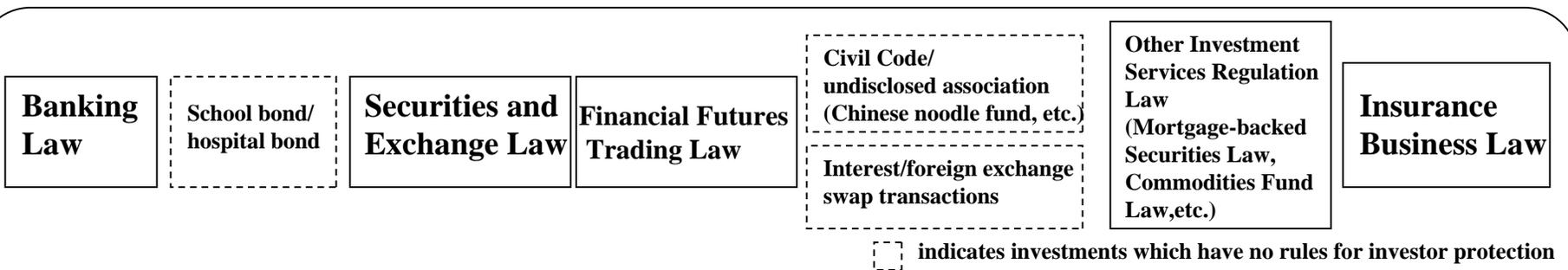


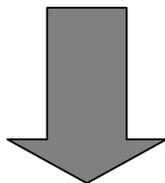
Establishment of the Investment Services Law

- Sep 2004: The First Subcommittee of the Financial System Council began substantive discussion of the “Investment Services Law”.
- The basic way of thinking about the “Investment Services Law” was settled in July 2005.
- FY2005 and FY2006: Based on the basic way of thinking mentioned above, implementation of work to develop legislation.

Current legal structure (Sector-based)



If new financial investments and services emerge, the existing user protection rules might not be applicable.



*From “vertically divided business law”
To “cross-sectional business law”*

(e.g. UK: the Financial Services Markets Act)

Future legal structure



With establishment of a functional/cross-sectional rule, user protection is secured for newly emerged investments and services.