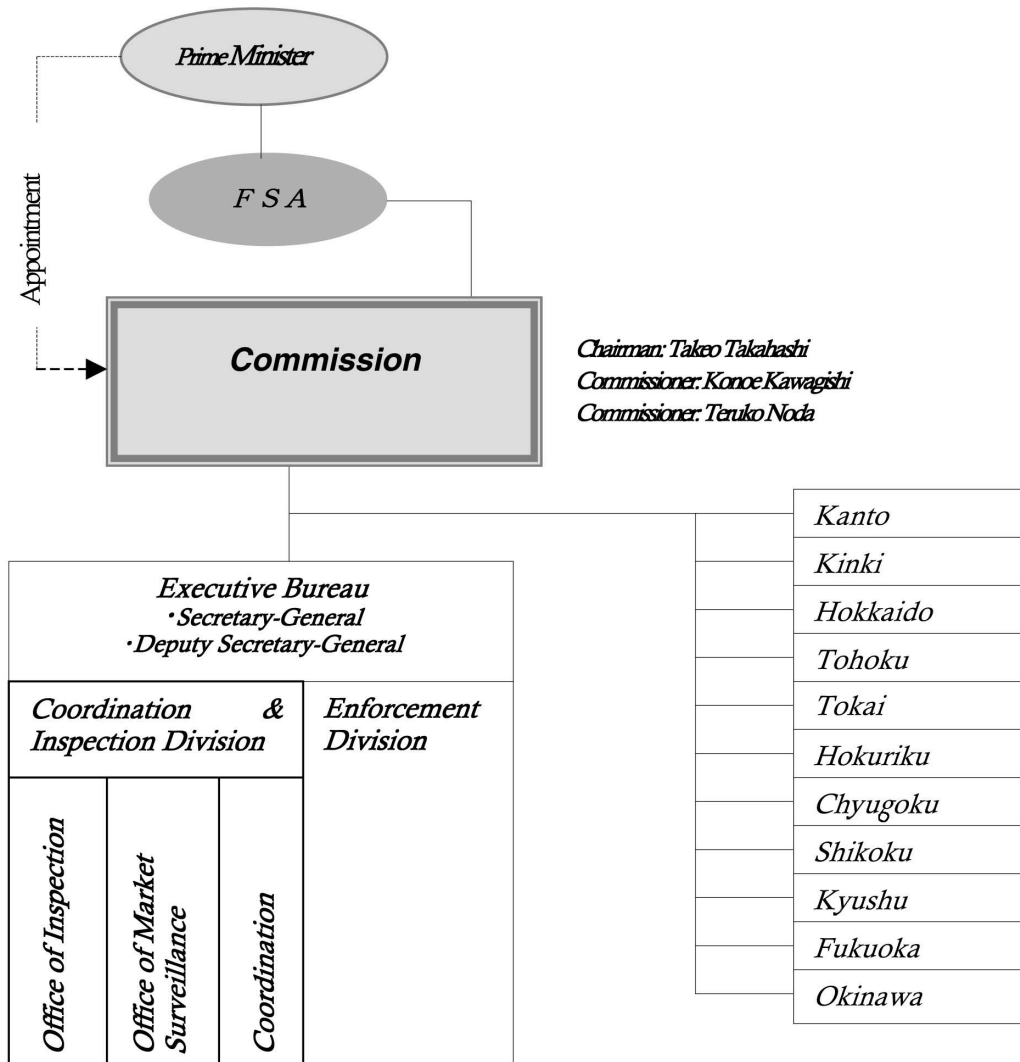

Supplements

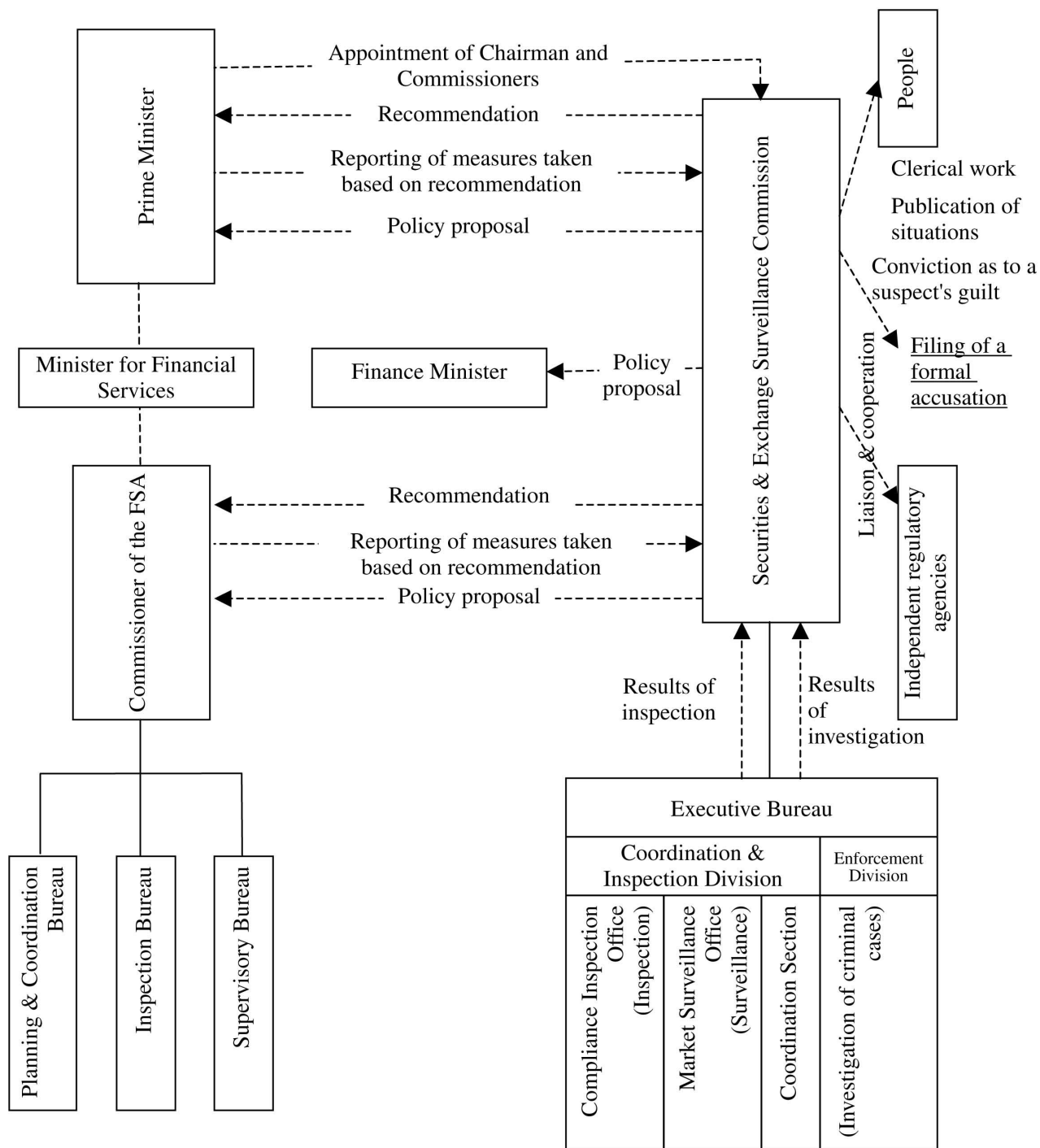
Table 1

Organization of the SESC



(Note) Regional offices were established under the Regional Finance Bureaus of the Ministry of Finance to carry out SESC surveillance activities. The directors general of Regional Finance Bureaus conduct inspections and market surveillance under the authority delegated by the SESC and investigations of criminal offenses under the direct supervision of the SESC (see Table 3).

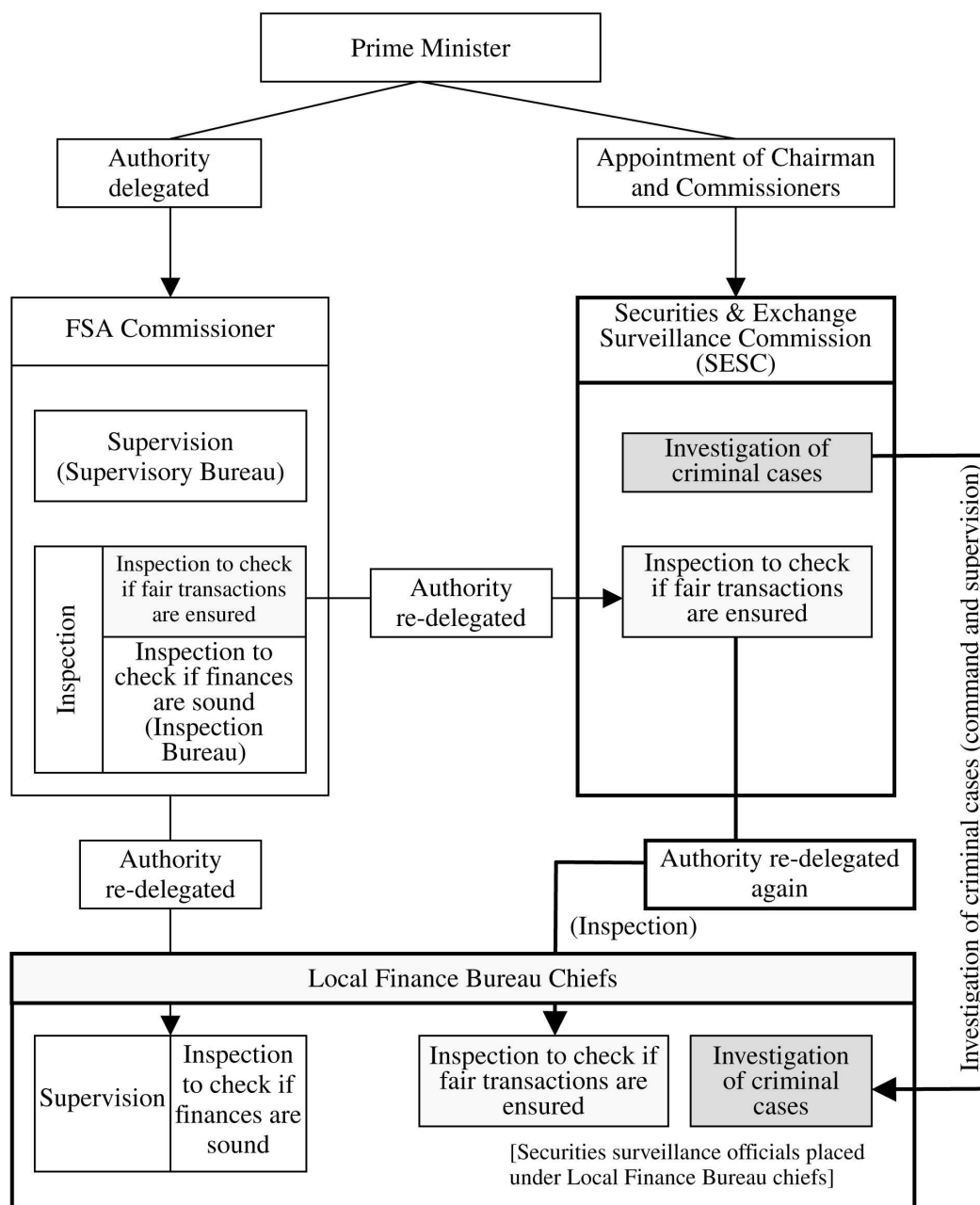
Conceptual Chart for Supervision of Securities Transactions



(Note) Recommendations can be filed with the Prime Minister or FSA Commissioner. Policy proposals can be filed with the Prime Minister, FSA Commissioner or the Finance Minister (Articles 20 and 21 of the Establishment Law).

Table 3

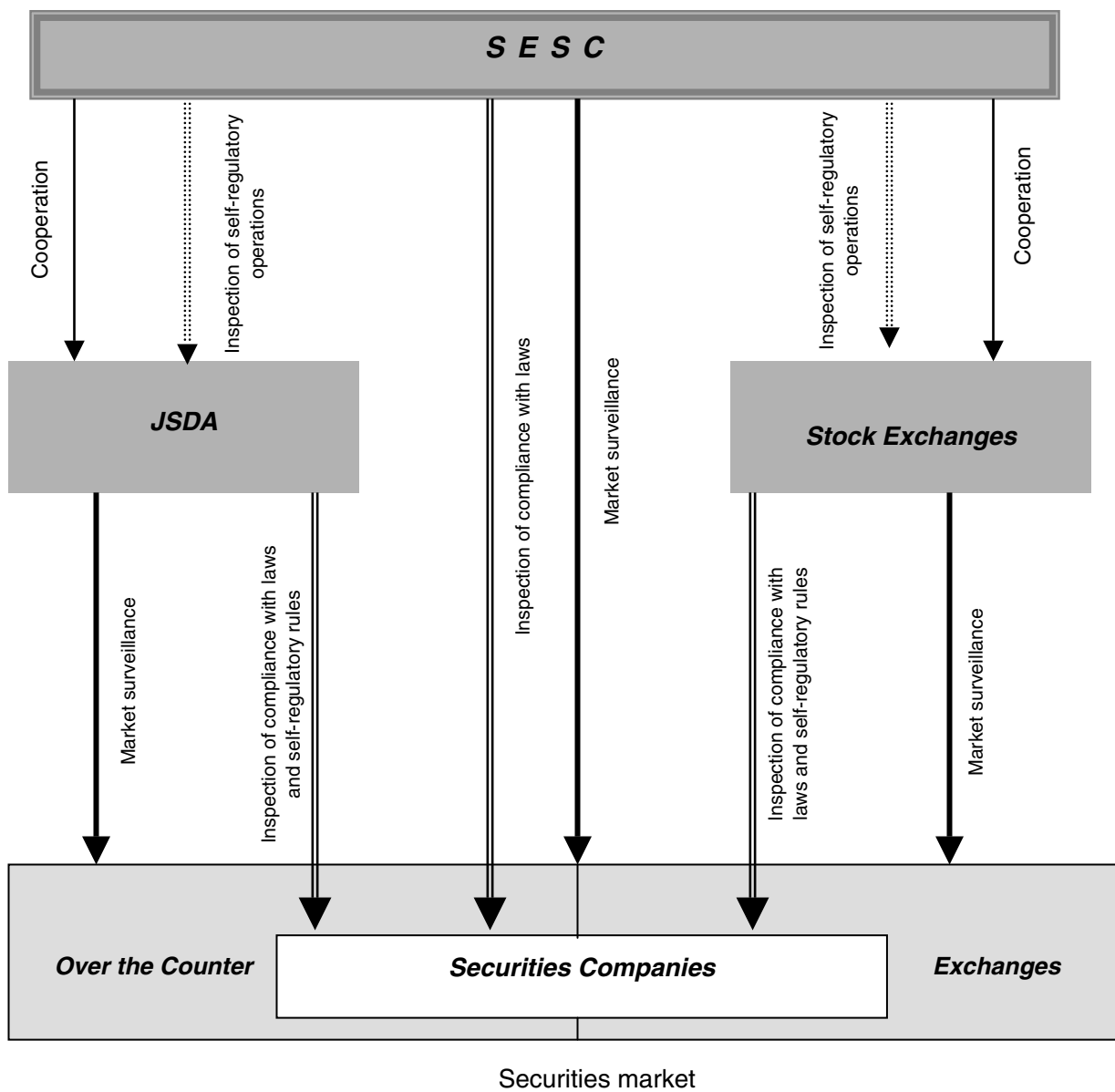
Conceptual Chart of Relationship among the Prime Minister, FSA Commissioner, SESC, and Local Finance Bureau Chiefs



(Note) SESC officials have authority to investigate criminal cases.

- Authority to conduct noncompulsory investigation of criminal cases (Article 210 of the Securities and Exchange Law, Article 53 of the Foreign Securities Firms Law, Article 106 of the Financial Futures Trading Law, and Article 18 of the Personal Identification Verification Law)
- Authority to conduct compulsory investigation of criminal cases (Article 211 of the Securities and Exchange Law, Article 53 of the Foreign Securities Firms Law, Article 107 of the Financial Futures Trading Law, Article 18 of the Personal Identification Verification Law)

Relationship to Self-Regulatory Organizations



(Note) The same system applies to financial futures.