

## Capital Adequacy Ratio

Consolidated

As from March 31, 2007, we calculate the capital adequacy ratio on both a consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Law and on the basis of calculation formulae prescribed under the criteria for judging whether a bank's capital adequacy ratio is appropriate in light of assets held (the Financial Services Agency 2006 Notification No.19, hereinafter referred to as the "Notification"). Further, as of March 31, 2006, we calculated the capital adequacy ratio on both the consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Law and on the basis of calculation formulae prescribed under the notice concerning the determination of criteria for the capital adequacy ratio (the Ministry of Finance 1993 Notification No.55, hereinafter referred to as the "Old Notification"). Applying uniform international standards, we have adopted the Foundation Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets and the Standardized Approach for the calculation of operational risk, and also introduced market risk regulations.

## Capital Adequacy Ratio

At March 31	Millions of Yen	
	2007	2006
<b>Tier I</b>		
Capital	¥ 287,517	¥ 287,283
Noncumulative Perpetual Preferred Stock	—	—
New Stock Subscription Rights	—	—
Capital Surplus	242,538	240,703
Retained Earnings	429,674	339,645
Treasury Stock (Deduction)	389	251
Treasury Stock Subscription Rights	—	—
Expected Distributed Amount (Deduction)	14,319	—
Unrealized Loss on Securities Available for Sale (Deduction)	—	—
Foreign Currency Translation Adjustments	(3,517)	(3,871)
Share Warrants	—	—
Minority Interest	210,641	159,032
Noncumulative Preferred Securities Issued by Overseas Special Purpose Companies	183,000	133,000
Business Rights Equivalents (Deduction)	—	—
Goodwill Equivalents (Deduction)	104,877	—
Equivalent to Intangible Fixed Assets Recorded through Business Combination (Deduction)	—	—
Equivalent to Consolidation Adjustments (Deduction)	—	113,165
Equivalent to the Increase in the Capital Associated with Securitization Transactions (Deduction)	—	—
Equivalent to 50% of the Excess of Expected Loss over Qualifying Reserves (Deduction)	21,068	—
Total Tier I before Deduction of Deferred Tax Assets (Aggregate Sum of Items Above)	1,026,199	909,376
Deducted Amounts of Deferred Tax Assets (Deduction) **	—	—
Total (A)	1,026,199	909,376
Noncumulative Preferred Securities Attached with Step-up Interest Rate Clause** (a)	100,000	50,000
<b>Tier II</b>		
45% of Unrealized Gain on Securities Available for Sale	223,049	187,684
45% of Revaluation Reserve for Land	875	1,201
General Reserves	5,626	58,209
Excess of Qualifying Reserves over Expected Loss	—	—
Debt Capital	675,105	514,100
Perpetual Subordinated Debt **3	305,015	169,100
Subordinated Term Debt and Fixed-term Preferred Stock **4	370,090	345,000
Total	904,656	761,195
Included in Capital (B)	904,656	761,195
<b>Tier III</b>		
Subordinated Short-term Debt	—	—
Included in Capital (C)	—	—
<b>Items for Deduction</b>		
Items for Deduction**5 (D)	120,995	74,680
<b>Total Capital</b>		
(A)+(B)+(C)-(D) (E)	1,809,860	1,595,890
<b>Risk-Weighted Assets</b>		
Asset (On-balance Sheet) Items	12,750,781	13,352,420
Off-balance Sheet Transaction Items	2,349,861	1,114,278
Amount of Credit Risk-Weighted Assets (F)	15,100,642	14,466,698
Amount of Market Risk Equivalents ((H)/8%) (G)	158,957	174,009
(Reference) Market Risk Equivalents (H)	12,716	13,920
Amount of Operational Risk Equivalents ((J)/8%) (I)	665,388	—
(Reference) Operational Risk Equivalents (J)	53,231	—
Amount Obtained by Multiplying by 12.5 the Excess of the Amount Obtained by Multiplying the Old Required Capital by the Rate Prescribed by the Notification over the New Required Capital (K)	—	—
Total ((F)+(G)+(I)+(K)) (L)	—	—
Capital Adequacy Ratio = E/L x 100 (%)	¥ 15,924,988	¥ 14,640,708
Tier I Ratio = A/L x 100 (%)	11.36	10.90
Tier I Ratio = A/L x 100 (%)	6.44	6.21
Ratio of Noncumulative Preferred Securities with Step-up Interest Rate Clauses to Tier I Capital = a/A x 100 (%)	9.74	5.49

\*1 Deferred tax assets and deferred tax liabilities are in deficit in net terms. The upper limit on the inclusion of deferred tax assets in capital is ¥307,859 million.

\*2 Listed in the Notification Article 5, Paragraph 2 (the Old Notification Article 4, Paragraph 2), i.e. stocks and other securities with high probability of redemptions through such measures as attachment of step-up interest rate clauses (including noncumulative preferred securities issued by overseas special purpose companies).

\*3 Debt capital listed in the Notification Article 6, Paragraph 1, 4 (the Old Notification Article 5, Paragraph 1, 4) that have all of the characteristics listed below:

- (1) Paid-up debts unsecured and subordinate to other debts
- (2) Not redeemable, except for certain cases
- (3) Used for compensation of loss while continuing business
- (4) Allowed to defer interest payment obligations

\*4 Listed in the Notification Article 6, Paragraph 1, 5 and 6 (the Old Notification Article 5, Paragraph 1, 5 and 6). However, subordinated term debts are limited to those with an original maturity of over five years.

\*5 Listed in the Notification Article 8, Paragraph 1, 1 through 6 (the Old Notification Article 7, Paragraph 1), and include the amounts equivalent to intentional holdings of other financial institutions' capital funding means and the amounts equivalent to investments in those provided for under the Notification Article 8, Paragraph 1, 2 (the Old Notification Article 7, Paragraph 1, 2).

\*6 We received an external audit by KPMG AZSA & Co. on the calculation of the consolidated capital adequacy ratio in line with "Treatment for the Time Being in Case of the Implementation of the External Audit Concerning the Calculation of the Capital Adequacy Ratio on the Basis of 'Practical Guidelines Concerning the External Audit of the Internal Control System of Financial Institutions'" (The Japanese Institute of Certified Public Accountants, Bank Auditing Committee, April 15, 2003).

The external audit is not part of the accounting audit of the consolidated financial statements but was conducted on internal control concerning the calculation of the consolidated capital adequacy ratio under agreed-upon examination procedures, and thus does not represent the opinion of the external auditor regarding the consolidated capital adequacy ratio itself.

## Outline of Capital Funding Means

An outline of capital funding means for the capital adequacy ratio is as follows:

Capital	Capital Funding Means	Outline	
Tier I	Common Stock	Full Voting Stock	Shareholders' equity listed by the Notification Article 5, Paragraph 1 (the Old Notification Article 4, Paragraph 1), and our standard stock with no limitations on holders' rights
	Preferred Securities	See Table below for Details	Preferred securities in the Notification Article 5, Paragraph 3 (the Old Notification Article 4, Paragraph 3), which meet all of the conditions below: <ul style="list-style-type: none"> <li>•Noncumulative preferred capital</li> <li>•Paid-up securities that are unsecured and subordinate to other debts</li> <li>•Used for compensation of loss within the Bank while continuing business</li> </ul>
Tier II	Perpetual Subordinated Bonds	<ul style="list-style-type: none"> <li>•Date of Redemption not Provided</li> <li>•Step-up of Interest Rate (Prepayments will be allowed after 5 years subject to approval by the regulatory authorities)</li> </ul>	Instrument included as the debt capital listed in the Notification Article 6, Paragraph 1, 4 (the Old Notification Article 5, Paragraph 1, 4) that have all of the characteristics below: <ul style="list-style-type: none"> <li>•Paid-up securities that are unsecured and subordinate to other debts</li> <li>•Not redeemable except for some cases</li> <li>•Used for compensation of loss while continuing business</li> <li>•Allowed to defer interest payment obligations</li> </ul>
	Perpetual Subordinated Loans		
	Subordinated Bonds	Maturities of 10 years and 20 years (Bullet payment)	Instrument included as the debt capital listed in the Notification Article 6, Paragraph 1, 5 and 6 (the Old Notification Article 5, Paragraph 1, 5 and 6), but subordinated debts are limited to those with five-year minimum maturity.
	Subordinated Loans	<ul style="list-style-type: none"> <li>•Date of Redemption Provided</li> <li>•Step-up of Interest Rate (Prepayments will be allowed after 5 years subject to approval by the regulatory authorities)</li> </ul>	

The main characteristics of "Preferred Securities" as a capital funding means are as follows:

1. Issuer	STB Preferred Capital (Cayman) Limited	STB Preferred Capital 2 (Cayman) Limited	STB Preferred Capital 3 (Cayman) Limited
2. Description of Securities	Noncumulative Preferred Securities	Same as on the left	Same as on the left
3. Maturity	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after seven years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).
4. Dividend Rate	Floating Rate (Non Step-up)	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate
5. Issue Amount	¥83 billion	¥50 billion	¥50 billion
6. Issue Date	March 26, 1999	December 7, 2005	March 2, 2007
7. Outline of Dividend Payment	Dividends are payable by the Issuer in the presence of distributable amount of the Bank in conformity with the calculation of preferred shares of the bank. If the Bank pays any dividends on any of its common stock with respect to any financial year of the Bank, then the Issuer will be required to pay full dividends on the Securities for the applicable year.	Same as on the left	Same as on the left
8. Dividend Limitation	Dividends will not be paid if any of certain criteria have met. The criteria include the following: When the Bank did not pay dividend on any class of preferred shares, if any. When the Bank's BIS capital adequacy ratio or Tier I capital adequacy ratio were to decline below the minimum percentages required by Japanese banking regulations.	Same as on the left	Same as on the left
9. Liquidation Preference	The Securities are intended to provide holders, through the perpetual subordinated loan to the Bank, with rights to liquidation preferences that are the same as those to which holders would be entitled if they had purchased non-cumulative nonvoting perpetual preferred stock issued directly by the Bank.	Same as on the left	Same as on the left

- (1) The Difference between Companies Belonging to the Group of Companies Subject to the Capital Adequacy Ratio as Prescribed by the Notification Article 3 (hereinafter referred to as the “Consolidated Group”) and Companies Included in the Scope of Consolidation in line with the Consolidated Financial Statements Rule is as follows:

Subsidiaries under the Banking Law that are not included in the scope of consolidation by applying provisions of the Consolidated Financial Statements Rule, Article 5, Paragraph 2, are included in the Consolidated Group subject to the calculation of the capital adequacy ratio.

- (2) The number of consolidated subsidiaries that belong to the Consolidated Group is 34.

Principal companies

Name	Principal Business Operations
STB Leasing Co., Ltd.	Leasing
Sumishin Matsushita Financial Services Co., Ltd.	Leasing, Installment Finance, Credit Card Service
First Credit Corporation	Money Lending
Sumishin Realty Company, Limited	Real Estate Brokerage
STB Asset Management Co., Ltd.	Mutual Fund Management, Investment Advisory Services
Sumitomo Trust and Banking Co. (U.S.A.)	Financial and Trust Services

- (3) There are two affiliated companies that undertake financial services subject to the Notification, Article 9.

Name	Principal Business Operations
Japan Pension Operation Service, Ltd.	Pension benefit computing and clerical agent services
Japan Trustee Services Bank, Ltd.	Trust and banking services

- (4) There are a total of 43 companies that are subject to deduction items listed in the Notification, Article 8, Paragraph 1, 2 (a) through (c). None of these companies failed to meet the regulatory required capital.

Principal company

Name	Principal Business Operations
Hummingbird Co., Ltd.	Rental Business through an Anonymous Partnership

- (5) Of Companies Listed in the Banking Law, Article 16-2, Paragraph 1, 11, those Dedicated to Auxiliary Businesses, and Companies Listed in the Banking Law, Article 16-2, Paragraph 1, 12, all belong to the Consolidated Group.

- (6) There are no particular restrictions on the transfer of funds and capital within the Consolidated Group.

Items in the scope of consolidation regarding Basel II represent conditions at the end of March, 2007.

## Capital Adequacy

Consolidated

(1) Amount of Required Capital against Credit Risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

	Millions of Yen
At March 31	2007
Portfolios to which the Standardized Approach is Applied	¥ 216,549
Retail Exposures	83,567
Exposures to Business Units Set for Phased Roll-Out Application	97,435
Exposures Excluded from Application	35,546
Portfolios to which the IRB Approach is Applied and the Breakdown by Portfolio	875,527
Corporate Exposures	737,987
Sovereign Exposures	24,449
Bank Exposures	24,295
Purchased Receivables	77,524
Other Assets	11,270
Securitization Exposures	89,425
Exposures to which the Standardized Approach is Applied	24,713
Exposures to which the IRB Approach is applied	64,711

(2) Amount of Required Capital against Credit Risk concerning Equity Exposures to which the IRB Approach is Applied

	Millions of Yen
At March 31	2007
Equity Exposures	¥ 107,182
PD/LGD Approach	18,533
Simplified Method of the Market-Based Approach	11,796
Internal Models Method of the Market-Based Approach	—
Transitional Measures	76,852

(3) Amount of Required Capital against Credit Risk Concerning Exposures Held in Funds

	Millions of Yen
At March 31	2007
	¥ 120,840

(4) Amount of Required Capital against Market Risk

	Millions of Yen
At March 31	2007
Market Risk	¥ 12,716
Amount of Required Capital by Category under the Standardized Approach	1,512
Interest Rate Risk	1,352
Equity Risk	—
Foreign Exchange Risk	160
Commodities Risk	—
Options Transactions	—
Internal Models Approach	11,204

(5) Amount of Required Capital against Operational Risk

	Millions of Yen
At March 31	2007
Standardized Approach	¥ 53,231

(6) Total Required Capital

	Millions of Yen
At March 31	2007
Total Required Capital	¥ 1,273,999

## (1) Balance of Exposures Related to Credit Risk (excluding exposures held in funds and securitization exposures)

At March 31	Millions of Yen				
	2007				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
	Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives		
Japan .....	¥ 17,522,227	¥ 14,316,799	¥ 2,942,858	¥ 262,569	¥ 139,281
Outside Japan .....	3,763,118	1,668,131	920,251	1,174,735	—
Total for Regions .....	¥ 21,285,345	¥ 15,984,930	¥ 3,863,109	¥ 1,437,305	¥ 139,281
Manufacturing .....	2,804,531	2,140,037	650,972	13,520	5,298
Agriculture .....	3,671	2,755	900	15	—
Forestry .....	295	295	—	—	—
Fishing .....	6,941	6,456	474	10	—
Mining .....	19,755	19,651	—	103	—
Construction .....	249,552	227,778	21,331	442	1,915
Energy and Utilities .....	268,188	198,904	67,902	1,382	—
Communication .....	237,135	210,748	26,290	97	4,240
Transportation .....	912,621	758,542	146,121	7,957	48,784
Wholesale and Retail .....	1,509,827	1,362,348	137,832	9,646	37,515
Finance and Insurance .....	2,686,759	2,288,759	186,782	211,217	—
Real Estate .....	1,928,299	1,761,115	161,694	5,489	22,090
Various Services .....	1,435,682	1,399,393	30,094	6,193	8,107
Local Public Bodies .....	209,194	147,310	61,884	—	—
Individuals .....	1,849,586	1,849,586	—	—	2,844
Others .....	7,163,302	3,611,246	2,370,829	1,181,227	8,484
Total for Industry Sectors .....	¥ 21,285,345	¥ 15,984,930	¥ 3,863,109	¥ 1,437,305	¥ 139,281
One Year or Shorter .....	6,233,405	5,584,790	532,126	116,488	—
Over One Year to less than Five Years .....	7,303,851	5,449,062	1,283,559	571,229	—
Five Years or Longer .....	7,748,087	4,951,077	2,047,423	749,587	—
Total for All Durations .....	¥ 21,285,345	¥ 15,984,930	¥ 3,863,109	¥ 1,437,305	—

\*1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

\*2 "Others" in the industry sectors include overseas and state public services. Exposures for the duration of over five years include those with no fixed maturities.

## (2) Amount of Specific Loan-Loss Reserves (breakdown by region, industry sector)

At March 31	Millions of Yen
	2007
	Balance
Japan .....	¥ 29,568
Outside Japan .....	—
Total for Regions .....	¥ 29,568
Manufacturing .....	761
Agriculture .....	—
Forestry .....	—
Fishing .....	—
Mining .....	—
Construction .....	304
Energy and Utilities .....	81
Communication .....	62
Transportation .....	13,787
Wholesale and Retail .....	626
Finance and Insurance .....	4
Real Estate .....	2,662
Various Services .....	2,387
Local Public Bodies .....	3,262
Individuals .....	2,525
Others .....	3,102
Total for Industry Sectors .....	¥ 29,568

## (3) Amount of Reserves for Loans to Borrowers in Specific Foreign Countries (breakdown by industry sector)

At March 31	Millions of Yen	
	2007	
	Balance	Change
Manufacturing .....	¥ 64	¥ (27)
Agriculture .....	—	—
Forestry .....	—	—
Fishing .....	—	—
Mining .....	106	42
Construction .....	—	—
Energy and Utilities .....	0	0
Communication .....	—	—
Transportation .....	—	—
Wholesale and Retail .....	17	10
Finance and Insurance .....	513	145
Real Estate .....	—	—
Various Services .....	—	—
Local Public Bodies .....	—	—
Individuals .....	—	—
Others .....	17	0
Total for Industry Sectors .....	¥ 720	¥ 169

## (4) Amount of Write-Offs of Loans (breakdown by industry sector)

Year Ended March 31	Millions of Yen	
	2007	
Manufacturing .....	¥	23
Agriculture .....	—	—
Forestry .....	—	—
Fishing .....	—	—
Mining .....	—	—
Construction .....	—	49
Energy and Utilities .....	—	—
Communication .....	—	4,141
Transportation .....	—	79
Wholesale and Retail .....	—	320
Finance and Insurance .....	—	—
Real Estate .....	—	(1,038)
Various Services .....	—	2,528
Local Public Bodies .....	—	—
Individuals .....	—	366
Others .....	—	(9)
Total for Industry Sectors .....	¥	6,462

(5) Amount of Exposures by Risk-Weight Category

At March 31	Millions of Yen
	2007
Balance of Exposures to which the Standardized Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category .....	¥ 4,177,181
0% .....	345,124
10% .....	809
20% .....	480,432
35% .....	1,091,411
50% .....	51,730
100% .....	2,198,157
150% .....	9,515
Amounts Deducted from Capital under Provisions of Article 8, Paragraph 1, 3 and 6 .....	—
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those in the Category of High-Volatility Commercial Real Estate Lending) .....	¥ 647,589
Strong ..... 70% .....	280,545
Good ..... 90% .....	212,866
Satisfactory ..... 115% .....	140,385
Weak ..... 250% .....	1,139
Default ..... 0% .....	12,651
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those with the Duration of less than Two and a Half Years and those in the Category of High-Volatility Commercial Real Estate Lending) .....	¥ 342,638
Strong ..... 50% .....	140,816
Good ..... 70% .....	146,824
Satisfactory ..... 115% .....	54,739
Weak ..... 250% .....	—
Default ..... 0% .....	258
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (those in the Category of High-Volatility Commercial Real Estate Lending) .....	¥ 63,243
Strong ..... 95% .....	16,386
Good ..... 120% .....	24,873
Satisfactory ..... 140% .....	21,983
Weak ..... 250% .....	—
Default ..... 0% .....	—
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (those with the Duration of less than Two and a Half Years and in the Category of High-Volatility Commercial Real Estate Lending) .....	¥ 68,582
Strong ..... 70% .....	34,705
Good ..... 95% .....	26,386
Satisfactory ..... 140% .....	7,490
Weak ..... 250% .....	—
Default ..... 0% .....	—
Equity Exposures to which the Simplified Method of the Market-Based Approach is Applied .....	¥ 42,133
Listed Stocks ..... 300% .....	29,423
Unlisted Stocks ..... 400% .....	12,709

## Application of the IRB Approach

(1) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On\_EAD), and EAD of Off-balance sheet asset items (Off\_EAD) by debtor category for corporate exposures

At March 31	Millions of Yen				
	2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	46.15%	24.80%	¥ 1,766,587	¥ 791,661
Ratings 5 – 6	1.00%	45.05%	76.51%	4,612,853	1,040,969
Ratings 7 – 8	11.46%	45.00%	197.58%	666,751	92,974
Ratings 8 – 10	100.00%	45.00%	—	111,967	16,536
Total	3.01%	45.36%	71.02%	¥ 7,158,159	¥ 1,942,141

\* Specialized lending and purchased receivables are excluded.

(2) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On\_EAD), and EAD of Off-balance sheet asset items (Off\_EAD) by debtor category for sovereign exposures

At March 31	Millions of Yen				
	2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.42%	¥ 2,588,471	¥ 55,146
Ratings 5 – 6	1.14%	45.00%	90.29%	30,224	1,743
Ratings 7 – 8	15.15%	45.00%	233.17%	7,453	1
Ratings 8 – 10	—	—	—	—	—
Total	0.07%	45.00%	11.00%	¥ 2,626,149	¥ 56,891

\* Specialized lending and purchased receivables are excluded.

(3) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On\_EAD), and EAD of Off-balance sheet asset items (Off\_EAD) by debtor category for bank exposures

At March 31	Millions of Yen				
	2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	45.49%	16.98%	¥ 833,621	¥ 657,150
Ratings 5 – 6	0.58%	47.14%	53.44%	51,851	31,010
Ratings 7 – 8	—	—	—	—	—
Ratings 8 – 10	—	—	—	—	—
Total	0.07%	45.58%	18.90%	¥ 885,473	¥ 688,160

\* Specialized lending and purchased receivables are excluded.

(4) The Probability of Default (PD), weighted average of Risk Weights (RW) and balance of equity exposures to which the PD/LGD approach is applied by obligor category

At March 31	Millions of Yen		
	2007		
	PD	RW	Balance
Ratings 1 – 4	0.06%	109.13%	¥ 35,696
Ratings 5 – 6	0.67%	197.63%	93,003
Ratings 7 – 8	14.68%	524.97%	77
Ratings 8 – 10	100.00%	—	99
Total	0.59%	173.16%	¥ 128,876

## Credit Risk Mitigation

Consolidated

### Exposures to which Credit Risk Mitigation Measures are Applied

At March 31	Millions of Yen	
	2007	
	Qualifying Financial Assets Collateral	Credit Derivatives
Portfolios to which the Standardized Approach is Applied .....	¥ 57,046	¥ —
Portfolios to which the IRB Approach is Applied .....	998,123	40,000
Corporate Exposures .....	175,684	40,000
Sovereign Exposures .....	32,889	—
Bank Exposures .....	789,549	—

## Derivative Products

Consolidated

### Derivative Products

At March 31	Millions of Yen
	2007
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero) .....	¥ 647,698
Aggregate Sum of Gross Add-On Amounts .....	789,606
Credit Equivalents (Gross) .....	¥ 1,437,305

\* Credit equivalents are calculated with the current exposure formula.

At March 31	Millions of Yen
	2007
Foreign Exchange Related .....	¥ 238,448
Interest Rate Related .....	1,198,748
Gold Related .....	—
Equity Related .....	—
Precious Metals (Excluding Gold) Related .....	—
Other Commodities Related .....	—
Credit Derivatives .....	108
Total .....	¥ 1,437,305
Effect of Mitigating Credit Equivalents due to Close-out Netting Contracts (Deduction) .....	(680,134)
Total .....	¥ 757,170
Effect of Mitigation by Collateral under the Credit Risk Mitigation Measures (Deduction) .....	—
Total .....	¥ 757,170

At March 31	Millions of Yen	
	2007	
	Provision of Protection	Purchase of Protection
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents		
Credit Default Swaps .....	¥ 81,000	¥ 40,000
Total Return Swaps .....	—	—
First-to-Default Credit Derivatives .....	—	—
Second-to-Default Credit Derivatives .....	—	—

At March 31	Millions of Yen
	2007
Notional Principal Amounts used to Allow for the Effect of Credit Risk Mitigation Measures .....	¥ 40,000

## Securitization Exposures (Originator)

Consolidated

## (1) Outline of Securitizations during fiscal year 2006, Type and Status of Underlying Assets

We conducted the following single securitization transaction as an originator during fiscal year 2006.

Date of Securitization:	December 2006
Type of Underlying Assets:	Commercial real estate-secured loan (real estate non-recourse loan)
Aggregate Sum of Underlying Assets:	¥20,000 million (at the time of securitization), ¥17,221 million (as of the end of March 2007)
Type of Transaction:	Asset transfer-type securitization transaction
Rating Agency:	Moody's Investors Service, Inc.
Initial Issue Amount:	Class A ¥11,900 million (Aaa), Class B ¥5,000 million (Aa2) Class C ¥2,600 million (A2), Class D ¥500 million (A3)
Date of Redemption:	October 2013

We hold part of the exposures related to this securitization transaction, and quantitative data in (2)-(9) below include data related to this securitization transaction.

## (2) Amounts of Securitization Exposures Held and Breakdown of Underlying Assets by Type

At March 31	Millions of Yen			
	2007			
	Exposure Amount	Aggregate Sum of Underlying Assets		
Asset Transfer-Type Securitization		Synthetic Securitization		
Housing Loans	¥ —	¥ —	¥ —	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	10,201	29,041	29,041	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
<b>Total</b>	<b>¥ 10,201</b>	<b>¥ 29,041</b>	<b>¥ 29,041</b>	<b>¥ —</b>

## (3) Cumulative Total for Fiscal Year 2006 of Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for Fiscal Year 2006, and their Breakdowns by Type of Underlying Assets.

Not applicable

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

At March 31	Millions of Yen	
	2007	
	Balance	Required Capital
Risk-Weight Category (IRB Approach) .....	¥ 10,201	¥ 810
20% or less .....	1,335	22
over 20% and 100% or less .....	—	—
over 100% and less than 1250% .....	8,866	788
Capital Deduction .....	—	—
Risk-Weight Category (Standardized Approach) .....	—	—
20% or less .....	—	—
over 20% and 100% or less .....	—	—
over 100% and less than 1250% .....	—	—
Capital Deduction .....	—	—
<b>Total .....</b>	<b>¥ 10,201</b>	<b>¥ 810</b>

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Underlying Assets

Not applicable

(6) Amount of Securitization Exposures by Type of Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

Not applicable

(7) Items by Type of Underlying Assets of Securitization Exposures with Early Redemption Clauses

Not applicable

(8) Amounts of Losses/Gains on Sale in Association with Securitization Transactions Recognized during fiscal year 2006 and Breakdown by Type of Principal Underlying Assets

Not applicable

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

## Securitization Exposures (Investor)

Consolidated

## (1) Amount of Securitization Exposures Held and Breakdown by Type of Principal Underlying Assets

	Millions of Yen	
	2007	
At March 31	Exposure	
Housing Loans	¥	609,005
Credit Card Loans, Consumer Loans		276,624
Auto Loans, Other Loans to Individuals		44,875
Commercial Real Estate-Secured Loans		109,384
Loans and Bonds to Corporates		543,016
Claims on Lease Payments		162,799
Accounts Receivable, Other Claims on Corporates		6,205
Total	¥	1,751,911

## (2) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	2007	
At March 31	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 821,406	¥ 63,900
20% or less	650,917	5,441
over 20% and 100% or less	105,025	5,527
over 100% and less than 1250%	24,230	11,698
Capital Deduction	41,233	41,233
Risk-Weight Category (Standardized Approach)	930,505	24,713
20% or less	736,829	11,789
over 20% and 100% or less	193,675	12,924
over 100% and less than 1250%	—	—
Capital Deduction	—	—
Total	¥ 1,751,911	¥ 88,614

## (3) Amount of Securitization Exposures by Type of Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

	Millions of Yen	
	2007	
At March 31		
Housing Loans	¥	—
Credit Card Loans, Consumer Loans		—
Auto Loans, Other Loans to Individuals		—
Commercial Real Estate-Secured Loans		—
Loans and Bonds to Corporates		41,233
Claims on Lease Payments		—
Accounts Receivable, Other Claims on Corporates		—
Total	¥	41,233

## (4) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

## Capital Subscriptions or Equity Exposures in the Banking Account

Consolidated

	Millions of Yen	
	2007	
At March 31	Book Value	Market Value
Book Values and Market Values with respect to Items Listed Below		
Listed Equity Exposures .....	¥ 989,188	¥ 989,188
Unlisted Equity Exposures .....	83,483	83,483
Stocks Held in Subsidiaries and Affiliated Companies .....	27,763	27,763
Amounts of Losses/Gains on Sale and Write-Offs of Capital Subscriptions or Equity Exposures .....		4,814
Amounts of Unrealized Losses/Gains Recognized in		
the Balance Sheet and not Recognized in the Income Statement .....	507,273	
Amounts by Portfolio Category .....	1,077,285	
Outstanding Shares Held .....	906,275	
Portfolios Adopting the Market-Based Approach .....	42,133	
Portfolios Adopting the PD/LGD Approach .....	128,876	

\* Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

## Amounts Held in Funds

Consolidated

	Millions of Yen
	2007
At March 31	
Aggregate Sum of Exposures Held in Funds .....	¥ 503,842
Look-through Formula .....	242,418
Simple Majority Formula .....	66,780
Investment Criteria Formula .....	103,826
Internal Models Approach .....	0
Probability Approach .....	78,152
Others .....	12,665

\* Exposures subject to the calculation of credit risk-weighted assets are shown.