

Financial Data (Consolidated)

Six Months Ended September 30, 2009

| | |
|--|----|
| Balance Sheets..... | 2 |
| Statements of Operations..... | 4 |
| Statements of Changes in Net Assets..... | 5 |
| Notes to the Financial Statements..... | 7 |
| Capital Account Details..... | 12 |

Trends in Principal Financial Indicators (Consolidated)

| Fiscal period ended | Billions of yen | |
|--|-----------------------|-------------------|
| | September 30, 2009 | March 31, 2009 |
| Total Operating Income | ¥ 119.5 | ¥ 122.2 |
| Loss before Income Taxes and Others | (1.8) | (6.0) |
| Net Loss | (1.9) | (3.7) |
| Total Capital Funds | 837.2 | 685.1 |
| Total Assets | 11,739.0 | 10,913.2 |
| Net Assets per Share (Yen) | 129.84 | 128.89 |
| Net Loss per Share (Yen) | (0.87) | (1.70) |
| Net Loss per Share (Diluted) (Yen) | — | — |
| Capital Ratio (%) | 7.10 | 6.24 |
| Consolidated Capital Ratio (Uniform International Standards) (%) | 11.02 | 8.91 |
| Number of Employees (Persons) [Average Number of Temporary Employees] | 4,373 [719] | 4,220 [685] |

- Notes: 1. The Shoko Chukin Bank and its domestic consolidated subsidiaries account for national and local consumption taxes by way of the tax-exclusion method.
2. For the fiscal period ended March 31, 2009 (six-month fiscal period), and the fiscal interim period ended September 30, 2009 (six-month fiscal interim period), the Bank recorded a Net Loss per Share. Net Loss per Share (Diluted) for each of these periods is not presented because there were no shares with a dilutive effect.
3. The Capital Ratio is calculated as follows:
(Total Net Assets as of the fiscal period-end – Minority Interests as of the fiscal period-end) / Total Assets as of the fiscal period-end x 100
4. The Consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.
5. The Shoko Chukin Bank changed its status to a joint-stock company on October 1, 2008 in accordance with provisions outlined under the Shoko Chukin Bank Limited Act. As a result, the Bank's fiscal account settlement period ended March 31, 2009 is the six-month period from October 1, 2008 to March 31, 2009.
6. The number of employees is the number of people employed (excluding workers on loan).

Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of September 30 and March 31, 2009

| | Millions of yen | | Millions of U.S. dollars |
|---|--------------------|--------------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| ASSETS | | | |
| Cash and Due from Banks | ¥ 77,336 | ¥ 93,068 | \$ 857 |
| Call Loans and Bills Purchased | 39,401 | 4,205 | 436 |
| Monetary Claims Purchased | 30,918 | 31,268 | 342 |
| Trading Assets | 32,153 | 19,393 | 356 |
| Investment Securities | 2,151,721 | 1,557,761 | 23,852 |
| Loans | 9,339,276 | 9,131,334 | 103,528 |
| Foreign Exchange | 7,816 | 7,006 | 86 |
| Other Assets | 105,145 | 96,123 | 1,165 |
| Tangible Fixed Assets | 44,124 | 45,075 | 489 |
| Intangible Fixed Assets | 7,200 | 6,757 | 79 |
| Deferred Income Taxes | 79,658 | 83,697 | 883 |
| Customers' Liabilities for Acceptances and Guarantees | 70,769 | 74,290 | 784 |
| Reserve for Possible Loan Losses | (246,463) | (236,721) | (2,732) |
| Total Assets | ¥11,739,059 | ¥10,913,262 | \$ 130,130 |

| | Millions of yen | | Millions of U.S. dollars |
|--|--------------------|--------------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| LIABILITIES | | | |
| Deposits | ¥ 3,354,975 | ¥ 3,108,947 | \$ 37,190 |
| Negotiable Certificates of Deposit | 43,670 | 49,760 | 484 |
| Shoko Chukin Bank Debentures | 6,211,087 | 6,405,591 | 68,851 |
| Call Money and Bills Sold | — | 4,207 | — |
| Trading Liabilities | 26,635 | 13,771 | 295 |
| Borrowed Money | 909,666 | 274,506 | 10,083 |
| Foreign Exchange | 84 | 28 | 0 |
| Other Liabilities | 255,455 | 267,646 | 2,831 |
| Reserve for Bonuses | 4,551 | 4,578 | 50 |
| Reserve for Retirement Benefit | 20,202 | 20,342 | 223 |
| Reserve for Retirement Benefits for Directors | 55 | 58 | 0 |
| Reserve for Losses on Refund for Dormant Bonds | 3,860 | 3,471 | 42 |
| Other Reserves | 72 | 77 | 0 |
| Deferred Tax Liabilities | 62 | 62 | 0 |
| Negative Goodwill | 626 | 804 | 6 |
| Acceptances and Guarantees | 70,769 | 74,290 | 784 |
| Total Liabilities | 10,901,773 | 10,228,145 | \$120,848 |
| NET ASSETS | | | |
| Capital | 218,653 | 218,653 | 2,423 |
| Crisis Response Reserve | 150,000 | — | 1,662 |
| Special Reserve under the Shoko Chukin Bank Law | 400,811 | 400,811 | 4,443 |
| Capital Surplus | 0 | 0 | 0 |
| Retained Earnings | 62,056 | 66,206 | 687 |
| Treasury Stock | (953) | (945) | (10) |
| Total Shareholders' Equity | 830,566 | 684,725 | 9,207 |
| Unrealized Gains on Securities | 2,593 | (3,735) | 28 |
| Deferred Hedge Losses | 333 | 429 | 3 |
| Total Valuation and Translation Adjustments | 2,926 | (3,306) | 32 |
| Minority Interests | 3,793 | 3,697 | 42 |
| Total Net Assets | 837,286 | 685,116 | 9,281 |
| Total Liabilities and Net Assets | ¥11,739,059 | ¥10,913,262 | \$130,130 |

Consolidated Statements of Operations

The Shoko Chukin Bank, Ltd. and Subsidiaries For the six months ended September 30 and March 31, 2009

| Fiscal period ended | Millions of yen | | Millions of U.S. dollars |
|---|--------------------|----------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| Operating Income | ¥119,533 | ¥122,294 | \$1,325 |
| Interest Income | 93,416 | 93,211 | 1,035 |
| Interest on Loans | 84,020 | 83,849 | 931 |
| Interest and Dividends on Securities | 8,081 | 7,751 | 89 |
| Fees and Commissions | 4,654 | 5,402 | 51 |
| Trading Revenue | 2,983 | 2,425 | 33 |
| Other Operating Income | 16,852 | 16,847 | 186 |
| Other Income | 1,646 | 4,406 | 18 |
| Operating Expenses | 121,392 | 128,331 | 1,345 |
| Interest Expense | 33,346 | 34,803 | 369 |
| Interest on Deposits | 4,416 | 4,363 | 48 |
| Interest on Debentures | 26,909 | 29,149 | 298 |
| Fees and Commissions | 624 | 362 | 6 |
| Trading Expenses | — | 2 | — |
| Other Operating Expenses | 11,315 | 11,413 | 125 |
| General and Administrative Expenses | 39,220 | 39,781 | 434 |
| Other Expenses | 36,884 | 41,968 | 408 |
| Loss before Income Taxes and Other | (1,838) | (6,036) | (20) |
| Other Gains | 104 | 58 | 1 |
| Gains on Disposal of Fixed Assets | 0 | — | 0 |
| Collection of Written-off Claims | 104 | 58 | 1 |
| Other Losses | 34 | 97 | 0 |
| Losses on Disposal of Fixed Assets | 31 | 94 | 0 |
| Other Losses | 2 | 3 | 0 |
| Loss before Income Taxes | (1,767) | (6,075) | (19) |
| Provision for Income Taxes | 270 | 251 | 2 |
| Adjustment for Income Taxes | (137) | (2,588) | (1) |
| Total Income Taxes | 132 | (2,336) | 1 |
| Loss on Minority Interests | — | (19) | — |
| Net Loss | ¥ (1,900) | ¥ (3,719) | \$ (21) |

Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the six months ended September 30 and March 31, 2009

| Fiscal period ended | Millions of yen | | Millions of U.S. dollars |
|--|--------------------|----------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| Shareholders' Equity | | | |
| Capital | | | |
| Balance at the End of the Previous Period | ¥218,653 | ¥522,420 | \$2,423 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Capital | — | (303,767) | — |
| Total Changes during the Period | — | (303,767) | — |
| Balance at the End of the Period | 218,653 | 218,653 | 2,423 |
| Crisis Response Reserve | | | |
| Balance at the End of the Previous Period | — | — | — |
| Changes during the Period | | | |
| Contribution to Crisis Response Reserve | 150,000 | — | 1,662 |
| Total Changes during the Period | 150,000 | — | 1,662 |
| Balance at the End of the Period | 150,000 | — | 1,662 |
| Special Reserve | | | |
| Balance at the End of the Previous Period | 400,811 | — | 4,443 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Capital | — | 303,767 | — |
| Transfer to Special Reserve from Retained Earnings | — | 97,043 | — |
| Total Changes during the Period | — | 400,811 | — |
| Balance at the End of the Period | 400,811 | 400,811 | 4,443 |
| Capital Surplus | | | |
| Balance at the End of the Previous Period | 0 | — | 0 |
| Changes during the Period | | | |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Retirement of Treasury Stock | (0) | — | (0) |
| Total Changes during the Period | 0 | 0 | 0 |
| Balance at the End of the Period | 0 | 0 | 0 |
| Retained Earnings | | | |
| Balance at the End of the Previous Period | 66,026 | 168,730 | 731 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Retained Earnings | — | (97,043) | — |
| Dividends from Surplus | (2,249) | (1,760) | (24) |
| Net Loss | (1,900) | (3,719) | (21) |
| Total Changes during the Period | (4,150) | (102,524) | (46) |
| Balance at the End of the Period | 62,056 | 66,206 | 687 |
| Treasury Stock | | | |
| Balance at the End of the Previous Period | (945) | — | (10) |
| Changes during the Period | | | |
| Acquisition of Treasury Stock | (8) | (945) | (0) |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Retirement of Treasury Stock | 0 | — | 0 |
| Total Changes during the Period | (8) | (945) | (0) |
| Balance at the End of the Period | (953) | (945) | (10) |

(Continued on following page)

| Fiscal period ended | Millions of yen | | Millions of U.S. dollars |
|--|--------------------|----------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| Total Shareholders' Equity | | | |
| Balance at the End of the Previous Period | ¥684,725 | ¥691,150 | \$7,590 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Capital | — | — | — |
| Transfer to Special Reserve from Retained Earnings | — | — | — |
| Contribution to Crisis Response Reserve | 150,000 | — | |
| Dividends from Surplus | (2,249) | (1,760) | (24) |
| Net Loss | (1,900) | (3,719) | (21) |
| Acquisition of Treasury Stock | (8) | (945) | (0) |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Retirement of Treasury Stock | — | — | — |
| Total Changes during the Period | 145,841 | (6,425) | 1,616 |
| Balance at the End of the Period | 830,566 | 684,725 | 9,207 |
| Valuation and Translation Adjustments | | | |
| Unrealized Gains on Securities | | | |
| Balance at the End of the Previous Period | (3,735) | (1,530) | (41) |
| Changes during the Period | | | |
| Net Changes of Items Other than Shareholders' Equity | 6,328 | (2,205) | 70 |
| Total Changes during the Period | 6,328 | (2,205) | 70 |
| Balance at the End of the Period | 2,593 | (3,735) | 28 |
| Deferred Hedge Losses | | | |
| Balance at the End of the Previous Period | 429 | 525 | 4 |
| Changes during the Period | | | |
| Net Changes of Items Other than Shareholders' Equity | (96) | (96) | (1) |
| Total Changes during the Period | (96) | (96) | (1) |
| Balance at the End of the Period | 333 | 429 | 3 |
| Total Valuation and Translation Adjustments | | | |
| Balance at the End of the Previous Period | (3,306) | (1,004) | (36) |
| Changes during the Period | | | |
| Net Changes of Items Other than Shareholders' Equity | 6,232 | (2,301) | 69 |
| Total Changes during the Period | 6,232 | (2,301) | 69 |
| Balance at the End of the Period | 2,926 | (3,306) | 32 |
| Minority Interests | | | |
| Balance at the End of the Previous Period | 3,697 | 7,153 | 40 |
| Changes during the Period | | | |
| Net Changes of Items Other than Shareholders' Equity | 95 | (3,455) | 1 |
| Total Changes during the Period | 95 | (3,455) | 1 |
| Balance at the End of the Period | 3,793 | 3,697 | 42 |
| Total Net Assets | | | |
| Balance at the End of the Previous Period | 685,116 | 697,299 | 7,594 |
| Changes during the Period | | | |
| Contribution to Crisis Response Reserve | 150,000 | — | 1,662 |
| Dividends from Surplus | (2,249) | (1,760) | (24) |
| Net Loss | (1,900) | (3,719) | (21) |
| Acquisition of Treasury Stock | (8) | (945) | (0) |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Net Changes of Items Other than Shareholders' Equity | 6,327 | (5,757) | 70 |
| Total Changes during the Period | 152,169 | (12,182) | 1,686 |
| Balance at the End of the Period | ¥837,286 | ¥685,116 | \$9,281 |

Basis of presentation

The accompanying financial statements of the Shoko Chukin Bank, Ltd. (the "Bank") and its consolidated subsidiaries (the "Group") have been prepared in accordance with the provisions set forth in the Shoko Chukin Bank Limited Act and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The financial statements are not intended to present the financial position and the result of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are presented solely for the convenience of readers. The exchange rate of ¥90.21=U.S.\$1.00, the approximate rate of exchange prevailing as of September 30, 2009, has been used for translation purposes. The presentation of such amounts is not intended to imply that Japanese yen amounts have been or could have been readily translated, realized or settled in U.S. dollars at that rate or any other rate.

The yen figures disclosed in the financial statements are expressed in millions of yen and have been rounded down.

SIGNIFICANT BASIC ITEMS FOR CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of consolidation

(1) Consolidated subsidiaries: 7 companies

Names of consolidated subsidiaries:

YAESU SHOKO, LTD.
SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD.
SHOKO SERVICE, LTD.
YAESU KOSAN CO., LTD.
JAPAN INSTITUTE OF COMMERCE,
INDUSTRY AND ECONOMICS, LTD.
JAPAN SHOKO LEASE CO., LTD.
SHOCHU CARD CO., LTD.

JAPAN SHOKO LEASE CO., LTD. changed its name as of October 1, 2009, to SHOKO CHUKIN LEASE CO., LTD.

(2) Non-consolidated subsidiaries: 3 companies

Names of non-consolidated subsidiaries:

YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI
First Shochu Investment Syndicate
Second Shochu Investment Syndicate

Non-consolidated subsidiaries are excluded from the scope of consolidation because their total amounts in terms of total assets, operating income and net income (the amounts equivalent to equity shareholdings) as well as retained earnings (the amounts equivalent to equity shareholdings) are immaterial and do not hinder a rational judgment of the Shoko Chukin Bank, Ltd. (the "Bank") Group's financial position and results of operations when excluded from the scope of consolidation.

2. Application of the equity method

(1) Non-consolidated subsidiaries accounted for by the equity method:

None

(2) Affiliated companies accounted for by the equity method:

None

(3) Non-consolidated subsidiaries that are not accounted for by the equity method : 3 companies

Names of non-consolidated subsidiaries that are not accounted for by the equity method:

YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI
First Shochu Investment Syndicate
Second Shochu Investment Syndicate

(4) Affiliated companies that are not accounted for by the equity method:

None

Non-consolidated subsidiaries that are not accounted for by the equity method are excluded from the scope of the equity method because their total amounts in terms of net income (the amounts equivalent to equity shareholdings) as well as retained earnings (the amounts equivalent to equity shareholdings) do not have a material impact on consolidated financial statements when excluded from the scope of the equity method.

3. Fiscal period-end of consolidated subsidiaries

The fiscal period-end of consolidated subsidiaries is as follows:

September 30 7 companies

4. Special purpose entities subject to disclosure

(1) Overview of special purpose entities subject to disclosure and transactions with these special purpose entities:

None

(2) Transaction amounts with special purpose entities subject to disclosure and details thereof as of and for the fiscal period ended September 30, 2009:

None

5. Accounting methods, practices and standards

(1) Basis for valuation of Trading Assets/Liabilities and calculation of Revenue/Expenses

Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of securities and other indicators or differentials, etc., between markets (hereinafter referred to as "Trading Transactions") are shown in the consolidated balance sheet as "Trading Assets" or "Trading Liabilities" based on values at the time of contract, while gains and losses from the said transactions are shown in the consolidated Statements of Operations as Trading Revenue or Trading Expenses.

Trading Assets and Trading Liabilities are valued at market prices on the consolidated balance sheet date for securities and monetary claims, etc., and at deemed settlement prices on the consolidated balance sheet date for derivative products such as swaps, futures and options.

In the Statements of Operations, Trading Revenue and Trading Expenses are arrived at by adding to interest received and paid and other items during the

fiscal period, amounts equivalent to the changes in valuation between the ends of the previous and fiscal periods for securities and monetary claims, etc., and amounts equivalent to changes in deemed settlements between the ends of the previous and current fiscal periods for derivatives.

- (2) Basis and methods for valuation of securities
The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are amortized using the moving average cost method (straight-line method). Stocks for which market values are available are valued at the average market price during the month before this fiscal period end. Marketable securities with market values other than stocks are valued using the mark-to-market method based on market prices at the fiscal period end (cost of sales are primarily calculated with the moving average method). Marketable securities for which market values are not available are valued using either the cost method or the amortized cost method on the basis of a moving average.
Unrealized Gains on Securities are all directly incorporated into Net Assets.
- (3) Basis and methods for valuation of derivative transactions
Derivative transactions other than Trading Transactions are stated using the mark-to-market method.
- (4) Amortization of fixed assets
 - (a) Tangible Fixed Assets (excluding Leased Assets)
Tangible Fixed Assets are depreciated using the declining-balance method. The estimated annual depreciation expense amount is spread proportionally over the period.
Expected useful lives for major items are as follows:
Buildings: 2 to 60 years
Other Tangible Fixed Assets: 2 to 20 years
Tangible fixed assets owned by consolidated subsidiaries are depreciated using primarily the straight-line method over the estimated useful lives of the respective tangible fixed assets.
 - (b) Intangible Fixed Assets (excluding Leased Assets)
Intangible Fixed Assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its estimated useful life determined by the Bank and its consolidated subsidiaries (principally 5 years).
 - (c) Leased Assets
Leased Assets, presented within Tangible Fixed Assets, relating to finance lease transactions that do not involve transfer of ownership are depreciated under the straight-line method, with zero residual value, over the lease term.
- (5) Accounting standard for reserve for possible loan losses:
The Reserve for Possible Loan Losses is calculated in accordance with the predetermined standards for write-offs and reserve provisions as follows.
Normal loans and the loans that require special attention are defined in "Operational Guidelines for

Self-Assessment of Assets and Audits on Write-Offs and Reserves for Possible Loan Losses in Banks and Other Financial Institutions" (JICPA Bank Auditing Special Committee Report No. 4). They are classified into certain categories, and reserve provisions are made on the basis of default rates over a specific period for each category. Amounts reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees. Amounts reserved for loans to debtors that are legally or virtually bankrupt are determined to be the balance remaining after deducting the estimated amounts to be collected through disposal of collateral and execution of guarantees.

Reserve for Loans to Debtors at Risk of bankruptcy/with Restructured Loans is provided based on the discounted cash flow (DCF) method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the DCF method, the reserve is calculated as the difference between the book value of the loan and the present value of its expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

All loan assets have been assessed by the business departments and audited by the Credit Examination Division, which is independent from the business departments, to comply with the standard for self-assessment of assets. The amount of the reserve is determined based on the results of this audit.

The reserve for possible loan losses of consolidated subsidiaries for general claims is provided in the amount deemed necessary based on historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on an assessment of each individual claim.

- (6) Accounting standard for Reserve for Bonuses
The Reserve for Bonuses is set up for the payment of employees' bonuses and appropriates an amount for this fiscal period out of the amount of bonuses estimated to be paid to employees.
- (7) Accounting standard for Reserve for Retirement Benefit
The Reserve for Retirement Benefit is set aside for the payment of employees' retirement benefits. Based on the estimated retirement benefit obligations and pension assets at the end of the current fiscal period, the Bank records the amount recognized as accrued at the end of this fiscal period under review. Unrecognized actuarial difference is amortized as follows:
Unrecognized actuarial difference: By the straight-line method over the number of years that does not exceed the average remaining service years (14 years) of employees at each fiscal period when the actuarial difference was incurred. This amortization starts from the next fiscal period.

- (8) Accounting standard for Reserve for Retirement Benefits for Directors
The Reserve for Retirement Benefits for Directors is set up for the payment of directors' retirement benefits. It represents amounts that have accrued through the end of this fiscal period out of the retirement benefit amount estimated to be paid to directors.
- (9) Accounting standard for Reserve for Losses on Refund for Dormant Bonds
Reserves for Losses on Refunds for Dormant Bonds are recorded for bonds that are no longer recognized as liabilities in an amount equivalent to the estimated losses arising from future demands for refunds.
- (10) Accounting standard for other reserves:
The reserve for losses on refund for interest is set up as other reserves to provide for the exchange of items. This other reserve includes an estimated reserve amount for sales promotion and an estimated lump sum amount for future losses on refund for cashing interest.
- (11) Translation standard for assets and liabilities denominated in foreign currencies:
Assets and liabilities of the Bank denominated in foreign currencies and accounts of the Bank's overseas branches are translated into Japanese yen mainly at exchange rates prevailing as of the consolidated balance sheet date.
Assets and liabilities of consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at exchange rates prevailing as of their respective balance sheet dates.
- (12) Accounting method for significant hedge transactions:
(a) Currency risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated assets and liabilities, as stipulated in the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).
Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.
- (b) Transactions between consolidated subsidiaries
Interest rate swap transactions designated as hedges for those derivatives transactions that are internal transactions between consolidated subsidiaries, special transaction accounts and other accounts (or between internal departments) were executed in conformity with external cover transaction standards for which strict hedge operations that eliminate arbitrary decision-making were recognized as possible under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking

Industry" (JICPA Industry Audit Committee Report No. 24). For this reason, revenue and expenses arising from said interest rate swap transactions have been recognized as gains/losses without being eliminated.

The special treatment for deferred hedge or interest rate swaps is applied to certain assets and liabilities.

The special treatment for interest rate swaps is applied to certain assets and liabilities of consolidated subsidiaries.

- (13) Accounting for consumption taxes
With respect to the Bank and its domestic consolidated subsidiaries, National and local consumption taxes are accounted for with the tax exclusion method.

ADDITIONAL INFORMATION

(Special Reserve)

Accompanying privatization on October 1, 2008, a transfer was made from capital and retained earnings to special reserve pursuant to Article 5 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act.

Special reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Limited Act, in the calculation of the amount of surplus, the amount of special reserve shall be included in the total amount of capital and reserves.
- (2) Pursuant to the provisions of Article 44, Paragraph 2 of the Shoko Chukin Bank Limited Act, the amount of special reserve may be reduced when the total amount of capital reserve and earnings reserve becomes zero in the event a deficit is compensated. When the amount of the surplus comes to exceed zero following the reduction of the special reserve, the amount of special reserve must be increased pursuant to the provisions of Article 44, Paragraph 4 of the Shoko Chukin Bank Limited Act.
- (3) Pursuant to the provisions of Article 45 of the Shoko Chukin Bank Limited Act, when the state of the capital adequacy and the soundness of other finances have improved and when it is deemed that the financial soundness have been secured, all or a portion of the amount of special reserve may, pursuant to a resolution of the general meeting of shareholders, paid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of special reserve shall be paid to the national treasury pursuant to the provisions of Article 46 of the Shoko Chukin Bank Limited Act.

(Crisis Response Reserve)

Pursuant to Article 1-2 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act, the Bank records the amount provided by the government for the purpose of facilitating the smooth execution of crisis response operations as crisis response reserve.

Crisis response reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Limited Act following revision, in the calculation of the amount of surplus, the amount of crisis response reserve shall be included in the total amount of capital and reserves.

- (2) Pursuant to the provisions of Article 44, Paragraph 1 of the Shoko Chukin Bank Limited Act, the amount of crisis response reserve may be reduced when the total amount of special reserve becomes zero in the event a deficit is compensated. When the amount of the surplus comes to exceed zero following the reduction of the crisis response reserve, the amount of crisis response reserve must be increased pursuant to the provisions of Article 44, Paragraph 4 of the Shoko Chukin Bank Limited Act. The increase in the amount of the crisis response reserve shall, pursuant to the provisions of Article 44, Paragraph 5 of the Shoko Chukin Bank Limited Act, be undertaken prior to the increase in the amount of the special reserve.
- (3) Pursuant to the provisions of Article 45 of the Shoko Chukin Bank Limited Act, when the Shoko Chukin Bank deems that it has sufficiently secured the necessary financial foundation for the smooth implementation of crisis response operations, an amount of money equivalent to all or a portion of the amount of crisis response reserve may, pursuant to a resolution of the general meeting of shareholders, be paid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of crisis response reserve shall be paid to the national treasury pursuant to the provisions of Article 46 of the Shoko Chukin Bank Limited Act.

CONSOLIDATED BALANCE SHEETS

- Investment securities include equity investment shares of ¥1,036 million in non-consolidated subsidiaries.
- In Loans, loans to bankrupt companies total ¥139,106 million and overdue loans total ¥181,646 million.
Loans to bankrupt companies are loans for which accrued interest is not shown in the accounts based on the assumption that principal or interest is likely to be unrecoverable because the interest or principal payments have been long overdue or for other reasons (excluding loans that have been written off, and hereinafter referred to as "loans for which accrued interest is not shown in the accounts"), where the loans in question are affected by the circumstances defined in Article 96, Clause 1, Numbers 3a–e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).
Overdue loans are loans for which accrued interest is not shown in the accounts, excluding loans to bankrupt companies, and loans for which the interest payments have been rescheduled to support financial restructuring of the borrowers.
- Loans overdue by three months or longer total ¥10,404 million.
Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract. Loans that are classified as loans to bankrupt companies or overdue loans are excluded.
- Rescheduled loans total ¥2 million.
Rescheduled loans are loans for which the terms have been eased to support financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims, and exclude loans to bankrupt companies or overdue loans and loans overdue by three months or longer.
- The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and rescheduled loans is ¥331,160 million.
The amounts of loans stated in Notes 2 through 5 are the numbers before the deduction of possible loan loss allowance.
- Bills discounted are handled as financial transactions in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24). Accordingly, the Bank has the right to freely sell or use as collateral any accepted bank acceptance bills, trade bills, documentary bills, or foreign exchange it has purchased, the aggregate face value of which is ¥298,617 million.
- Assets provided as collateral are as follows.
Assets provided as collateral:

| | |
|--------------|------------------|
| Securities | ¥171,071 million |
| Other Assets | ¥401 million |

 Liabilities corresponding to collateral assets:

| | |
|-------------------|----------------|
| Deposits | ¥6,102 million |
| Borrowings | ¥5,462 million |
| Other Liabilities | ¥213 million |

 In addition to the above amounts, securities worth ¥174,266 million have been provided as collateral for foreign currency settlements and derivative transactions, etc., or substituted for futures margin money, etc.
Guarantees and deposits account for ¥3,262 million of Other Assets.
- Overdraft contracts and commitment line contracts on loans are the agreements under which the Bank grants a loan up to a designated credit limit when the customer requests, unless there is a breach of the conditions stipulated in the relevant contract. The outstanding credit facility ready for claims under such agreements is ¥762,007 million. Of this amount, ¥720,956 million has an original contract duration of one year or less (or can be dissolved without condition at any point in time).
Most of these contracts are terminated before the amount of the credit facility determined in the agreement is fully utilized. Accordingly, the outstanding credit facility itself does not always affect the future cash flows of the Bank and its consolidated subsidiaries. Most of these agreements have provisions that allow the Bank and its consolidated subsidiaries to cancel customers' claims and / or to reduce the credit limit for appropriate reasons such as changes in financial situation and protection of credit standing. Moreover, when necessary, the Bank and its consolidated subsidiaries require customers to provide property, investment security and other collateral when signing the contract. After the Bank and its consolidated subsidiaries enter into the agreement, periodical checks of customers' business condition are undertaken in accordance

with internally established procedures as well as reviews of the conditions of the agreement where necessary. In this context, measures are taken to protect the assets of the Bank and its consolidated subsidiaries.

9. Accumulated depreciation of tangible fixed assets is ¥85,259 million.
(Advanced depreciation for this fiscal period is nil)
10. Borrowings include loans payable under subordination covenant totaling ¥46,000 million.
11. Within Corporate Bonds, presented as a sub-item of Investment Securities, the Bank's guarantee liabilities relating to privately-offered corporate bonds (Financial Instruments and Exchange Act, Article 2, paragraph 3) amounted to ¥239,978 million.

CONSOLIDATED STATEMENTS OF OPERATIONS

Within Other Expenses, Write-off of Loans amounted to ¥475 million, Provision for Possible Loan Losses amounted to ¥33,700 million and Write-off of Stocks amounted to ¥475 million.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal Period Ended September 30, 2009 (April 1 to September 30, 2009)

1. Matters relating to the type and number of shares issued and outstanding, and the type and number of treasury stock

(Thousand shares)

| | Number of Shares at the End of the Previous Fiscal Period | Increase | Decrease | Number of Shares as of September 30, 2009 | Remarks |
|---|---|----------|----------|---|----------|
| Number of shares issued and outstanding | | | | | |
| Common stock | 2,186,531 | — | — | 2,186,531 | |
| Classified stock | — | 0 | 0 | — | (Note 1) |
| Total | 2,186,531 | 0 | 0 | 2,186,531 | |
| Treasury stock | | | | | |
| Common stock | 9,441 | 66 | 1 | 9,506 | (Note 2) |
| Classified stock | — | 0 | 0 | — | (Note 3) |
| Total | 9,441 | 66 | 1 | 9,506 | |

- Notes: 1. Within shares issued and outstanding, the increase and decrease in classified stock comprises the issuance and retirement of one crisis response reserve share. This share was acquired as treasury stock and subsequently retired.
2. Within treasury stock, the increase in common stock was due to requests for the purchase of odd-lot shares. The decrease in common stock within treasury stock was due to requests for the sale of additional shares.
3. Within treasury stock, the increase and decrease in classified stock was due to the acquisition and retirement of one crisis response reserve share.

2. Matters Relating to Dividends

(1) Amount of cash dividends paid during the fiscal period

| Resolution | Type of Shares | Total Amount of Cash Dividends Paid (Millions of Yen) | Cash Dividend per Common Stock | Record Date | Effective Date |
|--|---------------------------------------|---|--------------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders held on June 23, 2009 | Common stock (government portion) | 508 | 0.5 (Note) | March 31, 2009 | June 29, 2009 |
| | Common stock (non-government portion) | 1,741 | 1.5 | | |

Note: With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Limited Act. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Limited Act. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Limited Act is 1:3 (one-third).

- (2) Cash dividends for which the effective date falls after the fiscal period ended September 30, 2009, included in cash dividends for which the base date falls within the fiscal period ended September 30, 2009:
None

Capital Account Details (Consolidated)

| CAPITAL RATIO | | (¥100 million, %) | |
|---|--|----------------------------|------------------------|
| | | (as of September 30, 2009) | (as of March 31, 2009) |
| | (A) | ¥ 8,302 | ¥ 6,794 |
| Core Capital (Tier 1 Capital) | Capital | 2,186 | 2,186 |
| | Crisis Response Reserve | 1,500 | — |
| | Special Reserve | 4,008 | 4,008 |
| | 45% of Marketable Securities' Balance Sheet Value Minus Book Value | 19 | — |
| Supplementary Capital (Tier 2 Capital) | General Reserve for Possible Loan Losses | 669 | 646 |
| | Subordinated Borrowings | 497 | 485 |
| | Total | 1,186 | 1,131 |
| | Amount Counted as Capital | (B) 1,186 | 1,131 |
| Deductions | (C) | 20 | 30 |
| Total Capital | (A) + (B) - (C) = (D) | 9,468 | 7,896 |
| Risk-weighted Assets | Credit Risk-weighted Assets | | |
| | Assets Stated on the Balance Sheet | 81,388 | 84,237 |
| | Off-balance Sheet Items | 1,871 | 1,683 |
| | Total | 83,259 | 85,920 |
| | Risk-weighted Assets for Operational Risk, Divided by 8% | 2,638 | 2,669 |
| Total | (E) | 85,898 | 88,590 |
| Capital Ratio (Uniform International Standards) (%) | (D)/(E) | 11.02 | 8.91 |
| Tier 1 Capital Ratio (%) | (A)/(E) | 9.66 | 7.67 |

The Group's Capital Ratio:

1. The Group's capital ratio is computed according to the formula stipulated in notices of the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry. Credit Risk-weighted Assets and Risk-weighted Assets for Operational Risk are each calculated according to standard methods and basic methods stipulated in said notice.
2. Under the Shoko Chukin Bank Limited Act, the Bank's objective is to conduct business necessary to facilitate financing for SMEs. Owing to this special characteristic, the Bank is exempted from the Prompt Corrective Action stipulated under the Banking Act and other regulations.

Financial Data (Non-Consolidated)

Six Months Ended September 30, 2009

| | |
|--|----|
| Balance Sheets..... | 14 |
| Statements of Operations..... | 16 |
| Statements of Changes in Net Assets..... | 17 |
| Notes to the Financial Statements..... | 19 |
| Capital Account Details..... | 23 |
| Profit and Loss Details..... | 24 |

Trends in Principal Financial Indicators (Non-Consolidated)

| Fiscal period ended | Billions of yen | | | |
|---|--------------------|--|--------------------|----------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2008 | March 31, 2008 |
| Total Operating Income | ¥ 106.9 | ¥ 110.4 | ¥ 105.4 | ¥ 209.4 |
| (Loss) Income before Income Taxes and Others | (2.7) | (6.2) | (4.3) | 17.2 |
| Net (Loss) Income | (2.4) | (3.7) | 2.8 | 21.8 |
| Capital | 218.6 | 218.6 | 522.4 | 522.7 |
| (Total Number of Shares Issued in Thousands of Units) | (2,186,531) | (2,186,531) | (—) | (—) |
| (Total Subscription in Thousands of Units) | (—) | (—) | (5,224,202) | (5,227,650) |
| Total Capital Funds | 832.8 | 681.3 | 690.0 | 694.8 |
| Total Assets | 11,707.5 | 10,881.9 | 10,538.1 | 10,722.9 |
| Outstanding Deposits | 3,360.7 | 3,112.5 | 2,722.1 | 2,655.0 |
| Outstanding Debentures | 6,211.2 | 6,405.7 | 6,620.5 | 6,821.9 |
| Outstanding Loans | 9,370.5 | 9,161.2 | 8,932.1 | 9,114.9 |
| Balance of Investment Securities | 2,154.8 | 1,560.9 | 1,473.5 | 1,463.4 |
| Dividends per Share | — | Common stock (non-government portion) 1.50 yen (government portion) 0.50 yen | — | — |
| Dividend per Cooperative Subscription Unit (Yen) | — | — | 1.50 | 3.00 |
| Capital Ratio (%) | 7.11 | 6.26 | — | — |
| Non-consolidated Capital Ratio (Uniform International Standards) (%) | 11.02 | 8.92 | 8.94 | 8.80 |
| Number of Employees (Persons) | 4,062 | 3,907 | 3,996 | 3,836 |
| [Average Number of Temporary Employees] | [643] | [612] | [599] | [588] |

Notes: 1. National and local consumption taxes are accounted for with the tax exclusion method.

2. Dividends per Share are classified and presented in two separate categories, namely, Cash Dividend per Common Stock (government portion) and Cash Dividend per Common Stock (non-government portion). This separate classification is pursuant to Article 50 of the Shoko Chukin Bank Limited Act, which stipulates that the dividend per share applicable to Common Stock held by the government shall not exceed the dividend per share applicable to Common Stock held by parties other than the government. Furthermore, pursuant to Article 15 of the Regulation Enforcing the Shoko Chukin Bank Limited Act, the dividend per share applicable to Common Stock held by the government is set at a ratio of 1:3 in relation to the dividend per share applicable to Common Stock held by parties other than the government.

3. The Capital Ratio is calculated as follows: Total Net Assets as of the fiscal period-end / Total Assets as of the fiscal period-end x 100.

4. The Non-consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.

5. The Shoko Chukin Bank changed its status to a joint-stock company on October 1, 2008 in accordance with provisions outlined under the Shoko Chukin Bank Limited Act. As a result, the Bank's 80th fiscal account settlement period ended March 31, 2009 is the six-month period from October 1, 2008 to March 31, 2009.

6. The number of employees is the number of people employed (excluding workers on loan).

Historically, the number of workers on loan was included in the number of employees reported by the Shoko Chukin Bank. In order to maintain consistency with the Bank's annual and semiannual securities reports, the number of employees recorded excludes workers on loan effective from the fiscal period ended March 31, 2009.

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of September 30 and March 31, 2009

| | Millions of yen | | Millions of U.S. dollars |
|---|--------------------|--------------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| ASSETS | | | |
| Cash and Due from Banks | ¥ 77,291 | ¥ 93,013 | \$ 856 |
| Call Loans | 39,401 | 4,205 | 436 |
| Monetary Claims Purchased | 31,220 | 31,752 | 346 |
| Trading Assets | 32,153 | 19,393 | 356 |
| Investment Securities | 2,154,886 | 1,560,935 | 23,887 |
| Loans | 9,370,582 | 9,161,235 | 103,875 |
| Foreign Exchange | 7,816 | 7,006 | 86 |
| Other Assets | 40,021 | 32,300 | 443 |
| Tangible Fixed Assets | 42,761 | 43,737 | 474 |
| Intangible Fixed Assets | 7,270 | 6,816 | 80 |
| Deferred Income Taxes | 78,554 | 82,505 | 870 |
| Customers' Liabilities for Acceptances and Guarantees | 70,580 | 74,089 | 782 |
| Reserve for Possible Loan Losses | (244,942) | (235,015) | (2,715) |
| Total Assets | ¥11,707,597 | ¥10,881,977 | \$129,781 |

| | Millions of yen | | Millions of U.S. dollars |
|--|--------------------|----------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| LIABILITIES | | | |
| Deposits | ¥ 3,360,751 | ¥ 3,112,571 | \$ 37,254 |
| Negotiable Certificates of Deposit | 43,670 | 49,760 | 484 |
| Shoko Chukin Bank Debentures | 6,211,227 | 6,405,711 | 68,852 |
| Call Money | — | 4,207 | — |
| Trading Liabilities | 26,635 | 13,771 | 295 |
| Borrowed Money | 883,161 | 249,862 | 9,790 |
| Foreign Exchange | 84 | 28 | 0 |
| Other Liabilities | 250,737 | 262,919 | 2,779 |
| Corporate Taxes Payable | 432 | 508 | 4 |
| Lease Obligations | 1,729 | 2,302 | 19 |
| Debenture Principal Payable | 196,241 | 208,937 | 2,175 |
| Other Liabilities | 52,333 | 51,170 | 580 |
| Reserve for Bonuses | 4,330 | 4,370 | 47 |
| Reserve for Retirement Benefit | 19,726 | 19,873 | 218 |
| Reserve for Retirement Benefits for Directors | 26 | 15 | 0 |
| Reserve for Losses on Refund for Dormant Bonds | 3,860 | 3,471 | 42 |
| Acceptances and Guarantees | 70,580 | 74,089 | 782 |
| Total Liabilities | 10,874,789 | 10,200,652 | 120,549 |
| NET ASSETS | | | |
| Capital | 218,653 | 218,653 | 2,423 |
| Crisis Response Reserve | 150,000 | — | 1,662 |
| Special Reserve under the Shoko Chukin Bank Law | 400,811 | 400,811 | 4,443 |
| Capital Surplus | 0 | 0 | 0 |
| Other Capital Surplus | 0 | 0 | 0 |
| Retained Earnings | 61,416 | 66,135 | 680 |
| Earnings Reserve | 14,314 | 13,865 | 158 |
| Other Retained Earnings | 47,101 | 52,270 | 522 |
| Reserve for Particular Purposes | 49,570 | 51,470 | 549 |
| Retained Earnings Brought Forward | (2,469) | 799 | (27) |
| Treasury Stock | (953) | (945) | (10) |
| Total Shareholders' Equity | 829,927 | 684,654 | 9,199 |
| Unrealized Gains on Securities | 2,547 | (3,759) | 28 |
| Deferred Hedge Losses | 333 | 429 | 3 |
| Total Valuation and Translation Adjustments | 2,880 | (3,329) | 31 |
| Total Net Assets | 832,807 | 681,324 | 9,231 |
| Total Liabilities and Net Assets | ¥11,707,597 | ¥10,881,977 | \$129,781 |

Non-Consolidated Statements of Operations

The Shoko Chukin Bank, Ltd. For the six months ended September 30 and March 31, 2009

| Fiscal period ended | Millions of yen | | Millions of U.S. dollars |
|---|--------------------|----------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| Operating Income | ¥106,909 | ¥110,448 | \$1,185 |
| Interest Income | 93,508 | 93,302 | 1,036 |
| Interest on Loans | 84,118 | 83,950 | 932 |
| Interest and Dividends on Securities | 8,076 | 7,746 | 89 |
| Fees and Commissions | 4,474 | 5,221 | 49 |
| Trading Revenue | 2,983 | 2,425 | 33 |
| Other Operating Income | 4,369 | 5,153 | 48 |
| Other Income | 1,573 | 4,345 | 17 |
| Operating Expenses | 109,658 | 116,739 | 1,215 |
| Interest Expense | 33,212 | 34,637 | 368 |
| Interest on Deposits | 4,418 | 4,366 | 48 |
| Interest on Debentures | 26,910 | 29,149 | 298 |
| Fees and Commissions | 611 | 350 | 6 |
| Trading Expenses | — | 2 | — |
| Other Operating Expenses | 401 | 962 | 4 |
| General and Administrative Expenses | 38,768 | 39,220 | 429 |
| Other Expenses | 36,665 | 41,566 | 406 |
| Loss before Income Taxes and Other | (2,748) | (6,290) | (30) |
| Other Gains | 104 | 413 | 1 |
| Other Losses | 30 | 93 | 0 |
| Loss before Income Taxes | (2,674) | (5,969) | (29) |
| Provision for Income Taxes | 5 | 137 | 0 |
| Adjustment for Income Taxes | (210) | (2,390) | (2) |
| Total Income Taxes | (204) | (2,252) | (2) |
| Net Loss | ¥ (2,469) | ¥ (3,717) | \$ (27) |

Non-Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. For the six months ended September 30 and March 31, 2009

| Fiscal period ended | Millions of yen | | Millions of U.S. dollars |
|--|--------------------|----------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| Shareholders' Equity: | | | |
| Capital: | | | |
| Balance at the End of the Previous Period | ¥218,653 | ¥522,420 | \$2,423 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Capital | — | (303,767) | — |
| Total Changes during the Period | — | (303,767) | — |
| Balance at the End of the Period | 218,653 | 218,653 | 2,423 |
| Crisis Response Reserve | | | |
| Balance at the End of the Previous Period | — | — | — |
| Changes during the Period | | | |
| Contribution to Crisis Response Reserve | 150,000 | — | 1,662 |
| Total Changes during the Period | 150,000 | — | 1,662 |
| Balance at the End of the Period | 150,000 | — | 1,662 |
| Special Reserve: | | | |
| Balance at the End of the Previous Period | 400,811 | — | 4,443 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Capital | — | 303,767 | — |
| Transfer to Special Reserve from Earnings Reserve | — | 18,845 | — |
| Transfer to Special Reserve from Reserve for Particular Purposes | — | 78,198 | — |
| Total Changes during the Period | — | 400,811 | — |
| Balance at the End of the Period | 400,811 | 400,811 | 4,443 |
| Capital Surplus: | | | |
| Other Capital Surplus: | | | |
| Balance at the End of the Previous Period | 0 | — | 0 |
| Changes during the Period | | | |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Retirement of Treasury Stock | (0) | — | (0) |
| Total Changes during the Period | 0 | 0 | 0 |
| Balance at the End of the Period | 0 | 0 | 0 |
| Total Capital Surplus: | | | |
| Balance at the End of the Previous Period | 0 | — | 0 |
| Changes during the Period | | | |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Retirement of Treasury Stock | (0) | — | (0) |
| Total Changes during the Period | 0 | 0 | 0 |
| Balance at the End of the Period | 0 | 0 | 0 |
| Retained Earnings: | | | |
| Earnings Reserve: | | | |
| Balance at the End of the Previous Period | 13,865 | 32,410 | 153 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Earnings Reserve | — | (18,845) | — |
| Dividends from Surplus | 449 | 300 | 4 |
| Total Changes during the Period | 449 | (18,545) | 4 |
| Balance at the End of the Period | 14,314 | 13,865 | 158 |
| Other Retained Earnings: | | | |
| Reserve for Particular Purposes: | | | |
| Balance at the End of the Previous Period | 51,470 | 129,269 | 570 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Reserve for Particular Purposes | — | (78,198) | — |
| Provision of Reserve for Particular Purposes | — | 400 | — |
| Reversal of Reserve for Particular Purposes | (1,900) | — | (21) |
| Total Changes during the Period | (1,900) | (77,798) | (21) |
| Balance at the End of the Period | 49,570 | 51,470 | 549 |
| Retained Earnings Brought Forward: | | | |
| Balance at the End of the Previous Period | 799 | 6,977 | 8 |
| Changes during the Period | | | |
| Dividends from Surplus | (2,699) | (2,060) | (29) |
| Provision of Reserve for Particular Purposes | — | (400) | — |
| Reversal of Reserve for Particular Purposes | 1,900 | — | 21 |
| Net Loss | (2,469) | (3,717) | (27) |
| Total Changes during the Period | (3,268) | (6,178) | (36) |
| Balance at the End of the Period | (2,469) | 799 | (27) |

(Continued on following page)

| Fiscal period ended | Millions of yen | | Millions of U.S. dollars |
|--|--------------------|----------------|--------------------------|
| | September 30, 2009 | March 31, 2009 | September 30, 2009 |
| Total Retained Earnings: | | | |
| Balance at the End of the Previous Period | ¥ 66,135 | ¥168,657 | \$ 733 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Earnings Reserve | — | (18,845) | — |
| Transfer to Special Reserve from Reserve for Particular Purposes | — | (78,198) | — |
| Dividends from Surplus | (2,249) | (1,760) | (24) |
| Provision of Reserve for Particular Purposes | — | — | — |
| Reversal of Reserve for Particular Purposes | — | — | — |
| Net Loss | (2,469) | (3,717) | (27) |
| Total Changes during the Period | (4,719) | (102,521) | (52) |
| Balance at the End of the Period | 61,416 | 66,135 | 680 |
| Treasury Stock: | | | |
| Balance at the End of the Previous Period | (945) | — | (10) |
| Changes during the Period | | | |
| Acquisition of Treasury Stock | (8) | (945) | (0) |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Retirement of Treasury Stock | 0 | — | 0 |
| Total Changes during the Period | (8) | (945) | (0) |
| Balance at the End of the Period | (953) | (945) | (10) |
| Total Shareholders' Equity: | | | |
| Balance at the End of the Previous Period | 684,654 | 691,077 | 7,589 |
| Changes during the Period | | | |
| Transfer to Special Reserve from Capital | — | — | — |
| Transfer to Special Reserve from Earnings Reserve | — | — | — |
| Transfer to Special Reserve from Reserve for Particular Purposes | — | — | — |
| Contribution to Crisis Response Reserve | 150,000 | — | 1,662 |
| Dividends from Surplus | (2,249) | (1,760) | (24) |
| Net Loss | (2,469) | (3,717) | (27) |
| Acquisition of Treasury Stock | (8) | (945) | (0) |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Retirement of Treasury Stock | — | — | — |
| Total Changes during the Period | 145,272 | (6,423) | 1,610 |
| Balance at the End of the Period | 829,927 | 684,654 | 9,199 |
| Valuation and Translation Adjustments: | | | |
| Unrealized Gains on Securities: | | | |
| Balance at the End of the Previous Period | (3,759) | (1,530) | (41) |
| Changes during the Period | | | |
| Net Changes of Items Other than Shareholders' Equity | 6,306 | (2,228) | 69 |
| Total Changes during the Period | 6,306 | (2,228) | 69 |
| Balance at the End of the Period | 2,547 | (3,759) | 28 |
| Deferred Hedge Losses: | | | |
| Balance at the End of the Previous Period | 429 | 525 | 4 |
| Changes during the Period | | | |
| Net Changes of Items Other than Shareholders' Equity | (96) | (96) | (1) |
| Total Changes during the Period | (96) | (96) | (1) |
| Balance at the End of the Period | 333 | 429 | 3 |
| Total Valuation and Translation Adjustments: | | | |
| Balance at the End of the Previous Period | (3,329) | (1,004) | (36) |
| Changes during the Period | | | |
| Net Changes of Items Other than Shareholders' Equity | 6,210 | (2,325) | 68 |
| Total Changes during the Period | 6,210 | (2,325) | 68 |
| Balance at the End of the Period | 2,880 | (3,329) | 31 |
| Total Net Assets: | | | |
| Balance at the End of the Previous Period | 681,324 | 690,073 | 7,552 |
| Changes during the Period | | | |
| Contribution to Crisis Response Reserve | 150,000 | — | 1,662 |
| Dividends from Surplus | (2,249) | (1,760) | (24) |
| Net Loss | (2,469) | (3,717) | (27) |
| Acquisition of Treasury Stock | (8) | (945) | (0) |
| Disposition of Treasury Stock | 0 | 0 | 0 |
| Net Changes of Items Other than Shareholders' Equity | 6,210 | (2,325) | 68 |
| Total Changes during the Period | 151,482 | (8,748) | 1,679 |
| Balance at the End of the Period | ¥832,807 | ¥681,324 | \$9,231 |

Basis of presentation

The accompanying financial statements of the Shoko Chukin Bank, Ltd. (the "Bank") have been prepared in accordance with the provisions set forth in the Shoko Chukin Bank Limited Act and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The financial statements are not intended to present the financial position and the result of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are presented solely for the convenience of readers. The exchange rate of ¥90.21=U.S.\$1.00, the approximate rate of exchange prevailing as of September 30, 2009, has been used for translation purposes. The presentation of such amounts is not intended to imply that Japanese yen amounts have been or could have been readily translated, realized or settled in U.S. dollars at that rate or any other rate.

The yen figures disclosed in the financial statements are expressed in millions of yen and have been rounded down.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis for valuation of Trading Assets/Liabilities and calculation of Revenue/Expenses

Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of securities and other indicators or differentials, etc., between markets (hereinafter referred to as "Trading Transactions") are shown in the balance sheet as "Trading Assets" or "Trading Liabilities" based on values at the time of contract, while gains and losses from the said transactions are shown in the Statements of Operations as Trading Revenue or Trading Expenses.

Trading Assets and Trading Liabilities are valued at market prices on the balance sheet date for securities and monetary claims, etc., and at deemed settlement prices on the balance sheet date for derivative products such as swaps, futures and options.

In the Statements of Operations, Trading Revenue and Trading Expenses are arrived at by adding to interest received and paid and other items during the fiscal period, amounts equivalent to the changes in valuation between the ends of the previous and current fiscal periods for securities and monetary claims, etc., and amounts equivalent to changes in deemed settlements between the ends of the previous and current fiscal periods for derivatives.

2. Basis and methods for valuation of securities

The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are amortized using the moving average cost method (straight-line method), whereas subsidiaries' stocks and affiliates' stocks are valued using the moving average,

cost method. Stocks for which market values are available are valued at the average market price during the month before this fiscal period end. Marketable securities with market values other than stocks are valued using the mark-to-market method based on market prices at the fiscal period end (cost of sales are primarily calculated with the moving average method). Marketable securities for which market values are not available are valued using either the cost method or the amortized cost method on the basis of a moving average.

Unrealized Gains on Securities are all directly incorporated into Net Assets.

3. Basis and methods for valuation of derivative transactions
Derivative transactions other than Trading Transactions are stated using the mark-to-market method.
4. Amortization of fixed assets
 - (1) Tangible Fixed Assets (excluding Leased Assets)
Tangible Fixed Assets are depreciated using the declining-balance method. The estimated annual depreciation expense amount is spread proportionally over the period. Expected useful lives for major items are as follows:
Buildings: 2 to 60 years
Other Tangible Fixed Assets: 2 to 20 years
 - (2) Intangible Fixed Assets (excluding Leased Assets)
Intangible Fixed Assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its estimated useful life determined by the Bank (principally 5 years).
 - (3) Leased Assets
Leased Assets, presented within Tangible Fixed Assets, relating to finance lease transactions that do not involve transfer of ownership are depreciated under the straight-line method, with zero residual value, over the lease term.
5. Accounting standard for reserves
 - (1) Reserve for Possible Loan Losses
The Reserve for Possible Loan Losses is calculated in accordance with the predetermined standards for write-offs and reserve provisions as follows.
Normal loans and the loans that require special attention are defined in "Operational Guidelines for Self-Assessment of Assets and Audits on Write-Offs and Reserves for Possible Loan Losses in Banks and Other Financial Institutions" (JICPA Bank Auditing Special Committee Report No. 4). They are classified into certain categories, and reserve provisions are made on the basis of default rates over a specific period for each category. Amounts reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees. Amounts reserved for loans

to debtors that are legally or virtually bankrupt are determined to be the balance remaining after deducting the estimated amounts to be collected through disposal of collateral and execution of guarantees.

Reserve for Loans to Debtors at Risk of bankruptcy/with Restructured Loans is provided based on the discounted cash flow (DCF) method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the DCF method, the reserve is calculated as the difference between the book value of the loan and the present value of its expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

All loan assets have been assessed by the business departments and audited by the Credit Examination Division, which is independent from the business departments, to comply with the standard for self-assessment of assets. The amount of the reserve is determined based on the results of this audit.

- (2) Reserve for Bonuses
The Reserve for Bonuses is set up for the payment of employees' bonuses and appropriates an amount for this fiscal period out of the amount of bonuses estimated to be paid to employees.
 - (3) Reserve for Retirement Benefit
The Reserve for Retirement Benefit is set aside for the payment of employees' retirement benefits. Based on the estimated retirement benefit obligations and pension assets at the end of the current fiscal period, the Bank records the amount recognized as accrued at the end of this fiscal period under review. Unrecognized actuarial difference is amortized as follows:
Unrecognized actuarial difference: By the straight-line method over the number of years that does not exceed the average remaining service years (14 years) of employees at each fiscal period when the actuarial difference was incurred. This amortization starts from the next fiscal period.
 - (4) Reserve for Retirement Benefits for Directors
The Reserve for Retirement Benefits for Directors is set up for the payment of directors' retirement benefits. It represents amounts that have accrued through the end of this fiscal period out of the retirement benefit amount estimated to be paid to directors.
 - (5) Reserve for Losses on Refund for Dormant Bonds
Reserves for Losses on Refunds for Dormant Bonds are recorded for bonds that are no longer recognized as liabilities in an amount equivalent to the estimated losses arising from future demands for refunds.
6. Currency translation into yen for assets and liabilities denominated in foreign currencies
Assets and liabilities denominated in foreign currencies and the accounts of the Bank's overseas branches are

principally translated into yen at the exchange rates prevailing as of the balance sheet date.

7. Hedge accounting
 - (1) Currency risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated assets and liabilities, as stipulated in the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).
Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.
 - (2) Internal transactions
Interest rate swap transactions designated as hedges for those derivatives transactions that are internal transactions between special transaction accounts and other accounts (or between internal departments) were executed in conformity with external cover transaction standards for which strict hedge operations that eliminate arbitrary decision-making were recognized as possible under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24). For this reason, revenue and expenses arising from said interest rate swap transactions have been recognized as gains/losses without being eliminated.
The special treatment for deferred hedge or interest rate swaps is applied to certain assets and liabilities.
8. Accounting for consumption taxes
National and local consumption taxes are accounted for with the tax exclusion method.

ADDITIONAL INFORMATION

(Special Reserve)

Accompanying privatization on October 1, 2008, a transfer was made from capital and retained earnings to special reserve pursuant to Article 5 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act.

Special reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Limited Act, in the calculation of the amount of surplus, the amount of special reserve shall be included in the total amount of capital and reserves.
- (2) Pursuant to the provisions of Article 44, Paragraph 2 of the Shoko Chukin Bank Limited Act, the amount of special reserve may be reduced when the total amount of capital

reserve and earnings reserve becomes zero in the event a deficit is compensated. When the amount of the surplus comes to exceed zero following the reduction of the special reserve, the amount of special reserve must be increased pursuant to the provisions of Article 44, Paragraph 4 of the Shoko Chukin Bank Limited Act.

- (3) Pursuant to the provisions of Article 45 of the Shoko Chukin Bank Limited Act, when the state of the capital adequacy and the soundness of other finances have improved and when it is deemed that the financial soundness have been secured, all or a portion of the amount of special reserve may, pursuant to a resolution of the general meeting of shareholders, paid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of special reserve shall be paid to the national treasury pursuant to the provisions of Article 46 of the Shoko Chukin Bank Limited Act.

(Crisis Response Reserve)

Pursuant to Article 1-2 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act, the Bank records the amount provided by the government for the purpose of facilitating the smooth execution of crisis response operations as crisis response reserve.

Crisis response reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Limited Act following revision, in the calculation of the amount of surplus, the amount of crisis response reserve shall be included in the total amount of capital and reserves.
- (2) Pursuant to the provisions of Article 44, Paragraph 1 of the Shoko Chukin Bank Limited Act, the amount of crisis response reserve may be reduced when the total amount of special reserve becomes zero in the event a deficit is compensated. When the amount of the surplus comes to exceed zero following the reduction of the crisis response reserve, the amount of crisis response reserve must be increased pursuant to the provisions of Article 44, Paragraph 4 of the Shoko Chukin Bank Limited Act. The increase in the amount of the crisis response reserve shall, pursuant to the provisions of Article 44, Paragraph 5 of the Shoko Chukin Bank Limited Act, be undertaken prior to the increase in the amount of the special reserve.
- (3) Pursuant to the provisions of Article 45 of the Shoko Chukin Bank Limited Act, when the Shoko Chukin Bank deems that it has sufficiently secured the necessary financial foundation for the smooth implementation of crisis response operations, an amount of money equivalent to all or a portion of the amount of crisis response reserve may, pursuant to a resolution of the general meeting of shareholders, paid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of crisis response reserve shall be paid to the national

treasury pursuant to the provisions of Article 46 of the Shoko Chukin Bank Limited Act.

BALANCE SHEETS

1. Total investment in affiliated companies, including shares of affiliated companies, was ¥4,452 million.
2. In Loans, loans to bankrupt companies total ¥139,102 million and overdue loans total ¥181,581 million.

Loans to bankrupt companies are loans for which accrued interest is not shown in the accounts based on the assumption that principal or interest is likely to be unrecoverable because the interest or principal payments have been long overdue or for other reasons (excluding loans that have been written off, and hereinafter referred to as "loans for which accrued interest is not shown in the accounts"), where the loans in question are affected by the circumstances defined in Article 96, Clause 1, Numbers 3a-e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).

Overdue loans are loans for which accrued interest is not shown in the accounts, excluding loans to bankrupt companies, and loans for which the interest payments have been rescheduled to support financial restructuring of the borrowers.
3. Loans overdue by three months or longer total ¥10,404 million.

Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract. Loans that are classified as loans to bankrupt companies or overdue loans are excluded.
4. Rescheduled loans total ¥2 million.

Rescheduled loans are loans for which the terms have been eased to support financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims, and exclude loans to bankrupt companies or overdue loans and loans overdue by three months or longer.
5. The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and rescheduled loans is ¥331,091 million.

The amounts of loans stated in Notes 2 through 5 are the numbers before the deduction of possible loan loss allowance.
6. Bills discounted are handled as financial transactions in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24). Accordingly, the Bank has the right to freely sell or use as collateral any accepted bank acceptance bills, trade bills, documentary bills, or foreign exchange it has purchased, the aggregate face value of which is ¥298,617 million.

7. Assets provided as collateral are as follows.

Assets provided as collateral:

Securities ¥171,071 million

Liabilities corresponding to collateral assets:

Deposits ¥6,102 million

Borrowings ¥5,412 million

In addition to the above amounts, securities worth ¥174,266 million have been provided as collateral for foreign currency settlements and derivative transactions, etc., or substituted for futures margin money, etc.

Guarantees and deposits account for ¥3,180 million of Other Assets.

8. Overdraft contracts and commitment line contracts on loans are the agreements under which the Bank grants a loan up to a designated credit limit when the customer requests, unless there is breach of the conditions stipulated in the contract. The outstanding credit facility ready for claims under such agreements is ¥763,682 million. Of these, ¥722,631 million worth have an original contract duration of one year or less (or can be dissolved without condition at any point in time).

Most of these contracts are terminated before the amount of the credit facility determined in the agreements is fully utilized, so the outstanding credit facility itself does not always affect the Bank's future cash flows. Most of these agreements have provisions that allow the Bank to cancel the customers' claim and/or to reduce the credit limit for appropriate reasons such as changes in financial situation and protection of credit standing. Moreover when necessary the Bank requires customers to provide property or securities as collateral when signing the contract. After the Bank enters into the agreement, it periodically (every half-year) checks customers' business condition in accordance with internally established procedures, reviews the conditions of the agreement if necessary, and takes measures to protect the Bank's assets.

9. Accumulated depreciation of tangible fixed assets is ¥57,013 million.
10. Borrowings include loans payable under subordination covenant totaling ¥46,000 million.
11. Within Corporate Bonds, presented as a sub-item of Investment Securities, the Bank's guarantee liabilities relating to privately-offered corporate bonds (Financial Instruments and Exchange Act, Article 2, paragraph 3) amounted to ¥239,978 million.

STATEMENTS OF OPERATIONS

1. Amounts recorded for depreciation and amortization are as follows.

Tangible Fixed Assets ¥1,393 million

Intangible Fixed Assets ¥1,095 million

2. Within Other Expenses, Write-off of Loans amounted to ¥474 million, Provision for Possible Loan Losses amounted to ¥33,516 million and Write-off of Stocks amounted to ¥471 million.

STATEMENTS OF CHANGES IN NET ASSETS

Fiscal Period Ended September 30, 2009 (April 1, to September 30, 2009)

Matters relating to the type and number of treasury stock

(Thousand shares)

| | Number of Shares at the End of the Previous Fiscal Period | Increase | Decrease | Number of Shares as of September 30, 2009 | Remarks |
|------------------|---|----------|----------|---|----------|
| Treasury stock | | | | | |
| Common stock | 9,441 | 66 | 1 | 9,506 | (Note 1) |
| Classified stock | — | 0 | 0 | — | (Note 2) |
| Total | 9,441 | 66 | 1 | 9,506 | |

Notes: 1. Within treasury stock, the increase in common stock was due to requests for the purchase of odd-lot shares. The decrease in common stock within treasury stock was due to requests for the sale of additional shares.

2. Within treasury stock, the increase and decrease in classified stock was due to the acquisition and retirement of one crisis response reserve share.

Capital Account Details (Non-Consolidated)

PRINCIPAL SHAREHOLDERS

Common Stock

| Shareholder Name | Number of Stocks Held (Thousand shares) | Percentage of Total Common Stock Issued and Outstanding (%) |
|---|--|---|
| The Minister of Finance | 1,016,000 | 46.5 |
| BOT LEASE CO., LTD. | 5,300 | 0.2 |
| OSAKA SEMBA FASHION CO-OPERATIVE ASSOCIATION | 4,640 | 0.2 |
| Osaka Medical Cooperative Association | 4,409 | 0.2 |
| Kantoh Automobile Insurance Cooperative for Truck Transport Companies | 4,303 | 0.2 |
| Tokyo Camera Ryutsu Kyodokumiai | 3,633 | 0.2 |
| Kyodokumiai Hiroshima Sogo Oroshi Center | 3,150 | 0.1 |
| Japan Silk & Rayon Weavers' Association | 3,110 | 0.1 |
| Tokyo Mokuzai Tonya Kyoudou Kumiai | 3,084 | 0.1 |
| Miyagiken Shoko Shinko Kyodo Kumiai | 3,024 | 0.1 |
| Total | 1,050,655 | 48.1 |

Notes: 1. As of September 30, 2009.

2. In addition to the principal shareholder information presented in the preceding chart, the Shoko Chukin Bank holds 9,506 thousand shares of treasury stock, representing 0.4% of total common stock issued and outstanding.

CAPITAL RATIO

(¥100 million, %)

| | | (as of September 30, 2009) | (as of March 31, 2009) |
|--|---|----------------------------|------------------------|
| | (A) | ¥ 8,299 | ¥ 6,786 |
| Core Capital (Tier 1 Capital) | Capital | 2,186 | 2,186 |
| | Crisis Response Reserve | 1,500 | — |
| | Special Reserve | 4,008 | 4,008 |
| Supplementary Capital (Tier 2 Capital) | 45% of Marketable Securities' Balance Sheet Value Minus Book Value | 18 | — |
| | General Reserve for Possible Loan Losses | 662 | 638 |
| | Subordinated Borrowings | 460 | 460 |
| | Total | 1,141 | 1,098 |
| | Amount Counted as Capital | (B) 1,141 | 1,098 |
| Deductions | (C) | 1 | 0 |
| Total Capital | (A) + (B) - (C) = (D) | 9,439 | 7,883 |
| Risk-weighted Assets | Credit Risk-weighted Assets | | |
| | Assets Stated on the Balance Sheet | 81,094 | 83,948 |
| | Off-balance Sheet Items | 1,869 | 1,681 |
| | Total | 82,963 | 85,629 |
| | Risk-weighted Assets for Operational Risk, Divided by 8% | 2,622 | 2,662 |
| Total | (E) | 85,585 | 88,292 |
| Capital Ratio (%) | (D)/(E) | 11.02 | 8.92 |
| Tier 1 Capital Ratio (%) | (A)/(E) | 9.69 | 7.68 |

Total Capital:

The Capital Ratio increased to 11.02%. This was principally attributable to the receipt of ¥150,000 million from the government as contribution to crisis response reserve for the purpose of ensuring the smooth execution of crisis response operations.

The Bank's Capital Ratio:

1. The Bank's capital ratio is computed according to the formula stipulated in notices of the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry. Credit Risk-weighted Assets and Risk-weighted Assets for Operational Risk are each calculated according to standard methods and basic methods stipulated in said notice.

2. Under the Shoko Chukin Bank Limited Act, the Bank's objective is to conduct business necessary to facilitate financing for SMEs. Owing to this special characteristic, the Bank is exempted from the Prompt Corrective Action stipulated under the Banking Act and other regulations.

Profit and Loss Details (Non-Consolidated)

| SUMMARY OF INCOME | | (¥100 million) | |
|---|--------------------|----------------|--|
| Fiscal period ended | September 30, 2009 | March 31, 2009 | |
| Gross Operating Profit | ¥711 | ¥701 | |
| General and Administrative Expenses (Excluding Nonrecurring Items) | 371 | 381 | |
| Operating Profit (Operating Profit before Deduction of Provision for the General Reserve for Possible Loan Losses) | 339 | 319 | |
| Provision for the General Reserve for Possible Loan Losses | 23 | 0 | |
| Operating Profit | 315 | 319 | |
| Nonrecurring Loss (Including Nonrecurring Expenses) | (342) | (382) | |
| Loss before Income Taxes and Others | (27) | (62) | |
| Other Gains and Losses | 0 | 3 | |
| Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax | 0 | 1 | |
| Adjustment of Income Taxes | (2) | (23) | |
| Net Loss | (24) | (37) | |

Notes: Operating Profit is income generated by the Bank's primary businesses and is calculated using the following formula:
 Operating Profit = Gross Operating Profit – (Provision for the General Reserve for Possible Loan Losses + General and Administrative Expenses
 (Excluding Nonrecurring Items))

| GROSS OPERATING PROFIT | | (¥100 million, %) | | | | | |
|----------------------------------|--------------------|-------------------|-------|----------------|---------------|-------|--|
| Fiscal period ended | September 30, 2009 | | | March 31, 2009 | | | |
| | Domestic | International | Total | Domestic | International | Total | |
| Net Interest Income | ¥596 | ¥ 6 | ¥602 | ¥578 | ¥ 8 | ¥586 | |
| Fees and Commissions | 36 | 1 | 38 | 46 | 2 | 48 | |
| Trading Revenue | 11 | 18 | 29 | 12 | 11 | 24 | |
| Other Operating Income | 35 | 4 | 39 | 45 | (3) | 41 | |
| Gross Operating Profit | 679 | 31 | 711 | 682 | 18 | 701 | |
| Gross Operating Profit Ratio (%) | 1.24 | 4.29 | 1.29 | 1.32 | 2.30 | 1.35 | |

Notes: 1. Domestic departments handle transactions in yen with Japanese residents through the domestic branches. International departments handle transactions with non-residents in Japan, foreign currency transactions and transactions made on special international financial accounts (transactions in the Tokyo Offshore Market) through the domestic branches and those operated through the New York branch.

2. Gross Operating Profit Ratio = $\frac{\text{Gross Operating Profit}}{\text{Average Balance of Interest Earning Assets}} \times 100$