

**Securities Industry
Performance and
Market Overview**

FACT BOOK

2001

Japan Securities Dealers Association

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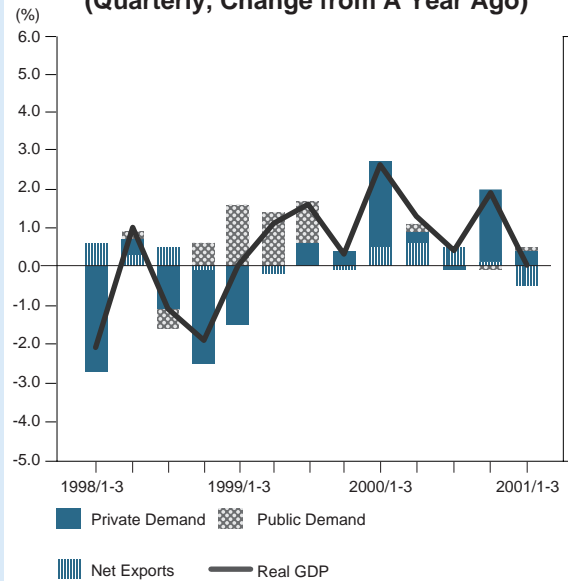
Securities Market in 2000 (Overview)

Economic and Financial Conditions

Japan's economy in 2000 continued to be driven by exports and by private sector capital investment. Beginning from the summer, however, there was a marked decline in private sector demand and exports began to lag, causing the economic to slow.

In financial markets, in view of the improvement in corporate profits due to increased production levels, the Bank of Japan decided to end its "zero interest rate policy" in August causing short-term money market rates to rise. Despite an upward trend in long-term interest rates after the termination of the zero interest rate policy, long-term interest rates moved within a box between 1.5% to 1.6% in the second half of the year in reaction to the darkening economic mood prompted by the bankruptcies of a major department store and some life insurance companies.

**Real GDP Growth Rate & Contributions to Changes in Real GDP
(Quarterly, Change from A Year Ago)**



Source: Cabinet Office

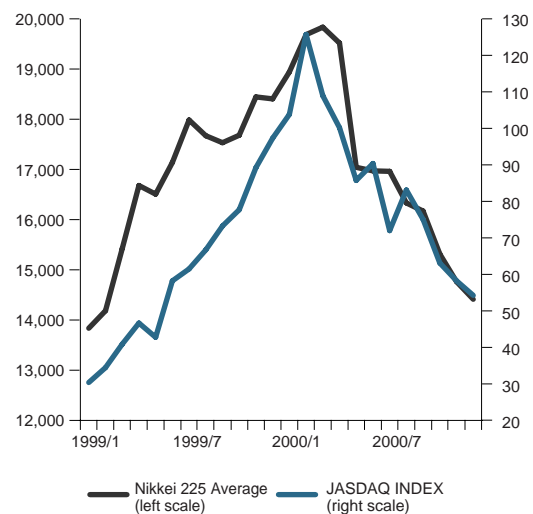
Events surrounding Securities Markets

During 2000, the stock market fell back into decline after last year's rally as foreign investors began to sell off holdings in reaction to a correction in overseas markets.

The securities industry continued to experience a change in business style along with the progress of information technology. During the year, the number of online trading accounts continued to rocket upward and transactions based on proprietary trading systems (PTSs) got under way. Securities companies, banks, and insurance companies further pursued strategic business alliances through mergers, integration, and other business tie-ups.

Moreover, full-fledged competition began in the high-growth and emerging companies stock market with the introduction of the market make trading system on JASDAQ and the start of trading on Nasdaq Japan.

Stock Price and Index



Note: Monthly figures of Nikkei 225 is average of daily figures, and JASDAQ INDEX is as of the end of month.
Sources: The Nihon Keizai Shinbun Inc., Japan Securities Dealers Association

Securities Industry

Total recurring profits of the 289 companies in the securities industry for the fiscal year ended March 2001 amounted to ¥589.3 billion. Despite posting profits for the third consecutive year, this represented a 53% drop from recurring profits in the previous fiscal year.

Operating revenues declined principally because of the significant decrease in brokerage income. Among operating expenses, however, operating & administrative expenses increased again.

Net income amounted to ¥287.3 billion, while ROE was again positive, at 4.5%.

Capital Markets

The value of equity issues made by public companies to raise funds declined to ¥1.9 trillion, approximately 20% of last year's level. Straight bond issuance increased 10.4%, to ¥8.2 trillion. Public bond issues advanced 5.6%, to ¥113 trillion because of the growth in government issues.

Secondary Stock Markets

The Nikkei 225 stock average started the year on a high note in April, at 20,833.21, but entered a slump in the second half because of a correction in overseas markets and emerging concerns over the faltering domestic economy, ending the year down nearly 30% at 13,785.69.

Average daily volume on the First Section of the Tokyo Stock Exchange reached the 600 million mark for the second consecutive year.

Average daily trading volume on JASDAQ, the OTC market, hit the 10 million share mark for the second consecutive year, but stock prices moved downward in the second half. At ¥10.2 trillion, total market capitalization at the end of the year was less of 40% of the record level reached in the previous year.

Bond Markets

The long-term rate began the year at 1.695% and headed toward 1.7%, but the end to the zero interest rate policy and concerns about oversupply

of government bonds due to further issuance to cover the supplementary budget caused yields to rise. In fall 2000, however, falling stock prices raised expectations for easing of monetary policy, driving yields down. The long-term rate ended the year at 1.639%.

Transaction volume rose to a record high of ¥4,067 trillion, mainly due to active trading in medium-term notes and financial bills.

Investment Trusts

Total assets in equity funds declined during the second half of the year because of the fall in the stock market. Total assets in bond & income funds also decreased because redemptions of MMFs increased due to a rise in short-term interest rate under the influence of the termination of the zero interest rate policy and a relative drop of yield compared with other financial products. Total assets held in investment trust at the end of the year amounted to ¥49,399.2 billion, down 4% from the previous year.

Investors and their Deposits and Investments

Despite the weak equity markets, the number of individual shareholders of listed stocks, assisted partially by a reduction in the size of trading units, grew for the fifth consecutive year, rising by 1.92 million to 32.15 million shareholders to top the 30 million level for the second consecutive year. The proportion of shares held by foreign investors hit a record high of 18.8%, marking the sixth successive year of record growth.

Looking at equity buying and selling trends, the trading volume of individuals fell substantially from the previous year in contrast to an increase in the trading volume of foreign investors, who continued to maintain a high level of activity.

Total household liquid financial assets at the end of 2000 amounted to ¥1,390 trillion, virtually the same as in the previous year. Because of the drop in the stock market, however, the proportion of shares and other equities declined to 6.6%, down 1.8 percentage points from the previous year.

Securities Industry

Securities Industry Performance

Overview: Total recurring profits drop 53%

Looking at the overall performance of the industry (289 securities companies) during the fiscal year ended March 2001, total operating revenues were affected by the substantial decline in brokerage income, decreasing 15%, to ¥3,213.2 billion. Total operating expenses expanded 4%, to ¥2,635.2 billion. Consequently, total recurring profit amounted to ¥589.3 billion, dropping 53% from the previous fiscal year.

Although lower sales volume contributed to the decline in performance, lower commissions due to the liberalization of equity brokerage fees in October 1999 remained the main factor in performance.

Total Operating Revenues: Commissions decline significantly

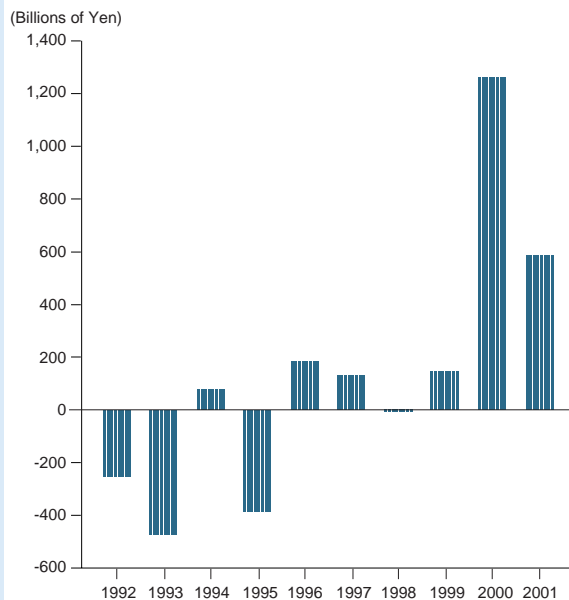
Among revenues, commissions slid 28%, to ¥2,018.5 billion. Trading gain increased 13%, to ¥771.3 billion. Financial revenues expanded 31%, to ¥423.4 billion.

The large drop in brokerage commissions due to the decline in equity brokerage fees, down 44% year on year, was the main contributor to the fall in commissions.

Similar to the previous fiscal year, trading gain rose because the growth in equity-related gains exceeded the decline in bond-related gains.

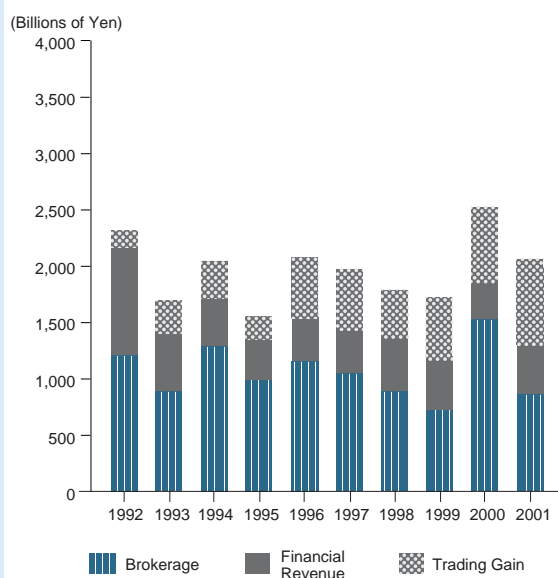
Financial revenues increased principally because of a large increase in dividends and interest on bonds.

Securities Industry Recurring Profits (Loss)



Source: Japan Securities Dealers Association

Operating Revenues



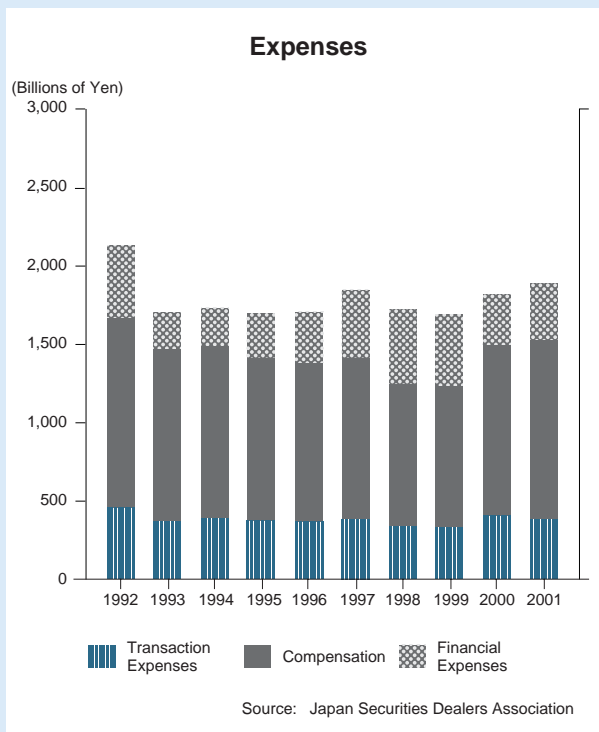
Source: Japan Securities Dealers Association

Expenses: Total operating and administrative expenses rise for the second consecutive year

Among expenses, operating & administration expenses edged up 3%, to ¥2,265.0 billion while financial expenses climbed 16%, to ¥370.2 billion.

The growth in operating & administration expenses can mainly be attributed to the substantial increase in compensation expenses due to the hiring of additional securities staff because of the robust equity market.

Financial expenses expanded along with the growth in financial income.

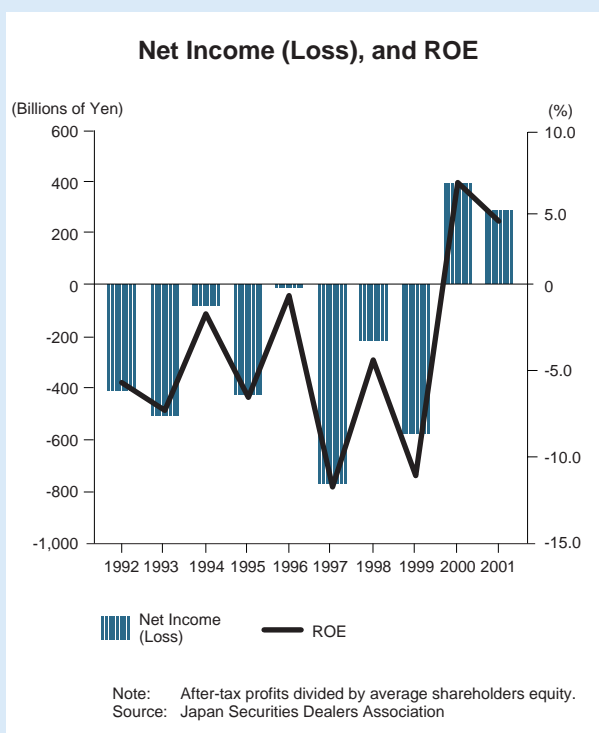


Profitability of Securities Firms: ROE is positive for the second consecutive year

Although large extraordinary losses were recorded during the fiscal year by some securities companies due to accrued retirement benefit expenses related to a change in accounting standards, the overall industry posted net income of ¥287.3 billion.

Despite the 27% drop in net income compared with the ¥392.0 billion registered in the previous fiscal year, return on equity (ROE) was positive for the second successive year, at 4.5%.

Looking at individual securities firms, 154 companies recorded profits (net income basis), a decline of 68 companies from the previous year.



Performance Trends by Type of Securities Firm

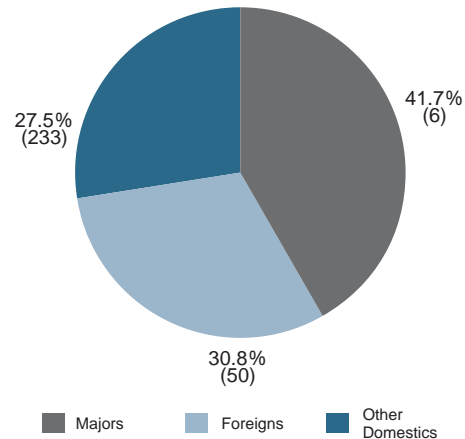
Operating revenues: The proportion of major and foreign securities firms rises

Looking at operating revenues by category for the fiscal year ended March 2001, approximately 70% of total operating revenues were accounted for by the major six securities firms with paid-in capital of ¥100 billion or more and the remaining 233 other domestic securities firms.

On the other hand, the 50 foreign securities firms accounted for 30.8% of total operating revenues. Compared with the previous fiscal year, major securities firms' share of operating revenues climbed 5.7 percentage points while the share of foreign securities firms advanced 7.6 percentage points. Reflecting this growth, the proportion of operating revenues accounted by the remaining domestic securities firms dropped 10.7 percentage points.

This change occurred because although commissions declined throughout the industry, the trading and financial income of major and foreign securities firms increased compared with the previous fiscal year.

Composition of Total Operating Revenues (FY 2000)



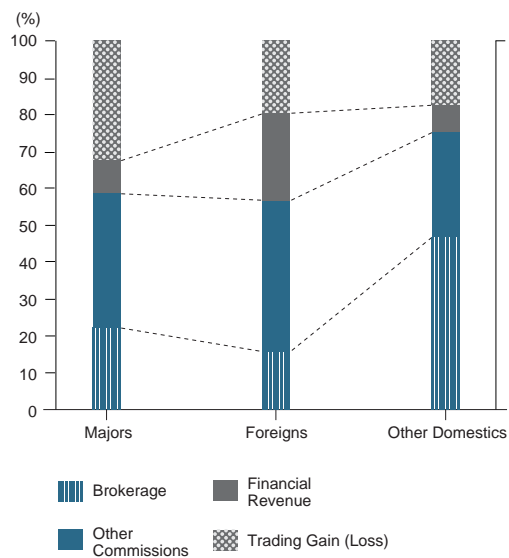
Note: No. of corporations indicated in parentheses.
Source: Japan Securities Dealers Association

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

Looking at operating revenues by category for the fiscal year ended March 2001, major securities companies achieved a good balance in their revenue structures. Domestic securities firms, however, despite the recent drop in commissions, continued to have a high dependence on brokerage commissions, which accounted for approximately 47% of their operating revenues.

On the other hand, foreign securities companies compensated for decline in commissions thanks to their revenue structures, which are centered on underwriting, intermediation services for overseas markets, and fee-based advisory and M&A services. In addition, foreign securities companies have a high proportion of financial revenues.

Operating Revenue Structure by Type of Securities Firm (FY 2000)



Source: Japan Securities Dealers Association

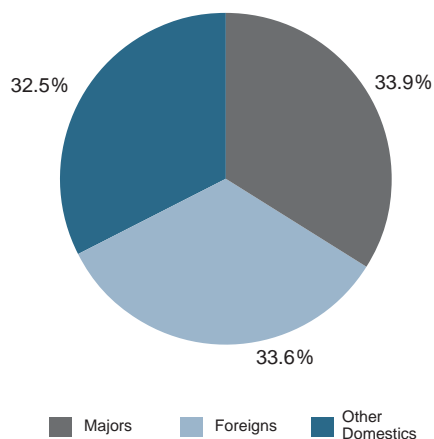
Total Operating Expenses: Major securities firms and other domestic securities firms account for approximately two thirds of expenses

Looking at operating expenses by category for the fiscal year ended March 2001, major securities firms and other domestic securities firms 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 33.6%.

In comparison with last year's results, the proportion accounted for by major securities firms increased 4.6 percentage points while that of foreign securities firms expanded 1.9 percentage points. In contrast, the proportion accounted for by other securities firms decreased by 3.5 percentage points.

The changes in the proportion of operating expenses were mainly caused by an increase in the transaction, compensation and financial expenses of major securities firms. Growth in compensation and financial expenses of foreign securities firms also contributed to these changes.

Composition of Total Operating Expenses (FY 2000)



Source: Japan Securities Dealers Association

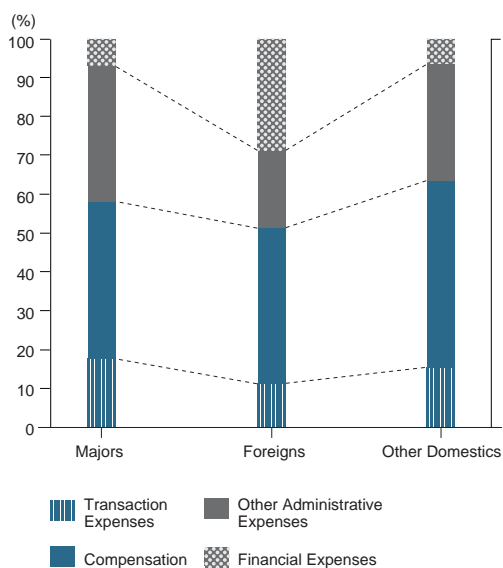
Operating Expense Structure: The proportion of compensation expenses grows

Looking at operating expense by category for the fiscal year ended March 2001, compensation expenses grew substantially because of the increased hiring of employees. In particular, the compensation expenses of securities firms other than the major and foreign securities firms accounted for nearly half of their total operating expenses.

Financial expenses had particularly high weighting in the total operating expenses of foreign securities firms because of increased capital financing related to Repo transactions.

Occupancy & equipment and compensation expenses for domestic securities firms accounted for approximately twice the weight as that for foreign securities firms.

Expenses Structure by Type of Securities Firm (FY 2000)

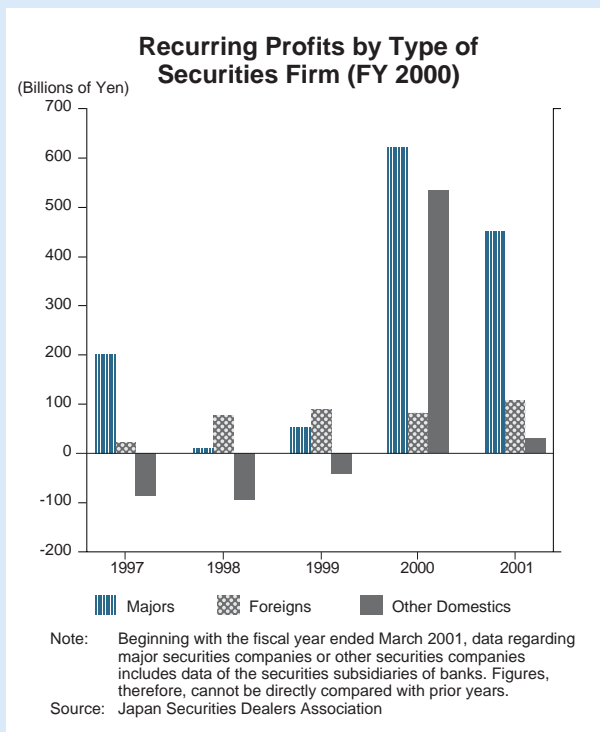


Source: Japan Securities Dealers Association

Performance: Foreign securities firms increase profits

Considering performance by type of securities firm for the fiscal year ended March 2001, the recurring profits of major securities firms decreased 27%, to ¥451.1 billion, while those of other domestic securities firms dropped 94%, to ¥30.5 billion, reflecting the large decrease in brokerage income.

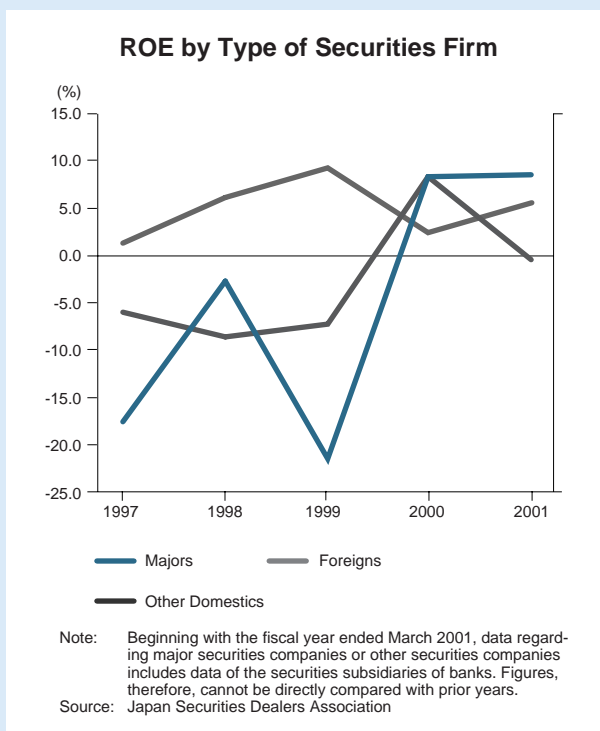
In contrast, the recurring profit of foreign securities firms jumped 47%, to ¥107.6 billion, rebounding from last year's loss to again post profits.



Profitability: Major securities firms achieve high ROE

During the fiscal year ended March 2001, major securities companies and other domestic securities companies again booked significant extraordinary losses, albeit less than in the previous fiscal year. Foreign securities companies also recorded extraordinary losses. Nevertheless, on a net income basis, several business categories again posted profits; major securities firms, ¥249.5 billion and foreign securities firms, ¥45.8 billion.

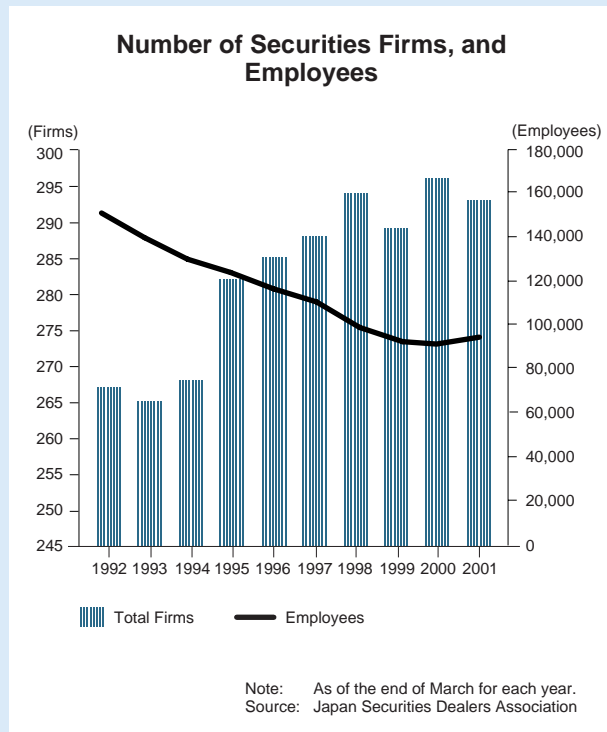
As a result, looking at return on equity (ROE) by category, major securities firms registered high ROEs, remaining virtually the same as in the previous fiscal year, at 8.3%.



Number of Securities Firms and Employees: Employee numbers edged up

During the fiscal year under review, despite some companies from other industries entering the market, the total number of securities firms decreased by a net of three firms, to 293 companies. The decline was principally due to successive mergers among domestic securities firms.

The number of employees, however, edged up in defiance of the prolonged downward trend from the peak of 167,000 at the end of June 1991, rising to approximately 94,000 at the end of March 2001, an increase of 3,000 from the previous fiscal year.

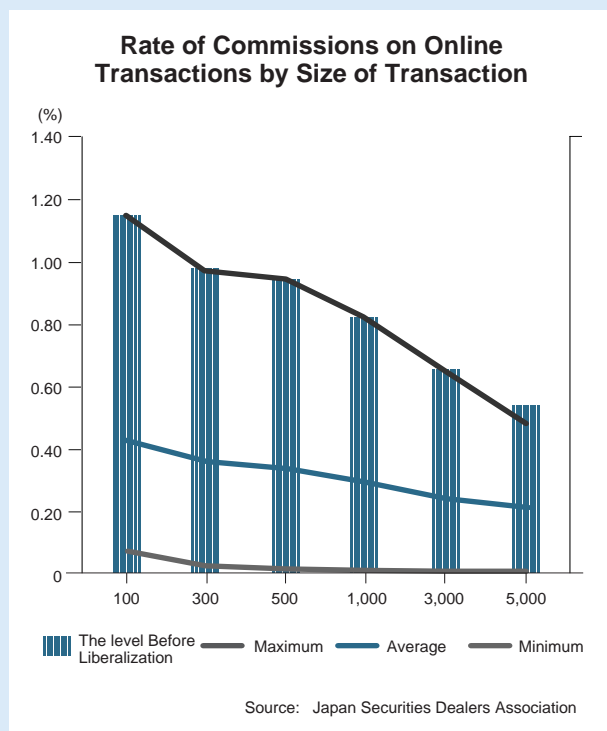


Impact of Deregulation: Continued drop in online transaction commissions

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.

During the one year period from the end of March 2000 to the end of March 2001, the number of Internet accounts increased by 19.33 million.

While commissions for full service transactions by salespersons remained at approximately 90% of the pre-liberalization figures, the commissions for online transactions have dropped further to the 30% level.



Operating Revenues

(Billions of Yen)

	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3
Total Operating Revenues	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	3,213.2
Commissions	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	2,018.5
Brokerage	1,207.5	888.5	1,289.8	988.1	1,157.7	1,051.3	885.5	726.4	1,536.8	867.0
(Equity)	1,119.0	787.8	1,109.6	866.7	972.6	928.3	800.4	662.4	1,488.3	823.5
Underwriting	163.0	107.2	148.9	187.3	181.6	264.8	118.7	163.9	259.9	228.2
Selling	176.9	133.3	241.8	177.6	213.9	255.0	224.7	237.4	442.7	262.4
Financial Revenue	959.5	518.1	421.8	362.9	373.4	381.8	475.5	441.0	323.1	423.4
Trading Gain	147.9	290.4	340.2	207.4	552.7	545.5	429.6	552.0	680.6	771.3

Note: Firms that were not in business as of the end of March for each year are excluded.

Operating Expenses

(Billions of Yen)

	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3
Total Operating Expenses	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	2,635.2
Operating & Administrative Expenses	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	2,265.0
Transaction Expenses	462.0	371.3	395.1	374.4	360.9	379.1	328.1	325.1	406.6	390.8
Compensation	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	1,135.8
Occupancy & Equipment	414.4	422.9	391.2	374.1	350.9	335.8	290.9	292.2	284.5	294.0
Data Processing & Stationary	343.6	306.9	284.2	270.5	251.2	251.5	204.9	208.7	224.4	239.2
Financial Expenses	459.1	236.8	241.7	288.6	324.3	439.2	478.7	455.2	318.3	370.2

Note: Firms that were not in business as of the end of March for each year are excluded.

Source: Japan Securities Dealers Association

Revenue, Expense, Asset and Liabilities

(Billions of Yen)

	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3
Total Revenues	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	3,244.2
Total Expenses	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	2,654.9
Recurring Profits (Loss)	-251.9	-470.2	77.6	-390.6	185.6	128.4	-9.5	144.8	1,254.0	589.3
Net Income	-407.3	-505.5	-80.1	-422.0	-3.2	-764.1	-215.3	-572.6	392.0	287.3
Assets	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	114,650.5
Liabilities	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	108,021.7
Equity	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	6,628.8
ROE	-5.4%	-7.2%	-1.2%	-6.2%	-0.05%	-11.6%	-3.9%	-10.9%	6.8%	4.5%

Notes: 1. "Total revenues (expenses)" is the sum of total operating revenues (expenses) and other revenues (expenses).
2. Firms that were not in business as of the end of March for each year are excluded.

Revenue and Expenses Structure

(%)

	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	
Revenue Structure Total=100%											
Brokerage		39.7	38.5	45.3	43.6	40.9	36.3	34.7	28.0	40.3	26.7
Underwriting		5.4	4.6	5.2	8.3	6.4	9.1	4.7	6.3	6.8	7.0
Selling		5.8	5.8	8.5	7.8	7.6	8.8	8.8	9.1	11.6	8.1
Other Commissions		11.2	14.1	12.9	14.0	11.4	12.9	15.3	17.6	14.5	20.4
Financial Revenues		31.5	22.4	14.8	16.0	13.2	13.2	18.7	17.0	8.5	13.1
Trading Gain		4.9	12.6	12.0	9.1	19.5	18.8	16.9	21.3	17.8	23.8
Other Revenue		1.6	2.0	1.3	1.2	1.0	0.9	1.0	0.7	0.6	1.0
Expense Structure Total=100%											
Floor Costs		4.8	4.3	5.3	5.1	5.0	5.2	4.9	5.1	6.4	4.6
Communications		4.6	4.6	4.7	4.5	4.4	4.2	3.9	4.0	4.1	4.0
Advertising		1.5	1.2	1.1	1.1	1.0	1.1	0.9	1.1	1.6	2.8
Other Transactions		3.0	3.2	3.2	3.4	3.3	3.3	3.1	3.1	3.7	3.4
Compensation		36.7	39.6	39.7	39.1	38.7	37.4	36.0	37.2	43.3	42.8
Occupancy		12.6	15.2	14.1	14.1	13.3	12.2	11.4	11.9	11.1	11.1
Data Processing		10.4	11.0	10.3	10.2	9.5	9.1	8.0	8.5	8.8	9.0
Other Administrative		11.5	11.6	12.1	10.8	12.1	10.9	12.4	9.3	7.2	7.7
Financial Expenses		13.9	8.5	8.7	10.9	12.2	15.9	18.7	18.6	12.4	13.9
Other Expenses		0.9	0.8	0.8	0.9	0.5	0.7	0.7	1.2	1.4	0.7

Note: Firms that were not in business as of the end of March for each year are excluded.
Source: Japan Securities Dealers Association

Revenue and Expenses Structure by Type of Securities Firms (FY 2000)

(%)

	Majors	Foreigns	Other Domestics
Operating Revenue Structure Total=100%			
Brokerage Commission	22.3	15.7	46.7
Underwriting Commission	7.1	9.5	4.4
Selling Commission	11.3	0.2	12.3
Other Commission	18.2	31.4	12.0
Financial Revenue	9.1	23.8	7.5
Trading Gain	32.0	19.4	17.0
Operating Expenses Structure Total=100%			
Transaction Expenses	17.9	11.2	15.4
Compensation	40.3	40.2	49.0
Occupancy & Equipment	14.1	6.4	12.9
Data Processing & Stationary	12.9	5.0	9.3
Other Operating & Administrative Expenses	7.9	8.2	7.2
Financial Expenses	6.8	28.9	6.2

Net Income, Equity and ROE by Type of Securities Firm

(Billions of Yen)

	1997.3	1998.3	1999.3	2000.3	2001.3
Net Income (Loss)					
Majors	-633.8	-82.2	-542.1	206.6	249.5
Foreigns	5.4	31.7	58.4	18.9	45.8
Other Domestics	-121.1	-157.4	-123.3	152.1	-8.1
Equity					
Majors	3,249.6	2,677.7	2,351.3	2,645.0	3,360.9
Foreigns	480.2	563.4	706.5	822.3	846.3
Other Domestics	1,920.4	1,706.8	1,666.9	2,049.5	2,421.6
ROE					
Majors	-17.6%	-2.8%	-21.6%	8.3%	8.3%
Foreigns	1.2%	6.1%	9.2%	2.5%	5.5%
Other Domestics	-6.1%	-8.7%	-7.3%	8.2%	-0.4%

Notes: 1. Firms that were not in business as of the end of March for each year are excluded.
2. Beginning with the fiscal year ended March 2001, data regarding major securities companies or other securities companies includes data of the securities subsidiaries of banks. Figures, therefore, cannot be directly compared with prior years.

Source: Japan Securities Dealers Association

Composition of Total Equity by Type of Securities Firm

(%)

	1997.3	1998.3	1999.3	2000.3	2001.3
Majors	52.2	48.7	44.6	42.8	50.7
Foreigns	7.7	10.2	13.4	13.3	12.8
Other Domestic	30.9	31.0	31.6	33.1	36.5
Total	100.0	100.0	100.0	100.0	100.0

Notes: 1. Firms that were not in business as of the end of March for each year are excluded.
 2. Beginning with the fiscal year ended March 2001, data regarding major securities companies or other securities companies includes data of the securities subsidiaries of banks. Figures, therefore, cannot be directly compared with prior years.

Composition of Total Employees by Type of Securities Firm

(%)

	1997.3	1998.3	1999.3	2000.3	2001.3
Majors	37.8	33.9	33.5	31.3	36.6
Foreigns	6.2	8.0	8.9	10.0	11.0
Other Domestic	54.4	56.0	55.9	56.5	52.4
Total	100.0	100.0	100.0	100.0	100.0

Notes: 1. Firms that were not in business as of the end of March for each year are excluded.
 2. Beginning with the fiscal year ended March 2001, data regarding major securities companies or other securities companies includes data of the securities subsidiaries of banks. Figures, therefore, cannot be directly compared with prior years.

Number of Securities Firms, Employees, and Offices

	Total Firms	TSE Member Firms	Employees (in Thousands)	Registered Representatives (in Thousands)	Offices
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
2000	297	122	94.7	72.8	2,308

Source: Japan Securities Dealers Association

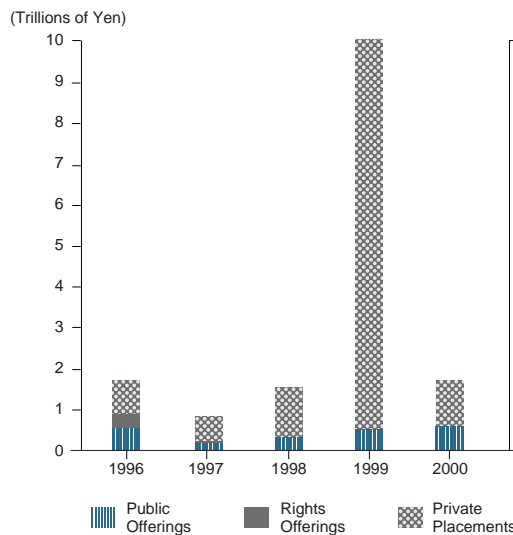
Capital Markets

Equity Financing Slumps about 80%

Equity financing (excluding exercise of warrants) by publicly listed companies in 2000 fell from ¥10,046 billion in the previous year to ¥1.9 trillion, dropping about 80%.

By issuing categories, total private placements declined substantially, falling from ¥9.5 trillion to ¥1.2 trillion because of the lack of the large M&A related issue and the capital infusion of banks with public funds that occurred in the previous fiscal year.

**Equity Financing by Corporations
(excludes exercises of Warrants)**



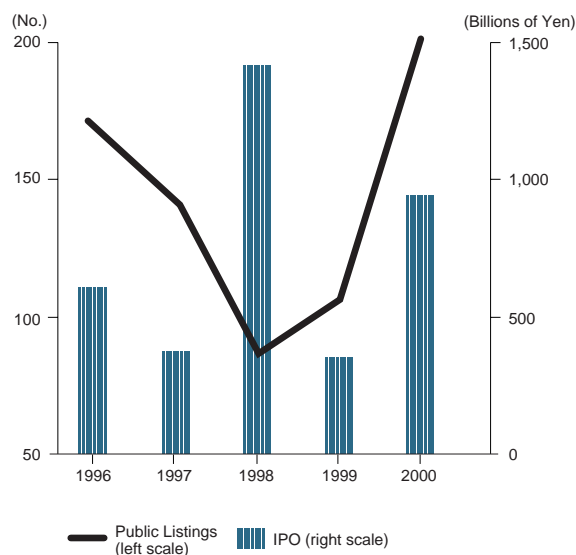
Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

Large Increases in Number of Listings and IPOs of High-Growth and Emerging Companies

As a result of the June 2000 opening of Nasdaq Japan on the Osaka Securities Exchange and other factors, there were many listings of high-growth and emerging companies during the fiscal year. A total of 203 companies went public-97 listed on JASDAQ and 106 listed on stock exchanges, including 27 companies listing on the Tokyo Stock Exchange's Mothers market and 33 companies listing on Nasdaq Japan. This represented an increase of 97 companies from the previous year.

Total capital raised through IPOs grew significantly because of the large number of newly listing companies, rising 2.6 times from ¥354.0 billion to ¥941.0 billion.

Number of Public Listings and IPO Amounts

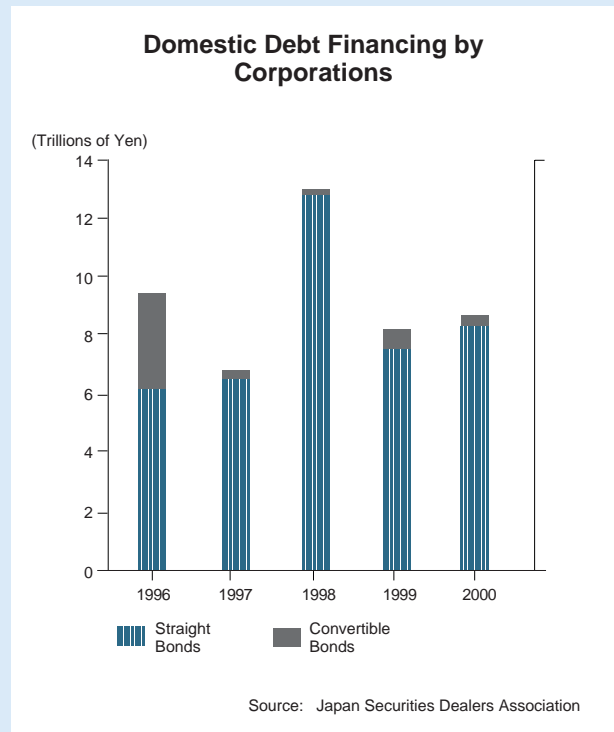


Source: Japan Securities Dealers Association

Domestic Straight Bond Issuance About the Same

Corporate debt financing was approximately the same as in the previous fiscal year, at ¥8.6 trillion. Looking at types of issues, funding needs declined for corporations because of the prolonged stagnation in the economy and financial restructuring efforts to reduce debt burdens, resulting in low levels of corporate bond financing. However, in reaction to the lifting of the ban on straight bond issues by commercial banks in October 1999, other straight bond issues rose to ¥6.5 trillion, up ¥1.3 trillion.

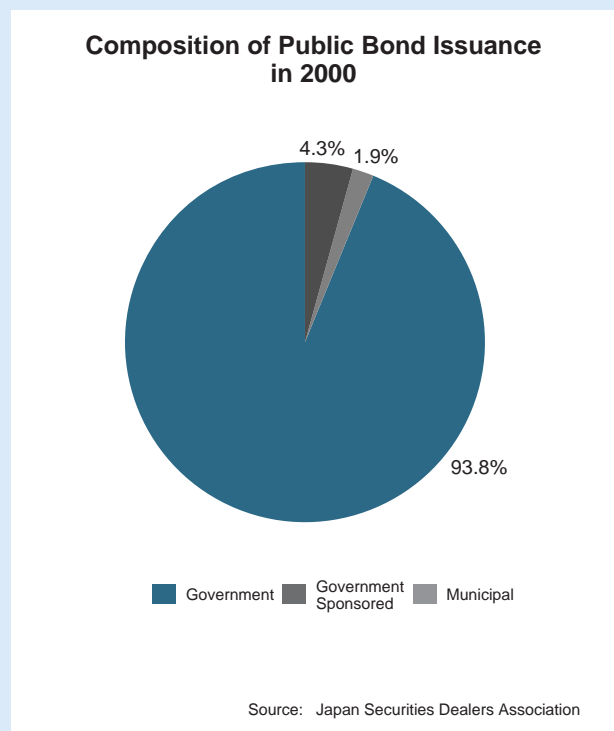
Because the cost of raising yen denominated funds remained low during the fiscal year, there was a continuous string of major issues by European and United States companies. Consequently, yen denominated overseas debt offerings rose from ¥0.9 trillion, to ¥2.5 trillion.



Public Bond Issuance Rises for the Third Consecutive Year

Public bond issuance hit a record high for the third consecutive year, jumping ¥6 trillion, to ¥113 trillion. The expanded planned issuance can be attributed the government's continued increase in government bond and other public bond issues for public subscription and a full shift to public auctions for government sponsored bonds in April 2000. By type of bond, medium-term bond issuance rose from ¥12.7 trillion to ¥28.2 trillion due to the government's efforts to diversify issuing terms to curtail the rising interest rate on long-term JGBs. It was the first time that issuance of medium-term bonds had exceeded that of long-term bonds.

In addition to 10-year municipal bonds, issuance of 5-year municipal bonds got under way during the fiscal year. Bonds with 5-year terms were also added to government sponsored bonds, as the diversification of terms progressed in categories other than government bonds, increasing issuance.



Equity Financing by Corporations

(Billions of Yen)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Listed Companies										
Public Offerings	125	4	7	236	33	305	128	284	370	572
Rights Offerings	218	110	47	9	95	337	72	0	0	8
Private Placements	103	102	150	238	210	757	593	1,167	9,444	1,109
Total Listed Companies	447	216	205	485	338	1,400	794	1,451	9,815	1,690
JASDAQ Companies										
Public Offerings	-	-	-	59	128	257	45	49	156	117
Rights Offerings	3	0	1	-	-	0	1	-	0	2
Private Placements	62	10	6	11	2	67	14	41	74	113
Total JASDAQ Companies	66	11	8	70	131	325	60	91	231	233
Total Corporate New Equity Issues										
Public Offerings	125	4	7	296	161	563	173	333	527	690
Rights Offerings	221	111	49	9	95	337	74	0	0	10
Private Placements	166	112	156	250	212	825	607	1,209	9,518	1,223
Total	513	227	213	555	470	1,726	854	1,543	10,046	1,924
Initial Public Offerings			421	760	382	609	377	1,416	354	941

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)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Straight Bonds										
Domestic	2,381	3,010	3,710	2,970	5,046	6,146	6,526	12,784	7,498	8,276
Overseas	4,026	4,057	2,951	824	549	1,160	1,403	901	1,307	752
Convertible Bonds										
Domestic	1,091	566	1,689	2,860	737	3,289	270	246	592	357
Overseas	379	414	532	411	418	575	547	118	407	294
Bonds with Warrants										
Domestic	381	-	-	-	-	-	-	-	-	-
Overseas	3,882	1,662	1,820	887	492	646	62	-	216	16
Total										
Domestic	3,854	3,576	5,399	5,830	5,783	9,435	6,796	13,030	8,090	8,633
Overseas	8,289	6,134	5,304	2,123	1,461	2,382	2,013	1,019	1,931	1,064

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)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Government Bonds	38,567	43,888	51,314	55,855	65,677	72,219	67,824	84,804	102,050	105,996
Public Subscriptions	32,364	35,695	39,083	47,487	54,663	54,825	54,864	61,395	88,057	99,335
Long-term (over 10 years)	1,343	1,000	1,345	1,534	2,008	1,533	1,594	2,195	2,599	5,394
Long-term (10 and 6 year)	9,920	10,292	10,504	14,711	16,551	15,578	14,985	17,316	23,662	20,943
Med-term (2-to-4 years)	1,870	1,529	2,706	5,673	5,479	5,576	4,618	5,521	12,734	28,207
Med-term (zero-coupon 5 year)	309	282	266	264	257	257	250	239	243	390
Treasury Bills	18,921	22,591	24,260	25,304	30,366	31,879	33,415	36,122	48,817	44,399
Municipal Bonds	903	1,027	1,396	1,552	1,967	1,893	1,852	1,722	1,998	2,200
Gov. Sponsored Bonds	1,951	1,852	2,123	2,747	2,952	3,106	2,939	2,271	2,966	4,854
Total Public Bonds	41,422	46,768	54,833	60,154	70,597	77,218	72,615	88,797	107,015	113,050

Notes: 1. From 1994, 6-year bonds were included in long-term government bonds.
2. Municipal bonds and government sponsored bonds data includes only public offerings.

New Issuance of Corporate Bonds

(Billions of Yen)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Corporate Bonds	3,854	3,576	5,399	5,830	5,783	9,435	6,796	13,030	8,090	8,633
Electric Power Bonds	1,765	1,785	1,810	1,345	1,625	1,515	1,555	2,465	1,718	1,522
NTT, JR Bonds	200	180	160	290	150	285	220	420	515	160
Other Straight Bonds	416	1,045	1,740	1,335	3,271	4,346	4,751	9,899	5,265	6,594
Convertible Bonds	1,091	566	1,689	2,860	737	3,289	270	246	592	357
Bonds with Warrants	381	-	-	-	-	-	-	-	-	-
Bank Debentures	44,151	47,911	45,100	36,040	42,594	43,966	30,780	23,305	24,517	20,979
Samurai Bonds	681	1,149	1,685	1,212	1,616	3,923	2,145	329	935	2,542
Nonresident Euroyen Bonds	3,290	3,328	5,102	10,194	10,955	12,676	17,872	11,302	N.A.	N.A.

Note: "-" indicates nil.

Source: Japan Securities Dealers Association

Outstanding Public Bonds

(Trillions of Yen)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Government Bonds	170.1	176.4	184.8	201.4	218.7	239.2	254.1	280.1	320.5	359.1
Public Subscriptions	107.1	111.0	117.2	132.7	148.5	161.3	170.7	182.7	216.1	257.3
Long-term (over 10 years)	13.0	14.0	15.3	16.9	18.9	20.4	22.0	22.9	23.5	27.4
Long-term (10 and 6 year)	78.7	82.0	85.8	93.4	103.8	111.0	117.9	126.7	142.6	151.8
Med-term (2-to-4 years)	3.9	3.3	4.2	8.3	12.2	16.2	16.9	17.2	24.7	47.2
Med-term (zero-coupon 5 year)	2.3	2.0	1.6	1.4	1.3	1.3	1.2	1.2	1.2	1.3
Treasury Bills	9.0	9.4	10.0	10.5	12.0	12.2	12.4	14.5	23.9	29.3
Municipal Bonds	7.3	7.6	8.2	9.0	10.1	11.2	12.2	13.1	14.5	16.0
Gov. Sponsored Bonds	19.8	19.6	19.6	20.3	21.6	22.9	23.9	20.6	21.8	25.1
Total Public Bonds	197.3	203.7	212.8	230.9	250.5	273.3	290.4	313.9	356.9	400.3

Note: Municipal bonds and government sponsored bonds data includes only public offerings.

Outstanding Corporate Bonds

(Trillions of Yen)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Corporate Bonds	29.7	31.7	35.3	38.1	41.6	47.5	49.8	57.5	58.9	62.5
Electric Power Bonds	8.4	9.5	10.5	11.2	12.2	12.8	13.6	15.2	15.7	15.8
NTT, JR Bonds	1.5	1.6	1.6	1.8	1.9	2.0	2.0	2.1	2.5	2.5
Other Straight Bonds	1.1	2.0	3.6	4.8	7.8	11.6	15.7	24.6	28.1	32.4
Convertible Bonds	16.7	16.6	17.9	19.5	19.2	20.7	18.1	15.3	12.5	11.6
Bonds with Warrants	1.8	1.7	1.4	0.4	0.3	0.3	0.2	0.1	-	-
Bank Debentures	73.6	78.4	78.3	78.2	76.6	76.0	67.2	56.9	56.6	49.6
Samurai Bonds	6.1	6.4	7.4	8.0	9.2	12.2	12.0	9.9	8.3	8.2

Note: "-" indicates nil.

Source: Japan Securities Dealers Association

New Issuance of Private Placements

(Billions of Yen)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Municipal Bonds	1,471	2,316	4,372	6,091	6,376	6,172	4,407	4,767	5,425	3,302
Gov. Agency Bonds	5,458	6,753	7,145	6,717	5,335	4,762	4,968	6,373	3,712	2,253
Corporate Bonds	1,763	1,040	530	407	244	368	501	765	655	1,153
Total	8,693	10,111	12,048	13,216	11,956	11,304	9,878	11,866	9,793	6,708

Outstanding Private Placements

(Trillions of Yen)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Municipal Bonds	12.0	12.7	15.3	19.8	24.7	26.5	29.2	32.2	35.4	36.2
Gov. Agency Bonds	35.8	39.9	44.6	48.9	52.0	53.9	55.7	48.5	48.1	45.5
Corporate Bonds	3.2	4.2	4.5	4.5	4.3	3.9	3.4	3.0	3.0	3.6
Total	51.1	56.9	64.5	73.3	81.1	84.4	88.4	83.8	86.6	85.5

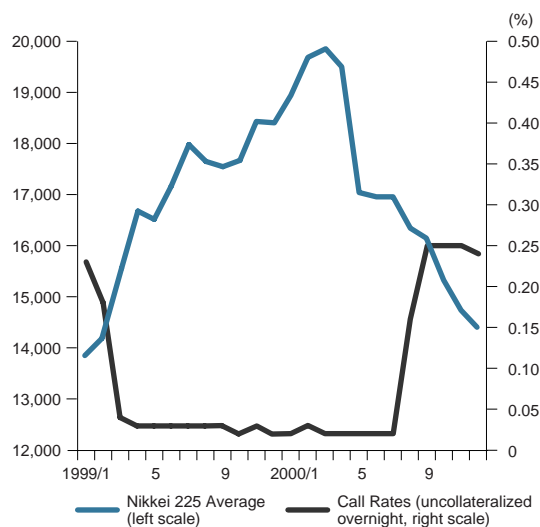
Source: Japan Securities Dealers Association

Secondary Stock Markets

Stock Prices Drop Approximately 30%

The stock market began the year on the rise, driven by IT-related stocks. The Nikkei 225 stock average passed the 20,000 mark during mid-February for the first time since July 1997 or about two years, continuing to rise throughout early April. However, due to the slowdown in the U.S. market, which the Nikkei 225 has a stronger correlation with since the mid-April 2000 change in its composition, and the growing concern over the direction of the Japanese economy, stock prices began to move downward. Under pressure from the application of a major department store for protection under the Civil Rehabilitation Law in July, the elimination of the zero interest rate policy in August, and the successive business failure of three life insurance companies, the Nikkei 225 fell to 13,785.69 at year end, down 27.2% from the beginning of the year.

Nikkei 225 Stock Average vs Short-Term Money Market Rates

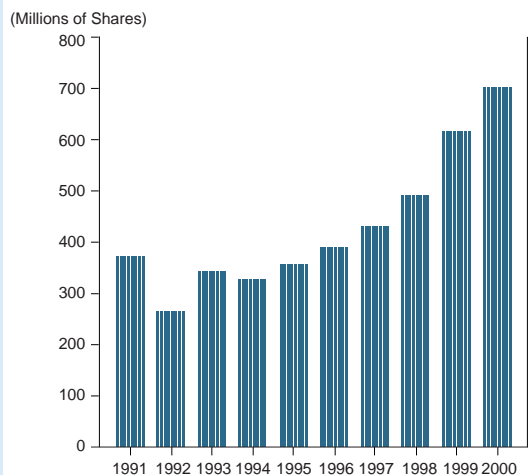


Note: Data are monthly averages.
Sources: Bank of Japan, Nihon Keizai Shinbun, Inc.

Average Daily Volume on TSE Remains at Last Year's Level

The average daily volume of the First Section of the Tokyo Stock Exchange (TSE) increased 10.8%, to 684 million shares a day, rising above the 600 million mark for the second consecutive year. The robust conditions at the beginning of the year and a reduction in the trading unit size supported this growth. The average daily trading volume also advanced, rising 34.6%, to ¥978.4 billion and closing in on the ¥1 trillion level. On a full year basis, total trading volume increased 12.2%, to 169.6 billion shares while aggregate trading value rose 36.3%, to ¥242,632.3 billion. Total market value at the end of the year declined 21.3%, to ¥352,784.7 billion.

Daily Volume on TSE (1st Section)

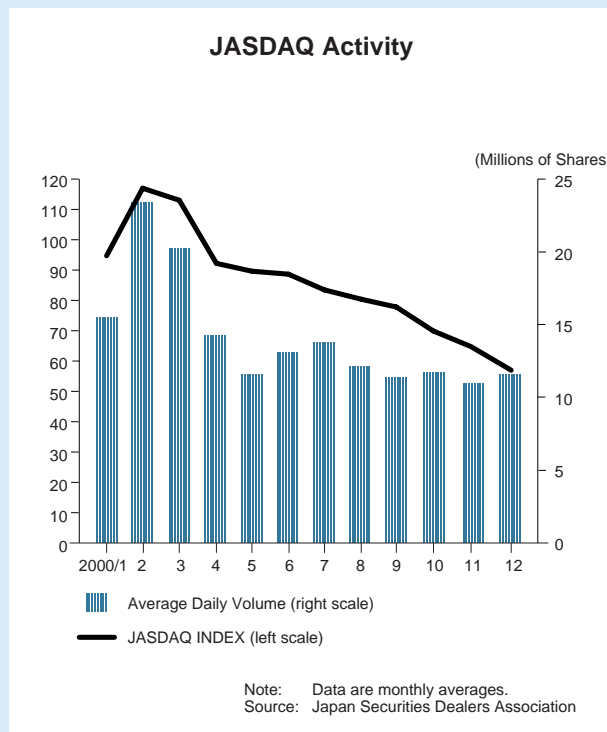


Source: Tokyo Stock Exchange

JASDAQ INDEX Slumps

Trading volume and stock prices were strong on the JASDAQ market at the beginning of the year. However the sharp decline in the NASDAQ market in the United States prompted a marked correction on JASDAQ, centered mainly on the IT-related stocks that had been driving the market. In addition, large capitalization companies moved to the stock exchange during the year, also leading to a fall in trading volume and prices. The JASDAQ INDEX started the year at 97.96 points, rose to a high of 129.02 points on February 21, 2000, and then lost substantial ground, ending the year at 54.20 points.

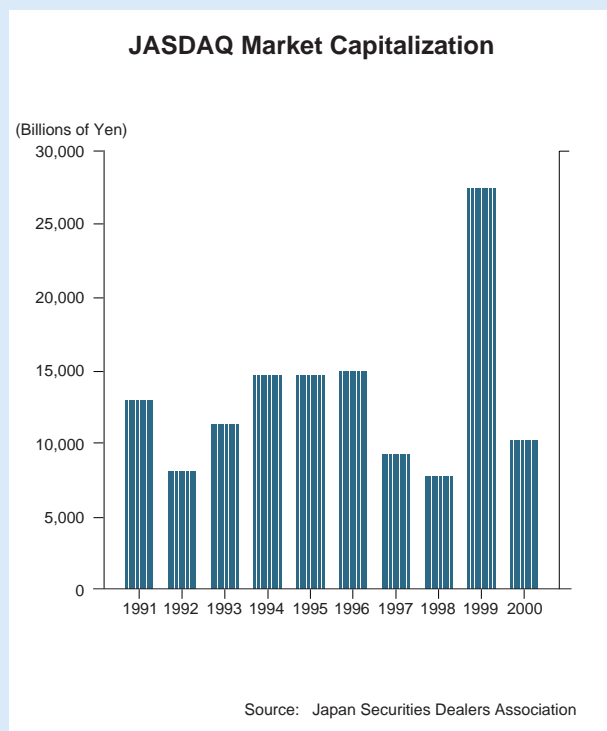
Although daily trading volume for February was 23.42 million shares, which was a record high on a monthly basis, total trading volume fell under the impact of the slump in stock prices in the second half, decreasing 18.2%, to 3.5 billion shares. Aggregate trading value slid 6.3%, to ¥11.4 trillion compared with the previous fiscal year.



JASDAQ Capitalization Drops Substantially

Total capitalization of the JASDAQ market dropped to ¥10.2 trillion at the end of 2000, less than 40% of total capitalization in the previous year. Capitalization fell because of the influence of the correction in the U.S. NASDAQ market with its high proportion of IT-related stocks and the movement of large capitalization companies from JASDAQ to the stock exchange during the year.

The total number of listed companies rose by 16, to 887, including 97 new listings.



Listed Companies

	Tokyo Stock Exchange 1st & 2nd	Tokyo Stock Exchange 1st	Osaka Securities Exchange	All Stock Exchanges	JASDAQ
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
2000	2,026	1,447	1,310	2,560	887

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

Market Capitalization

(Billions of Yen)

	Tokyo Stock Exchange 1st & 2nd	Tokyo Stock Exchange 1st	Osaka Securities Exchange	All Stock Exchanges	JASDAQ
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
2000	359,919	352,784	265,404	364,747	10,283

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
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
2000	174,147	248,292	702.2	1,001.1

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
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
2000	17,267	34,669	69.6	139.7

Source: Osaka Securities Exchange

All Stock Exchanges Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
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
2000	196,087	290,325	790.7	1,170.7

Source: All Stock Exchanges

JASDAQ Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
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
2000	3,507	11,424	14.1	46.0

Note: Includes listed issues and supervised issues.

Source: Japan Securities Dealers Association

Nikkei 225 Stock Average

	Close	%Change	High	Date	Low	Date
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
2000	13,785.69	-27.2	20,833.21	4.12	13,423.21	12.21

Source: The Nihon Keizai Shinbun, Inc.

TOPIX

	Close	%Change	High	Date	Low	Date
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
2000	1,283.67	-25.5	1,754.78	2.7	1,255.16	12.21

Source: Tokyo Stock Exchange

JASDAQ INDEX

	Close	%Change	High	Date	Low	Date
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
2000	54.20	-44.3	129.02	2.21	50.87	12.21

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
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
2000	1,242.38	-45.3	2,713.73	2.21	1,186.68	12.21

Source: The Nihon Keizai Shinbun, Inc.

Stock Index Futures

(Billions of Yen, Thousands of Contracts)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Trading Value										
NIKKEI 225	536,729	219,871	162,367	124,219	125,364	148,306	136,973	124,949	153,083	127,178
TOPIX	31,555	18,572	33,016	42,089	38,103	45,808	42,173	32,073	44,046	64,243
NIKKEI 300	-	-	-	12,400	5,964	5,589	4,125	3,567	4,038	3,826
Number of Contracts										
NIKKEI 225	21,643	11,927	8,461	6,208	7,220	7,043	7,484	8,191	9,067	7,426
TOPIX	1,676	1,358	2,156	2,623	2,745	2,857	3,035	2,726	3,157	4,148
NIKKEI 300	-	-	-	4,184	2,318	1,872	1,526	1,531	1,470	1,281

Note: NIKKEI 225 and TOPIX futures began trading on September 3, 1988. NIKKEI 300 futures began trading in February 14, 1994.

Stock Index Options

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

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Trading Value										
NIKKEI 225	5,512	4,096	2,000	1,175	1,432	928	1,270	1,166	1,374	1,372
TOPIX	117	8	8	3	8	3	2	0.1	0.6	10
NIKKEI 300	-	-	-	41	27	23	6	2	0.4	0.6
Number of Contracts										
NIKKEI 225	11,835	9,256	6,090	4,273	5,174	3,924	4,910	5,230	5,753	5,715
TOPIX	120	48	37	20	16	13	9	0.6	2	2
NIKKEI 300	-	-	-	269	122	44	7	2	0.6	0.6

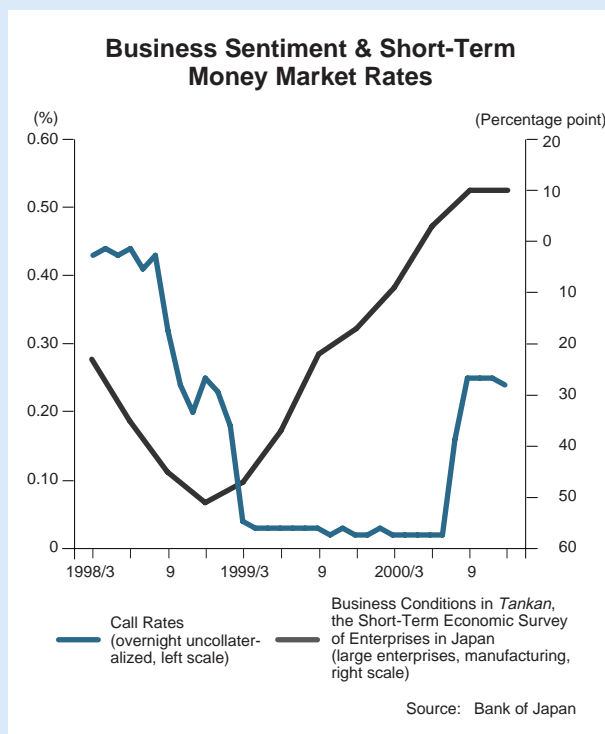
Note: NIKKEI 225 Options began trading on June 12, 1989 while TOPIX and options began trading on October 20, 1989. NIKKEI 300 Options began trading in February 14, 1994.

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

Bond Markets

Interest rate rise restrained despite elimination of zero interest rate policy

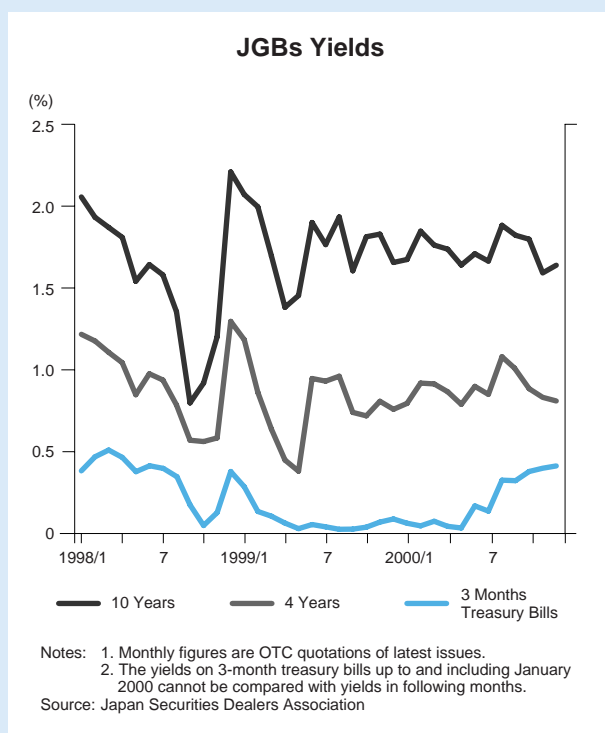
The Bank of Japan decided to introduce its so-called zero interest rate policy in February 1999 to ward off deflation concerns in the Japanese economy. Deciding that deflationary concerns had been dispelled in view of the improvement in corporate profits due to robust exports and capital investment and rising production, BOJ then terminated the policy. However, beginning in fall 2000, lagging personal consumption and a notable drop in exports against the backdrop of slowdowns in overseas economies produced darkening economic sentiment up until the end of the year. This series of events first restrained the upward pressure on interest rates in the first half due to the elimination of the zero interest rate policy, then placed upward pressure on interest rates in the second half due to the elimination of the zero interest rate policy and concerns of oversupply of government bonds because of the implementation of a supplementary budget.



Long-term Yields Drop Sharply Toward Year End

After beginning the year at 1.719%, the yield on the benchmark JGB continued to fluctuate around the 1.7% mark all the way up to July despite ongoing debate about removing the zero interest rate policy. However, entering August, the zero interest rate policy was discontinued and concerns emerged that the balance between supply and demand of government bonds had worsened because of an increase in government bond issues, pushing the yield up substantially to the upper 1.8% level.

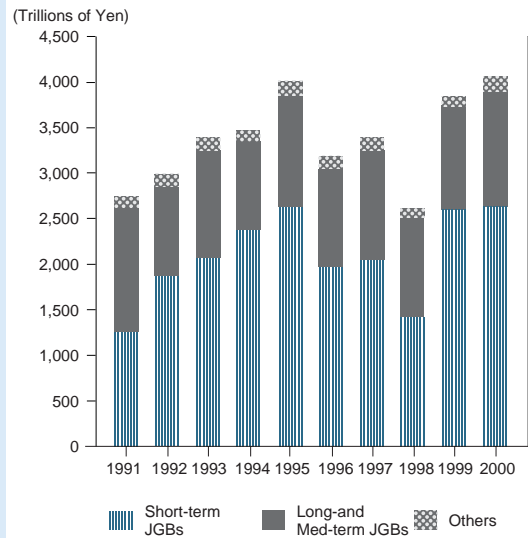
Following this movement, deteriorating expectations for the Japanese economy and sinking stock prices raised expectations of the reinstatement of an easy money policy, turning the bond yield downward again to end the year at 1.639%.



Public and Corporate Bond Trading Value Reaches Record High

The total trading value (OTC and exchanges, including Repos) of bonds increased 5.6%, to ¥4,067 trillion, passing the previous record of ¥4,063 trillion set in 1995. The increase can be attributed to sales of medium-term government bonds jumping 3.6 times due to a rise in the planned volume of medium-term bonds and continued high trading volume in financial bills. Since banks are now permitted to regularly issue corporate bonds, the number of issuers of these bonds has increased, resulting in a doubling of the trading value of other straight bonds, which exceeded the trading value of electric power bonds during the year.

OTC Bond Trading (Including Repos)

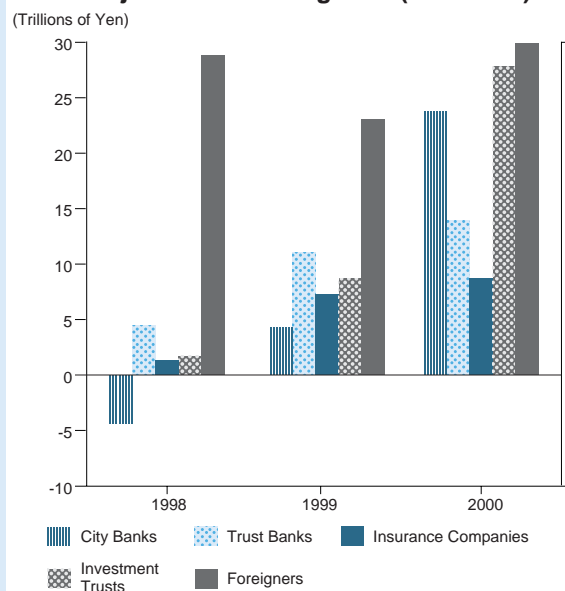


Note: "Short-term JGBs" totaled treasury bills and financial bills.
Source: Japan Securities Dealers Association

City Banks and Investment Trusts Substantially Increase Net Buying

Looking at the breakdown of net purchases, investment capital flowed into the bond market during the year against a backdrop of a faltering economy and the Nikkei average stock index hitting new yearly lows, with major categories of investors increasing their bond holdings. City banks were net buyers of ¥23.8 trillion in bonds compared with net purchases of ¥4.3 trillion in the previous fiscal year. In addition, investment trusts increased their net purchases to ¥27.9 trillion compared with ¥8.7 trillion in the previous year based on the start of full-fledged agency sales of investment trusts by banks and an increase in the number of stable, income earning investment trusts established using public and corporate bonds.

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)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total	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	4,061.1
Repos	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	2,122.2
Monthly Average	228.9	249.5	282.5	288.3	334.3	265.2	282.1	217.2	319.7	338.4
Total Government Bonds	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	3,898.0
Long-term (over 10 years)	20.3	22.1	50.5	49.7	55.0	43.5	69.3	77.6	62.1	51.6
Long-term (10 and 6 year)	1,342.5	967.6	1,127.3	901.4	1,109.8	972.9	1,091.7	959.4	995.2	975.5
Med-term (2-to-4 years)	8.0	5.5	7.4	30.7	47.7	47.6	41.8	37.6	69.0	247.4
Med-term (zero-coupon 5 year)	3.8	3.2	2.6	1.2	1.4	0.7	3.6	1.0	0.7	1.3
Treasury Bills	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	1,066.0
Financing Bills	482.6	539.8	612.7	822.3	782.1	633.1	693.5	2.4	1,085.1	1,555.9
Municipal Bonds	5.1	7.0	7.3	5.6	8.5	8.3	7.6	7.0	6.7	10.9
Gov. Sponsored Bonds	21.8	27.6	30.7	23.6	29.6	24.2	26.2	20.4	15.4	31.8
Total Corporate Bonds	8.7	9.0	13.5	10.6	17.3	18.6	19.8	21.9	23.3	38.5
Electric Power Bonds	5.9	4.6	7.5	4.9	7.9	6.4	6.7	7.4	8.4	12.7
NTT Bonds	0.7	1.1	1.2	0.8	0.8	0.8	0.4	0.4	0.5	0.6
Other Straight Bonds	1.9	3.0	4.2	4.1	6.9	10.0	11.9	13.6	11.6	25.1
Convertible Bonds	0.0	0.1	0.4	0.7	1.6	1.4	0.5	0.3	2.5	3.3
Bonds with Warrants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3
Bank Debentures	77.2	75.0	71.2	53.2	68.0	55.1	54.9	32.9	31.8	39.2
Samurai Bonds	3.5	3.0	4.6	3.6	4.5	6.1	5.6	3.0	3.1	5.1
Others	9.0	15.2	21.0	22.2	38.1	32.8	29.2	23.9	21.9	33.4

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)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total	74.3	37.8	49.2	38.6	50.4	44.9	37.1	18.4	11.1	6.4
Government Bonds	42.9	14.6	10.5	7.7	10.0	11.9	9.7	3.7	0.0	0.0
Convertible Bonds	31.3	23.1	38.5	30.7	40.0	32.6	27.1	14.6	11.0	6.4
Bonds with Warrants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-

Notes: 1. Total of Purchases and Sales.

2. All 8 stock exchanges (As of March 2000, all 6 stock exchanges).

Source: All Stock Exchanges

Trading Value of Public and Corporate Bonds by Investor Categories

(Trillions of Yen)

	FY1998			FY1999			FY2000		
	Sales	Purchases	Net	Sales	Purchases	Net	Sales	Purchases	Net
Total Financial Institutions	133.0	143.6	-10.5	135.6	165.0	-29.4	144.8	225.3	-80.4
City Banks	36.0	31.6	4.4	32.7	37.0	-4.3	42.6	66.4	-23.8
Regional Banks	10.5	11.3	-0.7	7.6	8.8	-1.1	10.0	15.3	-5.3
Long-Term Credit Banks	9.3	7.9	1.3	8.7	5.6	3.0	7.9	17.4	-9.5
Trust Banks	37.3	41.7	-4.4	39.6	50.6	-11.0	45.8	59.9	-14.0
Financial Institutions for Agriculture and Foresties	8.8	14.9	-6.0	10.4	14.8	-4.4	6.5	13.7	-7.1
Shinkin Banks	5.1	6.2	-1.0	5.6	7.4	-1.8	6.0	12.4	-6.3
Other Financial Institutions	25.7	29.8	-4.0	30.7	40.5	-9.7	23.7	36.5	-12.7
Life & Non-Life Insurance Companies	31.4	32.6	-1.2	23.9	31.3	-7.3	19.9	28.7	-8.7
Investment Trusts	15.4	17.1	-1.7	11.5	20.2	-8.7	8.8	36.8	-27.9
Mutual Aid Association of Government Agencies	5.3	6.0	-0.6	4.5	5.1	-0.6	3.3	3.1	0.1
Business Corporations	1.1	1.9	-0.8	1.0	3.1	-2.0	0.9	4.3	-3.4
Other Private Corporations	0.9	3.6	-2.7	1.0	4.6	-3.5	1.8	5.5	-3.6
Foreigners	52.3	81.2	-28.8	55.1	78.3	-23.1	47.4	77.4	-29.9
Individuals	0.6	1.5	-0.8	0.5	1.1	-0.6	0.6	2.4	-1.7
Others	64.0	35.4	28.6	110.2	41.7	68.4	185.0	35.8	149.1
Bond Dealers	476.3	473.0	3.3	454.3	451.0	3.2	563.2	567.2	-4.0
Total	780.9	796.5	-15.5	798.1	802.0	-3.9	976.1	986.9	-10.8

Notes: 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)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
10-year	1,278	1,181	1,508	1,294	1,391	1,237	1,179	1,066	965	985
20-year	0.6	0.3	0.3	0.3	0.2	0.2	0.2	0	-	-
5-year	-	-	-	-	-	26	11	19	11	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 fall back through the ¥50 trillion level

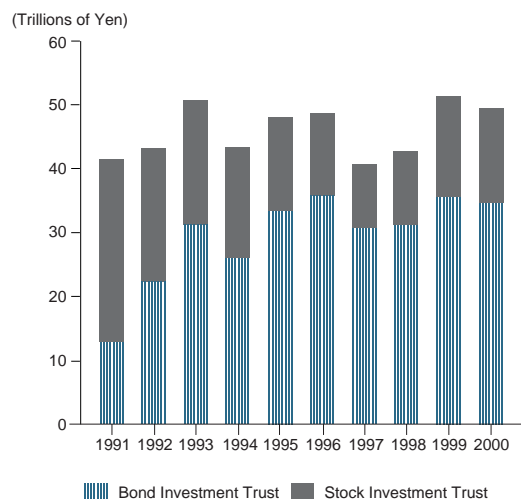
During the first half, there was a net flow of capital into investment trusts because of the strength of the stock market at the beginning of the year, the ultralow interest rate climate, and a concentrated spell of maturing of postal office time deposits. In June 2000, total investment trust assets exceeded the ¥60 trillion to hit a record high, but in the second half the slump in domestic and overseas stock markets and the end to the zero interest rate policy produced a substantial fall in the amount of assets under management.

Among stock investment trusts, total assets held in stock investment trusts dropped ¥1.1 trillion, to ¥14.6 trillion because of the stagnation in stock markets that began in the second half of the year.

Total assets held in bond investment trusts declined ¥1 trillion, to ¥34.7 trillion based on a large amount of redemptions of money management money funds (MMFs).

Consequently, total investment trust assets decreased 4%, to ¥49,399.2 billion, falling back through the ¥50 trillion level achieved in the previous fiscal year.

Total Assets Held in Stock and Bond Investment Trusts



Source: The Investment Trusts Association

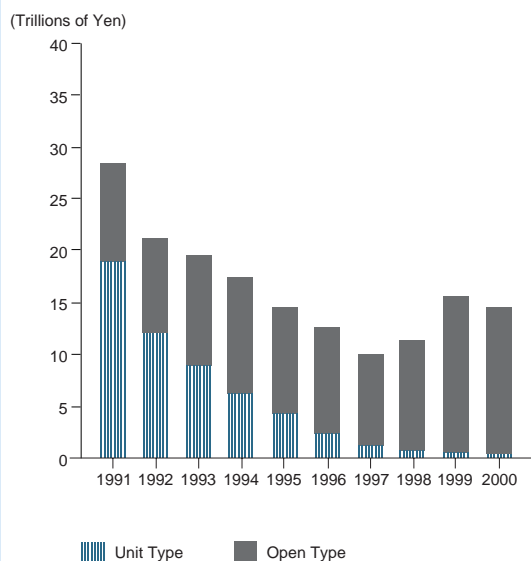
Stock Investment Trusts: Total assets head downward

Total assets in stock investment trusts at the end of the year were down 7%, to ¥14.6 trillion, as the amount of assets under management (approximately ¥5 trillion) declined because of the weak stock market.

In open-ended trusts, capital continued to flow into these funds during the first half because of the formation of new funds prompted by the robust stock, but in the second half, the deteriorating performance of funds due to the decline in the stock market in the second half and the movement of capital out of stock investment trusts resulted in a 6% decline in open-ended trusts, to ¥14.2 trillion.

Unit-type trusts declined 34.9%, to ¥370.0 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)



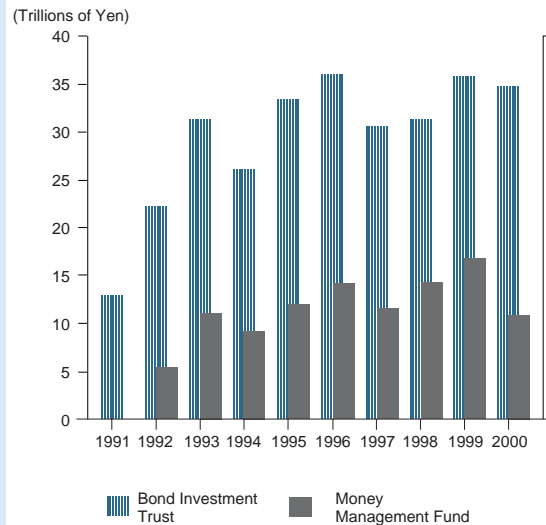
Source: The Investment Trusts Association

Bond Investment Trusts: Long-term bond and medium-term government securities funds increase

Total assets in bond investment trusts at the end of the year edged down 2%, to ¥34.7 trillion.

Looking at fund types, the reversal in interest rate movement caused by the end of the zero interest rate policy in August 2000 produced a large volume of redemptions of MMFs, bringing down total assets in these funds by 35%, to ¥11 trillion. Medium-term government securities funds and long-term bond funds, however, expanded significantly because the scheduled introduction of market value accounting for their assets starting in April 2001 allowed these funds to offer better projected yield figures compared with other financial products.

Total Assets Held in Bond Investment Trusts



Source: The Investment Trusts Association

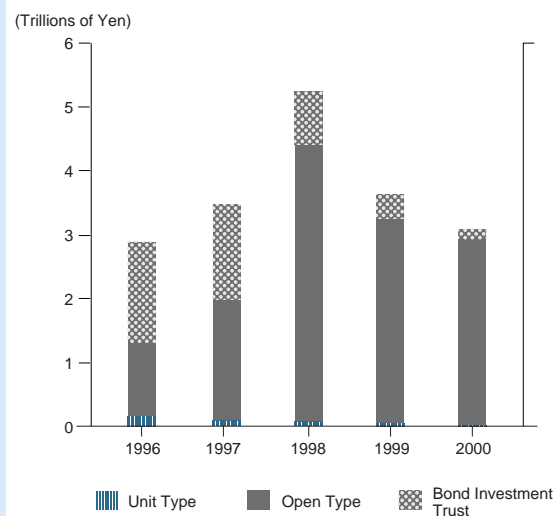
Foreign Currency Denominated Trusts: Funds decline because of slumping overseas markets

Total assets held in foreign currency-denominated funds at the end of the year dropped 15.6%, to ¥3,059 billion because of the appreciation of the yen against other currencies and the correction in U.S. stock markets.

Stock investment trusts, the mainstay of foreign currency-denominated funds, decreased 10.6%, to ¥2,883.7 billion, accounting for 94% of this type of fund.

Looking at foreign currency-denominated investment funds by investment region, assets held in U.S. investments totaled ¥1,685 billion, accounting for 55% while assets held in United Kingdom investments came in second, at ¥192.2 billion or 6%. Assets held in the Euro-zone countries totaled ¥768.9 billion or 25% 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
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
2000	14,259	251	14,008

Stock Investment Trust Assets

(Billions of Yen)

	Total	Unit Type	Open Type
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
2000	14,610	373	14,236

Source: The Investment Trusts Association

Bond Investment Trust Gross Sales and Assets

(Billions of Yen)

	Sales	Assets	Assets of Money Management Fund
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
2000	75,775	34,788	10,971

Note: "-" indicates nil.

Foreign Currency-Denominated Investment Trust Assets

(Billions of Yen)

	Unit Type	Open Type	Bond	Total	Held in U.S. Investment
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
2000	12	2,871	175	3,059	1,685

Source: The Investment Trusts Association

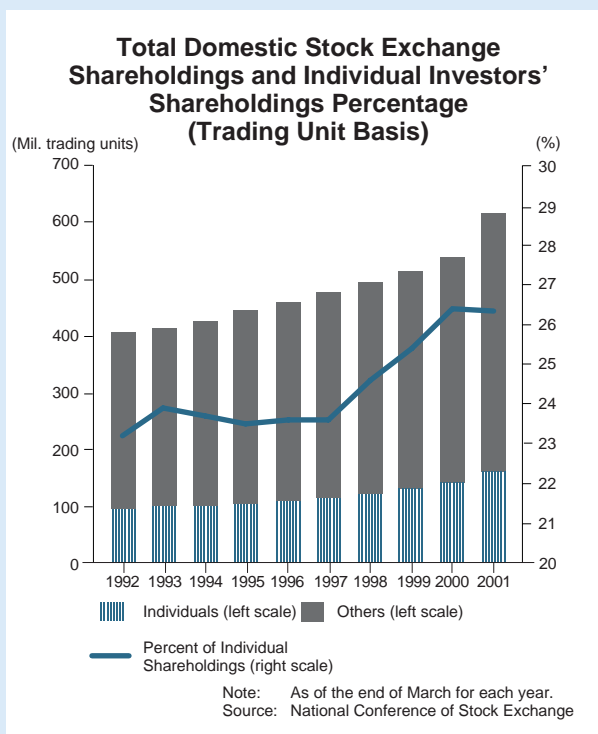
Investor Trends

Number of Individual Investors Surpasses 30 Million for the Second Consecutive Year

According to a survey by the National Conference of Stock Exchanges, the number of individual shareholders at the end of March 2001 rose by 1,920,000 to 32.15 million, surpassing the 30 million for the second consecutive year.

The percentage of stock outstanding held by individual investors on a trading unit basis declined for the first time in six years, but at 26.3%, but remain around the same level as in the previous year. The percentage of stock outstanding held by foreign investors on a trading unit basis set a new record for the third consecutive year, at 13.2%.

According to the fiscal 2000 results of the JSDA's annual survey of the composition of shareholders of stocks listed on the JASDAQ, the number of individual shareholders amounted to 1,084,000, expanding for the sixth consecutive year. In addition, the holdings of individual shareholders rose to 49.3%, the highest level since the survey began.

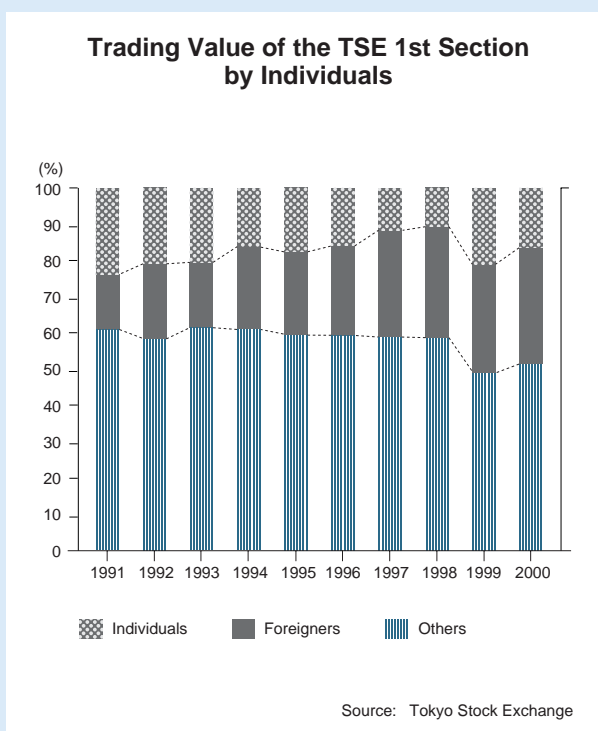


Active Trading by Foreigners Continues

In 2000, the proportion of the total trading value of the First Section of the Tokyo Stock Exchange (TSE) accounted for by individual investors fell a significant 5.1 percentage points to 16.0%, reflecting the downturn in the stock market.

Foreigners increased their share of the total trading value of the TSE 1st Section by 2.5 percentage points, to 32.5%, setting another record high and reaching the ¥100 trillion mark.

Among JASDAQ stocks as well, the trading value of individual investors dropped 13.9 percentage points, to 41.0% of trading value. Foreigners, however, expanded their share by 5.2 percentage points, to 18.5% and reached the ¥3 trillion level.

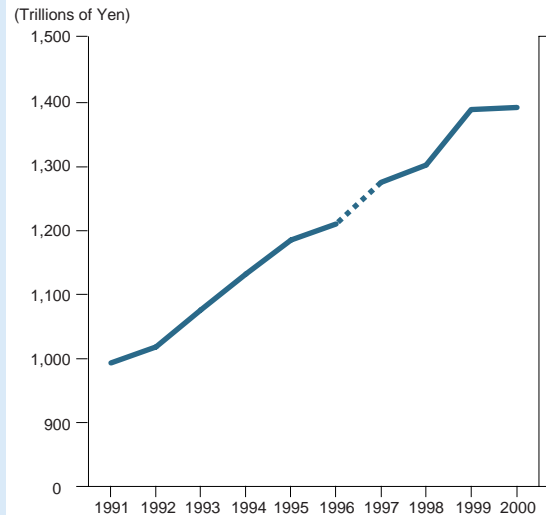


Financial Assets of Individuals Top ¥1,390 trillion

The financial assets of individuals at year-end 2000 edged up 0.3% or ¥4 trillion, to ¥1,390.2 trillion, approximately the same level as in the previous year. The proportion of shares and other equities declined 21% or ¥24.4 trillion due to the downswing in stock markets. In contrast, the elimination of the zero interest rate policy pushed up short-term interest rates, resulting in a 1.5% or ¥11 trillion increase in cash and time deposits and a 2.4% or ¥9 trillion increase in insurance and pension reserves. Securities investment trusts rose to the ¥30 trillion level.

The benefits of expansion of the sales channels of financial institutions and diversification of their sales method through the use of Internet transactions and other method is expected to steadily contributed to increased financial assets of individuals.

Household Financial Assets



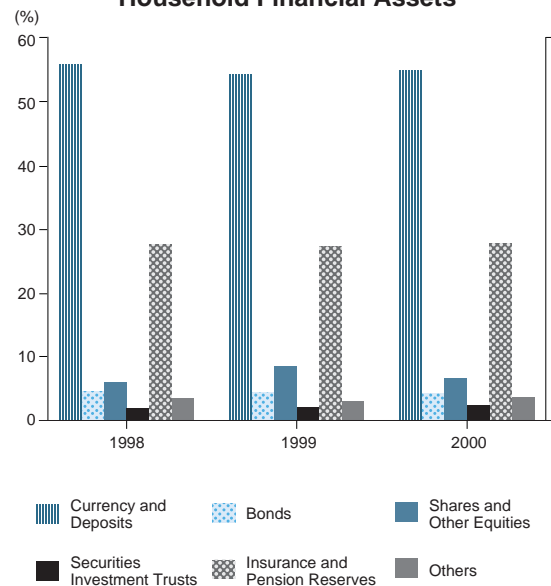
Note: Not consistent since the year 1996.
Source: Bank of Japan

Weighting of Shares and Other Equities Fall While Investment Trusts Rise

Looking at the composition of the financial assets of individuals at year-end 2000, the proportion of shares and other equities declined 1.8 percentage points, to 6.6% while the weighting of bonds edged down 0.3%, to 4.1%. Meanwhile, the proportion of cash and time deposits reversed the downward trend of the previous year, increasing 0.7 percentage points, to 54.9%.

The proportion of investment trusts increased 0.3 percentage points, to 2.4%. A foundation for offering investment trusts that are attractive investments is steadily being formed, with the establishment of a variety of investment schemes such as provided by the introduction of a Japanese version of real estate investment trusts (REITs) and exchange-traded funds (ETFs). Through these changes, it is expected that the role of investment trusts as an efficient investment tool in the asset portfolios of individuals will continue to grow.

Composition of Household Financial Assets



Source: Bank of Japan

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

(Trillions of Yen)

	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3
Individuals	66.1	67.9	73.4	61.9	75.9	65.0	58.5	62.4	82.9	68.9
Government	0.8	1.0	0.9	1.0	1.1	0.7	0.6	0.6	0.5	0.5
Bank	72.5	73.2	81.0	70.8	87.4	76.4	69.6	72.5	85.8	70.5
Pension Trust	3.3	3.8	5.1	5.0	7.0	8.0	11.8	15.6	23.1	19.6
Investment Trust	11.0	10.4	10.7	8.1	8.4	6.8	4.9	4.4	10.2	9.8
Insurance Co.	52.6	53.2	58.0	49.0	57.2	49.1	43.4	43.1	49.2	38.5
Business Corp.	94.5	93.4	103.7	86.2	105.8	85.8	75.9	83.5	120.1	77.4
Foreigners	19.6	20.7	28.2	25.2	40.9	40.0	41.1	46.5	85.9	66.5
Securities Firms	5.0	3.9	4.8	3.6	5.3	3.1	2.0	1.8	3.8	2.5
Total	325.9	327.9	366.3	311.1	389.4	335.4	308.0	330.8	461.9	354.7

Notes: 1. "Government" includes local public bodies.
2. Figures refer to all Exchange-listed stocks and exclude foreign stocks.

Share of Total Equities Outstanding

(%)

	1992.3	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3
Individuals	20.3	20.7	20.0	19.9	19.5	19.4	19.0	18.9	18.0	19.4
Government	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.2
Bank	22.3	22.3	22.2	22.9	22.4	22.8	22.6	21.9	18.6	19.9
Pension Trust	1.0	1.2	1.4	1.6	1.8	2.4	3.8	4.7	5.0	5.5
Investment Trust	3.4	3.2	2.9	2.6	2.2	2.0	1.6	1.4	2.2	2.8
Insurance Co.	16.1	16.2	15.8	15.7	14.7	14.7	14.1	13.1	10.7	10.9
Business Corp.	29.0	28.5	28.3	27.7	27.2	25.6	24.6	25.2	26.0	21.8
Foreigners	6.0	6.3	7.7	8.1	10.5	11.9	13.4	14.1	18.6	18.8
Securities Firms	1.5	1.2	1.3	1.2	1.4	1.0	0.7	0.6	0.8	0.7

Notes: 1. "Government" includes local public bodies.
2. 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
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
2001.3	32,150	6.4	126,920	0.2	25.3

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: Ministry of Public Management, Home Affairs, Posts and Telecommunications, National Conference of Stock Exchanges

Individual Shareholdings

(Thousands Trading Units, %)

	Individual Holdings	%Change	Outstanding	%Change	Individual Holdings as % of Outstanding
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
2001.3	161,657	13.8	614,259	14.0	26.3

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)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Individuals	44.6	21.6	30.1	23.9	24.2	26.9	21.9	17.5	65.5	67.7
Bank	25.0	11.7	21.4	22.4	19.3	26.5	33.4	31.9	40.6	56.0
Insurance Co.	3.5	2.3	2.0	2.5	2.8	2.2	2.1	2.3	4.1	5.9
Investment Trust	21.2	10.4	13.6	10.1	6.2	7.8	5.5	2.7	5.2	9.0
Business Corp.	15.4	6.5	9.4	7.5	6.8	6.8	6.4	5.9	11.3	11.0
Foreigners	28.4	21.0	27.1	33.1	31.6	42.2	55.0	51.9	93.3	137.4
TSE Non-member	5.5	3.0	3.6	3.1	2.8	3.2	2.9	2.2	4.9	8.5
Member Trading	45.0	27.1	42.6	45.5	44.9	56.1	61.4	53.5	85.5	126.4
Total	189.0	104.0	150.2	148.5	138.8	172.1	189.0	168.4	310.7	422.2

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)

(%)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Individuals	23.6	20.8	20.1	16.1	17.4	15.7	11.6	10.4	21.1	16.0
Bank	13.2	11.3	14.3	15.1	13.9	15.4	17.7	19.0	13.1	13.3
Insurance Co.	1.9	2.3	1.4	1.7	2.0	1.3	1.2	1.4	1.3	1.4
Investment Trust	11.2	10.0	9.1	6.8	4.5	4.6	2.9	1.6	1.7	2.1
Business Corp.	8.2	6.3	6.3	5.0	4.9	4.0	3.4	3.6	3.7	2.6
Foreigners	15.1	20.3	18.0	22.3	22.8	24.5	29.1	30.9	30.0	32.5
TSE Non-member	2.9	2.9	2.4	2.1	2.0	1.9	1.6	1.3	1.6	2.0
Member Trading	23.8	26.1	28.4	30.7	32.4	32.6	32.5	31.8	27.5	29.9

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)

	1993	1994	1995	1996	1997	1998	1999	2000
Individuals	2,393.2	4,786.6	5,614.4	5,081.5	1,653.5	879.9	10,478.7	6,996.6
Bank	354.0	587.1	493.7	585.2	329.8	200.0	993.7	1,236.8
Insurance Co.	44.1	54.1	58.2	65.6	23.0	8.6	35.3	51.3
Investment Trust	393.3	768.2	642.2	802.9	301.5	98.6	687.9	859.9
Business Corp.	447.4	762.5	741.6	767.1	396.7	235.1	1,115.8	751.4
Foreigners	724.9	1,143.1	1,042.6	1,337.9	967.4	677.3	2,545.7	3,151.5
Brokers	34.9	70.1	72.3	74.2	32.5	14.3	458.9	570.7
Principal Trading	743.5	1,408.1	1,779.9	1,811.6	686.9	305.1	2,776.1	3,437.7
Total	5,135.7	9,580.2	10,445.3	10,526.4	4,391.9	2,419.3	19,092.8	17,056.2

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)

(%)

	1993	1994	1995	1996	1997	1998	1999	2000
Individuals	46.6	50.0	53.8	48.3	37.6	36.4	54.9	41.0
Bank	6.9	6.1	4.7	5.6	7.5	8.3	5.2	7.3
Insurance Co.	0.9	0.6	0.6	0.6	0.5	0.3	0.2	0.3
Investment Trust	7.6	8.0	6.1	7.6	6.9	4.1	3.6	5.0
Business Corp.	8.7	8.0	7.1	7.3	9.0	9.7	5.8	4.4
Foreigners	14.1	11.9	10.0	12.7	22.0	28.0	13.3	18.5
Brokers	0.7	0.7	0.7	0.7	0.7	0.6	2.4	3.3
Principal Trading	14.5	14.7	17.0	17.2	15.6	12.6	14.5	20.2

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)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Individuals	-2,432	22	-1,147	-2,033	-250	-1,967	-703	-654	-1,842	-1,622
Bank	365	602	2,687	2,094	-506	2,869	4,040	4,825	-974	2,544
Insurance Co.	60	-280	-13	-392	-1,658	-507	-895	-1,010	-1,425	-164
Investment Trust	-1,786	-16	-338	-1,504	-978	-974	-1,254	-402	353	1,858
Business Corp.	-1,381	-301	-1,799	-1,452	-878	-843	-135	-573	-1,600	-1,130
Foreigners	5,063	560	1,011	3,615	3,579	3,160	1,372	-443	8,463	-2,412
TSE Non-member	-246	-76	-130	-171	4	-127	64	-30	72	138
Member Trading	1,432	-37	411	514	1,121	-910	-2,062	-1,331	-2,580	1,108

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)

	1993	1994	1995	1996	1997	1998	1999	2000
Individuals	-242.9	-311.9	-198.6	-265.2	-131.7	-79.9	-324.0	-405.0
Bank	37.0	102.5	67.4	108.5	51.3	4.6	23.3	-181.2
Insurance Co.	9.6	12.5	5.7	2.0	2.8	2.3	-1.1	16.8
Investment Trust	138.0	216.3	97.1	103.1	-47.9	-1.8	135.4	154.9
Business Corp.	-72.0	-126.5	-41.2	-75.2	-11.3	12.3	-179.0	-94.1
Foreigners	127.6	112.5	66.9	125.3	102.8	55.8	138.3	30.1
Brokers	-0.1	-3.8	-0.4	0.8	1.1	0.0	18.6	3.2
Principal Trading	-4.1	-12.3	-3.0	-21.6	-22.0	-10.0	17.3	14.0

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)

	1998	1999	2000
Currency and Deposits	727.0	751.9	762.9
Bonds	58.7	61.3	56.7
Shares and Other Equities	77.9	116.0	91.6
Securities Investment Trusts	26.1	29.4	33.7
Insurance and Pension Reserves	360.3	379.5	388.5
Others	46.0	43.4	50.8
Total	1,300.6	1,386.2	1,390.2

Note: "Bonds" includes trust beneficiary rights.

Composition of Household Financial Assets

(%)

	1998	1999	2000
Currency and Deposits	55.9	54.2	54.9
Bonds	4.5	4.4	4.1
Shares and Other Equities	6.0	8.4	6.6
Securities Investment Trusts	2.0	2.1	2.4
Insurance and Pension Reserves	27.7	27.4	27.9
Others	3.5	3.1	3.7

Note: "Bonds" includes trust beneficiary rights.

Major Economic Indicators

Major Interest Rates, Yields and Economic Indicators

		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Official Discount Rate	%	4.50	3.25	1.75	1.75	0.50	0.50	0.50	0.50	0.50	0.50
Call Rate (Uncollateralized Overnight)	%	5.56	3.91	2.44	2.28	0.46	0.44	0.47	0.32	0.05	0.20
CDs 3-to-6 months	%	6.040	3.748	2.043	2.318	1.180	0.557	0.562	0.694	0.223	0.217
Repos 3 months	%	5.710	3.418	1.704	2.054	0.228	0.249	0.231	0.141	0.067	0.324
Bank Debentures 5 year	%	5.575	4.527	2.381	3.995	1.853	1.721	1.633	1.930	1.274	1.259
Newly Issued JGBs 10 year	%	5.505	4.805	3.330	4.555	3.190	2.760	1.910	1.970	1.645	1.640
JGBs Futures 10Y yield	%	5.553	4.766	3.613	4.735	3.356	2.882	2.326	2.509	2.047	1.860
Corporate Bonds 12 year	%	6.115	5.431	4.062	4.820	3.504	3.115	2.825	3.024	2.059	2.003
Prime Rate (Short-term)	%	6.625	4.500	3.000	3.000	1.625	1.625	1.625	1.500	1.375	1.500
Prime Rate (Long-term)	%	6.900	5.500	3.500	4.900	2.600	2.500	2.300	2.200	2.200	2.100
M2+CDs	%	3.6	0.6	1.1	2.1	3.0	3.3	3.1	4.0	3.6	2.1
GDP Nominal	Trillions of Yen	474.6	483.1	487.5	492.2	501.9	515.2	520.1	514.4	513.6	510.3
Change in GDP Nominal	%	5.3	1.8	0.9	1.0	2.0	2.6	1.0	-1.1	-0.2	-0.6
GDP Real	Trillions of Yen	481.6	483.3	485.4	490.7	502.7	520.0	521.3	518.3	525.6	530.3
Change in GDP Real	%	2.5	0.4	0.4	1.1	2.5	3.4	0.2	-0.6	1.4	0.9
Contributions to Changes in GDP (Domestic Demand)	%	2.2	-0.1	0.5	1.3	3.1	3.5	-0.7	-0.7	1.4	0.7
Private Demand	%	1.4	-1.5	-0.7	0.8	1.9	3.4	-0.4	-1.2	0.8	0.7
Public Demand	%	0.7	1.5	1.3	0.5	1.2	0.2	-0.3	0.5	0.6	0.1
Change in Industrial Production Index of Mining and Manufacturing	%	1.7	-6.1	-3.8	0.9	3.3	2.3	3.6	-7.1	0.8	5.9
Change in Consumer Price Index	%	3.3	1.6	1.3	0.7	-0.1	0.1	1.8	0.6	-0.3	0.7
Wholly Unemployed Ratio	%	2.1	2.2	2.5	2.9	3.2	3.4	3.4	4.1	4.7	4.7
Change in Employees	%	3.5	2.3	1.6	0.7	0.5	1.1	1.3	-0.4	-0.7	0.5
Yen / Dollar Rate	Yen / Dollar	125.25	124.65	111.89	99.83	102.91	115.98	129.92	115.20	102.08	114.90

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, Cabinet Office, Ministry of Public Management, Home Affairs, Posts and Telecommunications, Ministry of Economy, Trade and Industry, Japan Bond Trading Co., Tokyo Stock Exchange, Japan Securities Dealers Association

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