

Review of Group Operations

(1) Consumer and Corporate Finance Group

Reinforcing cross-selling to a firm customer base

Individual Market

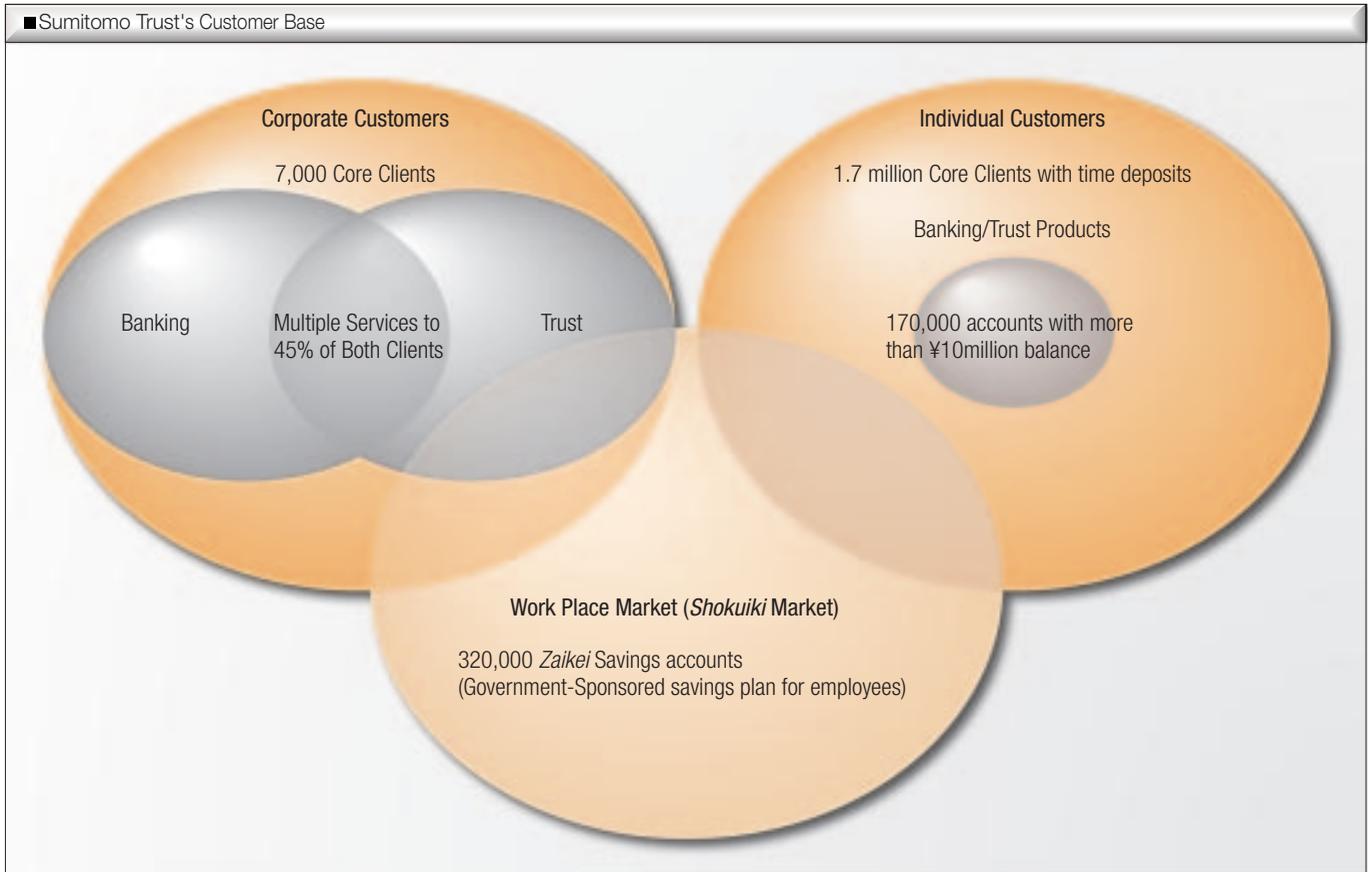
The majority of our individual customers expect quality asset management as well as everyday settlement functions from Sumitomo Trust. To meet customer expectations, we offer a variety of retail investment products such as loan trusts, performance-based trusts, investment trusts as well as term deposits. We also place a special emphasis on consultation-based marketing. Our Portfolio Investment Consulting System is an effective consultation tool for determining optimal portfolio compositions for wide range of individual customers, and

more than fifty experienced Financial Consultants are providing personal consultation to our high net-worth customers.

In fiscal 1999, MCIF, the individual customer management system we developed in collaboration with IBM, started to function as the central information system for our customer management, product development, consultation and marketing. We are also expanding our delivery channels by opening Sumishin i-Stations, small specialty offices that target heavily populated suburban areas in Tokyo and Osaka, and started internet banking services in June 2000.

Corporate Market

The mission of our corporate lending



business is to develop and expand the customer base to which we cross-sell trust services, as well as to maintain stable profits from the loan portfolio. One of the key factors to the profitability of our lending business is credit risk control. Our past experience has been put to good use towards refining the quantitative approaches of risk control. Also, we are seeking to apply appropriate spreads that are commensurate to the respective credit risks.

In the field of corporate finance services, we are providing sophisticated financial derivative products, securitization of money claims such as leasing fees, and ship charterages. Corporate Finance Advisor, a managerial accounting system that we jointly developed with an accounting firm, is our effective consultation tool for providing asset/liability management solution such as securitization of corporate assets. Also, internet consultation/information service provided to start-up companies helps us to expand our business opportunity.

Shokuiki Marketing

Sumitomo Trust has been one of the leading players in the *Shokuiki* marketing, the work place marketing for group employees. We have been offering employer-sponsored housing loans and *zaikai* savings, a government-sponsored savings plan for employed workers, as well as investment and savings products for employees' retirement funds in this marketing. The introduction of the Japanese 401(k), a defined contribution pension plan, was an important impetus for reinforcing *Shokuiki* marketing and we organized a department exclusively developing this market. It will start investment consultation and marketing of our new investment products suitable for the 401(k) plan by way of providing our internet services to the corporate intranets. We anticipate such marketing through new delivery channel will contribute to the development of our retail investment business and enlarge our retiree customers base.

Atsushi Ueda
Senior Manager

Structured Finance Department

"We deal with non-recourse loans and syndicated loans as well as the securitization of money claims. We are always seeking new product developments to keep Sumitomo Trust the market leader in structured finance."

