

6. Gathering of Information from the General Public

Information supplied by the general public reflects the actual voice of market participants. Such information often becomes useful, as it leads the SESC to begin inspections, surveillance of dubious transactions, and to launch investigation into criminal offenses.

Based on this idea, the SESC has strengthened its system to gather information from general investors by, for example, increasing the number of staffers in charge of receiving information from them and posting a special corner for receiving such information on the Web page. The SESC has also called for information from general investors at events and lectures it sponsors to deepen the exchange with them. In addition, a "link" to the SESC's Web page has become available on a larger number of Internet sites operated by other organizations.

In order to get information from as many general investors as possible, the SESC uses a variety of media, including telephone, mail, Internet and personal visits, for receiving information.

The items of information supplied by general investors numbered 3,056 in the 2002 SESC year, up about 40% from the previous year.

Of the total, that supplied via Internet and telephone rose sharply during the 2002 SESC year, about 40% via Internet and about 80% via telephone.

The 3,056 cases broke down into 1,848 on specific stocks, 573 on marketing methods or practices by brokerage houses, and the remaining 635 on opinions on other matters.

Of the 1,848 cases on specific stocks, the largest 759 cases were about stock-price manipulation. Information on stock-price manipulation accounted for one-fourth of the 3,056 cases.

Cases of spreading of rumors on stock markets were second, most of which started with their posting on the Internet. The increase in information regarding this issue reflects the widespread use of the Internet, which prompted some investors to disseminate groundless information via the Internet.

In the year under review, the number of information items supplied regarding false statements on securities documents also surged 50%.

Conspicuous among information on marketing methods by securities houses were complaints

about trading made without customers' consent, solicitations with decisive predictions, and improper solicitation, apparently done by taking advantage of customers' lack of knowledge.

Number of information items received

	July 1998 -June 1999	July 1999 -June 2000	July 2000 -June 2001	July 2001 -June 2002	July 2002 -June 2003
Internet	49	359	606	1,282	1,804
Telephone	77	198	390	408	749
Mail	21	19	64	291	290
Personal visits	55	156	205	58	50
Forwarded from local Finance Bureaus	39	57	91	142	163
Total	241	789	1,356	2,181	3,056

(Note) Receipt of information via Internet started in April 1999.

Breakdown of information received

	July 1998 -June 1999	July 1999 -June 2000	July 2000 -June 2001	July 2001 -June 2002	July 2002 -June 2003
Information on specifics	147	385	671	1,208	1,848
Suspected stock-price manipulation	51	162	317	601	759
Suspected spreading of rumors	29	68	124	294	576
Suspected insider trading	32	90	122	195	271
Submission of false securities reports	11	21	28	48	73
Profit guarantees, compensation of investment losses	10	15	8	9	13
Subscription without submission	0	18	57	42	29
Others	14	11	15	19	127
Marketing methods and practices by securities companies	66	200	356	498	573
Trading without customers' consent	15	16	35	65	88
Solicitations with decisive predictions	5	7	35	49	30
Improper solicitations to take advantage of customers' lack of knowledge	3	21	17	13	29
Conclusion of discretionary- account contracts	7	6	49	27	15
Large-volume recommendation sale	2	3	5	1	6
Others	34	147	215	343	405
Other opinions	28	204	329	475	635
Total	241	789	1,356	2,181	3,056