

(English Translation)

January 14, 2005
UFJ Tsubasa Securities Co., Ltd.

Business Improvement Order from FSA

UFJ Tsubasa Securities Co., Ltd (UFJ Tsubasa) today received a business improvement order from the Financial Services Agency (FSA), based on the recommendation of the Securities and Exchange Surveillance Commission (SESC) following the SESC's inspection of UFJ Tsubasa.

(Finding)

Sales of a security in collusion with another party under a prearranged scheme in which that party purchased the same security at the same time and at the same price, and purchases of a security in collusion with another party under a prearranged scheme in which that other party sold the same security at the same time and at the same price, with the aim of misleading other parties as to the state of trading in listed securities.

UFJ Tsubasa carried out sales and purchases of a total of 355 thousand shares in Cats Corporation on the Tokyo Stock Exchange over 12 trading days between June 4 and June 20, 2001, in collusion with another party under a prearranged scheme in which that other party made offsetting transactions for shares of the same company at the same time and at the same price.

This was identified as a violation of Items 4 and 5, Paragraph 1 of Article 159 of the Securities and Exchange Law.

(2) Details of the business improvement order

Order based on Paragraph 1 of Article 56 of the Securities and Exchange Law.

1. Business Suspension

Suspension of proprietary equities trading (excluding transactions authorized by the FSA, which include the execution of contracts made on or before January 14, 2005), from January 17, 2005 until January 28, 2005.

2. Business Improvement Order

- 1) Taking preventive measures against the recurrence of the above-mentioned violation.**
- 2) Strengthening the internal control and trading oversight structures for securities trading**
- 3) Fostering and enhancement of a thorough understanding of and compliance with laws, regulations, and rules by officers and employees, as well as clarifying where responsibility lies**

While UFJ Tsubasa has been working to further strengthen its internal control system, we deeply regret this insufficiency in our compliance system.

UFJ Tsubasa takes this matter very seriously, and is committed to reinforcing compliance by its officers and employees, as well as further strengthening its internal controls and revising its trading oversight structure for securities trading in order to avoid a recurrence.

We sincerely apologize for any inconvenience caused.