

Review of Operations: Global Markets Business

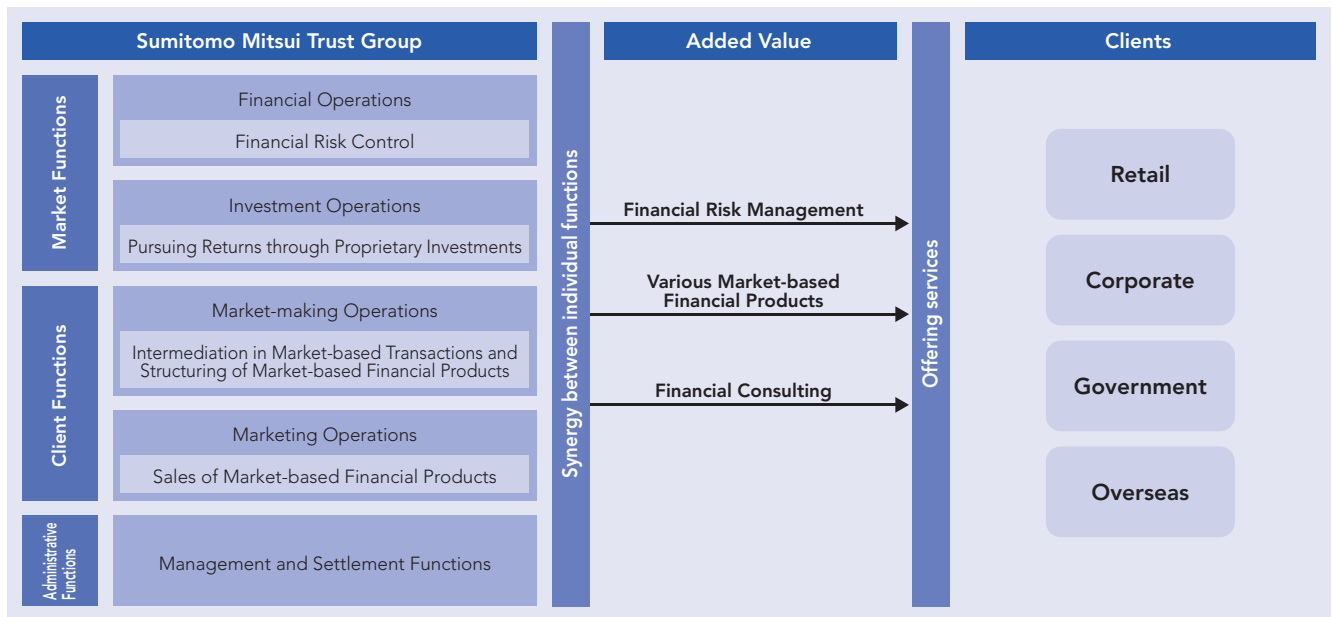


1. Business Outline

To meet clients' asset management and risk management needs regarding such matters as interest rate derivatives and foreign exchange-related transactions, we provide timely solutions by utilizing market-making functions and market-based financial products. Our global markets business functions are broadly divided into mar-

ket functions, client functions and administrative functions. Market functions are comprised of financial operations and investment operations. Client functions, providing services to both individual and corporate clients, include market-making operations and marketing operations.

• Global Markets Business Model



2. Product and Service Outline

Market Functions

Financial Management Operations

Financial management operations are intended to control market risks, in order to secure stable earnings from a company-wide perspective. We analyze market environments, measure the market risks faced by the Group, and plan and execute the necessary hedging operations (transactions to avoid or reduce risk).

Investment Operations

Through our proprietary trading operations, we invest in a wide variety of financial instruments such as bonds, stocks, credits, real estate, and commodities. To disperse risk and maximize profit, we categorize the investment business into three dimensions of strategy, capability and holding period, and allocate them as intelligently as possible.

Client Functions

Market-making Operations

Our market-making operations are intermediary services to clients for various market-based transactions, including foreign exchange-related transactions and interest rate derivatives. We also work to supply high-quality, low-priced, market-based financial products by making full use of our financial technology.

Marketing Operations

In close cooperation with the Client Business Division (the Retail Financial Services Business, the Wholesale Financial Services Business, the Stock Transfer Agency Services Business and the Real Estate Business), we offer market-based financial products and financial consulting services that match client needs in a timely manner at an appropriate price.

Administrative Functions

We administer and settle market-based transactions, providing high-quality administrative services to correctly process complex and large-volume administration and settlement transactions.