

Shift from “Market-based Loans” to “Bilateral Corporate Loans”

For several years, we made efforts to shift to market-based loans in order to limit the credit concentration risk and improve earnings. However, in fiscal year 2008, we reduced market-based loans both in Japan and abroad by around 500 billion yen in light of the turmoil in the global financial markets while increasing bilateral loans to Japanese companies by around 580 billion yen in response to their growing demand for loans. As of the end of March 2009, the balance of our credit portfolio stood at 13.5 trillion yen, up around 140 billion yen year-on-year.

In addition, we reallocated bilateral loans to Japanese companies by increasing loans to manufacturers by around 480 billion yen while reducing loans to nonbanks by around 210 billion yen. Although we are continuing with our efforts to reduce credit concentration risk, the reallocation of loans has enabled us to make steady progress in improving earnings while lowering credit risk involved in the credit portfolio.

• Balance of Credit Portfolio (non-consolidated)

| As of March 31 | Trillions of Yen | | | Major factors of change |
|---|------------------|-------|--------|--|
| | 2008 | 2009 | Change | |
| Credit Portfolio | 13.35 | 13.50 | 0.14 | Loans +0.69, Securities -0.54 |
| Individual Loans | 2.00 | 2.04 | 0.04 | Securitization -0.05 |
| {before securitization} | 2.00 | 2.09 | 0.09 | Housing loan {before securitization} +0.13 (1.31→1.44) |
| Market-based Loans (international) | 1.33 | 1.01 | (0.31) | Asset-backed securities -0.27 (0.66→0.39) (*) |
| Market-based Loans (domestic; exc. Real estate NRL) | 0.84 | 0.65 | (0.19) | |
| Real estate NRL | 1.15 | 1.23 | 0.08 | |
| STB Group Companies | 0.60 | 0.55 | (0.04) | First Credit -0.03 (0.14→0.11) |
| Corporate Loans (Japanese) | 7.40 | 7.99 | 0.58 | Manufacturing +0.48 (1.36 →1.84) |
| {Japanese Companies Operated in Overseas} | 0.49 | 0.53 | 0.04 | Real estate +0.05 (0.57→0.62) |
| | | | | Nonbank financial -0.21 (2.06→1.84) |

(*) Out of the decrease in asset-backed securities by -0.27 trillion yen, -0.09 trillion yen is the decrease of cost resulting from the reclassification to Held-to-maturity debt securities.

Status of Overseas Credit Investment

In fiscal year 2008, the balance of overseas assets decreased significantly as we recognized impairment losses for overseas credit-related assets as in the previous year, and also because of redemptions and sales of such assets. As shown in the table on the next page, impairment losses regarding overseas asset-backed securities totaled 57.4 billion yen and the balance of overseas asset-backed securities stood at 487.2 billion yen (on an acquisition cost basis), down 176.6 billion yen year-on-year. Of the overseas asset-backed securities, those which we

assigned high credit ratings and which we judged to have a high probability of being redeemed (worth 396.4 billion yen on an acquisition cost basis) were reclassified as “held-to-maturity” securities. The acquisition cost of these securities after reclassification is valued at 300.9 billion yen, which is equivalent to their fair value at the time of reclassification.

The balance of asset-backed securities classified as “available-for-sale securities” was reduced to 90.7 billion yen and the amount of valuation losses came to only 12.9 billion yen.

• Status of Securities with Fair Value (before reclassification)

| | Billions of Yen | | | | FY2008 impairment |
|---|----------------------------|---------|----------------------------|--------|----------------------|
| | Cost (after impairment) | | Valuation difference | | |
| | Change from March 31, 2008 | | Change from March 31, 2008 | | |
| Asset-backed Securities | 487.2 | (176.6) | (111.3) | (54.8) | (57.4) |
| {Effect of Theoretical Price} | 2.1 | — | 26.2 | — | (2.1) |
| Securities Backed by Non-securitized assets | 482.2 | (158.1) | (110.8) | (55.5) | (41.7) |
| Securities Backed by Securitized Assets | 3.0 | (7.4) | (0.4) | 0.6 | (2.9) |
| Equity Type Securities | 1.9 | (11.0) | (0.1) | 0.0 | (12.7) |
| Corporate Bonds | 287.5 | (68.2) | (26.8) | (17.7) | (2.8) |
| Securities with Fair Value | 774.7 | (244.9) | (138.2) | (72.6) | (60.3) |

• Held-to-maturity Debt Securities (after reclassification)

| | Billions of Yen | | | | % |
|---------------------------------------|-----------------------------------|--------|--|--------|--------|
| | Cost (after reclassification) (*) | | Unrealized gains/losses (after reclassification) (*) | | |
| | North America | Europe | | | |
| Asset-backed securities | 300.9 | 149.8 | 151.1 | (2.9) | (1.0%) |
| RMBS exc. Subprime related RMBS | 107.6 | — | 107.6 | 5.6 | 5.2% |
| CARDS | 53.2 | 47.2 | 6.0 | 4.2 | 8.1% |
| CLO (Corporate loans) | 136.1 | 98.7 | 37.4 | (12.6) | (9.3%) |
| Other ABSs | 3.8 | 3.8 | — | (0.1) | (4.7%) |

(*) Cost (after reclassification) represents mark-to-market value at the time of reclassification. Unrealized gains/losses (after reclassification) is a difference between cost (after reclassification) and market value as of March 2009.

• Available-for-sale Securities (after reclassification)

| | Billions of Yen | | | | % |
|--|-------------------------------|--------|----------------------|--------|---------|
| | Cost (after reclassification) | | Valuation difference | | |
| | North America | Europe | | | |
| Asset-backed securities | 90.7 | 24.2 | 64.0 | (12.9) | (14.3%) |
| RMBS exc. Subprime related RMBS | 24.7 | 0.9 | 22.3 | (2.4) | (10.1%) |
| CMBS | 23.5 | 0.2 | 23.3 | (5.8) | (24.7%) |
| CARDS | 5.5 | 5.5 | — | (0.6) | (11.2%) |
| CLO | 0.0 | 0.0 | — | — | —% |
| Other ABSs | 18.4 | 5.6 | 11.8 | (2.0) | (11.0%) |
| Subprime related RMBS | 4.7 | 4.7 | — | (0.6) | (12.9%) |
| CDO mezzanine | 3.4 | 3.0 | 0.4 | — | —% |
| Synthetic CDO | 5.2 | 0.1 | 5.1 | (0.8) | (16.2%) |
| ABS-CDO | 3.0 | 2.7 | 0.3 | (0.4) | (14.3%) |
| CLO equities | 1.3 | 0.6 | 0.6 | — | —% |
| SIV Capital notes | 0.5 | 0.5 | — | (0.1) | (18.6%) |
| Corporate bonds | 287.5 | 22.9 | 116.2 | (26.8) | (9.3%) |
| Bonds issued by financial institutions | 77.0 | 11.1 | 36.7 | (14.2) | (18.5%) |
| Securities with fair value | 378.2 | 47.2 | 180.2 | (39.7) | (10.5%) |

• Corporate Loans (non-Japanese)

| | Billions of Yen | | | |
|---------------------------|------------------|--------|------|-------------------------------|
| | Balance | | | Change from March 31, 2008 |
| | North America | Europe | | |
| Corporate Loans (*) | 312.7 | 159.1 | 62.2 | (20.5) |

(*) There are no subprime related loans.

• Securities with No Available Fair Value

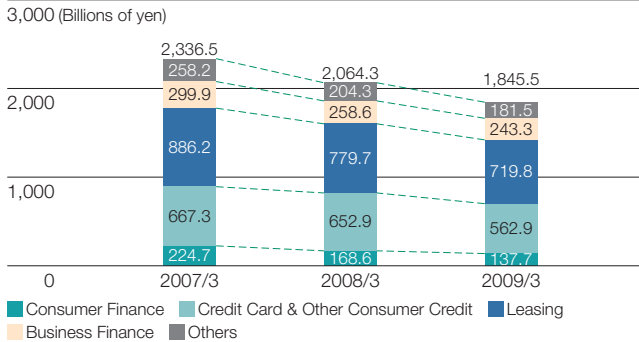
| | Billions of Yen | |
|---|-----------------|-------------------------------|
| | Balance | |
| | | Change from March 31, 2008 |
| Securities with No Available Fair Value ... | 27.8 | (6.8) |

Status of Loans to Nonbank Financial Industry

As of the end of March 2009, the balance of loans to nonbank financial industry stood at around 1.85 trillion yen, down around 210 billion yen year-on-year. As a result of our consistent efforts to reduce loans to nonbanks, the balance decreased by around 500 billion yen over the past two years. Around 68% of the nonbanks to which we provided loans

belong to major corporate groups in the financial, manufacturing and ordinary industries, and 32% are categorized as nonbanks which are independent. The parent companies of around 90% nonbanks have a credit rating of 5, which is equivalent to “BBB” of credit rating agency, or higher.

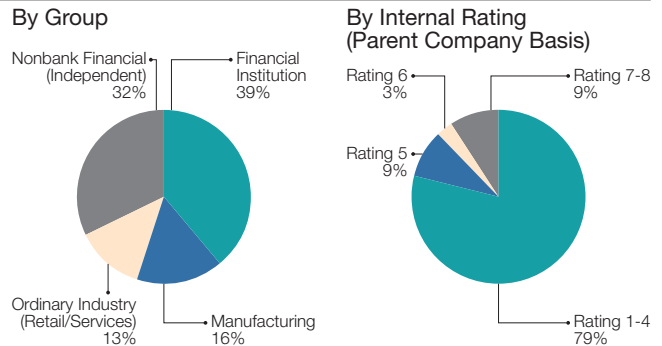
• Outstanding Loans to the Nonbank Financial Industry



* Managerial reporting basis: Loans to subsidiaries and SPC for securitization purpose are excluded.

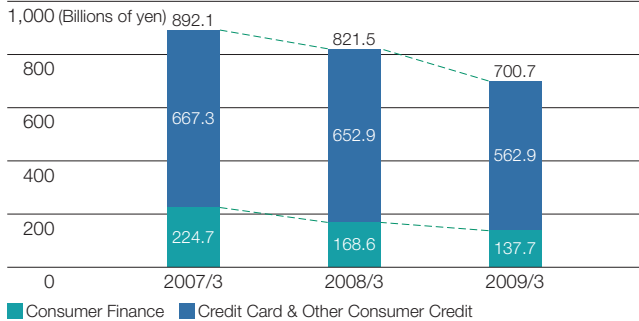
Against the background of a contracting market, the balance of loans provided to consumer finance, credit card and other consumer credit nonbanks decreased to 700.7 billion yen as of the end of March 2009, down 120.8 billion yen year-on-year. Of all such nonbanks, 70% belong to major cor-

• Characteristics of Borrowers in the Nonbank Financial Industry as of March 31, 2009



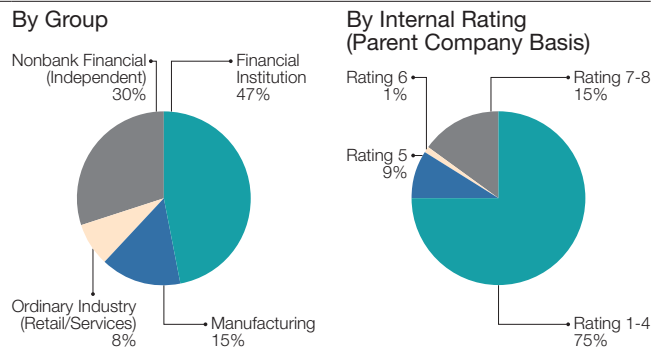
porate groups in the financial, manufacturing and ordinary industries. The parent companies of around 84% nonbanks have a credit rating of 5, which is equivalent to “BBB” of credit rating agency, or higher.

• Outstanding Loans to the Consumer Finance Sector



* Managerial reporting basis
Note: Loans disbursed at overseas branches are included in this presentation.

• Characteristics of Borrowers in the Consumer Finance Sector as of March 31, 2009

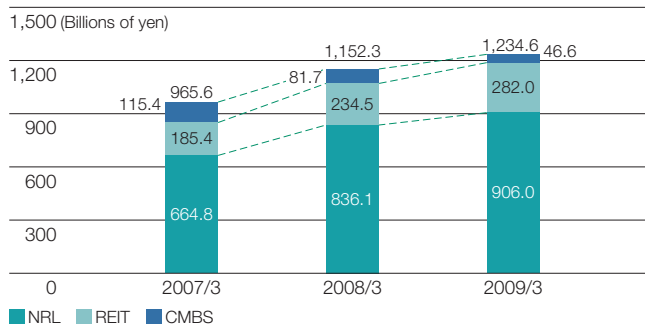


Status of Real Estate-related Loans

As of the end of March 2009, the balance of broadly-defined real estate non-recourse loans, including loans for REITs and investments in CMBS in addition to real estate non-recourse loans, stood at around 1.23 trillion yen, up

around 80 billion yen year-on-year. On the other hand, the balance of real-estate related corporate loans stood at 623.7 billion yen, up around 50 billion yen year-on-year.

Real Estate NRL Balance



* No Mezzanine Loans

Real Estate-related Corporate Loans Balance

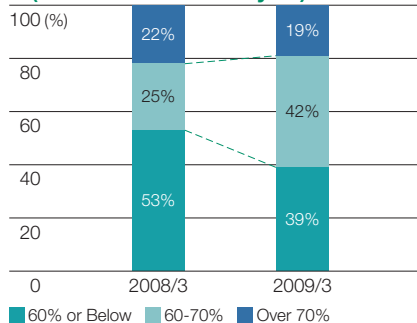


Although the assessed value of properties decreased as a result of land price drops, we have maintained the soundness of the portfolio in terms of the LTV (loan-to-value) ratio through early refinance and credit enhancements provided by sponsors.

whose LTV ratio is above 50%, the sponsors of around 60% borrowers have a credit rating of 5 or higher, meaning that their credit risk is limited. Credit risk is also limited with regard to loans to corporations, as more than 60% of the borrowers of such loans have a credit rating of 5, which is equivalent to “BBB” of credit rating agency, or higher, and most of them belong to major corporate groups.

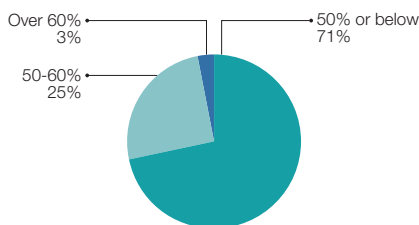
Moreover, as the LTV ratios of loans for REITs are low, these loans are sufficiently resilient to a drop in the assessed value of properties. In addition, with regard to borrowers

Characteristics of Real Estate NRL (Excluding REIT and CMBS as of March 31, 2009) (Total 906.0 billion yen) <LTV>



LTV levels remain sound as approximately 80% have LTV of 70% or lower, while property values declined. Approximately 50% of real estate NRL that have LTV of over 70% have sponsors with credit rating of 5 or higher.

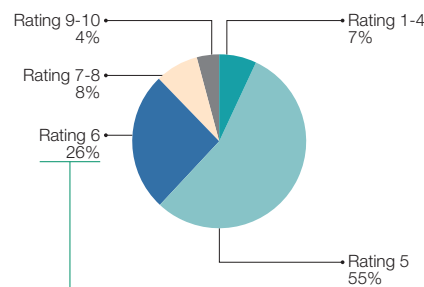
LTV* (as of March 31, 2009) (Total 282.0 billion yen)



LTV level is low as to REIT, and approximately 60% of loans to REIT that have LTV of over 50% have sponsors with credit rating of 5 or higher.

* Calculated from each REIT's financial data

Rating Breakdown of Loans to Corporate Loans (as of March 31, 2009) (Total amount: 623.7 billion yen)



Rating 6
 -Balance: approximately 160.0 billion yen
 -Loans to companies that have parent companies with credit rating of 5 or higher: approximately 75.0 billion yen
 -Approximately 50% of the remaining loans of 85.0 billion yen are covered by collaterals