

7. Rationalization Measures

(1) Expenses

(Millions of Yen)					
	FY 1998 Actual	FY 1999 Actual	Change from The Plan*	Year-to-Year Change	FY 2000 The Plan*
Total Expenses (*1)	353,858	329,785	(28,215)	(24,073)	343,000
Personnel Expenses (*2)	153,048	141,959	(10,341)	(11,089)	148,100
General Expenses	180,264	170,178	(14,022)	(10,086)	175,200

* "The Plan for the Strengthening of the Financial Base of the Bank" which was submitted to the government.

Notes:

(*1) Total Expenses include all expense items used in the computation of Core Banking Profit and does not include Other Expenses.

(*2) Personnel Expenses include salaries and bonuses of full-time employees, temporary staff in Japan, and locally employed overseas staff, directors' remuneration, pension related expenses, and social welfare expenses.

(i) Personnel Expenses:

Number of employees: Reduction of 601 employees in FY99.
 Employee salaries: No basic salary hike has been applied since FY96.
 Employee bonuses: The summer bonus paid out this fiscal year was 12% lower than that of FY98.
 Starting from FY99, an Early Retirement Program has been introduced.

(ii) General Expenses:

Continued review of procurement cost, advertising expenses, and entertainment expenses resulted in further reduction of operating expenses.
 System-related expense reduced through improved cost management in relation to IT.
 Facility expense reduced by rationalizing the domestic and overseas branch network.

(2) Number of Directors and Employees

	As of Mar. 31, 1999 Actual	As of Mar. 31, 2000 Actual	Change from The Plan*	Year-to-Year Change	As of Mar. 31, 2001 The Plan*
Directors (*1)	42	23	(18)	(19)	38
Employees (*2)	14,995	14,394	(6)	(601)	13,600

Notes:

* Same as above

(*1) Including Corporate Auditors.

The number of Directors was drastically reduced with the introduction of an Executive Officer System in June, 1999.

(*2) Excluding temporary, part-time, and overseas local staff.

Employment of New Graduates

	April 1999 Actual	April 2000 Actual	Year-to-Year Change	April 2001 Projection	Year-to-Year Change
New Graduates (*1)	787	402	(385)	250	(152)
Career Course	192	103	(89)	100	(3)

Notes:

(*1) Includes only New Graduates employed every April.

(3) Number of Domestic and Overseas Branches and Subsidiaries

	As of Mar. 31, 1999 Actual	As of Mar. 31, 2000 Actual	Change from The Plan*	Year-to-Year Change	As of Mar. 31, 2001 The Plan*	As of Mar. 31, 2001 Projection	Change from The Plan*	Year-to-Year Change
Domestic Branches (*1,2)	284	277	1	(7)	270	262	(8)	(15)
Overseas Branches (*3)	21	18	2	(3)	15	18	3	0
Overseas Subsidiaries (*4)	24	23	1	(1)	21	17	(4)	(6)

Overseas Representative Offices	17	17	* Same as above					
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Notes:

(*1) Excluding agencies and sub-branches.

(*2) Excluding branches that are solely specialized in receiving incoming fund transfers.
 (2 such branches as of Mar. 31, 1999; 8 such branches as of Mar. 31, 2000)

(*3) Excluding sub-branches.

(*4) Excluding affiliates, of which the Bank has less than a 50% equity interest.

(i) Domestic Branches

Under the Bank's strategic reorganization plan, effective April 1999, the Bank separated its branch banking organization into two; the Branches, which is in charge of retail business only, and the Corporate Banking Department which is in charge of middle market banking business. To establish more market-oriented organization, the Bank also realigns its branch network by decreasing traditional branches offering full range of banking services and increasing branches providing specialized services.

(ii) Overseas Branches

Following the streamlining of the operations in the United States, middle and back office operations in Europe and Africa was consolidated to London, establishing Europe Division in April 1999. Streamlining of the operations in Asia is also under consideration.