## 2. Outline of EB involved in this case

Reference shares: shares of company

Issuer : overseas financial institution

Seller : domestic second-tier securities house

Issue amount : about ¥1.82 billion

Face value : ¥175,000

Conversion price: ¥175

Issue date (redemption date): June 12, 2001 (December 12, 2001)

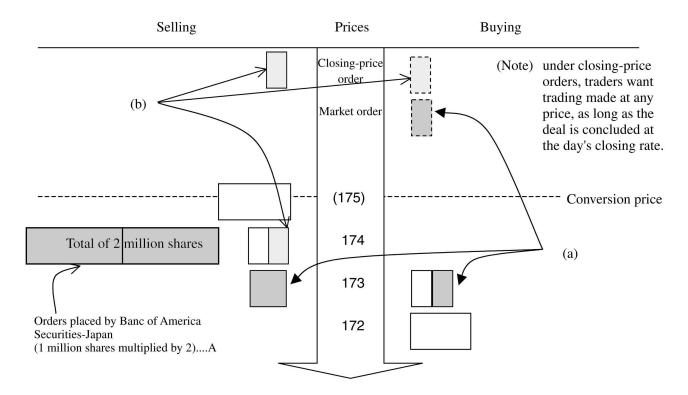
Coupon rates : 5% per annum

Date of EB redemption method determination (share prices used for deciding the redemption

method):December 5, 2001 (The TSE closing price for the reference

stock on the day for deciding the method)

## 3. Formation of an artificial market (outline)



## Transaction process

- 1) Banc of America Securities-Japan placed market-on-the-close limit orders to sell 1 million shares of the reference stock at ¥174 from 14:59 to the end of the day's trading. In addition, the company placed similar orders to sell another 1 million shares of the stock at the same price immediately before the end of the day's trading (A total of 2 million shares. Shown in A).
  (Note) Under market-on-the-close limit orders, deals can be made if the closing price is the same as the level at which the orders were placed or higher.
- 2) During this process, deals were made at ¥173 (as shown in (a)) in the market. Because of the market-on-the-close limit orders placed by Banc of America Securities-Japan (as shown in A), however, a situation emerged in which the closing price of the reference shares would not equal or exceed the strike price of ¥175 unless all these orders would have been absorbed. As a result of this, the price of the reference shares in fact closed at ¥174 (shown in (b)).