

Environmental Preservation

Environmental Management

The Bank is demonstrating a comprehensive commitment to preserving the environment. For example, we have acquired ISO 14001 certification for our environmental management system (EMS), established an internal Environment Committee and a director responsible for environmental affairs. We have also enacted an environmental policy and set up the Corporate Citizenship Department within the Public Relations Department.

As a financial institution, we have classified our efforts to address environmental concerns into three main categories: social responsibility (reducing the impact on the environment in our day-to-day operations), measures to address environmental risks and customer support. Below, we describe our specific activities in each of these areas.

Social Responsibility

- Reducing waste materials and promoting recycling
- Reducing the quantity of paper used, conserving water and encouraging energy savings
- Using recycled paper
- Tackling environmental issues and promoting a strong awareness of the environment through internal education, including the production of videos

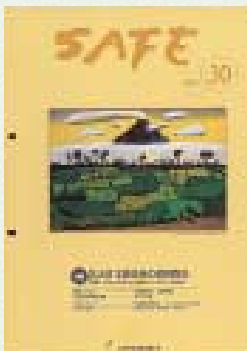


Measures to Address Environmental Risks

- Stipulating in our Credit Policy that “we shall not extend credit for projects that would have a grossly adverse effect on the environment.”

Customer Support

- Introducing environment consultants through a tie-up with SMBC Consulting Co., Ltd.
- Providing information through the environmental information magazine *SAFE* (published every other month)
- Providing information on finance for environmental measures



In addition, to promote specific measures in the course of our daily business, EMS seeks to achieve continuous improvement through a cycle of planning, implementation, evaluation and review. The principal results of the EMS in the past fiscal year are described below. These results are the achievements of the former Sakura Bank.

Paper waste recycling

(Fiscal 2000 results at our Toda Recycling Center)

- Quantity recycled 1,275 tons
- Recycling ratio 88.03%

Using recycled paper

- Using a ratio of 41.5% recycled paper in advertising materials (representing a 5.4% improvement on the previous term)
- Promoting the use of recycled paper for business cards, copier paper and other uses

Reducing paper use

- Promoting a choice in output of ATM transaction statements so that customers can choose whether or not they need a statement
- Promoting a shift to electronic processing of transfer transactions through the use of IT and reducing the use of fax paper

In fiscal 2000, the Toda Recycling Center earned special recognition for its achievements in promoting the reuse of paper. We were the only financial institution to be awarded the Chairman's Prize by the Recycling Promotion Association, which has the backing of the Prime Minister's Office.

Based on our goal to be a good corporate citizen, we intend to continue working to strengthen our EMS. Through these activities, we will channel our efforts into preserving the global environment, improving social credibility and reducing the economic risks that arise from environmental problems.

