.0	-4.3
Regional Banks	12.9	13.3	-0.3	10.5	11.3	-0.7	7.6	8.8	-1.1
Long-Term Credit Banks	8.3	6.7	1.5	9.3	7.9	1.3	8.7	5.6	3.0
Trust Banks	40.8	42.9	-2.1	37.3	41.7	-4.4	39.6	50.6	-11.0
Financial Institutions for Agriculture and Foresties	15.3	18.6	-3.2	8.8	14.9	-6.0	10.4	14.8	-4.4
Shinkin Banks	6.8	7.4	-0.6	5.1	6.2	-1.0	5.6	7.4	-1.8
Other Financial Institutions	33.5	36.4	-2.8	25.7	29.8	-4.0	30.7	40.5	-9.7
Life & Non-Life Insurance Companies	39.6	41.6	-2.0	31.4	32.6	-1.2	23.9	31.3	-7.3
Investment Trusts	18.3	20.1	-1.7	15.4	17.1	-1.7	11.5	20.2	-8.7
Mutual Aid Association of Government Agencies	5.0	5.9	-0.9	5.3	6.0	-0.6	4.5	5.1	-0.6
Business Corporations	1.4	2.9	-1.4	1.1	1.9	-0.8	1.0	3.1	-2.0
Other Private Corporations	1.4	4.7	-3.2	0.9	3.6	-2.7	1.0	4.6	-3.5
Foreigners	28.1	60.1	-31.9	52.3	81.2	-28.8	55.1	78.3	-23.1
Individuals	1.5	1.8	-0.2	0.6	1.5	-0.8	0.5	1.1	-0.6
Others	69.7	38.8	30.8	64.0	35.4	28.6	110.2	41.7	68.4
Bond Dealers	510.9	508.9	1.9	476.3	473.0	3.3	454.3	451.0	3.2
Total	824.6	840.4	-15.8	780.9	796.5	-15.5	798.1	802.0	-3.9

Note: 1. Figures for sales and purchases are the aggregates of investor transactions and the trading volume of securities companies and financial institutions through dealing excluding bond transactions with repurchase agreements.

2. Negative figures mean net purchases.

Source: Japan Securities Dealers Association

Japanese Government Bond Futures

(Trillions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
10-year	1,628	1,278	1,181	1,508	1,294	1,391	1,237	1,179	1,066	965
20-year	1.2	0.6	0.3	0.3	0.3	0.2	0.2	0.2	0	-
5-year	-	-	-	-	-	-	26	11	19	11

Note: 10-year and 20-year JGB Futures began trading on December 19, 1985 and July 8, 1988, respectively, 5-year JGB Futures began trading in February 1996.

Source: Tokyo Stock Exchange

Investment Trusts

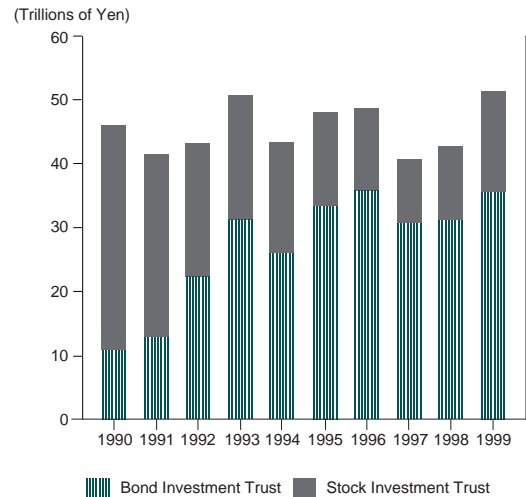
Total investment trust assets recover to the ¥50 trillion level

Against the backdrop of the upswing in the stock market and the prolonged ultralow interest rate climate, the flow of investment into investment trusts expanded. The investment trust market took a large step toward further expansion based on the successful diversification of sales channels, such as the sales of investment trusts through banks and other institutions.

Among stock investment trusts, assets held in open-type trusts reached a record level as total assets held in stock investment trusts rose to ¥15.7 trillion. Total assets held in bond investment trusts increased for the third consecutive year, rising to ¥35.7 trillion based on growth in money management money funds (MMFs), long-term bond funds, and medium-term government securities funds.

Consequently, total investment trust assets increased 20.2%, to ¥51.35 trillion, recovering to the ¥50 trillion level for the first time since July 1994 or five-and-one-half years.

Total Assets Held in Stock and Bond Investment Trusts



Source: The Investment Trusts Association

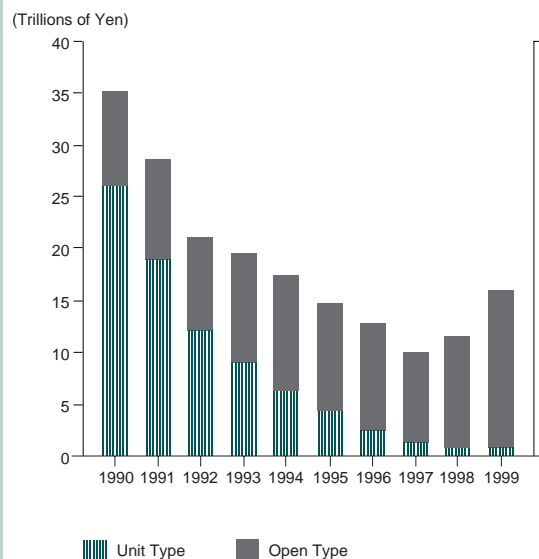
Stock Investment Trusts: Assets held in open-type trusts reach record level

Total assets in stock investment trusts soared 36.5%, to ¥15.7 trillion, principally because of the increase in assets due to investment profits.

Open-type trusts leaped 40.6%, to ¥15.1 trillion, reaching a record level, because of the flow of investments into domestic equity funds amid the surge in the stock market.

On the other hand, unit-type trusts declined 22.6%, to ¥570.0 billion, a record low, because of the steady flow out of this type of fund through redemptions and repurchases.

Total Assets Held in Stock Investment Trusts (Unit and Open Type)



Source: The Investment Trusts Association

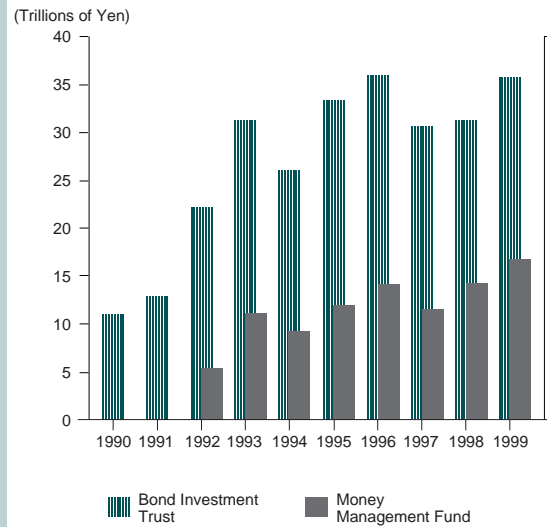
Bond Investment Trusts: MMFs and long-term bond funds increase

Total assets in bond investment trusts advanced 14.1%, to ¥35.7 trillion, posting growth for the third consecutive year.

Facing the difficult investment environment posed by ultralow interest rates, the growth in bond investment trusts is seen as the result of these fund being able to offer better yields than other competitive financial products.

In particular, assets held in MMFs, long-term bond funds, and medium-term government securities funds expanded.

Total Assets Held in Bond Investment Trusts



Source: The Investment Trusts Association

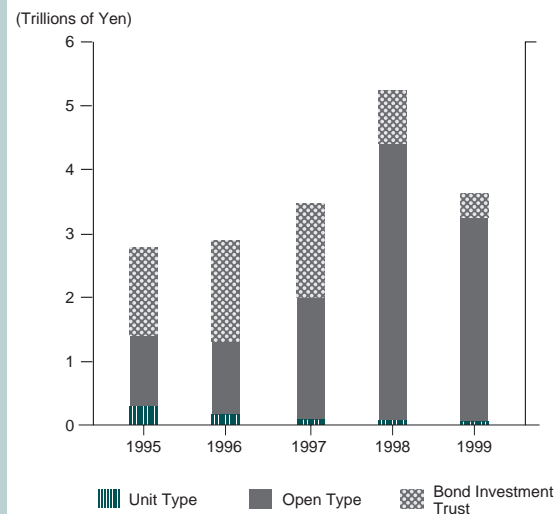
Foreign Currency Denominated Trusts: Large drop because of the rising yen

Total assets held in foreign currency-denominated funds dropped 30.7%, to ¥3,624.5 billion because of the appreciation of the yen against other currencies.

Stock investment trusts, the mainstay of foreign currency-denominated funds, amounted to ¥3,225.7 billion, accounting for 89% of this type of fund. Of that among, 99% was invested in open-type funds.

Looking at foreign currency-denominated investment funds by investment region, assets held in U.S. investments totaled ¥1,973.0 billion, accounting for 54% while assets held in United Kingdom investments came in second, at ¥263.0 billion or 7%. Assets held in the Euro-zone countries totaled ¥821.9 billion or 23% of overall foreign currency-denominated investment funds.

Total Assets Held in Foreign Currency-Denominated Investment



Source: The Investment Trusts Association

Stock Investment Trust Gross Sales

(Billions of Yen)

	Total	Unit Type	Open Type
1990	15,789	6,432	9,357
1991	8,640	1,803	6,837
1992	7,356	1,457	5,898
1993	10,520	2,299	8,221
1994	10,346	1,799	8,547
1995	6,629	685	5,944
1996	10,510	785	9,725
1997	7,850	399	7,450
1998	7,982	165	7,817
1999	12,826	163	12,662

Stock Investment Trust Assets

(Billions of Yen)

	Total	Unit Type	Open Type
1990	35,072	25,956	9,115
1991	28,562	18,885	9,677
1992	21,103	12,072	9,030
1993	19,547	8,967	10,579
1994	17,451	6,289	11,161
1995	14,681	4,301	10,379
1996	12,779	2,406	10,373
1997	9,986	1,222	8,763
1998	11,496	740	10,755
1999	15,696	573	15,122

Source: The Investment Trusts Association

Bond Investment Trust Gross Sales and Assets

(Billions of Yen)

	Sales	Assets	Assets of Money Management Fund
1990	9,632	10,921	-
1991	9,258	12,911	-
1992	21,446	22,197	5,413
1993	40,624	31,190	11,078
1994	36,575	25,956	9,173
1995	41,209	33,275	12,001
1996	41,774	35,888	14,219
1997	44,504	30,662	11,563
1998	44,407	31,243	14,279
1999	64,036	35,657	16,790

Note: "-" indicates nil.

Foreign Currency-Denominated Investment Trust Assets

(Billions of Yen)

	Unit Type	Open Type	Bond	Total	Held in U.S. Investment
1990	N.A.	N.A.	N.A.	3,418	2,395
1991	N.A.	N.A.	N.A.	5,379	2,938
1992	801	451	2,951	4,204	2,163
1993	748	1,011	1,939	3,700	1,728
1994	387	1,292	1,220	2,899	1,460
1995	295	1,107	1,373	2,777	1,361
1996	160	1,169	1,558	2,888	1,542
1997	90	1,886	1,488	3,466	2,069
1998	74	4,336	817	5,228	2,661
1999	48	3,177	398	3,624	1,973

Source: The Investment Trusts Association

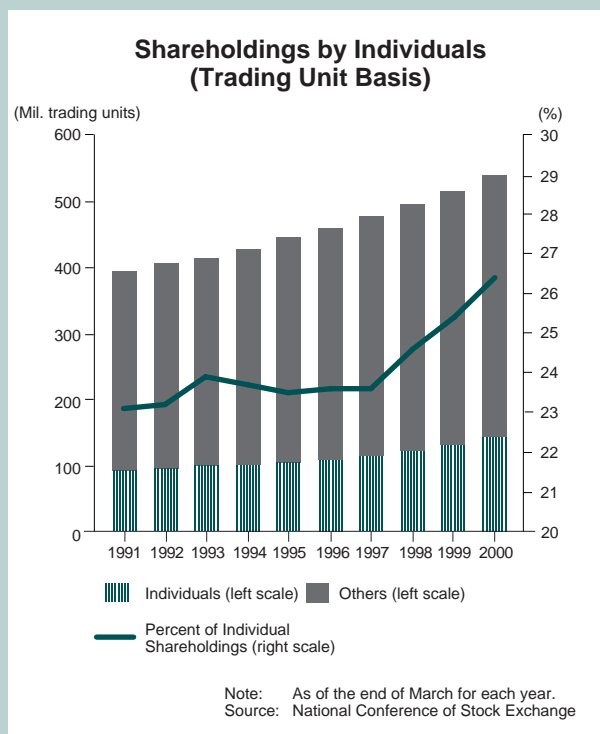
Investor Trends

Number of Individual Investors Hits 30 Million for the First Time

According to a survey by the National Conference of Stock Exchanges, the number of individual shareholders at the end of March 2000 rose by 1,920,000 to 30.22 million, increasing for the fourth consecutive year.

The percentage of stock outstanding held by individual investors on a trading unit basis was 26.4%, registering its highest level since fiscal 1983. The percentage of stock outstanding held by foreign investors on a trading unit basis set a new record at 12.4%.

According to the results of the JSDA's annual survey of the composition of shareholders of stocks registered on the JASDAQ, the number of individual shareholders at the end of March 2000 amounted to 1,046,000, expanding for the fifth consecutive year, reaching the one million mark for the first time. In addition, the holdings of individual shareholders rose to 45.3%, the highest level since the survey began.

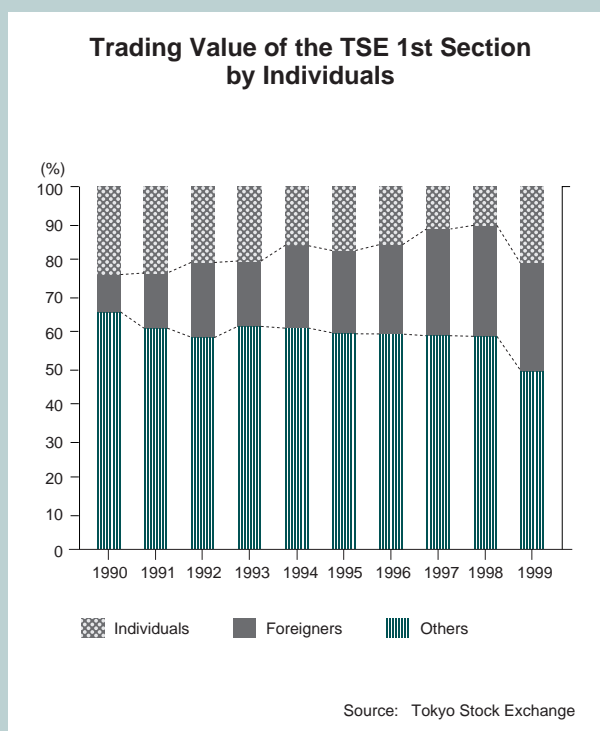


Active Trading by Individual Investors and Foreigners

Trading trends reflected the notable participation of individual investors. In 1999, the proportion of the total trading value of the Tokyo Stock Exchange (TSE) accounted for by individual investors increased by 10.7 percentage points to 21.1%, the highest level since 1991, eight years ago.

Foreigners accounted for 30.0% of the trading value of the TSE, almost the same at in the previous year (30.9%). However, foreigners' net purchase of ¥8.5 trillion in stocks was a record.

Among JASDAQ stocks as well, individual investors accounted for 54.9% of trading value, up 18.5 percentage points, climbing above the 50% level for the first time since 1995, four years ago.



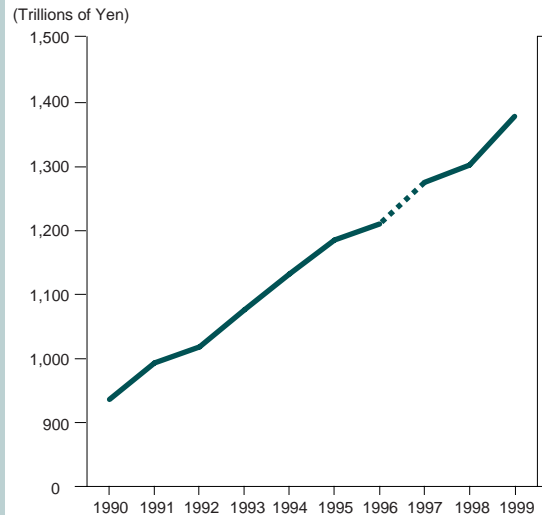
Financial Assets of Individuals Top ¥1,377 trillion

The financial assets of individuals at year-end 1999 advanced 5.9% or ¥76.5 trillion, to ¥1,377 trillion. Growth was relatively high in 1999 compared with a recent trend of 2% to 3% per year.

The higher growth can be mainly attributed to a 56.9% or ¥44.3 trillion increase in shares and other equities due the upswing in the stock market. Including the ¥3.3 trillion increase in investment trusts, these two asset classes accounted for 62% of the growth in financial assets.

The pace of growth in cash and time deposits and insurance and pension contributions slowed during 1999, being held to 3.4% and 3.9%, respectively.

Household Financial Assets



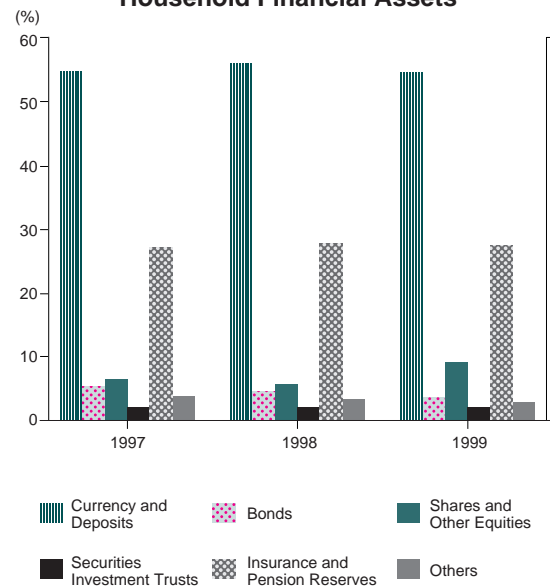
Note: Not consistent since the year 1996.
Source: Bank of Japan

Weighting of Shares and Other Equities and Investment Trusts Rise to 11%

Looking at the composition of the financial assets of individuals at year-end 1999, the proportion of cash and time deposits decreased 1.3 percentage points, to 54.6% while the proportion of shares and other equities rose 2.9 percentage points, to 8.9%. Consequently, the weighting of shares and other equities and investment trusts increased to 11% from 8% in the previous year, registering double digits for the first time since the start of the 1990s.

Although investment trusts accounted for only 2.1%, the sales structure has diversified considerably with the addition of new sales channels through banks and other institutions and the introduction of electronic transactions. In addition, defined contribution pension plans are scheduled for introduction. These factors are preparing the way for a change in the positioning of investment trusts in individuals financial asset portfolios.

Composition of Household Financial Assets



Source: Bank of Japan

Holdings of Equity Outstanding by Type of Investor (Market Value Basis)

(Trillions of Yen)

	1991.3	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3
Individuals	91.4	66.1	67.9	73.4	61.9	75.9	65.0	58.5	62.4	82.9
Government	1.1	0.8	1.0	0.9	1.0	1.1	0.7	0.6	0.6	0.5
Bank	101.0	72.5	73.2	81.0	70.8	87.4	76.4	69.6	72.5	85.8
Pension Trust	4.0	3.3	3.8	5.1	5.0	7.0	8.0	11.8	15.6	23.1
Investment Trust	16.8	11.0	10.4	10.7	8.1	8.4	6.8	4.9	4.4	10.2
Insurance Co.	71.1	52.6	53.2	58.0	49.0	57.2	49.1	43.4	43.1	49.2
Business Corp.	135.0	94.5	93.4	103.7	86.2	105.8	85.8	75.9	83.5	120.1
Foreigners	21.0	19.6	20.7	28.2	25.2	40.9	40.0	41.1	46.5	85.9
Securities Firms	7.5	5.0	3.9	4.8	3.6	5.3	3.1	2.0	1.8	3.8
Total	449.3	325.9	327.9	366.3	311.1	389.4	335.4	308.0	330.8	461.9

Notes: 1. "Government" includes local public bodies.
 2. "Bank" excludes pension and investment trust accounts.
 3. Figures refer to all Exchange-listed stocks and exclude foreign stocks.

Share of Total Equities Outstanding

(%)

	1991.3	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3
Individuals	20.4	20.3	20.7	20.0	19.9	19.5	19.4	19.0	18.9	18.0
Government	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1
Bank	22.5	22.3	22.3	22.2	22.9	22.4	22.8	22.6	21.9	18.6
Pension Trust	0.9	1.0	1.2	1.4	1.6	1.8	2.4	3.8	4.7	5.0
Investment Trust	3.7	3.4	3.2	2.9	2.6	2.2	2.0	1.6	1.4	2.2
Insurance Co.	15.8	16.1	16.2	15.8	15.7	14.7	14.7	14.1	13.1	10.7
Business Corp.	30.1	29.0	28.5	28.3	27.7	27.2	25.6	24.6	25.2	26.0
Foreigners	4.7	6.0	6.3	7.7	8.1	10.5	11.9	13.4	14.1	18.6
Securities Firms	1.7	1.5	1.2	1.3	1.2	1.4	1.0	0.7	0.6	0.8

Notes: 1. "Government" includes local public bodies.
 2. "Bank" excludes pension and investment trust accounts.
 3. Figures refer to all Exchange-listed stocks and exclude foreign stocks.

Source: National Conference of Stock Exchanges

Individual Shareholders

(Thousands, %)

	Shareholders	%Change	Population	%Change	Shareholders as % of Population
1991.3	25,601	6.3	124,043	0.3	20.6
1992.3	26,008	1.6	124,452	0.3	20.9
1993.3	26,851	3.2	124,764	0.3	21.5
1994.3	27,335	1.8	124,764	0.0	21.9
1995.3	27,208	-0.5	125,034	0.2	21.8
1996.3	27,038	-0.6	125,570	0.4	21.5
1997.3	27,373	1.2	125,864	0.2	21.7
1998.3	27,856	1.8	126,166	0.2	22.1
1999.3	28,300	1.6	126,486	0.3	22.4
2000.3	30,224	6.8	126,686	0.2	23.9

Notes: 1. The Number of shareholders includes duplicated countings of shareholders who shares in more than one company.
 2. Population figures are October census figures.
 3. Figures refer to all Exchange-listed stocks and exclude foreign stocks.

Sources: Management and Coordination Agency, National Conference of Stock Exchanges

Individual Shareholdings

(Thousands Trading Units, %)

	Individual Holdings	%Change	Outstanding	%Change	Individual Holdings as % of Outstanding
1991.3	91,303	4.9	394,854	2.7	23.1
1992.3	94,252	3.2	405,770	2.8	23.2
1993.3	98,603	4.6	413,392	1.9	23.9
1994.3	100,821	2.2	425,673	3.0	23.7
1995.3	104,385	3.5	444,881	4.5	23.5
1996.3	107,771	3.2	457,439	2.8	23.6
1997.3	112,573	4.5	477,143	4.3	23.6
1998.3	121,869	8.3	494,613	3.7	24.6
1999.3	130,536	7.1	514,367	4.0	25.4
2000.3	142,064	8.8	538,925	4.8	26.4

Notes: 1. One trading unit generally consists of 1,000 shares.
 2. Figures refer to all Exchange-listed stocks and exclude foreign stocks.

Source: National Conference of Stock Exchanges

Trading Value by Type of Investor (TSE 1st Section)

(Trillions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Individuals	72.3	44.6	21.6	30.1	23.9	24.2	26.9	21.9	17.5	65.5
Bank	51.4	25.0	11.7	21.4	22.4	19.3	26.5	33.4	31.9	40.6
Insurance Co.	4.7	3.5	2.3	2.0	2.5	2.8	2.2	2.1	2.3	4.1
Investment Trust	30.5	21.2	10.4	13.6	10.1	6.2	7.8	5.5	2.7	5.2
Business Corp.	30.6	15.4	6.5	9.4	7.5	6.8	6.8	6.4	5.9	11.3
Foreigners	32.8	28.4	21.0	27.1	33.1	31.6	42.2	55.0	51.9	93.3
TSE Non-member	9.4	5.5	3.0	3.6	3.1	2.8	3.2	2.9	2.2	4.9
Member Trading	74.6	45.0	27.1	42.6	45.5	44.9	56.1	61.4	53.5	85.5
Total	306.8	189.0	104.0	150.2	148.5	138.8	172.1	189.0	168.4	310.7

Notes: 1. "Bank" includes the other financial institutions category and "Business Corp." includes other businesses category.
 2. "TSE Non-member" means orders from TSE non-member securities firms.
 3. "Trading Value" is the total of purchases and sales.

Proportion of Trading Value (TSE 1st Section)

(%)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Individuals	23.6	23.6	20.8	20.1	16.1	17.4	15.7	11.6	10.4	21.1
Bank	16.8	13.2	11.3	14.3	15.1	13.9	15.4	17.7	19.0	13.1
Insurance Co.	1.6	1.9	2.3	1.4	1.7	2.0	1.3	1.2	1.4	1.3
Investment Trust	10.0	11.2	10.0	9.1	6.8	4.5	4.6	2.9	1.6	1.7
Business Corp.	10.0	8.2	6.3	6.3	5.0	4.9	4.0	3.4	3.6	3.7
Foreigners	10.7	15.1	20.3	18.0	22.3	22.8	24.5	29.1	30.9	30.0
TSE Non-member	3.1	2.9	2.9	2.4	2.1	2.0	1.9	1.6	1.3	1.6
Member Trading	24.3	23.8	26.1	28.4	30.7	32.4	32.6	32.5	31.8	27.5

Notes: 1. "Bank" includes the other financial institutions category and "Business Corp." includes other businesses category.
 2. "TSE Non-member" means orders from TSE non-member securities firms.
 3. "Trading Value" is the total of purchases and sales.

Source: Tokyo Stock Exchange

Trading Value by Type of Investor (JASDAQ)

(Billions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999
Individuals	745.6	2,393.2	4,786.6	5,614.4	5,081.5	1,653.5	879.9	10,478.7
Bank	142.6	354.0	587.1	493.7	585.2	329.8	200.0	993.8
Insurance Co.	39.1	44.1	54.1	58.2	65.6	23.0	8.6	35.3
Investment Trust	147.8	393.3	768.2	642.2	802.9	301.5	98.6	687.9
Business Corp.	239.0	447.4	762.5	741.6	767.1	396.7	235.1	1,115.8
Foreigners	218.7	724.9	1,143.1	1,042.6	1,337.9	967.4	677.3	2,545.7
Brokers	19.7	34.9	70.1	72.3	74.2	32.5	14.3	458.9
Principal Trading	366.8	743.5	1,408.1	1,779.9	1,811.6	686.9	305.1	2,776.1
Total	1,919.7	5,135.7	9,580.2	10,445.3	10,526.4	4,391.9	2,419.3	19,092.8

Notes: 1. "Bank" includes the other financial institutions category and "Business Corp." includes other businesses category.
 2. "Brokers" means orders from other brokers executed on an agency basis.
 3. "Trading Value" is the total of purchases and sales.

Proportion of Trading Value (JASDAQ)

(%)

	1992	1993	1994	1995	1996	1997	1998	1999
Individuals	38.8	46.6	50.0	53.8	48.3	37.6	36.4	54.9
Bank	7.4	6.9	6.1	4.7	5.6	7.5	8.3	5.2
Insurance Co.	2.0	0.9	0.6	0.6	0.6	0.5	0.3	0.2
Investment Trust	7.7	7.6	8.0	6.1	7.6	6.9	4.1	3.6
Business Corp.	12.4	8.7	8.0	7.1	7.3	9.0	9.7	5.8
Foreigners	11.4	14.1	11.9	10.0	12.7	22.0	28.0	13.3
Brokers	1.0	0.7	0.7	0.7	0.7	0.7	0.6	2.4
Principal Trading	19.1	14.5	14.7	17.0	17.2	15.6	12.6	14.5

Notes: 1. "Bank" includes the other financial institutions category and "Business Corp." includes other businesses category.
 2. "Brokers" means orders from other brokers executed on an agency basis.
 3. "Trading Value" is the total of purchases and sales.

Net Purchases by Type of Investor (TSE 1st Section)

(Billions of Yen)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Individuals	1,671	-2,432	22	-1,147	-2,033	-250	-1,967	-703	-654	-1,842
Bank	-3,025	365	602	2,687	2,094	-506	2,869	4,040	4,825	-974
Insurance Co.	19	60	-280	-13	-392	-1,658	-507	-895	-1,010	-1,425
Investment Trust	1,305	-1,786	-16	-338	-1,504	-978	-974	-1,254	-402	353
Business Corp.	1,089	-1,381	-301	-1,799	-1,452	-878	-843	-135	-573	-1,600
Foreigners	-2,685	5,063	560	1,011	3,615	3,579	3,160	1,372	-443	8,463
TSE Non-member	65	-246	-76	-130	-171	4	-127	64	-30	72
Member Trading	1,842	1,432	-37	411	514	1,121	-910	-2,062	-1,331	-2,580

Notes: 1. "Bank" includes the other financial institutions category and "Business Corp." includes other businesses category.

2. "TSE Non-member" means orders from TSE non-member securities firms.

Source: Tokyo Stock Exchange

Net Purchases by Type of Investor (JASDAQ)

(Billions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999
Individuals	-80.4	-242.9	-311.9	-198.6	-265.2	-131.7	-79.9	-324.0
Bank	13.3	37.0	102.5	67.4	108.5	51.3	4.6	23.3
Insurance Co.	18.9	9.6	12.5	5.7	2.0	2.8	2.3	-1.1
Investment Trust	11.7	138.0	216.3	97.1	103.1	-47.9	-1.8	135.4
Business Corp.	12.9	-72.0	-126.5	-41.2	-75.2	-11.3	12.3	-179.0
Foreigners	20.6	127.6	112.5	66.9	125.3	102.8	55.8	138.3
Brokers	3.1	-0.1	-3.8	-0.4	0.8	1.1	0.0	18.6
Principal Trading	-3.3	-4.1	-12.3	-3.0	-21.6	-22.0	-10.0	17.3

Notes: 1. "Bank" includes the other financial institutions category and "Business Corp." includes other businesses category.

2. "Brokers" means orders from other brokers executed on an agency basis.

Source: Japan Securities Dealers Association

Household Financial Assets

(Trillions of Yen)

	1997	1998	1999
Currency and Deposits	695.7	727.0	751.8
Bonds	67.5	58.7	53.0
Shares and Other Equities	84.3	77.9	122.2
Securities Investment Trusts	25.4	26.1	29.4
Insurance and Pension Reserves	346.4	360.3	374.4
Others	49.1	46.0	42.5
Total	1,273.9	1,300.6	1,377.1

Note: "Bonds" includes trust beneficiary rights.

Composition of Household Financial Assets

(%)

	1997	1998	1999
Currency and Deposits	54.6	55.9	54.6
Bonds	5.3	4.5	3.8
Shares and Other Equities	6.6	6.0	8.9
Securities Investment Trusts	2.0	2.0	2.1
Insurance and Pension Reserves	27.2	27.7	27.2
Others	3.9	3.5	3.1

Note: "Bonds" includes trust beneficiary rights.

Major Economic Indicators

Major Interest Rates, Yields and Economic Indicators

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Official Discount Rate	%	6.00	4.50	3.25	1.75	1.75	0.50	0.50	0.50	0.50	0.50
Call Rate (Uncollateralized Overnight)	%	8.34	5.56	3.91	2.44	2.28	0.46	0.44	0.47	0.32	0.05
CDs 3-to-6 months	%	8.299	6.040	3.748	2.043	2.318	1.180	0.557	0.562	0.694	0.223
Repos 3 months	%	7.609	5.710	3.418	1.704	2.054	0.228	0.249	0.231	0.141	0.067
Bank Debentures 5 year	%	6.850	5.575	4.527	2.381	3.995	1.853	1.721	1.633	1.930	1.274
Newly Issued JGBs 10 year	%	6.520	5.505	4.805	3.330	4.555	3.190	2.760	1.910	1.970	1.645
JGBs Futures 10Y yield	%	6.806	5.553	4.766	3.613	4.735	3.356	2.882	2.326	2.509	2.047
Corporate Bonds 12 year	%	6.862	6.115	5.431	4.062	4.820	3.504	3.115	2.825	3.024	2.059
Prime Rate (Short-term)	%	8.250	6.625	4.500	3.000	3.000	1.625	1.625	1.625	1.500	1.375
Prime Rate (Long-term)	%	8.100	6.900	5.500	3.500	4.900	2.600	2.500	2.300	2.200	2.200
M2+CDs	%	11.7	3.6	0.6	1.1	2.1	3.0	3.3	3.1	4.0	3.6
GDP Nominal	Trillions of Yen	438.8	463.2	471.9	476.7	478.8	489.7	504.4	507.6	497.3	493.8
Change in GDP Nominal	%	8.0	5.6	1.9	1.0	0.4	2.3	3.0	0.6	-2.0	-0.7
GDP Real	Trillions of Yen	436.0	448.9	450.6	452.8	455.7	469.4	490.0	489.7	480.2	482.3
Change in GDP Real	%	5.5	2.9	0.4	0.5	0.6	3.0	4.4	-0.1	-1.9	0.5
Contributions to Changes in GDP (Domestic Demand)	%	5.2	2.2	-0.2	0.6	0.9	4.0	4.4	-1.5	-2.2	0.6
Private Demand	%	4.7	1.7	-1.6	-0.6	0.7	3.0	4.4	-1.0	-2.4	0.6
Public Demand	%	0.5	0.5	1.4	1.2	0.3	1.0	0.0	-0.4	0.2	0.0
Change in Industrial Production Index of Mining and Manufacturing	%	4.1	1.7	-6.1	-3.8	0.9	3.3	2.3	3.6	-7.1	0.8
Change in Consumer Price Index	%	3.1	3.3	1.6	1.3	0.7	-0.1	0.1	1.8	0.6	-0.3
Wholly Unemployed Ratio	%	2.1	2.1	2.2	2.5	2.9	3.2	3.4	3.4	4.1	4.7
Change in Employees	%	3.3	3.5	2.3	1.6	0.7	0.5	1.1	1.3	-0.4	-0.7
Yen / Dollar Rate	Yen / Dollar	135.40	125.25	124.65	111.89	99.83	102.91	115.98	129.92	115.20	102.08

Notes: 1. Major interest rate and "Yen / Dollar Rate" are as of the end of year.
2. Figures of GDP relational is as of the end of fiscal year.
3. "% Change" is compared to the preceding year.

Sources: Bank of Japan, Economic Planning Agency, Management and Coordination Agency, Ministry of International Trade and Industry, Japan Bond Trading Co., Tokyo Stock Exchange, Japan Securities Dealers Association

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Japan Securities Dealers Association

5-8, Nihonbashi Kayabacho 1-chome, Chuo-ku,

Tokyo 103-0025 Japan

Tel.:03-3667-8454 (Planning Department)
