

# Capital Position [Disclosure under Basel II Pillar III]

## Items for Quantitative Disclosure Related to Capital Adequacy Condition (Basel II Pillar III)

Capital adequacy conditions of the Bank in line with Basel II are described on the following pages.

### Capital

Contents of principal capital items are described as follows.

| Items                                   | Content of principal quantitative disclosure   | Consolidated disclosure (Page)  | Non-consolidated disclosure (Page) |         |
|---|--|---|------------------------------------|---------|
| Items related to composition of capital | Capital adequacy ratio<br>Explanation of computation of capital adequacy ratio   | Detailed components of Tier I capital and Tier II<br>Scope of consolidation | 41<br>42                           | 63<br>— |
| Items relating to capital adequacy      | For the purpose of capital adequacy assessment, the contents of the capital adequacy ratio (being above the regulatory minimum of 8%), total amounts of regulatory required capital and details of principal exposure (credit risk exposure, market risk, operational risk, etc.) are disclosed by item. | 43  | 65                                 |         |

### Risk Exposures

This section describes detailed amounts of the Bank's various risks and exposures (including credit risk exposure, securitization exposure, market risk, equity exposure, risk-weighted asset calculation for investment fund and interest rate risk), which form the basis for the computation of the capital adequacy ratio. This section also describes credit risk mitigation and others that affect the risk profiles.

| Items  | Content of principal quantitative disclosure   | Consolidated disclosure (Page)   | Non-consolidated disclosure (Page) |    |
|--|--|--|------------------------------------|----|
| Credit risk exposure   | Credit risk exposure (excluding securitization exposure and risk-weighted asset calculation for investment fund), details on the reserve for possible loan losses by region and industry | 45   | 67                                 |    |
|  | Corporate, sovereign, and bank exposure  | Details on PD, LGD, RW and EAD for corporate, sovereign, bank, and equity subject to the PD/LGD approach | 48                                 | 70 |
|  | Retail exposure  | Details on PD, LGD, RW and EAD   | 49                                 | 71 |
|  | Actual losses, etc.,   |  |                                    |    |
| Items related to credit risk   | Exposure subject to Internal corporate, sovereign, bank and retail   | Actual losses, estimated losses depend on historical long-term results, comparison with actual losses    | 52                                 | 73 |
|  | Ratings-Based Approach (IRB)   | Exposure to Specialized Lending subject to supervisory slotting criteria                                 | 53                                 | 74 |
|  | Equity exposure subject to the simple risk-weighted method   | Amount of exposure by RW   | 53                                 | 75 |
|  | Exposure subject to Standardized Approach  | Amount of exposure by RW   | 54                                 | 75 |
| Items with respect to credit risk mitigation   | Coverage/application of collateral, guarantees, etc.   | 55   | 76                                 |    |
| Items related to counterparty risk in derivative transactions                            | Derivative transaction activity  | 56   | 77                                 |    |
| Items related to securitization exposure   | Details on securitization exposure   | 57   | 78                                 |    |
| Items related to market risk   | VaR and amount of market risk in trading account   | 58   | 79                                 |    |
| Items related to equity exposure   | Details of equity exposure those directly held   | 59   | 80                                 |    |
| Items related to exposure subject to risk-weighted asset calculation for investment fund | Risk-weighted assets for investment funds  | 61   | 82                                 |    |
| Items related to interest rate risk  | Interest rate risk for internal management purposes  | 62   | 83                                 |    |

# 1. Capital Structure (Consolidated)

## (1) CAPITAL ADEQUACY RATIO (CONSOLIDATED)

For the six months ended September 30, 2007

### Consolidated Capital Adequacy Ratio (Basel capital adequacy standards) (Basel II)

Note: The Bank's capital adequacy ratio for the six months ended September 30, 2007, was computed according to Basel II.

| Items  |                 | Millions of yen   | Millions of U.S. dollars (Note 7) |
|--|-----------------|-------------------|-----------------------------------|
| Capital stock  | (1)             | <b>1,484,017</b>  | <b>12,859</b>                     |
| Including non-cumulative, perpetual preferred stock  |                 | <b>24,999</b>     | <b>216</b>                        |
| Deposit for subscription to preferred stock  | (2)             | —                 | —                                 |
| Capital surplus  | (3)             | <b>25,020</b>     | <b>216</b>                        |
| Earned surplus   | (4)             | <b>1,320,882</b>  | <b>11,446</b>                     |
| Minority interest of consolidated subsidiaries   | (5)             | <b>5,957</b>      | <b>51</b>                         |
| Including preferred securities issued by overseas special-purpose corporations   |                 | —                 | —                                 |
| Tier I capital   |                 |                   |                                   |
| Tier I capital not corresponding to the preceding items (1) to (5)   |                 | <b>(2)</b>        | <b>(0)</b>                        |
| Unrealized loss on other securities  | (6)             | —                 | —                                 |
| Items excluded from Tier I capital under Article 5-1-1 through Article 5-1-5 of the Notification Regarding Capital Adequacy          | (7)             | —                 | —                                 |
| Items excluded from Tier I capital under Article 5-1-6 of the Notification Regarding Capital Adequacy                                | (8)             | <b>81,614</b>     | <b>707</b>                        |
| Subtotal   | (A)             | <b>2,754,260</b>  | <b>23,867</b>                     |
| Including preferred securities with interest rate step-up clause (Ratio of the value of such preferred securities to Tier I capital) |                 | —                 | —                                 |
| 45% of unrealized gains on other securities*1  |                 | <b>848,804</b>    | <b>7,355</b>                      |
| 45% of unrealized gains on land*2  |                 | <b>24,653</b>     | <b>213</b>                        |
| General reserve for possible loan losses   |                 | <b>287</b>        | <b>2</b>                          |
| Qualifying subordinated debt   |                 | <b>1,466,520</b>  | <b>12,708</b>                     |
| Tier II capital  |                 |                   |                                   |
| Including perpetual subordinated bonds and loans   |                 | <b>579,900</b>    | <b>5,025</b>                      |
| Including dated subordinated bonds, loans, and preferred stock   |                 | <b>886,620</b>    | <b>7,683</b>                      |
| Subtotal   |                 | <b>2,340,266</b>  | <b>20,279</b>                     |
| Tier II capital included as qualifying capital   | (B)             | <b>2,340,266</b>  | <b>20,279</b>                     |
| Tier III capital   |                 |                   |                                   |
| Short-term subordinated debt   |                 | —                 | —                                 |
| Including amount added to capital  | (C)             | —                 | —                                 |
| Deductions   | (D)             | <b>373,457</b>    | <b>3,236</b>                      |
| Total capital  | (A)+(B)+(C)-(D) | <b>4,721,070</b>  | <b>40,910</b>                     |
| Risk-weighted assets for credit risk   | (F)             | <b>33,352,096</b> | <b>289,012</b>                    |
| Including on-balance sheet   |                 | <b>30,958,647</b> | <b>268,272</b>                    |
| Including off-balance sheet  |                 | <b>2,393,448</b>  | <b>20,740</b>                     |
| Risk-weighted assets   |                 |                   |                                   |
| Assets equivalent to market risk   | (G)             | <b>3,292,086</b>  | <b>28,527</b>                     |
| (For reference: actual market risk volume)   | (H)             | <b>263,366</b>    | <b>2,282</b>                      |
| Amount corresponding to operational risk (J)/8%  | (I)             | <b>954,137</b>    | <b>8,268</b>                      |
| (For reference: amount corresponding to operational risk)  | (J)             | <b>76,330</b>     | <b>661</b>                        |
| Total risk-weighted assets (F)+(G)+(I)   | (K)             | <b>37,598,319</b> | <b>325,808</b>                    |
| Basel II capital adequacy ratio  |                 |                   |                                   |
| (Basel capital adequacy standards) = (E)/(K) x 100%  |                 | <b>12.55%</b>     | <b>12.55%</b>                     |

- Notes:**
1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.
  2. According to the provisions of the Notification Regarding Capital Adequacy, Article 5-1-1 through Article 5-1-5, the items deducted from Tier I capital were as follows:  
The amount corresponding to operating rights (Notification Regarding Capital Adequacy, Article 5-1-1), the amount corresponding to the consolidated adjustment account (Notification Regarding Capital Adequacy, Article 5-1-2), intangible assets recorded as a result of business combinations or additional purchases of the stock of subsidiaries (Notification Regarding Capital Adequacy, Article 5-1-6), the amount corresponding to goodwill (Notification Regarding Capital Adequacy, Article 5-1-4), and the amount corresponding to the increase in capital due to securitization transactions (Notification Regarding Capital Adequacy, Article 5-1-5).
  3. Amounts deducted from Tier I capital under the provisions of the Notification Regarding Capital Adequacy, Article 5-1-6, were as follows: 50% of the excess of the value corresponding to expected losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves.
  4. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to a Standardized Approach in terms of risk-weighted assets for credit risk.
  5. Deductions are the total of the following: (1) the total amount of the value corresponding to deliberate holdings of instruments for raising capital issued by other financial institutions, (2) holdings of instruments issued for raising capital, issued by affiliated corporations conducting financial service businesses, (3) 50% of the expected value of losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (4) expected losses on equity exposure, and (5) securitization exposure subject to deduction from capital. (Notification Regarding Capital Adequacy, Article 8)
  6. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the value of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.
  7. U.S. dollars have been converted at the rate of ¥115.40 to U.S.\$1, the effective rate of exchange at September 30, 2007.

## **(2) EXPLANATION OF COMPUTATION OF THE CONSOLIDATED CAPITAL ADEQUACY RATIO**

### **Names of Companies with Less than the Regulatory Required Capital and the Amounts**

Among those companies that are subject to capital deduction as provided for in the Notification Regarding Capital Adequacy, Article 8-1-2 a and b, the name of those companies whose capital is below the regulatory required capital and the overall shortfall in capital.

None of the Bank's Group companies fall under this category.

## 2. Items for Capital Adequacy (Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

### Consolidated Capital Adequacy Ratio and Ratio of Tier I Capital (Consolidated) Explanation

As of September 30, 2007, the Bank's consolidated capital adequacy ratio was 12.55%, above the minimum capital adequacy ratio of 8% required under Basel capital adequacy standards.

| Items   | As of September 30, 2007 |
|---|--------------------------|
| Consolidated capital adequacy ratio                   | <b>12.55%</b>            |
| Consolidated capital adequacy ratio of Tier I capital | <b>7.32%</b>             |

**Note:** The "Consolidated capital adequacy ratio of Tier I capital" is the ratio of Tier I capital to the denominator of the consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 2.

### Total Consolidated Regulatory Required Capital

(Billions of yen)

| Item   | As of September 30, 2007 |
|--|--------------------------|
| Total consolidated regulatory required capital | <b>3,007.8</b>           |

**Note:** "Total consolidated regulatory required capital" is 8% of the denominator of the consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 2.

### Regulatory Required Capital for Credit Risk

(Excludes equity exposures to which the Bank applies Internal Ratings-Based Approach and Risk-weighted asset calculation for investment fund)

(Billions of yen)

| Items   | As of September 30, 2007 |
|---|--------------------------|
| Amount of regulatory required capital for credit risk               | <b>726.5</b>             |
| Including exposure subject to Internal Ratings-Based Approach       | <b>710.0</b>             |
| Corporate exposure  | <b>467.4</b>             |
| Sovereign exposure  | <b>0.3</b>               |
| Bank exposure   | <b>125.2</b>             |
| Retail exposure secured by residential properties                   | <b>—</b>                 |
| Qualifying revolving retail exposure                                | <b>—</b>                 |
| Other retail exposure   | <b>0.7</b>               |
| Securitization exposure   | <b>116.2</b>             |
| Exposure subject to Standardized Approach                           | <b>16.5</b>              |
| Assets subject to Standardized Approach on a non-consolidated basis | <b>0.6</b>               |
| Assets subject to Standardized Approach in consolidated companies   | <b>15.8</b>              |

**Notes:** 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital

2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

## Regulatory Required Capital for Credit Risk of Equity Exposure Subject to the Internal Ratings-Based Approach

(Billions of yen)

| Items  | As of September 30, 2007 |
|--|--------------------------|
| Equity portfolios subject to the market-based approach   | <b>98.9</b>              |
| Equity portfolios subject to simple risk-weighted method   | <b>28.0</b>              |
| Equities under the internal models approach  | <b>70.8</b>              |
| Equity portfolios subject to PD/LGD approaches   | <b>9.3</b>               |
| Equity portfolios subject to the provisions of Notification Regarding Capital Adequacy, Article 13 | <b>53.4</b>              |
| <b>Total</b>   | <b>161.6</b>             |

**Notes:** 1. Regulatory required capital for credit risk = 8% of risk-weighted assets + Expected losses + Deductions from capital  
 2. Article 13 of the Notification Regarding Capital Adequacy contains a transitional method for computing the amount of risk assets related to equity exposures that meet specified criteria.

## Regulatory Required Capital for Credit Risk of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

| Items   | As of September 30, 2007 |
|---|--------------------------|
| Exposure subject to risk-weighted asset calculation for investment fund | <b>2,166.4</b>           |

**Notes:** 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital  
 2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

## Regulatory Required Capital for Market Risk

(Billions of yen)

| Items   | As of September 30, 2007 |
|---|--------------------------|
| Standardized Approach: Interest rate risk category    | <b>0.0</b>               |
| Standardized Approach: Equity risk category           | —                        |
| Standardized Approach: Foreign exchange risk category | <b>262.7</b>             |
| Standardized Approach: Commodity risk category        | —                        |
| Standardized Approach: Option transactions            | —                        |
| Standardized Approach total                           | <b>262.7</b>             |
| Internal models Approach                              | <b>0.5</b>               |
| Regulatory required capital for market risk           | <b>263.3</b>             |

## Regulatory Required Capital for Operational Risk

(Billions of yen)

| Item                            | As of September 30, 2007 |
|---------------------------------|--------------------------|
| The Standardized Approach (TSA) | <b>76.3</b>              |

**Note:** Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk. (Notification Regarding Capital Adequacy, Article 282)

### 3. Items for Credit Risk (Consolidated)

(Risk-weighted asset calculation for investment fund and securitization exposures are excluded.)

#### (1) CREDIT RISK EXPOSURE

For the six months ended September 30, 2007

#### Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

| Region                                       | Loans,<br>commitments,<br>off-balance<br>sheet<br>exposure | Securities      | Derivatives  | Others          | Total<br>credit risk<br>exposure | Default<br>exposure |
|--|--|-----------------|--------------|-----------------|----------------------------------|---------------------|
| Japan  | 15,622.8   | 10,985.1        | 33.0         | 4,109.0         | 30,750.1                         | 224.1               |
| Asia except Japan                            | 67.7   | 23.5            | 2.6          | 1,079.1         | 1,172.9                          | —                   |
| Europe                                       | 122.3  | 3,534.7         | 163.4        | 5,045.1         | 8,865.6                          | —                   |
| The Americas                                 | 302.4  | 7,427.6         | 58.3         | 3,077.8         | 10,866.2                         | —                   |
| Other areas                                  | 40.3   | 13.2            | 3.1          | 0.2             | 57.0                             | —                   |
| Amounts held by<br>consolidated subsidiaries | 325.3  | 19.0            | 0.0          | 43.2            | 387.7                            | 14.0                |
| <b>Total</b>                                 | <b>16,481.0</b>  | <b>22,003.4</b> | <b>260.6</b> | <b>13,354.6</b> | <b>52,099.8</b>                  | <b>238.2</b>        |

#### Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

| Industry  | Loans,<br>commitments,<br>off-balance<br>sheet<br>exposure | Securities      | Derivatives  | Others          | Total<br>credit risk<br>exposure | Default<br>exposure | Write-off of<br>loans<br>(amounts of<br>partial direct<br>write-off) |
|---|--|-----------------|--------------|-----------------|----------------------------------|---------------------|--|
| Food products                                     | 605.3  | 146.4           | 0.2          | 0.0             | 752.0                            | 10.0                | —  |
| Pulp and paper                                    | 219.8  | 45.8            | 0.1          | 0.0             | 265.8                            | 4.8                 | —  |
| Chemicals   | 541.0  | 174.7           | 0.1          | 0.0             | 716.0                            | 11.7                | —  |
| Other manufacturing                               | 1,047.3  | 188.2           | 1.1          | 0.0             | 1,236.8                          | 7.0                 | 2.6  |
| <b>Total for manufacturing</b>                    | <b>2,413.6</b>   | <b>555.3</b>    | <b>1.6</b>   | <b>0.1</b>      | <b>2,970.7</b>                   | <b>33.6</b>         | <b>2.6</b>   |
| Agriculture, forestry and fishing                 | 119.5  | 0.1             | —            | 0.0             | 119.7                            | 37.3                | 0.0  |
| Construction                                      | 180.8  | 15.2            | 0.0          | 0.0             | 196.0                            | 0.9                 | —  |
| Utility   | 158.8  | 62.5            | 0.0          | 0.0             | 221.4                            | —                   | —  |
| Information/telecommunications,<br>transportation | 805.3  | 162.5           | 2.0          | 0.0             | 970.0                            | 12.4                | —  |
| Wholesaling, retailing                            | 1,916.5  | 94.8            | 0.6          | 0.0             | 2,012.1                          | 37.1                | 0.3  |
| Services  | 1,473.5  | 67.9            | 0.6          | 1.1             | 1,543.2                          | 56.0                | —  |
| Finance and insurance                             | 1,816.4  | 6,385.8         | 255.4        | 12,359.2        | 20,816.9                         | 5.9                 | —  |
| Other non-manufacturing                           | 7,270.9  | 14,639.8        | 0.0          | 950.7           | 22,861.6                         | 40.5                | —  |
| <b>Total for non-manufacturing</b>                | <b>13,742.0</b>  | <b>21,429.1</b> | <b>258.8</b> | <b>13,311.3</b> | <b>48,741.3</b>                  | <b>190.5</b>        | <b>0.3</b>   |
| Amounts held by consolidated<br>subsidiaries      | 325.3  | 19.0            | 0.0          | 43.2            | 387.7                            | 14.0                | 3.0  |
| <b>Total</b>                                      | <b>16,481.0</b>  | <b>22,003.4</b> | <b>260.6</b> | <b>13,354.6</b> | <b>52,099.8</b>                  | <b>238.2</b>        | <b>6.1</b>   |

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.

2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

## Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

| Term to maturity                          | Loans,<br>commitments,<br>off-balance<br>sheet<br>exposure | Securities | Derivatives | Others   | Total<br>credit risk<br>exposure |
|---|--|------------|-------------|----------|----------------------------------|
| In 1 year                                 | 12,089.6   | 1,082.8    | 170.5       | 11,775.0 | 25,118.1                         |
| Over 1 year to 3 years                    | 1,716.2  | 2,175.2    | 83.5        | —        | 3,975.0                          |
| Over 3 years to 5 years                   | 1,500.7  | 3,505.1    | 1.0         | 51.5     | 5,058.4                          |
| Over 5 years to 7 years                   | 409.7  | 2,776.1    | 0.9         | 10.4     | 3,197.2                          |
| Over 7 years                              | 407.5  | 11,363.1   | 4.5         | 719.2    | 12,494.4                         |
| No term to maturity                       | 31.7   | 1,081.9    | —           | 755.1    | 1,868.8                          |
| Amounts held by consolidated subsidiaries | 325.3  | 19.0       | 0.0         | 43.2     | 387.7                            |
| Total                                     | 16,481.0   | 22,003.4   | 260.6       | 13,354.6 | 52,099.8                         |

**Notes:** 1. As of the interim balance-sheet date, the Bank's total credit risk exposures do not differ substantially from those at the previous term-end.  
2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.  
3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥391.3 billion.  
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

## (2) RESERVE FOR POSSIBLE LOAN LOSSES

### Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

| Region                                    | As of September 30, 2007 |
|---|--------------------------|
| Japan                                     | 91.9                     |
| Asia except Japan                         | 0.2                      |
| Europe                                    | —                        |
| The Americas                              | —                        |
| Other areas                               | 31.2                     |
| Amounts held by consolidated subsidiaries | 6.7                      |
| Offsets on consolidation                  | (4.2)                    |
| Total                                     | 125.9                    |

**Note:** Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

## Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

|  | (Billions of yen)        |
|--|--------------------------|
| Industry                                       | As of September 30, 2007 |
| Food products                                  | 5.5                      |
| Pulp and paper                                 | 1.7                      |
| Chemicals                                      | —                        |
| Other manufacturing                            | 2.6                      |
| Total for manufacturing                        | 9.9                      |
| Agriculture, forestry and fishing              | 16.2                     |
| Construction                                   | —                        |
| Utility  | —                        |
| Information/telecommunications, transportation | 9.1                      |
| Wholesaling, retailing                         | 16.9                     |
| Services                                       | 20.7                     |
| Finance and insurance                          | 1.2                      |
| Other non-manufacturing                        | 17.6                     |
| Total for non-manufacturing                    | 82.0                     |
| Others   | 31.5                     |
| Amount held by consolidated subsidiaries       | 6.7                      |
| Offsets on consolidation                       | (4.2)                    |
| <b>Total</b>                                   | <b>125.9</b>             |

**Note:** Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

### (3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

#### a. Corporate, Sovereign and Bank Exposure

For the six months ended September 30, 2007

#### Corporate Exposure

| (Billions of yen) |                            |                             |                                     |                              |                               |
|-------------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| Ratings           | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
| 1-1 to 4          | <b>0.15%</b>               | <b>39.22%</b>               | <b>29%</b>                          | <b>4,076.1</b>               | <b>1,954.5</b>                |
| 5 to 7            | <b>1.79%</b>               | <b>44.71%</b>               | <b>116%</b>                         | <b>997.4</b>                 | <b>128.8</b>                  |
| 8-1 to 8-2        | <b>19.26%</b>              | <b>44.23%</b>               | <b>347%</b>                         | <b>225.5</b>                 | <b>29.4</b>                   |
| Subtotal          | <b>1.06%</b>               | <b>40.23%</b>               | <b>53%</b>                          | <b>5,299.2</b>               | <b>2,112.8</b>                |
| 8-3 to 10-2       | <b>100.00%</b>             | <b>44.47%</b>               | <b>558%</b>                         | <b>163.0</b>                 | <b>1.6</b>                    |
| Total             | <b>3.21%</b>               | <b>40.32%</b>               | <b>64%</b>                          | <b>5,462.2</b>               | <b>2,114.4</b>                |

#### Sovereign Exposure

| (Billions of yen) |                            |                             |                                     |                              |                               |
|-------------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| Ratings           | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
| 1-1 to 4          | <b>0.00%</b>               | <b>45.96%</b>               | <b>0%</b>                           | <b>22,813.4</b>              | <b>744.1</b>                  |
| 5 to 7            | <b>7.78%</b>               | <b>45.00%</b>               | <b>221%</b>                         | <b>0.3</b>                   | <b>—</b>                      |
| 8-1 to 8-2        | <b>—</b>                   | <b>—</b>                    | <b>—</b>                            | <b>—</b>                     | <b>—</b>                      |
| Subtotal          | <b>0.00%</b>               | <b>45.96%</b>               | <b>0%</b>                           | <b>22,813.7</b>              | <b>744.1</b>                  |
| 8-3 to 10-2       | <b>100.00%</b>             | <b>45.00%</b>               | <b>563%</b>                         | <b>0.0</b>                   | <b>—</b>                      |
| Total             | <b>0.00%</b>               | <b>45.96%</b>               | <b>0%</b>                           | <b>22,813.7</b>              | <b>744.1</b>                  |

#### Bank Exposure

| (Billions of yen) |                            |                             |                                     |                              |                               |
|-------------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| Ratings           | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
| 1-1 to 4          | <b>0.03%</b>               | <b>23.16%</b>               | <b>9%</b>                           | <b>7,403.7</b>               | <b>8,833.8</b>                |
| 5 to 7            | <b>2.52%</b>               | <b>45.00%</b>               | <b>156%</b>                         | <b>11.9</b>                  | <b>5.8</b>                    |
| 8-1 to 8-2        | <b>7.07%</b>               | <b>23.71%</b>               | <b>130%</b>                         | <b>7.3</b>                   | <b>0.5</b>                    |
| Subtotal          | <b>0.04%</b>               | <b>23.18%</b>               | <b>10%</b>                          | <b>7,423.0</b>               | <b>8,840.1</b>                |
| 8-3 to 10-2       | <b>100.00%</b>             | <b>45.00%</b>               | <b>562%</b>                         | <b>0.4</b>                   | <b>0.0</b>                    |
| Total             | <b>0.04%</b>               | <b>23.19%</b>               | <b>10%</b>                          | <b>7,423.4</b>               | <b>8,840.1</b>                |

## Equity Exposure for Credit Risk Using Internal Ratings; PD/LGD Approach

(Billions of yen)

| Ratings     | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
|-------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| 1-1 to 4    | <b>0.18%</b>               | <b>90.00%</b>               | <b>163%</b>                         | <b>63.6</b>                  | —                             |
| 5 to 7      | <b>2.04%</b>               | <b>90.00%</b>               | <b>304%</b>                         | <b>3.7</b>                   | —                             |
| 8-1 to 8-2  | <b>19.91%</b>              | <b>90.00%</b>               | <b>783%</b>                         | <b>0.2</b>                   | —                             |
| Subtotal    | <b>0.34%</b>               | <b>90.00%</b>               | <b>173%</b>                         | <b>67.6</b>                  | —                             |
| 8-3 to 10-2 | —                          | —                           | —                                   | —                            | —                             |
| Total       | <b>0.34%</b>               | <b>90.00%</b>               | <b>173%</b>                         | <b>67.6</b>                  | —                             |

**Notes:** 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).  
2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).  
3. Exposure subject to risk-weighted asset calculation for investment funds is not included.  
4. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

## b. Retail Exposure

For the six months ended September 30, 2007

### Details on PD, LGD, RW and EAD On-Balance Sheet Assets

(Billions of yen)

| Type of exposure                                  | PD less than 10%           |                             |                                     | EAD          |
|---|----------------------------|-----------------------------|-------------------------------------|--------------|
|   | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight |              |
| Retail exposure secured by residential properties | <b>0.37%</b>               | <b>40.82%</b>               | <b>27%</b>                          | <b>368.7</b> |
| Qualifying revolving retail exposure              | —                          | —                           | —                                   | —            |
| Other retail exposure                             | <b>0.99%</b>               | <b>42.54%</b>               | <b>43%</b>                          | <b>58.8</b>  |

(Billions of yen)

| Type of exposure                                  | PD less than 100% but equal to or greater than 10% |                             |                                     | EAD         |
|---|--|-----------------------------|-------------------------------------|-------------|
|   | Weighted-<br>average<br>PD                         | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight |             |
| Retail exposure secured by residential properties | <b>21.04%</b>                                      | <b>40.49%</b>               | <b>334%</b>                         | <b>16.8</b> |
| Qualifying revolving retail exposure              | —  | —                           | —                                   | —           |
| Other retail exposure                             | <b>16.96%</b>                                      | <b>43.05%</b>               | <b>179%</b>                         | <b>4.5</b>  |

(Billions of yen)

| Type of exposure                                  | PD less than 100%          |                             |                                     | EAD          |
|---|----------------------------|-----------------------------|-------------------------------------|--------------|
|   | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight |              |
| Retail exposure secured by residential properties | <b>1.27%</b>               | <b>40.80%</b>               | <b>41%</b>                          | <b>385.5</b> |
| Qualifying revolving retail exposure              | —                          | —                           | —                                   | —            |
| Other retail exposure                             | <b>2.13%</b>               | <b>42.58%</b>               | <b>52%</b>                          | <b>63.3</b>  |
| Subtotal  | <b>1.39%</b>               | <b>41.05%</b>               | <b>42%</b>                          | <b>448.9</b> |

(Billions of yen)

| Type of exposure                                  | PD =100%            |                      |                             |                              | EAD         |
|---|---------------------|----------------------|-----------------------------|------------------------------|-------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average EL default | Weighted-average risk weight |             |
| Retail exposure secured by residential properties | <b>100.00%</b>      | <b>77.46%</b>        | <b>71.65%</b>               | <b>968%</b>                  | <b>11.0</b> |
| Qualifying revolving retail exposure              | —                   | —                    | —                           | —                            | —           |
| Other retail exposure                             | <b>100.00%</b>      | <b>48.58%</b>        | <b>45.64%</b>               | <b>607%</b>                  | <b>2.6</b>  |

(Billions of yen)

| Type of exposure                                  | Total               |                      |                              |                             |                              | EAD          |
|---|---------------------|----------------------|------------------------------|-----------------------------|------------------------------|--------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight |              |
| Retail exposure secured by residential properties | <b>4.01%</b>        | <b>40.80%</b>        | <b>77.46%</b>                | <b>71.65%</b>               | <b>67%</b>                   | <b>396.5</b> |
| Qualifying revolving retail exposure              | —                   | —                    | —                            | —                           | —                            | —            |
| Other retail exposure                             | <b>6.09%</b>        | <b>42.58%</b>        | <b>48.58%</b>                | <b>45.64%</b>               | <b>75%</b>                   | <b>66.0</b>  |
| Subtotal  | <b>4.31%</b>        | <b>41.05%</b>        | <b>71.83%</b>                | <b>66.58%</b>               | <b>68%</b>                   | <b>462.6</b> |

## Details on PD, LGD, RW and EAD Off-Balance Sheet Assets

(Billions of yen)

| Type of exposure                                  | PD less than 10%    |                      |                              | EAD        |
|---|---------------------|----------------------|------------------------------|------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —                   | —                    | —                            | —          |
| Qualifying revolving retail exposure              | —                   | —                    | —                            | —          |
| Other retail exposure                             | <b>1.78%</b>        | <b>55.39%</b>        | <b>81%</b>                   | <b>4.3</b> |

(Billions of yen)

| Type of exposure                                  | PD less than 100% but equal to or greater than 10% |                      |                              | EAD        |
|---|--|----------------------|------------------------------|------------|
|   | Weighted-average PD                                | Weighted-average LGD | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —  | —                    | —                            | —          |
| Qualifying revolving retail exposure              | —  | —                    | —                            | —          |
| Other retail exposure                             | <b>47.76%</b>                                      | <b>57.82%</b>        | <b>471%</b>                  | <b>0.0</b> |

(Billions of yen)

| Type of exposure                                  | PD less than 100%   |                      |                              | EAD        |
|---|---------------------|----------------------|------------------------------|------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —                   | —                    | —                            | —          |
| Qualifying revolving retail exposure              | —                   | —                    | —                            | —          |
| Other retail exposure                             | <b>2.32%</b>        | <b>55.42%</b>        | <b>86%</b>                   | <b>4.3</b> |
| Subtotal  | <b>2.32%</b>        | <b>55.42%</b>        | <b>86%</b>                   | <b>4.3</b> |

(Billions of yen)

| Type of exposure                                     |                            |                             | PD =100%                           |                                     | EAD        |
|--|----------------------------|-----------------------------|------------------------------------|-------------------------------------|------------|
|  | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average EL<br>default | Weighted-<br>average<br>risk weight |            |
| Retail exposure secured by<br>residential properties | —                          | —                           | —                                  | —                                   | —          |
| Qualifying revolving retail exposure                 | —                          | —                           | —                                  | —                                   | —          |
| Other retail exposure                                | <b>100.0%</b>              | <b>95.40%</b>               | <b>84.63%</b>                      | <b>1,193%</b>                       | <b>0.2</b> |

(Billions of yen)

| Type of exposure                                     | Total                      |                             |                                     |                                    |                                     | EAD        |
|--|----------------------------|-----------------------------|-------------------------------------|------------------------------------|-------------------------------------|------------|
|  | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average LGD<br>default | Weighted-<br>average EL<br>default | Weighted-<br>average<br>risk weight |            |
| Retail exposure secured by<br>residential properties | —                          | —                           | —                                   | —                                  | —                                   | —          |
| Qualifying revolving retail exposure                 | —                          | —                           | —                                   | —                                  | —                                   | —          |
| Other retail exposure                                | <b>7.15%</b>               | <b>55.42%</b>               | <b>95.40%</b>                       | <b>84.63%</b>                      | <b>140%</b>                         | <b>4.6</b> |
| <b>Total</b>   | <b>7.15%</b>               | <b>55.42%</b>               | <b>95.40%</b>                       | <b>84.63%</b>                      | <b>140%</b>                         | <b>4.6</b> |

- Notes:**
1. Most of the retail exposure held by the Bank as of September 30, 2007, was related to purchased retail receivables. Since these assets are subject to risk-weighted assets calculation for investment funds, so in view of the need to appropriately disclose the content of results of the estimate of parameters related to retail exposure, Exposure subject to risk-weighted asset calculation for investment funds have been included in the quantitative disclosure of these items.
  2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
  3. For assets for which the PD is 100%, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
  4. As of September 30, 2007, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

## c. Actual Losses to Corporate, Sovereign, Bank, and Retail Exposure

### Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

| Type of exposure                                  | As of September 30, 2007 |
|---|--------------------------|
| Corporate exposure                                | <b>4.2</b>               |
| Sovereign exposure                                | —                        |
| Bank exposure                                     | —                        |
| Equity exposure subject to PD/LGD approach        | —                        |
| Retail exposure secured by residential properties | —                        |
| Qualifying revolving retail exposure              | —                        |
| Other retail exposure                             | <b>0.0</b>               |

**Notes:** 1. Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for actual losses, past results and analysis of causes beginning the year following the year ended March 31, 2007, when Basel II went into effect. Comparison data are, therefore, scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

2. Actual losses are defined as losses due to direct write-offs, partial direct write-offs, general reserves for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

### Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

| Type of exposure                                  | As of September 30, 2007 |               |
|---|--------------------------|---------------|
|   | Estimated losses         | Actual losses |
| Corporate exposure                                | <b>14.1</b>              | <b>4.2</b>    |
| Sovereign exposure                                | <b>0.8</b>               | —             |
| Bank exposure                                     | <b>0.2</b>               | —             |
| Equity exposure subject to PD/LGD approach        | <b>0.5</b>               | —             |
| Retail exposure secured by residential properties | —                        | —             |
| Qualifying revolving retail exposure              | —                        | —             |
| Other retail exposure                             | <b>0.0</b>               | <b>0.0</b>    |

**Notes:** 1. In consideration of the accuracy of information disclosure, comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).

2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.

3. One half of the estimated loss amount for the fiscal 2007 full term is employed for estimated loss amount for the first-half period.

#### d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

##### Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

| Classification  | As of September 30, 2007 |
|---|--------------------------|
| Specialized Lending exposure subject to supervisory slotting criteria         | <b>975.0</b>             |
| Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE) | <b>841.8</b>             |
| Risk weight of 50%  | <b>81.0</b>              |
| Risk weight of 70%  | <b>511.9</b>             |
| Risk weight of 90%  | <b>181.0</b>             |
| Risk weight of 115%   | <b>15.8</b>              |
| Risk weight of 250%   | <b>9.3</b>               |
| Risk weight of 0% (default)   | <b>42.6</b>              |
| High-Volatility Commercial Real Estate (HVCRE)                                | <b>133.2</b>             |
| Risk weight of 70%  | <b>1.6</b>               |
| Risk weight of 95%  | <b>20.2</b>              |
| Risk weight of 120%   | <b>70.0</b>              |
| Risk weight of 140%   | <b>10.7</b>              |
| Risk weight of 250%   | <b>30.4</b>              |
| Risk weight of 0% (default)   | <b>—</b>                 |

- Notes:**
1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).
  2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.
  3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, which are subject to the Bank's internal rating system and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.
  4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

#### e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

##### Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

| Classification  | As of September 30, 2007 |
|---|--------------------------|
| Equity exposure subject to the simple risk-weighted method of the market-based approach by RW | <b>83.2</b>              |
| Risk weight of 300%   | <b>—</b>                 |
| Risk weight of 400%   | <b>83.2</b>              |

- Note:** The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

## (4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RW

### Amount of Exposure Subject to Standardized Approach

| Classification                            | (Billions of yen)<br>As of September 30, 2007 |
|---|---|
| Exposure subject to Standardized Approach | <b>391.3</b>                                  |
| Risk weight of 0%                         | <b>17.2</b>                                   |
| Risk weight of 10%                        | <b>1.7</b>                                    |
| Risk weight of 20%                        | <b>33.1</b>                                   |
| Risk weight of 35%                        | <b>173.2</b>                                  |
| Risk weight of 50%                        | <b>0.4</b>                                    |
| Risk weight of 75%                        | <b>95.5</b>                                   |
| Risk weight of 100%                       | <b>69.3</b>                                   |
| Risk weight of 150%                       | <b>0.4</b>                                    |
| Risk weight of more than 150%             | <b>0.0</b>                                    |
| Amount deducted from capital              | <b>0.0</b>                                    |

**Note:** For exposure computed by the Standardized Approach, the Bank does not refer to external ratings in applying risk weight in any case.

## 4. Items for Methods of Credit Risk Mitigation Techniques (Consolidated)

### Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral)

(Billions of yen)

| Classification                             | As of September 30, 2007 |
|--|--------------------------|
| Foundation Internal Ratings-Based Approach | <b>7,606.0</b>           |
| Eligible financial collateral              | <b>7,606.0</b>           |
| Corporate exposure                         | <b>765.2</b>             |
| Sovereign exposure                         | —                        |
| Bank exposure                              | <b>6,840.7</b>           |
| Other eligible IRB collateral              | —                        |
| Corporate exposure                         | —                        |
| Sovereign exposure                         | —                        |
| Bank exposure                              | —                        |
| Standardized Approach                      | —                        |
| Eligible financial collateral              | —                        |

**Notes:** 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.  
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

### Amount of Exposure Subject to Credit Risk Mitigation Techniques (Guarantees, Credit Derivatives)

(Billions of yen)

| Classification                                    | As of September 30, 2007 |
|---|--------------------------|
| Foundation Internal Ratings-Based Approach        | <b>378.9</b>             |
| Corporate exposure                                | <b>345.0</b>             |
| Sovereign exposure                                | <b>33.8</b>              |
| Bank exposure                                     | —                        |
| Retail exposure secured by residential properties | —                        |
| Qualifying revolving retail exposure              | —                        |
| Other retail exposure                             | —                        |
| Standardized Approach                             | —                        |

**Notes:** 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such methods have been taken into account.  
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

## 5. Items for Counterparty Credit Risk in Derivative Transactions (Consolidated)

### Breakdown of the Amount of Credit Exposure

(Billions of yen)

| Classification  | As of September 30, 2007 |              |
|---|--------------------------|--------------|
| Total gross replacement costs<br>(limited to items with a value of greater than zero)                       | (A)                      | <b>215.1</b> |
| Total gross add-ons   | (B)                      | <b>282.8</b> |
| Gross credit exposure   | (C) = (A)+(B)            | <b>498.0</b> |
| Including, foreign exchange related   |                          | <b>447.0</b> |
| Including, interest rate related  |                          | <b>42.4</b>  |
| Including, equity related   |                          | <b>3.0</b>   |
| Including, credit derivatives   |                          | <b>5.4</b>   |
| Amount of credit exposure before taking into account<br>credit risk mitigation techniques due to collateral | (D)                      | <b>261.7</b> |
| Reduction in credit exposure due to netting contracts   | (C)-(D)                  | <b>236.2</b> |

**Note:** Derivative Transactions included in risk-weighted assets calculation for investment funds are not included. The current exposure method is adopted about calculating amount of credit exposure.

### Amounts of Collateral by Type

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

### Credit Exposure after Taking Account of the Effect of Credit Risk Mitigation Techniques due to Acceptance of Collateral

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

### Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

| Classification                           | As of September 30, 2007 |             |
|--|--------------------------|-------------|
| To buy protection                        |                          | —           |
| To sell protection (Credit Default Swap) |                          | <b>96.7</b> |

**Note:** Derivative Transactions included in risk-weighted assets calculation for investment funds are not included.

### Notional Principal Amount of Credit Derivatives Taking into Consideration the Effect of Credit Risk Mitigation Techniques

(Billions of yen)

| Classification            | As of September 30, 2007 |   |
|---------------------------|--------------------------|---|
| Notional principal amount |                          | — |

**Note:** Under the stipulations of the Notification Regarding Capital Adequacy, Article 10 and Article 56, the amount of credit risk assets not computed has not been included.

## 6. Items for Securitization Exposure (Consolidated)

### The Amount of Underlying Assets Securitized by the Bank and Details by Asset Type

As of September 30, 2007, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

### Amounts of Securitization Exposure Held as Investor and Details by Asset Type

| Classification                    | (Billions of yen)        |                |
|-----------------------------------|--------------------------|----------------|
|                                   | As of September 30, 2007 |                |
| Amount of securitization exposure |                          | <b>4,877.2</b> |
| Business corporations             |                          | <b>2,066.1</b> |
| Individuals                       |                          | <b>1,691.2</b> |
| Real estate                       |                          | <b>988.8</b>   |
| Other                             |                          | <b>130.9</b>   |

### Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

| Classification                    | (Billions of yen)        |                             |
|-----------------------------------|--------------------------|-----------------------------|
|                                   | As of September 30, 2007 |                             |
|                                   | Amount of exposure       | Regulatory Required Capital |
| Amount of securitization exposure | <b>4,877.2</b>           | <b>116.2</b>                |
| Risk weight: 25% or less          | <b>4,241.0</b>           | <b>42.7</b>                 |
| Risk weight: 25.01% to 100.00%    | <b>549.1</b>             | <b>29.3</b>                 |
| Risk weight: 100.01% to 425%      | <b>52.8</b>              | <b>10.4</b>                 |
| Risk weight: 425.01% to 1,250%    | <b>1.9</b>               | <b>1.3</b>                  |
| Deductions from capital           | <b>32.3</b>              | <b>32.3</b>                 |

### Amount of Securitization Exposure Deducted from Capital and Details by Asset Type

(Under the stipulations of the Notification Regarding Capital Adequacy, Article 224)

| Classification                                       | (Billions of yen)        |             |
|--|--------------------------|-------------|
|  | As of September 30, 2007 |             |
| Amount of securitized exposure deducted from capital |                          | <b>32.3</b> |
| Business corporations                                |                          | <b>15.8</b> |
| Individuals  |                          | <b>0.8</b>  |
| Real estate  |                          | <b>2.3</b>  |
| Other  |                          | <b>13.1</b> |

### Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

## 7. Items for Market Risk (Consolidated)

(Computation of the Market Risk Amount Using the Internal Models Approach)

### VaR

(Millions of yen)

|     | For the six months ended September 30, 2007 |                                      |            |            |
|-----|---|--------------------------------------|------------|------------|
|     | Base date of computation                    | For the most recent 60 business days |            |            |
|     |   | Maximum                              | Minimum    | Average    |
| VaR | September 28, 2007                          | <b>313</b>                           | <b>100</b> | <b>172</b> |

### Amounts of Market Risk

(Millions of yen)

|   | For the six months ended<br>September 30, 2007 |             |
|---|--|-------------|
| For the portion computed with the internal models approach (B)+(E)                          | (A)  | <b>585</b>  |
| Value at Risk (MAX (C, D))  | (B)  | <b>585</b>  |
| Amount on base date of computation  | (C)  | <b>112</b>  |
| Amount determined by multiplying (F) by the average<br>for the most recent 60 business days | (D)  | <b>585</b>  |
| Additional amount at the time of measuring individual risk                                  | (E)  | <b>0</b>    |
| (Multiplier)  | (F)  | <b>3.40</b> |
| (Times exceeding VaR in back testing)   | (G)  | <b>5</b>    |

**Note:** To test the appropriateness of the Bank's internal model, the estimates of risk volume computed by the model are compared with actual profit and loss on a daily basis (known as back testing). When divergences between the model's estimates and actual results rise above the set level, analyses of the causes of this divergence are conducted, and, depending on the results of the analyses, the model is reviewed and revised as necessary.

## 8. Items for Equity Exposure (Consolidated)

(Includes items such as shares, excludes items in a trading account)

### Amounts on the Balance Sheet and Market Value

(Billions of yen)

| Classification                     | As of September 30, 2007     |                |
|------------------------------------|------------------------------|----------------|
|                                    | Amounts on the balance sheet | Market value   |
| Equity exposure                    | <b>1,114.6</b>               | <b>1,114.6</b> |
| Exposure to publicly traded equity | <b>976.5</b>                 | <b>976.5</b>   |
| Exposure to privately held equity  | <b>138.1</b>                 | <b>138.1</b>   |

**Notes:** 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.  
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the half-year balance sheet.

### Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

| Item            | For the six months ended September 30, 2007 |                                     |                              |
|-----------------|---|-------------------------------------|------------------------------|
|                 | Gains from sale of equities, etc.           | Losses from sales of equities, etc. | Write-offs of equities, etc. |
| Equity exposure | <b>19.9</b>                                 | <b>0.0</b>                          | <b>25.1</b>                  |

**Note:** Amounts reflect relevant figures posted in the half-year consolidated income statements.

### Amount of Valuation Gains (Losses)

(Billions of yen)

| Item            | As of September 30, 2007   |  |
|-----------------|--|--|
|                 | Amount of valuation gain (loss) recognized on the balance sheet and not recognized in the statements of operations | Amount of valuation gain (loss) not recognized on the balance sheet nor the statements of operations |
| Equity exposure | <b>324.1</b>   | —  |

**Notes:** 1. Exposure is to equity shares issued by both domestic and overseas companies.  
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.

## Amount Included in Supplementary Capital (Tier II) Under the Stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1

(Billions of yen)

| Item  | As of September 30, 2007 |
|---|--------------------------|
| Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1 | <b>145.8</b>             |

**Note:** "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1) classified under other securities at market value minus the total book value of these securities.

## Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

| Classification  | As of September 30, 2007<br>Amounts on the balance sheet |
|---|--|
| Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13 | <b>630.1</b>   |
| Corporate   | <b>613.6</b>   |
| Bank  | <b>12.8</b>  |
| Sovereign   | <b>3.6</b>   |

**Note:** Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

## 9. Items for Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Consolidated)

### Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

| Classification           | As of September 30, 2007 |   |
|--------------------------|--------------------------|---|
|                          | Amount of exposure       | (For reference)<br>Weighted-average risk weight |
| Look-through approach    | <b>17,339.6</b>          | <b>65%</b>                                      |
| Majority approach        | <b>1,041.3</b>           | <b>354%</b>                                     |
| Mandate approach         | —                        | —   |
| Market-based approach    | <b>4,039.2</b>           | <b>186%</b>                                     |
| Others (simple approach) | <b>538.9</b>             | <b>500%</b>                                     |
| <b>Total</b>             | <b>22,959.2</b>          | <b>103%</b>                                     |

- Notes:**
1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)
  2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in the fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)
  3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)
  4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model. (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)
  5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)
  6. The items "(For reference) Weighted-average risk weight" is computed as follows: calculating the total risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

## 10. Items for Interest-Rate Risk (Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

### Interest-Rate Risk Volume Computed with the Internal Model in Core Business Accounts (The Banking Accounts)

| Classification                         | (Billions of yen)<br>As of September 30, 2007 |
|--|---|
| Interest-rate risk                     | <b>1,463.8</b>                                |
| Yen interest-rate risk                 | <b>15.2</b>                                   |
| U.S. dollar interest-rate risk         | <b>1,275.5</b>                                |
| Euro interest-rate risk                | <b>159.1</b>                                  |
| Interest-rate risk in other currencies | <b>13.9</b>                                   |

**Notes:** 1. Interest-rate risk in consolidated subsidiaries is limited in view of the size of their assets, so the interest-rate risk volume for the Bank on a non-consolidated basis is shown here.  
2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity and option vega due to call conditions and other factors.

# 1. Capital Structure (Non-Consolidated)

## Capital Adequacy Ratio (Non-Consolidated)

For the six months ended September 30, 2007

**Note:** The Bank's capital adequacy ratio for the six months ended September 30, 2007, was computed according to Basel II.

| Items  |     | Millions of yen   | Millions of U.S. dollars (Note 8) |
|--|-----|-------------------|-----------------------------------|
| Capital stock  | (1) | <b>1,484,017</b>  | <b>12,859</b>                     |
| Including non-cumulative, perpetual preferred stock  |     | <b>24,999</b>     | <b>216</b>                        |
| Deposit for subscription to preferred stock  | (2) | —                 | —                                 |
| Capital reserves   | (3) | <b>24,999</b>     | <b>216</b>                        |
| Other capital surplus  | (4) | <b>20</b>         | <b>0</b>                          |
| Earned surplus reserve   | (5) | <b>374,966</b>    | <b>3,249</b>                      |
| Other reserves   | (6) | <b>707,233</b>    | <b>6,128</b>                      |
| Tier I capital not corresponding to the preceding items (1) to (6)   | (7) | <b>222,704</b>    | <b>1,929</b>                      |
| Tier I capital   |     |                   |                                   |
| Earned surplus brought forward   |     | <b>222,706</b>    | <b>1,929</b>                      |
| Unrealized loss on other securities  |     | —                 | —                                 |
| Items excluded from Tier I capital under Article 17-1-1 through Article 17-1-3 of the Notification Regarding Capital Adequacy        | (8) | —                 | —                                 |
| Items excluded from Tier I capital under Article 17-1-4 of the Notification Regarding Capital Adequacy                               | (9) | <b>82,362</b>     | <b>713</b>                        |
| Subtotal   | (A) | <b>2,731,579</b>  | <b>23,670</b>                     |
| Including preferred securities with interest rate step-up clause (Ratio of the value of such preferred securities to Tier I capital) |     | —                 | —                                 |
| 45% of unrealized gains on other securities*1  |     | <b>848,789</b>    | <b>7,355</b>                      |
| 45% of unrealized gains on land*2  |     | <b>24,653</b>     | <b>213</b>                        |
| General reserve for possible loan losses   |     | <b>11</b>         | <b>0</b>                          |
| Qualifying subordinated debt   |     | <b>1,466,520</b>  | <b>12,708</b>                     |
| Tier II capital  |     |                   |                                   |
| Including perpetual subordinated bonds and loans   |     | <b>579,900</b>    | <b>5,025</b>                      |
| Including dated subordinated bonds, loans, and preferred stock   |     | <b>886,620</b>    | <b>7,683</b>                      |
| Subtotal   |     | <b>2,339,975</b>  | <b>20,277</b>                     |
| Tier II capital included as qualifying capital   | (B) | <b>2,339,975</b>  | <b>20,277</b>                     |
| Tier III capital   |     |                   |                                   |
| Short-term subordinated debt   |     | —                 | —                                 |
| Including amount added to capital  | (C) | —                 | —                                 |
| Deductions   | (D) | <b>359,845</b>    | <b>3,118</b>                      |
| Total capital  | (E) | <b>4,711,709</b>  | <b>40,829</b>                     |
| Risk-weighted assets for credit risk   | (F) | <b>33,276,675</b> | <b>288,359</b>                    |
| Including on-balance sheet   |     | <b>30,949,327</b> | <b>268,191</b>                    |
| Including off-balance sheet  |     | <b>2,327,347</b>  | <b>20,167</b>                     |
| Risk-weighted assets   | (G) | <b>3,292,086</b>  | <b>28,527</b>                     |
| Assets equivalent to market risk (For reference: actual market risk volume)  | (H) | <b>263,366</b>    | <b>2,282</b>                      |
| Amount corresponding to operational risk (J)/8% (For reference: amount corresponding to operational risk)                            | (I) | <b>932,154</b>    | <b>8,077</b>                      |
| Amount corresponding to operational risk   | (J) | <b>74,572</b>     | <b>646</b>                        |
| Total risk-weighted assets (F)+(G)+(I)   | (K) | <b>37,500,915</b> | <b>324,964</b>                    |
| Basel II capital adequacy ratio  |     |                   |                                   |
| (Basel capital adequacy standards) = (E)/(K) x 100%  |     | <b>12.56%</b>     | <b>12.56%</b>                     |

- Notes:**
1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.
  2. The Bank's non-consolidated capital adequacy ratio was computed based on the financial statements, which consolidated the overseas special-purpose corporation established for capital funding purposes. (Notification Regarding Capital Adequacy, Article 15).
  3. According to the provisions of the Notification Regarding Capital Adequacy, Article 17-1-1 through Article 17-1-3, the items deducted from Tier I capital were as follows:  
The amount corresponding to operating rights (Notification Regarding Capital Adequacy, Article 17-1-1), intangible assets recorded as a result of business combinations or additional purchases of the stock of subsidiaries (Notification Regarding Capital Adequacy, Article 17-1-2), and the amount corresponding to the increase in capital due to securitization transactions (Notification Regarding Capital Adequacy, Article 17-1-3)
  4. Amounts deducted from Tier I capital under the provisions of the Notification Regarding Capital Adequacy, Article 17-1-4, were as follows: 50% of the excess of the value corresponding to expected losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves.
  5. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to the Standardized Approach in terms of risk-weighted assets for credit risk.
  6. Deductions are the total of the following: (1) the total amount of the value corresponding to deliberate holdings of instruments for raising capital issued by other financial institutions, (2) 50% of the expected value of losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (3) expected losses on equity exposure, and (4) securitization exposure subject to deduction from capital. (Notification Regarding Capital Adequacy, Article 20)
  7. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the value of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.
  8. U.S. dollars have been converted at the rate of ¥115.40 to U.S.\$1, the effective rate of exchange at September 30, 2007.

## 2. Items for Capital Adequacy (Non-Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

### Non-Consolidated Capital Adequacy Ratio and Ratio of Tier I Capital (Non-Consolidated) Explanation

As of September 30, 2007, the Bank's non-consolidated capital adequacy ratio was 12.56%, above the minimum capital adequacy ratio of 8% required under Basel capital adequacy standards.

| Items   | As of September 30, 2007 |
|---|--------------------------|
| Non-consolidated capital adequacy ratio                   | <b>12.56%</b>            |
| Non-consolidated capital adequacy ratio of Tier I capital | <b>7.28%</b>             |

**Note:** The "Non-consolidated capital adequacy ratio of Tier I capital" is the ratio of Tier I capital to the denominator of the non-consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 14.

### Total Non-Consolidated Regulatory Required Capital

(Billions of yen)

| Item   | As of September 30, 2007 |
|--|--------------------------|
| Total non-consolidated regulatory required capital | <b>3,000.0</b>           |

**Note:** "Total non-consolidated regulatory required capital" is 8% of the denominator of the non-consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 14.

### Regulatory Required Capital for Credit Risk

(Excludes equity exposures to which the Bank applies Internal Ratings-Based Approach and Risk-weighted asset calculation for investment fund)

(Billions of yen)

| Items   | As of September 30, 2007 |
|---|--------------------------|
| Amount of regulatory required capital for credit risk         | <b>712.9</b>             |
| Including exposure subject to Internal Ratings-Based Approach | <b>712.2</b>             |
| Corporate exposure  | <b>469.6</b>             |
| Sovereign exposure  | <b>0.3</b>               |
| Bank exposure   | <b>125.2</b>             |
| Retail exposure secured by residential properties             | —                        |
| Qualifying revolving retail exposure                          | —                        |
| Other retail exposure   | <b>0.7</b>               |
| Securitization exposure                                       | <b>116.2</b>             |
| Exposure subject to Standardized Approach                     | <b>0.6</b>               |
| Overdrafts (toward Norinchukin debenture holders)             | <b>0.0</b>               |
| Prepaid expenses  | <b>0.3</b>               |
| Suspense payable  | <b>0.3</b>               |
| Others  | <b>0.0</b>               |

**Notes:** 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital  
2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

## Regulatory Required Capital for Credit Risk of Equity Exposure Subject to the Internal Ratings-Based Approach

| (Billions of yen)  |                          |
|--|--------------------------|
| Items  | As of September 30, 2007 |
| Equity portfolios subject to the market-based approach   | <b>98.9</b>              |
| Equity portfolios subject to simple risk-weighted method   | <b>28.1</b>              |
| Equities under the internal models approach  | <b>70.8</b>              |
| Equity portfolios subject to PD/LGD approaches   | <b>13.9</b>              |
| Equity portfolios subject to the provisions of Notification Regarding Capital Adequacy, Article 13 | <b>56.6</b>              |
| <b>Total</b>   | <b>169.5</b>             |

**Notes:** 1. Regulatory required capital for credit risk = 8% of risk-weighted assets + Expected losses + Deductions from capital  
 2. Article 13 of the Notification Regarding Capital Adequacy contains a transitional method for computing the amount of risk assets related to equity exposure that meet specified criteria.

## Regulatory Required Capital for Credit Risk of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

| (Billions of yen)   |                          |
|---|--------------------------|
| Item  | As of September 30, 2007 |
| Exposure subject to risk-weighted asset calculation for investment fund | <b>2,166.6</b>           |

**Notes:** 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital  
 2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

## Regulatory Required Capital for Market Risk

| (Billions of yen)                                     |                          |
|---|--------------------------|
| Items   | As of September 30, 2007 |
| Standardized Approach: Interest rate risk category    | <b>0.0</b>               |
| Standardized Approach: Equity risk category           | <b>—</b>                 |
| Standardized Approach: Foreign exchange risk category | <b>262.7</b>             |
| Standardized Approach: Commodity risk category        | <b>—</b>                 |
| Standardized Approach: Option transactions            | <b>—</b>                 |
| Standardized Approach total                           | <b>262.7</b>             |
| Internal models Approach                              | <b>0.5</b>               |
| Regulatory required capital for market risk           | <b>263.3</b>             |

## Regulatory Required Capital for Operational Risk

| (Billions of yen)               |                          |
|---------------------------------|--------------------------|
| Item                            | As of September 30, 2007 |
| The Standardized Approach (TSA) | <b>74.5</b>              |

**Note:** Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk. (Notification Regarding Capital Adequacy, Article 282)

### 3. Items for Credit Risk (Non-Consolidated)

(Risk-weighted asset calculation for investment fund and securitization exposures are excluded.)

#### (1) CREDIT RISK EXPOSURE

For the six months ended September 30, 2007

#### Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

| Region            | Loans,<br>commitments,<br>off-balance<br>sheet<br>exposure | Securities | Derivatives | Others   | Total<br>credit risk<br>exposure | Default<br>exposure |
|-------------------|--|------------|-------------|----------|----------------------------------|---------------------|
| Japan             | 15,622.8   | 10,985.1   | 33.0        | 4,109.0  | 30,750.1                         | 224.1               |
| Asia except Japan | 67.7   | 23.5       | 2.6         | 1,079.1  | 1,172.9                          | —                   |
| Europe            | 122.3  | 3,534.7    | 163.4       | 5,045.1  | 8,865.6                          | —                   |
| The Americas      | 302.4  | 7,427.6    | 58.3        | 3,077.8  | 10,866.2                         | —                   |
| Other areas       | 40.3   | 13.2       | 3.1         | 0.2      | 57.0                             | —                   |
| Total             | 16,155.7   | 21,984.4   | 260.5       | 13,311.4 | 51,712.1                         | 224.1               |

#### Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

| Industry  | Loans,<br>commitments,<br>off-balance<br>sheet<br>exposure | Securities | Derivatives | Others   | Total<br>credit risk<br>exposure | Default<br>exposure | Write-off of<br>loans<br>(amounts of<br>partial direct<br>write-off) |
|---|--|------------|-------------|----------|----------------------------------|---------------------|--|
| Food products                                     | 605.3  | 146.4      | 0.2         | 0.0      | 752.0                            | 10.0                | —  |
| Pulp and paper                                    | 219.8  | 45.8       | 0.1         | 0.0      | 265.8                            | 4.8                 | —  |
| Chemicals   | 541.0  | 174.7      | 0.1         | 0.0      | 716.0                            | 11.7                | —  |
| Other manufacturing                               | 1,047.3  | 188.2      | 1.1         | 0.0      | 1,236.8                          | 7.0                 | 2.6  |
| Total for manufacturing                           | 2,413.6  | 555.3      | 1.6         | 0.1      | 2,970.7                          | 33.6                | 2.6  |
| Agriculture, forestry and fishing                 | 119.5  | 0.1        | —           | 0.0      | 119.7                            | 37.3                | 0.0  |
| Construction                                      | 180.8  | 15.2       | 0.0         | 0.0      | 196.0                            | 0.9                 | —  |
| Utility   | 158.8  | 62.5       | 0.0         | 0.0      | 221.4                            | —                   | —  |
| Information/telecommunications,<br>transportation | 805.3  | 162.5      | 2.0         | 0.0      | 970.0                            | 12.4                | —  |
| Wholesaling, retailing                            | 1,916.5  | 94.8       | 0.6         | 0.0      | 2,012.1                          | 37.1                | 0.3  |
| Services  | 1,473.5  | 67.9       | 0.6         | 1.1      | 1,543.2                          | 56.0                | —  |
| Finance and insurance                             | 1,816.4  | 6,385.8    | 255.4       | 12,359.2 | 20,816.9                         | 5.9                 | —  |
| Other non-manufacturing                           | 7,270.9  | 14,639.8   | 0.0         | 950.7    | 22,861.6                         | 40.5                | —  |
| Total for non-manufacturing                       | 13,742.0   | 21,429.1   | 258.8       | 13,311.3 | 48,741.3                         | 190.5               | 0.3  |
| Total   | 16,155.7   | 21,984.4   | 260.5       | 13,311.4 | 51,712.1                         | 224.1               | 3.0  |

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.

2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

## Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

| Term to maturity        | Loans,<br>commitments,<br>off-balance<br>sheet<br>exposure | Securities | Derivatives | Others   | Total<br>credit risk<br>exposure |
|-------------------------|--|------------|-------------|----------|----------------------------------|
| In 1 year               | 12,089.6   | 1,082.8    | 170.5       | 11,775.0 | 25,118.1                         |
| Over 1 year to 3 years  | 1,716.2  | 2,175.2    | 83.5        | —        | 3,975.0                          |
| Over 3 years to 5 years | 1,500.7  | 3,505.1    | 1.0         | 51.5     | 5,058.4                          |
| Over 5 years to 7 years | 409.7  | 2,776.1    | 0.9         | 10.4     | 3,197.2                          |
| Over 7 years            | 407.5  | 11,363.1   | 4.5         | 719.2    | 12,494.4                         |
| No term to maturity     | 31.7   | 1,081.9    | —           | 755.1    | 1,868.8                          |
| Total                   | 16,155.7   | 21,984.4   | 260.5       | 13,311.4 | 51,712.1                         |

**Notes:** 1. As of the interim balance-sheet date, the Bank's total credit risk exposures do not differ substantially from those at the previous term-end.  
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥8.6 billion.  
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

## (2) RESERVE FOR POSSIBLE LOAN LOSSES

### Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

| Region            | As of September 30, 2007 |
|-------------------|--------------------------|
| Japan             | 91.9                     |
| Asia except Japan | 0.2                      |
| Europe            | —                        |
| The Americas      | —                        |
| Other areas       | 31.2                     |
| Total             | 123.4                    |

**Note:** Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

## Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

| Industry                                       | As of September 30, 2007 |
|--|--------------------------|
| Food products                                  | <b>5.5</b>               |
| Pulp and paper                                 | <b>1.7</b>               |
| Chemicals                                      | —                        |
| Other manufacturing                            | <b>2.6</b>               |
| Total for manufacturing                        | <b>9.9</b>               |
| Agriculture, forestry and fishing              | <b>16.2</b>              |
| Construction                                   | —                        |
| Utility  | —                        |
| Information/telecommunications, transportation | <b>9.1</b>               |
| Wholesaling, retailing                         | <b>16.9</b>              |
| Services                                       | <b>20.7</b>              |
| Finance and insurance                          | <b>1.2</b>               |
| Other non-manufacturing                        | <b>17.6</b>              |
| Total for non-manufacturing                    | <b>82.0</b>              |
| Others   | <b>31.5</b>              |
| Total  | <b>123.4</b>             |

**Note:** Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

### (3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

#### a. Corporate, Sovereign and Bank Exposure

For the six months ended September 30, 2007

#### Corporate Exposure

(Billions of yen)

| Ratings     | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
|-------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| 1-1 to 4    | <b>0.15%</b>               | <b>39.36%</b>               | <b>29%</b>                          | <b>4,223.0</b>               | <b>1,954.5</b>                |
| 5 to 7      | <b>1.79%</b>               | <b>44.71%</b>               | <b>116%</b>                         | <b>997.4</b>                 | <b>128.8</b>                  |
| 8-1 to 8-2  | <b>19.26%</b>              | <b>44.23%</b>               | <b>347%</b>                         | <b>225.5</b>                 | <b>29.4</b>                   |
| Subtotal    | <b>1.04%</b>               | <b>40.32%</b>               | <b>52%</b>                          | <b>5,446.0</b>               | <b>2,112.8</b>                |
| 8-3 to 10-2 | <b>100.00%</b>             | <b>44.47%</b>               | <b>558%</b>                         | <b>163.0</b>                 | <b>1.6</b>                    |
| Total       | <b>3.15%</b>               | <b>40.41%</b>               | <b>63%</b>                          | <b>5,609.0</b>               | <b>2,114.4</b>                |

#### Sovereign Exposure

(Billions of yen)

| Ratings     | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
|-------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| 1-1 to 4    | <b>0.00%</b>               | <b>45.96%</b>               | <b>0%</b>                           | <b>22,813.4</b>              | <b>744.1</b>                  |
| 5 to 7      | <b>7.78%</b>               | <b>45.00%</b>               | <b>221%</b>                         | <b>0.3</b>                   | <b>—</b>                      |
| 8-1 to 8-2  | <b>—</b>                   | <b>—</b>                    | <b>—</b>                            | <b>—</b>                     | <b>—</b>                      |
| Subtotal    | <b>0.00%</b>               | <b>45.96%</b>               | <b>0%</b>                           | <b>22,813.7</b>              | <b>744.1</b>                  |
| 8-3 to 10-2 | <b>100.00%</b>             | <b>45.00%</b>               | <b>563%</b>                         | <b>0.0</b>                   | <b>—</b>                      |
| Total       | <b>0.00%</b>               | <b>45.96%</b>               | <b>0%</b>                           | <b>22,813.7</b>              | <b>744.1</b>                  |

#### Bank Exposure

(Billions of yen)

| Ratings     | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
|-------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| 1-1 to 4    | <b>0.03%</b>               | <b>23.16%</b>               | <b>9%</b>                           | <b>7,403.7</b>               | <b>8,833.8</b>                |
| 5 to 7      | <b>2.52%</b>               | <b>45.00%</b>               | <b>156%</b>                         | <b>11.9</b>                  | <b>5.8</b>                    |
| 8-1 to 8-2  | <b>7.07%</b>               | <b>23.71%</b>               | <b>130%</b>                         | <b>7.3</b>                   | <b>0.5</b>                    |
| Subtotal    | <b>0.04%</b>               | <b>23.18%</b>               | <b>10%</b>                          | <b>7,423.0</b>               | <b>8,840.1</b>                |
| 8-3 to 10-2 | <b>100.00%</b>             | <b>45.00%</b>               | <b>562%</b>                         | <b>0.4</b>                   | <b>0.0</b>                    |
| Total       | <b>0.04%</b>               | <b>23.19%</b>               | <b>10%</b>                          | <b>7,423.4</b>               | <b>8,840.1</b>                |

## Equity Exposure for Credit Risk Using Internal Ratings; PD/LGD Approach

(Billions of yen)

| Ratings     | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight | EAD<br>(on-balance<br>sheet) | EAD<br>(off-balance<br>sheet) |
|-------------|----------------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------|
| 1-1 to 4    | <b>0.16%</b>               | <b>90.00%</b>               | <b>198%</b>                         | <b>81.8</b>                  | —                             |
| 5 to 7      | <b>2.04%</b>               | <b>90.00%</b>               | <b>304%</b>                         | <b>3.7</b>                   | —                             |
| 8-1 to 8-2  | <b>19.91%</b>              | <b>90.00%</b>               | <b>783%</b>                         | <b>0.2</b>                   | —                             |
| Subtotal    | <b>0.29%</b>               | <b>90.00%</b>               | <b>204%</b>                         | <b>85.8</b>                  | —                             |
| 8-3 to 10-2 | —                          | —                           | —                                   | —                            | —                             |
| Total       | <b>0.29%</b>               | <b>90.00%</b>               | <b>204%</b>                         | <b>85.8</b>                  | —                             |

- Notes:**
1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
  2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
  3. Exposure subject to risk-weighted asset calculation for investment funds is not included.
  4. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

## b. Retail Exposure

For the six months ended September 30, 2007

### Details on PD, LGD, RW and EAD On-Balance Sheet Assets

(Billions of yen)

| Type of exposure                                  | PD less than 10%           |                             |                                     | EAD          |
|---|----------------------------|-----------------------------|-------------------------------------|--------------|
|   | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight |              |
| Retail exposure secured by residential properties | <b>0.37%</b>               | <b>40.82%</b>               | <b>27%</b>                          | <b>368.7</b> |
| Qualifying revolving retail exposure              | —                          | —                           | —                                   | —            |
| Other retail exposure                             | <b>0.99%</b>               | <b>42.54%</b>               | <b>43%</b>                          | <b>58.8</b>  |

(Billions of yen)

| Type of exposure                                  | PD less than 100% but equal to or greater than 10% |                             |                                     | EAD         |
|---|--|-----------------------------|-------------------------------------|-------------|
|   | Weighted-<br>average<br>PD                         | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight |             |
| Retail exposure secured by residential properties | <b>21.04%</b>                                      | <b>40.49%</b>               | <b>334%</b>                         | <b>16.8</b> |
| Qualifying revolving retail exposure              | —  | —                           | —                                   | —           |
| Other retail exposure                             | <b>16.96%</b>                                      | <b>43.05%</b>               | <b>179%</b>                         | <b>4.5</b>  |

(Billions of yen)

| Type of exposure                                  | PD less than 100%          |                             |                                     | EAD          |
|---|----------------------------|-----------------------------|-------------------------------------|--------------|
|   | Weighted-<br>average<br>PD | Weighted-<br>average<br>LGD | Weighted-<br>average<br>risk weight |              |
| Retail exposure secured by residential properties | <b>1.27%</b>               | <b>40.80%</b>               | <b>41%</b>                          | <b>385.5</b> |
| Qualifying revolving retail exposure              | —                          | —                           | —                                   | —            |
| Other retail exposure                             | <b>2.13%</b>               | <b>42.58%</b>               | <b>52%</b>                          | <b>63.3</b>  |
| Subtotal  | <b>1.39%</b>               | <b>41.05%</b>               | <b>42%</b>                          | <b>448.9</b> |

(Billions of yen)

| Type of exposure                                  | PD =100%            |                      |                             |                              | EAD         |
|---|---------------------|----------------------|-----------------------------|------------------------------|-------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average EL default | Weighted-average risk weight |             |
| Retail exposure secured by residential properties | <b>100.00%</b>      | <b>77.46%</b>        | <b>71.65%</b>               | <b>968%</b>                  | <b>11.0</b> |
| Qualifying revolving retail exposure              | —                   | —                    | —                           | —                            | —           |
| Other retail exposure                             | <b>100.00%</b>      | <b>48.58%</b>        | <b>45.64%</b>               | <b>607%</b>                  | <b>2.6</b>  |

(Billions of yen)

| Type of exposure                                  | Total               |                      |                              |                             |                              | EAD          |
|---|---------------------|----------------------|------------------------------|-----------------------------|------------------------------|--------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight |              |
| Retail exposure secured by residential properties | <b>4.01%</b>        | <b>40.80%</b>        | <b>77.46%</b>                | <b>71.65%</b>               | <b>67%</b>                   | <b>396.5</b> |
| Qualifying revolving retail exposure              | —                   | —                    | —                            | —                           | —                            | —            |
| Other retail exposure                             | <b>6.09%</b>        | <b>42.58%</b>        | <b>48.58%</b>                | <b>45.64%</b>               | <b>75%</b>                   | <b>66.0</b>  |
| Subtotal  | <b>4.31%</b>        | <b>41.05%</b>        | <b>71.83%</b>                | <b>66.58%</b>               | <b>68%</b>                   | <b>462.6</b> |

## Details on PD, LGD, RW and EAD Off-Balance Sheet Assets

(Billions of yen)

| Type of exposure                                  | PD less than 10%    |                      |                              | EAD        |
|---|---------------------|----------------------|------------------------------|------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —                   | —                    | —                            | —          |
| Qualifying revolving retail exposure              | —                   | —                    | —                            | —          |
| Other retail exposure                             | <b>1.78%</b>        | <b>55.39%</b>        | <b>81%</b>                   | <b>4.3</b> |

(Billions of yen)

| Type of exposure                                  | PD less than 100% but equal to or greater than 10% |                      |                              | EAD        |
|---|--|----------------------|------------------------------|------------|
|   | Weighted-average PD                                | Weighted-average LGD | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —  | —                    | —                            | —          |
| Qualifying revolving retail exposure              | —  | —                    | —                            | —          |
| Other retail exposure                             | <b>47.76%</b>                                      | <b>57.82%</b>        | <b>471%</b>                  | <b>0.0</b> |

(Billions of yen)

| Type of exposure                                  | PD less than 100%   |                      |                              | EAD        |
|---|---------------------|----------------------|------------------------------|------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —                   | —                    | —                            | —          |
| Qualifying revolving retail exposure              | —                   | —                    | —                            | —          |
| Other retail exposure                             | <b>2.32%</b>        | <b>55.42%</b>        | <b>86%</b>                   | <b>4.3</b> |
| Subtotal  | <b>2.32%</b>        | <b>55.42%</b>        | <b>86%</b>                   | <b>4.3</b> |

(Billions of yen)

| Type of exposure                                  | PD =100%            |                              |                             |                              | EAD        |
|---|---------------------|------------------------------|-----------------------------|------------------------------|------------|
|   | Weighted-average PD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —                   | —                            | —                           | —                            | —          |
| Qualifying revolving retail exposure              | —                   | —                            | —                           | —                            | —          |
| Other retail exposure                             | <b>100.00%</b>      | <b>95.40%</b>                | <b>84.63%</b>               | <b>1,193%</b>                | <b>0.2</b> |

(Billions of yen)

| Type of exposure                                  | Total               |                      |                              |                             |                              | EAD        |
|---|---------------------|----------------------|------------------------------|-----------------------------|------------------------------|------------|
|   | Weighted-average PD | Weighted-average LGD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight |            |
| Retail exposure secured by residential properties | —                   | —                    | —                            | —                           | —                            | —          |
| Qualifying revolving retail exposure              | —                   | —                    | —                            | —                           | —                            | —          |
| Other retail exposure                             | <b>7.15%</b>        | <b>55.42%</b>        | <b>95.40%</b>                | <b>84.63%</b>               | <b>140%</b>                  | <b>4.6</b> |
| Total   | <b>7.15%</b>        | <b>55.42%</b>        | <b>95.40%</b>                | <b>84.63%</b>               | <b>140%</b>                  | <b>4.6</b> |

- Notes:**
1. Most of the retail exposure held by the Bank as of September 30, 2007, was related to purchased retail receivables. Since these assets are subject to risk-weighted asset calculation for investment funds, in view of the need to appropriately disclose the content of results of the estimate of parameters related to retail exposure, Exposure subject to risk-weighted asset calculation for investment funds have been included in the quantitative disclosure of these items.
  2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
  3. For assets for which the PD is 100%, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
  4. As of September 30, 2007, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

### c. Actual Losses to Corporate, Sovereign, Bank, and Retail Exposure

#### Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

| Type of exposure                                  | As of September 30, 2007 |
|---|--------------------------|
| Corporate exposure                                | <b>4.2</b>               |
| Sovereign exposure                                | —                        |
| Bank exposure                                     | —                        |
| Equity exposure subject to PD/LGD approach        | —                        |
| Retail exposure secured by residential properties | —                        |
| Qualifying revolving retail exposure              | —                        |
| Other retail exposure                             | <b>0.0</b>               |

- Notes:**
1. Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for actual losses, past results and analysis of causes beginning for the year following the year ended March 31, 2007, when the Basel II went into effect. Comparison data are, therefore, scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)
  2. Actual losses are defined as losses due to direct write-offs, partial direct write-offs, general reserves for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

## Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

| Type of exposure                                  | As of September 30, 2007 |               |
|---|--------------------------|---------------|
|   | Estimated losses         | Actual losses |
| Corporate exposure                                | <b>14.1</b>              | <b>4.2</b>    |
| Sovereign exposure                                | <b>0.8</b>               | —             |
| Bank exposure                                     | <b>0.2</b>               | —             |
| Equity exposure subject to PD/LGD approach        | <b>0.5</b>               | —             |
| Retail exposure secured by residential properties | —                        | —             |
| Qualifying revolving retail exposure              | —                        | —             |
| Other retail exposure                             | <b>0.0</b>               | <b>0.0</b>    |

**Notes:** 1. In consideration of the accuracy of information disclosure, comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).  
 2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.  
 3. One half of the estimated loss amount for the fiscal 2007 full term is employed for estimated loss amount for the first-half period.

## d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

### Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

| Classification  | As of September 30, 2007 |
|---|--------------------------|
| Specialized Lending exposure subject to supervisory slotting criteria         | <b>975.0</b>             |
| Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE) | <b>841.8</b>             |
| Risk weight of 50%  | <b>81.0</b>              |
| Risk weight of 70%  | <b>511.9</b>             |
| Risk weight of 90%  | <b>181.0</b>             |
| Risk weight of 115%   | <b>15.8</b>              |
| Risk weight of 250%   | <b>9.3</b>               |
| Risk weight of 0% (default)   | <b>42.6</b>              |
| High-Volatility Commercial Real Estate (HVCRE)                                | <b>133.2</b>             |
| Risk weight of 70%  | <b>1.6</b>               |
| Risk weight of 95%  | <b>20.2</b>              |
| Risk weight of 120%   | <b>70.0</b>              |
| Risk weight of 140%   | <b>10.7</b>              |
| Risk weight of 250%   | <b>30.4</b>              |
| Risk weight of 0% (default)   | —                        |

**Notes:** 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).  
 2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.  
 3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, which are subject to the Bank's internal rating system and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.  
 4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

## e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

### Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

| (Billions of yen)   |                          |
|---|--------------------------|
| Classification  | As of September 30, 2007 |
| Equity exposure subject to the simple risk-weighted method of the market-based approach by RW | <b>83.7</b>              |
| Risk weight of 300%   | —                        |
| Risk weight of 400%   | <b>83.7</b>              |

**Note:** The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments.

Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

## (4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RW

### Amount of Exposure Subject to Standardized Approach

| (Billions of yen)                         |                          |
|---|--------------------------|
| Classification                            | As of September 30, 2007 |
| Exposure subject to Standardized Approach | <b>8.6</b>               |
| Risk weight of 0%                         | —                        |
| Risk weight of 10%                        | —                        |
| Risk weight of 20%                        | —                        |
| Risk weight of 35%                        | —                        |
| Risk weight of 50%                        | —                        |
| Risk weight of 75%                        | —                        |
| Risk weight of 100%                       | <b>8.6</b>               |
| Risk weight of 150%                       | —                        |
| Risk weight of more than 150%             | —                        |
| Amount deducted from capital              | —                        |

**Note:** For exposure computed by the Standardized Approach, the Bank does not refer to external ratings in applying risk weights in any case.

## 4. Items for Methods of Credit Risk Mitigation Techniques (Non-Consolidated)

### Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral)

(Billions of yen)

| Classification                             | As of September 30, 2007 |
|--|--------------------------|
| Foundation Internal Ratings-Based Approach | <b>7,606.0</b>           |
| Eligible financial collateral              | <b>7,606.0</b>           |
| Corporate exposure                         | <b>765.2</b>             |
| Sovereign exposure                         | —                        |
| Bank exposure                              | <b>6,840.7</b>           |
| Other eligible IRB collateral              | —                        |
| Corporate exposure                         | —                        |
| Sovereign exposure                         | —                        |
| Bank exposure                              | —                        |
| Standardized Approach                      | —                        |
| Eligible financial collateral              | —                        |

**Notes:** 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.  
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

### Amount of Exposure Subject to Credit Risk Mitigation Techniques (Guarantees, Credit Derivatives)

(Billions of yen)

| Classification                                    | As of September 30, 2007 |
|---|--------------------------|
| Foundation Internal Ratings-Based Approach        | <b>378.9</b>             |
| Corporate exposure                                | <b>345.0</b>             |
| Sovereign exposure                                | <b>33.8</b>              |
| Bank exposure                                     | —                        |
| Retail exposure secured by residential properties | —                        |
| Qualifying revolving retail exposure              | —                        |
| Other retail exposure                             | —                        |
| Standardized Approach                             | —                        |

**Notes:** 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such methods have been taken into account.  
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

## 5. Items for Counterparty Credit Risk in Derivative Transactions (Non-Consolidated)

### Breakdown of the Amount of Credit Exposure

(Billions of yen)

| Classification  | As of September 30, 2007   |
|---|----------------------------|
| Total gross replacement costs<br>(limited to items with a value of greater than zero)                       | (A) <b>215.1</b>           |
| Total gross add-ons   | (B) <b>282.7</b>           |
| Gross credit exposure   | (C) = (A)+(B) <b>497.9</b> |
| Including, foreign exchange related   | <b>447.0</b>               |
| Including, interest rate related  | <b>42.3</b>                |
| Including, equity related   | <b>3.0</b>                 |
| Including, credit derivatives   | <b>5.4</b>                 |
| Amount of credit exposure before taking into account<br>credit risk mitigation techniques due to collateral | (D) <b>261.6</b>           |
| Reduction in credit exposure due to netting contracts   | (C)-(D) <b>236.2</b>       |

**Note:** Derivative Transactions included in risk-weighted assets calculation for investment funds are not included. The current exposure method is adopted about calculating amount of credit exposure.

### Amounts of Collateral by Type

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

### Credit Exposure after Taking Account of the Effect of Credit Risk Mitigation Techniques due to Acceptance of Collateral

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

### Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

| Classification                           | As of September 30, 2007 |
|--|--------------------------|
| To buy protection                        | —                        |
| To sell protection (Credit Default Swap) | <b>96.7</b>              |

**Note:** Derivative Transactions included in risk-weighted assets calculation for investment funds are not included.

### Notional Principal Amount of Credit Derivatives Taking into Consideration the Effect of Credit Risk Mitigation Techniques

(Billions of yen)

| Classification            | As of September 30, 2007 |
|---------------------------|--------------------------|
| Notional principal amount | —                        |

**Note:** Under the stipulations of the Notification Regarding Capital Adequacy, Article 21 and Article 56, the amount of credit risk assets not computed has not been included.

## 6. Items for Securitization Exposure (Non-Consolidated)

### The Amount of Underlying Assets Securitized by the Bank and Details by Asset Type

As of September 30, 2007, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

### Amount of Securitization Exposure Held as Investor and Details by Asset Type

(Billions of yen)

| Classification                    | As of September 30, 2007 |
|-----------------------------------|--------------------------|
| Amount of securitization exposure | <b>4,877.2</b>           |
| Business corporations             | <b>2,066.1</b>           |
| Individuals                       | <b>1,691.2</b>           |
| Real estate                       | <b>988.8</b>             |
| Other                             | <b>130.9</b>             |

### Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

(Billions of yen)

| Classification                    | As of September 30, 2007 |                             |
|-----------------------------------|--------------------------|-----------------------------|
|                                   | Amount of exposure       | Regulatory Required Capital |
| Amount of securitization exposure | <b>4,877.2</b>           | <b>116.2</b>                |
| Risk weight: 25% or less          | <b>4,241.0</b>           | <b>42.7</b>                 |
| Risk weight: 25.01% to 100.00%    | <b>549.1</b>             | <b>29.3</b>                 |
| Risk weight: 100.01% to 425%      | <b>52.8</b>              | <b>10.4</b>                 |
| Risk weight: 425.01% to 1,250%    | <b>1.9</b>               | <b>1.3</b>                  |
| Deductions from capital           | <b>32.3</b>              | <b>32.3</b>                 |

### Amount of Securitization Exposure Deducted from Capital and Details by Asset Type

(Under the stipulations of the Notification Regarding Capital Adequacy, Article 224)

(Billions of yen)

| Classification                                       | As of September 30, 2007 |
|--|--------------------------|
| Amount of securitized exposure deducted from capital | <b>32.3</b>              |
| Business corporations                                | <b>15.8</b>              |
| Individuals  | <b>0.8</b>               |
| Real estate  | <b>2.3</b>               |
| Other  | <b>13.1</b>              |

### Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

## 7. Items for Market Risk (Non-Consolidated)

(Computation of the Market Risk Amount Using the Internal Models Approach)

### VaR

| (Millions of yen)                           |                          |                                      |            |            |
|---|--------------------------|--------------------------------------|------------|------------|
| For the six months ended September 30, 2007 |                          |                                      |            |            |
|   | Base date of computation | For the most recent 60 business days |            |            |
|   |                          | Maximum                              | Minimum    | Average    |
| VaR   | September 28, 2007       | <b>313</b>                           | <b>100</b> | <b>172</b> |

### Amounts of Market Risk

| (Millions of yen)  |     |             |
|--|-----|-------------|
| For the six months ended September 30, 2007  |     |             |
| For the portion computed with the internal models approach (B)+(E)                       | (A) | <b>585</b>  |
| Value at Risk (MAX (C, D))   | (B) | <b>585</b>  |
| Amount on base date of computation   | (C) | <b>112</b>  |
| Amount determined by multiplying (F) by the average for the most recent 60 business days | (D) | <b>585</b>  |
| Additional amount at the time of measuring individual risk                               | (E) | <b>0</b>    |
| (Multiplier)   | (F) | <b>3.40</b> |
| (Times exceeding VaR in back testing)  | (G) | <b>5</b>    |

**Note:** To test the appropriateness of the Bank's internal model, the estimates of risk volume computed by the model are compared with actual profit and loss on a daily basis (known as back testing). When divergences between the model's estimates and actual results rise above the set level, analyses of the causes of this divergence are conducted, and, depending on the results of the analyses, the model is reviewed and revised as necessary.

## 8. Items for Equity Exposure (Non-Consolidated)

(Includes items such as shares, excludes items in a trading account)

### Amounts on the Balance Sheet and Market Value

(Billions of yen)

| Classification                     | As of September 30, 2007     |                |
|------------------------------------|------------------------------|----------------|
|                                    | Amounts on the balance sheet | Market value   |
| Equity exposure                    | <b>1,170.7</b>               | <b>1,170.7</b> |
| Exposure to publicly traded equity | <b>976.5</b>                 | <b>976.5</b>   |
| Exposure to privately held equity  | <b>194.1</b>                 | <b>194.1</b>   |

**Notes:** 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.  
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the half-year balance sheet.

### Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

| Item            | For the six months ended September 30, 2007 |                                     |                              |
|-----------------|---|-------------------------------------|------------------------------|
|                 | Gains from sale of equities, etc.           | Losses from sales of equities, etc. | Write-offs of equities, etc. |
| Equity exposure | <b>19.9</b>                                 | <b>0.0</b>                          | <b>25.1</b>                  |

**Note:** Amounts reflect relevant figures posted in the half-year consolidated income statements.

### Amount of Valuation Gains (Losses)

(Billions of yen)

| Item            | As of September 30, 2007   |  |
|-----------------|--|--|
|                 | Amount of valuation gain (loss) recognized on the balance sheet and not recognized in the statements of operations | Amount of valuation gain (loss) not recognized on the balance sheet nor the statements of operations |
| Equity exposure | <b>324.1</b>   | —  |

**Notes:** 1. Exposure is to equity shares issued by both domestic and overseas companies.  
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.

## Amount Included in Supplementary Capital (Tier II) Under the Stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1

(Billions of yen)

| Item   | As of September 30, 2007 |
|--|--------------------------|
| Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1 | <b>145.8</b>             |

**Note:** "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 20-1-1) classified under other securities at market value minus the total book value of these securities.

## Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

| Classification  | As of September 30, 2007     |
|---|------------------------------|
|   | Amounts on the balance sheet |
| Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13 | <b>667.5</b>                 |
| Corporate   | <b>631.1</b>                 |
| Bank  | <b>32.8</b>                  |
| Sovereign   | <b>3.6</b>                   |

**Note:** Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

## 9. Items for Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Non-Consolidated)

### Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

| Classification           | As of September 30, 2007 |   |
|--------------------------|--------------------------|---|
|                          | Amount of exposure       | (For reference)<br>Weighted-average risk weight |
| Look-through approach    | <b>17,339.6</b>          | <b>65%</b>                                      |
| Majority approach        | <b>1,040.9</b>           | <b>354%</b>                                     |
| Mandate approach         | —                        | —   |
| Market-based approach    | <b>4,039.2</b>           | <b>186%</b>                                     |
| Others (simple approach) | <b>538.3</b>             | <b>500%</b>                                     |
| <b>Total</b>             | <b>22,958.2</b>          | <b>103%</b>                                     |

- Notes:**
1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)
  2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in the fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)
  3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)
  4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model. (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)
  5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying a risk weight of 400%, when it is judged that the probability that the weighted-average risk weight will be less than 400%. In all other cases, a risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)
  6. The items "(For reference) Weighted-average risk weight" is computed as follows: calculating the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

## 10. Items for Interest-Rate Risk (Non-Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

### Interest-Rate Risk Volume Computed with the Internal Model in Its Core Business Accounts (The Banking Accounts)

| Classification                         | (Billions of yen)<br>As of September 30, 2007 |
|--|---|
| Interest-rate risk                     | <b>1,463.8</b>                                |
| Yen interest-rate risk                 | <b>15.2</b>                                   |
| U.S. dollar interest-rate risk         | <b>1,275.5</b>                                |
| Euro interest-rate risk                | <b>159.1</b>                                  |
| Interest-rate risk in other currencies | <b>13.9</b>                                   |