

**Securities Industry
Performance and
Market Overview**

FACT BOOK

2003

Japan Securities Dealers Association

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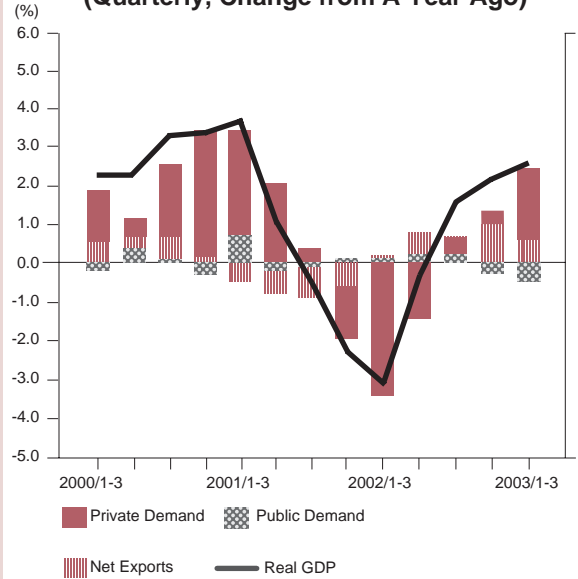
Securities Market in 2002 (Overview)

Economic and Financial Conditions

Robust exports and other expansion gave indications of recovery in some sectors of Japan's economy in 2002. However, there remained a lack of confidence in prospects for the economy due to stagnant personal consumption, concerns over the direction of the U.S. economy, and global stock markets' weakness.

In financial markets, influenced by the downward trend of the previous year, the short-term money market rate hit a record low of 0.001 percent in January 2002, thereafter moving within a tight box from 0.001% to 0.002%. Although the long-term interest rate was in an upward trend due to concerns over deteriorating financial condition and other factors, it moved down again under pressure from deepening inflation and rising worldwide tension over the situation in Iraq, falling to the low level of 0.900% for the first time in about four years.

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



Source: Cabinet Office

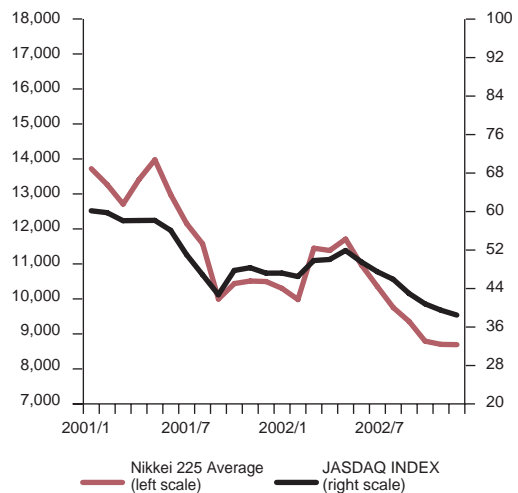
Securities Markets

In 2002, the stock market was generally bearish, reflecting the lack of confidence in the financial system in Japan and the sharp decline in the U.S. stock market.

Mergers continued in succession in the securities, banking, and insurance industries. Another significant event was the partial removal of the full guarantee on bank deposits.

With the enforcement of a revised Commercial Code, regulations were relaxed on the acquisition and holding of a company's own stock—the lifting of the ban on treasury stock—and a new system was introduced for issuing subscription rights for shares that broadened companies' scope for granting stock options.

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 271 companies in the securities industry for the fiscal year ended March 2003 amounted to ¥135.7 billion, returning to profitability after a deficit in the previous fiscal year.

Net operating revenues fell primarily because of a substantial drop in brokerage income. Operating & administrative expenses also declined.

Net loss amounted to ¥169.8 billion, while, at minus 3.5%, ROE was negative for the second consecutive year.

Capital Markets

Reflecting the weak stock market, equity financing by publicly listed companies declined 15.4%, to ¥1.7 trillion.

Corporate straight bond issuance decreased 8.4%, to ¥8.1 trillion against a backdrop of heightened concern over credit risk. Issues of public bond, however, climbed 10.9%, to ¥157.0 trillion due to an increase in planned issuance of government bonds.

Secondary Stock Markets

The Nikkei 225 stock average began the year on a weak tone. Although it rebounded at one point, the market collapsed again in the wake of the U.S. market sharp decline by the impact of huge accounting scandals, ending the year down 18.6%, at 8,578.95. The decline marked the third consecutive year of deterioration in the stock average.

Average daily volume on the First Section of the Tokyo Stock Exchange (TSE) was 842.6 million shares, staying above the 800 million mark for the second year in a row.

Annual trading volume on the JASDAQ Market increased 28.7%, to 4.2 billion shares, but share prices continued to be weak.

Secondary Bond Markets

The long-term rate began the year at 1.400% on an upward path as concern over the deteriorating financial condition heightened. However, against the backdrop of the slump in the stock market and other factors, the rate dropped in August to the 1.1% level. Following this low, the rate show occa-

sional signs of rallying but growing fears of deflation kept it on a downward track, ending the year at 0.900%.

Total transaction volume decreased as ultra-low interest rates became firmly rooted in the system, declining 9.6% year on year, to ¥3,670 trillion.

Investment Trusts

Although there had been a large influx of funds into stock investment trusts, the fall in the stock market eroded assets, resulting in only a small increase in net assets held. Total assets of bond investment trusts plunged during the year under pressure from ultra-low yields and the impact of many MMFs falling below their original invested principal. Facing difficult money management conditions in the domestic market because of the slump in the stock market and the ultra-low interest rate climate, money, particularly of individual investors, flows into the investment trusts which invest in high yield foreign bonds. At the end of December 2002, total assets of investment trusts had dipped 20.4%, to ¥36,016.0 billion.

Investors and Their Deposits and Investments

Despite faltering equity markets, the number of individual shareholders of listed stocks of all stock exchanges in Japan expanded for the seventh consecutive year at the end of March 2003, increasing to 33.77 million. The growing popularity of Internet trading and reductions in the size of trading units of the stocks of many listed companies contributed to the year-on-year increase.

Among equity buying and selling trends, the share of individual investors in trading value for stocks listed on the First Section of the TSE rose for the first time in three years, jumping to 14%. Although foreign investors' share of trading value declined for the first time in three years, at 33%, it remained at a high level, and stayed above 30% for the fifth consecutive year.

Total households financial assets at the end of 2002 amounted to ¥1,392 trillion, falling below the ¥1,400 trillion mark for the first time in four years. Growing conservatism brought on by the prolonged economic recession resulted in a progressive shift of investments into cash and deposits.

Securities Industry

Securities Industry Performance

Overview: Total recurring profits post a plus for the first time in two years

Looking at the overall performance of the industry (271 securities companies) during the fiscal year ended March 2003, the impact of a substantial decrease in brokerage income drove down total operating revenues 3% (year on year), to ¥2,163.2 billion. Total operating and administrative expenses also declined by 10%, to ¥2,040.3 billion. Consequently, the industry recorded total recurring profits of ¥135.7 billion, returning to profitability after a deficit in the previous fiscal year.

The stock market slumped as evidenced by the fact that the Nikkei Stock Average fell its lowest point since the end of the bubble economy. The drop in equity brokerage income influenced by the slumping stock market was behind the decrease in total operating revenues.

Net Total Operating Revenues: Brokerage commissions drop significantly

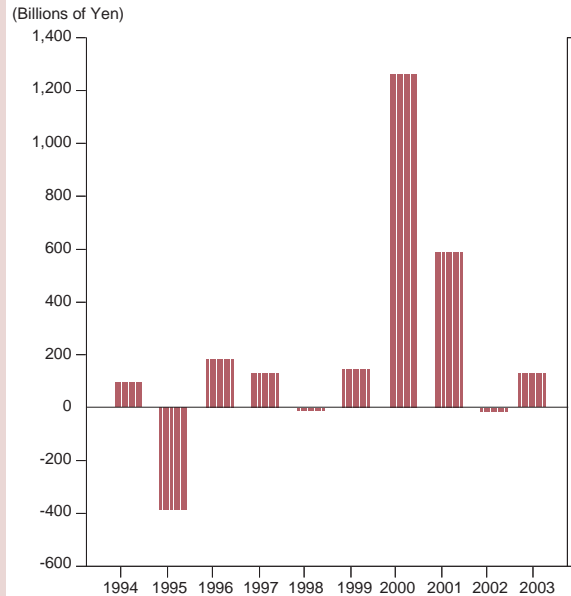
Among revenues, commissions decreased 12%, to ¥1,469.2 billion while trading gain rose 37%, to ¥549.9 billion. Financial revenues declined 13%, to ¥138.6 billion.

The 23% reduction in brokerage income resulting from a decline in equity transaction value due to lower stock prices was the main contributor to the decline in commissions.

Trading gain surged thanks to strong performances in the bond market, particularly by the major securities companies.

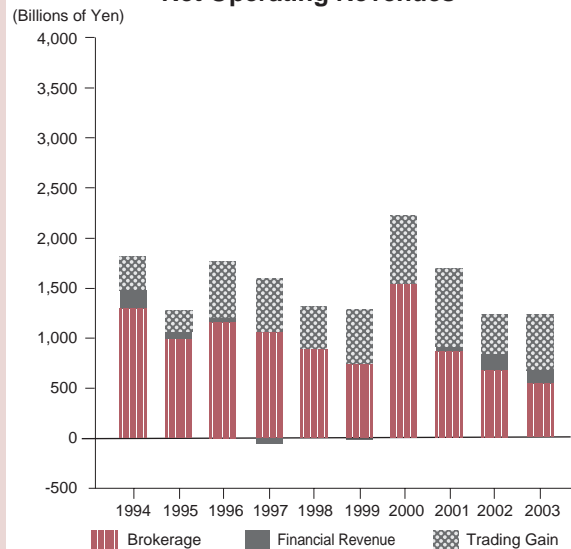
The fall in financial revenues could be attributed to the large decreases in income from securities lending and borrowing transactions and dividends received.

Securities Industry Recurring Profits (Loss)



Note: See Note 2 on Page 9.
Source: Japan Securities Dealers Association

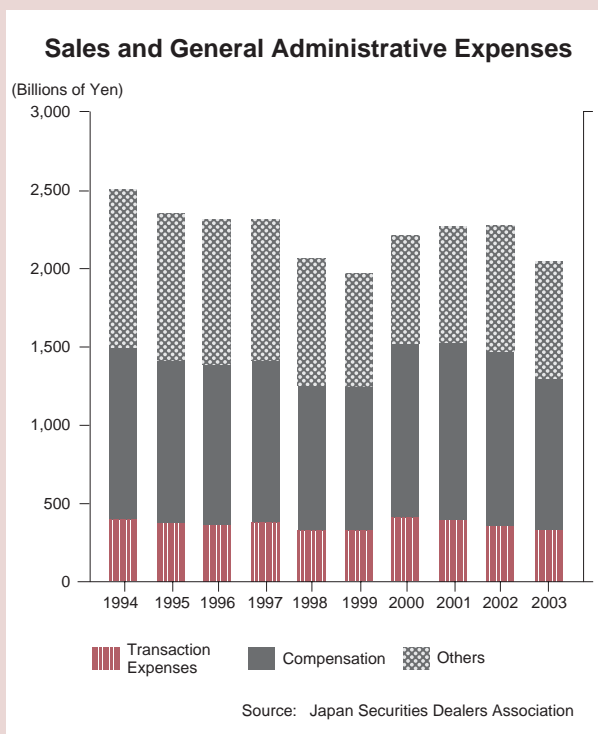
Net Operating Revenues



Note: See Notes 2 and 3 on Page 9.
Source: Japan Securities Dealers Association

Operating & Administrative Expenses: The expenses fall for the first time in four years

Operating & administrative expenses declined 10%, year on year, to ¥2,040.3 billion. Among expenses, transaction expenses edged down about 7%, compensation fell 13%, real estate expenses decreased 8%, and office expenses sank 3%.

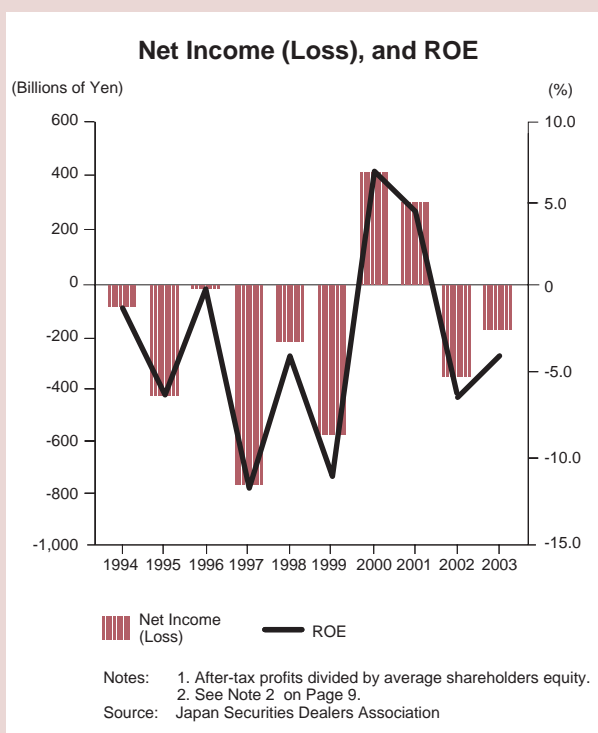


Profitability of Securities Firms: ROE is negative for the second consecutive year

The overall industry posted net losses of ¥169.8 billion because of, among other factors, evaluation losses on stocks of affiliated companies and/or investment securities.

Although net losses contracted substantially compared with net losses of ¥348.9 billion in the preceding year, the two consecutive years of net losses resulted in return on equity (ROE) being negative for the second year in a row, at minus 3.5%.

Looking at individual securities firms, 53 companies recorded profits (net income basis), a decline of 11 companies from the previous year.



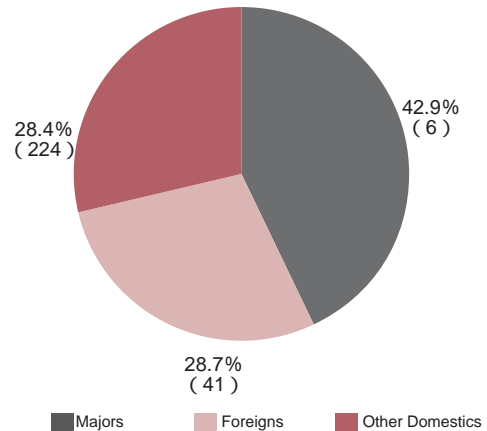
Performance Trends by Type of Securities Firm

Net Operating revenues: Major and foreign securities firms expand their share

Looking at operating revenues by category for the fiscal year ended March 2003, approximately 71.3% of total net operating revenues was accounted for by the major six securities firms and the remaining 224 other domestic securities firms. The share of the 41 foreign securities firms in the market amounted to 28.7% of total net operating revenues.

Compared with the previous fiscal year, the primarily brokerage-revenue dependent non-major securities firms share of operating revenues dropped 1.9 percentage points, while major securities firms and foreign securities firms advanced 0.9 and 1.0 percentage points, respectively.

Composition of Total Net Operating Revenues by Category (FY 2002)



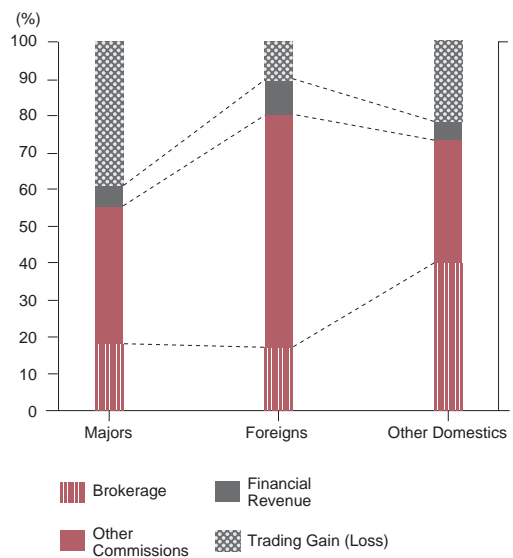
Notes: 1. No. of corporations indicated in parentheses.
 2. Major securities firms: Daiwa Securities, Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Cordial Securities Inc., Nomura Securities Co., Ltd. and other securities firms capitalized at a hundred billion yen or more.
 Source: Japan Securities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

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

Considering net operating revenues by category for the fiscal year, major securities companies achieved a good balance in their revenue structures. Domestic securities firms other than major firms reduced the proportion of brokerage commission in operating revenues 8.4 percentage points, to 40.0%, but still had a high dependence on this category.

Conversely, the revenue structures of foreign securities companies were centered on commission income other than brokerage commission, such as underwriting, intermediation services for overseas markets, and fee-based advisory and M&A services.

Net Operating Revenue Structure by Category (FY 2002)



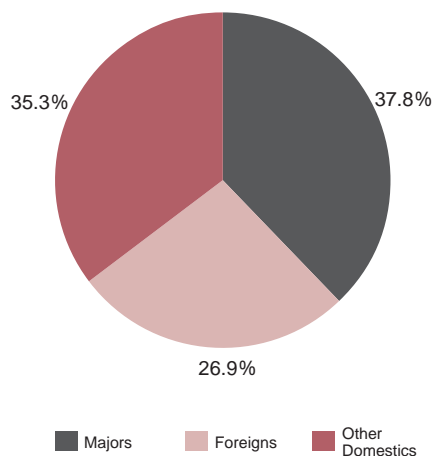
Source: Japan Securities Dealers Association

Operating & Administrative Expenses: Domestic firms post about 70% of expenses

Breaking down operating & administrative expenses by category for the fiscal year, major securities firms and other domestic securities firms posted 73.1% of total operating & administrative expenses. Foreign securities firms accounted for 26.9%.

In comparison with results of the prior year, foreign securities firms reduced their proportion of these expenses by 2.1 percentage points while non-major domestic securities firms cut their share by 0.5%. On the other hand, the proportion accounted for by major securities firms increased 2.6 percentage points due to higher office expenses.

Composition of Total Expenses by Category (FY 2002)



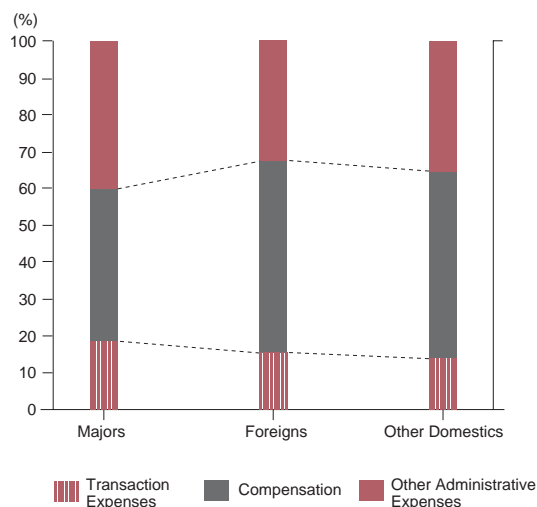
Source: Japan Securities Dealers Association

Operating Expense Structure: Compensation expenses are largest component

Looking at operating & administrative expenses by category for the fiscal year, compensation expenses were the largest component for all securities firm categories. In particular, the compensation expenses of non-major domestic and foreign securities firms accounted for more than half of all operating & administrative expenses.

Office expenses for domestic securities firms accounted for approximately 2.2 times the weighting for foreign securities firms.

Expenses Structure by Category (FY 2002)

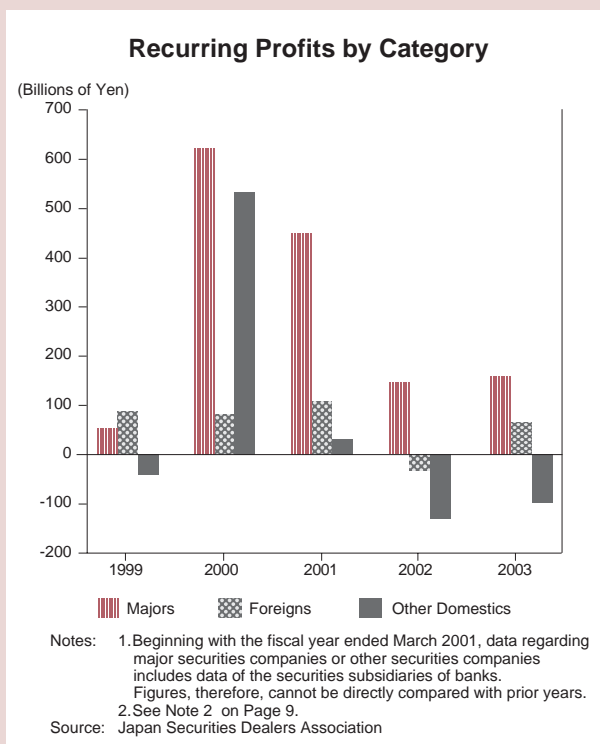


Source: Japan Securities Dealers Association

Performance: Major domestic and foreign securities firms are in the black

Considering performance by type of securities firm for the fiscal year, the recurring profits of major securities firms rose by 12% for the first time in three years, to ¥163.9 billion, as a result of the increase in trading gain. On the other hand, the recurring losses of other domestic securities firms amounted to ¥99.6 billion, reflecting the decrease in brokerage income.

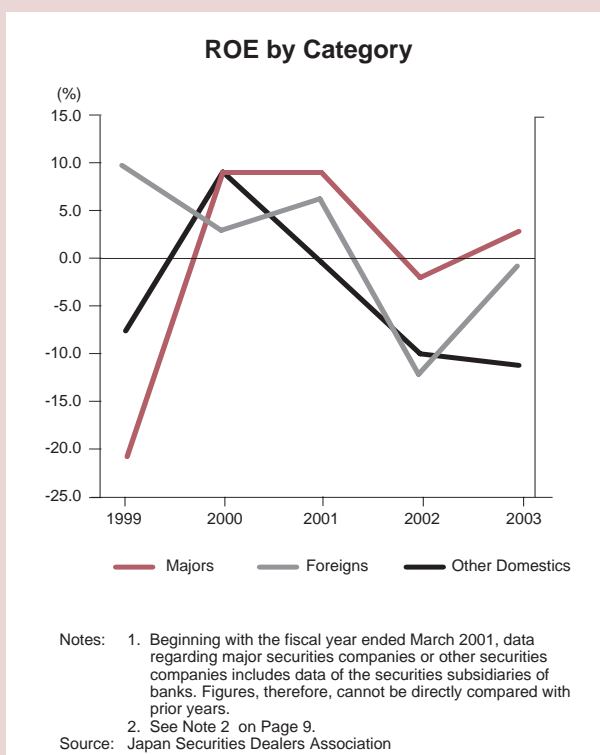
Foreign securities firms returned to profitability after a one-year absence, posting recurring income of ¥71.5 billion compared with recurring losses of ¥32.4 billion in the preceding year. Notable growth in trading gain contributed to this turnaround.



Profitability: Major domestic securities firms are in the black

During the fiscal year ended March 2003, major securities companies and other domestic securities companies again booked significant extraordinary losses. However, on a net income basis, major securities firms recorded a profit of ¥53.1 billion, moving into the black again after posting red ink in the previous fiscal year.

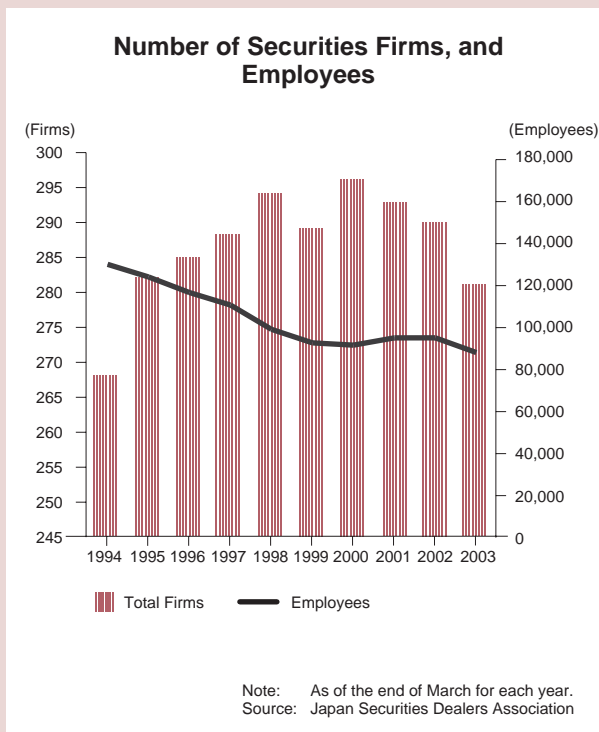
As a result, return on equity (ROE) of major domestic securities firms was positive for the first time in two years, at 2.7%.



Number of Securities Firms and Employees: Employee number falls slightly

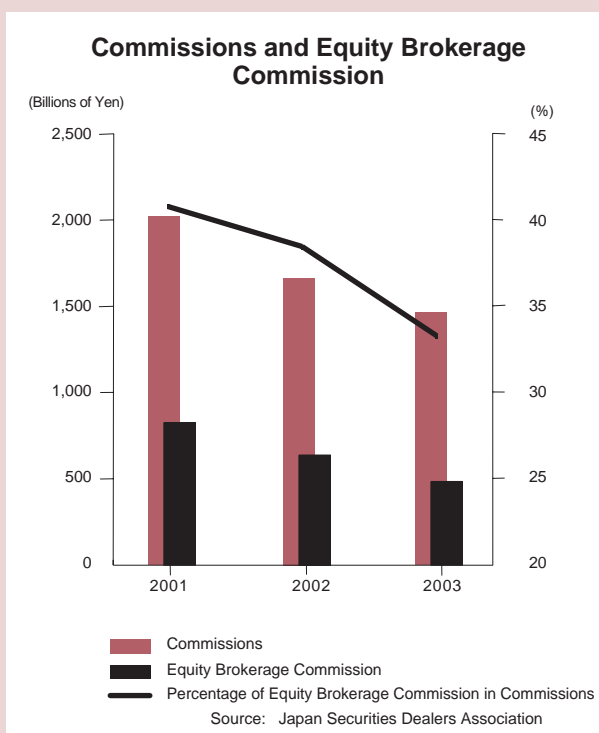
During the fiscal year under review, despite some companies from other industries entering the market, the total number of securities firms decreased by a net of ten firms, to 281 companies. The decline was principally due to a continued round of mergers among domestic securities firms.

The number of employees at the end of March 2003 was approximately 87,000, down 7 thousand from the year before, due to the slump of the market and other factors.



Brokerage Commission: Commissions continue to decline

Brokerage commission totaled ¥488.7 billion during the fiscal year under review, falling 24% year on year. The decrease can be attributed to the reduction in brokerage fees due the decline in stock prices, which sunk to their lowest level since the end of the bubble economy in Japan.



Operating Profits

(Billions of Yen)

	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3	2003.3
Total Operating Revenues*	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	2,386.8
Commissions	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	1,469.2
Brokerage	1,289.8	988.1	1,157.7	1,051.3	885.5	726.4	1,536.8	867.0	674.9	519.9
(Equity)	1,109.6	866.7	972.6	928.3	800.4	662.4	1,488.3	823.5	642.2	488.7
Underwriting	148.9	187.3	181.6	264.8	118.7	163.9	259.9	228.2	158.0	129.2
Selling	241.8	177.6	213.9	255.0	224.7	237.4	442.7	262.4	159.5	142.7
Financial Revenue*	421.8	362.9	373.4	381.8	475.5	441.0	323.1	423.4	433.6	362.3
Trading Gain*	340.2	207.4	552.7	545.5	429.6	552.0	680.6	771.3	401.1	549.9
Financial Expenses*	241.7	288.6	324.3	439.2	478.7	455.2	318.3	370.2	273.4	223.6
Net Operating Revenue*	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	2,163.2
Operating & Administrative Expenses	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	2,040.3
Transaction Expenses	395.1	374.4	360.9	379.1	328.1	325.1	406.6	390.8	352.2	328.0
Compensation	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	972.8
Occupancy & Equipment	391.2	374.1	350.9	335.8	290.9	292.2	284.5	294.0	302.4	278.5
Data Processing & Stationery	284.2	270.5	251.2	251.5	204.9	208.7	224.4	239.2	272.7	263.7
Operating Profits*	65.5	-392.3	170.4	123.4	-17.5	156.7	1,267.7	577.9	-34.4	122.9

- 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)

	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3	2003.3
Total Revenues*	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	2,420.5
Total Expenses*	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	2,284.7
Recurring Profits* (Loss)	77.6	-390.6	185.6	128.4	-9.5	144.8	1,254.0	589.3	-17.3	135.7
Net Income*	-80.1	-422.0	-3.2	-764.1	-215.3	-572.6	392.0	287.2	-348.9	-169.8
Assets	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	76,622.2
Liabilities	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	71,806.8
Equity	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	4,815.3
ROE*	-1.2%	-6.2%	-0.05%	-11.6%	-3.9%	-10.9%	6.8%	4.5%	-6.0%	-3.5%

- 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.
 3. See Note 2 on Page 9.

Revenue and Expenses Structure

(%)

	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3	2003.3
Revenue Structure Total=100%										
Brokerage	45.3	43.6	40.9	36.3	34.7	28.0	40.3	26.7	26.5	21.5
Underwriting	5.2	8.3	6.4	9.1	4.7	6.3	6.8	7.0	6.2	5.3
Selling	8.5	7.8	7.6	8.8	8.8	9.1	11.6	8.1	6.3	5.9
Other Commissions	12.9	14.0	11.4	12.9	15.3	17.6	14.5	20.4	26.6	28.0
Financial Revenues*	14.8	16.0	13.2	13.2	18.7	17.0	8.5	13.1	17.1	15.0
Trading Gain*	12.0	9.1	19.5	18.8	16.9	21.3	17.8	23.8	15.8	22.7
Other Revenue*	1.3	1.2	1.0	0.9	1.0	0.7	0.6	1.0	1.5	1.4
Expense Structure Total=100%										
Floor Costs	5.3	5.1	5.0	5.2	4.9	5.1	6.4	4.6	4.2	5.2
Communications	4.7	4.5	4.4	4.2	3.9	4.0	4.1	4.0	4.5	4.5
Advertising	1.1	1.1	1.0	1.1	0.9	1.1	1.6	2.8	1.9	1.6
Other Transactions	3.2	3.4	3.3	3.3	3.1	3.1	3.7	3.4	3.2	3.0
Compensation	39.7	39.1	38.7	37.4	36.0	37.2	43.3	42.8	43.6	42.6
Occupancy	14.1	14.1	13.3	12.2	11.4	11.9	11.1	11.1	11.8	12.2
Data Processing	10.3	10.2	9.5	9.1	8.0	8.5	8.8	9.0	10.7	11.5
Other Administrative	12.1	10.8	12.1	10.9	12.4	9.3	7.2	7.7	8.7	8.6
Financial Expenses*	8.7	10.9	12.2	15.9	18.7	18.6	12.4	13.9	10.7	9.8
Other Expenses*	0.8	0.9	0.5	0.7	0.7	1.2	1.4	0.7	0.8	0.9

- Notes: 1. Firms that were not in business as of the end of March for each year are excluded.
 2. See Note 2 on Page 9.

Source: Japan Securities Dealers Association

Revenue and Expenses Structure by Type of Securities Firms (FY 2002)

(%)

	Majors	Foreigns	Other Domestics
Net Operating Revenue Structure Total=100%			
Brokerage Commission	18.0	17.3	40.0
Underwriting Commission	6.6	7.8	3.2
Selling Commission	10.0	0.2	7.9
Other Commission	21.2	55.1	22.6
Financial Revenue	5.5	9.4	4.8
Trading Gain	38.8	10.2	20.7
Sales and General Administrative Expenses Structure Total=100%			
Transaction Expenses	18.5	15.5	13.9
Compensation	41.6	52.1	50.8
Occupancy & Equipment	14.3	11.1	14.9
Data Processing & Stationery	18.7	6.8	11.4
Other Operating & Administrative Expenses	6.9	14.5	8.9

Net Income, Equity and ROE by Type of Securities Firm

(Billions of Yen)

	1999.3	2000.3	2001.3	2002.3	2003.3
Net Income (Loss)*					
Majors	-542.1	206.6	249.5	-44.0	53.0
Foreigns	58.4	18.9	45.8	-93.2	-7.6
Other Domestics	-123.3	152.1	-8.1	-211.6	-215.3
Equity					
Majors	2,351.3	2,645.0	3,360.9	1,935.2	1,985.7
Foreigns	706.5	822.3	846.3	823.0	828.5
Other Domestics	1,666.9	2,049.5	2,421.6	2,206.3	2,001.1
ROE*					
Majors	-21.6%	8.3%	8.3%	-1.7%	2.7%
Foreigns	9.2%	2.5%	5.5%	-11.2%	-0.9%
Other Domestics	-7.3%	8.2%	-0.4%	-9.1%	-10.2%

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.
 3. See Note 2 on Page 9.

Source: Japan Securities Dealers Association

Composition of Total Equity by Type of Securities Firm

(%)

	1999.3	2000.3	2001.3	2002.3	2003.3
Majors	44.6	42.8	50.7	39.0	41.2
Foreigns	13.4	13.3	12.8	16.6	17.2
Other Domestic	31.6	33.1	36.5	44.4	41.6
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

(%)

	1999.3	2000.3	2001.3	2002.3	2003.3
Majors	33.5	31.3	36.6	36.7	38.3
Foreigns	8.9	10.0	11.0	12.0	11.9
Other Domestic	55.9	56.5	52.4	51.2	49.8
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
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
2002	281	123	89.2	72.0	2,148

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

Source: Japan Securities Dealers Association

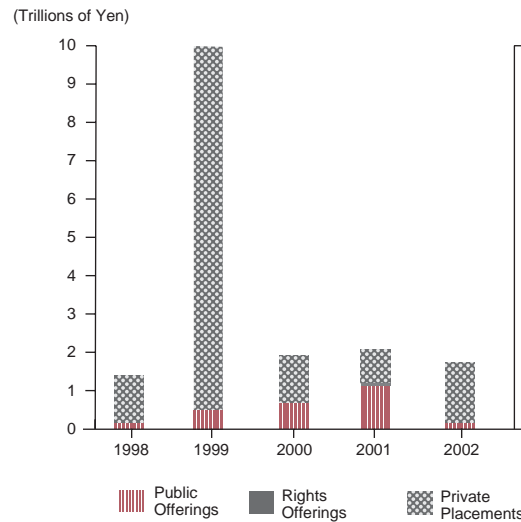
Capital Markets

Share offerings by public companies contract about 80%

In 2002, equity financing (paid-in capital increase) by publicly listed companies decreased to ¥1.7 trillion, falling 15.4% from ¥2.1 trillion in the previous year.

By issuing categories, affected by the stagnation in the stock market, public offerings sunk 83.9%, from ¥1.2 trillion to ¥0.1 trillion. In contrast, private placements jumped 88.9%, rising from ¥0.8 trillion to ¥1.5 trillion because of issues made by major retailers, construction companies, and others as part of efforts to improve their financial positions by converting debt to preferential shares.

Equity Financing by Corporations (excludes exercises of Warrants)



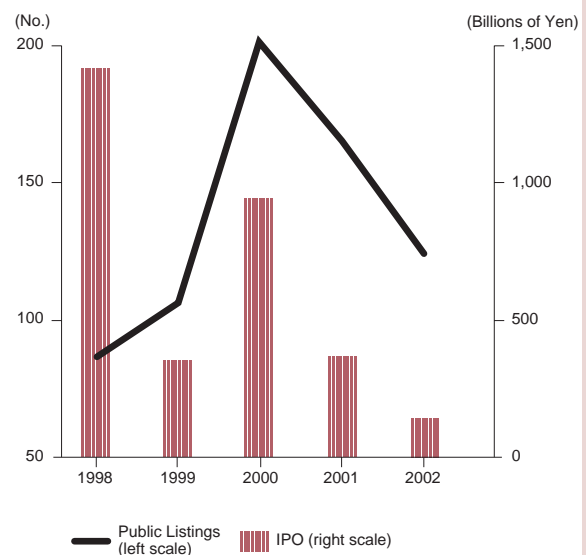
Sources: Tokyo Stock Exchange, Japan Securities Dealers Association

Fund raising by IPOs falls 60%

In 2002, a total of 124 companies went public—68 listed on JASDAQ and 56 listed on stock exchanges, including 8 companies listing on the Tokyo Stock Exchange's Mothers and 24 companies listing on the Osaka Securities Exchange's Hercules. Although the number of IPOs topped 100 for the fourth consecutive year, it also declined for the second year in a row, reflecting the slumping market.

Total capital raised through IPOs also fell for the second consecutive year, sinking 60.1% from ¥368.9 billion to ¥147.2 billion as, continuing from the previous year, investors remained highly selective due to the weak stock market.

Number of Public Listings and IPO Amounts

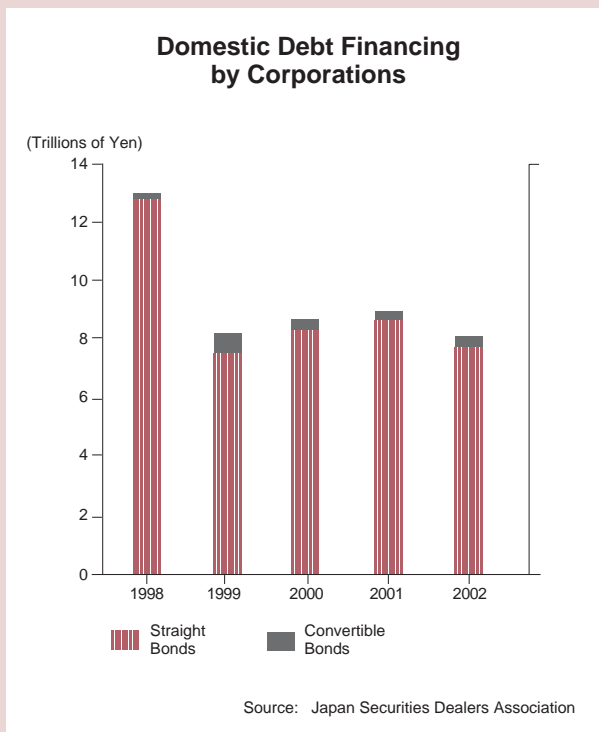


Source: Japan Securities Dealers Association

Domestic straight bond issuance declines

Corporate debt financing decreased 8.4% to ¥8.1 trillion in domestic market. Looking at types of issues, business corporation bond issues retreated 8.6% because of heightened credit risk concerns, to ¥5.7 trillion. On the other hand, issuance of convertible bonds increased 42.4%, to ¥0.4 trillion.

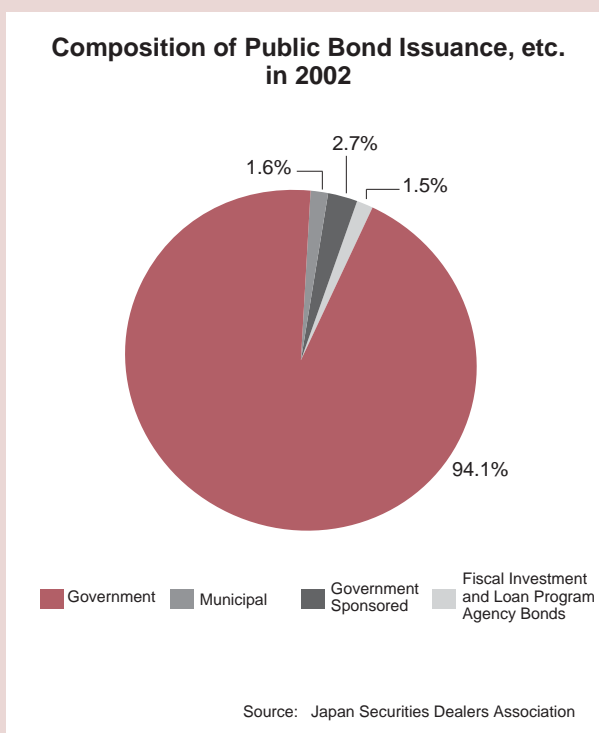
There was some activity in the Samurai bond issuance (yen denominated overseas bond) by private sector companies with relative high debt ratings during the fiscal year. However, Samurai issues dropped 59.6%, to ¥0.6 trillion because concern over the default of Argentine government bonds and the failure of major companies in the United States made investors more credit risk sensitive.



Public bond issuance hits a record high for the fifth consecutive year

Public bond issuance posted a record high for the fifth consecutive year, climbing 10.9%, to ¥157 trillion. By issuing category, market issuance of government bonds, which account for most of issuance, planned for fiscal 2002 was expanded and topped ¥100 trillion for the first time. Consequently, government bond issuance hit a record high for the fifth consecutive year, increasing by ¥13.8 trillion or 10.3%, to ¥147.8 trillion.

Issuance of municipal bonds grew for the fourth consecutive year, rising ¥0.2 trillion, or 12.3%, to ¥2.5 trillion. The increase can be attributed to an increase in planned issuance and the full-fledged start to issuance of municipal bonds aimed a local residents. This type of issue has become popular among individual investors against the backdrop of a partial removal of bank deposit guarantees, the low interest rate climate, and other factors.



Equity Financing by Corporations

(Billions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Listed Companies										
Public Offerings	7	236	33	305	128	284	370	572	1,201	160
Rights Offerings	47	9	95	337	72	0	-	8	32	-
Private Placements	150	238	210	757	593	1,167	9,457	1,109	795	1,556
Total Listed Companies	205	485	338	1,400	794	1,451	9,827	1,690	2,028	1,716
JASDAQ Companies										
Public Offerings	-	59	128	257	45	49	156	117	34	37
Rights Offerings	1	-	-	0	1	-	-	2	-	-
Private Placements	6	11	2	67	14	41	74	113	43	28
Total JASDAQ Companies	8	70	131	325	60	91	231	233	77	65
Total Corporate New Equity Issues										
Public Offerings	7	296	161	563	173	333	527	690	1,235	198
Rights Offerings	49	9	95	337	74	0	0	10	32	-
Private Placements	156	250	212	825	607	1,209	9,531	1,223	838	1,584
Total	213	555	470	1,726	854	1,543	10,059	1,924	2,106	1,782
Initial Public Offerings	421	760	382	609	377	1,416	354	941	368	147

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)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Straight Bonds										
Domestic	3,710	2,970	5,046	6,146	6,526	12,784	7,498	8,276	8,610	7,736
Overseas	2,951	824	549	1,160	1,403	901	1,307	752	620	845
Convertible Bonds										
Domestic	1,689	2,860	737	3,289	270	246	592	357	300	427
Overseas	532	411	418	575	547	118	407	294	558	769
Bonds with Subscription Rights										
Domestic	-	-	-	-	-	-	-	-	-	-
Overseas	1,820	887	492	646	62	-	216	16	2	2
Total										
Domestic	5,399	5,830	5,783	9,435	6,796	13,031	8,091	8,633	8,910	8,164
Overseas	5,304	2,123	1,461	2,382	2,013	1,019	1,931	1,064	1,180	1,616

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

2. “—” indicates nil.

3. Bonds with Subscription Rights represents a new category created by a revision of the Commercial Code in 2002, the previous categories of Convertible Bonds and Bonds with Warrants, but the former is excluded in this column.

Source: Japan Securities Dealers Association

New Issuance of Public Bonds, etc.

(Billions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Government Bonds	51,314	55,855	65,677	72,219	67,824	84,804	102,050	105,996	133,970	147,832
Public Subscriptions	39,083	47,487	54,663	54,825	54,864	61,395	88,057	99,335	106,811	117,420
Long-term (over 10 years)	1,345	1,534	2,008	1,533	1,594	2,195	2,599	5,394	7,191	9,290
Long-term (10 and 6 year)	10,504	14,711	16,551	15,578	14,985	17,316	23,662	20,943	20,832	21,492
Med-term (2-to-4 years)	2,706	5,673	5,479	5,576	4,618	5,521	12,734	28,207	38,840	42,732
Med-term (zero-coupon 5 year)	266	264	257	257	250	239	243	390	705	710
Treasury Bills	24,260	25,304	30,366	31,879	33,415	36,122	48,817	44,399	39,241	43,194
Municipal Bonds	1,396	1,552	1,967	1,893	1,852	1,722	1,998	2,200	2,299	2,582
Gov. Sponsored Bonds	2,123	2,747	2,952	3,106	2,939	2,271	2,966	4,854	4,815	4,216
Fiscal Investment and Loan Program Agency Bonds	-	-	-	-	-	-	-	-	546	2,408
Total	54,833	60,154	70,597	77,218	72,615	88,797	107,015	113,051	141,630	157,039

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)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Corporate Bonds	5,399	5,830	5,783	9,435	6,796	13,031	8,090	8,633	8,910	8,164
Electric Power Bonds	1,810	1,345	1,625	1,515	1,555	2,465	1,718	1,522	1,881	1,508
NTT, JR, JT Bonds	160	290	150	285	220	420	515	160	430	471
Business Corporation Bonds	1,740	1,335	3,271	4,346	4,751	9,899	5,265	6,594	6,299	5,757
Convertible Bonds	1,689	2,860	737	3,289	270	246	592	357	300	427
Bonds with Subscription Rights	-	-	-	-	-	-	-	-	-	-
Bank Debentures	45,100	36,040	42,594	43,966	30,780	23,305	24,517	20,979	18,697	12,991
Samurai Bonds	1,685	1,212	1,616	3,923	2,145	329	935	2,562	1,584	640
Nonresident Euroyen Bonds	5,102	10,194	10,955	12,676	17,872	11,302	N.A.	N.A.	N.A.	N.A.

Notes: 1. “—” indicates nil.
2. Bonds with Subscription Rights represents a new category created by a revision of the Commercial Code in 2002, the previous categories of Convertible Bonds and Bonds with Warrants, but the former is excluded in this column.

Source: Japan Securities Dealers Association

Outstanding Public Bonds, etc.

(Trillions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Government Bonds	184.8	201.4	218.7	239.2	254.1	280.1	320.5	359.1	418.1	481.8
Public Subscriptions	117.2	132.7	148.5	161.3	170.7	182.7	216.1	257.3	299.3	344.5
Long-term (over 10 years)	15.3	16.9	18.9	20.4	22.0	22.9	23.5	27.4	34.6	43.9
Long-term (10 and 6 year)	85.8	93.4	103.8	111.0	117.9	126.7	142.6	151.8	159.2	167.5
Med-term (2-to-4 years)	4.2	8.3	12.2	16.2	16.9	17.2	24.7	47.2	76.5	100.1
Med-term (zero-coupon 5 year)	1.6	1.4	1.3	1.3	1.2	1.2	1.2	1.3	1.8	2.2
Treasury Bills	10.0	10.5	12.0	12.2	12.4	14.5	23.9	29.3	27.0	30.5
Municipal Bonds	8.2	9.0	10.1	11.2	12.2	13.1	14.5	16.0	17.7	19.4
Gov. Sponsored Bonds	19.6	20.3	21.6	22.9	23.9	20.6	21.8	25.1	28.2	30.7
Fiscal Investment and Loan Program Agency Bonds	-	-	-	-	-	-	-	-	0.5	2.9
Total	212.8	230.9	250.5	273.3	290.4	313.9	356.9	400.3	464.7	534.9

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

Outstanding Corporate Bonds

(Trillions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Corporate Bonds	35.3	38.1	41.6	47.5	49.8	57.5	58.9	62.5	63.5	62.5
Electric Power Bonds	10.5	11.2	12.2	12.8	13.6	15.2	15.7	15.8	16.2	15.7
NTT, JR, JT Bonds	1.6	1.8	1.9	2.0	2.0	2.1	2.5	2.5	2.5	3.0
Business Corporation Bonds	3.6	4.8	7.8	11.6	15.7	24.6	28.1	32.4	34.4	35.4
Convertible Bonds	17.9	19.5	19.2	20.7	18.1	15.3	12.5	11.6	10.3	8.3
Bank Debentures	78.3	78.2	76.6	76.0	67.2	56.9	56.6	49.6	44.5	37.1
Samurai Bonds	7.4	8.0	9.2	12.2	12.0	9.9	8.3	8.2	8.0	6.8

Note: "—" indicates nil.

Source: Japan Securities Dealers Association

New Issuance of Private Placements

(Billions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Municipal Bonds	4,372	6,091	6,376	6,172	4,407	4,767	5,425	3,302	2,329	1,921
Gov. Agency Bonds	7,145	6,717	5,335	4,762	4,968	6,373	3,712	2,253	1,614	979
Corporate Bonds	530	407	244	368	501	765	655	1,153	1,508	2,089
Total	12,048	13,216	11,956	11,304	9,878	11,906	9,793	6,708	5,451	4,991

Outstanding Private Placements

(Trillions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Municipal Bonds	15.3	19.8	24.7	26.5	29.2	32.2	35.4	36.2	36.1	35.2
Gov. Agency Bonds	44.6	48.9	52.0	53.9	55.7	48.5	48.1	45.5	42.2	38.0
Corporate Bonds	4.5	4.5	4.3	3.9	3.4	3.0	3.0	3.6	4.7	6.0
Total	64.5	73.3	81.1	84.4	88.4	83.9	86.6	85.5	83.0	79.2

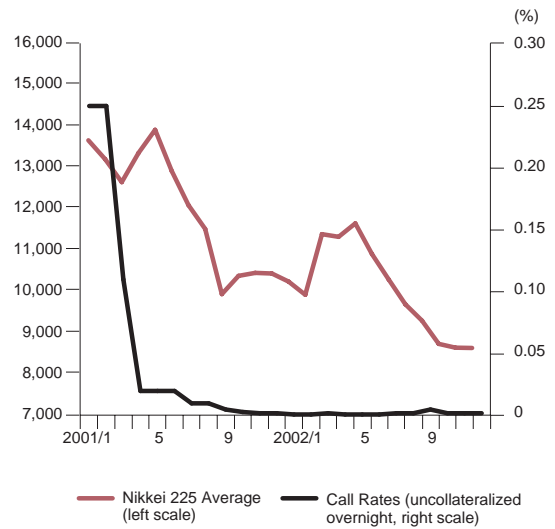
Source: Japan Securities Dealers Association

Secondary Stock Markets

The Nikkei 225 stock average sinks lower in 2002

The Nikkei 225 stock average began the year on a weak tone at 10,871.49. It then rallied thanks mainly to the higher demand supported by purchases by public pension funds. In May, the stock average reached its high for the year, at 11,979.85. From June, however, the stock average turned downward again under the impact of the sharp drop in U.S. markets caused by huge accounting scandals. Growing concerns about further acceleration in deflation brought the stock average declined to its low of the year in November, at 8,303.39. Thereafter, the market remained bearish until the end of the year, as tension built over the situation in Iraq. Consequently, the stock average ended the year down 18.6%, at 8,578.95, marking the third consecutive year of deterioration in the stock average.

Nikkei 225 Stock Average vs Short-Term Money Market Rates

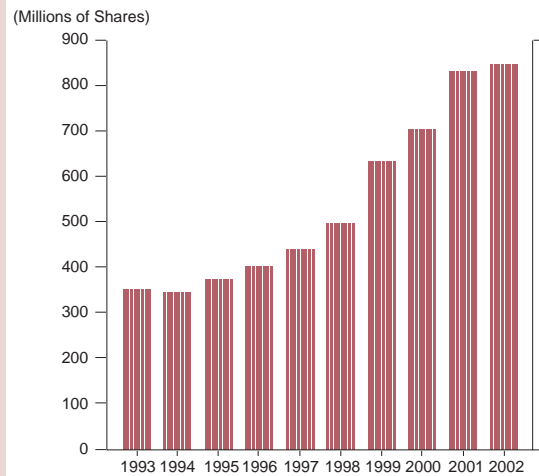


Note: Data are monthly averages.
Sources: Bank of Japan, Nihon Keizai Shinbun, Inc.

Trading volume on TSE tops 200 billion for the first time in 13 years

Assisted by good market activity during the period from March to June 2002, the average daily volume of the First Section of the TSE increased 3.8% year on year, to 842.6 million shares a day, exceeding 800 million shares for the second consecutive year. Meanwhile, the average daily trading value declined 4.5%, to ¥775.8 billion because of the general decline in stock prices. On a full year basis, total trading volume climbed 3.9%, to 207.2 billion shares while aggregate trading value lost 4.5%, to ¥190,869.9 billion. Total market value at the end of the year 2002 fell 16.4%, to ¥242,939.1 billion.

Daily Volume on TSE (1st Section)

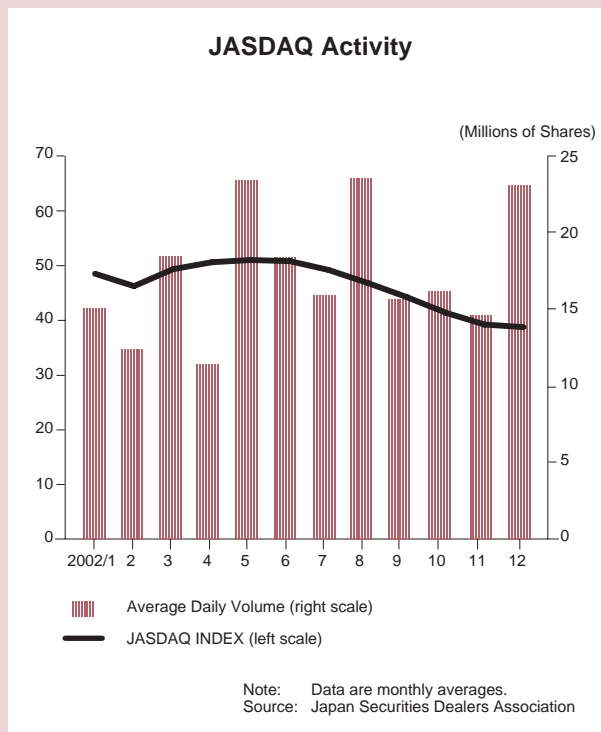


Source: Tokyo Stock Exchange

JASDAQ trading volume exceeds four billion shares for the first time in three years

Starting the year at 47.56 points, the JASDAQ INDEX showed occasional signs of rising on the basis of strong buying of recently listed shares and the shares of companies with strong performances. In general, however, the index suffered the same fate as the Nikkei 225 stock average, falling through the 40 mark to end the year at 38.49 points.

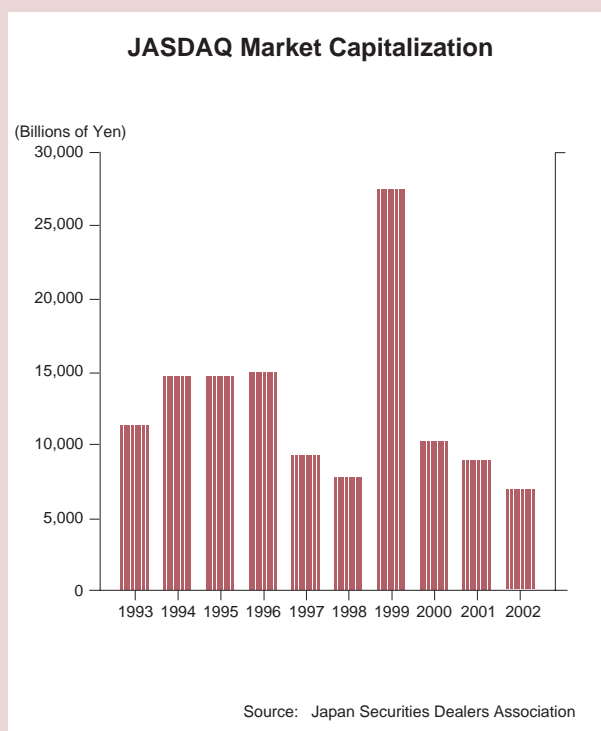
Total trading volume increased 28.7%, to 4.2 billion shares, rising above the 4 billion mark for the first time in three years. Aggregate trading value, however, decreased 26.8%, to ¥3,668.5 billion.



JASDAQ capitalization drops below ¥7 trillion

During the year, 31 companies moved from the JASDAQ Market to stock exchanges, down 14 companies from the previous year. In addition, stock prices were weak and there were no major IPOs of greater ¥10 billion. As a result, total capitalization of the JASDAQ Market sunk 21.8%, to ¥6,983.4 billion.

The total number of listed companies rose by 12, to 939, including 70 new listings at the end of 2002.



Listed Companies

	Tokyo Stock Exchange		Osaka Securities	All Stock	JASDAQ
	1st & 2nd	1st	Exchange	Exchanges	
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	2,595	887
2001	2,067	1,491	1,335	2,666	927
2002	2,075	1,495	1,312	2,669	939

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	
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
2002	247,366	242,939	178,695	251,000	6,983

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
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
2002	213,093	192,849	866.2	783.9

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
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
2002	10,308	13,818	41.9	56.1

Source: Osaka Securities Exchange

All Stock Exchanges Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
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
2002	224,567	209,229	912.8	850.5

Source: All Stock Exchanges

JASDAQ Market Activity

(Millions of Shares, Billions of Yen)

	Trading Volume	Trading Value	Average Daily Volume	Average Daily Value
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
2002	4,256	3,668	17.3	14.9

Note: Includes listed issues and supervised issues.

Source: Japan Securities Dealers Association

Nikkei 225 Stock Average

	Close	%Change	High	Date	Low	Date
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
2002	8,578.95	-18.6	11,979.85	5.23	8,303.39	11.14

Source: The Nihon Keizai Shinbun, Inc.

TOPIX

	Close	%Change	High	Date	Low	Date
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
2002	843.29	-18.3	1,139.43	5.24	815.74	12.18

Source: Tokyo Stock Exchange

JASDAQ INDEX

	Close	%Change	High	Date	Low	Date
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
2002	38.49	-18.5	52.07	6.3	36.50	11.20

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
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
2002	991.83	-12.9	1,268.11	6.5	943.45	12.24

Source: The Nihon Keizai Shinbun, Inc.

Stock Index Futures

(Billions of Yen, Thousands of Contracts)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Trading Value										
NIKKEI 225	162,367	124,219	125,364	148,306	136,973	124,949	153,083	127,178	113,719	109,131
TOPIX	33,016	42,089	38,103	45,808	42,173	32,073	44,046	64,243	59,042	69,902
NIKKEI 300	-	12,400	5,964	5,589	4,125	3,567	4,038	3,826	2,295	581
Number of Contracts										
NIKKEI 225	8,461	6,208	7,220	7,043	7,484	8,191	9,067	7,426	9,516	10,841
TOPIX	2,156	2,623	2,745	2,857	3,035	2,726	3,157	4,148	5,071	7,131
NIKKEI 300	-	4,184	2,318	1,872	1,526	1,531	1,470	1,281	961	293

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)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Trading Value										
NIKKEI 225	2,000	1,175	1,432	928	1,270	1,166	1,374	1,372	1,294	1,141
TOPIX	8	3	8	3	2	0.1	0.6	1.0	3.7	23.5
NIKKEI 300	-	41	27	23	6	2	0.4	0.6	0.6	0.6
Number of Contracts										
NIKKEI 225	6,090	4,273	5,174	3,924	4,910	5,230	5,753	5,715	6,953	9,428
TOPIX	37	20	16	13	9	0.6	2	2	7	93
NIKKEI 300	-	269	122	44	7	2	0.6	0.6	0.6	0.5

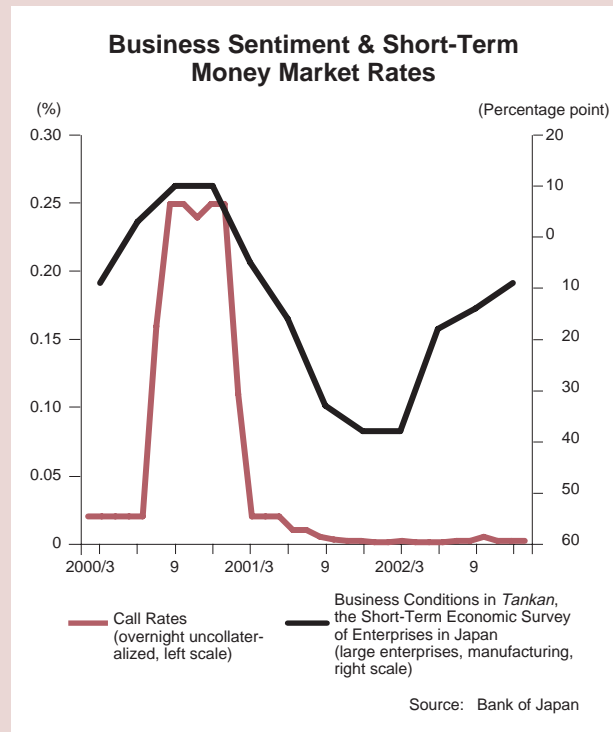
Note: NIKKEI 225 Options began trading on June 12, 1989 while TOPIX and options began trading on October 20, 1989. NIKKEI 300 Options began trading in February 14, 1994.

Sources: Tokyo Stock Exchange, Osaka Securities Exchange

Secondary Bond Markets

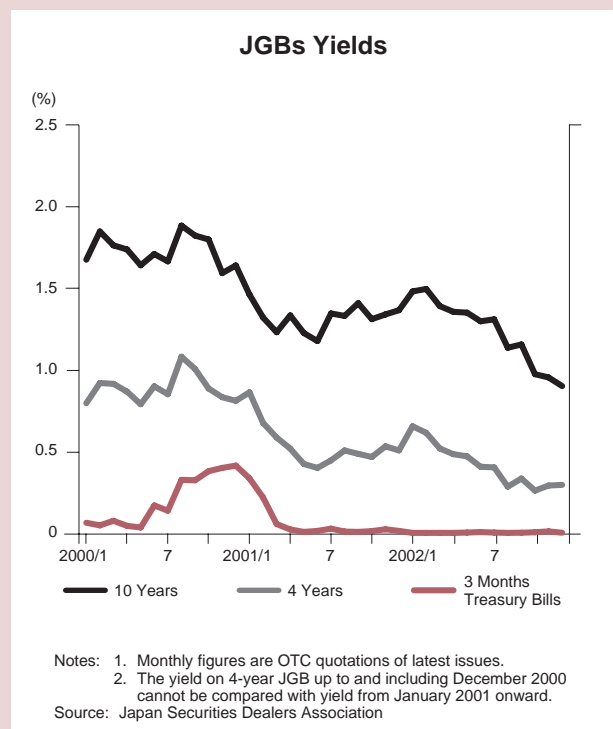
BOJ's quantitative relaxation drives short-term rates to record low

Following the December 2001 Bank of Japan (BOJ) decision to increase its target for current account balances, a mood of excess supply pervaded the market. The uncollateralized overnight call rate fell to a historical low of 0.001% in January. Against the backdrop of drawdowns in BOJ's current account balances due to factors particular to the ends of the fiscal year and the interim period at the end of March and September, the uncollateralized overnight call rate rose to 0.012% and 0.067% respectively during those periods, but in general fluctuated in a range between 0.001% and 0.002%.



Long-term JGB yields sink below 1% for the first time in about four years

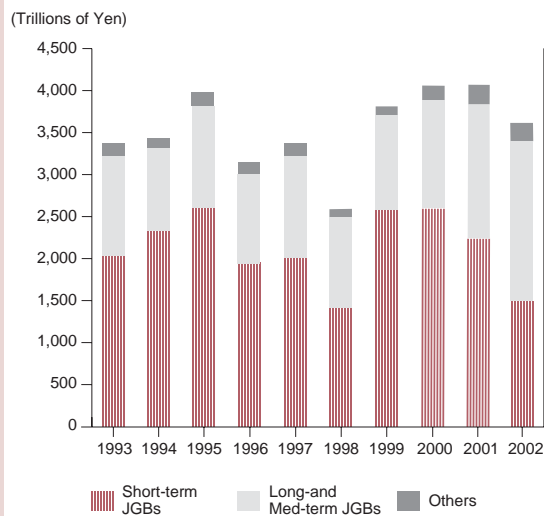
After beginning the year at 1.400%, the long-term JGB yield rose slightly because of a growing view that the financial condition was deteriorating. However, against the backdrop of the stock market slump and the appreciation of the yen during the period from June to August, investment capital began to flow into the bond market, pushing the yield down to the 1.1% level. Following the September announcement by BOJ of purchases of stocks being held by banks and other factors, the yield bounced back to 1.3% at one point. However, heightened fear of deflation drove the yield back down again, and the increasing uncertainty over prospects of the economy caused by the rising tension over the situation in Iraq and other incidents kept the yield moving downward. The yield ended the year at 0.900%, falling to a record low for the first time in about four years—since the 0.901% posted on November 13, 1998.



Public and corporate bond trading value drops approximately 10%

The total trading value (OTC and exchanges, including Repos) of bonds decreased 9.6%, to ¥3,670.4 trillion. The trading value of medium-term bonds, interest bearing and zero coupon, rose 45.3%, to ¥564.4 trillion on the basis of strong demand from investors worried about a reversal in the direction of interest rates. Falling interest rates pushed up the trading value of long-term bonds by 11.2%, to ¥1,291.6 trillion. On the other hand, the overall drop in bond trading value could be attributed to the continued ultra-low interest rate environment, which resulted in treasury bills declining 42.1%, to ¥464.9 trillion while financing bills sunk 28.8%, to ¥1,025 trillion.

OTC Bond Trading (Including Repos)

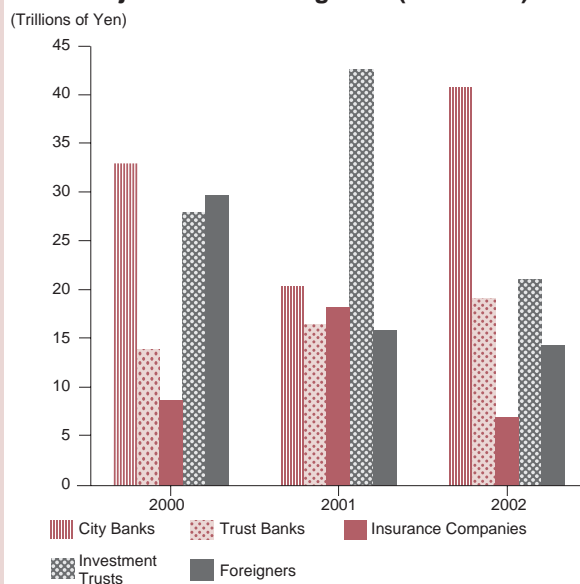


Note: "Short-term JGBs" totaled treasury bills and financial bills.
Source: Japan Securities Dealers Association

City banks (including long-term credit banks) double their net buy

Looking at the breakdown of net purchases and sales, investment capital flowed into the bond market during the year against the backdrop of unclear prospects for the economy and rising political tensions internationally. As a result of the overall downturn in interest rates, major categories of investors were in general net buyers. In particular, city banks (including long-term credit banks) increased their net buying to ¥40.8 trillion, almost double that in the prior fiscal year. Investment trusts were net buyers, but reflecting the drop in assets held in MMFs, their net buy decreased by almost 50%, to ¥21.1 trillion.

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)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	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	3,665.9
(Repos)	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	1,364.4
Monthly Average	282.5	288.3	334.3	265.2	282.1	217.2	319.7	338.4	338.1	305.4
Total Government Bonds	3,242.2	3,341.1	3,846.2	3,037.3	3,242.1	2,497.2	3,734.1	3,898.0	3,863.4	3,429.8
Long-term (over 10 years)	50.5	49.7	55.0	43.5	69.3	77.6	62.1	51.6	70.5	83.7
Long-term (10 and 6 year)	1,127.3	901.4	1,109.8	972.9	1,091.7	959.4	995.2	975.5	1,161.1	1,291.6
Med-term (2-to-4 years)	7.4	30.7	47.7	47.6	41.8	37.6	69.0	247.4	385.6	562.2
Med-term (zero-coupon 5 year)	2.6	1.2	1.4	0.7	3.6	1.0	0.7	1.3	2.7	2.1
Treasury Bills	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	464.9
Financing Bills	612.7	822.3	782.1	633.1	693.5	2.4	1,085.1	1,555.9	1,439.6	1,025.0
Municipal Bonds	7.3	5.6	8.5	8.3	7.6	7.0	6.7	10.9	13.2	20.3
Gov. Sponsored Bonds	30.7	23.6	29.6	24.2	26.2	20.4	15.4	31.8	28.4	43.6
Fiscal Investment and Loan Program Agency Bonds	-	-	-	-	-	-	-	-	0.3	3.2
Total Corporate Bonds	13.5	10.6	17.3	18.6	19.8	21.9	23.3	42.2	54.1	67.3
Electric Power Bonds	7.5	4.9	7.9	6.4	6.7	7.4	8.4	12.7	12.8	19.1
NTT Bonds	1.2	0.8	0.8	0.8	0.4	0.4	0.5	0.6	1.0	1.8
Business Corporation Bonds	4.2	4.1	6.9	10.0	11.9	13.6	11.6	25.1	36.7	43.2
Bonds with Subscription Rights	0.4	0.7	1.6	1.4	0.5	0.3	2.5	3.3	3.1	2.7
Convertible Bonds	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	
Bank Debentures	71.2	53.2	68.0	55.1	54.9	32.9	31.8	39.2	50.6	48.6
Samurai Bonds	4.6	3.6	4.5	6.1	5.6	3.0	3.1	5.1	5.5	7.3
Others	21.0	22.2	38.1	32.8	29.2	23.9	21.9	33.4	42.1	45.1

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. 4. Bonds with Subscription Rights represents a new category created by a revision of the Commercial Code in 2002. It includes the previous categories of Convertible Bonds and Bonds with Warrants.

Source: Japan Securities Dealers Association

Trading Value of Public and Corporate Bonds on Exchanges

(Trillions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	49.2	38.6	50.4	44.9	37.1	18.4	11.1	6.5	5.1	4.4
Government Bonds	10.5	7.7	10.0	11.9	9.7	3.7	0.0	0.0	0.0	0.0
Bonds with Subscription Rights	38.5	30.7	40.0	32.6	27.1	14.6	11.0	6.4	5.1	4.4
Convertible Bonds	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	-	-	-	-	

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).

3. Bonds with Subscription Rights represents a new category created by a revision of the Commercial Code in 2002. It includes the previous categories of Convertible Bonds and Bonds with Warrants.

Source: All Stock Exchanges

Trading Value of Public and Corporate Bonds by Investor Categories

(Trillions of Yen)

	2000			2001			2002		
	Sales	Purchases	Net	Sales	Purchases	Net	Sales	Purchases	Net
Total Financial Institutions	144.8	225.3	-80.4	173.1	254.4	-81.3	208.7	307.7	-99.0
City Banks	50.5	83.8	-33.3	78.6	99.2	-20.6	88.8	129.7	-40.8
Regional Banks	10.0	15.3	-5.3	10.4	18.8	-8.3	13.2	20.2	-6.9
Trust Banks	45.8	59.9	-14.0	52.6	69.4	-16.7	67.0	86.4	-19.3
Financial Institutions for Agriculture and Foresties	6.5	13.7	-7.1	6.3	14.0	-7.6	8.5	16.2	-7.6
Shinkin Banks	6.0	12.4	-6.3	7.8	19.5	-11.7	9.5	18.6	-9.0
Other Financial Institutions	25.7	39.9	-14.2	17.1	33.2	-16.1	21.3	36.4	-15.1
Life & Non-Life Insurance Companies	19.9	28.7	-8.7	22.4	40.8	-18.3	20.3	27.3	-6.9
Investment Trusts	8.8	36.8	-27.9	10.2	52.9	-42.7	5.7	26.8	-21.1
Mutual Aid Association of Government Agencies	3.3	3.1	0.1	1.0	1.8	-0.8	1.0	2.1	-1.1
Business Corporations	0.9	4.3	-3.4	0.3	2.7	-2.3	1.1	6.2	-5.0
Other Private Corporations	1.8	5.5	-3.6	1.1	4.7	-3.5	1.4	5.2	-3.7
Foreigners	47.4	77.4	-29.9	46.7	63.0	-16.2	52.3	66.9	-14.6
Individuals	0.6	2.4	-1.7	0.6	1.9	-1.2	0.6	3.1	-2.5
Others	185.0	35.8	149.1	215.0	73.6	141.4	252.9	113.4	139.5
Bond Dealers	563.2	567.2	-4.0	593.6	589.5	4.0	602.7	603.5	-0.7
Total	976.1	986.9	-10.8	1,064.5	1,085.7	-21.1	1,147.1	1,162.5	-15.4

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)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
10-year	1,508	1,294	1,391	1,237	1,179	1,066	965	985	733	629
20-year	0.3	0.3	0.2	0.2	0.2	0	-	-	-	-
5-year	-	-	-	26	11	19	11	11	0.2	0

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

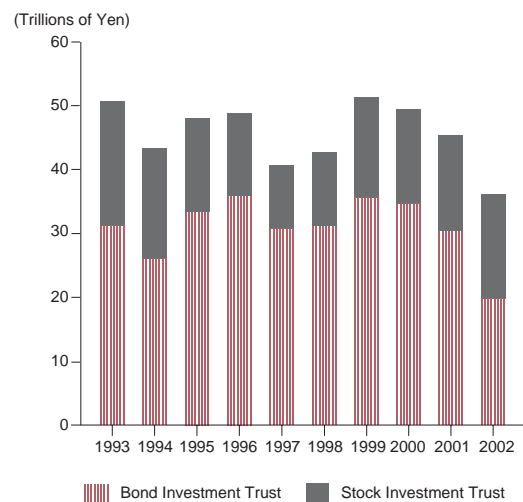
2002 year-end total assets of investment trusts down for the third consecutive year

A stagnant stock market and low interest rates combined with rising anxiety over the government's toughened stance on clearing up the bad debt problem to drive down total assets of investment trusts substantially.

Although there was an even greater flow of capital into stock investment trusts than in the previous year, deterioration in value held down the overall increase in total assets of stock investment trusts, which rose 9.8%, to ¥16,372.8 billion. A flow of funds out of bond investment trust produced a 35.3% decline in total assets of bond investment trusts, to ¥19,643.1 billion.

Consequently, total assets of investment trusts at the end of 2002 decreased 20.4%, ¥36,016 billion, falling through the last year's assets of the ¥40 trillion mark.

Total Assets Held in Stock and Bond Investment Trusts



Source: The Investment Trusts Association

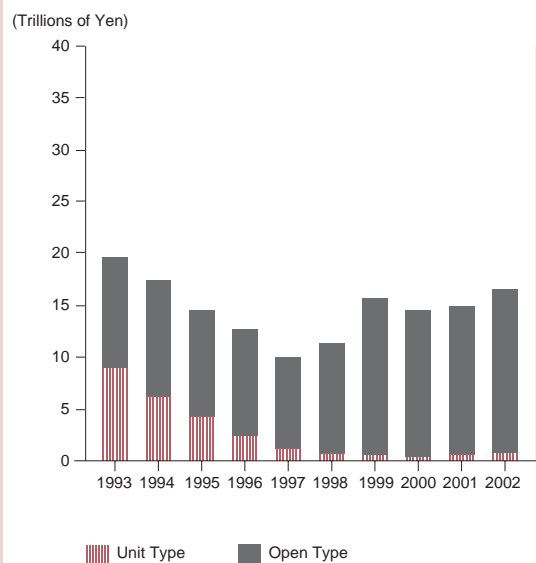
ETFs up 2.8 times, support a slight increase in total assets of stock investment trusts

As of the end of December 2002, new purchases of stock investment trusts were up 31.7% from the previous year, to ¥3,894.9 billion. However, due to the erosion in assets from stock price declines, total assets of stock investment trusts showed a 9.8% increase, to ¥16,372.8 billion.

Of this amount, open-ended trusts were boosted by 182% growth in assets held in exchange-traded funds (ETFs). The drop in stock prices, however, resulted in net assets held in open-ended trusts advancing only 9.7%, to ¥15,674.9 billion.

In unit-type trusts, because the flow of capital into these trusts from new purchases exceeded full and partial redemptions, net assets increased 13.1%, to ¥697.9 billion, rising for the second consecutive year.

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



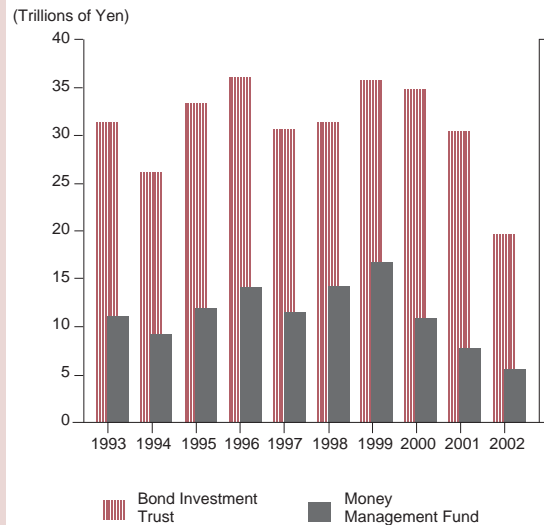
Source: The Investment Trusts Association

MMFs and Chuki-kokusai Funds Plummet

Total assets in bond investment trusts at the end of 2002 declined by 35.3%, to ¥19,643.1 billion, falling for the third consecutive year amid a prolonged low interest rate climate.

Looking at fund types, net assets held in money management funds (MMFs) dropped 28.5%, to ¥5,521.5 billion as a result of fund values falling below principal invested in the previous year and other factors. Medium-term government securities (Chuki-kokusai) funds, which also dropped substantially in the previous year, continued their downward slide, declining 54.9%, to ¥2,480.2 billion.

Total Assets Held in Bond Investment Trusts



Source: The Investment Trusts Association

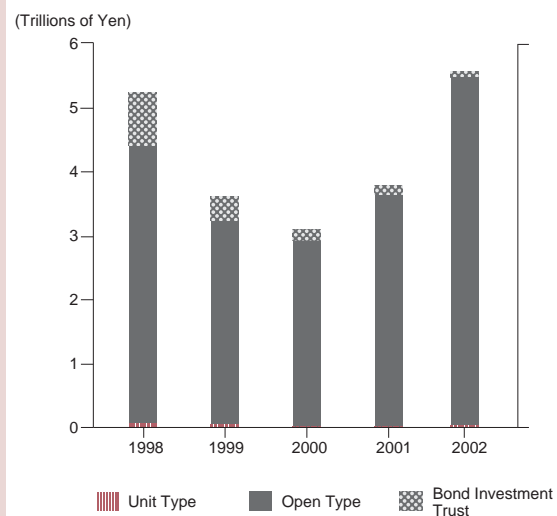
Euro-zone assets expand to 30% of foreign currency-denominated funds

Total assets held in foreign currency-denominated funds at the end of the year rose 46.2%, to ¥5,523 billion, as investors liked the relative high yield of government and corporate bonds of other countries because of the poor investment returns from the slumping domestic stock market and ultra-low interest rate climate in Japan. Balance type funds that pay distributions monthly were particularly popular.

Stock investment trusts, the mainstay of foreign currency-denominated funds, increased 49.9%, to ¥5,418.5 billion on the strength of the popularity of balance-type funds. Looking at foreign currency-denominated investment funds by target areas, assets held in U.S. investments totaled ¥2,992.9 billion, accounting for 54.2% while assets held in United Kingdom investments came in second, at ¥309.1 billion or 5.6%.

Attention was focused during the year on the high yields in the Euro-zone compared with U.S. dollar assets. Euro-zone countries assets increased 87.8% and accounted for 30.5% of overall foreign currency-denominated investment funds, a large gain from the previous year.

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
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
2002	8,590	407	8,183	2,393

Stock Investment Trust Assets

(Billions of Yen)

	Total	Unit Type	Open Type	Held in ETFs
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
2002	16,372	697	15,674	2,509

Source: The Investment Trusts Association

Bond Investment Trust Gross Sales and Assets

(Billions of Yen)

	Sales	Assets	Assets of Money Management Fund
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
2002	32,496	19,643	5,521

Foreign Currency-Denominated Investment Trust Assets

(Billions of Yen)

	Unit Type	Open Type	Bond	Total	Held in U.S. Investment
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
2002	19	5,418	84	5,523	2,992

Source: The Investment Trusts Association

Investor Trends

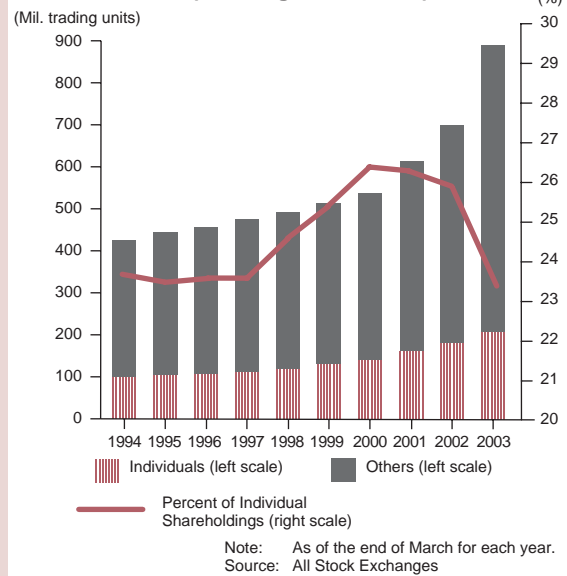
Individual investors top 30 million for the fourth consecutive year

According to a survey by the National Conference of Stock Exchanges, the number of individual shareholders of listed stocks at the end of March 2003 rose for the seventh consecutive year, increasing 250 thousand to 33.77 million, and exceeding the 30 million mark for the fourth year in a row.

The percentage of shareholding by individual investors on a trading unit basis declined for the third consecutive year, falling 2.5 percentage points, to 23.4%. In contrast, the percentage of shareholding by foreign investors hit a record high, at 16.5%.

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 2003 amounted to 1.49 million, increasing by 120 thousands year on year, and expanding for the eighth year in a row. The holdings of individual shareholders were approximately the same as in the previous fiscal year, at 48.3%.

Total Domestic Stock Exchange Shareholdings and Individual Investors' Shareholdings Percentage (Trading Unit Basis)



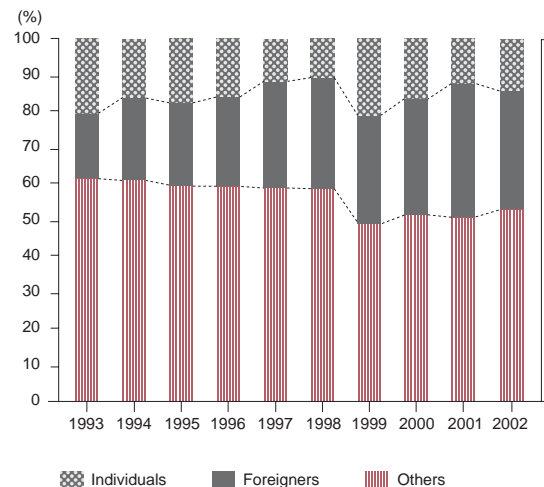
Robust trading by foreigners despite decline

In 2002, the proportion of the total trading value of the First Section of the TSE accounted for by individual investors increased for the first time in three years, rising 2 percentage points, to 14%. The growth can be attributed to the growing popularity of Internet trading and reductions in the size of trading units of the stocks of many listed companies.

On the other hand, the share of foreigners declined for the first time in three years, dropping 3.9 percentage points, to 33%. Nevertheless, this still represents a high level of activity and marks the fifth straight year that the share of foreigners has been above 30%.

Similarly, the share of trading value of individual investors on JASDAQ Market rose 2 percentage points, to 45.2%, rising for the second year in a row. And the share of foreigners declined for the second straight year, falling 1 percentage point, to 10.3%.

Trading Value of the TSE 1st Section by Individuals



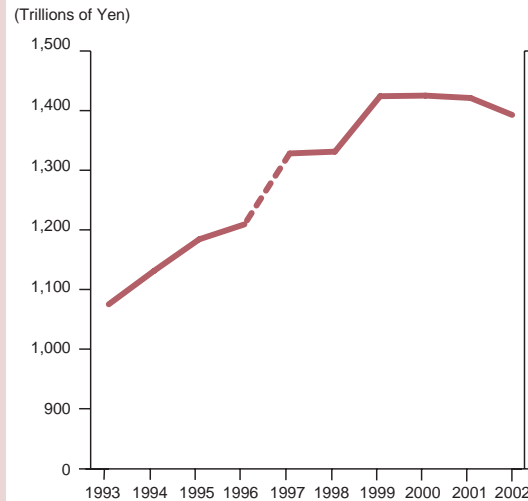
Household financial assets total ¥1,392 trillion

The household financial assets at the end of December 2002 slid 1.6% or ¥22.2 trillion, to ¥1,392 trillion, sinking below ¥1,400 trillion for the first time in four years.

Various factors contributed to the decline in the household financial assets. Under the impact of declining stock prices, shares and other equities decreased 18.1% year on year, or ¥19.1 trillion. Securities investment trusts lost 11.4%, or ¥36.7 trillion, affected by MMFs falling below principal value in the previous year. Bonds sunk 18.9%, or ¥98.3 trillion, hampered by lower levels of investment in bank debentures because of the instability in Japan's financial system.

In response to these factors, cash and deposits increased 1.5%, or ¥11.8 trillion, reflecting growing conservatism in view of the prolonged economic recession.

Household Financial Assets



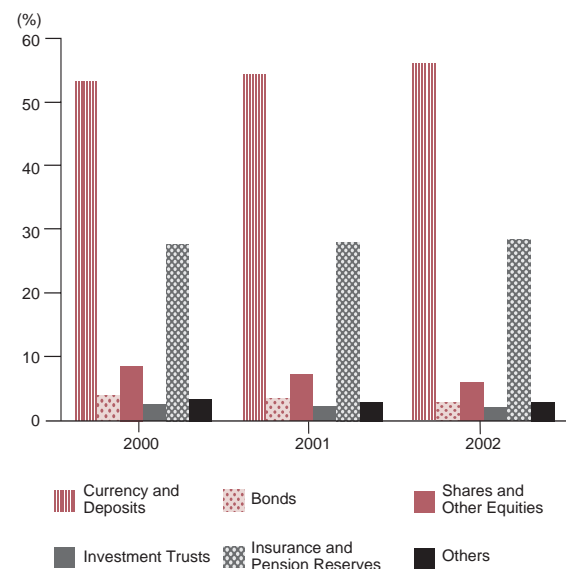
Note: Not consistent since the year 1996.
Source: Bank of Japan

Weighting falls for shares and other equities, bonds and investment trusts, rises for cash and deposits

Looking at the composition of the household financial assets at the end of December 2002, the proportion of shares and other equities declined 1.2 percentage points, to 6.2% while the weighting of bonds edged down 0.7 percentage points, to 3%. The proportion of investment trusts decreased 0.3 percentage points, to 2.3%. Conversely, the proportion of cash and deposits increased 1.7 percentage points, to 56.2%. The stock market slump and concern about the instability in the financial system resulted in a shift from risk investments to far safer cash and deposits.

Among regulatory changes, the government took steps to revitalize securities markets and to establish markets that facilitate investment by individuals in equities, investment trusts, and other securities. These measures included introducing a sales agency system and revising the Securities and Exchange Law to insert mechanisms to ensure the smooth implementation of wrap accounts.

Composition of Household Financial Assets



Source: Bank of Japan

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

(Trillions of Yen)

	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3	2003.3
Individuals	73.4	61.9	75.9	65.0	58.5	62.4	82.9	68.9	61.0	48.6
Government	0.9	1.0	1.1	0.7	0.6	0.6	0.5	0.5	0.5	0.5
Bank	81.0	70.8	87.4	76.4	69.6	72.5	85.8	70.5	61.7	47.5
Pension Trust	5.1	5.0	7.0	8.0	11.8	15.6	23.1	19.6	18.6	13.6
Investment Trust	10.7	8.1	8.4	6.8	4.9	4.4	10.2	9.8	10.3	9.3
Insurance Co.	58.0	49.0	57.2	49.1	43.4	43.1	49.2	38.5	31.6	21.9
Business Corp.	103.7	86.2	105.8	85.8	75.9	83.5	120.1	77.4	67.5	50.7
Foreigners	28.2	25.2	40.9	40.0	41.1	46.5	85.9	66.5	56.7	41.8
Securities Firms	4.8	3.6	5.3	3.1	2.0	1.8	3.8	2.5	2.1	2.0
Total	366.3	311.1	389.4	335.4	308.0	330.8	461.9	354.7	310.5	236.4

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

Share of Total Equities Outstanding

(%)

	1994.3	1995.3	1996.3	1997.3	1998.3	1999.3	2000.3	2001.3	2002.3	2003.3
Individuals	20.0	19.9	19.5	19.4	19.0	18.9	18.0	19.4	19.7	20.6
Government	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.2	0.2	0.2
Bank	22.2	22.9	22.4	22.8	22.6	21.9	18.6	19.9	19.9	20.1
Pension Trust	1.4	1.6	1.8	2.4	3.8	4.7	5.0	5.5	6.0	5.8
Investment Trust	2.9	2.6	2.2	2.0	1.6	1.4	2.2	2.8	3.3	4.0
Insurance Co.	15.8	15.7	14.7	14.7	14.1	13.1	10.7	10.9	10.2	9.2
Business Corp.	28.3	27.7	27.2	25.6	24.6	25.2	26.0	21.8	21.8	21.5
Foreigners	7.7	8.1	10.5	11.9	13.4	14.1	18.6	18.8	18.3	17.7
Securities Firms	1.3	1.2	1.4	1.0	0.7	0.6	0.8	0.7	0.7	0.9

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

Source: All Stock Exchanges

Individual Shareholders

(Thousands, %)

	Shareholders	%Change	Population	%Change	Shareholders as % of Population
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
2003.3	33,771	0.8	127,435	0.1	26.5

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, All Stock Exchanges

Individual Shareholdings

(Thousands Trading Units, %)

	Individual Holdings	%Change	Outstanding	%Change	Individual Holdings as % of Outstanding
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
2003.3	209,054	15.3	892,001	27.3	23.4

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: All Stock Exchanges

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

(Trillions of Yen)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Individuals	30.1	23.9	24.2	26.9	21.9	17.5	65.5	67.7	42.0	46.8
Bank	21.4	22.4	19.3	26.5	33.4	31.9	40.6	56.0	40.9	35.7
Insurance Co.	2.0	2.5	2.8	2.2	2.1	2.3	4.1	5.9	4.3	3.3
Investment Trust	13.6	10.1	6.2	7.8	5.5	2.7	5.2	9.0	6.7	5.0
Business Corp.	9.4	7.5	6.8	6.8	6.4	5.9	11.3	11.0	7.1	7.4
Foreigners	27.1	33.1	31.6	42.2	55.0	51.9	93.3	137.4	128.6	110.5
TSE Non-member	3.6	3.1	2.8	3.2	2.9	2.2	4.9	8.5	5.2	5.3
Member Trading	42.6	45.5	44.9	56.1	61.4	53.5	85.5	126.4	113.8	120.1
Total	150.2	148.5	138.8	172.1	189.0	168.4	310.7	422.2	349.1	334.5

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

Proportion of Trading Value (TSE 1st Section)

(%)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Individuals	20.1	16.1	17.4	15.7	11.6	10.4	21.1	16.0	12.0	14.0
Bank	14.3	15.1	13.9	15.4	17.7	19.0	13.1	13.3	11.7	10.7
Insurance Co.	1.4	1.7	2.0	1.3	1.2	1.4	1.3	1.4	1.2	1.0
Investment Trust	9.1	6.8	4.5	4.6	2.9	1.6	1.7	2.1	1.9	1.5
Business Corp.	6.3	5.0	4.9	4.0	3.4	3.6	3.7	2.6	2.1	2.2
Foreigners	18.0	22.3	22.8	24.5	29.1	30.9	30.0	32.5	36.9	33.0
TSE Non-member	2.4	2.1	2.0	1.9	1.6	1.3	1.6	2.0	1.5	1.6
Member Trading	28.4	30.7	32.4	32.6	32.5	31.8	27.5	29.9	32.6	35.9

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)

	1995	1996	1997	1998	1999	2000	2001	2002
Individuals	5,614.4	5,081.5	1,653.5	879.9	10,478.7	6,996.6	3,249.6	2,638.5
Bank	493.7	585.2	329.8	200.0	993.7	1,236.8	373.5	314.1
Insurance Co.	58.2	65.6	23.0	8.6	35.3	51.3	20.8	13.7
Investment Trust	642.2	802.9	301.5	98.6	687.9	859.9	268.3	176.9
Business Corp.	741.6	767.1	396.7	235.1	1,115.8	751.4	277.8	215.0
Foreigners	1,042.6	1,337.9	967.4	677.3	2,545.7	3,151.5	850.4	603.3
Brokers	72.3	74.2	32.5	14.3	458.9	570.7	345.0	275.2
Principal Trading	1,779.9	1,811.6	686.9	305.1	2,776.1	3,437.7	2,143.2	1,601.8
Total	10,445.3	10,526.4	4,391.9	2,419.3	19,092.8	17,056.2	7,528.8	5,839.0

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.
 3. "Trading Value" is the total of purchases and sales.

Proportion of Trading Value (JASDAQ)

(%)

	1995	1996	1997	1998	1999	2000	2001	2002
Individuals	53.8	48.3	37.6	36.4	54.9	41.0	43.2	45.2
Bank	4.7	5.6	7.5	8.3	5.2	7.3	5.0	5.4
Insurance Co.	0.6	0.6	0.5	0.3	0.2	0.3	0.3	0.2
Investment Trust	6.1	7.6	6.9	4.1	3.6	5.0	3.6	3.0
Business Corp.	7.1	7.3	9.0	9.7	5.8	4.4	3.7	3.7
Foreigners	10.0	12.7	22.0	28.0	13.3	18.5	11.3	10.3
Brokers	0.7	0.7	0.7	0.6	2.4	3.3	4.6	4.7
Principal Trading	17.0	17.2	15.6	12.6	14.5	20.2	28.5	27.4

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)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Individuals	-1,147	-2,033	-250	-1,967	-703	-654	-1,842	-1,622	-602	-200
Bank	2,687	2,094	-506	2,869	4,040	4,825	-974	2,544	1,790	1,457
Insurance Co.	-13	-392	-1,658	-507	-895	-1,010	-1,425	-164	-926	-704
Investment Trust	-338	-1,504	-978	-974	-1,254	-402	353	1,858	448	13
Business Corp.	-1,799	-1,452	-878	-843	-135	-573	-1,600	-1,130	-102	869
Foreigners	1,011	3,615	3,579	3,160	1,372	-443	8,463	-2,412	1,113	622
TSE Non-member	-130	-171	4	-127	64	-30	72	138	-50	-43
Member Trading	411	514	1,121	-910	-2,062	-1,331	-2,580	1,108	-1,362	-1,988

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)

	1995	1996	1997	1998	1999	2000	2001	2002
Individuals	-198.6	-265.2	-131.7	-79.9	-324.0	-405.0	-58.4	-103.1
Bank	67.4	108.5	51.3	4.6	23.3	181.8	11.7	24.5
Insurance Co.	5.7	2.0	2.8	2.3	-1.1	16.8	1.5	-2.8
Investment Trust	97.1	103.1	-47.9	-1.8	135.4	154.9	45.7	11.9
Business Corp.	-41.2	-75.2	-11.3	12.3	-179.0	-94.1	-22.2	6.3
Foreigners	66.9	125.3	102.8	55.8	138.3	30.1	-16.3	-1.6
Brokers	-0.4	0.8	1.1	0.0	18.6	3.2	24.3	9.7
Principal Trading	-3.0	-21.6	-22.0	-10.0	17.3	14.0	23.0	15.0

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)

	2000	2001	2002
Currency and Deposits	759.0	770.7	782.5
Bonds	57.0	52.0	42.2
Shares and Other Equities	123.4	105.3	86.2
Securities Investment Trusts	33.7	32.2	28.5
Insurance and Pension Reserves	398.3	400.7	401.6
Others	48.5	45.8	44.2
Total	1,425.3	1,414.2	1,392.0

Note: "Bonds" includes trust beneficiary rights.

Composition of Household Financial Assets

(%)

	2000	2001	2002
Currency and Deposits	53.2	54.5	56.2
Bonds	4.0	3.7	3.0
Shares and Other Equities	8.7	7.4	6.2
Securities Investment Trusts	2.4	2.3	2.0
Insurance and Pension Reserves	27.9	28.3	28.9
Others	3.4	3.2	3.2

Note: "Bonds" includes trust beneficiary rights.

Major Economic Indicators

Major Interest Rates, Yields and Economic Indicators

		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Official Discount Rate	%	1.75	1.75	0.50	0.50	0.50	0.50	0.50	0.50	0.10	0.10
Call Rate (Uncollateralized Overnight)	%	2.44	2.28	0.46	0.44	0.47	0.32	0.05	0.20	0.002	0.002
CDs 3-to-6 months	%	2.948	2.219	1.180	0.557	0.562	0.694	0.223	0.217	0.088	0.026
Repos 3 months	%	1.704	2.054	0.228	0.249	0.231	0.141	0.067	0.324	0.010	0.003
Bank Debentures 5 year	%	2.381	3.995	1.853	1.721	1.633	1.930	1.274	1.259	1.087	0.399
Newly Issued JGBs 10 year	%	3.325	4.570	3.190	2.760	1.910	1.970	1.645	1.640	1.365	0.900
JGBs Futures 10Y yield	%	3.613	4.735	3.356	2.882	2.326	2.509	2.047	1.860	1.575	1.262
Corporate Bonds 12 year	%	4.062	4.820	3.504	3.115	2.825	3.024	2.059	2.003	1.616	1.141
Prime Rate (Short-term)	%	3.000	3.000	1.625	1.625	1.625	1.500	1.375	1.500	1.375	1.375
Prime Rate (Long-term)	%	3.500	4.900	2.600	2.500	2.300	2.200	2.200	2.100	1.850	1.650
M2+CDs	%	1.1	2.1	3.0	3.3	3.1	4.0	3.6	2.1	2.8	3.3
GDP Nominal	Trillions of Yen	487.8	491.6	504.0	516.7	521.1	514.4	510.6	515.4	502.5	499.0
Change in GDP Nominal	%	0.9	0.8	2.5	2.5	0.9	-1.3	-0.7	1.1	-2.5	-0.7
GDP Real	Trillions of Yen	485.2	489.5	504.8	521.3	522.2	518.7	523.9	539.1	532.4	540.6
Change in GDP Real	%	0.5	0.9	3.1	3.3	0.2	-0.7	1.0	3.2	-1.2	1.5
Contributions to Changes in GDP (Domestic Demand)	%	0.6	1.1	3.7	3.4	-0.8	-0.9	0.9	2.9	-0.7	0.7
Private Demand	%	-0.7	0.6	2.5	3.3	-0.4	-1.4	0.4	2.7	-0.7	0.8
Public Demand	%	1.3	0.5	1.2	0.1	-0.4	0.6	0.6	0.2	0	-0.1
Change in Industrial Production Index of Mining and Manufacturing	%	-3.6	3.1	2.1	3.3	1.1	-6.8	2.6	4.3	-9.2	2.6
Change in Consumer Price Index	%	1.3	0.4	-0.3	0.4	2.0	0.2	-0.5	-0.6	-1.0	-0.6
Wholly Unemployed Ratio	%	2.6	2.9	3.2	3.3	3.5	4.3	4.7	4.7	5.2	5.4
Change in Employees	%	1.4	0.6	0.7	1.3	0.8	-0.7	-0.5	0.9	-0.3	-0.5
Yen / Dollar Rate	Yen / Dollar	111.89	99.83	102.91	115.98	129.92	115.20	102.08	114.90	131.47	119.37

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

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