

Capital Adequacy (Quantitative Disclosure Items)

1. ITEMS RELATED TO CONSTITUENTS OF CAPITAL

		(¥ million)	
		(as of March 31, 2008)	(as of March 31, 2007)
Basic items	Capital	522,765	522,765
	Surplus capital	—	—
	Retained earnings	169,312	150,871
	Tentative external outflow	(3,521)	(3,438)
	Valuation loss on other marketable securities	—	—
	Amount equivalent to increase in capital on securitization transactions	—	—
	Total (A)	688,555	670,198
Complementary issues	Amount equivalent to 45% of the total book value amount deducted from the net total value of other marketable securities posted on the balance sheet	1,813	3,286
	General reserve for possible loan losses	61,075	62,893
	Methods of raising debt capital, etc.	41,000	20,000
	Total	103,888	86,179
	Included in capital (B)	103,888	86,179
Quasi-complementary issues	Short-term subordinated debt	—	—
	Included in capital (C)	—	—
Exclusions	Investment in the capital of other financial institutions	—	—
	Deductions for transactions with non-simultaneous settlement, and deductions for exemptions on guarantees used as a credit risk reduction technique or credit derivatives	—	—
	Credit-enhancing I/O strips and securitization exposure deducted from capital, excluding portion deducted from basic items	—	—
	Total (D)	—	—
Capital	(A) + (B) + (C) – (D)	792,443	756,378

2. ITEMS RELATED TO CAPITAL ADEQUACY

REQUIRED CAPITAL FOR CREDIT RISK

(¥ million)

Assets (on balance sheet)

Items	(Reference) Risk weight specified in notification (%)	Required capital	
		(as of March 31, 2008)	(as of March 31, 2007)
1. Cash	0	—	—
2. Claims on Japanese central government and Bank of Japan	0	—	—
3. Claims on foreign central governments and central banks	0–100	—	—
4. Claims on international settlement banks	0	—	—
5. Claims on Japanese local governments	0	—	—
6. Claims on public sector other than foreign central governments	20–100	113	33
7. Claims on international development banks	0–100	—	—
8. Claims on Japan's government-affiliated institutions	10–20	177	336
9. Claims on major three local public corporations	20	—	—
10. Claims on financial institutions and security companies	20–100	1,854	2,223
11. Claims on corporations	20–100	585,779	582,828
12. Claims on SMEs and individuals	75	56,806	66,809
13. Housing loans with mortgages	35	—	—
14. Claims on real estate acquisition businesses	100	20,217	20,602
15. More than three months delinquent	50–150	5,626	6,657

16. Cash items in process of collection	20	0	0
17. Loans secured by credit guarantee association	10	1,521	1,786
18. Investment, etc.	100	2,006	2,433
19. Other than the above	100	10,638	9,996
20. Securitization (as originator)	20–100	—	—
21. Securitization (other than originator)	20–350	1,324	1,863
22. Those assets backed by multiple assets (said fund) that are difficult to break down into individual assets	—	—	—
Total	—	686,067	695,571

Off-balance sheet transactions

Items	Margin (%)	Required capital	
		(as of March 31, 2008)	(as of March 31, 2007)
1. Commitments that can be cancelled without condition at any time and commitments that can be cancelled automatically	0	—	—
2. Commitments with original contract periods of less than one year	20	436	477
3. Short-term trade-related contingency liabilities	20	108	123
4. Contingency liabilities for specific transactions	50	1,361	1,404
5. NIF or RUF	50	—	—
6. Commitments with original contract periods of more than one year	50	2,014	1,443
7. Contingency liabilities directly substituted for credit accommodation	100	4,159	4,194
8. Sales of assets with repurchase conditions, or sales of assets with right of indemnification	—	—	—
9. Futures purchases, forward deposits, partial payment stocks, and partial payment bonds	100	—	—
10. Marketable securities lending, collateral provision using cash or marketable securities, or marketable security sales with repurchase conditions or purchases with re-sale conditions	100	—	—
11. Derivatives transactions	—	3,211	1,812
12. Transactions with long-term settlement period	—	—	—
13. Open trades	—	—	—
14. Eligible liquidity enhancement and eligible servicing entity cash advances for securitization exposure	0–100	—	—
15. Off-balance sheet securitization exposure other than the above	100	—	—
Total	—	11,292	9,455

REQUIRED CAPITAL FOR OPERATIONAL RISK AND, OF THESE, AMOUNTS FOR EACH TECHNIQUE USED BY THE BANK LISTED BELOW (¥ million)

	(as of March 31, 2008)	(as of March 31, 2007)
Capital requirements for operational risk	22,340	22,938
Basic methods	22,340	22,938
Gross profit allocation methods	—	—
Advanced calculation methods	—	—

CAPITAL RATIO, RATIO OF BASIC ITEMS, AND CAPITAL REQUIREMENTS

(¥ million)

	(as of March 31, 2008)	(as of March 31, 2007)
Capital	792,443	756,378
Basic items	688,555	670,198
Credit risk assets	8,716,992	8,812,837
Assets (on balance sheet)	8,575,841	8,694,649
Off-balance sheet transactions	141,151	118,187
Amount equivalent to operational risk less 8%	279,257	286,725
Total risk assets	8,996,250	9,099,563
Capital ratio	8.80%	8.31%
Ratio of basic items	7.65%	7.36%
Capital requirements	719,700	727,965

3. ITEMS RELATED TO CREDIT RISK (EXCLUDING SECURITIZATION EXPOSURE)

FISCAL YEAR-END BALANCE OF CREDIT RISK EXPOSURE

(¥ million)

Fiscal year-end balance of exposure by region, industry, and time to maturity

	(as of March 31, 2008)			
	Loans, etc.	Bonds	Derivatives transactions	Total
Domestic total	9,348,188	1,375,506	67,983	10,791,678
Overseas total	28,137	65,304	—	93,442
Total by region	9,376,326	1,440,811	67,983	10,885,120
Manufacturing	3,092,902	117,412	11,381	3,221,696
Agriculture, forestry and fishery	15,086	460	27	15,575
Mining	12,069	—	4	12,073
Construction	262,335	7,479	167	269,981
Wholesale	1,933,588	62,379	14,098	2,010,066
Retail	958,152	29,987	2,873	991,012
Finance and insurance	183,965	54,302	34,225	272,493
Real Estate	558,252	4,702	745	563,700
Transport and communication	1,057,006	27,750	3,360	1,088,117
Electricity, gas, water and heat supply	29,362	1,461	41	30,864
Services	1,041,903	22,559	1,058	1,065,521
National and local public government	42,621	967,776	—	1,010,397
Others	189,080	144,539	—	333,619
Total by industry	9,376,326	1,440,811	67,983	10,885,120
1 year or less	3,606,370	529,440	18,565	4,154,376
More than 1 year, 3 years or less	1,609,372	438,098	19,447	2,066,918
More than 3 years, 5 years or less	2,025,268	436,079	13,365	2,474,713
More than 5 years, 7 years or less	583,909	17,016	9,845	610,771
More than 7 years, 10 years or less	602,989	10,690	5,433	619,113
More than 10 years	735,170	9,485	1,325	745,981
Without specific term	213,245	—	—	213,245
Total by time to maturity	9,376,326	1,440,811	67,983	10,885,120

Notes: 1. The "fiscal year-end balance" is the current exposure amount after netting (EAD after netting) of those derivatives transactions with netting contracts; the remainder is the balance before taking the credit risk reduction effect into account and before deducting individual reserves for possible loan losses.

2. Excluding securitization exposure.

3. An exposure whose source cannot be identified is posted as "domestic," "others" or "without specific term."

4. For exposure by region, exposure to foreign derivatives is netted from the total for domestic derivatives with the amount after netting posted as domestic exposure.

	(as of March 31, 2007)			Total
	Loans, etc.	Bonds	Derivatives transactions	
Domestic total	9,542,474	1,408,825	41,127	10,992,427
Overseas total	18,889	92,941	—	111,831
Total by region	9,561,363	1,501,766	41,127	11,104,258
Manufacturing	3,174,773	112,769	7,344	3,294,887
Agriculture, forestry and fishery	14,716	130	28	14,875
Mining	13,436	—	3	13,440
Construction	278,597	7,860	150	286,607
Wholesale	2,026,669	56,353	5,919	2,088,942
Retail	987,164	28,275	2,160	1,017,599
Finance and insurance	175,118	94,622	23,123	292,864
Real Estate	536,230	5,420	281	541,931
Transport and communication	1,061,767	25,549	1,592	1,088,910
Electricity, gas, water and heat supply	26,108	619	21	26,749
Services	1,039,036	22,360	502	1,061,899
National and local public government	40,711	1,108,657	—	1,149,368
Others	187,032	39,148	—	226,181
Total by industry	9,561,363	1,501,766	41,127	11,104,258
1 year or less	3,725,541	464,677	9,745	4,199,964
More than 1 year, 3 years or less	1,627,433	665,345	12,386	2,305,165
More than 3 years, 5 years or less	2,002,489	336,301	11,450	2,350,241
More than 5 years, 7 years or less	640,444	12,835	4,943	658,223
More than 7 years, 10 years or less	633,019	21,137	1,875	656,032
More than 10 years	721,054	1,469	726	723,249
Without specific term	211,380	—	—	211,380
Total by time to maturity	9,561,363	1,501,766	41,127	11,104,258

Notes: 1. The "fiscal year-end balance" is the current exposure amount after netting (EAD after netting) of those derivatives transactions with netting contracts; the remainder is the balance before taking the credit risk reduction effect into account and before deducting individual reserves for possible loan losses.

2. Excluding securitization exposure.

3. An exposure whose source cannot be identified is posted as "domestic," "others" or "without specific term."

4. For exposure by region, exposure to foreign derivatives is netted from the total for domestic derivatives with the amount after netting posted as domestic exposure.

FISCAL YEAR-END BALANCE OF EXPOSURE TO LOANS MORE THAN THREE MONTHS DELINQUENT

(¥ million)

Fiscal year-end balance of exposure to delinquent loans by region and industry

	(as of March 31, 2008)	(as of March 31, 2007)
	Domestic total	174,583
Overseas total	—	—
Total by region	174,583	213,911
Manufacturing	47,316	62,533
Agriculture, forestry and fishery	220	82
Mining	856	19
Construction	8,792	8,772
Wholesale	29,090	23,810
Retail	27,344	31,730
Finance and insurance	917	271
Real Estate	11,061	14,850
Transport and communication	11,276	17,296
Electricity, gas, water and heat supply	—	—
Services	37,580	54,249
National and local public government	—	—
Others	127	295
Total by industry	174,583	213,911

Notes: 1. The "fiscal year-end balance" is the balance before taking the credit risk reduction effect into account and before deducting individual reserves for possible loan losses.

2. Excluding securitization exposure.

FISCAL YEAR-END BALANCE AND FLUCTUATIONS DURING FISCAL PERIOD IN GENERAL RESERVE FOR POSSIBLE LOAN LOSSES, GENERAL RESERVE FOR INDIVIDUAL POSSIBLE LOAN LOSSES, AND RESERVE ACCOUNT FOR SPECIFIC FOREIGN LOANS

(¥ million)

	(Fiscal 2007)		
	Beginning of fiscal year	Fluctuations during fiscal period	End of fiscal year
General reserve for possible loan losses	62,893	(1,818)	61,075
General reserve for individual possible loan losses	184,128	(23,799)	160,329
Reserve account for specific foreign loans	—	—	—
Total	247,021	(25,617)	221,404

	(Fiscal 2006)		
	Beginning of fiscal year	Fluctuations during fiscal period	End of fiscal year
General reserve for possible loan losses	63,541	(648)	62,893
General reserve for individual possible loan losses	228,499	(44,370)	184,128
Reserve account for specific foreign loans	—	—	—
Total	292,040	(45,018)	247,021

Breakdown of Individual Reserves for Possible Loan Losses by Region and Industry

(¥ million)

	(as of March 31, 2008)	(as of March 31, 2007)
Domestic total	160,329	184,128
Overseas total	—	—
Total by region	160,329	184,128
Manufacturing	44,267	54,169
Agriculture, forestry and fishery	257	206
Mining	181	12
Construction	5,297	5,822
Wholesale	32,096	28,262
Retail	22,948	27,748
Finance and insurance	4,302	275
Real Estate	4,852	8,966
Transport and communication	8,789	13,554
Electricity, gas, water and heat supply	59	26
Services	37,204	44,953
Individuals	71	116
Others	1	12
Total by industry	160,329	184,128

LOAN WRITE-OFF AMOUNT BY INDUSTRY

(¥ million)

	(Fiscal 2007)	(Fiscal 2006)
Manufacturing	224	456
Agriculture, forestry and fishery	0	3
Mining	0	0
Construction	314	87
Wholesale and retail	333	288
Finance and insurance	0	0
Real Estate	0	1
Transport and communication	9	5
Electricity, gas, water and heat supply	0	0
Services	415	62
Individuals	0	0
Total by industry	1,295	903

FOR EXPOSURE ADOPTED STANDARD METHODS, BALANCE AFTER TAKING INTO ACCOUNT THE CREDIT RISK REDUCTION EFFECT FOR EACH RISK WEIGHT CATEGORY AND AMOUNTS AFTER DEDUCTING CAPITAL

(¥ million)

Exposure by Risk Weight Category

Risk weight ^{*1}	(Exposure as of March 31, 2008)		(Exposure as of March 31, 2007)	
	With external rating ^{*2}	Without external rating ^{*2,3}	With external rating ^{*2}	Without external rating ^{*2,3}
0%	2,471	1,125,804	—	1,150,744
10%	—	229,412	—	283,998
20%	8,697	161,099	9,950	169,847
50%	33,885	18,435	15,604	28,939
75%	—	958,532	—	1,100,388
100%	13,321	7,843,180	268	7,806,188
150%	—	28,103	—	32,278
Capital exclusion	—	—	—	—
Total	58,375	10,364,568	25,823	10,572,383

Notes: *1. Risk weight is categorized as the risk weight after taking the credit risk reduction effect into account.

*2. External rating availability is categorized based on whether the original borrower has an external rating.

*3. Exposure classified without regard to whether the original borrower has an external rating (Japanese government, Bank of Japan, local public governments, eligible international development banks, government-affiliated institutions, financial institutions, securities companies, SMEs, business real estate) is classified as "without external rating."

*4. Excluding securitization exposure.

4. ITEMS RELATED TO CREDIT RISK REDUCTION METHODS

Exposure Due to Adopting Credit Risk Reduction Methods

(¥ million)

Category	Exposure due to adopting credit risk reduction methods	
	(as of March 31, 2008)	(as of March 31, 2007)
Cash and Shoko Chukin Bank deposits (including Shoko Chukin Bank debentures)	184,495	197,586
Gold	—	—
Eligible bonds	—	—
Eligible shares	19,969	29,389
Eligible investment trusts, etc.	—	—
Total eligible financial asset collateral	204,465	226,975
Eligible guarantees	347,865	398,976
Eligible credit derivatives	—	—
Total eligible guarantees	347,865	398,976

Note: The exposure amount before taking into account the credit risk reduction method, which is equivalent to the principal benefiting from the effect of the aforementioned collateral and guarantee, is posted as "exposure due to adopting credit risk reduction methods."

5. ITEMS RELATED TO COUNTERPARTY RISK IN DERIVATIVES TRANSACTIONS AND LONG-TERM SETTLEMENT TRANSACTIONS

METHODS USED IN CALCULATING CREDIT EQUIVALENT AMOUNT

The credit equivalent amount is calculated using the current exposure method.

TOTAL GROSS REPLACEMENT COSTS

(¥ million)

	(as of March 31, 2008)	(as of March 31, 2007)
	44,226	22,097

CREDIT EQUIVALENT AMOUNT BY TRANSACTION CATEGORY

(¥ million)

Type and transaction categories	(Credit equivalent amount as of March 31, 2008)	(Credit equivalent amount as of March 31, 2007)
Credit equivalent amount before taking netting and collateral into account	107,858	70,753
Foreign exchange-related transactions and gold-related transactions	47,876	30,493
Interest rate transactions	59,930	40,259
Stock transactions	—	—
Precious metal transactions (excluding gold transactions)	—	—
Other commodities transactions	50	—
Credit derivatives	—	—
Reduction effect by netting	(39,874)	(29,625)
Credit equivalent amount after taking netting into account and before taking collateral into account	67,983	41,127
Reduction effect of collateral	—	—
Cash collateral	—	—
Marketable securities collateral	—	—
Credit equivalent amount taking collateral into account	67,983	41,127

Note: The credit equivalent amounts for foreign exchange-related transactions for which the duration of the original contract is five business days or less are excluded from the above amount.

AMOUNT OF NOTIONAL PRINCIPLE OF THE CREDIT DERIVATIVE USED TO CALCULATE THE CREDIT EQUIVALENT AMOUNT CATEGORIZED BY TYPE OF CREDIT DERIVATIVE AND ACCORDING TO PURCHASE OR PROVISION OF PROTECTIONS

(¥ million)

	(as of March 31, 2008)		(as of March 31, 2007)	
	Purchase	Provision	Purchase	Provision
Total	—	—	—	—

NOTIONAL PRINCIPAL OF CREDIT DERIVATIVES USED TO TAKE INTO ACCOUNT THE EFFECT OF CREDIT RISK REDUCTION METHODS

(¥ million)

	(as of March 31, 2008)	(as of March 31, 2007)
	—	—

6. ITEMS RELATED TO SECURITIZATION EXPOSURE

ITEMS RELATED TO SECURITIZATION EXPOSURE FOR WHICH THE BANK WAS THE ORIGINATOR

No Transactions

ITEMS RELATED TO AMOUNT OF SECURITIZATION EXPOSURE FOR WHICH THE BANK ACTED AS INVESTOR

(¥ million)

Breakdown of primary underlying assets by type

Underlying assets	Exposure amount	
	(as of March 31, 2008)	(as of March 31, 2007)
Trade receivables	16,555	22,992
Leasing receivables	926	2,294
Loan receivables	207	830
Total	17,689	26,117

Balance by risk weight category and required capital

Risk weight category	(as of March 31, 2008)		(as of March 31, 2007)	
	Exposure amount	Capital requirement	Exposure amount	Capital requirement
0–20%	—	—	—	—
20–50%	1,414	22	3,534	56
50–100%	—	—	—	—
100–350%	16,275	1,302	22,582	1,806
350–650%	—	—	—	—
Capital exclusions	—	—	—	—
Total	17,689	1,324	26,117	1,863

Amount of securitization exposure deducted from capital and breakdown of primary underlying assets by type

No Transactions

Credit risk asset amount calculated by applying Appendix Article 15 of the Notification of Capital Adequacy Ratio

No Transactions

7. ITEMS RELATED TO EQUITY EXPOSURE IN THE BANKING ACCOUNTS

AMOUNTS ON THE BALANCE SHEET, MARKET VALUE AND AMOUNTS ON BALANCE SHEET INVOLVING ITEMS

(¥ million)

	(as of March 31, 2008)		(as of March 31, 2007)	
	Amount on the balance sheet	Market value	Amount on the balance sheet	Market value
Amount on the balance sheet for exposure to publicly traded equity and privately held equity	16,069		22,986	
Amount on the balance sheet for equity exposure not relevant to above or exposure to privately held equity	9,014		7,437	
Total	25,084	25,084	30,424	30,424

AMOUNT OF GAIN (LOSS) DUE TO SALE OR WRITE-OFF OF EQUITY EXPOSURE

(¥ million)

	(Fiscal 2007)	(Fiscal 2006)
Gain (loss) on sale	(607)	434
Write-offs	379	307

AMOUNT OF VALUATION GAIN (LOSS) RECOGNIZED ON THE BALANCE SHEET AND NOT RECOGNIZED IN THE INCOME STATEMENT

(¥ million)

	(as of March 31, 2008)	(as of March 31, 2007)
	3,758	10,638

AMOUNT OF VALUATION GAIN (LOSS) NOT RECOGNIZED ON THE BALANCE SHEET OR THE INCOME STATEMENT

No Transactions

AMOUNT INCLUDED IN SUPPLEMENTARY CAPITAL AS STIPULATED IN THE NOTIFICATION OF CAPITAL ADEQUACY RATIO, ARTICLE 6-1-1

(¥ million)

	(as of March 31, 2008)	(as of March 31, 2007)
	1,691	4,787

8. GAIN OR LOSS FROM INTEREST RATE SHOCKS OR THE INCREASE OR DECREASE IN ECONOMIC VALUE USED FOR INTERNAL MANAGEMENT PURPOSES REGARDING INTEREST RATE RISK IN THE BANKING ACCOUNTS

(¥ million)

	(Fiscal 2007)	(Fiscal 2006)
Yen interest rate risk	10,626	14,319
Interest rate risk in other currencies	415	27
Total	11,042	14,347

Note: VaR (one-month holding period, 99% confidence interval) is used to measure risk.

As the Bank has not adopted market risk regulations to calculate its capital ratio, interest rate risk in specific trading accounts is added to interest rate risk in banking accounts in the above table.