

**Securities Industry
Performance and
Market Overview**

FACT BOOK

2002

Japan Securities Dealers Association

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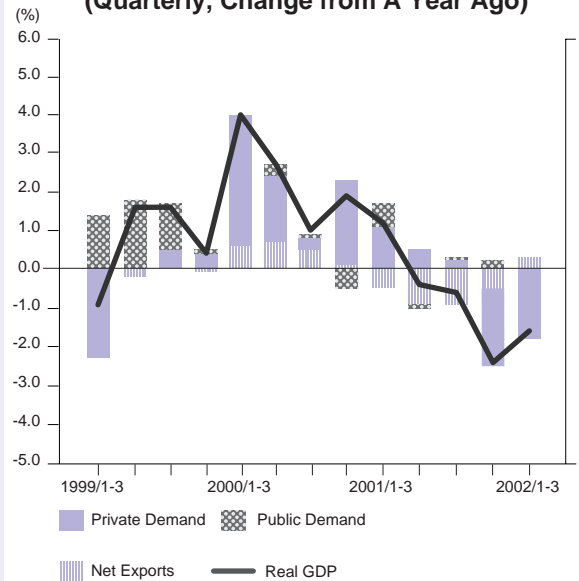
Securities Market in 2001 (Overview)

Economic and Financial Conditions

Japan's economy in 2001 continued its recessionary trend due to declining exports. From the summer, there was a marked decrease in private sector demand and the lag in exports accelerated, causing the economy to slowdown further.

In financial markets, because the Bank of Japan (BOJ) eased its money policy several times, short-term money market rates generally declined, moving within a box between 0.02% and 0.01% after the middle of the year and staying in the neighborhood of 0% after September. Despite a drop in long-term interest rates because of unclear prospects for the economy at the beginning of the year, long-term interest rates rose beyond 1.4% once in April in response to increasing fears of additional issue of government bonds. The rates dropped to the 1.1% mark at one time in the middle of the year. However, owing to the downturn in the economy, rates fluctuated between 1.3% and 1.4% after July.

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



Source: Cabinet Office

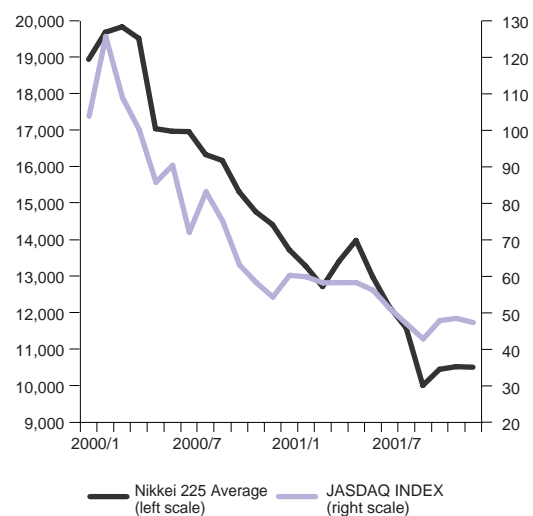
Securities Markets

The stock market began the year in a bearish mood under the influence of a faltering economy in the United States. The market then rose in expectation of the government produced by the formation of the new Cabinet between in April and in May. However, the slowing economy pushed it back into a declining trend and Nikkei stock average plummeted to the 9,300 level due to the terrorist attacks in the United States in September. The Nikkei stock average recovered the 10,000 level against a backdrop of a stronger economy in the United States after October.

In the securities industry, securities products became more diversified. In addition to the continuing upward trend in the number of online trading accounts, new products in the form of defined contribution pension plans, exchange-traded funds (ETFs) and real estate investment trusts (REITs) were introduced to the market.

Some stock exchanges and the JASDAQ Market were demutualized with the goal of achieving more flexible and efficient market operation.

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 losses of the 285 companies in the securities industry for the fiscal year ended March 2002 amounted to ¥17.3 billion, the first overall deficit in four years.

Net operating revenues declined principally because of the significant decrease in brokerage income and trading gain.

Net loss amounted to ¥348.9 billion, while ROE was negative for the first time in three years, at minus 6.0%.

(Note) Major revisions were made in the accounting standards of securities companies in the fiscal year ended March 2002.

Capital Markets

Equity financing by publicly listed companies was up by 9.4%, from ¥1.9 trillion in the previous year to ¥2.1 trillion. Corporate straight bond issuing amount rose by 3.2%, to ¥8.9 trillion, because companies issued large amount of corporate bonds and retail investors were motivated to purchase corporate bonds. Public bond issuance jumped by 25.2%, to ¥141.6 trillion, because planned issuance of government bonds continued to expand.

Secondary Stock Markets

The Nikkei 225 stock average started the year 2001 in a bearish mood. It rose to the 14,500 level at one point due to increasing expectations for structural reform. Thereafter, it plummeted and dropped below the 10,000 mark in September as a result of the downturn in the economy. It finished the year down 23.5% at 10,542.62 from the preceding year.

Average daily trading volume on the First Section of the Tokyo Stock Exchange (TSE) reached 811.1 million.

Average daily trading volume on the JASDAQ Market hit the 10 million shares mark for the third consecutive year, but stock prices were in a downward trend basically.

Secondary Bond Markets

The long-term rate began the year 2001 at 1.461%, generally dropping under the influence of an escalation in the BOJ's easy money policy. The yield increased in response to fears of additional issue of government bonds, but fell back again in expectation of financial structural reform. After that, the faltering world economy produced a rise in the yield, which ended the year at 1.365%. Total transaction volume amounted to ¥4,063 trillion.

Investment Trusts

Total assets in equity funds were up slightly. Although new purchases stayed at a high level, the amount of assets under management declined because of the weak stock market. Total assets in bond investment trusts declined because of a large volume of redemptions of MMFs. Total investment trust at the end of the year amounted to ¥45,280.7 billion, down 8.3% from the previous year.

Investors and Their Deposits and Investments

Despite the weak equity markets, the number of individual shareholders of listed stocks at the end of March 2002, assisted partially by a reduction in the size of trading units, grew for the sixth consecutive year, to 33.51 million shareholders.

The trading volume of individuals fell for the second consecutive year in contrast to an increase for the second consecutive year in that of foreign investors, who continued to maintain a high level of activity.

Financial assets of households at the end of 2001 amounted to ¥1,421 trillion, virtually the same as in the previous year. The proportion of shares and other equities in the financial assets was 7.2%.

(Note) Starting with the fiscal year ended March 31, 2002, the number of stockholders has been calculated based on the number of "tangen" trading units. Previously, the calculation was made based on the number of "tan-i" trading units.

Securities Industry

Securities Industry Performance

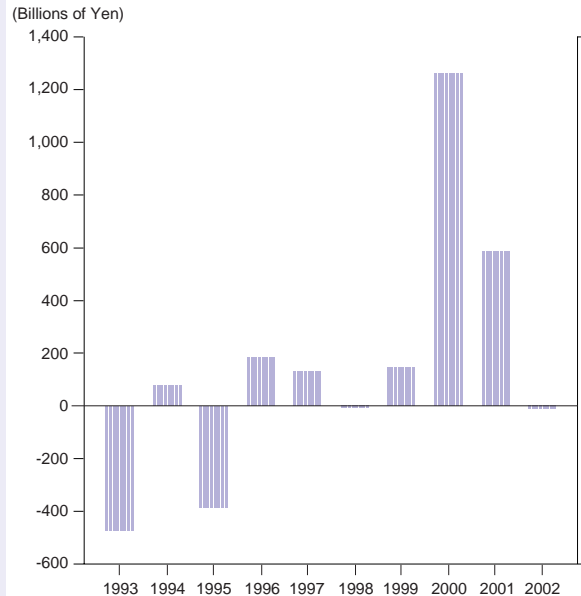
Overview: Total recurring losses are recorded for the first time in 4 years

Looking at the overall performance of the industry (285 securities companies) during the fiscal year ended March 2002, total operating revenues were affected by substantial decline in brokerage income and trading gain, decreasing 21%, to ¥2,232.3 billion. Total sales and general administrative expenses were almost the same level as previous year, at ¥2,266.7 billion. Consequently, total recurring losses amounted to ¥17.3 billion, the first deficit in four years.

Falling trading volume and lower equity brokerage fees were the main factors in the bad performance under the influence of the terrorist attacks in the United States last September and floundering stock prices caused by the lingering recession.

(Note) Major revisions were made in the accounting standards of securities companies in the fiscal year ended March 2002.

Securities Industry Recurring Profits (Loss)



Source: Japan Securities Dealers Association

Net Total Operating Revenues: Trading gain largely dropped

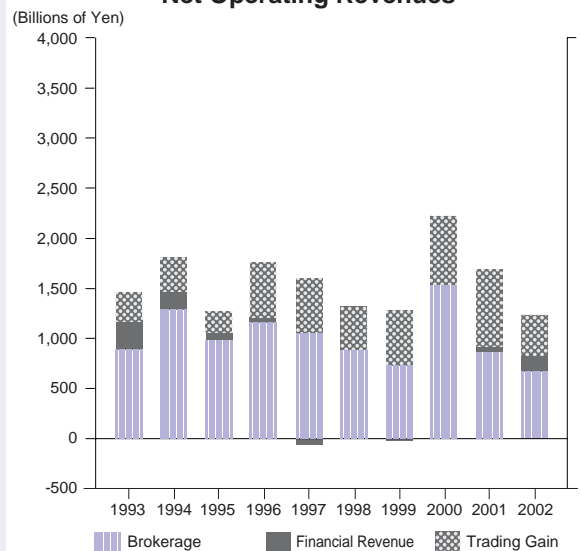
Among revenues, commissions slid 17% year on year, to ¥1,669.0 billion. Trading gain declined 48%, to ¥401.1 billion. Financial revenues expanded 201%, to ¥160.1 billion.

The drop in brokerage commissions, down 22% year on year, due to the decline in equity brokerage fees was the main contributor to the fall in commissions.

Trading gain largely dropped because of the terrorist attacks in the United States last September and deteriorating stock prices under the influence of the continued recession.

A large increase in bond interest received and significant drop in interest payments were the main contributors to the sharp increase in financial revenues.

Net Operating Revenues



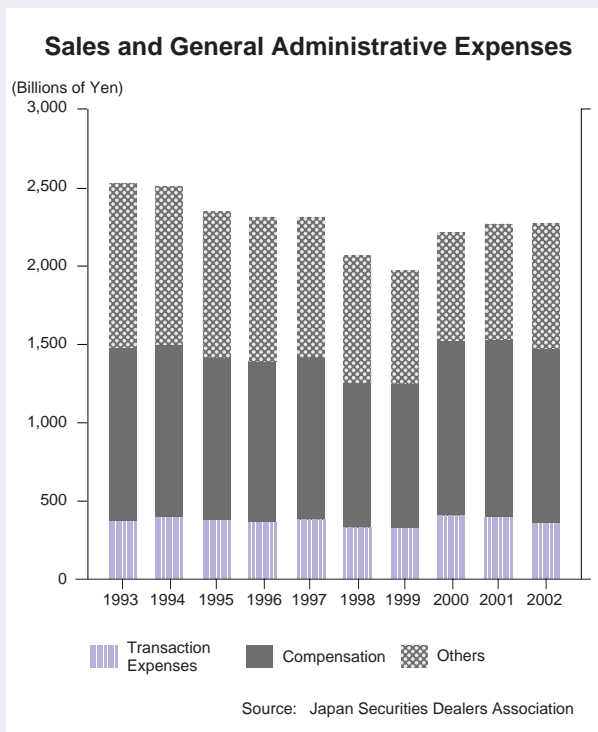
Notes: 1. In accordance with revisions of accounting standards in the fiscal year ended March 2002, the amount determined by deducting financial expenses from operating revenues is posted as net operating revenues.
2. Because major revisions were made in the accounting standards of securities companies in the fiscal year ended March 2002, data for fiscal 2001 cannot be compared with data up to and including fiscal 2000.

Source: Japan Securities Dealers Association

Sales and General Administrative Expenses: Almost the same level as in the preceding year

Sales and general administration expenses were almost the same level as in the preceding year, at ¥2,266.7 billion.

Transaction expenses declined about 10% while office expenses increased by 14% from the preceding year. Compensation and real estate expenses were approximately the same level as in the preceding year.

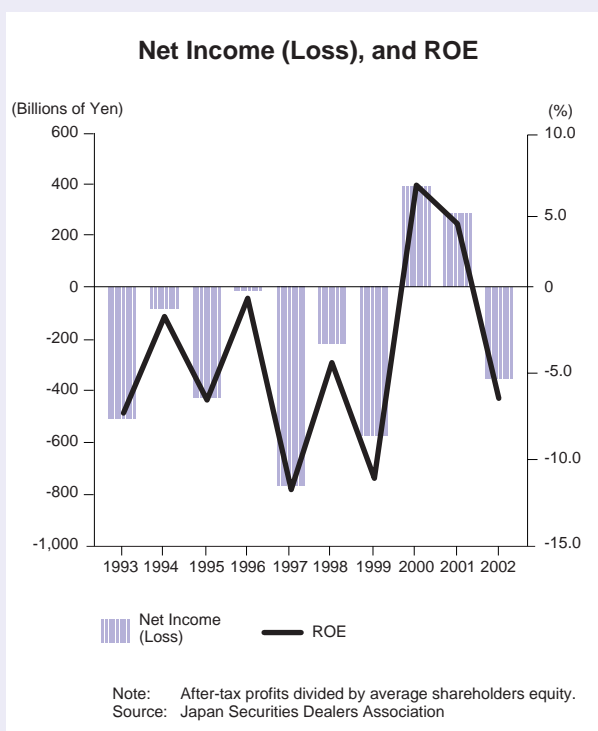


Profitability of Securities Firms: ROE is negative for the first time in three years

The overall industry posted net losses of ¥348.9 billion because of the recording of losses on sale of investment securities and stocks of affiliated companies and losses on sale and disposal of large amounts of fixed assets by some securities companies.

As a consequence of reporting net losses, a substantial drop from net income of ¥287.2 billion in the preceding year, return on equity (ROE) was negative for the first time in three years, at minus 6.0%.

Looking at individual securities firms, 64 companies recorded profits (net income basis), a decline of 90 companies from the previous year.



Performance Trends by Type of Securities Firm

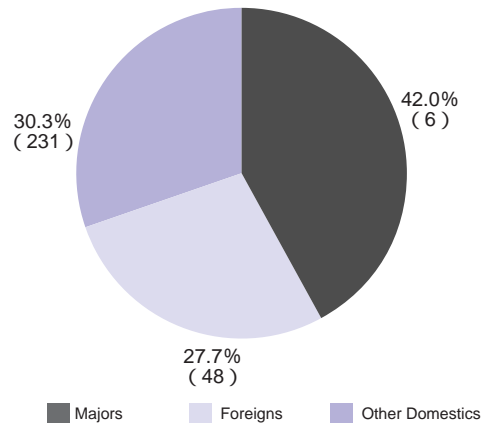
Net Operating Revenues: The proportion of major securities firms declines

Looking at operating revenues by category for the fiscal year ended March 2002, approximately 70% of total net operating revenues was accounted for by the major six securities firms and the remaining 231 other domestic securities firms.

On the other hand, the 48 foreign securities firms accounted for 27.7% of total net operating revenues. Compared with the previous fiscal year, major securities firms' share of operating revenues dropped 3.0 percentage points. Reflecting this downturn, the share of foreign securities firms climbed 1.9 percentage points and the share of the remaining domestic securities firms advanced 1.1 percentage points.

This change occurred because, although commissions and trading gain declined across the board, commissions of major securities firms dropped substantially and the financial income of the remaining domestic and foreign securities firms drastically increased compared with the previous fiscal year.

Composition of Total Net Operating Revenues by Category (FY 2001)



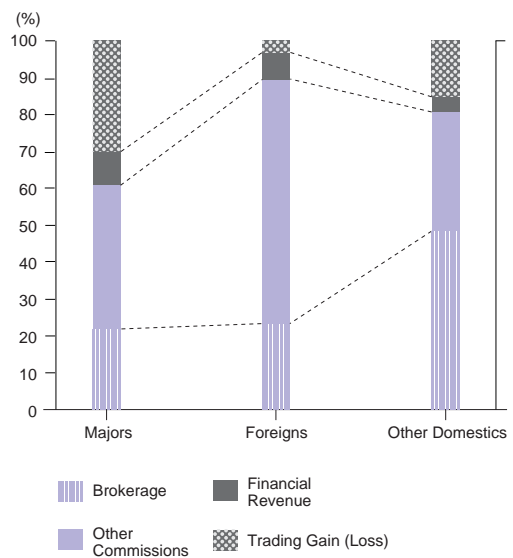
Notes: 1. No. of corporations indicated in parentheses.
 2. Major securities firms: Daiwa Securities, Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd. and other securities firms capitalized at a hundred billion yen or more.
 Source: Japan Securities Dealers Association

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

Looking at net operating revenues by category for the fiscal year ended March 2002, major securities companies achieved a good balance in their revenue structures in spite of the large decline in trading income. Domestic securities firms other than major firms, however, continued to have a high dependence on brokerage commission, which accounted for 48.4% of their operating revenues.

On the other hand, foreign securities companies compensated for the substantial decline in the trading gain and also in commissions. Their revenue structure was centered on underwriting, intermediation services for overseas markets, and fee-based advisory and M&A services.

Net Operating Revenue Structure by Category (FY 2001)



Source: Japan Securities Dealers Association

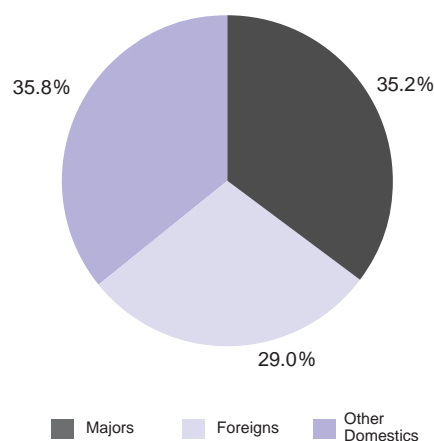
Sales and General Administrative Expenses: Domestic securities firms account for approximately 70% of expenses

Looking at sales and general administrative expenses by category, domestic securities firms accounted for 71% of total sales and general administrative expenses. The proportion of foreign securities firms was 29.0%.

In comparison with last term's results, the proportion accounted for by major securities firms dropped 1.5 percentage points. In contrast, the proportion accounted for by other securities firms increased 0.3 percentage points and that of foreign securities firms expanded 1.2 percentage points.

The changes in the proportion of general administrative expenses were mainly caused by an increase in the compensation and real estate expenses of foreign securities firms and domestic securities firms other than major firms.

Composition of Total Expenses by Category (FY 2001)



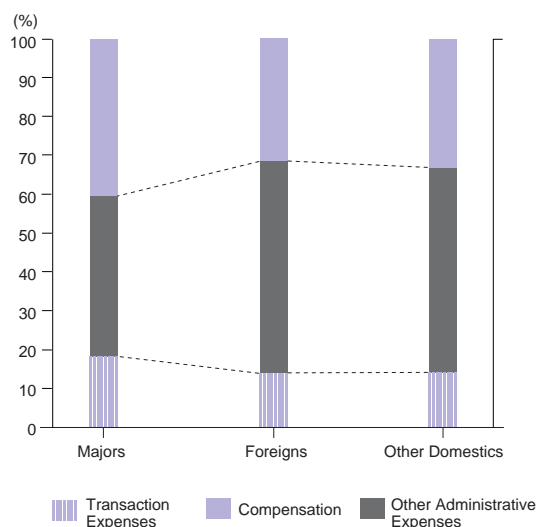
Source: Japan Securities Dealers Association

Expense Structure: The proportion of compensation expenses grows

Looking at sales and general administrative expense by category, the proportion of compensation expenses grew substantially all over the industry. In particular, the compensation expenses of foreign securities firms and other than the major domestic securities firms accounted for more than half of their total administrative expenses.

Occupancy and equipment expenses for domestic securities firms accounted for approximately 1.4 times the weighting for foreign securities firms.

Expenses Structure by Category (FY 2001)



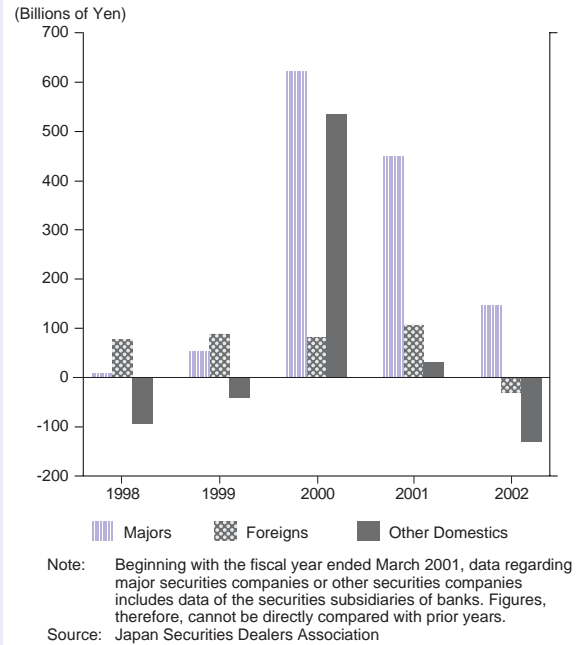
Source: Japan Securities Dealers Association

Performance: Major securities firms are in the black

Looking at performance by type of securities firm for the fiscal year ended March 2002, the recurring profits of major securities firms dropped as much as 68%, to ¥145.7 billion, while the recurring losses of other domestic securities firms amounted ¥130.6 billion (¥30.5 billion of profits recorded in the preceding year), reflecting the large decrease in brokerage income and trading gain.

Also, foreign securities firms posted recurring losses for the first time in 7 years. These recurring losses amounted to ¥32.4 billion compared with ¥107.5 billion profits in the preceding year.

Recurring Profits by Category

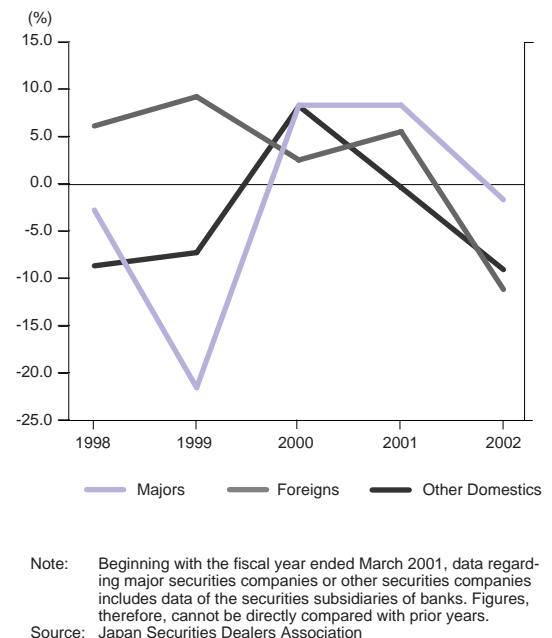


Profitability: All types of securities firms are negative

During the fiscal year ended March 2002, major securities companies and other domestic securities companies again booked significant extraordinary losses. Foreign securities companies also recorded extraordinary losses. Consequently, on a net income basis, all business categories posted losses; major securities firms, ¥44 billion, domestic securities firms other than major firms, ¥211.6 billion and foreign securities firms, ¥93.2 billion.

As a matter of course, return on equity (ROE) of all types of securities firms became negative.

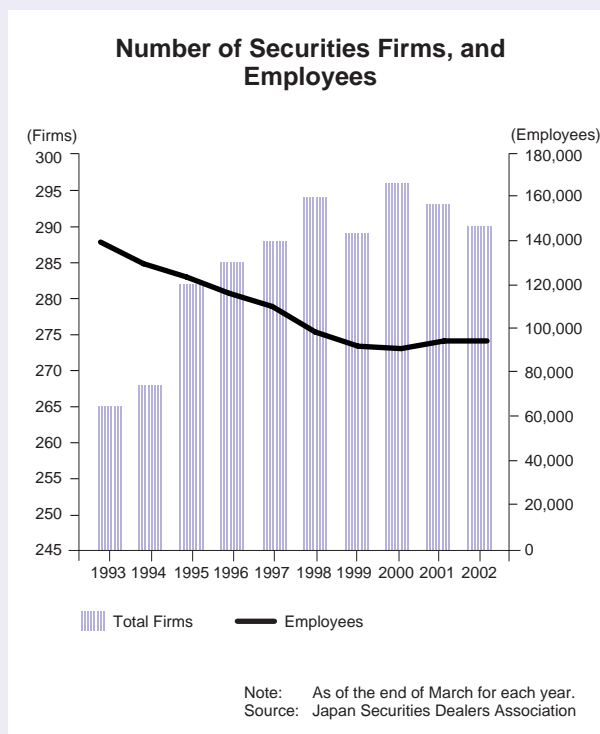
ROE by Category



Number of Securities Firms and Employees: Employee number remains the same level

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 290 companies. The decline was principally due to successive mergers among domestic securities firms.

Despite increasing at one point, the number of employees at the end of March 2002 was almost the same level as the preceding year, at about 94,000, due to the slump of the market and other factors.

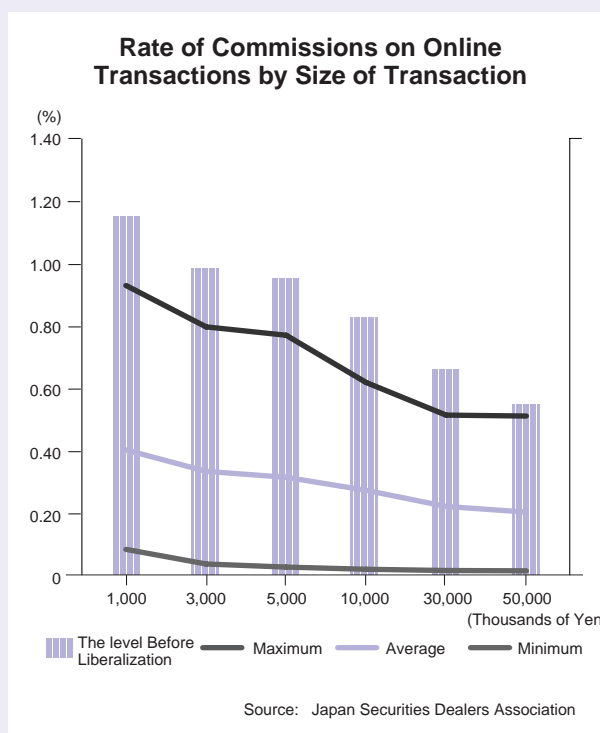


Impact of Deregulation: Continued drop in online transaction commissions rate

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

From the end of March 2001 to the end of March 2002, the number of Internet accounts increased rapidly to 3.092 million from 1.933 million.

While commission rates for equity transactions by salespersons remained a little bit lower than that of the pre-liberalization figures, the commission rates for online transactions have dropped further to the 30% level.



Operating Profits

(Billions of Yen)

	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3
Total Operating Revenues*	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	2,505.7
Commissions	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	1,669.0
Brokerage	888.5	1,289.8	988.1	1,157.7	1,051.3	885.5	726.4	1,536.8	867.0	674.9
(Equity)	787.8	1,109.6	866.7	972.6	928.3	800.4	662.4	1,488.3	823.5	642.2
Underwriting	107.2	148.9	187.3	181.6	264.8	118.7	163.9	259.9	228.2	158.0
Selling	133.3	241.8	177.6	213.9	255.0	224.7	237.4	442.7	262.4	159.5
Financial Revenue*	518.1	421.8	362.9	373.4	381.8	475.5	441.0	323.1	423.4	433.6
Trading Gain*	290.4	340.2	207.4	552.7	545.5	429.6	552.0	680.6	771.3	401.1
Financial Expenses*	236.8	241.7	288.6	324.3	439.2	478.7	455.2	318.3	370.2	273.4
Net Operating Revenue*	2,026.1	2,567.9	1,952.3	2,478.4	2,431.7	2,044.6	2,123.9	3,477.2	2,842.9	2,232.3
Operating & Administrative Expenses	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	2,266.7
Transaction Expenses	371.3	395.1	374.4	360.9	379.1	328.1	325.1	406.6	390.8	352.2
Compensation	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	1,116.2
Occupancy & Equipment	422.9	391.2	374.1	350.9	335.8	290.9	292.2	284.5	294.0	302.4
Data Processing & Stationery	306.9	284.2	270.5	251.2	251.5	204.9	208.7	224.4	239.2	272.7
Operating Profits*	-495.2	65.5	-392.3	170.4	123.4	-17.5	156.7	1,267.7	577.9	-34.4

- Notes: 1. Firms that were not in business as of the end of March for each year are excluded.
2. In items marked "**", data for fiscal 2001 cannot be compared with data up to and including fiscal 2000 because major revisions were made in the accounting standards of securities companies in the fiscal year ended March 2002.
3. In accordance with revisions of accounting standards in the fiscal year ended March 2002, the amount determined by deducting financial expenses from operating revenues is posted as net operating revenues.

Source: Japan Securities Dealers Association

Revenue, Expense, Asset and Liabilities

(Billions of Yen)

	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3
Total Revenues	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	2,543.0
Total Expenses	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	2,560.3
Recurring Profits (Loss)	-470.2	77.6	-390.6	185.6	128.4	-9.5	144.8	1,254.0	589.3	-17.3
Net Income	-505.5	-80.1	-422.0	-3.2	-764.1	-215.3	-572.6	392.0	287.2	-348.9
Assets	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	65,261.9
Liabilities	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	60,297.2
Equity	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	4,964.7
ROE	-7.2%	-1.2%	-6.2%	-0.05%	-11.6%	-3.9%	-10.9%	6.8%	4.5%	-6.0%

Notes: 1. Total expenses comprise the sum of sales and general administrative expenses and financial expenses and non-operating expenses.
2. Firms that were not in business as of the end of March for each year are excluded.

Revenue and Expenses Structure

(%)

	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3	
Revenue Structure Total=100%											
Brokerage		38.5	45.3	43.6	40.9	36.3	34.7	28.0	40.3	26.7	26.5
Underwriting		4.6	5.2	8.3	6.4	9.1	4.7	6.3	6.8	7.0	6.2
Selling		5.8	8.5	7.8	7.6	8.8	8.8	9.1	11.6	8.1	6.3
Other Commissions		14.1	12.9	14.0	11.4	12.9	15.3	17.6	14.5	20.4	26.6
Financial Revenues*		22.4	14.8	16.0	13.2	13.2	18.7	17.0	8.5	13.1	17.1
Trading Gain*		12.6	12.0	9.1	19.5	18.8	16.9	21.3	17.8	23.8	15.8
Other Revenue*		2.0	1.3	1.2	1.0	0.9	1.0	0.7	0.6	1.0	1.5
Expense Structure Total=100%											
Floor Costs		4.3	5.3	5.1	5.0	5.2	4.9	5.1	6.4	4.6	4.2
Communications		4.6	4.7	4.5	4.4	4.2	3.9	4.0	4.1	4.0	4.5
Advertising		1.2	1.1	1.1	1.0	1.1	0.9	1.1	1.6	2.8	1.9
Other Transactions		3.2	3.2	3.4	3.3	3.3	3.1	3.1	3.7	3.4	3.2
Compensation		39.6	39.7	39.1	38.7	37.4	36.0	37.2	43.3	42.8	43.6
Occupancy		15.2	14.1	14.1	13.3	12.2	11.4	11.9	11.1	11.1	11.8
Data Processing		11.0	10.3	10.2	9.5	9.1	8.0	8.5	8.8	9.0	10.7
Other Administrative		11.6	12.1	10.8	12.1	10.9	12.4	9.3	7.2	7.7	8.7
Financial Expenses*		8.5	8.7	10.9	12.2	15.9	18.7	18.6	12.4	13.9	10.7
Other Expenses*		0.8	0.8	0.9	0.5	0.7	0.7	1.2	1.4	0.7	0.8

Notes: 1. Firms that were not in business as of the end of March for each year are excluded.
2. In items marked "*", data for fiscal 2001 cannot be compared with data up to and including fiscal 2000 because major revisions were made in the accounting standards of securities companies in the fiscal year ended March 2002.

Source: Japan Securities Dealers Association

Revenue and Expenses Structure by Type of Securities Firms (FY 2001)

(%)

	Majors	Foreigns	Other Domestics
Net Operating Revenue Structure Total=100%			
Brokerage Commission	21.8	23.2	48.4
Underwriting Commission	7.4	9.4	4.6
Selling Commission	9.4	0.8	9.8
Other Commission	22.2	56.2	17.9
Financial Revenue	9.2	7.3	4.2
Trading Gain	30.0	3.1	14.7
Sales and General Administrative Expenses Structure Total=100%			
Transaction Expenses	18.3	14.0	14.1
Compensation	41.3	54.5	52.8
Occupancy & Equipment	15.1	10.1	14.2
Data Processing & Stationery	17.0	7.9	10.4
Other Operating & Administrative Expenses	8.3	13.5	8.4

Net Income, Equity and ROE by Type of Securities Firm

(Billions of Yen)

	1998.3	1999.3	2000.3	2001.3	2002.3
Net Income (Loss)					
Majors	-82.2	-542.1	206.6	249.5	-44.0
Foreigns	31.7	58.4	18.9	45.8	-93.2
Other Domestics	-157.4	-123.3	152.1	-8.1	-211.6
Equity					
Majors	2,677.7	2,351.3	2,645.0	3,360.9	1,935.2
Foreigns	563.4	706.5	822.3	846.3	823.0
Other Domestics	1,706.8	1,666.9	2,049.5	2,421.6	2,206.3
ROE					
Majors	-2.8%	-21.6%	8.3%	8.3%	-1.7%
Foreigns	6.1%	9.2%	2.5%	5.5%	-11.2%
Other Domestics	-8.7%	-7.3%	8.2%	-0.4%	-9.1%

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

(%)

	1998.3	1999.3	2000.3	2001.3	2002.3
Majors	48.7	44.6	42.8	50.7	39.0
Foreigns	10.2	13.4	13.3	12.8	16.6
Other Domestic	31.0	31.6	33.1	36.5	44.4
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.

Composition of Total Employees by Type of Securities Firm

(%)

	1998.3	1999.3	2000.3	2001.3	2002.3
Majors	33.9	33.5	31.3	36.6	36.7
Foreigns	8.0	8.9	10.0	11.0	12.0
Other Domestic	56.0	55.9	56.5	52.4	51.2
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	Stock Exchange Member Firms	Employees (in Thousands)	Registered Representa- tives (in Thousands)	Offices
1992	265	156	145.3	95.6	3,072
1993	268	155	132.6	87.4	2,919
1994	277	155	127.5	83.7	2,879
1995	282	154	118.8	79.1	2,761
1996	289	152	113.0	75.8	2,740
1997	291	156	108.0	72.5	2,625
1998	288	148	95.1	62.6	2,335
1999	288	147	92.0	69.8	2,294
2000	297	141	94.7	72.8	2,308
2001	291	127	96.6	75.1	2,296

Note: Intermediary membership companies are included until the end of 2000.

Source: Japan Securities Dealers Association

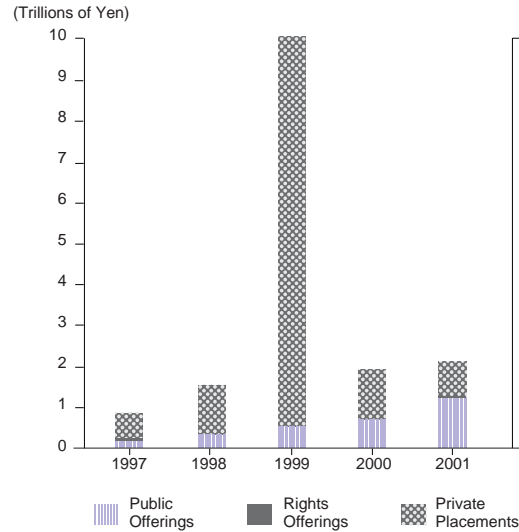
Capital Markets

Public offering by public companies increases about 80%

Equity financing (excluding exercise of warrants) by publicly listed companies in 2001 was up by 9.4%, from ¥1.9 trillion in the previous year to ¥2.1 trillion.

By issuing categories, the amount of public offering jumped up by 80.3%, from ¥0.6 trillion to ¥1.2 trillion because a major cellular phone company made a public offering amounted to ¥950.3 billion for strategic international investment in February 2001.

Equity Financing by Corporations (excludes exercises of Warrants)



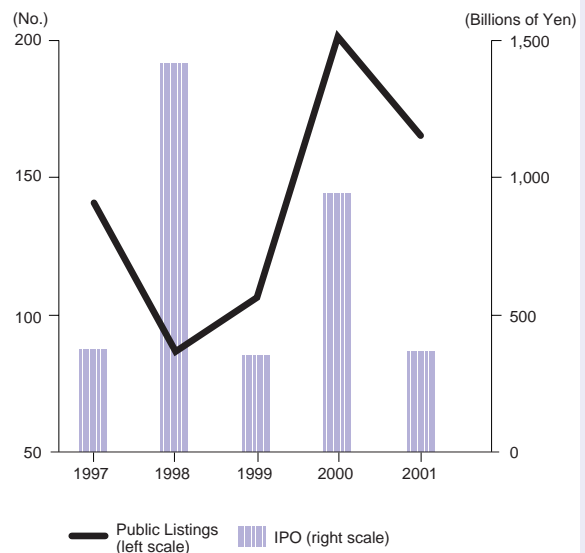
Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

Number of listings stays at a high level; IPOs decline

Because the stock market dipped as a result of the terrorist attacks in the United States, many companies postponed their listings in September. A total of 165 companies went public—97 listed on the JASDAQ Market and 68 on stock exchanges, including 7 on the TSE's Mothers market and 43 on Nasdaq Japan. This represented a decrease of 18.7% from the previous year.

Total capital raised through IPOs drastically declined by 60.8% from ¥941.3 billion in previous year to ¥368.9 billion because investors were highly selective due to the weak stock market and because large-scale IPO decreased.

Number of Public Listings and IPO Amounts

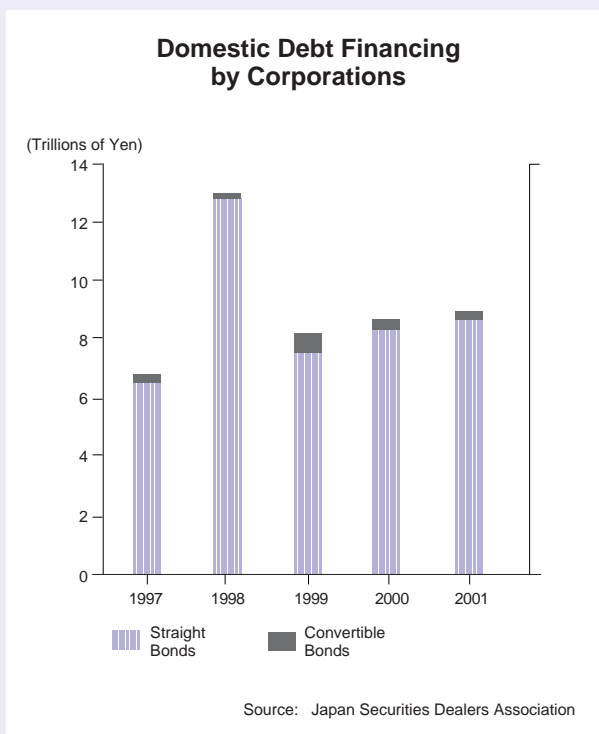


Source: Japan Securities Dealers Association

Domestic straight bond issuing amount remains same

Corporate debt financing was approximately the same as in the previous year, up 3.2% to ¥8.9 trillion. Looking at types of issues, continuing on from the preceding year, business corporation bond issues stayed at a high level, at ¥6.2 trillion. The large amount resulted from companies issuing corporate bonds to rollover redemptions owing to the low interest rate, and retail investors being motivated to purchase corporate bonds with higher-yields than deposits. Interest in corporate bonds was high despite increasing concern about credit risk because of the default by a major retailer in September, the largest default ever in Japan.

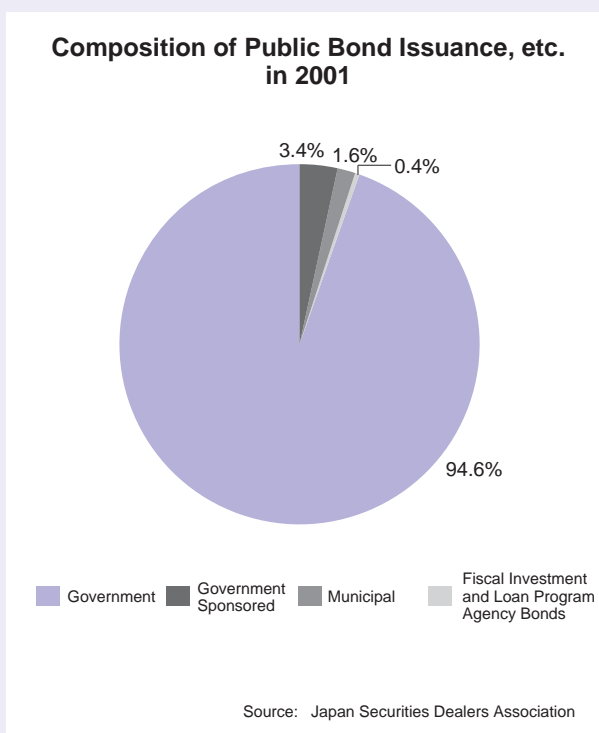
Samurai bond (yen denominated overseas bond) offerings plunged by 60.8%, to ¥1.5 trillion from last year's ¥2.5 trillion, due to the economic crisis in Argentina and the failure of Enron Corp. in the United States.



Public bond issuance rises for the fourth consecutive year

Public bond issuance hit a record high for the fourth consecutive year, jumping by 25.2%, to ¥141.6 trillion. By issuing category, planned issuance of government bonds, which account for most of issuance, continued to expand. Consequently, government bond issuance hit a record high for the fourth consecutive year, increasing by ¥27.9 trillion or 26.3%, to ¥133.9 trillion.

Government-related organizations increasingly found it necessary to raise funds for themselves because they could not expect funding by the postal saving system as a result of the reform of the Fiscal Investment and Loan Program System. Issue of Fiscal Investment and Loan Program Agency bonds was inaugurated in March 2001, amounting to ¥546 billion in year 2001.



Equity Financing by Corporations

(Billions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Listed Companies										
Public Offerings	4	7	236	33	305	128	284	370	572	1,211
Rights Offerings	110	47	9	95	337	72	0	-	8	32
Private Placements	102	150	238	210	757	593	1,167	9,457	1,109	785
Total Listed Companies	216	205	485	338	1,400	794	1,451	9,827	1,690	2,028
JASDAQ Companies										
Public Offerings	-	-	59	128	257	45	49	156	117	34
Rights Offerings	0	1	-	-	0	1	-	-	2	-
Private Placements	10	6	11	2	67	14	41	74	113	43
Total JASDAQ Companies	11	8	70	131	325	60	91	231	233	77
Total Corporate New Equity Issues										
Public Offerings	4	7	296	161	563	173	333	527	690	1,245
Rights Offerings	111	49	9	95	337	74	0	0	10	32
Private Placements	112	156	250	212	825	607	1,209	9,531	1,223	828
Total	227	213	555	470	1,726	854	1,543	10,059	1,924	2,106
Initial Public Offerings		421	760	382	609	377	1,416	354	941	368

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)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Straight Bonds										
Domestic	3,010	3,710	2,970	5,046	6,146	6,526	12,784	7,498	8,276	8,610
Overseas	4,057	2,951	824	549	1,160	1,403	901	1,307	752	620
Convertible Bonds										
Domestic	566	1,689	2,860	737	3,289	270	246	592	357	300
Overseas	414	532	411	418	575	547	118	407	294	558
Bonds with Warrants										
Domestic	-	-	-	-	-	-	-	-	-	-
Overseas	1,662	1,820	887	492	646	62	-	216	16	2
Total										
Domestic	3,576	5,399	5,830	5,783	9,435	6,796	13,031	8,091	8,633	8,910
Overseas	6,134	5,304	2,123	1,461	2,382	2,013	1,019	1,931	1,064	1,180

Notes: 1. “Overseas” includes new issues of privately placed bonds.

2. “—” indicates nil.

Source: Japan Securities Dealers Association

New Issuance of Public Bonds, etc.

(Billions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Government Bonds	43,888	51,314	55,855	65,677	72,219	67,824	84,804	102,050	105,996	133,970
Public Subscriptions	35,695	39,083	47,487	54,663	54,825	54,864	61,395	88,057	99,335	106,811
Long-term (over 10 years)	1,000	1,345	1,534	2,008	1,533	1,594	2,195	2,599	5,394	7,191
Long-term (10 and 6 year)	10,292	10,504	14,711	16,551	15,578	14,985	17,316	23,662	20,943	20,832
Med-term (2-to-4 years)	1,529	2,706	5,673	5,479	5,576	4,618	5,521	12,734	28,207	38,840
Med-term (zero-coupon 5 year)	282	266	264	257	257	250	239	243	390	705
Treasury Bills	22,591	24,260	25,304	30,366	31,879	33,415	36,122	48,817	44,399	39,241
Municipal Bonds	1,027	1,396	1,552	1,967	1,893	1,852	1,722	1,998	2,200	2,299
Gov. Sponsored Bonds	1,852	2,123	2,747	2,952	3,106	2,939	2,271	2,966	4,854	4,815
Fiscal Investment and Loan Program Agency Bonds	-	-	-	-	-	-	-	-	-	546
Total	46,768	54,833	60,154	70,597	77,218	72,615	88,797	107,015	113,051	141,630

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)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Corporate Bonds	3,576	5,399	5,830	5,783	9,435	6,796	13,031	8,090	8,633	8,910
Electric Power Bonds	1,785	1,810	1,345	1,625	1,515	1,555	2,465	1,718	1,522	1,881
NTT, JR, JT Bonds	180	160	290	150	285	220	420	515	160	430
Business Corporation Bonds	1,045	1,740	1,335	3,271	4,346	4,751	9,899	5,265	6,594	6,299
Convertible Bonds	566	1,689	2,860	737	3,289	270	246	592	357	300
Bonds with Warrants	-	-	-	-	-	-	-	-	-	-
Bank Debentures	47,911	45,100	36,040	42,594	43,966	30,780	23,305	24,517	20,979	18,697
Samurai Bonds	1,149	1,685	1,212	1,616	3,923	2,145	329	935	2,562	1,584
Nonresident Euroyen Bonds	3,328	5,102	10,194	10,955	12,676	17,872	11,302	N.A.	N.A.	N.A.

Note: "—" indicates nil.

Source: Japan Securities Dealers Association

Outstanding Public Bonds, etc.

(Trillions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Government Bonds	176.4	184.8	201.4	218.7	239.2	254.1	280.1	320.5	359.1	418.1
Public Subscriptions	111.0	117.2	132.7	148.5	161.3	170.7	182.7	216.1	257.3	299.3
Long-term (over 10 years)	14.0	15.3	16.9	18.9	20.4	22.0	22.9	23.5	27.4	34.6
Long-term (10 and 6 year)	82.0	85.8	93.4	103.8	111.0	117.9	126.7	142.6	151.8	159.2
Med-term (2-to-4 years)	3.3	4.2	8.3	12.2	16.2	16.9	17.2	24.7	47.2	76.5
Med-term (zero-coupon 5 year)	2.0	1.6	1.4	1.3	1.3	1.2	1.2	1.2	1.3	1.8
Treasury Bills	9.4	10.0	10.5	12.0	12.2	12.4	14.5	23.9	29.3	27.0
Municipal Bonds	7.6	8.2	9.0	10.1	11.2	12.2	13.1	14.5	16.0	17.7
Gov. Sponsored Bonds	19.6	19.6	20.3	21.6	22.9	23.9	20.6	21.8	25.1	28.2
Fiscal Investment and Loan Program Agency Bonds	-	-	-	-	-	-	-	-	-	0.5
Total	203.7	212.8	230.9	250.5	273.3	290.4	313.9	356.9	400.3	464.7

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

Outstanding Corporate Bonds

(Trillions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Corporate Bonds	31.7	35.3	38.1	41.6	47.5	49.8	57.5	58.9	62.5	63.5
Electric Power Bonds	9.5	10.5	11.2	12.2	12.8	13.6	15.2	15.7	15.8	16.2
NTT, JR, JT Bonds	1.6	1.6	1.8	1.9	2.0	2.0	2.1	2.5	2.5	2.5
Business Corporation Bonds	2.0	3.6	4.8	7.8	11.6	15.7	24.6	28.1	32.4	34.4
Convertible Bonds	16.6	17.9	19.5	19.2	20.7	18.1	15.3	12.5	11.6	10.3
Bonds with Warrants	1.7	1.4	0.4	0.3	0.3	0.2	0.1	-	-	-
Bank Debentures	78.4	78.3	78.2	76.6	76.0	67.2	56.9	56.6	49.6	44.5
Samurai Bonds	6.4	7.4	8.0	9.2	12.2	12.0	9.9	8.3	8.2	8.0

Note: "—" indicates nil.

Source: Japan Securities Dealers Association

New Issuance of Private Placements

(Billions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Municipal Bonds	2,316	4,372	6,091	6,376	6,172	4,407	4,767	5,425	3,302	2,329
Gov. Agency Bonds	6,753	7,145	6,717	5,335	4,762	4,968	6,373	3,712	2,253	1,614
Corporate Bonds	1,040	530	407	244	368	501	765	655	1,153	1,508
Total	10,111	12,048	13,216	11,956	11,304	9,878	11,906	9,793	6,708	5,451

Outstanding Private Placements

(Trillions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Municipal Bonds	12.7	15.3	19.8	24.7	26.5	29.2	32.2	35.4	36.2	36.1
Gov. Agency Bonds	39.9	44.6	48.9	52.0	53.9	55.7	48.5	48.1	45.5	42.2
Corporate Bonds	4.2	4.5	4.5	4.3	3.9	3.4	3.0	3.0	3.6	4.7
Total	56.9	64.5	73.3	81.1	84.4	88.4	83.9	86.6	85.5	83.0

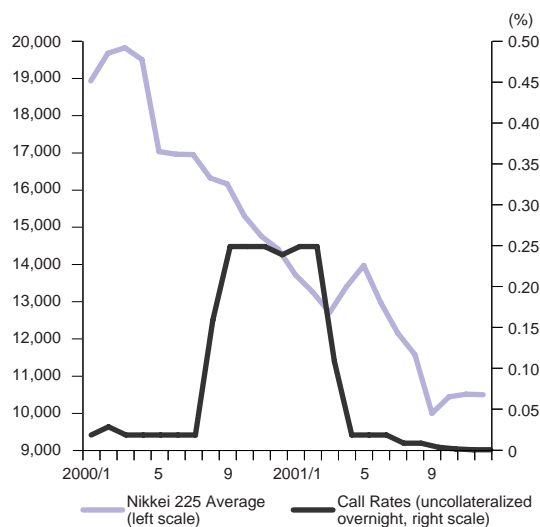
Source: Japan Securities Dealers Association

Secondary Stock Markets

The Nikkei 225 stock average plunges below 10,000

The Nikkei 225 stock average began the year at 13,691.49, but substantially declined below the 12,000 mark in March for the first time since January 1985 under the influence of the large drop in the Nasdaq Market. After that, it rebounded to the 14,500 level in May on increasing expectations for structural reform after the formation of a new government. Stock prices, however, resumed their decline because of the downturn in the economy. In September, stock prices plunged under the impact of the terrorist attacks in the United States, with the Nikkei 225 stock average plummeting below the 10,000 mark at one point for the first time since 1984. Following the drop in the market, the index rose a little until the end of the year and ended the year at 10,542.62, a 23.5% decrease from the end of the preceding year.

Nikkei 225 Stock Average vs Short-Term Money Market Rates

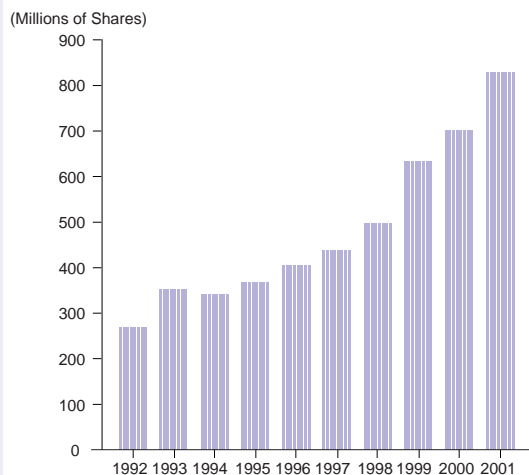


Note: Data are monthly averages.
Sources: Bank of Japan, Nihon Keizai Shinbun, Inc.

Average daily volume on TSE increases approximately 20% from the preceding year

The average daily volume of the First Section of the Tokyo Stock Exchange (TSE) increased 18.6%, to 811.1 million shares, exceeding 800 million shares for the first time in 12 years since 1989. The robust condition of the market from April to June and a reduction in the trading unit size supported this growth. On the other hand, the average daily trading value declined 16.9%, to ¥812.3 billion due to the slump in stock prices. On a full year basis, total trading volume increased by 17.6%, to 199.5 billion shares while aggregate trading value dropped by 17.6%, to ¥199,844.2 billion. Total market value at the end of the year 2001 declined 17.6%, to ¥290,668.5 billion.

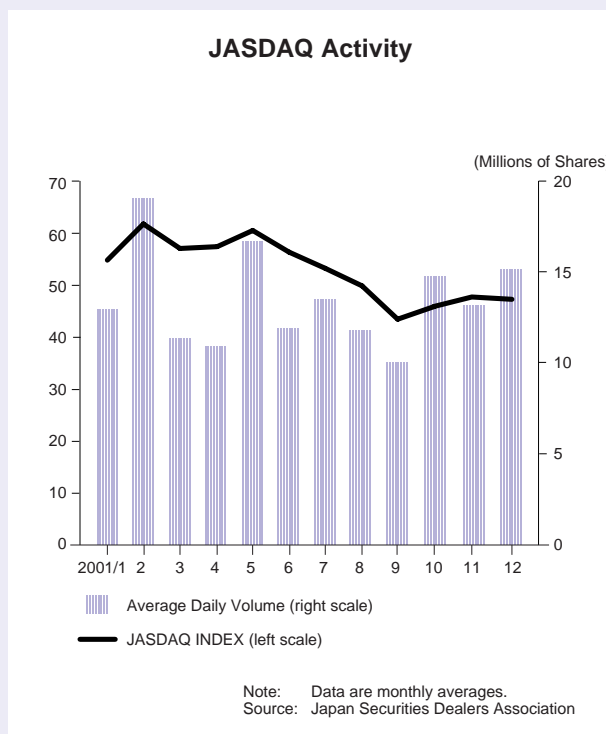
Daily Volume on TSE (1st Section)



Source: Tokyo Stock Exchange

Trading value in the JASDAQ Market loses substantial ground

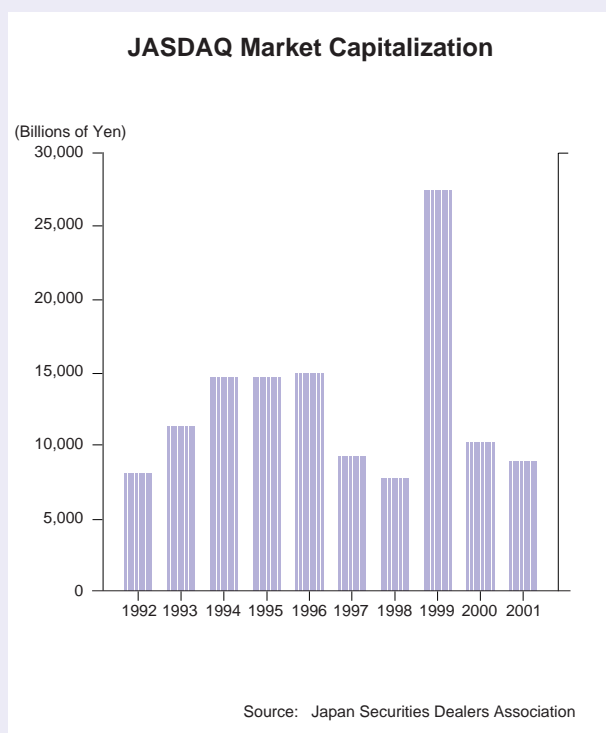
Trading volume and stock prices were strong on the JASDAQ Market in the first half of the year because of the temporary rise in the NASDAQ in the United States caused by the emergency reduction in interest rates by the Federal Reserve Board and the expectation of structural reform by the new Japanese government. Concern over the negative performance of Japanese and American companies and unclear economic conditions pushed down stock prices and led to a fall in trading volume from mid year. In addition, stock prices dropped sharply in September after the terrorist attacks in the United States. The JASDAQ INDEX started the year at 54.18 points, rose to a high of 63.47 points on February 7, 2001, and then fell to a low of 41.12 points on September 17. The index ended the year 2001 at 47.20 points without ever recovering to 50 points. Total trading volume slid 5.6%, to 3.3 billion shares, and aggregate trading value declined 56.1%, to ¥5,012.8 billion.



JASDAQ capitalization drops while the number of listed companies tops 900 companies

Total capitalization of the JASDAQ Market dropped by 13.1%, to ¥8,927.2 billion at the end of 2001, despite the large-scale IPO of a major restaurant chain in July. This was caused by the faltering stock markets in the United States and, in addition, the continued movement from last year of large capitalization companies from the JASDAQ Market to the stock exchange.

The total number of listed companies increased by 40, to 927, including 97 new listings.



Listed Companies

	Tokyo Stock Exchange		Osaka Securities	All Stock	JASDAQ
	1st & 2nd	1st	Exchange	Exchanges	
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
2001	2,067	1,491	1,335	2,591	927

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	
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
2001	296,092	290,668	212,514	300,630	8,927

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
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
2001	204,026	201,909	829.3	820.7

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
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	14,969	22,101	61.1	90.2
2000	17,226	34,357	69.4	138.5
2001	12,292	20,056	49.9	81.5

Source: Osaka Securities Exchange

All Stock Exchanges Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
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
2001	217,893	225,238	885.7	915.6

Source: All Stock Exchanges

JASDAQ Market Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
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
2001	3,307	5,012	13.4	20.3

Note: Includes listed issues and supervised issues.

Source: Japan Securities Dealers Association

Nikkei 225 Stock Average

	Close	%Change	High	Date	Low	Date
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
2001	10,542.62	-23.5	14,529.41	5.7	9,504.41	9.17

Source: The Nihon Keizai Shinbun, Inc.

TOPIX

	Close	%Change	High	Date	Low	Date
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
2001	1,032.14	-19.6	1,440.97	5.7	988.98	12.17

Source: Tokyo Stock Exchange

JASDAQ INDEX

	Close	%Change	High	Date	Low	Date
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
2001	47.20	- 12.9	63.47	2.7	41.12	9.17

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
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
2001	1,138.09	-8.4	1,453.80	5.8	1,027.33	9.12

Source: The Nihon Keizai Shinbun, Inc.

Stock Index Futures

(Billions of Yen, Thousands of Contracts)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Trading Value										
NIKKEI 225	219,871	162,367	124,219	125,364	148,306	136,973	124,949	153,083	127,178	113,719
TOPIX	18,572	33,016	42,089	38,103	45,808	42,173	32,073	44,046	64,243	59,042
NIKKEI 300	-	-	12,400	5,964	5,589	4,125	3,567	4,038	3,826	2,295
Number of Contracts										
NIKKEI 225	11,927	8,461	6,208	7,220	7,043	7,484	8,191	9,067	7,426	9,516
TOPIX	1,358	2,156	2,623	2,745	2,857	3,035	2,726	3,157	4,148	5,071
NIKKEI 300	-	-	4,184	2,318	1,872	1,526	1,531	1,470	1,281	961

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)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Trading Value										
NIKKEI 225	4,096	2,000	1,175	1,432	928	1,270	1,166	1,374	1,372	1,294
TOPIX	8	8	3	8	3	2	0.1	0.6	1.0	3.7
NIKKEI 300	-	-	41	27	23	6	2	0.4	0.6	0.6
Number of Contracts										
NIKKEI 225	9,256	6,090	4,273	5,174	3,924	4,910	5,230	5,753	5,715	6,953
TOPIX	48	37	20	16	13	9	0.6	2	2	7
NIKKEI 300	-	-	269	122	44	7	2	0.6	0.6	0.6

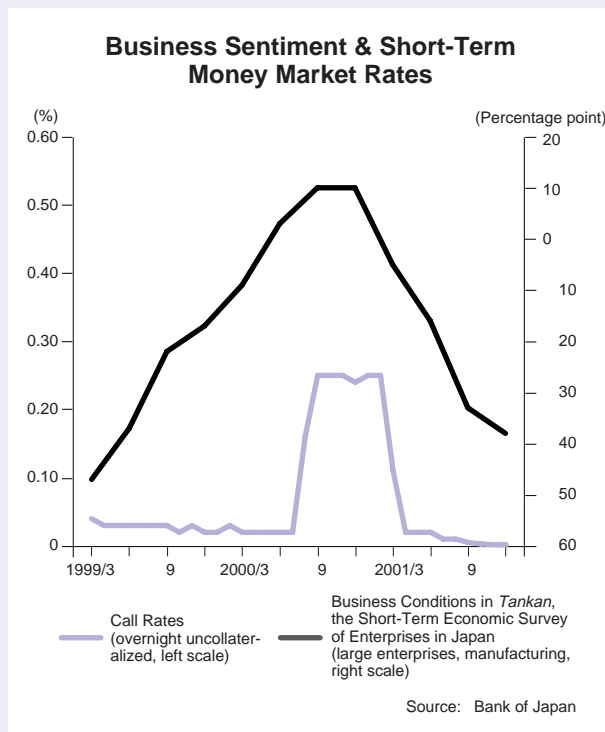
Note: NIKKEI 225 Options began trading on June 12, 1989 while TOPIX and options began trading on October 20, 1989. NIKKEI 300 Options began trading in February 14, 1994.

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

Bond Markets

Interest rate is virtually at the zero level due to step up in the BOJ's easy money policy

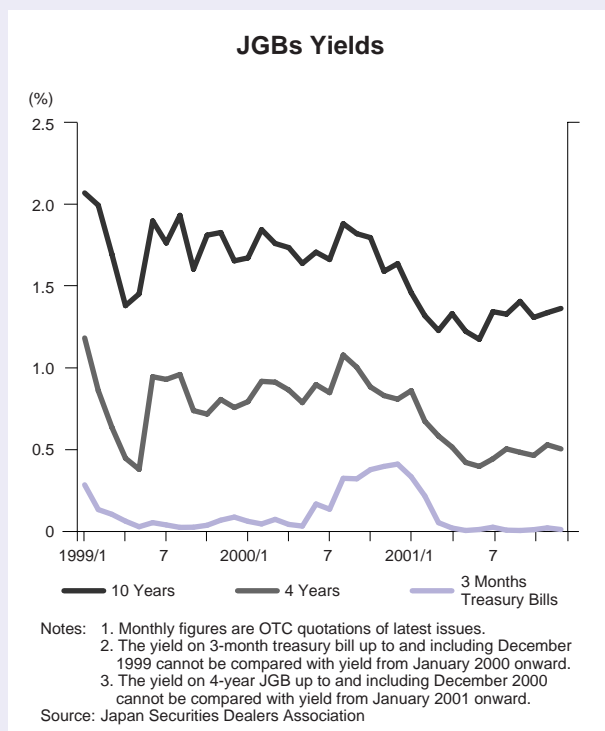
After the elimination of the so-called zero interest rate policy, the sharp deceleration in the growth of overseas economies slowed the upturn in the Japanese economy. With prices continuing to be bearish, the economy turned downward again. Subsequently, the BOJ decided, in March 2001, to change its market operations policy, settling on fixing BOJ current account balances at around ¥5 trillion until consumer price indexes rose more than 0% steadily over the preceding year. The uncollateralized overnight call rate became virtually zero because quantitative relaxation was expanded further. Due to gloomy prospects for the world economy after the terrorist attacks in the United States and caution over credit quality concerns because of recent corporate failures, the growth rate of GDP had been negative for the third consecutive quarters starting with the second quarter and the businesses of corporations deteriorated further.



Long-term JGB yields fluctuate within a narrow band

The long-term JGB yield started the year at 1.461%, and then moved generally downward affected by a marked jump in BOJ's credit relaxation policy after February. In April, the yield rose in response to a sharp rally in stock prices and fears that expansion of government outlays might result in additional issuance of government bonds. But in June, the yield decreased to 1.176% in expectation of financial structural reform by the new Cabinet and additional quantitative relaxation by the BOJ.

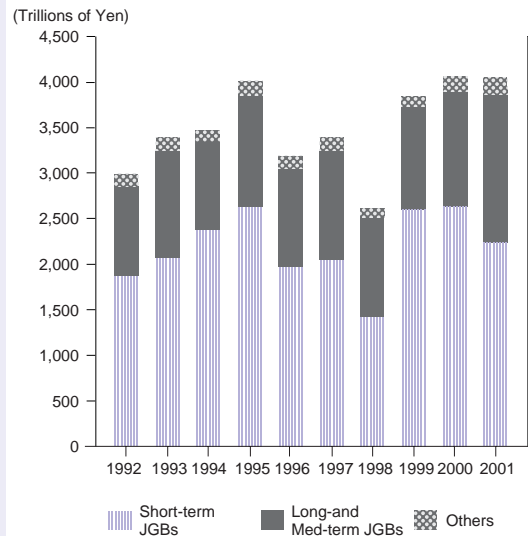
After that, concern over possible additional issuance of government bonds reemerged and prospects for the world economy became more clouded after the terrorist attacks in the United States. In addition to these factors, the downgrading of JGB ratings by overseas rating agencies contributed to a reversal in direction, with the yield rising to end the year at 1.365%.



Public and corporate bond trading value stays at high level following the previous year

The total trading value (OTC and exchanges, including Repos) of bonds stayed at the high levels of the preceding year, decreasing 0.1%, to ¥4,063 trillion, . Looking at a breakdown of trading value of government bonds, which accounted for more than 90% of total value, short-term discounted bonds dropped 24.6% because of lackluster trading in response to the virtually zero interest rates. On the other hand, medium-term and long-term bonds increased 26.5% due to growing need for medium-term bonds, whose interest rate risk is relatively low, and a rise in the volume of government bond issuance, mainly in medium-term bonds.

OTC Bond Trading (Including Repos)



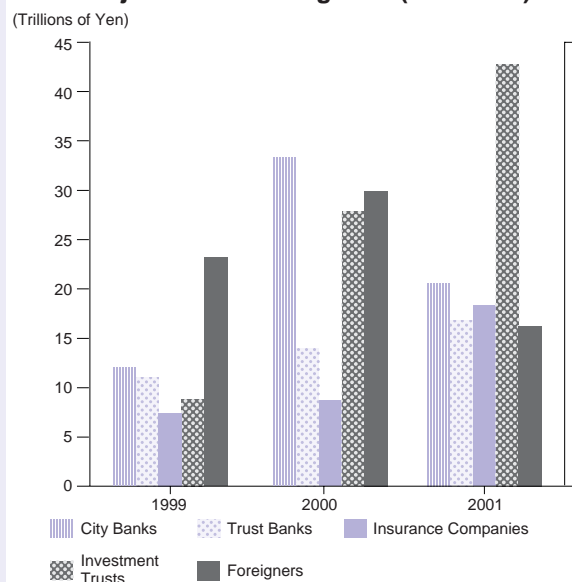
Note: "Short-term JGBs" totaled treasury bills and financial bills.
Source: Japan Securities Dealers Association

Major categories of investors are generally net buyers

Looking at the breakdown of net purchases, investment capital continued to flow into the bond market during the year due to the continued backdrop from the previous year of a faltering economy and weak stock prices, with major categories of investors generally being net buyers.

City banks (including long-term credit banks) decreased their net buying from the preceding year because, with the lingering weakness in the stock market, they attempted to improve their portfolio returns by selling bonds. In addition, investment trusts were net buyers of ¥42.7 trillion, a 52.8% rise from the preceding year, as a result of the continued purchase from the preceding year of mainly short-term discounted government bonds and short-term government bonds.

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



Notes: 1. Excludes Repos.
2. City banks include Long-Term Credit Banks.
Source: Japan Securities Dealers Association

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

(Trillions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total	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	4,058.0
(Repos)	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	1,922.1
Monthly Average	249.5	282.5	288.3	334.3	265.2	282.1	217.2	319.7	338.4	338.1
Total Government Bonds	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	3863.4
Long-term (over 10 years)	22.1	50.5	49.7	55.0	43.5	69.3	77.6	62.1	51.6	70.5
Long-term (10 and 6 year)	967.6	1,127.3	901.4	1,109.8	972.9	1,091.7	959.4	995.2	975.5	1,161.1
Med-term (2-to-4 years)	5.5	7.4	30.7	47.7	47.6	41.8	37.6	69.0	247.4	385.6
Med-term (zero-coupon 5 year)	3.2	2.6	1.2	1.4	0.7	3.6	1.0	0.7	1.3	2.7
Treasury Bills	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	803.6
Financing Bills	539.8	612.7	822.3	782.1	633.1	693.5	2.4	1,085.1	1,555.9	1,439.6
Municipal Bonds	7.0	7.3	5.6	8.5	8.3	7.6	7.0	6.7	10.9	13.2
Gov. Sponsored Bonds	27.6	30.7	23.6	29.6	24.2	26.2	20.4	15.4	31.8	28.4
Fiscal Investment and Loan Program Agency Bonds	-	-	-	-	-	-	-	-	-	0.3
Total Corporate Bonds	9.0	13.5	10.6	17.3	18.6	19.8	21.9	23.3	42.2	54.1
Electric Power Bonds	4.6	7.5	4.9	7.9	6.4	6.7	7.4	8.4	12.7	12.8
NTT Bonds	1.1	1.2	0.8	0.8	0.8	0.4	0.4	0.5	0.6	1.0
Business Corporation Bonds	3.0	4.2	4.1	6.9	10.0	11.9	13.6	11.6	25.1	36.7
Convertible Bonds	0.1	0.4	0.7	1.6	1.4	0.5	0.3	2.5	3.3	3.1
Bonds with Warrants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank Debentures	75.0	71.2	53.2	68.0	55.1	54.9	32.9	31.8	39.2	50.6
Samurai Bonds	3.0	4.6	3.6	4.5	6.1	5.6	3.0	3.1	5.1	5.5
Others	15.2	21.0	22.2	38.1	32.8	29.2	23.9	21.9	33.4	42.1

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)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total	37.8	49.2	38.6	50.4	44.9	37.1	18.4	11.1	6.5	5.1
Government Bonds	14.6	10.5	7.7	10.0	11.9	9.7	3.7	0.0	0.0	0.0
Convertible Bonds	23.1	38.5	30.7	40.0	32.6	27.1	14.6	11.0	6.4	5.1
Bonds with Warrants	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, as of March 2001, all 5 stock exchanges).

Source: All Stock Exchanges

Trading Value of Public and Corporate Bonds by Investor Categories

(Trillions of Yen)

	1999			2000			2001		
	Sales	Purchases	Net	Sales	Purchases	Net	Sales	Purchases	Net
Total Financial Institutions	135.6	165.0	-29.4	144.8	225.3	-80.4	173.1	254.4	-81.3
City Banks	41.4	42.7	-1.2	50.5	83.8	-33.3	78.6	99.2	-20.6
Regional Banks	7.6	8.8	-1.1	10.0	15.3	-5.3	10.4	18.8	-8.3
Trust Banks	39.6	50.6	-11.0	45.8	59.9	-14.0	52.6	69.4	-16.7
Financial Institutions for Agriculture and Foresties	10.4	14.8	-4.4	6.5	13.7	-7.1	6.3	14.0	-7.6
Shinkin Banks	5.6	7.4	-1.8	6.0	12.4	-6.3	7.8	19.5	-11.7
Other Financial Institutions	30.7	40.5	-9.7	25.7	39.9	-14.2	17.1	33.2	-16.1
Life & Non-Life Insurance Companies	23.9	31.3	-7.3	19.9	28.7	-8.7	22.4	40.8	-18.3
Investment Trusts	11.5	20.2	-8.7	8.8	36.8	-27.9	10.2	52.9	-42.7
Mutual Aid Association of Government Agencies	4.5	5.1	-0.6	3.3	3.1	0.1	1.0	1.8	-0.8
Business Corporations	1.0	3.1	-2.0	0.9	4.3	-3.4	0.3	2.7	-2.3
Other Private Corporations	1.0	4.6	-3.5	1.8	5.5	-3.6	1.1	4.7	-3.5
Foreigners	55.1	78.3	-23.1	47.4	77.4	-29.9	46.7	63.0	-16.2
Individuals	0.5	1.1	-0.6	0.6	2.4	-1.7	0.6	1.9	-1.2
Others	110.2	41.7	68.4	185.0	35.8	149.1	215.0	73.6	141.4
Bond Dealers	454.3	451.0	3.2	563.2	567.2	-4.0	593.6	589.5	4.0
Total	798.1	802.0	-3.9	976.1	986.9	-10.8	1,064.5	1,085.7	-21.1

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.

3. City Banks include Long-Term Credit Banks.

Source: Japan Securities Dealers Association

Japanese Government Bond Futures

(Trillions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
10-year	1,181	1,508	1,294	1,391	1,237	1,179	1,066	965	985	733
20-year	0.3	0.3	0.3	0.2	0.2	0.2	0	-	-	-
5-year	-	-	-	-	26	11	19	11	11	0.2

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 at year-end 2001 decline for the second consecutive year

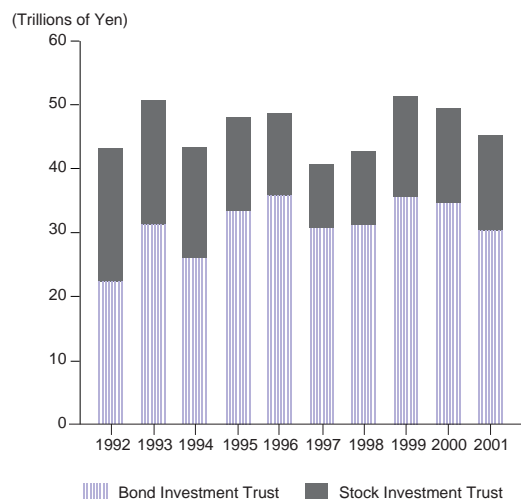
Total investment trust assets reached near ¥60 trillion at the end of May 2001 following rising stock markets in expectation of structural reform pledged by the new administration formed in April. Subsequently, the stock market substantially declined owing to the terrorist attacks in the United States. This produced a fall in the amount of assets under management and large-scale capital fled out originating from money management funds (MMFs) for which value fell below principal during the year.

Among stock investment trusts, total assets held in stock investment trusts edged up ¥294.9 billion, to ¥14,905.4 billion because capital continued to flow into investment trusts during the year despite the depressed stock market from the middle through the end of the year.

Total assets held in bond investment trusts declined ¥4,413.3 billion, to ¥30,375.3 billion based on a large amount of repurchases of MMFs.

Consequently, total investment trust assets at the end of 2001 decreased 8.3%, to ¥45,280.7 billion.

Total Assets Held in Stock and Bond Investment Trusts



Source: The Investment Trusts Association

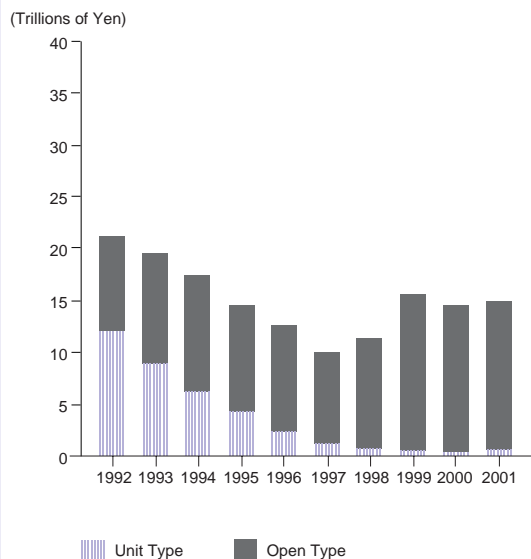
Stock Investment Trusts: Total assets invested in unit-type trusts rise for the first time in 12 years

Looking at stock investment trusts at the end of the year, total assets invested in stock investment trusts rose 2.0%, to ¥14,905.4 billion. The increase from new purchases stayed at high level following the previous year. The amount of assets under management declined, however, because of the weak stock market.

In open-ended trusts, ETFs drew a net capital flow into open-ended trusts over the year, but the substantial decline in the stock market in the second half resulted in only a slight 0.3% rise in net assets, to ¥14,288.1 billion.

In unit-type trusts, net assets increased after a 12-year decline since 1989, rising 65.2%, to ¥617.2 billion, as a result of continuous new sales through the year. In addition to ETFs, REITs were listed.

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



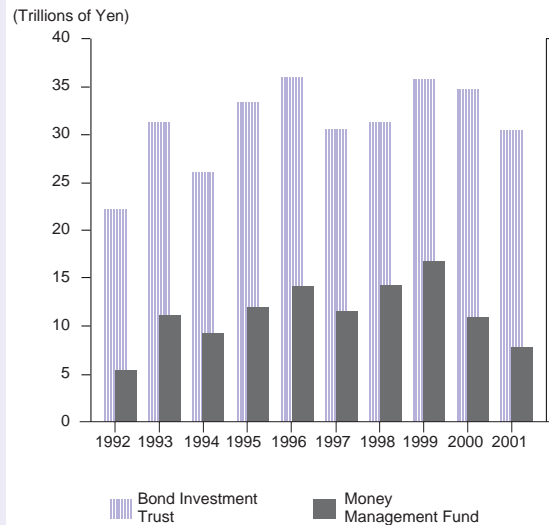
Source: The Investment Trusts Association

MMFs: Total assets drop about 30% due to large volume of repurchases

Total assets in bond investment trusts at the end of the year declined by 12.6%, to ¥30,375.3 billion.

Looking at fund types, fund values falling below principal invested caused by the failure of Enron in the United States in the latter half of the year produced a large volume of redemptions of MMFs, bringing down total assets in these funds by 29.6%, to ¥7.7 trillion. Medium-term government securities funds also dropped significantly due to redemptions associated with changes in the special features of these products caused by introduction of market value accounting for fund assets in April.

Total Assets Held in Bond Investment Trusts



Source: The Investment Trusts Association

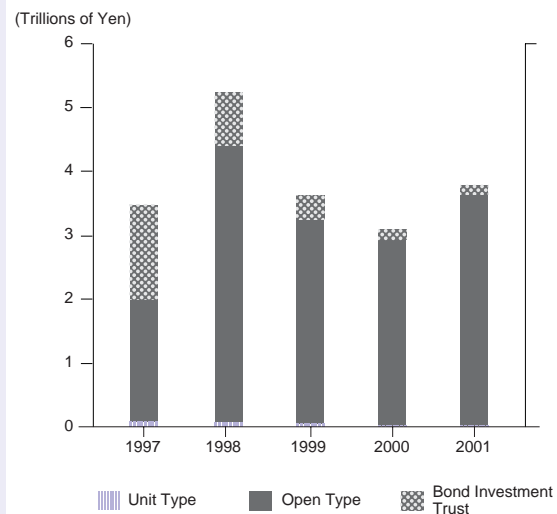
Foreign Currency-Denominated Funds: Total assets increase for the first time in 3 years

Total assets held in foreign currency-denominated funds at the end of the year were up by 23.4%, to ¥3,777.9 billion owing to the popularity in foreign currency-denominated securities because of investment attracted by the difference between domestic and foreign interest rates resulting from the lingering low interest rate climate in Japan.

Stock investment trusts, the mainstay of foreign currency-denominated funds, increased 25.9%, to ¥3,633.2 billion, accounting for 96.1% of this type of fund.

Looking at foreign currency-denominated investment funds by investment country, assets held in U.S. investments totaled ¥2,256.8 billion, accounting for 59.7% while assets held in UK investments came in second, at ¥197.6 billion or 5.2%. Assets held in the Euro-zone countries increased 16.6%, to ¥897.2 billion, but, looking at the percentage of overall foreign currency-denominated investment funds, Euro-zone countries assets decreased to 23.7% from 25.1%.

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	Held in ETFs
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	-
2001	8,183	575	7,607	1,009

Stock Investment Trust Assets

(Billions of Yen)

	Total	Unit Type	Open Type	Held in ETFs
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	-
2001	14,905	617	14,288	889

Source: The Investment Trusts Association

Bond Investment Trust Gross Sales and Assets

(Billions of Yen)

	Sales	Assets	Assets of Money Management Fund
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
2001	69,518	30,375	7,722

Foreign Currency-Denominated Investment Trust Assets

(Billions of Yen)

	Unit Type	Open Type	Bond	Total	Held in U.S. Investment
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
2001	18	3,614	144	3,777	2,256

Source: The Investment Trusts Association

Investor Trends

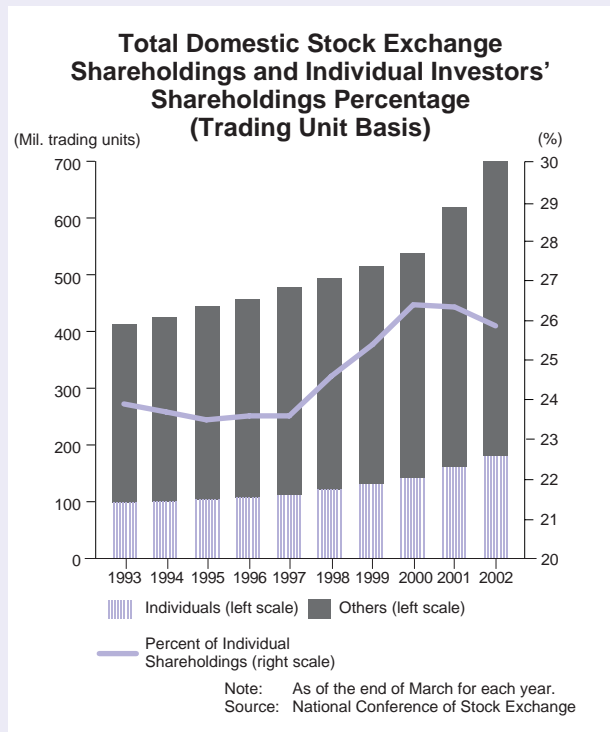
Number of individual investors surpasses 30 million for the third consecutive year

According to a survey by the National Conference of Stock Exchanges, the number of individual shareholders at the end of March 2002 increased for the sixth consecutive year, to 33.51 million.

The percentage of shareholding by individual investors on a trading unit basis declined for the second consecutive year, but at 25.9%, around the same level as in the previous year. The percentage of stock held by individual investors on a monetary basis accounted for 19.7%.

According to the results of the JSDA's annual survey of the composition of shareholders of stocks listed on the JASDAQ Market, the number of individual shareholders at the end of March 2002 amounted to 1,376,000, expanding for the seventh consecutive year. However, the holdings of individual shareholders declined 1.0 percentage point to 48.3%.

(Note) The number of shareholders and the percentage of shareholding by individuals for the year 2002 have been calculated based on the number of "tangen" trading units. (The calculation was made based on the number of "tan-i" trading units until 2001.)

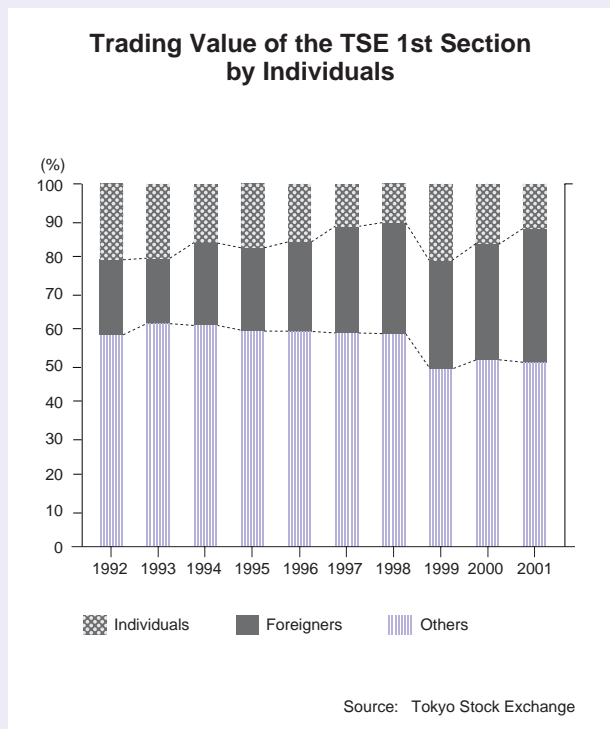


Active trading by foreigners continues

In 2001, the proportion of the total trading value of the First Section of the TSE accounted for by individual investors declined for the second consecutive year, falling by 4.0 percentage points to 12.0%.

Foreigners increased their share of the total trading value of the TSE 1st Section by 4.4 percentage points, to 36.9%, staying at high level and reaching the ¥100 trillion mark for the second consecutive year on their trading value.

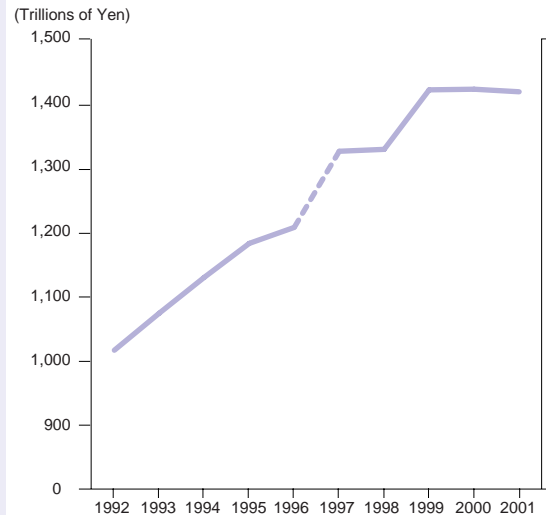
Conversely, among JASDAQ stocks, the trading value of individual investors rose by 2.2 percentage points to 43.2%. That of foreigners, however, amounted to ¥850.4 billion or 11.3%, a significant drop of 7.2 percentage points.



Financial Assets of Households: ¥1,421 trillion

The financial assets of individuals at year-end 2001 edged down 0.3% or ¥4.3 trillion, to ¥1,421.0 trillion, approximately the same level as in the previous year. The scheduled start of limited deposit insurance (only for fixed accounts, etc.) promoted a shift to ordinary and other accounts still covered by the previous full insurance system, resulting in a 1.5% or ¥11.7 trillion increase in cash and time deposits and 2.5% or ¥9.8 trillion increase in insurance and pension reserves. In contrast, the proportion of shares and other equities declined 16.9% or ¥20.9 trillion due to the downswing in stock markets and also 4.6% or ¥1.5 trillion drop in securities investment trusts mainly caused by MMFs in which value fell below principal.

Household Financial Assets



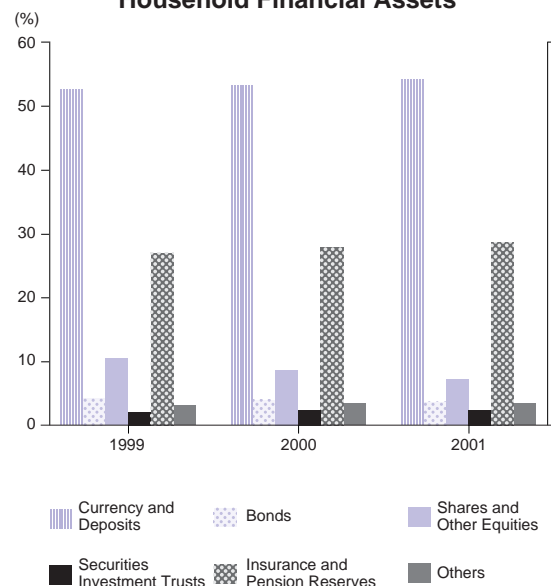
Note: Not consistent since the year 1996.
Source: Bank of Japan

Weighting of shares and other equities fall while cash and time deposits rise

Looking at the composition of the financial assets of individuals at year-end 2001, the proportion of shares and other equities declined 1.5 percentage points, to 7.2% while the weighting of bonds edged down 0.3 percentage points, to 3.7%. Meanwhile, the proportion of cash and time deposits increased 1.0 percentage points, to 54.2%.

The proportion of investment trusts decreased 0.1 percentage points, to 2.3% due to capital outflows originating in MMFs. Investment choices for investors are being expanded with the diversification of products, such as the introduction of defined contribution pension plans, ETFs and REITs. Through these changes, it is expected that investors will begin to consider investments trusts as investment tools.

Composition of Household Financial Assets



Source: Bank of Japan

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

(Trillions of Yen)

	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3
Individuals	67.9	73.4	61.9	75.9	65.0	58.5	62.4	82.9	68.9	61.0
Government	1.0	0.9	1.0	1.1	0.7	0.6	0.6	0.5	0.5	0.5
Bank	73.2	81.0	70.8	87.4	76.4	69.6	72.5	85.8	70.5	61.7
Pension Trust	3.8	5.1	5.0	7.0	8.0	11.8	15.6	23.1	19.6	18.6
Investment Trust	10.4	10.7	8.1	8.4	6.8	4.9	4.4	10.2	9.8	10.3
Insurance Co.	53.2	58.0	49.0	57.2	49.1	43.4	43.1	49.2	38.5	31.6
Business Corp.	93.4	103.7	86.2	105.8	85.8	75.9	83.5	120.1	77.4	67.5
Foreigners	20.7	28.2	25.2	40.9	40.0	41.1	46.5	85.9	66.5	56.7
Securities Firms	3.9	4.8	3.6	5.3	3.1	2.0	1.8	3.8	2.5	2.1
Total	327.9	366.3	311.1	389.4	335.4	308.0	330.8	461.9	354.7	310.5

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

Share of Total Equities Outstanding

(%)

	1993.3	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3
Individuals	20.7	20.0	19.9	19.5	19.4	19.0	18.9	18.0	19.4	19.7
Government	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.2	0.2
Bank	22.3	22.2	22.9	22.4	22.8	22.6	21.9	18.6	19.9	19.9
Pension Trust	1.2	1.4	1.6	1.8	2.4	3.8	4.7	5.0	5.5	6.0
Investment Trust	3.2	2.9	2.6	2.2	2.0	1.6	1.4	2.2	2.8	3.3
Insurance Co.	16.2	15.8	15.7	14.7	14.7	14.1	13.1	10.7	10.9	10.2
Business Corp.	28.5	28.3	27.7	27.2	25.6	24.6	25.2	26.0	21.8	21.8
Foreigners	6.3	7.7	8.1	10.5	11.9	13.4	14.1	18.6	18.8	18.3
Securities Firms	1.2	1.3	1.2	1.4	1.0	0.7	0.6	0.8	0.7	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
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
2002.3	33,517	4.3	127,291	0.3	26.3

- 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.
 4. Starting with the fiscal year ended March 31, 2002, the number of shareholders has been calculated based on the number of "tangen" trading units. (The calculation was made based on the number of "tan-i" trading units until March 31, 2001.)

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
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
2002.3	181,264	12.1	700,649	14.1	25.9

- Notes: 1. One trading unit generally consists of 1,000 shares.
 2. Figures refer to all exchange-listed stocks and exclude foreign stocks.
 3. Starting with the fiscal year ended March 31, 2002, the number of stocks and the percentage of shareholding by individuals have been calculated based on the number of "tangen" trading units. (The calculation was made based on the number of "tan-i" trading units until March 31, 2001.)

Source: National Conference of Stock Exchanges

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

(Trillions of Yen)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Individuals	21.6	30.1	23.9	24.2	26.9	21.9	17.5	65.5	67.7	42.0
Bank	11.7	21.4	22.4	19.3	26.5	33.4	31.9	40.6	56.0	40.9
Insurance Co.	2.3	2.0	2.5	2.8	2.2	2.1	2.3	4.1	5.9	4.3
Investment Trust	10.4	13.6	10.1	6.2	7.8	5.5	2.7	5.2	9.0	6.7
Business Corp.	6.5	9.4	7.5	6.8	6.8	6.4	5.9	11.3	11.0	7.1
Foreigners	21.0	27.1	33.1	31.6	42.2	55.0	51.9	93.3	137.4	128.6
TSE Non-member	3.0	3.6	3.1	2.8	3.2	2.9	2.2	4.9	8.5	5.2
Member Trading	27.1	42.6	45.5	44.9	56.1	61.4	53.5	85.5	126.4	113.8
Total	104.0	150.2	148.5	138.8	172.1	189.0	168.4	310.7	422.2	349.1

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)

(%)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Individuals	20.8	20.1	16.1	17.4	15.7	11.6	10.4	21.1	16.0	12.0
Bank	11.3	14.3	15.1	13.9	15.4	17.7	19.0	13.1	13.3	11.7
Insurance Co.	2.3	1.4	1.7	2.0	1.3	1.2	1.4	1.3	1.4	1.2
Investment Trust	10.0	9.1	6.8	4.5	4.6	2.9	1.6	1.7	2.1	1.9
Business Corp.	6.3	6.3	5.0	4.9	4.0	3.4	3.6	3.7	2.6	2.1
Foreigners	20.3	18.0	22.3	22.8	24.5	29.1	30.9	30.0	32.5	36.9
TSE Non-member	2.9	2.4	2.1	2.0	1.9	1.6	1.3	1.6	2.0	1.5
Member Trading	26.1	28.4	30.7	32.4	32.6	32.5	31.8	27.5	29.9	32.6

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)

	1994	1995	1996	1997	1998	1999	2000	2001
Individuals	4,786.6	5,614.4	5,081.5	1,653.5	879.9	10,478.7	6,996.6	3,249.6
Bank	587.1	493.7	585.2	329.8	200.0	993.7	1,236.8	373.5
Insurance Co.	54.1	58.2	65.6	23.0	8.6	35.3	51.3	20.8
Investment Trust	768.2	642.2	802.9	301.5	98.6	687.9	859.9	268.3
Business Corp.	762.5	741.6	767.1	396.7	235.1	1,115.8	751.4	277.8
Foreigners	1,143.1	1,042.6	1,337.9	967.4	677.3	2,545.7	3,151.5	850.4
Brokers	70.1	72.3	74.2	32.5	14.3	458.9	570.7	345.0
Principal Trading	1,408.1	1,779.9	1,811.6	686.9	305.1	2,776.1	3,437.7	2,143.2
Total	9,580.2	10,445.3	10,526.4	4,391.9	2,419.3	19,092.8	17,056.2	7,528.8

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)

(%)

	1994	1995	1996	1997	1998	1999	2000	2001
Individuals	50.0	53.8	48.3	37.6	36.4	54.9	41.0	43.2
Bank	6.1	4.7	5.6	7.5	8.3	5.2	7.3	5.0
Insurance Co.	0.6	0.6	0.6	0.5	0.3	0.2	0.3	0.3
Investment Trust	8.0	6.1	7.6	6.9	4.1	3.6	5.0	3.6
Business Corp.	8.0	7.1	7.3	9.0	9.7	5.8	4.4	3.7
Foreigners	11.9	10.0	12.7	22.0	28.0	13.3	18.5	11.3
Brokers	0.7	0.7	0.7	0.7	0.6	2.4	3.3	4.6
Principal Trading	14.7	17.0	17.2	15.6	12.6	14.5	20.2	28.5

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)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Individuals	22	-1,147	-2,033	-250	-1,967	-703	-654	-1,842	-1,622	-602
Bank	602	2,687	2,094	-506	2,869	4,040	4,825	-974	2,544	1,790
Insurance Co.	-280	-13	-392	-1,658	-507	-895	-1,010	-1,425	-164	-926
Investment Trust	-16	-338	-1,504	-978	-974	-1,254	-402	353	1,858	448
Business Corp.	-301	-1,799	-1,452	-878	-843	-135	-573	-1,600	-1,130	-102
Foreigners	560	1,011	3,615	3,579	3,160	1,372	-443	8,463	-2,412	1,113
TSE Non-member	-76	-130	-171	4	-127	64	-30	72	138	-50
Member Trading	-37	411	514	1,121	-910	-2,062	-1,331	-2,580	1,108	-1,362

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)

	1994	1995	1996	1997	1998	1999	2000	2001
Individuals	-311.9	-198.6	-265.2	-131.7	-79.9	-324.0	-405.0	-58.4
Bank	102.5	67.4	108.5	51.3	4.6	23.3	181.8	11.7
Insurance Co.	12.5	5.7	2.0	2.8	2.3	-1.1	16.8	1.5
Investment Trust	216.3	97.1	103.1	-47.9	-1.8	135.4	154.9	45.7
Business Corp.	-126.5	-41.2	-75.2	-11.3	12.3	-179.0	-94.1	-22.2
Foreigners	112.5	66.9	125.3	102.8	55.8	138.3	30.1	-16.3
Brokers	-3.8	-0.4	0.8	1.1	0.0	18.6	3.2	24.3
Principal Trading	-12.3	-3.0	-21.6	-22.0	-10.0	17.3	14.0	23.0

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)

	1999	2000	2001
Currency and Deposits	751.0	759.0	770.7
Bonds	61.8	57.0	52.0
Shares and Other Equities	148.9	123.4	102.5
Securities Investment Trusts	29.4	33.7	32.2
Insurance and Pension Reserves	385.7	398.3	408.1
Others	44.1	48.5	48.3
Total	1,424.6	1,425.3	1,421.0

Note: "Bonds" includes trust beneficiary rights.

Composition of Household Financial Assets

(%)

	1999	2000	2001
Currency and Deposits	52.7	53.2	54.2
Bonds	4.3	4.0	3.7
Shares and Other Equities	10.5	8.7	7.2
Securities Investment Trusts	2.1	2.4	2.3
Insurance and Pension Reserves	27.1	27.9	28.7
Others	3.1	3.4	3.4

Note: "Bonds" includes trust beneficiary rights.

Major Economic Indicators

Major Interest Rates, Yields and Economic Indicators

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Official Discount Rate	%	3.25	1.75	1.75	0.50	0.50	0.50	0.50	0.50	0.50	0.10
Call Rate (Uncollateralized Overnight)	%	3.91	2.44	2.28	0.46	0.44	0.47	0.32	0.05	0.20	0.002
CDs 3-to-6 months	%	4.417	2.948	2.219	1.180	0.557	0.562	0.694	0.223	0.217	0.088
Repos 3 months	%	3.418	1.704	2.054	0.228	0.249	0.231	0.141	0.067	0.324	0.010
Bank Debentures 5 year	%	4.527	2.381	3.995	1.853	1.721	1.633	1.930	1.274	1.259	1.087
Newly Issued JGBs 10 year	%	4.775	3.325	4.570	3.190	2.760	1.910	1.970	1.645	1.640	1.365
JGBs Futures 10Y yield	%	4.766	3.613	4.735	3.356	2.882	2.326	2.509	2.047	1.860	1.575
Corporate Bonds 12 year	%	5.431	4.062	4.820	3.504	3.115	2.825	3.024	2.059	2.003	1.616
Prime Rate (Short-term)	%	4.500	3.000	3.000	1.625	1.625	1.625	1.500	1.375	1.500	1.375
Prime Rate (Long-term)	%	5.500	3.500	4.900	2.600	2.500	2.300	2.200	2.200	2.100	1.850
M2+CDs	%	0.6	1.1	2.1	3.0	3.3	3.1	4.0	3.6	2.1	2.8
GDP Nominal	Trillions of Yen	483.1	487.5	492.2	501.9	515.2	520.1	513.2	514.3	513.0	500.2
Change in GDP Nominal	%	1.8	0.9	1.0	2.0	2.6	1.0	-1.3	0.2	-0.3	-2.5
GDP Real	Trillions of Yen	483.3	485.4	490.7	502.7	520.0	521.3	517.2	526.9	535.6	528.9
Change in GDP Real	%	0.4	0.4	1.1	2.5	3.4	0.2	-0.8	1.9	1.7	-1.3
Contributions to Changes in GDP (Domestic Demand)	%	-0.1	0.6	1.3	3.2	3.6	-0.7	-1.0	1.9	1.5	-0.8
Private Demand	%	-2.0	-1.0	1.0	2.5	4.5	-0.5	-1.9	1.5	1.8	-1.1
Public Demand	%	7.4	5.9	2.3	5.2	0.8	-1.5	1.9	3.2	0.6	0.1
Change in Industrial Production Index of Mining and Manufacturing	%	-5.9	-3.5	3.0	2.1	3.4	1.1	-7.0	3.3	4.0	-10.2
Change in Consumer Price Index	%	1.6	1.3	0.4	-0.3	0.4	2.0	0.2	-0.5	-0.6	-1.0
Wholly Unemployed Ratio	%	2.2	2.6	2.9	3.2	3.3	3.5	4.3	4.7	4.7	5.2
Change in Employees	%	2.1	1.4	0.6	0.7	1.3	0.8	-0.7	-0.5	0.9	-0.3
Yen / Dollar Rate	Yen / Dollar	124.65	111.89	99.83	102.91	115.98	129.92	115.20	102.08	114.90	131.47

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

Securities Industry Performance and Market Overview

Published September 2002

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