



# JRI news release

Press Release

September 18, 2003

NEC Corporation

Sumitomo Mitsui Banking Corporation

The Japan Research Institute, Limited

Forming Alliance for IT Business for Regional Financial Institutions

NEC Corporation ("NEC"; Minato-ku, Tokyo; President: Akinobu Kanasugi), Sumitomo Mitsui Banking Corporation ("SMBC"; Chiyoda-ku, Tokyo; President: Yoshifumi Nishikawa) and The Japan Research Institute, Limited ("JRI"; Chiyoda-ku, Tokyo; president; Shunichi Okuyama) have agreed to discuss the establishment of an alliance for the purpose of strengthening and expanding their IT business for regional financial institutions. The details of the proposed alliance are as follows.

The three companies will share and combine their know-how and system resources related to financial institution businesses in order to provide comprehensive services, including core business software development and outsourcing, to regional financial institutions.

## 1. Details of affiliation

### (1) Provision of SMBC's core business software

NEC and JRI will acquire the rights to SMBC's core business software (note) for the purpose of strengthening their businesses targeting regional financial institutions.

(Note) Core business software operable on NEC platform = Accounting software, electronic banking (EB) software, branch office equipment connection software, etc.

### (2) Sharing of know-how

The three companies will provide to one another the following know-how and human resources pertaining to banking business, systems development/operation and consultation.

\* SMBC's business and deskwork know-how

\* JRI's financial system know-how

\* NEC's know-how concerning open-platform system development and productivity improvement

\* JRI's consulting service know-how

Others

(3) Establishment of joint-venture company

In a bid to improve the development efficiency and productivity for core business software including applications for regional financial institutions, the three companies plan to establish a joint-venture company in fiscal 2003 and assign personnel from their companies.

(4) Consignment of development tasks to joint-venture company

SMBC will commission the development of core business software to the new joint-venture company, while NEC will entrust the development of core business software designed for regional financial institutions.

2. Purposes of alliance

(1) NEC

NEC has been conducting financial solution business, including the development and sales of "BankingWeb21," Japan's first open-environment core banking system. The proposed alliance will allow NEC to maximize the core business software of SMBC, one of the leading banks in Japan, so NEC can boost the BankingWeb21 system and add accounting solutions for regional financial institutions to its product and service lineup. As the alliance will serve as the driving force for bolstering NEC's growth strategies for its financial solution business, the company intends to vigorously promote the cooperative system.

(2) Sumitomo Mitsui Banking Corporation

Sumitomo Mitsui Banking Corporation ("SMBC") has been actively providing solution products for other regional financial institutions, such as account settlement and risk management services. Through the provision of the core business software, SMBC will be able to offer a wider range of services and expand the scope of outsource services for customers' back-office work and other needs by maximizing the work streamlining and efficiency improvement know-how. In addition, SMBC plans to carry out measures to further reduce the costs of the core systems and others.

(3) The Japan Research Institute, Limited

In April this year, The Japan Research Institute, Limited ("JRI") consolidated with the Systems Department of SMBC, and became an IT company of Sumitomo Mitsui Financial Group, Inc, thus promoting IT system business widely to outside companies by drawing on the reputations and know-how of the Group. The proposed alliance will enable JRI to develop core business software

more efficiently and strengthen its corporate structure with sights set on the open software environment of the future. At the same time, JRI will strive to further expand its consulting services, operation outsource business and SI/package business.

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