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CORPORATE BANKING

To realize the goals of the medium-term business plan of the Corporate Banking Group, we have been engaged in three high-priority strategies ever since the plan was inaugurated.

The first strategy is the development of channels and personnel resources. We have adopted a multi-faceted approach to establishing advanced, multipurpose channels so as to enhance customer convenience while reducing costs. To this end, we are deploying personnel with professional expertise in handling corporate transactions in regional hub branches to provide specialist services and products that are competitive and of high quality. We are also concentrating staff members who are highly familiar with financing operations at Head Office to strengthen our Business Financing Desk, which uses direct marketing to initiate loan proposals for small and medium-sized enterprises. Also, we are creating multiple corporate transaction channels by building a new creative network to respond to diversifying corporate needs speedily, flexibly and with the necessary specialist knowledge. To round things off, we are making strenuous efforts to create a sales structure that is efficient, powerful and flexible. To this end, we are training and deploying relationship managers who possess sufficient specialist knowledge to serve as partners for corporate managers and are extremely well-acquainted with customers and the industrial sectors in which they operate.

The second strategy is the reform of corporate marketing. This involves providing customers with the most appropriate services for their needs. More specifically, we are creating a system whereby highly-trained relationship managers provide

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customers with advanced, world-class products and services that meet their sophisticated needs in a timely manner.

To this end we are aggressively developing and providing new products that accurately match a variety of customer requirements. These include:

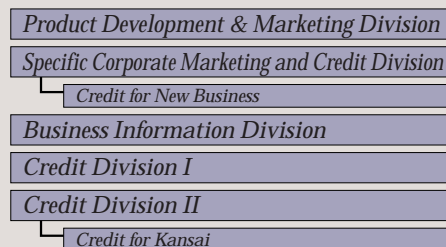
- investment products that use derivatives and other advanced financial techniques, such as derivative-based deposits and high-yield investment trusts;
- clearing products that use information technology, such as Windows 98-based firm banking services; and
- bill collection services through convenience stores.

More than ever before, the Group plays a vital role in actively nurturing and supporting growth companies and new business sectors, helping to create the new technologies and industries on which Japan's future depends. And by establishing fair pricing levels for services, we can offer optimal value for money, thus raising customer satisfaction levels.

The third strategy is speeding up innovation in asset and profit structures. On the one hand the Group endeavors to enhance the soundness and efficiency of its loan assets. On the other, the Group works to create a solid profit base by identifying and expanding new profit sources that do not depend on risk-assets. Further efforts have been made to improve our in-house credit rating system. This strengthens our credit risk management procedures by improving the accuracy of the risk-measurement facilities used in connection with lending transactions. Our goal is to create a strong, sound financial structure that meets global standards.

Corporate Banking Group

Group Head
Isao Hiraide
Managing Director



The Corporate Banking Group specializes in business with small and medium-sized enterprises, which are the backbone of the Japanese economy. These enterprises are the foundation of our corporate transactions and are valuable assets for us.

The environment surrounding small and medium-sized enterprises is becoming increasingly difficult in the face of the sluggish Japanese economy. Compounding this are deregulation of the financial system brought about by the Japan Big Bang and developments in information technology.

Consequently, the sophisticated needs of small and medium-sized enterprises are diversifying and becoming more complex amidst these great changes. The role of the Corporate Banking Group is to accurately respond to the various needs of these customers, discern their technological and business strengths, and support their growth in every way.

Big Bang reforms have made the Tokyo financial market increasingly borderless with the entry of foreign financial institutions creating a highly competitive environment.

However, the entry of foreign financial institutions into the Japanese small and medium-sized corporate market is relatively difficult because of its enormity. Hence, these enterprises have high expectations for the specialized and convenient products and services that we provide.

To meet these expectations, the Corporate Banking Group's medium-term business plan aims to dramatically increase productivity and build an efficient business promotion structure that provides services tailored to our various types of customers.

Ultimately, we aim to demonstrate the strength of our products and services by responding accurately and in a timely manner to the ever diversifying needs of our customers in order to achieve unsurpassable customer satisfaction.