

PERFORMANCE BY BUSINESS GROUP

In addition to redefining the lines of authority and responsibility for each target market, we are also integrating associated functions to strengthen our ability to expand in each business area. To accelerate decision-making processes, we have reorganized along the lines of target customers and markets. In Japan, the Consumer Banking Group is now responsible for the interests of consumers and small regional businesses, the Corporate Banking Group covers small and medium-sized companies, and the Corporate and Institutional Banking Group attends to large corporations.

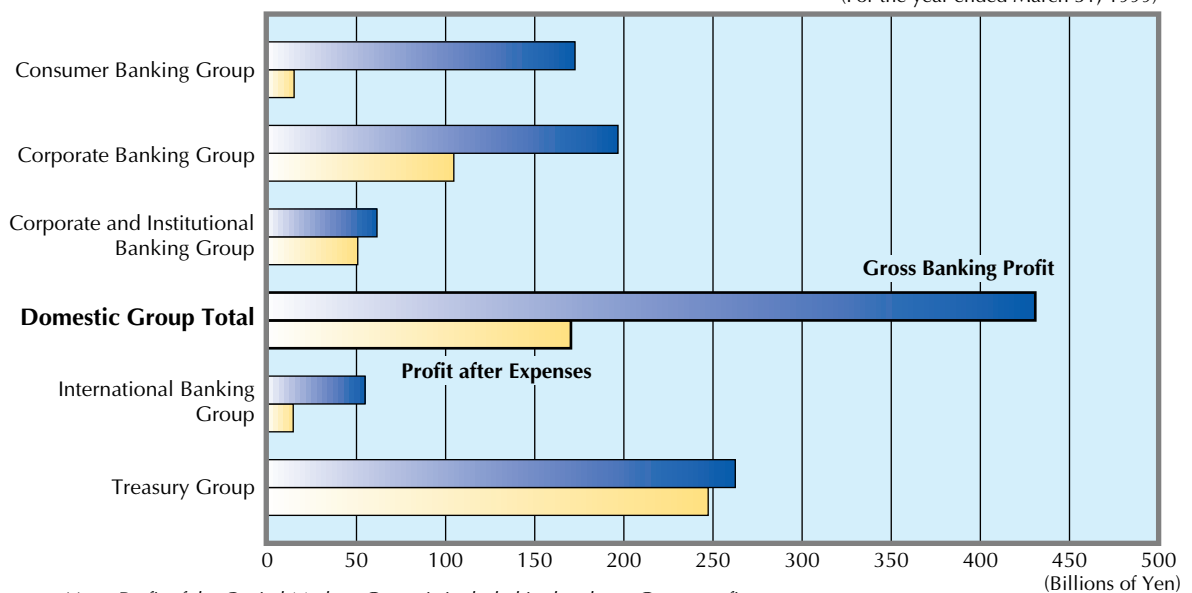
The International Banking Group supervises overseas branches, subsidiaries and affiliates, and caters to foreign customers as well as their Japanese affiliates. The Treasury Group handles worldwide asset liability management (ALM), securities portfolio management and trading.

The former Branch Banking Group was divided up and reorganized into separate Consumer Banking and Corporate Banking groups in February 1999 to provide a more market-driven structure. The Capital Markets Group is also new, taking responsibility for underwriting, derivatives, structured finance and M&A services.

Fiscal year 1998 nonconsolidated gross banking profit rose by ¥39 billion or 5.5%, to ¥750.3 billion. Core banking profit (excluding net transfer to general reserves) increased by ¥58.9 billion, to ¥396.5 billion, a growth of 17.4%. The improvement in income and operating profit was attributable in large part to expanded earnings from the domestic market. The improved interest rate spread from loans and a healthy increase in deposits by consumers, which boosted overall deposit levels, were significant factors. The low interest rates in Japan also played a major role, contributing to a strong bond market and substantially elevating profits from the Treasury Group.

■ Profit by Business Group (Internal Administration Basis)

(For the year ended March 31, 1999)



Note: Profit of the Capital Markets Group is included in the above Group profits.