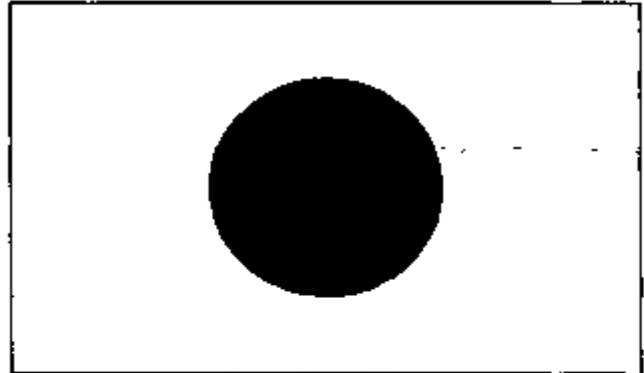


UNDERSTANDING



*The United States
Securities and Exchange Commission*



*The Securities Bureau of the
Japanese Ministry of Finance*

*on the
Sharing of
Information*

*Washington, D.C.
May 23, 1986*

Memorandum of the United States Securities and Exchange
Commission and the Securities Bureau of the Japanese Ministry
of Finance on the Sharing of Information

The Securities Bureau of the Japanese Ministry of Finance (hereafter referred to as the "Securities Bureau") and the United States Securities and Exchange Commission believe it is in the best interest of all nations to expose and prosecute those who would abuse the integrity of the international securities markets. The parties recognize that the growing internationalization of the securities markets has resulted in significant trading of securities of one country in the other. For example, there are now eight Japanese securities traded on the New York Stock Exchange, more than any foreign country except Canada, and eighteen Japanese securities quoted in the NASDAQ system. In addition, there are fifteen United States securities traded on the Tokyo Stock Exchange.

It is the expectation of both parties that the interaction of the Japanese and United States securities markets will continue to grow. The parties believe that this is a positive development that should be encouraged. As the interaction between these securities markets grows, however, it is of increasing importance that there be established procedures for the two parties to share surveillance and investigative information as each government discharges its responsibility to enforce its securities laws. This would no doubt serve us in improving the protection of investors, in securing adequate supervision of securities companies and other securities-related businesses, and in preventing fraudulent securities transactions in the respective countries.

For this reason, the Securities Bureau and the Securities and Exchange Commission agree to facilitate each agency's respective requests for surveillance and investigatory information on a case-by-case basis.

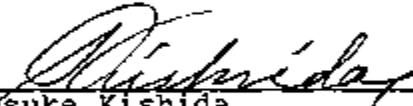
In order to ensure the timely processing of requests, the Securities Bureau appoints as the contact person:

Director of the Coordination Division
Securities Bureau
Ministry of Finance
3-1-1, Kasumigaseki, Chiyoda-Ku
Tokyo 100
(Telex: J24980)

The Securities and Exchange Commission appoints as the contact person:

Director of Enforcement
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
(202) 272-2900

The Securities Bureau and the Securities and Exchange Commission look forward to an increasingly close and productive relationship and agree to negotiate in good faith additional procedures for the exchange of surveillance and investigative information if such procedures should prove to be necessary or appropriate.



Shunsuke Kishida
Director-General
Securities Bureau
Ministry of Finance
Japan



John Shad
Chairman
Securities and Exchange Commission
United States of America

May 23, 1986