

Figure 4-1 Current Japan Securities Settlement Infrastructure

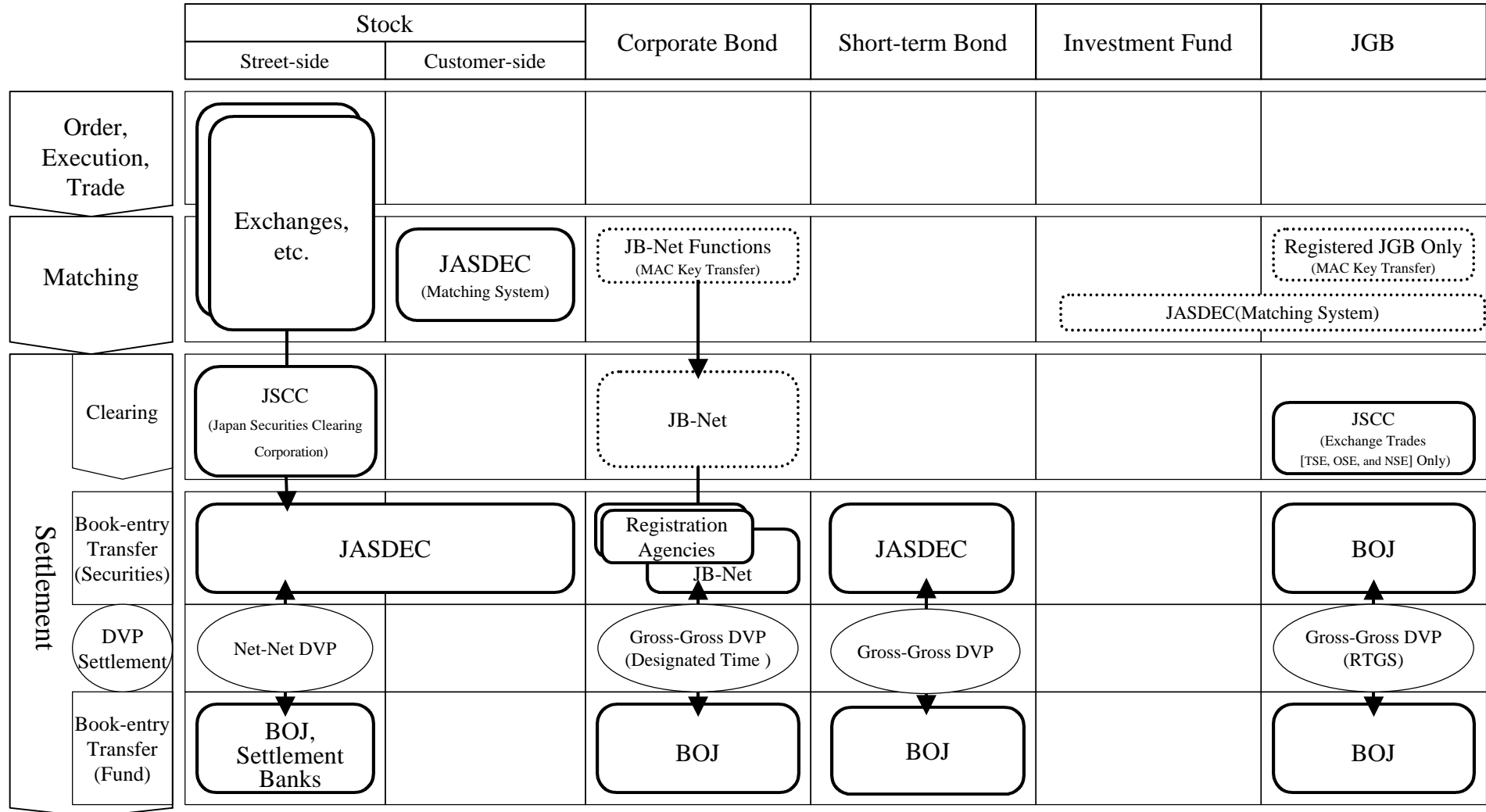
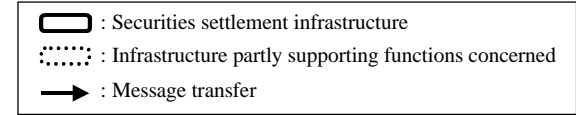


Figure 4-2 Major Issues Overview

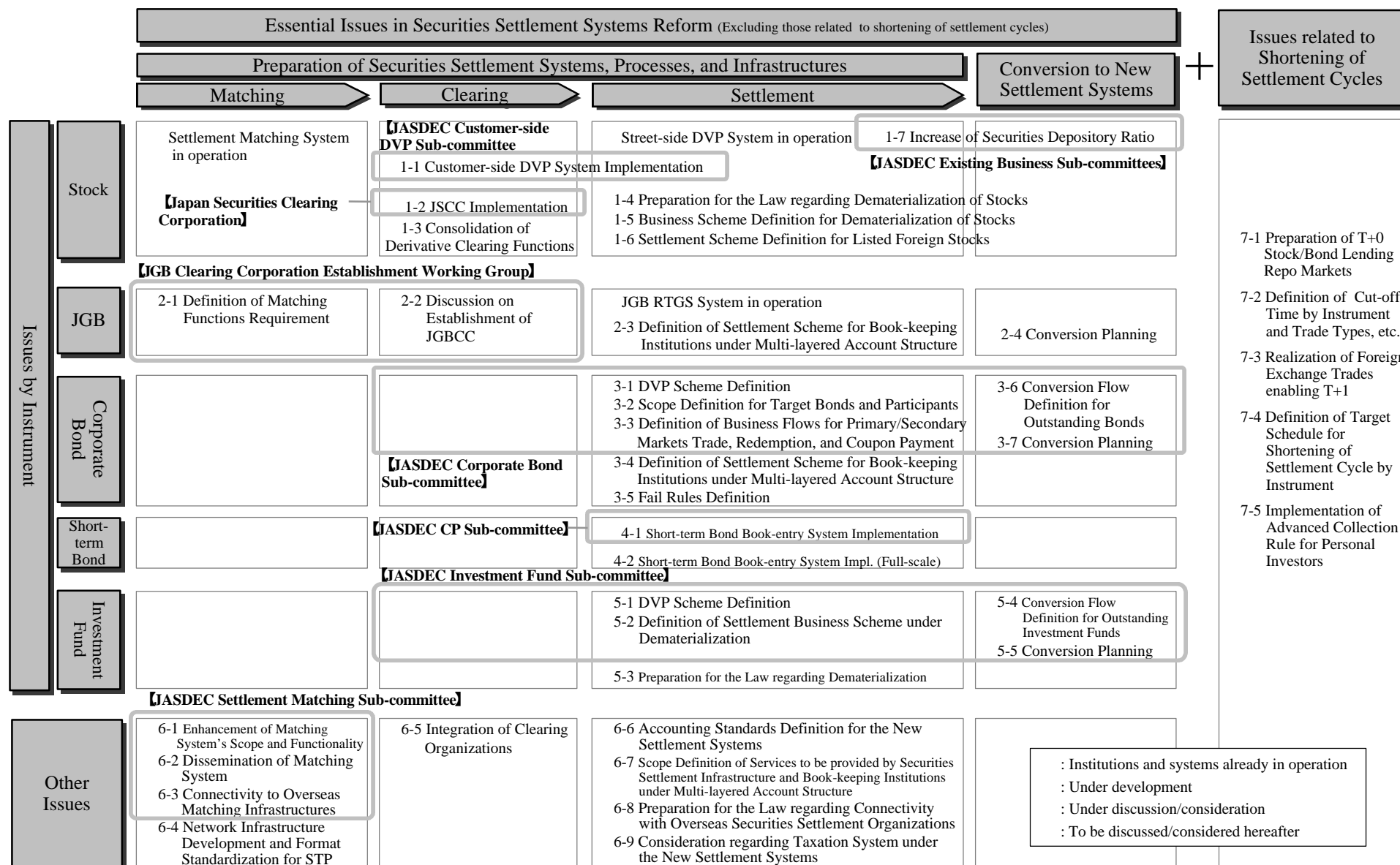


Figure 5-2 (2) Securities Settlement Systems Overview at Completion of Current and Likely Infrastructure Initiatives

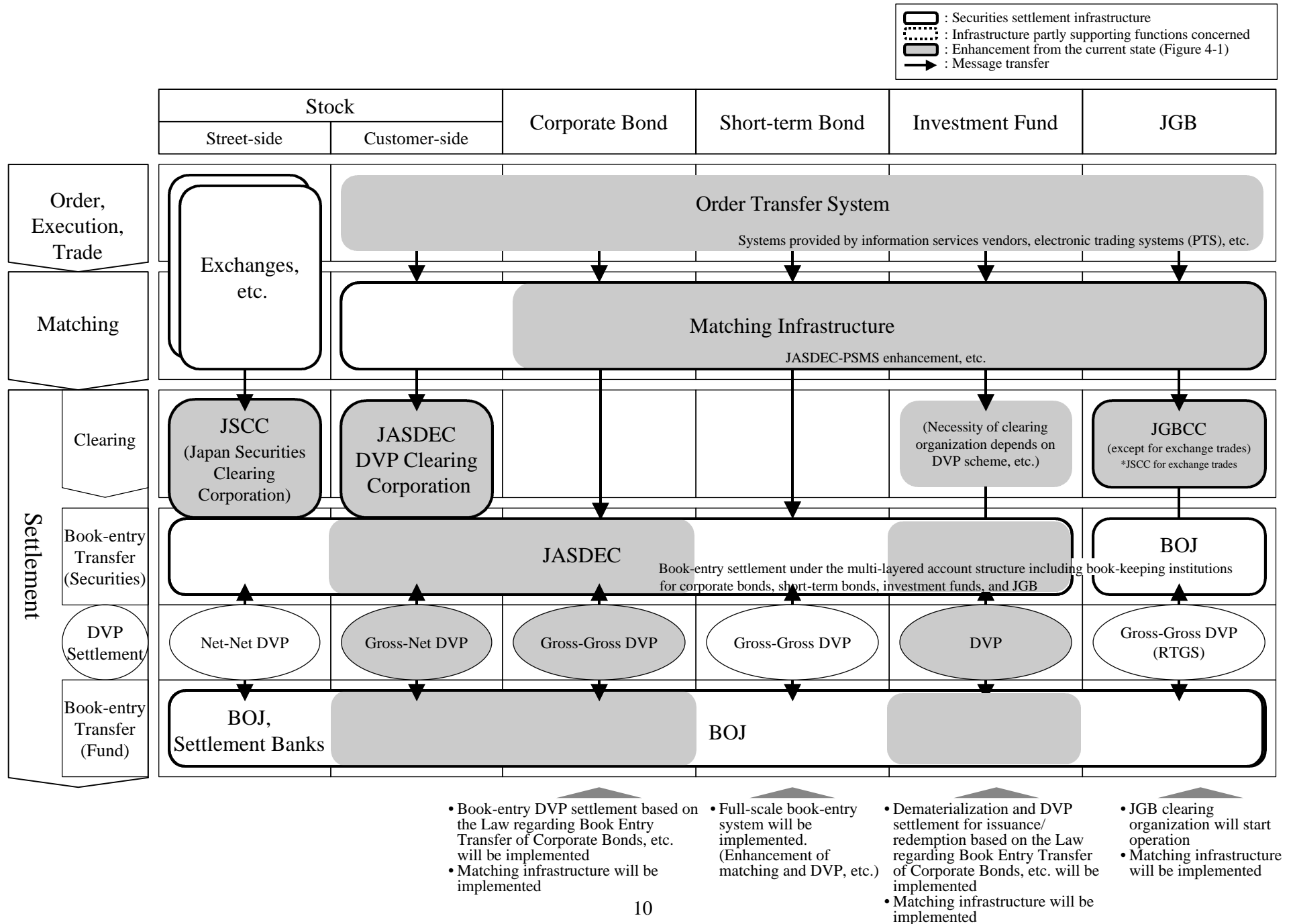


Figure 6-1 Securities Settlement Systems Reform Milestones (fixed or planned)

		2002 (H.14)				2003 (H.15)				2004 (H.16)				2005 (H.17)		2006 (H.18)		2007 (H.19)		2008 (H.20)	
		1~3	4~6	7~9	10~12	1~3	4~6	7~9	10~12	1~3	4~6	7~9	10~12	1~6	7~12	1~6	7~12	1~6	7~12	1~6	7~12
		This Report is created. (Oct., 2002)				▼ The milestones were revised. (June, 2003)															
Legislation		Law regarding Transfer Settlement of Short-term Bonds into effect (Apr., 2002)				Law regarding Book Entry Transfer of Corporate Bonds, etc. into effect (Jan., 2003) Law revising the Law of Securities Transactions into effect (Legislation regarding clearing organizations) (Jan., 2003)				Bill regarding dematerialization of stocks to be submitted to the Diet (Fall of 2003) Law regarding dematerialization of Stocks in effect (Apr., 2004) ^{*2}										Abolishment of the Bond Registration Law (By Jan., 2008)	
	Common across All Products	Launch of Securities Settlement System Reform Center (Apr., 2002) Commencement of operations of JASDEC, Inc. (June, 2002) JASDEC-PSMS 1 st stage/2 nd phase (Feb., 2002) (convertible bonds, non-resident trades)				Commencement of operations of JSCC (Jan., 2003) JASDEC-PSMS 1 st stage/3 rd phase (May, 2003) (JGB, futures/ options, investment trusts)				JASDEC-PSMS 2 nd stage (Target: May, 2004) (Connection with the Customer-side DVP System)											
By Product	Stock									DVP book-entry settlement for customer-side transactions of stocks (Target: May, 2004)											
	JGB	Reporting of the JGB Clearing Organization Establishment Working Group (Oct., 2002)				Commencement of New JGB Book-entry Settlement System (Jan., 2003)								Commencement of operations of JGB clearing organization (Target: End of FY2004) (Target set by the Preparatory Committee for the Establishment of a Clearing Institution for JGBs)							
	Corporate Bond													DVP book-entry settlement of corporate bonds (the second half of 2005) (Target set by JASDEC)						Completion of conversion to book-entry system (Target: Jan., 2008) ^{*1}	
	Short-term Bond					DVP book-entry settlement of short-term bonds (March, 2003)															
	Investment Fund													DVP book-entry settlement of investment funds (after the second half of 2005) (Target tentatively set by JASDEC)							
Others									SIA (U.S.) will make a decision about T+1 (2004)												

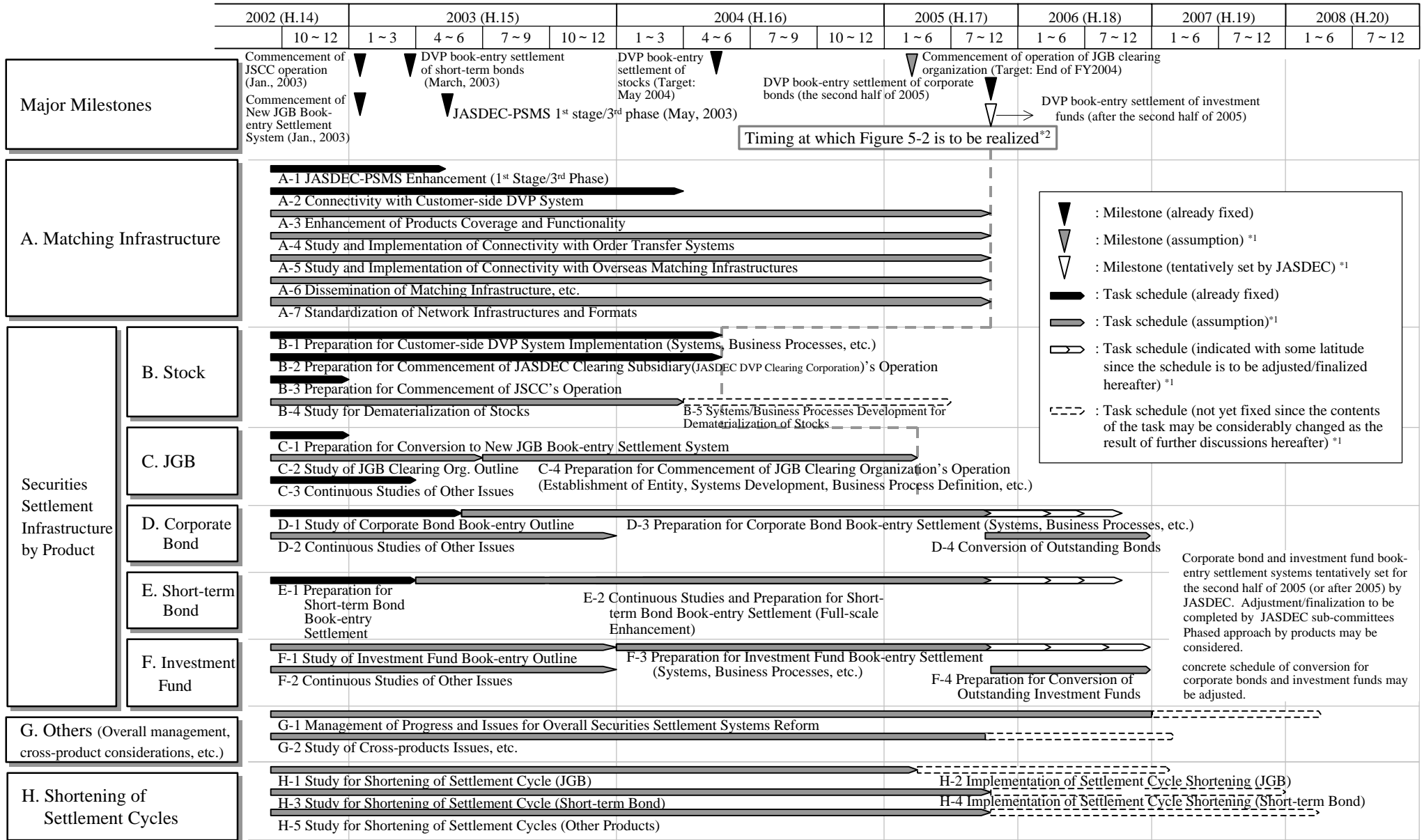
: Major milestone already set
 : Major milestone currently planned
 : Major milestone tentatively set by JASDEC

*1 The target for completion is January, 2008 due to taxation of outstanding corporate bonds at abolishment of the Bond Registration Law.

*2 The Justice Ministry's Legislative Council Corporate Law Subcommittee made a tentative plan on implementation of dematerialization of physical certificates, which suggested that public corporations should make a conversion across the board within 5 years of administration of a new law.

Figure 6-2 Master Schedule for Securities Settlement Systems Reform (under current assumptions)

As of June 2003



*1 Infrastructure detailed task schedules should be led by organization(s) that would provide eventual infrastructure, based on users requirements, legislation, and system approaches.

*2 Refer to the revised version of "(2) Securities Settlement Systems Overview at Completion of Current and Likely Infrastructure Initiatives".