

e-Business

e-Business Strategy

With advances in IT and the increasing popularity of the Internet and mobile phones, the e-commerce market is expected to expand from ¥23 trillion in fiscal 2000, to ¥124 trillion by fiscal 2005. To respond quickly to this market growth and the structural changes it is bringing about, we are deepening our involvement in e-business.

Specifically, we are promoting our e-business operations based on three guiding principles: providing financial services suited to e-commerce, efficiently marketing the use of the Internet and building new business models through alliances with companies in other industries.

For the corporate market, we plan to offer settlement services linked to e-commerce and to work on services connected with Internet-based credit extension and approval. For consumers, we are planning to provide new settlement services that are compatible with diverse channels and introduce new marketing methods utilizing networks.

Measures for Corporate Customers

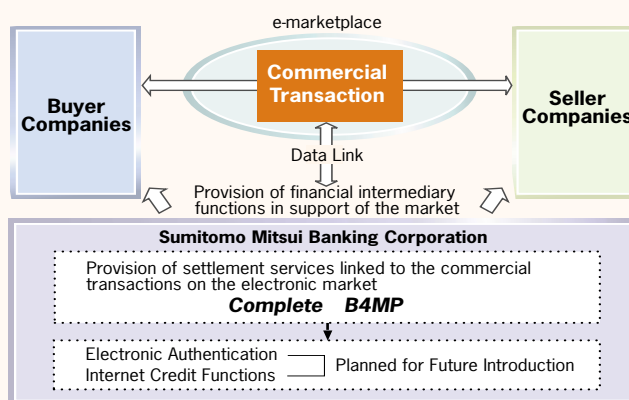
Complete/Banking Service for Market Place

Rapidly rising corporate interest in Internet-based transactions has led to the emergence of a large number of e-commerce markets, or so-called e-marketplaces. To respond to the settlement needs of an e-marketplace, we launched *Complete*, Japan's first settlement service linked to B2B e-commerce in February 2001. In addition, as a financial service capable of meeting even the most sophisticated demands, in May 2001 we began offering *Banking Service for Market Place (B4MP)*.

Both services allow buyer companies to complete payments via the Internet, rationalizing seller companies' accounting tasks through the elimination of paper invoices.

Using these services to satisfy diverse B2B financial needs, we aim to diversify and strengthen settlement services on the Internet and upgrade such functions as electronic approval and Internet-based credit.

Overview of Financial Services for Companies



NETdeBIZ.com

In April 2000, in collaboration with leading companies in an array of industries, we launched a business support site for small and medium-sized businesses called *NETdeBIZ.com*.

This site provides a range of solutions to small and medium-sized businesses in such areas as strengthening involvement in Internet business, streamlining operations and refining welfare activities. It also offers specialist information in subjects including taxation, accounting and legal matters. We plan to use this site as an efficient marketing tool.



We jointly operate this portal site with The Sumitomo Marine & Fire Insurance Co., Ltd., The Sumitomo Trust & Banking Co., Ltd., Sumitomo Life Insurance Company, and NEC Corporation

Initiatives for Consumers

NetDebit/ShoppingSquare

Since November 2000 we have been offering *NetDebit*, a new Internet settlement service. *NetDebit* is a service that enables real-time debits from a bank account for Internet shopping payments.

To make online shopping more convenient for users, we have started a linked site that brings together *NetDebit* member stores. This site is called *ShoppingSquare*.

In developing *NetDebit*, we are demonstrating the Group's overall strength through a partnership with Sumitomo Mitsui Card Co., Ltd., while encouraging other financial institutions, such as Japan Net Bank, to provide services and aim for standardization in Japan.

Prepaid Electronic Money Service (Edy!)

We plan to become involved in business applications for the prepaid electronic money service *Edy!*, which boasts considerable promise as a next-generation settlement service. *Edy!*, the e-money on which we are currently working, enables quick and easy payments through high-speed data processing with a contactless IC card and its reader/writer terminals. Since the chip runs through wireless data communication, it can be built into not only cards but also any shaped object. In the future, it will be possible to incorporate this e-money service into mobile phones and other mobile devices.

We are looking at providing *Edy!* to convenience stores, fast food restaurant chains and other outlets that have demand for small sum payments. And we plan to deploy the processing ability of IC cards in combination with point programs and other initiatives for use in marketing.

Aiming to be the first bank to provide an e-money service, we



have been conducting a monitored trial service since March 2001 with convenience store operator am/pm Japan, with which we have formed an alliance in the development of @B NK.

Money Park

In June 2000, in collaboration with leading financial companies, we launched a comprehensive financial portal site for consumers called *Money Park*. This site aims to be the one-stop provider of private banking service information for each company involved. It also provides the *My Financial* service to members, enabling customized management of their financial asset portfolio. We will continue to add highly convenient functions that we will leverage as new marketing tools for consumers.



We jointly operate this portal site with Nomura Securities Co., Ltd., Japan Life Insurance Co., Mitsui Marine & Fire Insurance Co., Ltd., Chuo Mitsui Trust and Banking Co., Ltd., and Mitsui & Co.

Broadcast Satellite TV Banking

In December 2000 we launched Japan's first TV banking service utilizing the digital broadcasting service via the broadcast satellite system. And we plan to provide a similar service compatible with the 110-degree digital broadcasting service scheduled to begin at the end of 2001 via the communications satellite system.

With the digitization of broadcasting and the addition of interactive functions, television is set to evolve into a new networking medium. We intend to use television, along with next-generation mobile phones and other broadband networks, to provide more convenient private banking services.