



JAPAN SECURITIES DEPOSITORY CENTER, INC.
ANNUAL REPORT 2002



OUR MISSION

The Japan Securities Depository Center (JASDEC) was established in December 1984 as a non-profit foundation pursuant to the Law Concerning Central Securities Depository and Book-Entry Transfer of Stock Certificates and Other Securities (CSD Law), formulated in May that year. JASDEC commenced business operations in October 1991 as Japan's sole central securities depository and have greatly contributed to the development and infiltration of securities depository and book-entry transfer system in Japan.

In June 2002, in compliance with the amended CSD Law, effective April 2002, all businesses of JASDEC were transferred to the Japan Securities Depository Center, Inc. (JASDEC Inc.), incorporated in January 2002. JASDEC Inc. will further contribute to develop securities depository and book-entry transfer system nationwide and provide smooth, effective and low-cost securities settlement system, improve the efficiency of the functions of the financial market and endeavor to further develop the national economy by enhancing the international competitiveness of the financial market in Japan.

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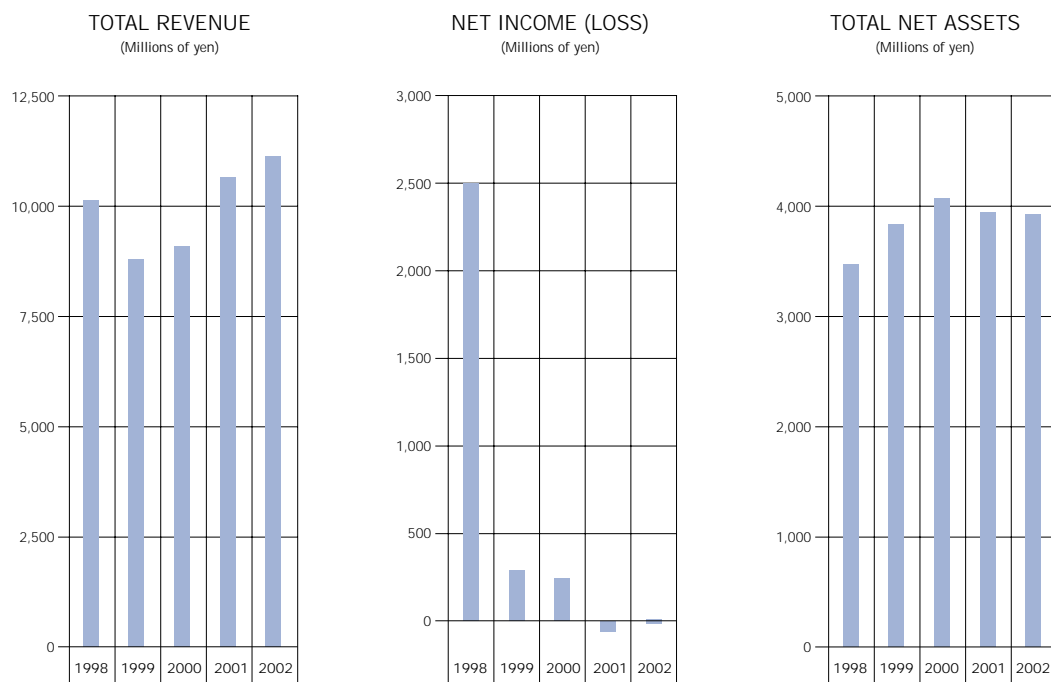
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FINANCIAL HIGHLIGHTS (JASDEC)

Years ended March 31, 2002 and 2001

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
For the year:			
Gross Revenue (before refund)	¥ 17,454,716	¥ 14,134,370	\$ 130,992
Income from Fees (before refund):			
Deposits	504,480	446,205	3,785
Book-Entry Delivery	8,990,297	6,102,618	67,469
Withdrawals	150,532	143,259	1,130
Custody	5,184,338	5,681,481	38,907
Refund of Fees	(5,810,146)	(3,235,322)	(43,603)
Total Revenue (after refund)	¥ 11,644,570	¥ 10,899,048	\$ 87,389
Total Expenditure	¥ 11,415,912	¥ 10,975,991	\$ 85,673
Net Income (Loss)	¥0	¥(76,943)	\$ 0
At Year End:			
Total Assets	¥ 15,826,023	¥ 14,532,813	\$ 118,769
Total Net Assets	3,957,000	3,957,000	29,696

U.S. dollar amounts have been translated, for convenience only, at the rate of ¥133.25=US\$1 as of March 31, 2002.



PRESIDENT'S MESSAGE

Overview

On June 17, 2002, the newly established the Japan Securities Depository Center, Inc. (JASDEC Inc.) took over all the businesses of Japan Securities Depository Center and started the operations on the same day. This resulted in a change of corporate governance and we intend to operate the businesses that meet and respond to the needs and requests of users appropriately and promptly and to increase of efficiency of the business management.

Looking back to fiscal 2001, great strides were made in the reform of securities settlement and clearing system in Japan. That year, we decided to change our corporate structure from a foundation to a stock corporation after ten years of operation as the Japan Securities Depository Center. In June 2001, the Law Concerning Book-Entry Transfer for Short-Term Corporate Bonds was formulated, and the CSD Law was amended to change the legal status of the central security depository.

In the wake of these legislative transformations, we have been pursuing appropriate measures to provide user-friendly securities settlement and clearing infrastructure and to strengthen the functions and security of the system.

Promoting the Greater Use of Depository Services

As of March 31, 2002, the number of shares in our custody reached 191.5 billion shares, or 53.5% of the total number of shares outstanding in Japan. With the custody balance of more than 50% of the outstanding shares, a long time target, we have been successfully reducing the cost of users, which encouraged more usage of our services by users.

In terms of public acceptance and infiltration of the depository services in Japan, however, we still lag behind some other countries where securities depository system have fully been developed and accepted. We intend to further reduce the users' cost to increase the amount of securities in custody by maintaining our promotion activities to individual investors as well as institutional investors through the newspapers, broadcasting and other media.



Reforming Securities Settlement System


It is a fundamental requirement to execute the delivery of securities and the payment of funds securely. In this respect, a delivery versus payment (DVP) system is one of the most important means to reduce the risks involved with settlement of securities transactions. We are now preparing to implement a DVP system for the settlement of non-exchange transaction deliveries. It is now scheduled to be implemented by the end of fiscal 2003, and we will facilitate our preparations including delineation of details of operational processing, setting up of our clearing subsidiary and development of necessary computer systems.

Demand to eliminate manual operations relating to securities transactions and to automate the entire process of the settlement of securities transactions has been growing stronger over the years. Introduction of an electronic straight-through processing (STP) is the key component for eliminating risks in manual operations and trimming the operational costs. Implementation of pre-settlement matching system (PSMS) is a step to introduce STP and PSMS has long been sought by the concerned parties who wish to automatically match the details of the large volume and value of trades by institutional investors.

In September 2001, after the two years of discussion and system development started in 1999, we launched the pre-settlement matching system, the 1st phase of the 1st stage for stock transactions by domestic institutional investors. Then, in February 2002, the 2nd phase of the 1st stage was implemented to include convertible bonds and other types of trades such as initial offerings, secondary offerings and the trades by non-resident. As PSMS is regarded as an important infrastructure to introduce STP as well as DVP in the future and to shorten the settlement cycles, we will be promoting and encouraging the market players to participate and further use PSMS.

In November 2001, we started to handle convertible bonds after the years of discussion. As of March 31, 2002, we held the convertible bonds with volume of ¥8,085.1 billion in our custody, which represented 88.8% of all convertible bonds in the market.

Furthermore, we started to handle the listed real estate investment trusts (REITs) and exchange traded funds (ETFs) when the stock exchanges introduced these securities in the market.



Responding to the strong requests from participants and issuers to expand the types of eligible securities to our operations, we have been discussing since January 2002 the operational procedures and the necessary system developments to initiate business operations for commercial papers (CPs) by the end of fiscal 2002. The implementation of the book-entry transfer system for CPs in dematerialized form is backed by the Law Concerning Book-Entry Transfer for Short-Term Corporate Bonds, which was formulated in June 2001.

As a next step, we have started to study the handling of corporate straight bonds and investment trust beneficiary securities both in dematerialized form.

Reducing Settlement Risks

When stock exchanges launched the DVP settlement system in May 2001, we upgraded the CPUs with the anticipation that relatively large part of the night batch processing of the book-entry transfers relating to the stock exchange trades would be largely shifted to the book-entry transfers on the settlement date on a real time basis. Additionally, we introduced storage facilities in May 2002 to greatly increase the operational capability to handle beneficial stockholder notification services.

Meanwhile, taking heed of the September 11th terrorist attacks in the U.S., we distributed to our participants the papers specifying the practical measures we will take in case of emergency. In April 2001, we conducted a training program based on the assumption that a disaster had occurred in Tokyo, and other training programs in February and March 2002, which were based on the scenario of a massive and long-time network failure resulting from system breakdown caused by the system software. More than 80 percent of our participants participated in those programs, attesting to their deep concern for risk management.

Furthermore, we have reviewed our security policy to strengthen the security of our overall business operations.

Reducing User Expenses

The number of shares in our custody has increased beyond our initial expectations. This enabled us to reduce custody fees twice in fiscal 2001. Also, we substantially discounted the transfer fees and depository fees for larger volumes, thereby alleviating users' financial burdens.

As more income was expected due to the continuing business expansion during the fiscal year, we rebated operational fees again this year. This resulted in a significant decline in our average custody fee rate after the rebate. We also introduced a declining fee schedule for large volumes for ETFs, the exchange traded funds.

At the beginning of fiscal 2002, we further reduced custody fees and extended additional scale in the declining fee schedule.

Responding to Globalization

Cross-border transactions in securities have been rapidly increasing following financial liberalization worldwide and technical innovations in the telecommunication and IT industries. Meanwhile, "Black Monday", market crash in 1987 highlighted the importance of risk management in securities settlement and improvement of efficiency of the settlement operations. Responding to the urgent needs of the market, global standards were proposed and well accepted to streamline securities settlement operations in each country. Some part of the securities settlement system in Japan is not fully in compliance with the global standards and there are more than few standing blocks to overcome. We are striving to provide satisfactory solutions to create our own securities settlement system that is fully in conformity with the global standards.

Shortening Settlement Cycles

At present, the securities transactions on the stock exchanges in Japan are settled on the third business day from the trade date, on T+3. Settlement on T+3 is now the global standards and some countries are trying to shorten the settlement cycles, T+2 or T+1. In order to create safe, convenient and globally competitive securities market, we are exerting our efforts to improve the infrastructure for the settlement of securities transactions, paving the way toward the shorter settlement cycles.

Summing up our business operations and strategies in fiscal 2001, we pledge to continue an in-depth study to meet the needs and requests from user participants and user customers by adding greater value to our securities depository system and by increasing the functions with the determination to accomplish the reform of the securities settlement and clearing system in Japan.

June 2002



Yoshinobu Takeuchi
President & CEO

FEATURE 1

FEATURE 1

Expansion of services



➤ Reform of the Securities Clearing and Settlement System

In fiscal 2001, great progress was made for the reform of securities settlement system in Japan, following the report in June 2000 by the First Subcommittee of the Financial System Council, entitled "Reformation Plans of Securities Settlement Systems in the 21st Century." Based on the report, discussion on the legal framework of securities system in the paperless environment was preceded effectively.

In June 2001, the Law Concerning Book-Entry Transfer for Short-Term Corporate Bonds was formulated for the issuance of commercial papers in a dematerialized form, and the Law Concerning Central Securities Depository and Book-Entry Transfer of Stock Certificates and Other Securities was amended to change the legal status of a central securities depository into a corporation.

Furthermore, the unified legislation of the issuance of corporate bonds, government bonds and beneficial certificates of investment trust, while the Registration Act for Corporate Bonds is to be terminated, was discussed, and the Law Concerning Book-Entry Transfer for Corporate Bonds was enacted in June 2002 by amending the Law Concerning Book-Entry Transfer for Short-Term Corporate Bonds. Along with this legislation, a clearing organization for securities transactions was legally defined in the Securities and Exchange Law.

Consequently, all the necessary legislations have been completed to issue all marketable securities on a book entry basis, including stock certificates. Issuance of stock certificates in a dematerialized form is under discussion for legislation in the future.

➤ Pre-Settlement Matching System

JASDEC has started the discussion on the implementation of the Pre-Settlement Matching System since the establishment of the Pre-Settlement Matching System Task Force in July 1999, and has effectively preceded the discussion and necessary system development. The 1st phase of 1st stage of PSMS for stock transactions by domestic institutional investors became operational in September 2001.

Subsequently in February 2002, PSMS was expanded to include convertible bonds and other types of trades such as initial offerings and secondary offerings as well as the trades by non-resident, when the 2nd phase of the 1st stage was implemented.

FEATURE 1

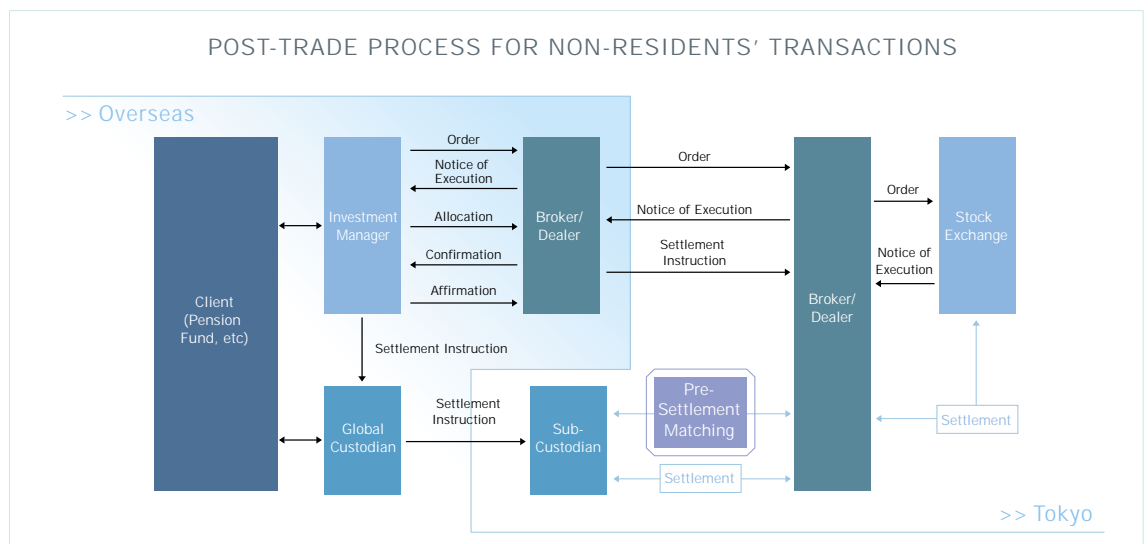
➤ Concept of Pre-Settlement Matching System

1) STP for the Securities Settlement Environment Typical in Japan

As long as the institutional transactions are concerned, it is quite common that the institutions that perform investments and the institutions that perform settlement are different entities not only in Japan but also in other countries. However, typical in Japan is that trust banks retain the rights and obligations for the confirmation of the investment. For this reason, PSMS was developed to realize the straight-through processing (STP) suitable to the specifics of the securities settlement environment in Japan.

2) Establishment of Japanese Standards in Conformity with Global Standards

Securities markets have been globalized so quickly. Until recently, securities settlement systems used to be constructed on the vernacular architecture of data syntax and codes, which can be only used in the domestic market, but settlement systems must be created in the future that incorporate the factor of connectivity to overseas counterparts. To achieve this, PSMS was developed based on ISO 15022 for data syntax, BIC for user and financial institution identification codes, and ISIN for securities identification codes.





3) Matching on Trade Date (T+0 Matching)

While PSMS was implemented under the T+3 environment, this aims to complete the matching of the trades on the trade date, T+0, to keep pace with the movement of securities industry to shorter settlement cycle, T+1.

We believe that completion of trade matching on T+0 will help increase the convenience for the investment trust management services. To be precise, open-end investment trust is required to calculate and announce the Net Asset Value (NAV) every day, which should be done accurately and promptly. The PSMS provides facilities to match the investment instruction data sent by investment trust companies and trade report data sent by securities companies on a real time basis, and then sends matched data to trust banks. This enables trust banks to smoothly and accurately calculate the NAV and match such NAV calculated by investment trust companies more quickly and accurately.

4) Connecting to DVP System

The discussion to implement a delivery versus payment settlement system for the trades other than the stock exchange transactions is now underway. When the DVP settlement system is implemented, the matched settlement instruction data in PSMS will automatically be sent to DVP settlement system, thereby completing the settlement process without any manual interventions.

5) Digitization and Dematerialization

Digitization of trade data and dematerialization or immobilization of securities is the prerequisite for bringing STP into operation. As a practical step for this development, an amendment to the Ordinance of the Cabinet Office was issued on October 1, 2001, which allows securities companies to send trade reports to their customers in the electronic or magnetic form through PSMS with the condition of agreement of customers.

Expansion of PSMS

The 3rd phase of 1st stage of PSMS has been under development, so as to include the futures, options, government bonds and NAV for investment trusts, which is expected to be in operation in spring 2003.

Japan Securities Depository Center, Inc.

FEATURE 2



FEATURE 2



New businesses under development

Commercial Papers

The Law Concerning Book-Entry Transfer for Short-Term Corporate Bonds was formulated in June 2001 to respond to growing industry-wide requests for the creation of book-entry transfer system for short-term corporate bonds, namely commercial papers (CPs), in dematerialized form in Japan.

Following this legislation, the Committee for Reform of the Securities Clearing and Settlement System of the Japan Securities Dealers Association (JSDA) studied the feasibility of DVP settlement for CPs at the request of the Japan Business Federation (former Keidanren). JSDA asked JASDEC in December 2001 to study for achieving a Gross-Gross Type DVP system for CPs.

Responding to the participants' requests in the market, JASDEC set up the CP Working Group under the Committee for New Projects in January 2002 and started discussions to implement the system requested. In March 2002, JASDEC drew up the outline of book-entry transfer system for CPs and are now undertaking to draw up the operational scheme and develop the computer systems necessary to launch the system in 2003.

Two major characteristics have to be highlighted concerning the book-entry transfer system of CPs: realizing book-entry transfers in dematerialized form and implementing a Gross-Gross Type DVP system.

First, in this system, physical papers are not issued from issuance through redemption, and the right of the CP holders is recorded and transferred between the accounts of securities companies or banks opened at JASDEC. Investors, therefore, are required to open an account at such entities, while issuers are requested to provide JASDEC with a summary of the issuance and the names of the underwriters.

Second, a book-entry transfer of CPs at JASDEC can be connected with cash settlement at the Bank of Japan to achieve the settlement of CP trades on a DVP basis. Specifically, JASDEC temporarily records the amount of CPs to be delivered on the memorandum ledger until receiving the notice of fund transfer from the Bank of Japan, then, executes the book-entry transfer of such amount from the deliverer's account to the receiver's account.

FEATURE 2

Delivery versus Payment

Delivery versus Payment (DVP), a system for ensuring performance of security deliveries and fund payments, is essential for reducing settlement risks as well as promoting STP. JASDEC is working on an introduction of a DVP settlement system for non-exchange transaction deliveries, which are the significant part of the book-entry deliveries at JASDEC.

We plan to introduce a "Gross-Net" scheme. Each book-entry delivery of securities will be processed on a trade-for-trade (gross) basis while payment of fund will be made on a net basis. The basic framework of our plan is modeled after the DVP system used by the Depository Trust & Clearing Corporation (DTCC) in the United States. We aim to build a risk management system that can compare to the best practices in the world.

The DVP system will be run by a JASDEC subsidiary (clearing organization). Under the system, the subsidiary will be the central counterparty for both deliverer and receiver through novation. If a DVP instruction satisfies all the conditions for executing DVP (executing conditions), securities subject to the delivery are delivered from the deliverer's account to the subsidiary's account. For each participant, all the payable amounts for receipts of securities and all the receivable amounts for deliveries of securities will be offset and the remaining balance will be paid to or received from the subsidiary. Securities to be received shall be delivered from the subsidiary's account to the receiver's account if the receiver fulfilled the payment.

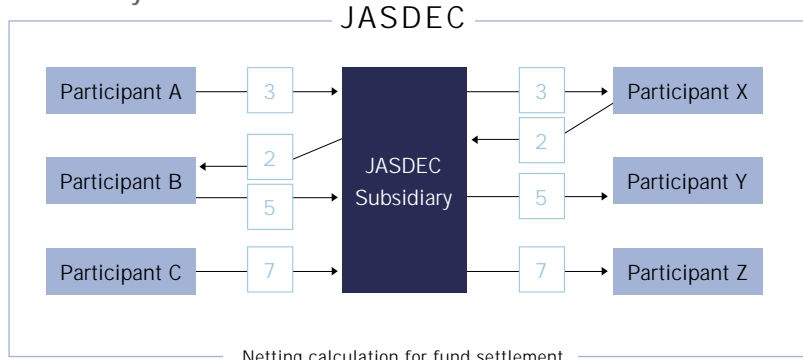
In case a DVP participant fails to make payment, the shortage of fund will be covered by the participant fund and borrowing from banks to minimize the systemic risk. To limit the size of such a default and to recover the fund applied to make up the default, net-debit cap and assurance asset will be set for each DVP participant.

The DVP system will be implemented by the end of March 2004. We are making efforts to implement the system as soon as possible by further discussing on the details of the scheme and taking the development of computer system into account.

DVP SYSTEM FOR NON- EXCHANGE TRANSACTION DELIVERIES

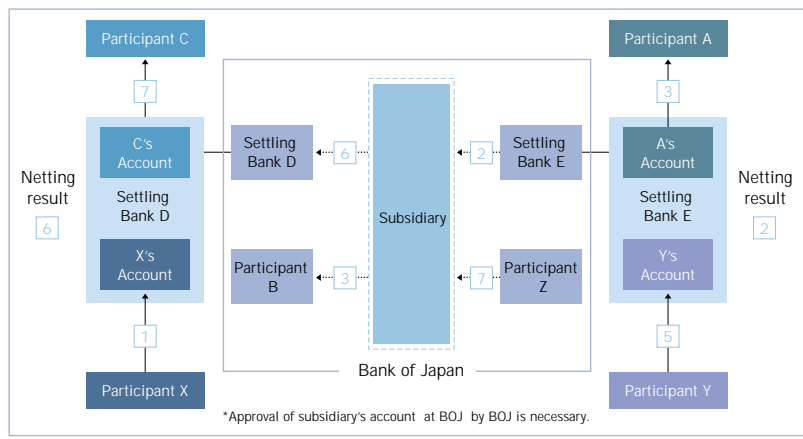
Gross-Net Type

>> Security Deliveries



Transfer of data to BOJ

>> Fund Payments



REVIEW OF OPERATIONS

Participants and Accounts

The securities depository and book-entry transfer system involves JASDEC, its participants, participants' customers and issuing companies.

Entities eligible to become JASDEC participants are stipulated by the CSD Law, and include securities companies, banks, trust banks, insurance companies, securities finance companies, stock exchanges and the Japan Securities Dealers Association (JSDA). Investors use the system via customer accounts opened on their behalf by participants. Participants may open up to 99 sub-accounts with JASDEC.

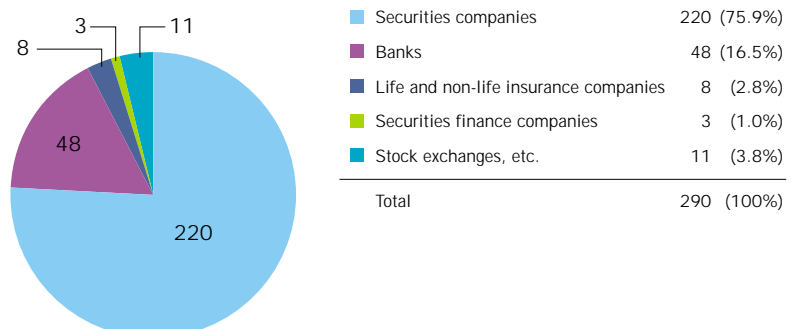
As of March 31, 2002, 290 participants held 477 accounts with JASDEC, representing losses of 6 in the number of participants and gains of 24 in the number of accounts opened, compared with fiscal 2000.

Issuing Companies

Participating to JASDEC system is voluntary, and JASDEC is, therefore, required to have consent of issuing companies to handle their shares at JASDEC.

As of March 31, 2002, 3,610 issuers of public companies in Japan have consented, up 112 companies from the previous year.

Participants by Category



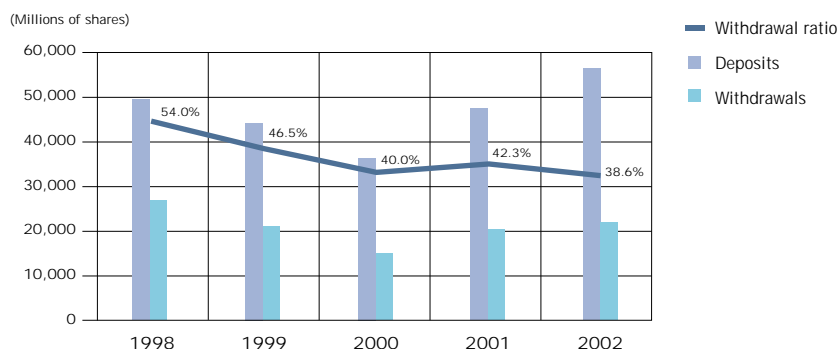
Deposits and Withdrawals

Participants may deposit their own shares and those of their customers (with their consent) with JASDEC. Customers may only deposit shares with JASDEC indirectly through a participant.

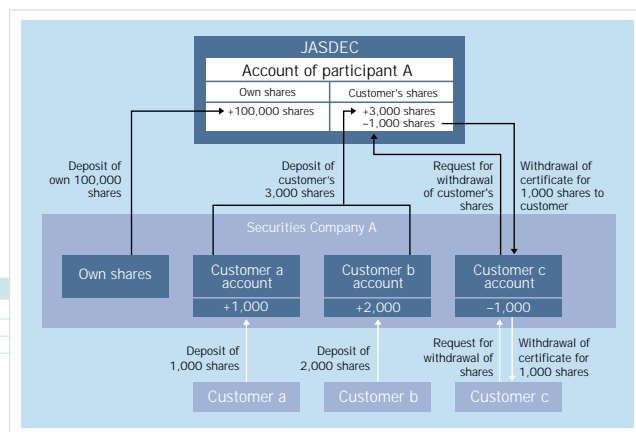
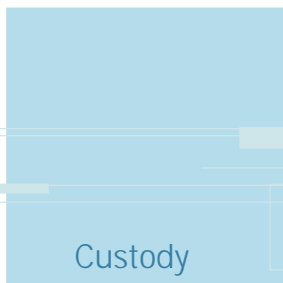
Deposited share certificates are taken into custody and records of all deposits are entered in the participant accounts at JASDEC as well as in the accounts set up for customers by participants. The deposit of shares is entirely voluntary, and participants and customers may withdraw those shares at any time. Like deposit requests, customers' withdrawal requests must be filed through a participant.

In fiscal 2001, a total of 56,215 million shares were deposited, an increase of 8,890 million shares, or 18.8% from the previous year. Shares withdrawn totaled 21,727 million, a year-on-year increase of 1,702 million shares, or 8.5 % from the previous year.

Deposits and Withdrawals



REVIEW OF OPERATIONS



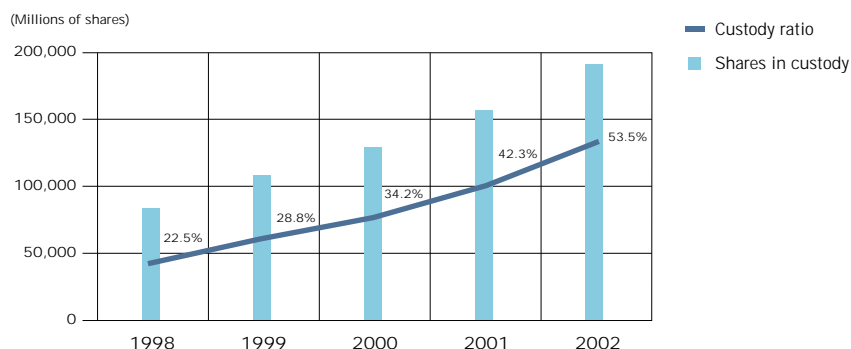
Shares deposited by participants are stored collectively by JASDEC and are not segregated by participant or by customer. In accordance with the CSD Law, participants and their customers are legally regarded as having co-ownership of the shares in the proportions stated in their JASDEC accounts or participant accounts, respectively.

The re-registration of share certificates in the name of JASDEC is nominal, and JASDEC's rights are limited to conducting administrative procedures. Shareholder's rights, such as the right to claim dividends and residual assets, vote, and request the resignation of directors or auditors, rest with the beneficial shareholders (see the section on Beneficial Shareholder Notification).

Although deposited shares are kept collectively by JASDEC, JASDEC provides separate accounting for shares owned by participating firms (own shares) and their customers (shares received from customers for safekeeping). This provides legal protection for the shares held on behalf of customers in the event of bankruptcy by a participant.

As of March 31, 2002, shares held in custody totaled 191,562 million shares, increased 34,488 million shares, or 22.0 % from the previous year. Ratio of shares held in custody to shares outstanding increased 11.2 %, to 53.5 %, topped 50% mark in February, our long-time numeral target. Compared with other major countries where securities depository systems have fully been accepted, however, there is still room to improve the proportion of shares in custody, and we will further try to reduce the cost of operations and to continue wide-ranged promotion activities.

Shares in Custody



Uncertification of Shares

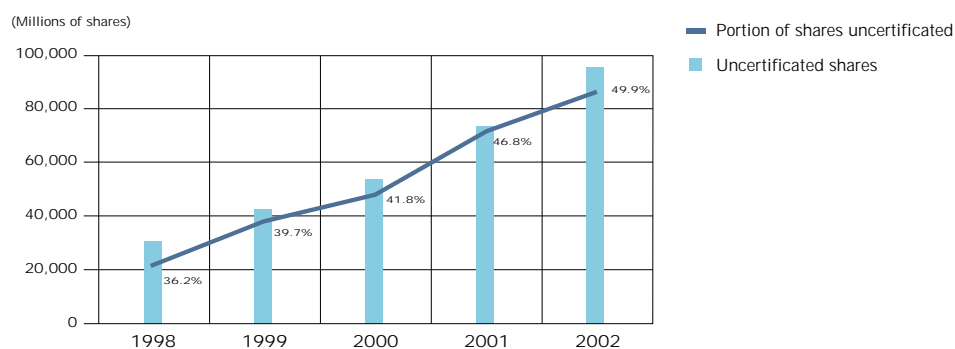
In Japan, shareholders may request issuers to replace their shares in an uncertificated form.

As a nominal shareholder, JASDEC is entitled to request this procedure under the CSD Law. By exercising this right, JASDEC is able to rationalize administrative procedures and economize on space, while reducing the risk of losing physical share certificates.

Elimination of physical share certificates also offers advantages for issuing companies. The cost of issuing new share certificates and administrative costs related to stock splits or changes of company name are reduced.

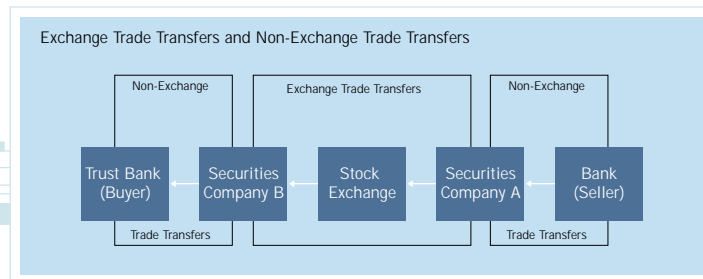
As of March 31, 2002, JASDEC requested issuing companies to replace 95,557 million shares, an increase of 21,972 million shares, in uncertificated form, representing 49.9 % of all shares held in custody with JASDEC, up 3.1 % from the previous year.

Portion of Shares Uncertificated



REVIEW OF OPERATIONS

Book-Entry Transfer



When a participant or customer trades shares held in custody by JASDEC, or transfers such shares for collateral or other purpose, delivery is effected by book entry transfer between accounts. JASDEC offers two types of book-entry transfers: exchange trade transfers and non-exchange trade transfers.

Exchange trade transfers are transfers of shares between participants as a result of trades executed on stock exchanges or over-the-counter market. Book-entry transfers for other purposes are non-exchange trade transfers. Regulations of stock exchanges and JSDA require that trades in JASDEC-eligible issues executed in their respective markets shall be settled by book-entry transfers between participant accounts with JASDEC.

The stock exchanges and Jasdaq Market Inc., operator of JASDAQ system established by JSDA, issue transfer instructions for the settlement of their trades directly to JASDEC. In the case of a non-exchange trade transfer, the seller issues instructions to JASDEC.

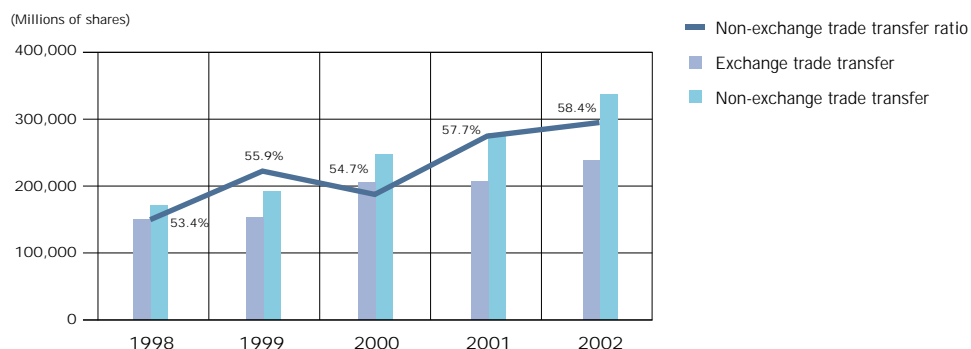
Non-exchange trade transfers are most commonly used by institutional investors and non-resident investors, who keep shares in their accounts with custody bank participants.

In order to settle their trades executed on the stock exchanges or in the over-the-counter market, shares are transferred by book-entry between the custody bank participant and the securities company participant.

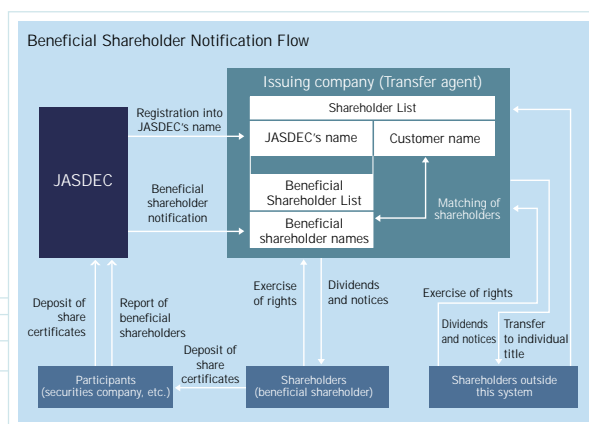
In fiscal 2001, exchange trade transfers recorded 239.9 billion shares, up 16.9 % from the previous year. Non-exchange trade transfers rose 17.2 % to 337.0 billion shares and accounted 58.4 % of aggregate book entry transfers.

The number of exchange trade transfers in fiscal 2001 was 21.5 million, up 40.3%, while that of non-exchange trade transfers, which generally involve transfers of large amount of shares, was 14.6 million, up 12.2%.

Book-Entry Transfers



Beneficial Shareholder Notification

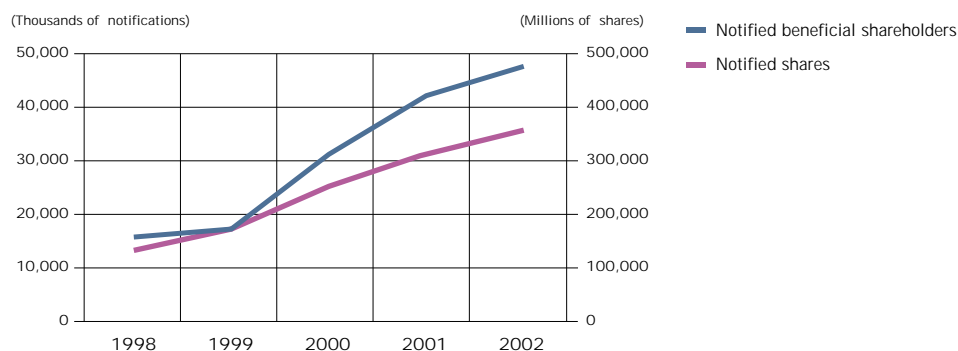


Under the securities custody and book-entry transfer system in Japan, issuers shall be informed of the names of beneficial shareholders to facilitate the distribution of dividends and any other rights directly to beneficial shareholders and beneficial shareholders shall exercise their rights directly to the issuers. Accordingly, JASDEC prepares and provides issuers with beneficial shareholder data. JASDEC's beneficial shareholder notification service includes the collection of information on beneficial shareholders as of the record date in accordance with reports from participants, and the notification of this information to issuers. The issuers draw up beneficial shareholder lists on a basis of this data and send notice of shareholder meetings and other information directly to the beneficial shareholders. Beneficial shareholders thus receive dividends directly from the issuers, and exercise their voting rights directly to the issuers.

When new shares are distributed to beneficial shareholders, such as through a stock split, JASDEC receives new stock allocation data from the issuer or its transfer agent, and notifies such stock allocation data to all concerned participants. JASDEC and the participants then increase the balance in their participant and customer account ledgers on a basis of this data.

JASDEC issued 47.8 million notifications in fiscal 2001, up 14.3% from fiscal 2000, representing 367.1 billion shares, up 19.4%. Reflecting an increase in shares in custody, notifications of beneficial shareholders on which record date ended March 2002 rose 2.3 million, up 12.5%, to 20.8 million notifications, which represented 175.7 billion shares, an increase of 31.0 billion shares, up 21.5% from the year before, to record the highest figures since JASDEC's business initiation.

Beneficial Shareholder Notification



REVIEW OF OPERATIONS

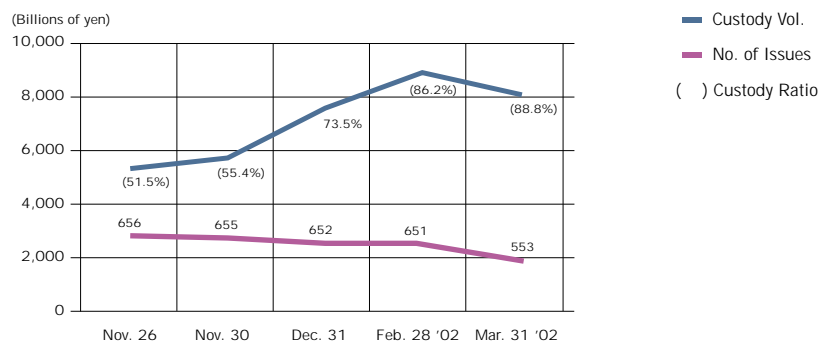
Convertible Bonds

Responding to the needs and the requests from the participants and market, JASDEC expanded its services to include convertible bonds (CBs) in November 2001. With substantial numbers of CBs deposited since the beginning of the services, reflecting the size of the CB market in Japan, the number of issues we handled at the end of March 2002 was 553 and the amount of the CBs in custody was ¥8,085.1 billion, representing 88.8 % of the amount outstanding.

From the start of the services in November 2001 to the end of March 2002, the amount of deposited CBs totaled ¥9,467.6 billion and the amount withdrawn totaled ¥1,382.4 billion. The amount of exchange trade transfers was ¥1,016.1 billion, and that of non-exchange trade transfers was ¥5,627.6 billion.

During the same period, JASDEC processed ¥870.8 billion of principal and interest payment on the CBs in our custody.

Volume of CBs in Custody





Depository Services of Other JASDEC-Eligible Securities

Exchange Traded Funds (ETFs)

In July 2001, JASDEC started to provide the depository services for ETFs pegged with TOPIX and the Nikkei Stock Price Average (Nikkei 225). During the period from July 2001 to March 2002, 703.9 million units were deposited while 50.8 million units were withdrawn. As a result, units held in custody totaled 691.8 million, representing 14 issues at the end of March 2002. During the same period, the number of units of exchange trade transfers was 371.3 million, and that of non-exchange trade transfers was 2,048.0 million.

Real Estate Investment Securities (REITs)

In September 2001, JASDEC started to deal with REITs. During the period from September 2001 to March 2002, 861,391 units were deposited and 101,707 units were withdrawn. Reflecting these transactions, units held in custody totaled 759,684 units, representing 4 issues at the end of March 2002. During the same period, exchange trade transfers recorded 395,236 units while non-exchange trade transfers amounted to 968,055 units.

Preferred Investment Bonds of Financial Institutions Established by Cooperative Associations

In December 2000, JASDEC started to handle preferred investment bonds of financial institutions established by cooperative associations. During fiscal 2001, 28,431 units were deposited and 7,532 units were withdrawn. At the end of March 2002, preferred bonds held in custody recorded 210,528 units, representing 1 issue. During fiscal 2001, exchange trade transfers was 67,018 units, non-exchange trade transfers 62,085 units.

MANAGEMENT

BOARD OF DIRECTORS



Yoshinobu Takeuchi

Hiromi Murai

Masao Yagi



Katsuro Kanzaki

Tatsunori Imagawa

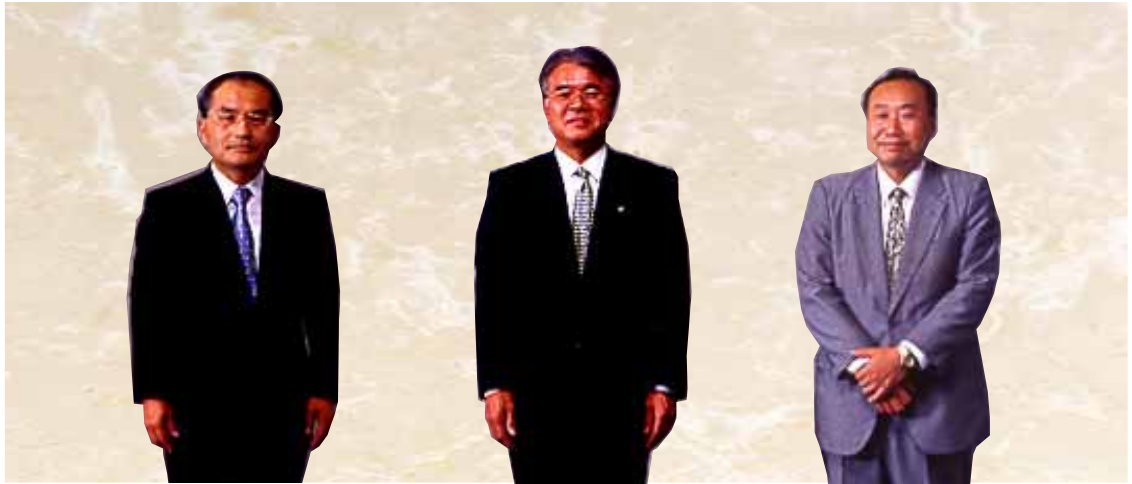
Fujio Ido



Mamoru Kikuichi

Yoneo Sakai

Masaya Shikama



Masaru Takei

Kamezo Nakai

Toshitsugu Shimizu



Hideo Watanabe

Nobuyoshi Nakano

Kunihisa Hama

Youichi Fukae

AUDITORS



Takashi Daigo

Takashi Kusama

Masari Ugai

BOARD MEMBERS AND AUDITORS

President & CEO Yoshinobu Takeuchi

Managing Directors Hiromi Murai
Masao Yagi

Directors

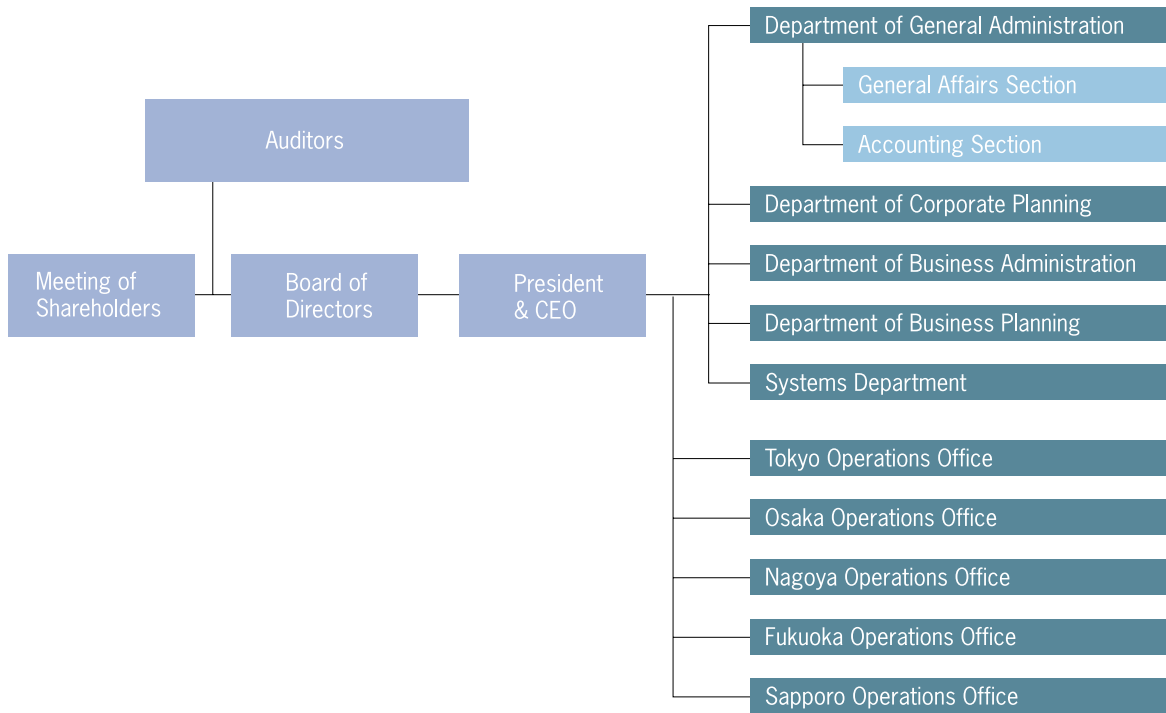
Fujio Ido	Director, Senior Executive Officer, The Sumitomo Trust & Banking Co., Ltd.
Tatsunori Imagawa	Senior Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Katsuro Kanzaki	Professor, Faculty of Law, Himeji Dokkyo University
Mamoru Kikuichi	Managing Director, Japan Securities Dealers Association
Yoneo Sakai	Managing Executive Officer, Mizuho Corporate Bank, Ltd.
Masaya Shikama	Executive Director, UBS Warburg (Japan) Limited
Toshitsugu Shimizu	Executive Officer, Tokyo Stock Exchange, Inc.
Masaru Takei	General Manager, Tokyo Electric Power Company
Kamezo Nakai	Managing Director, The Nomura Securities Co., Ltd.
Nobuyoshi Nakano	Managing Director, Nikko Salomon Smith Barney Limited
Kunihisa Hama	Lawyer
Youichi Fukae	Senior Executive Officer, UFJ Trust Bank Limited
Hideo Watanabe	Executive Officer, Daiwa Securities SMBC Co., Ltd.

Standing Auditor Takashi Daigo

Auditors

Masari Ugai	Vice Chairman, Japanese Bankers Association
Takashi Kusama	Director & Senior Executive Officer, Shinko Securities, Co., Ltd.

ORGANIZATION STRUCTURE



FINANCIAL STATEMENTS (JASDEC)

Balance Sheets

March 31, 2002 and 2001

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
Assets			
Current Assets:			
Cash and Deposits	¥ 1,964,037	¥ 17,155	\$ 14,740
Accounts Receivable	3,276,134	2,358,614	24,586
Advance Payment	80,522	14,886	604
Securities	—	2,042,027	—
Other	300	98,754	2
	5,320,993	4,531,436	39,932
Fixed Assets:			
Capital Assets	3,019,000	3,019,000	22,657
Other Fixed Assets:			
Building and Structures	66,701	69,276	500
Furniture and Tools	2,228,692	2,136,300	16,726
Security Deposits	374,061	355,234	2,807
Computer Software	4,774,486	3,266,326	35,831
Other	42,090	1,155,241	316
	7,486,030	6,982,377	56,180
Total Fixed Assets	10,505,030	10,001,377	78,837
Total Assets	¥ 15,826,023	¥ 14,532,813	\$ 118,769
Liabilities			
Current Liabilities:			
Short-term Loan Payable	¥ 9,000,000	¥ —	\$ 67,542
Accounts Payable	2,454,394	3,944,447	18,420
Accrued Income Taxes	228,658	—	1,716
Other	79,719	74,386	598
	11,762,771	4,018,833	88,276
Fixed Liabilities:			
Long-Term Debt	—	6,433,570	—
Other	106,252	123,410	797
	106,252	6,556,980	797
Total Liabilities	¥ 11,869,023	¥ 10,575,813	\$ 89,073
Net Assets			
Capital Assets	¥ 3,019,000	¥ 3,019,000	\$ 22,657
Other Net Assets:			
Retained Earnings brought Forward from the Preceding Term	938,000	1,014,943	7,039
Net Income (Loss) for the Current Term	—	(76,943)	—
	938,000	938,000	7,039
Total Net Assets	¥ 3,957,000	¥ 3,957,000	\$ 29,696
Total Liabilities and Net Assets	¥ 15,826,023	¥ 14,532,813	\$ 118,769

U.S. dollar amounts have been translated, for convenience only, at the rate of ¥133.25=US\$1 as of March 31, 2002.

Statements of Revenue and Expenditure

Years ended March 31, 2002 and 2001

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
Revenue			
Fund Operations	¥ 5,340	¥ 6,823	\$ 40
Account-Opening Fees	37,600	38,800	282
Income from Fees (before Refund):			
Deposits	504,480	446,205	3,785
Book-Entry Delivery	8,990,297	6,102,618	67,469
Withdrawals	150,532	143,259	1,130
Custody	5,184,338	5,681,481	38,907
Other	2,567,495	1,679,441	19,268
	17,397,142	14,053,004	130,560
Refund of Fees	(5,810,146)	(3,235,322)	(43,603)
Income from Fees (after Refund)	11,586,996	10,817,682	86,957
Other Income	14,634	35,743	110
Total Revenue (A)	¥ 11,644,570	¥ 10,899,048	\$ 87,389
Revenue before Refund (A')	¥ 17,454,716	¥ 14,134,370	130,992
Expenditure			
General Administration Expenses	¥ 1,348,850	¥ 1,157,436	\$ 10,123
Business Expenses:			
Computers	3,145,294	3,081,891	23,604
Outsourcing Services	2,723,130	2,678,035	20,436
Stock Name Transfer Expenses	1,729,789	1,881,970	12,982
Other	424,453	265,933	3,185
	8,022,666	7,907,829	60,207
Depreciation	2,038,310	1,117,697	15,297
Other Expenses	6,086	793,029	46
Total Expenditure (B)	¥ 11,415,912	¥ 10,975,991	\$ 85,673
Net Income (Loss) Before Income Taxes (A)-(B)	228,658	(76,943)	1,716
Provision for Income Taxes	228,658	—	1,716
Net Income (Loss)	¥ —	¥ (76,943)	\$ —
Net Income Before Income Taxes before Refund (A')-(B)	¥ 6,038,804	¥ 3,158,379	\$ 45,319

U.S. dollar amounts have been translated, for convenience only, at the rate of ¥133.25=US\$1 as of March 31, 2002.

Notes to Financial Statements

NOTES TO THE STATEMENTS OF REVENUE AND EXPENDITURE

1. Japan Securities Depository Center (JASDEC) is a non-profit foundation and does not operate a profit-making business as defined by Japanese tax law.
2. The fee charged to participants for opening the initial account with JASDEC is ¥1 million, and that for additional sub-accounts is ¥300,000 each.

NOTES TO THE BALANCE SHEETS

1. The capital assets appearing under "Fixed Assets" consist of fixed bank deposits and Money Management Fund.
2. Cumulative depreciation charges for the other fixed assets are as follows:

	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
Building and structures	¥ 63,454	¥ 217,637	\$ 476
Furniture and tools	2,344,159	3,727,628	17,592
Other	2,832	2,266	21
Total	¥ 2,410,446	¥ 3,947,531	\$ 18,089

3. Short-term loan payable and long-term debt as of March 31, 2002 and 2001 consist of the follows:


	Thousands of Yen		Thousands of U.S.dollars
	2002	2001	2002
Short-term debt:			
Japan Securities Depository Center Inc.	¥ 2,400,000	¥ —	\$ 18,011
Banks	6,600,000	—	49,531
	¥ 9,000,000	¥ —	\$ 67,542
Long-term debt:			
Members of the Stock exchanges of Tokyo, Osaka and Nagoya	¥ —	¥ 6,433,570	\$ —

Report of Independent Accountants

Chairman of the Board of Directors
Japan Securities Depository Center

We have audited the accompanying balance sheets of Japan Securities Depository Center (JASDEC) as of March 31, 2002 and 2001, and the related statements of revenue and expenditure for the years then ended, all expressed in Japanese Yen. Our audits were made in accordance with auditing standards generally accepted in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial positions of JASDEC as of March 31, 2002 and 2001 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan for Public-Service Corporation and Business Corporation, and with the Articles of Association of JASDEC.



ChuoAoyama Audit Corporation

Tokyo, Japan
May 18, 2002

Notice to Readers:

The accompanying financial statements are not intended to present the financial positions of the JASDEC and results of its operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The standards, procedures and practices used to audit such financial statements are those generally accepted and applied in Japan.

LIST OF PARTICIPANTS / SHAREHOLDERS

TOTAL:285

Securities Companies

- * Ace Securities Co., Ltd.
- * Aioi Securities Co., Ltd.
- * Aizawa Securities Co., Ltd.
- * Akakiya Securities Co., Ltd.
- * Alps Securities Co., Ltd.
- * Ando Securities Co., Ltd.
- * Angel Securities Co., Ltd.
- * Ark Securities Co., Ltd.
- * Awa Securities Co., Ltd.
- * Axes Japan Securities Co., Ltd.
- * Bansei Prime Capital Securities Co., Ltd.
- * Banyo Securities Co., Ltd.
- * Bright Securities Co., Ltd.
- * Century Securities Co., Ltd.
- * Chuo Securities Co., Ltd.
- * Cosmo Securities Co., Ltd.
- * Daikumamoto Securities Co., Ltd.
- * Daiman Securities Co., Ltd.
- * Daisei Securities Co., Ltd.
- * Daitoku Securities Co., Ltd.
- * Daiwa Securities Co., Ltd.
- * Daiwa Securities SMBC Co., Ltd.
- * DLJ direct SFG Securities Inc.
- * Dojimakanto Securities Co., Ltd.
- * E. Trade Securities Co., Ltd.
- * Eiwa Securities Co., Ltd.
- * FIRSTMAKE SECURITIES CO., LTD.
- * Get Securities Co., Ltd.
- * Gifu Dai-ichi Securities Co., Ltd.
- * H. S. SECURITIES Co., Ltd.
- * Hikari Securities Co., Ltd.
- * Himawari Securities, Inc.
- * Hinode Securities Co., Ltd.
- * Hiraoka Securities Co., Ltd.
- * Hirota Securities Co., Ltd.
- * Ichiyoshi Securities Co., Ltd.
- * Imamura Securities Co., Ltd.
- * Ise Securities Co., Ltd.
- * Issei Securities Co., Ltd.
- * ITM Securities Co., Ltd.
- * ITOCHU Capital Securities Ltd.
- * Iwai Securities Co., Ltd.
- * Izumi Securities Co., Ltd.
- * Japan Asia Securities Co., Ltd.
- * Japan Bond Trading Co., Ltd.
- * Japan Cross Securities Co., Ltd.
- * Japan Electronic Securities Co., Ltd.
- * Jet Securities, Inc.
- * Joko Securities Co., Ltd.
- * Jonan Securities Co., Ltd.
- * Jujiya Securities Co., Ltd.
- * JVIC SECURITIES CO., LTD.
- * Kabu. com Securities Co., Ltd.
- * Kadoya Securities Co., Ltd.
- * Kagawa Securities Co., Ltd.
- * Kaneju Securities Co., Ltd.
- * Kaneyama Securities Co., Ltd.
- * Kaneyoshi Securities Co., Ltd.
- * Kanzaki Securities Co., Ltd.
- * Kimura Securities Co., Ltd.
- * Knight Securities Japan Ltd.
- * Kobe Securities Co., Ltd.
- * Kokufu Securities Co., Ltd.
- * Kokusai Securities Co., Ltd.
- * Kotobuki Securities Co., Ltd.
- * Kurokawakitoku Securities Co., Ltd.
- * Kyokuto Securities Co., Ltd.
- * Kyosei Securities Co., Ltd.
- * Kyowa Securities Co., Ltd.
- * Maeda Securities Co., Ltd.
- * Maruchika Securities Co., Ltd.
- * Marudai Securities Co., Ltd.
- * Marufuku Securities Co., Ltd.
- * Maruhachi Securities Co., Ltd.
- * Maruko Daika Securities Co., Ltd.
- * Marukuni Securities Co., Ltd.
- * Marusan Securities Co., Ltd.
- * Maruwa Securities Co., Ltd.
- * Matsui Securities Co., Ltd.
- * Matsusaka Securities Co., Ltd.
- * Meiko National Securities Co., Ltd.
- * Meiwa Securities Co., Ltd.
- * Merrill Lynch Japan Securities Co., Ltd.
- * Mirai Securities Co., Ltd.
- * Mita Securities Co., Ltd.
- * Mito Securities Co., Ltd.
- * Miyako Securities Co., Ltd.
- * Mizuho Securities Co., Ltd.
- * Monex, Inc.
- * Murosei Securities Co., Ltd.
- * Musashi Securities Co., Ltd.
- * Nagano Securities Co., Ltd.
- * Naito Securities Co., Ltd.
- * Nakaizumi Securities Co., Ltd.
- * Nara Securities Co., Ltd.
- * Naruse Securities Co., Ltd.
- * NCS Securities Ltd.
- * NIHON KYOEI SECURITIES CO., LTD.
- * Niigata Securities Co., Ltd.
- * Nikko Beans, Inc.
- * Nikko Cordial Securities Inc.
- * Nippon First Securities Co., Ltd.
- * Nippon Global Securities Co., Ltd.
- * Nishimura Securities Co., Ltd.
- * Nishiwaki Securities Co., Ltd.
- * Nissan Securities Co., Ltd.
- * Nissho Iwai Securities Co., Ltd.
- * Nittan Broker's Securities Co., Ltd.
- * Norinchukin Securities Co., Ltd.
- * Nozomi Securities Co., Ltd.
- * Odawara Securities Co., Ltd.
- * Okachi Securities Co., Ltd.
- * Okasan Securities Co., Ltd.
- * Okinawa Securities Co., Ltd.
- * One Asia Securities Co., Ltd.
- * Orient Securities Co., Ltd.
- * Orix Securities Co., Ltd.
- * Otsuka Securities Co., Ltd.
- * P.S.I. Securities Co., Ltd.
- * Panta Rhei Securities, Co., Ltd.
- * Port Satellite Securities. Co., Ltd.
- * Privee Zurich Securities Co., Ltd.
- * Prudential Financial Advisors Securities Co., Ltd.
- * Retela Crea Securities Co., Ltd.
- * Rokuwa Securities Co., Ltd.
- * Sakamoto Hokuriku Securities Co., Ltd.
- * Sakura Friend Securities Co., Ltd.
- * Sanei Securities Co., Ltd.
- * Sanjo Securities Co., Ltd.
- * SANKO SECURITIES Co., Ltd.
- * Sankyo Securities Co., Ltd.
- * Sasayama Securities Co., Ltd.
- * Shinbayashi Securities Co., Ltd.
- * Shinko Securities Co., Ltd.
- * Shin-Ogaki Securities Co., Ltd.
- * Shinsei Securities Co., Ltd.
- * Shinwa Securities Co., Ltd.
- * SHIZUGIN TM SECURITIES CO., LTD.
- * Shizuoka Tokai Securities Co., Ltd.
- * Shonai Securities Co., Ltd.
- * Sieg Securities Co., Ltd.
- * Sparx Securities Co., Ltd.
- * Star Futures Securities Co., Ltd.
- * Starts Securities Co., Ltd.
- * Super Sieg Securities Co., Ltd.
- * Taicom Securities Co., Ltd.
- * Takagi Securities Co., Ltd.
- * Tama Securities Co., Ltd.
- * Tamaki Securities Co., Ltd.
- * THE ASAHI RETAIL SECURITIES CO., LTD.
- * The Kosei Securities Co., Ltd.
- * The Miki Securities Co., Ltd.
- * The Mizuho Investors Securities Co., Ltd.
- * The Nakahara Securities Co., Ltd.
- * The Nomura Securities Co., Ltd.
- * The Tachibana Securities Co., Ltd.
- * Tobu Securities Co., Ltd.
- * Tokai Tokyo Securities Co. Ltd.
- * Tokyo - Mitsubishi Securities Co., Ltd.
- * Tokyo-Mitsubishi Personal Securities Co., Ltd.
- * Tokyo-Mitsubishi TD Waterhouse Securities Co., Ltd.

- * Toyo Securities Co., Ltd.
TRADERS SECURITIES
CO., LTD.
 - * Tsukamoto Securities Co., Ltd.
 - * Tsuyama Securities Co., Ltd.
UFJ Capital Markets Securities
Co., Ltd.
 - * UFJ Tsubasa Securities Co., Ltd.
 - * UNICOM SECURITIES CO., LTD.
 - * Usuki Securities Co., Ltd.
 - * Utsumiya Securities Co., Ltd.
 - * Utsumiya Securities Co., Ltd.
West wood Capital, LLC
 - * WORLD NICHIEI Securities
Co., Ltd.
 - * Yahata Securities Co., Ltd.
 - * Yamagata Securities Co., Ltd.
 - * Yamagen Securities Co., Ltd.
 - * Yamamaru Securities Co., Ltd.
 - * Yamani Securities Co., Ltd.
 - * Yamawa Securities Co., Ltd.
 - * YOKOHAMA securities co., LTD.
 - * Yutaka Securities Co., Ltd.
ABN Amro Securities (Japan)
Limited
 - * Banc of America Capital Markets -
Japan, Inc.
 - * Barclays Capital Japan Limited
 - * Bear Stearns (Japan) Limited
 - * BNP Paribas
Securities(Japan)Limited
 - * Carswell-T.I.R., Limited
 - * Cazenove & Co., (Japan) Ltd.
 - * Citicorp International Securities
Ltd.
 - * Commerz Securities (Japan) Co.,
Ltd.
 - * Core Pacific - Yamaichi Securities
Co., Ltd.
 - * Credit Agricole Indosuez Securities
(Japan) Limited
 - * Credit Lyonnais Securities Europe
Switzerland AG.
 - * Credit Suisse First Boston Securities
(Japan) Limited
 - * Deutsche Securities Limited. Tokyo
Branch
 - * Dresdner Kleinwort Wasserstein
Ltd.
 - * Fidelity Brokerage Services (Japan),
LLC
 - * Goldman Sachs (Japan) Limited
 - * HSBC Securities(Japan)Limited
 - * HVB Capital Asia Limited
 - * Hyundai Securities Co., Ltd.
 - * ING Securities Japan Limited
 - * Instinet Japan Limited
 - * J.P.Morgan Securities Asia Limited
 - * Jefferies (Japan) Limited
 - * KBC Securities Japan
 - Lehman Brothers Japan Inc.
 - * Morgan Stanley Japan Limited
 - Morgan Stanley Nippon
Securities Limited
 - * Nikko Salomon Smith Barney
Limited
 - RBC Dominion
Securities(Japan)Limited
 - SAMSUNG SECURITIES
CO., LTD.
 - Sassoon Securities Japan Ltd. Tokyo
Branch
 - Societe Generale Securities (North
Pacific) Ltd.
 - * UBS Warburg (Japan) Limited
 - * WestLB Securities Pacific Limited
- Banks**
- AOZORA BANK, LTD.
 - Mizuho Bank, Ltd.
 - * Mizuho Corporate Bank, Ltd.
 - * SUMITOMO MITSUI BANKING
CORPORATION
 - * The Asahi Bank, Ltd.
 - * The Bank of Tokyo-Mitsubishi, Ltd.
 - * The Bank of Yokohama, Ltd.
 - * The Daiwa Bank, Limited
 - The Hiroshima Bank, Ltd.
 - * THE NAGANO BANK, LTD.
 - * The Tokyo Moin Bank, Limited
 - Tokyo Bankers Association
 - * UFJ Bank Limited
 - BNP PARIBAS PRIVATE BANK
(JAPAN) LIMITED
 - Citibank, N.A.
 - SG Private Banking (Japan) Limited
 - Standard Chartered Bank
 - The Hongkong and Shanghai
Banking Corporation Limited
- Trust Banks and Other Financial
Institutions**
- Asahi Trust and Banking Co., Ltd.
 - * Japan Trustee Services Bank, Ltd.
 - * Mitsui Asset Trust and Banking
Company, Limited
 - Mizuho Asset Trust Bank, Ltd.
 - NikkoCiti Trust and Banking
Corporation
 - ORIX Trust and Banking
Corporation
 - Shinkin Trust Bank, Ltd.
 - Shinsei Trust and Banking Co., Ltd.
 - * The Chuo Mitsui Trust and
Banking Company, Limited
 - The Kyoto Shinkin Bank
 - * The Master Trust Bank of Japan,
Ltd.
 - * The Mitsubishi Trust and Banking
Corporation
 - The MizuhoTrust & Banking Co.,
Ltd.
 - The Nomura Trust and Banking
Co., Ltd.
 - * The Norinchukin Bank
 - * The Norinchukin Trust & Banking
Co., Ltd.
 - * The Sumitomo Trust & Banking
Co., Ltd.
 - * Tokyo Shoken Credit Cooperative
 - * Trust & Custody Service Bank, Ltd.
 - * UFJ Trust Bank Limited
 - Barclays Global Investors Japan
Trust & Banking Co., Ltd.
 - Cititrust and Banking Corporation
 - Credit Suisse Trust and Banking
Co., Ltd.
 - Deutsche Trust Bank Limited
 - J.P.Morgan Trust Bank, Ltd.
 - * JSF Trust & Banking Co., Ltd.
 - State Street Trust and Banking
Company, Limited
 - UBS (Trust and Banking) Limited
- Insurance Companies**
- * DAIDO LIFE INSURANCE
COMPANY
 - Mitsui Sumitomo Insurance
Co., Ltd.
 - Nippon Life Insurance Company
 - Sompo Japan Insurance Inc.
 - The Dai-ichi Mutual Life Insurance
Company
 - The Meiji Mutual Life Insurance
Company
 - * THE TAIYO MUTUAL LIFE
INSURANCE COMPANY
 - The Tokio Marine & Fire Insurance
Co., Ltd.
- Stock Exchanges and Others**
- * Central Tanshi Co., Ltd.
 - * Chubu Securities Finance Co., Ltd.
 - * Daiko Shoken Business Co., Ltd.
 - * Fukuoka Stock Exchange
 - * Japan Securities Agents, Ltd.
 - * Japan Securities Clearing
Corporation ♦
 - * Japan Securities Dealers Association
 - * Japan Securities Finance Co., Ltd.
 - Jasdaq Market, Inc.
 - * Nagoya Stock Exchange, Inc.
 - * Osaka Securities Exchange, Inc.
 - * Osaka Securities Finance Co., Ltd.
 - * Sapporo Securities Exchange
 - * Tokyo Securities Transfer Agent
Co., Ltd.
 - * Tokyo Stock Exchange, Inc.
- * *Shareholder*

♦ Overseas CSDs participating in JASDEC through JSCC:
Euroclear France, The Central Depository (Pte) Limited (Singapore)

HISTORY

- MAY 1984** The Law Concerning Central Securities Depository and Book-Entry Transfer (CSD Law) was passed, and later enforced in November 1984.
- DEC. 1984** Japan Securities Depository Center (JASDEC) was founded as a non-profit foundation under a permit granted by the Minister of Finance and the Minister of Justice (competent ministers) pursuant to Article 34 of the Civil Code.
- MAY 1985** JASDEC was designated as a depository under the CSD Law by the competent ministers.
- JUL. 1986** JASDEC instituted its business regulations with the approval of the competent ministers, and implemented them on August 1 of the same year.
- OCT. 1988** JASDEC decided to inaugurate depository services in stages lasting from October 1991 (Phase 1), through October 1992 (Phase IV).
- FEB. 1989** JASDEC installed its mainframe computer at its computer center in Tokyo.
- SEP. 1990** Development of software for use in the depository systems was completed.
- OCT. 1990** Pursuant to the CSD Law, the competent ministers designated the following securities as those eligible to be handled by the depository system
- (1) share certificates listed on any stock exchanges in Japan.
 - (2) share certificates registered with, or designated by, Japan Securities Dealers Association as over-the-counter stocks
 - (3) share certificates to be issued after the date of designation, which fall in the range specified above.
- AUG. 1991** With the authorization of the competent ministers, JASDEC entrusted part of its business to the Japan Securities Clearing Corporation.
- OCT. 1991** JASDEC began offering its depository services in the Tokyo area (Phase 1) in accordance with its phased implementation plan.
- APR. 1992** JASDEC started to provide the beneficial shareholder notification system on a complete basis
- OCT. 1992** JASDEC began providing comprehensive depository services, covering all listed and OTC stocks (Phase IV).
- JUN. 1993** The U.K. Securities and Futures Authority approved JASDEC as an eligible foreign custodian.
- AUG. 1993** The U.S. Securities and Exchange Commission issued a no-action letter to exempt JASDEC from Section 17(f) of the Investment Company Act of 1940 and Rule 17f-5(c) (2) (iii) .
- JUN. 1997** The German Bankers Association approved JASDEC as an eligible foreign custodian.
- MAY 2000** JASDEC implemented its new securities custody and book-entry transfer system.
- SEP. 2000** JASDEC constructed a back-up center in Osaka.
- MAY 2001** JASDEC launched the system for DVP settlement of the exchange trades in Tokyo and Osaka
- JUN. 2001** The Law Concerning Central Securities Depository and Book-Entry Transfer (CSD Law) was amended and became effective April 2002.
- SEP. 2001** JASDEC implemented Pre-Settlement Matching System.
- NOV. 2001** Committee for Reform of Securities Clearing and Settlement System(JSDA) published the report on "Demutualization Framework of JASDEC".
JASDEC started handling of corporate convertible bonds.
- JAN. 2002** Japan Securities Depository Center Incorporated (JASDEC Inc.) was established.
- FEB. 2002** Custody ratio recorded over 50%.
- JUN. 2002** JASDEC transferred its businesses to JASDEC Inc. and dissolved.
JASDEC Inc. began securities depository and book-entry transfer operations.



CORPORATE INFORMATION

Company Name:	Japan Securities Depository Center, Inc.
Date of Incorporation:	January 4, 2002
Date of Operations Begun:	June 17, 2002
Capital:	¥4.25 billion (paid-in capital: ¥8.5 billion)
Common Stock Issued:	8,500 shares
Number of Shareholders:	207
Number of Employees:	71
Additional Personnel:	224 (working for entrustees) 125 (working on outsourced systems development and operations)

Registered Head Office

5th Floor, Daini-Shoken Kaikan Bldg.
1-1, Nihombashi-Kayaba-cho 2-chome
Chuo-ku, Tokyo 103-0025, Japan
Phone: (81) 3-3661-0161
Facsimile: (81) 3-3661-2810
<http://www.jasdec.com>

Operations Offices

Tokyo Office:	6th Floor, Daini-Shoken Kaikan Bldg. 1-1, Nihombashi-Kayaba-cho 2-chome, Chuo-ku, Tokyo 103-0025
Osaka Office:	6-10, Kitahama 1-chome, Chuo-ku, Osaka 541-0041
Nagoya Office:	3-17, Sakae 3-chome, Naka-ku, Nagoya 460-0008
Fukuoka Office:	14-2, Tenjin 2-chome, Chuo-ku, Fukuoka 810-0001
Sapporo Office:	14-1, Minamiichijo-Nishi 5-chome, Chuo-ku, Sapporo 060-0061

(as of June 30, 2002)

