

The Bank of Tokyo-Mitsubishi, Ltd.

Global Securities Services Division

Custody Newsflash

December 6, 2004

JASDAQ received a license to open a stock exchange

Category	Market development
Summary	JASDAQ, the OTC stock market for startup companies operated by the Japan Securities Dealers Association (JSDA), has received a license from Financial Services Agency on December 3 rd to open a stock exchange. JASDAQ will start operating as a stock exchange from December 13 th . The new company name will be "Jasdaq Securities Exchange, Inc."
Impact	This <i>Newsflash</i> is sent as general information.
Action	No foreseeable actions at this time.

Details

The following information has been compiled from newspaper article, various websites and BTM's own sources.

JASDAQ, the OTC stock market for startup companies operated by the Japan Securities Dealers Association (JSDA), has received a license from Financial Services Agency on December 3rd to open a stock exchange. JASDAQ will start operating as a stock exchange from December 13th. The new company name will be "Jasdaq Securities Exchange, Inc."

After conversion to the stock exchange, JASDAQ will operate as both a "market provider" and a "market operator," and JSDA will detach its function as a "market provider" to enforce its function as a self-regulatory organization of securities industry.

Upon conversion to the stock exchange status, JASDAQ will be able to handle the following transactions that were either unavailable or restricted as an OTC market.

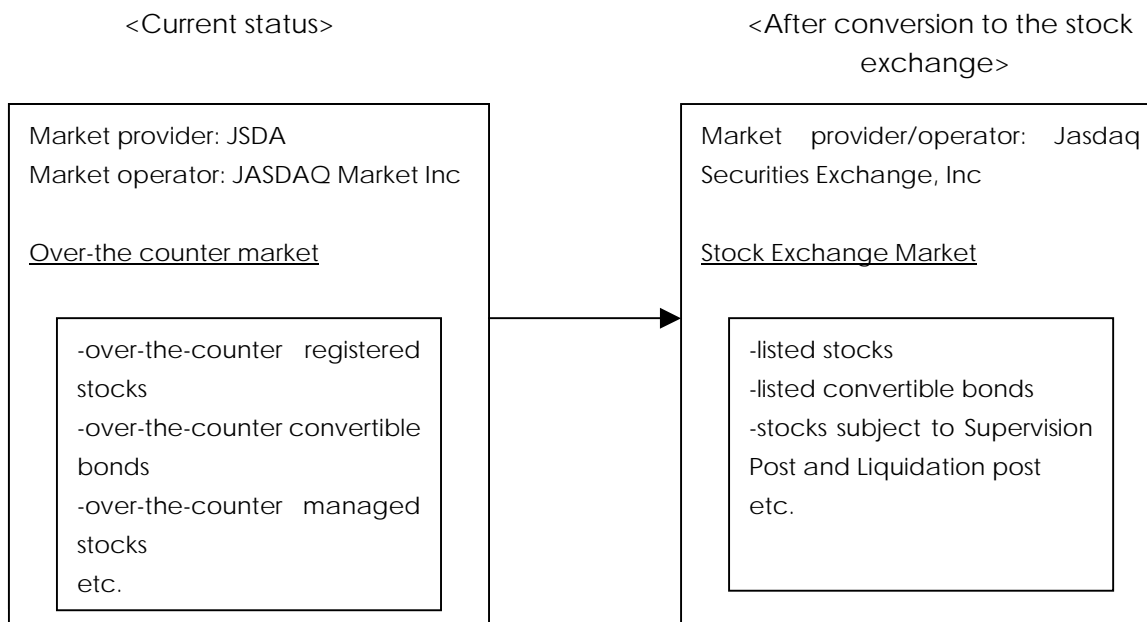
- "At the market order" (currently, "Limit order" only)
- "When-Issued Transactions" (currently unimplemented)
- Off-hours-trading (Basket trade etc) will be expanded (currently, "negotiated transactions" by JASDAQ members only)
- Derivatives trading (currently unavailable)
- Dual listing

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In principle, all the stocks registered on the OTC stock market will be listed on the JASDAQ Securities Exchange via certain procedures. JSDA will close the OTC stock market after conversion is completed.

For earlier developments on this issues, please see the following Newsflash:

- August 26, 2004
- September 19, 2003
- November 21, 2003
- June 8, 2004

Should you have any inquiries, please feel free to contact us.
Global Securities Services Division, Bank of Tokyo-Mitsubishi

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