

DVD camps launch separate standards



Unable to agree on a standard for next generation DVDs, HD-DVD and Blu-ray makers are launching products using their own technologies. **Page 4**

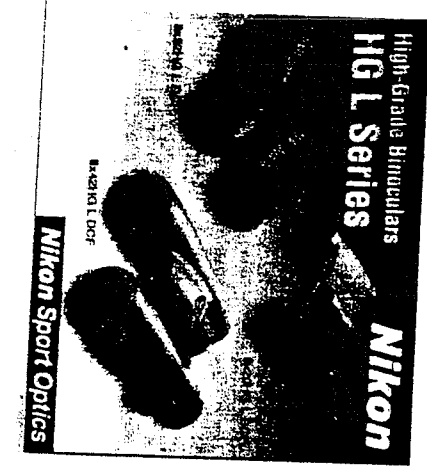
Slight

Odobashi Camera takes up Akhbarat
a opening of a huge store Tokyo's famous electronics district of Akhbarat has its big remodeling. **Page 32**

the finest
of binoculars you can find. Now made with environment-friendly materials.

At new high grade HG L series binoculars, everything into focus and reveal the beauty of a world around you. The HG L series models are designed for optical performance and comfort. And 7 adopted environment friendly materials extended the quality even further. The overall result is something Nikon believes of binoculars should experience: more of clarity.

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World's largest banking group sets sail

The newly created Mitsubishi UFJ Financial Group Inc. (MUFG) is the world's largest banking group, with assets of nearly ¥200 trillion (\$1.8 trillion). The behemoth now faces the task of leveraging its massive human and financial resources to become a top tier player in terms of profitability and market standing as well. **(See related articles on Page 8)**

As the giant falls behind in terms of profitability among the world's leading players, the group is expected to enhance its investment banking and securities operations, lucrative areas that overseas global banking powers are increasingly tapping to fuel their profits, while taking advantage of the cost savings from the consolidation. To that end, the group needs to successfully integrate the operations, while preventing conflicts stem-

ming from the previous two groups with different corporate cultures. MUFG's new trust banking and securities units were launched as scheduled in the Oct. 1 merger of Mitsubishi Tokyo Financial Group Inc. (MTFG) and UFJ Holdings Inc.

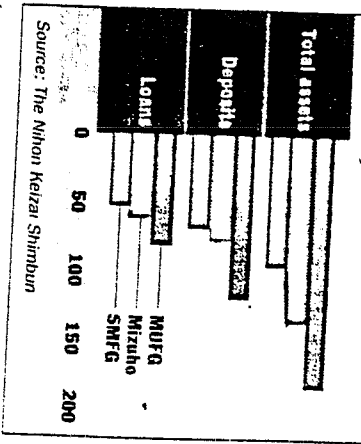
However, the integration of the institutions' core commercial banks has been delayed until January due to troublesome computer systems integration. When the Mizuho group banks merged in 2002, a failed systems integration seriously damaged the launch.

As of the end of March, MTFG and UFJ had combined assets worth ¥192 trillion and a staggering 40 million customer accounts. Combined lending to small and midsize businesses amounted to ¥47 trillion, bringing the balance of outstanding loans to more than ¥84 trillion. MUFG has 1.3 times the amount of outstanding loans as Mizuho Financial Group Inc. and 1.5 times that of Sumitomo Mitsui Financial Group Inc.

The merger of MTFG and UFJ is regarded as complementary in that it reinforces their strengths and patches up their weaknesses. MTFG's forte is in business with large, Tokyo-based companies that once belonged to the old Mitsubishi conglomerate. The bank is considered to have a weak operational base among smaller businesses and individuals.

In contrast, UFJ, created through the integration of Sanwa Bank and Tokai Bank, has close ties with companies in the regions of Kansai (around Osaka) and Chukyo

Banking goliath
Financial data of three banking groups; in trillions of yen



Source: The Nihon Keizai Shinbun

(around Nagoya) from which those banks originally hailed. UFJ also has a strong base among smaller firms and individuals.

In terms of market standing in the international banking arena, however, MUFG lags the global leaders, ranking 10th as of March among global players. "We will enhance profitability and seek to join the top five in the world in terms of market capitalization by fiscal 2008," said Nobuo Kuroyanagi, president of MUFG.

In order to achieve the goal, Kuroyanagi has been stressing the need to create a new corporate culture of MUFG that is like neither MTFG nor UFJ.

The new banking group aims to generate a net profit of ¥1.1 trillion in fiscal 2008, a significant turnaround from a combined net loss of ¥216 billion in fiscal 2004.

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