

Mitsubishi Securities International plc

(Incorporated with Limited Liability in England)

Issue of JPY100,000,000 Knock-Out Exchangeable Notes due June 2006
issued pursuant to the
U.S.\$4,000,000,000
Euro Medium Term Note Programme
of Mitsubishi Securities International plc

These supplementary listing particulars (the "**Supplementary Listing Particulars**") are prepared in connection with the issue of JPY100,000,000 Knock-Out Exchangeable Notes due June 2006 (the "**Notes**") issued by Mitsubishi Securities International plc (the "**Issuer**") pursuant to the U.S.\$4,000,000,000 Euro Medium Term Note Programme of Mitsubishi Securities International plc.

These supplementary listing particulars are supplemental to the Offering Circular 26 October, 2004 (the "**Listing Particulars**") relating to the above Programme. This document should be read in conjunction with the Listing Particulars. Terms defined in the Listing Particulars have the same meaning when used in these Supplementary Listing Particulars.

Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities, which together, under the Listing Rules of the UK Listing Authority, will constitute official listing on the London Stock Exchange. Copies of these Supplementary Listing Particulars (which includes the Schedule hereto), which comprises supplementary listing particulars required by the Financial Services and Markets Act 2000, have been delivered for registration to the Registrar of Companies in England and Wales as required by section 83 of that Act.

Subject as set out below, the Issuer accepts responsibility for the information contained in these Supplementary Listing Particulars. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in these Supplementary Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained herein relates to Jafco Co., Ltd. (the "**Company**") and has been accurately reproduced from information displayed on Bloomberg. So far as the Issuer is aware and/or is able to ascertain from information displayed on Bloomberg, no facts have been omitted which would render the reproduced information misleading.

The estimated net proceeds of the Notes is JPY100,000,000.



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The distribution of this document may be restricted by law in certain jurisdictions. The Issuer and the Dealer do not represent that the Listing Particulars or this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption thereunder, or assume any responsibility for facilitating any such distribution or offering.

Save as disclosed herein, there has been no significant change and no significant new matter has arisen since publication of the Listing Particulars on 26 October, 2004. For these purposes "significant" means significant for the purpose of making an informed assessment of the matters mentioned in Section 80(1) of the FSMA.

PRICING SUPPLEMENT

21 December 2004

MITSUBISHI SECURITIES INTERNATIONAL PLC

**Issue of JPY100,000,000 Knock-Out Exchangeable Notes due June 2006 Linked to the ordinary
shares of JAFCO CO LTD
pursuant to the U.S.\$4,000,000,000
Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 26 October, 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

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|-----|---|---|
| 1. | Issuer: | Mitsubishi Securities International plc |
| 2. | (i) Series Number: | 862 |
| | (ii) Tranche Number | Not Applicable |
| 3. | Specified Currency or Currencies: | Japanese Yen ("JPY") |
| 4. | Aggregate Nominal Amount: | JPY100,000,000 |
| 5. | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denomination: | JPY10,000,000 |
| 7. | (i) Issue Date: | 21 December, 2004 |
| | (ii) Interest Commencement Date: | 22 December, 2004 |
| 8. | Maturity Date: | 22 June, 2006 |
| 9. | Interest Basis: | Fixed Rate followed by Equity Linked Interest Rate (further particulars specified below) |
| 10. | Redemption/Payment Basis: | Equity Linked Redemption (further particulars specified below) |
| 11. | Change of Interest Basis or Redemption/
Payment Basis: | From and including the Interest Commencement Date to but excluding 22 March, 2005, the Interest Basis will be Fixed Rate

From and including 22 March, 2005 to but excluding the Maturity Date, the Interest Basis will be Equity Linked Interest |
| 12. | Put/Call Options: | Not Applicable |
| 13. | Status of the Notes: | Unsubordinated |
| 14. | Listing: | London |

15. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** Applicable
- (i) Rate(s) of Interest: 3.30 per cent. per annum payable in arrear
 - (ii) Interest Payment Date(s): 22 March, 2005
 - (iii) Fixed Coupon Amount(s): JPY82,500 per Specified Denomination
 - (iv) Broken Amount(s): Not Applicable
 - (v) Day Count Fraction: 30/360
 - (vi) Determination Date(s): Not Applicable
 - (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: The Modified Following Business Day Convention shall apply on an unadjusted basis
Interest amounts shall be rounded down to the nearest whole lower JPY
17. **Floating Rate Note Provisions** Not Applicable
18. **Zero Coupon Note Provisions** Not Applicable
19. **Index Linked Interest Note Provisions** Not Applicable
20. **Equity Linked Interest Note Provisions** Applicable
- (i) Equity/Formula: As set out in the Schedule
 - (ii) Calculation Agent responsible for calculating the interest due: As set out in the Schedule
 - (iii) Provisions for determining Coupon where calculation by reference to Equity and/or Formula is impossible or impracticable: As set out in the Schedule
 - (iv) Specified Period(s)/Specified Interest Payment Dates: The Specified Interest Payment Dates shall be 22 March, 22 June, 22 September and 22 December in each year from and including 22 June, 2005 to and including the Maturity Date
 - (v) Business Day Convention: The Modified Following Business Day Convention shall be applied on an unadjusted basis
 - (vi) Additional Business Centre(s): London and Tokyo
 - (vii) Minimum Rate of Interest: Not Applicable

- (viii) Maximum Rate of Interest: Not Applicable
- (ix) Day Count Fraction: 30/360
- (x) Other terms relating to the method of calculating interest for Equity Linked Interest Notes: Interest amounts shall be rounded down to the nearest whole lower JPY

21. **Dual Currency Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 22. Issuer Call: Not Applicable
- 23. Investor Put: Not Applicable
- 24. Final Redemption Amount of each Note: As set out in the Schedule
- 25. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Conditions): As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26. *Form of Notes:* Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances set out in the Offering Circular
- 27. Additional Financial Centre(s) or other special provisions relating to Payment Dates: London and Tokyo
- 28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
- 29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

30. Details relating to Instalment Notes:
- (i) Instalment Amount(s): Not Applicable
 - (ii) Instalment Date(s): Not Applicable
31. Redenomination applicable: Redenomination not applicable
32. Other terms or special conditions: As set out in the Schedule

DISTRIBUTION

33. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
34. If non-syndicated, name of relevant Dealer: Mitsubishi Securities International plc
35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D rules applicable
36. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

37. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
38. Delivery: Delivery free of payment
39. The rating, if any: A1 (Moody's).
#AA (JCR)
40. Additional Paying Agent(s) (if any): Not Applicable

ISIN: XS0208341700

Common Code: 20834170

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$4,000,000,000 Euro Medium Term Note Programme of Mitsubishi Securities International plc.

RESPONSIBILITY

The Issuers accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

Duly authorised

SCHEDULE

1. EQUITY LINKED INTEREST NOTE PROVISIONS

For the purposes of paragraph 20 of the Pricing Supplement, if, on the relevant Reference Date, the Transfer and Calculation Agent determines in its sole discretion that the Reference Price is equal to or greater than the Coupon Trigger Price, then the Rate of Interest for the immediately following Specified Interest Payment Date shall be 3.30 per cent. per annum (JPY82,500 per Specified Denomination).

If on the relevant Reference Date, the Transfer and Calculation Agent determines in its sole discretion that the Reference Price is less than the Coupon Trigger Price, then the Rate of Interest for the immediately following Specified Interest Payment Date shall be 1.00 per cent. per annum (JPY25,000 per Specified Denomination).

2. KNOCK-OUT PROVISIONS

The Notes shall be redeemed in whole but not in part at 100 per cent. of their principal amount on the relevant Interest Payment Date or Specified Interest Payment Date from and including 22 March, 2005 to and including 22 March, 2006 if, on the Early Redemption Valuation Date, the Transfer and Calculation Agent determines in its sole discretion that the Reference Price is greater than or equal to the Knock-Out Price.

3. REDEMPTION AT MATURITY

For the purposes of paragraph 24 of the Pricing Supplement, the Final Redemption Amount shall be satisfied in accordance with the provisions set out below, unless previously redeemed or purchased or cancelled:

- (A) If on the Determination Date, the Transfer and Calculation Agent determines in its sole discretion that the Reference Price is equal to or greater than the Strike Price, the Notes will be redeemed in cash at 100 per cent. of their outstanding principal amount per Specified Denomination on the Maturity Date.
- (B) If on the Determination Date, the Transfer and Calculation Agent determines in its sole discretion that the Reference Price is less than the Strike Price, the Notes will be redeemed on the Delivery Date by delivery of 1,800 Underlying Shares per Specified Denomination (the "**Deliverable Underlying Share**"), subject to adjustment as set out in paragraph 3(ii) of this Schedule below together with the Reference Cash Amount.

For the avoidance of doubt, the delivery of the Deliverable Underlying Share pursuant to paragraph (B) above will not affect the Issuer's obligation to pay interest on the Notes on the relevant Interest Payment Date or, as the case may be, Specified Interest Payment Date.

When the Transfer and Calculation Agent determines the method of redemption in accordance with paragraphs (A) or (B) above, the Transfer and Calculation Agent shall, as soon as practicable thereafter, give notice thereof in writing to the Issuer and to the Paying Agent. The Paying Agent

shall, on behalf of the Issuer, give notice to the Noteholders via Euroclear and/or Clearstream, as applicable. Such notice shall be deemed to have been received by the Noteholders the day after the day on which such notice was given to Euroclear and/or Clearstream, as applicable.

All determinations made by the Transfer and Calculation Agent by reference to the Underlying Share Price Source shall be conclusive and binding upon all of the parties unless any manifest error exists therein. Even if the information provided by the Underlying Share Price Source is subsequently amended by the provider thereof, the determination previously made by the Transfer and Calculation Agent shall be effective, and no action may be taken against the Issuer or the Transfer and Calculation Agent.

(i) **Delivery**

Where the Notes are to be redeemed by delivery of the Deliverable Underlying Share (as described in paragraph (B) above), the Issuer will deliver on the Delivery Date the Deliverable Underlying Share to the order of each Noteholder through book transfer via the Clearance System. Each Noteholder shall deliver to the Issuer via Euroclear and/or Clearstream, as applicable, three Clearance System Business Days prior to the Delivery Date, a confirmation of the amount of Notes held by such Noteholder at such time of the settlement, together with the notification of its settlement account to which the Deliverable Underlying Share shall be delivered or the name and the settlement account of its agent for such delivery. After the Determination Date, the Noteholders may not transfer any of the Notes.

All expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty and/or other taxes or duties (together, the "**Delivery Expenses**"), arising from the delivery of the Deliverable Underlying Share shall be for the account of the relevant Noteholder and no delivery of the Deliverable Underlying Share shall be made until all Delivery Expenses have been paid by the relevant Noteholder.

For the avoidance of doubt, delivery of the Deliverable Underlying Share shall be effected outside the terms of the Agency Agreement (as defined in the Conditions).

(ii) **Disruptions and Adjustments**

(a) *Settlement Disruptions*

If a Settlement Disruption Event prevents delivery of the Deliverable Underlying Share on the Delivery Date, then the Delivery Date will be the first succeeding day on which delivery of the Deliverable Underlying Share can take place through the Clearance System unless a Settlement Disruption Event prevents settlement on each of eight Clearance System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Delivery Date. In that case, (i) if the Deliverable Underlying Share can be delivered in any other commercially reasonable manner, then the Delivery Date will be the first day on which settlement of a sale of Deliverable Underlying Share executed on the eighth Clearance System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the Clearance System for the purposes of the Deliverable Underlying Share), and (ii) if such Deliverable Underlying Share cannot be delivered in any other commercially reasonable manner, then the Delivery Date will be postponed until delivery can be effected through the Clearance System or in any other commercially reasonable manner.

The Noteholders will not be entitled to any payment, whether of interest or otherwise, on the Notes in the event of any delay in the delivery of the Deliverable Underlying Share due to the Settlement Disruption Event, and the Issuer shall in no event be responsible for such delay.

(b) *Potential Adjustment Events*

Following the declaration by the Company of the terms of any Potential Adjustment Event, the Transfer and Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has diluting or concentrative effect on the theoretical value of the Underlying Share and, if so, will (i) calculate the corresponding adjustment to be made to the Strike Price and the number of shares of the Underlying Share to be delivered under paragraph 2 above or any other adjustment as the Transfer and Calculation Agent determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of such adjustment.

(c) *Merger Event, De-listing, Nationalisation and Insolvency*

If a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to the Underlying Share, then the Transfer and Calculation Agent may, in its sole and absolute discretion, take the action described in (i) or (ii) or (iii) below:

- (i) determine in its sole and absolute discretion the appropriate adjustment to be made to the Strike Price and the number of shares of the Underlying Share and/or any of the other terms of the Conditions to account for the Merger Event, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
- (ii) determine in its sole and absolute discretion the appropriate adjustment by reference to the adjustment method of the exchange(s) or quotation system(s) on which options on the Underlying Share are traded (the "**Option Exchange**") and make corresponding adjustments to the Strike Price and the number of shares of the Underlying Share and/or any of the Conditions, which adjustment will be effective as of the date determined by the Transfer and Calculation Agent to be the effective date of the corresponding adjustment made by the Option Exchange. If options on the Underlying Share are not traded on the Option Exchange, then the Transfer and Calculation Agent will make such adjustment to be made to the Strike Price and the number of shares of the Underlying Share and/or any of the Conditions as the Transfer and Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Transfer and Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were to be traded; or
- (iii) require the Issuer to redeem the Notes by giving not less than 15 or more than 30 days' notice to the Noteholders. If the Notes are to be so redeemed, then the Issuer will pay an amount to the Noteholders, which amount shall be the fair economic value of the Notes immediately prior to such redemption (such fair economic value to include any accrued but unpaid interest in respect of the Notes) taking into account the Merger Event, De-listing, Nationalisation or Insolvency, as the case may be, less the cost (if any, and without taking account of any profit) to the Issuer of unwinding any related underlying hedging arrangements as determined by the Transfer and Calculation Agent in its sole and absolute discretion. Payment will be made to Euroclear or Clearstream, as the case may be, in such manner as shall be notified to the Noteholders.

(d) *Determination Date*

If there is a Market Disruption Event on the Determination Date, then the Determination Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Determination Date. In that case, (i) the second Exchange Business Day shall be deemed to be the Determination Date, notwithstanding the Market Disruption Event, and (ii) the Transfer and Calculation Agent shall determine the Reference Price on that second Exchange Business Day in accordance with its good faith estimate of the price of the Underlying Share that would have prevailed, but for the Market Disruption Event, on that second Exchange Business Day.

(e) *Fractional Entitlements*

If as a result of any Potential Adjustment Event or for any other reason the delivery of the Underlying Share would involve a fraction of the Minimum Deliverable Lot, the Noteholders shall be entitled to receive (in lieu of such fraction) an amount in Japanese Yen, such amount as calculated on the basis of the product of (i) the number of Underlying Share comprising such fraction and (ii) the price of the Underlying Share at the close of trading on the Determination Date as determined by the Transfer and Calculation Agent.

(f) *Notifications*

The Transfer and Calculation Agent shall as soon as practicable provide details of any determinations and/or adjustments, as the case may be, made pursuant to this paragraph 3 to the Issuer and the Issuer shall give notice thereof to the Noteholders via Euroclear and/or Clearstream, as applicable, as soon as practicable in accordance with the Conditions.

(iii) **Calculations to be binding**

The calculations and determinations of the Transfer and Calculation Agent shall (save in the case of manifest error) be final and binding upon all parties. The Transfer and Calculation Agent shall have no responsibility for good faith errors or omissions in any calculation in respect of the Notes as provided herein.

4. DEFINITIONS

As used in this Schedule, the following terms shall have the meanings set forth below.

"Clearance System" means the JASDEC system or its successor. If such Clearance System no longer settles the Underlying Share, then the Issuer shall in good faith determine an appropriate alternative delivery method.

"Clearance System Business Day" means a day on which the Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Clearstream" means Clearstream Banking, société anonyme.

"Company" means JAFCO CO LTD.

"Coupon Trigger Price" means JPY5,420.

"De-listing" means that the Underlying Share ceases to be listed on the Exchange and is not at the same time listed on another stock exchange in the same jurisdiction.

"Delivery Date" means the Maturity Date of the Notes, subject to adjustment in accordance with paragraph 3(ii)(a).

"Determination Date" means the fifth Exchange Business Day and the fifth London and Tokyo Business Day prior to the Maturity Date, subject to adjustment in accordance with paragraph 3(ii)(d).

"Early Redemption Valuation Date" means the fifth Exchange Business Day and the fifth London and Tokyo Business Day prior to each Interest Payment Date and Specified Interest Payment Date from and including 22 March, 2005 to and including 22 March, 2006. If there is a Market Disruption Event on that day, then the Early Redemption Valuation Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Early Redemption Termination Date. In that case, (i) the second Exchange Business Day shall be deemed to be the Early Termination Valuation Date, notwithstanding the Market Disruption Event, and (ii) the Transfer and Calculation Agent shall determine the Reference Price on that second Exchange Business Day in accordance with its good faith estimate of the price of the Underlying Share that would have prevailed, but for the Market Disruption Event, on that second Exchange Business Day.

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear System.

"Exchange" means the Tokyo Stock Exchange or its successor or the successor of its automatic quotation system. If the Underlying Share is no longer listed on, or otherwise traded on, the Exchange, then the Transfer and Calculation Agent shall determine in good faith the substitute exchange or automatic quotation system.

"Exchange Business Day" means a day that is or, but for the occurrence of a Market Disruption Event, would have been a trading day on the Exchange.

"Insolvency" means that, by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding affecting, the Company, (i) all of the Underlying Share of the Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Share have become legally prohibited from transferring the Underlying Share.

"Knock-Out Price" means JPY7,100.

"Market Disruption Event" means the occurrence or existence on any Exchange Business Day, during the one-half hour period prior to the close of trading, of a suspension of or limitation imposed on trading (by reason of movements in prices exceeding limits permitted by the relevant exchange or otherwise) in:

- (1) the Underlying Share on the Exchange; or

- (2) options contracts or futures contracts on the Underlying Share on any exchange on which options contracts and/or future contracts on the Underlying Share are traded,

as determined by the Transfer and Calculation Agent in its sole discretion if, in any such case, that suspension or limitation is, in the determination of the Transfer and Calculation Agent, material.

"Merger Date" means, in respect of a Merger Event, the date upon which all holders of the Underlying Share (other than, in the case of a takeover offer, Underlying Share owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their shares.

"Merger Event" means any (i) reclassification or change of the Underlying Share that results in a transfer of or an irrevocable commitment to transfer all shares outstanding, (ii) consolidation, amalgamation or merger of the Company with or into another entity (other than a consolidation, amalgamation or merger in which the Company is the continuing entity and which does not result in any such reclassification or change of all Underlying Share outstanding) or (iii) other take-over offer for the Underlying Share that results in a transfer, or an irrevocable commitment to transfer, all of the Underlying Share (other than the Underlying Share owned or controlled by the offeror), in each case if the Merger Date is on or before the Maturity Date.

"Minimum Deliverable Lot" means the minimum number of shares that can be settled through the Clearance System (being, as at the Issue Date, 100 shares).

"Nationalisation" means that all of the Underlying Share of the Company or all of the assets or substantially all of the assets of the Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

"Potential Adjustment Event" means any of the following:

- (i) a subdivision, consolidation or reclassification of the Underlying Share (other than a Merger Event) or a free distribution or dividend of any such Underlying Share to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution or dividend to existing holders of the Underlying Share of (A) such Underlying Share or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of the Underlying Share or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Transfer and Calculation Agent;
- (iii) an extraordinary dividend;
- (iv) a call by the Company in respect of the Underlying Share that is not fully paid;
- (v) a repurchase by the Company of the Underlying Share whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) any other event having, in the opinion of the Transfer and Calculation Agent, a diluting or concentrative effect on the theoretical value of the Underlying Share.

"Reference Cash Amount" means an amount in JPY equal to the Reference Price on the Determination Date multiplied by 45.0185 (shares) (such amount to be rounded down to the nearest whole lower JPY) per Specified Denomination.

"Reference Date" means the fifth Exchange Business Day and the fifth London and Tokyo Business Day prior to each Specified Interest Payment Date. If there is a Market Disruption Event on that day, then the Reference Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Reference Date. In that case, (i) the second Exchange Business Day shall be deemed to be the Reference Date, notwithstanding the Market Disruption Event, and (ii) the Transfer and Calculation Agent shall determine the Reference Price on that second Exchange Business Day in accordance with its good faith estimate of the price of the Underlying Share that would have prevailed, but for the Market Disruption Event, on that second Exchange Business Day.

"Reference Price" means the last traded price per Underlying Share as quoted on the Exchange and appearing on the Underlying Share Price Source, subject to the provisions of paragraph 3(ii)(c), as determined by the Transfer and Calculation Agent, provided, however, that if there is a closing special quote per Underlying Share quoted by the Exchange (tokubetsu kehaine), such quote shall be deemed to be the relevant Reference Price.

"Settlement Disruption Event" means an event beyond the control of the Issuer as a result of which the Issuer determines in good faith that it cannot make delivery of the Underlying Share via the Clearance System.

"Strike Price" means JPY5,420 per Underlying Share, subject to adjustment in accordance with paragraphs 3(ii)(b) or (c).

"Transfer and Calculation Agent" means Mitsubishi Securities International plc.

"Underlying Share" means a fully-paid ordinary share of the Company bearing the Exchange Code number 8595.T, subject to adjustment in accordance with paragraph 3(ii).

"Underlying Share Price Source" means Reuters Page "8595.T" and its successor or, if not available, such other alternative source as reasonably determined by the Transfer and Calculation Agent.

JAFECO CO., LTD.**General**

Jafco Co., Ltd. forms venture capital groups to invest primarily in domestic and foreign private companies with high potential for future growth. It also provides management services to such groups, makes loans and offers consultation services to the companies in which the investments are made.

Country of Incorporation

Japan

Registered Office

1-8-2 Marunouchi
Chiyoda-ku
Tokyo, 100-0005
Japan

Primary Exchange

Tokyo Stock Exchange

Description of Share Capital

<i>Issuer of Shares</i>	<i>Jafco Co., Ltd.</i>
<i>Market Capitalisation (for all shares)</i>	<i>JPY 351582.7Mn</i>
<i>Type of Shares</i>	<i>Common Stock</i>
<i>Nominal Amount of Shares</i>	<i>Common Stock has no par value</i>

The information in relation to the share capital of Jafco Co., Ltd herein is provided as of 21 March, 2005.

Pricing information in relation to the various obligations of Jafco Co., Ltd. may be found on Bloomberg.