



# Chuo Mitsui Trust Group Interim Report **2010**

Six Months Ended September 30, 2010

# Chuo Mitsui Trust Group Outline (as of September 30, 2010)

## Holding Company **Chuo Mitsui Trust Holdings**

Chuo Mitsui Trust Group, unique in the financial community because of its high-level financial products and services, aspires to be a business organization that contributes widely to society and meets the expectations of clients through its commitment to efficient, highly transparent management.

### **Chuo Mitsui Trust Holdings, Inc.**

Registered Head Office	33-1, Shiba 3-chome, Minato-ku, Tokyo, Japan
Capital Stock	¥261.6 billion
Stock Exchange Listings	First section of Tokyo, Osaka and Nagoya stock exchanges
Capital Adequacy Ratio	15.02% (Consolidated basis, domestic standard)
Number of Employees*1	113

Subsidiary Trust Bank  
**Chuo Mitsui**

Subsidiary Trust Bank  
**Chuo Mitsui Asset**

Subsidiary Asset Management Company  
**Chuo Mitsui Asset Management**

Subsidiary Asset Management Company  
**Chuo Mitsui Capital**

## ◀◀ The Chuo Mitsui Trust and Banking Company, Limited

Trust bank providing services for individuals and corporations, including finance, real estate, and stock transfer agency services.

Registered Head Office	33-1, Shiba 3-chome, Minato-ku, Tokyo, Japan
Capital Stock	¥399.6 billion
Balance of Trust Assets	¥6,519.6 billion
Total Amount of Funds	¥10,398.4 billion
Number of Offices	67 domestic bases (excluding three representative offices and 28 <i>Consulplaza</i> locations)
Long-Term Ratings* <sup>2</sup>	A1 (Moody's), A+ (S&P), AA- (Japan Credit Rating Agency), A (Fitch)
Capital Adequacy Ratio	14.36% (Non-consolidated basis, Domestic standard)
Number of Employees* <sup>1</sup>	6,486

## ◀◀ Chuo Mitsui Asset Trust and Banking Company, Limited

Trust bank providing services for institutional investors including trust asset-related and pension businesses

Registered Head Office	23-1, Shiba 3-chome, Minato-ku, Tokyo, Japan
Capital Stock	¥11.0 billion
Balance of Trust Assets	¥31,231.6 billion
Total Amount of Funds	¥15,147.5 billion
Long-Term Ratings* <sup>2</sup>	A1 (Moody's), AA- (Japan Credit Rating Agency)
Capital Adequacy Ratio	33.22% (Non-consolidated basis, Domestic standard)
Number of Employees* <sup>1</sup>	659

## ◀◀ Chuo Mitsui Asset Management Company, Limited

Asset management company establishing and operating investment trust funds

Registered Head Office	23-1, Shiba 3-chome, Minato-ku, Tokyo, Japan
Capital Stock	¥300 million
Number of Employees* <sup>1</sup>	107

## ◀◀ Chuo Mitsui Capital Company Limited

Asset management company investing in the area of private equity

Registered Head Office	2-8, Nihonbashi Muromachi 3-chome, Chuo-ku, Tokyo, Japan
Capital Stock	¥1.2 billion
Number of Employees* <sup>1</sup>	38

\*1 Excluding employees seconded to other companies, temporary staff and part-time staff

\*2 As of December 31, 2010.

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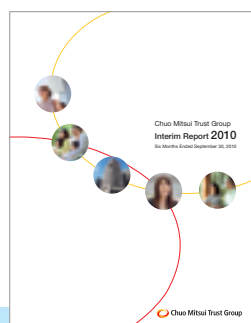


The Chuo Mitsui Trust Group discloses corporate information in the form of three reports.



### Disclosure Report

This report consists of disclosure materials (documentation describing the Group's operations and financial standing) compiled in accordance with Japan's Banking Law. It is compiled to disclose information in accordance with legal requirements in an easy-to-understand format, while providing a large audience with an understanding of the Chuo Mitsui Trust Group's activities. The Disclosure Report is published twice a year in full-year (published every July) and interim (published every January) editions.



### Annual Report

This financial report is prepared in English for a target audience consisting primarily of overseas investors. While it is compiled based on the Disclosure Report, care is taken to ensure that content is easily comprehensible to overseas readers. The Annual Report is published twice a year in full-year and interim editions.

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## CSR Report

This report, which is published annually, provides an overview of information relating to environmental and social activities from the standpoint of corporate social responsibility (CSR).



## Website

All three reports are available on Chuo Mitsui Trust Holding's website.

The Company strives to disclose information about the Group's overall financial condition in a timely, fair, and forthright manner on its website.

<http://www.chuomitsui.jp/>



# A Word from the President

First, on behalf of the senior management and all employees of the Chuo Mitsui Trust Group, allow me to extend our heartfelt thanks to all stakeholders, for your invaluable support.

This interim report to the end of the second quarter of fiscal 2010 (the year ending March 31, 2011) provides an explanation of business results, a status report for each area of operations and other topics for the Chuo Mitsui Trust Group. We hope this report will help you to better understand the Group and its activities.

The Group's key companies are its two trust banks—The Chuo Mitsui Trust and Banking Company, Limited (“Chuo Mitsui”), which focuses on the retail trust, banking, real estate, and stock transfer agency businesses, and Chuo Mitsui Asset Trust and Banking Company, Limited (“Chuo Mitsui Asset”), which manages the pension trust and securities trust businesses—and its two asset management companies—Chuo Mitsui Asset Management Company, Limited (“Chuo Mitsui Asset Management”), which provides investment trust management services, and Chuo Mitsui Capital Company Limited (“Chuo Mitsui Capital”), which provides private equity fund management services. All Group companies are involved in a variety of initiatives to increase the Group's value while enhancing expertise in their respective areas of specialization.

Based on the basic agreement reached in November 2009, Chuo Mitsui Trust Holdings, Inc. (“CMTH”) and The Sumitomo Trust and Banking Co., Ltd. (“STB”) have pursued a series of discussions concerning the management integration of their two groups. On August 24, 2010, both companies reached the final agreement on an integration of their management to be completed on or about April 1, 2011, and concluded a share exchange agreement and a management integration agreement, subject to the approval of the General Meetings of Shareholders of both companies, and the approval of the relevant authorities. On December 22, 2010, the General Meetings of Shareholders of both companies were held, and approval was given to the management integration-related proposals including the share exchange agreement.

Following the integration, we will create “The Trust Bank,” a new trust banking group that brings together both groups' strengths in the form of the Chuo Mitsui Trust Group's agility and The Sumitomo Trust and Banking Group's diversity, as well as their organizations' human resources, know-how, management resources, expertise, and extensive capabilities in order to provide total solutions to customers in a timely fashion.

As we strive to meet the expectations of clients, shareholders, investors, and business partners, your cooperation and understanding will be instrumental in this effort, and on behalf of everyone under the Group umbrella, I ask for your continued support.

February 2011

Kazuo Tanabe

President, Chuo Mitsui Trust Holdings, Inc.



## Management Philosophy

Chuo Mitsui Trust Group's management philosophy spotlights three objectives.

- ◆ To utilize financial and trust functions to meet the needs of society and contribute to further development of the national economy
- ◆ To always be aware of the role a corporate citizen must play and fulfill inherent social responsibilities
- ◆ To enhance structures for risk management and compliance, namely adherence to prevailing laws and other socially mandated requirements, and ensure management soundness

## Business Strategies

Guided by this management philosophy, the companies under the Group umbrella, especially the two trust banks-Chuo Mitsui and Chuo Mitsui Asset-and the two asset management companies-Chuo Mitsui Asset Management and Chuo Mitsui Capital-take a flexible approach to business development in their respective fields of expertise. They cooperate on several fronts and seek to capitalize on the synergies afforded by interrelationships within the Group. Meanwhile, Chuo Mitsui Trust Holdings ("CMTH"), as the holding company, aims to maximize Group profits by ensuring an optimum allocation of management resources to each operating division.

## Future Initiatives

Based on fears of an economic slowdown overseas, the rapid appreciation in the yen, and other factors, uncertainty concerning the future direction of the economy is expected to continue for the immediate future. Consequently, interest rates are forecast to remain low, and the stock market is likely to exhibit instability. Against the backdrop of this business environment, the Group will work to steadily raise profits in every company, business, and department.

We will continue to focus on businesses related to the real estate market, where transaction volumes are expected to recover due to ongoing pricing adjustment, and in the investment trust market, where funds are beginning to resume their shift from savings to investments.

In the lending business, we will maintain our focus on housing loans, an area that we have positioned as a priority business. At the same time, we will actively pursue promising business prospects in corporate loans and real estate non-recourse loans.

To ensure a continued competitive advantage in these promising areas, we will steadily implement our business strategy by prioritizing allocation of personnel and expenditures while working to limit overall operating expenses.

With regard to corporate social responsibility (CSR), we will continue to pursue activities throughout the Group in a manner that is consistent with an awareness of our public mission as a financial institution.

Our approach to internal controls is predicated on a fundamental awareness of the essential role played by robust compliance and risk management practices in assuring the Group's sustained development as a financial institution trusted by society. Recently, financial institutions have come under pressure to develop autonomous internal control structures. In addition to developing precisely targeted legal and other compliance practices as required by society, along with management practices capable of addressing risks as they change with the general business environment and our specific businesses, we will enhance our ability to identify and address problem areas by enhancing the internal auditing capabilities by which we verify the effectiveness and validity of internal mechanisms.

# About the Management Integration

## Purpose of the Management Integration

CMTH and STB are creating “The Trust Bank,” a new trust banking group that brings together both groups’ human resources, know-how, and other managerial resources, along with the expertise and comprehensive capabilities needed to provide total solutions to customers in a timely fashion.

## Overview of the Management Integration

### 1. Type of the Management Integration

CMTH will act as the holding company (integrated holding company) for Sumitomo Mitsui Trust Group, a new trust bank group. STB will conduct a statutory share exchange with CMTH and CMTH will change its corporate name to *Sumitomo Mitsui Trust Holdings, Inc.* (“SMTH”).

### 2. Schedule of Share Exchange

Date of delisting of STB common shares (planned)	March 29, 2011
Date of share exchange (effective date) (planned)	April 1, 2011

### 3. Share Exchange Ratio

Upon the share exchange, 1.49 shares of common stock in SMTH (currently CMTH) will be allotted and delivered for each share of common stock in STB.

- CMTH and STB have found the common share exchange ratio described above to be a fair and appropriate figure and have finalized their agreement accordingly. This judgment derives from a careful and deliberate series of negotiations and discussions based on a comprehensive consideration of factors such as each company’s financial standing, assets, and future outlook, as well as the results of analyses of the common share exchange ratio undertaken by independent financial advisors retained by both companies in order to assure that the ratio is calculated in a fair and impartial manner.
- For every preferred share of STB, a preferred share with substantially the same characteristics will be allotted and delivered by SMTH.

## About the Symbol Mark and Corporate Identity of Sumitomo Mitsui Trust Group

We have decided on the symbol mark and corporate identity of the new integrated group, “Sumitomo Mitsui Trust Group,” which will be established on April 1, 2011. Sumitomo Mitsui Trust Group will utilize the following symbol mark and corporate identity in diverse ways.

Symbol Mark



The symbol mark features “Future Bloom” representing the vision of Sumitomo Mitsui Trust Group, which is “to generate new value through the combination of significant expertise and comprehensive capabilities, and to help the future of our clients and society bloom.”

The four clear petals show our “Mission” to each stakeholder of clients, society, shareholders and employees. The four colors of petals represent our Codes of Conduct (“Value”): “Truthfulness and Loyalty” (natural green), “Dedication and Development” (golden orange), “Trust and Creativity” (blue green), and “Self-help and Self-discipline” (sky blue).

## SUMITOMO MITSUI TRUST HOLDINGS

The corporate color is “Future Blue,” which represents the integration of the sense of value that the symbol mark implies, and evokes the closeness and the future.



## Profile of SMTH

### 1. Trade Name

Sumitomo Mitsui Trust Holdings, Inc.

### 2. Headquarters Location

Chiyoda-ku, Tokyo

(The planned headquarters of the integrated holding company is a new office building that is currently under construction by STB in conjunction with third parties in Chiyoda-ku, Tokyo as the “Marunouchi 1-4 Project.” STB’s current Tokyo headquarters in Chiyoda-ku, Tokyo is planned to be the headquarters of the integrated holding company until the new building is ready for use.)

### 3. Stock Listing

The Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange

### 4. Representative Directors

Hitoshi Tsunekage will be appointed as the chairman of the integrated holding company, and Kazuo Tanabe will be appointed as the president of the integrated holding company

### 5. Board of Directors and Corporate Auditors

The Directors and Corporate Auditors of the integrated holding company are nominated in equal number by CMTH and STB.

### 6. Capital Stock

¥261,608 million

### 7. Fiscal Year End

March 31

## Sumitomo Mitsui Trust Group’s Management Policy

### ● The New Group’s Vision

#### Management Principles (“Mission”)

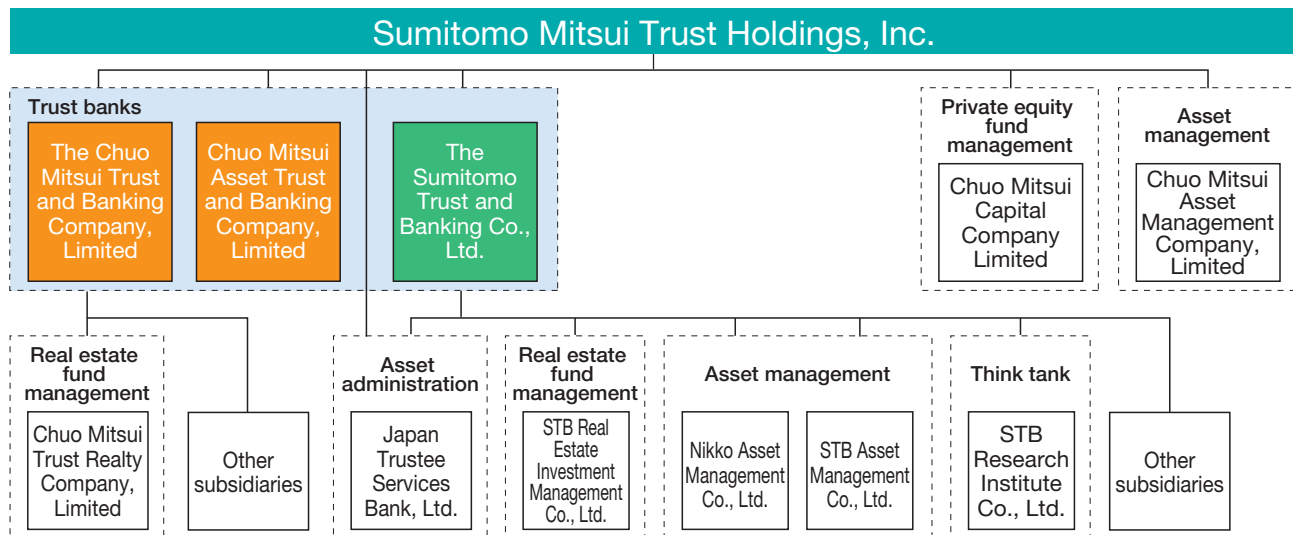
1. SMTH will swiftly provide comprehensive solutions to its clients by fully utilizing its significant expertise and comprehensive capabilities.
2. SMTH will adhere to the principles of sound management based on a high degree of self-discipline with the background of “Trustee Spirit” and will establish strong credibility from society.
3. SMTH will strive to fulfill all shareholder expectations by creating distinct values through fusing the various functions featuring the trust bank group.
4. SMTH will offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions.

#### Ideal Model (“Vision”) – Towards “The Trust Bank”

Based on the “Trustee Spirit” and with significant expertise and comprehensive capabilities, Sumitomo Mitsui Trust Group will create distinct values by leveraging a new business model, combining its Banking, Asset Management and Administration, and Real Estate businesses, and will move onto the global stage as a leading trust bank group which boasts the largest and highest status in Japan.

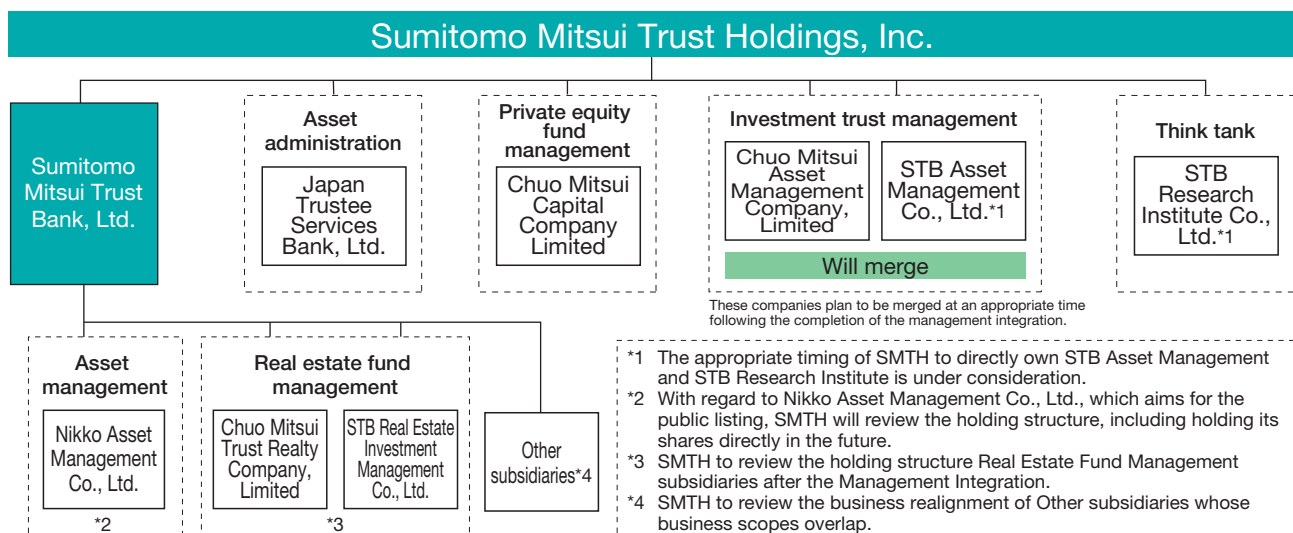
## The Integration Process: The First Step

On April 1, 2011, STB plans to effect a management integration by conducting a statutory share exchange with CMTH to form SMTH, a new holding company.



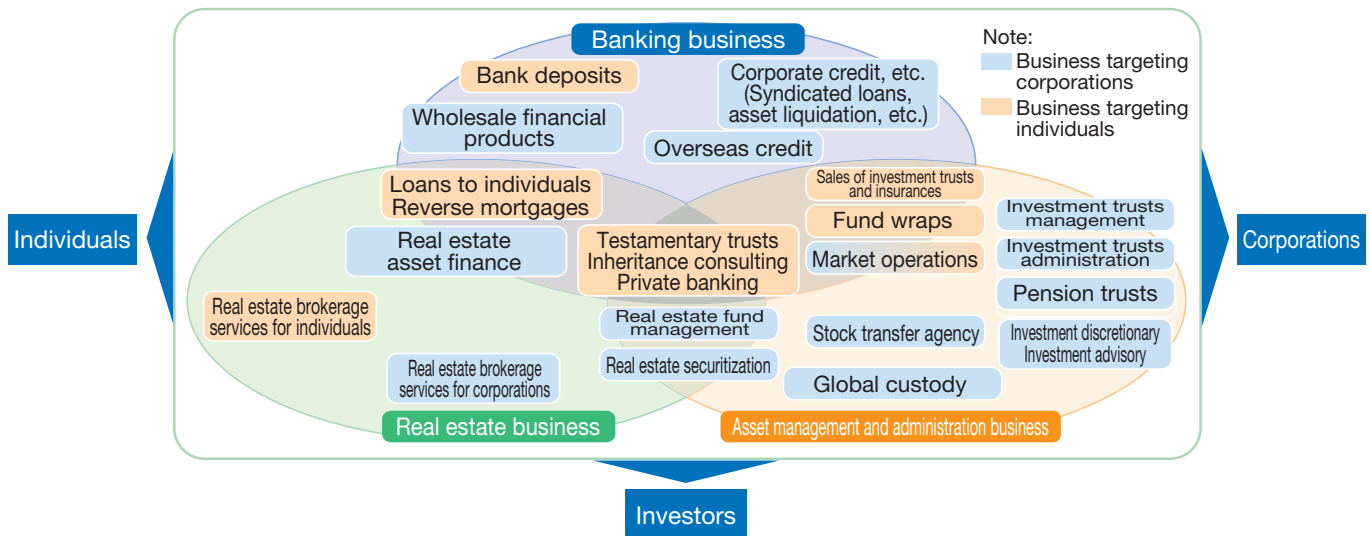
## The Integration Process: The Second Step

On or about April 1, 2012, SMTH plans to merge with its three subsidiary trust banks to form Sumitomo Mitsui Trust Bank, Limited.



## Business Areas of Sumitomo Mitsui Trust Group

In addition to broad coverage of the banking, asset management, and real estate businesses, the new Group will be able to take advantage of a number of strengths unique among financial groups by combining the functions of those businesses.



## Status of Sumitomo Mitsui Trust Group

(as of March 31, 2010)

### ● The Largest Scale and the Highest Status in Japan

By strengthening high levels of expertise and expanding business operations, the new trust bank group, as described below, will become Japan's leading trust bank group which boasts the largest scale and the highest status.

1. Japan's largest asset management and administration group
2. One of Japan's leading asset management consulting groups
3. One of Japan's leading firms in trust-bank-related businesses

### Asset Management and Administration

Assets under Management	Approx. ¥64 trillion	(No.1 among Japanese Bank and Securities Company Groups)
Balance of Corporate Pension Funds	Approx. ¥13 trillion	(No.1 among Japanese Trust Banks)
Lead Manager for Corporate Pension Funds	1,900 funds	(No.1 among Japanese Trust Banks)
Assets under Custody	Approx. ¥182 trillion	(No.1 among Japanese Bank Groups)
Balance of Investment Trust	Approx. ¥35 trillion	(No.1 among Japanese Trust Banks)
Stock Transfer Agency Services / Number of Shareholders	22.35 million	(No.2 among Japanese Trust Banks)

### Investment Trust and Insurance sales

Balance of Investment Trust, Annuity Insurance and Other Sales	Approx. ¥4 trillion	(No.3 among Japanese Banks)
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### Real Estate

Real Estate Business-Related Revenue (Total of the whole group)	Approx. ¥31.7 billion	(No.1 among Japanese Trust Banks)
Balance of Real Estate-backed Securities	Approx. ¥10 trillion	(No.1 among Japanese Trust Banks)

### Banking

Lending Business / Total Loan Balance	Approx. ¥21 trillion	(No.5 among Japanese Bank Groups)
Balance of Loans to Individuals	Approx. ¥6 trillion	(No.5 among Japanese Bank Groups)
Balance of Accounts Receivable-backed Securities	Approx. ¥12 trillion	(No.1 among Japanese Trust Banks)
Number of Will Trusts	19,454	(No.2 among Japanese Trust Banks)

## Basic Strategy of Sumitomo Mitsui Trust Group

In order to achieve its vision of forming “The Trust Bank” by means of a management integration, Sumitomo Mitsui Trust Group will take advantage of its strengths as a new trust banking group while developing a business model that differs from the strategy being pursued by today’s “mega-bank” groups.

### 1. Provide comprehensive solutions, with superior products and services across business fields:

Sumitomo Mitsui Trust Group will leverage its high level of expertise and a wide range of capabilities cultivated from both the CMTH group and the STB group over the years, to provide comprehensive solutions with superior products and services across business fields that correspond to clients’ needs.

### 2. Concentrate resources on prioritized strategic areas and focus on pursuit of synergies:

Sumitomo Mitsui Trust Group will aim to improve profitability and realize stable and sustainable growth by concentrating management resources on strategic areas where Sumitomo Mitsui Trust Group has competitiveness and expects stronger growth and business synergies across different business fields.

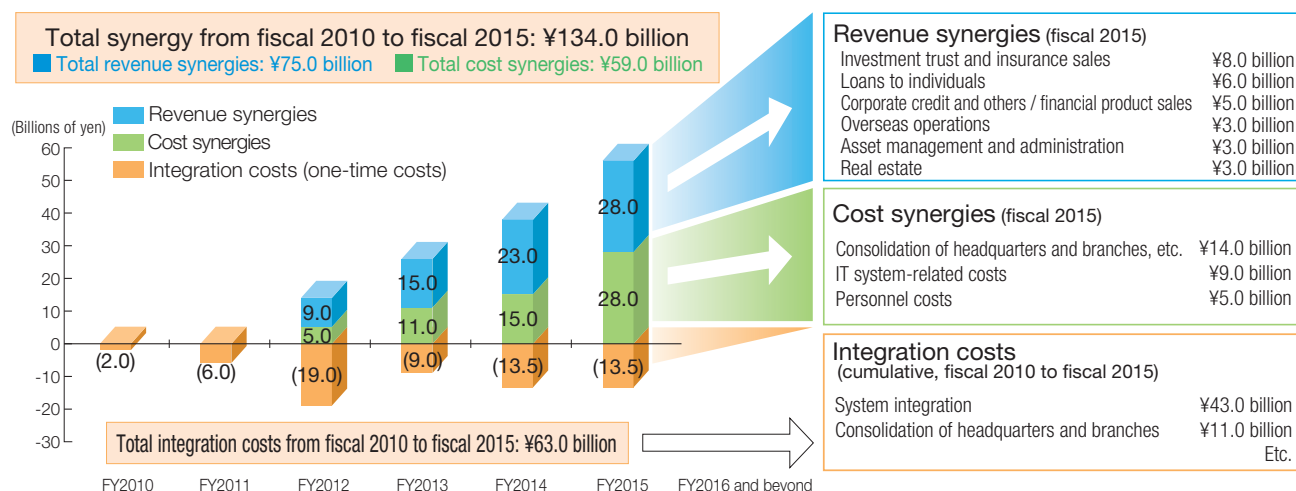
### 3. Financial soundness and capital efficiency:

Sumitomo Mitsui Trust Group will aim to secure capital adequacy in terms of quality and quantity, and maintain a sound financial position. At the same time, Sumitomo Mitsui Trust Group will aim to enhance capital efficiency through the reinforcement of its fee businesses by leveraging its trust functions.

## Synergy Effects for Sumitomo Mitsui Trust Group

- (1) We will aim to achieve annual Group-wide profit synergies of about ¥28.0 billion and cost synergies of about ¥28.0 billion, for an annual total of at least ¥56.0 billion, in fiscal 2015 and beyond.
- (2) Aggregated integration costs of ¥63.0 billion from FY2010 to FY2015 are expected; however, the cost will be absorbed with total synergies of approximately ¥134.0 billion (aggregated revenue synergies of approximately ¥75.0 billion and cost synergies of approximately ¥59.0 billion) to be phased in during the period.

Integration synergies and costs through fiscal 2015



## Revenue and Financial Targets for Sumitomo Mitsui Trust Group

Revenue and financial targets for the new trust bank group in fiscal 2015 are as follows\*

1. Revenue targets: The Group will strive to achieve net business profit before credit cost of approximately ¥460.0 billion and net income of approximately ¥220.0 billion, both on a consolidated basis.
2. Financial targets: The Group will strive to achieve ROE (on a consolidated basis) of approximately 10% and OHR (on a non-consolidated basis) of approximately 40%.

\* The Group may revise its ROE target as well as its capital adequacy ratio and other targets at such time as specific details about new capital adequacy ratio regulations under consideration by the Basel Committee become clear.

### Profit targets and financial performance indicators

		FY2010 (forecast)	FY2015 (target)	Change
Consolidated basis	Net business profit before credit costs	¥290.0 billion	Approx. ¥460.0 billion	Increase of approx. ¥170.0 billion
	Net income	¥125.0 billion	Approx. ¥220.0 billion	Increase of approx. ¥95.0 billion
	ROE	6%	Approx. 10%	Increase of approx. 4%
Non-consolidated basis	Net business profit before credit costs	¥255.0 billion	Approx. ¥400.0 billion	Increase of approx. ¥145.0 billion
	Net income	¥125.0 billion	Approx. ¥200.0 billion	Increase of approx. ¥75.0 billion
	OHR	49%	Approx. 40%	Decrease of approx. 9%

Assumption	March 31, 2010 (actual results)	March 31, 2011 (forecast)	March 31, 2016 (forecast)
3M-Tibor (at end of year)	0.43%	0.45%	0.95%
10Y-JGB (at end of year)	1.35%	1.10%	1.85%
Nikkei Stock Average (at end of year)	¥11,089	¥10,000	¥14,500

Note: Non-consolidated figures for fiscal 2010 are totals for the three trust banks, while non-consolidated figures for fiscal 2015 are for Sumitomo Mitsui Trust Bank, Limited, only.

# Consolidated Financial Highlights for the First Half of Fiscal 2010

	Billions of yen			Millions of U.S. dollars (Note)
	Sep. 30, 2010	Sep. 30, 2009	Mar. 31, 2010	Sep. 30, 2010
Total income	¥ 186.7	¥ 183.7	¥ 368.0	\$ 2,228.4
Interest income	81.0	91.7	181.5	967.0
Trust fees	23.3	26.5	50.8	278.9
Fees and commissions	43.1	39.3	80.7	515.4
Total expenses	131.9	147.6	283.2	1,574.0
Interest expenses	30.7	35.6	68.9	366.9
General and administrative expenses	69.7	75.0	149.2	831.9
Income before income taxes	54.8	36.1	84.7	654.3
Net income	32.0	19.0	46.8	382.7
Total equity	¥ 850.1	¥ 829.7	¥ 846.5	\$ 10,144.5
Total assets	14,265.1	15,460.1	14,977.9	170,228.6
Loans and bills discounted	8,867.9	9,115.0	8,941.9	105,822.7
Securities	4,066.1	4,900.6	4,525.6	48,522.5
Deposits	9,203.6	9,327.8	9,087.1	109,828.4
Trust assets*	37,751.3	35,650.5	37,835.1	450,493.7
Capital adequacy ratio**	15.02%	12.33%	13.80%	
<b>Reference</b> (subsidiary banks)*:				
Gross operating profit (before trust account write-offs)***	¥ 115.6	¥ 116.2	¥ 226.9	\$ 1,380.3
Operating expenses	56.3	58.9	117.9	672.7
Pre-provision profit***	59.3	57.3	108.9	707.6
Credit costs (minus)	(6.1)	11.0	7.5	(72.8)

Note: U.S. dollar amounts stated in this interim report are translated solely for convenience at ¥83.80 to US\$1, the rate prevailing on September 30, 2010.

\* Figures are the combined total of The Chuo Mitsui Trust and Banking Company, Limited, and Chuo Mitsui Asset Trust and Banking Company, Limited.

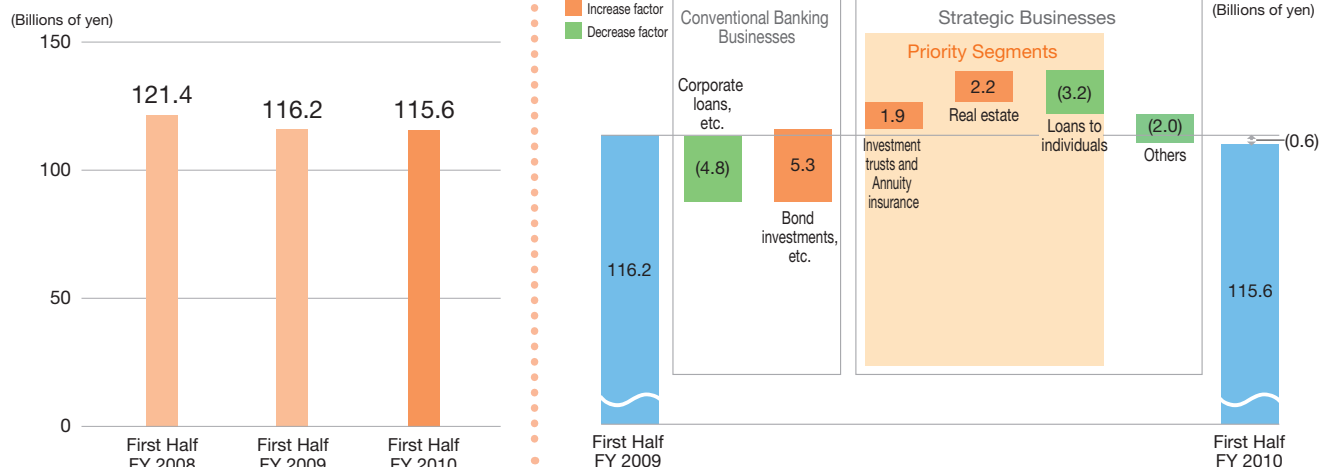
\*\* Capital adequacy ratio is presented in accordance with the domestic standard set forth in the Banking Law of Japan.

\*\*\* These terms are defined on page 32 in the Financial Section.



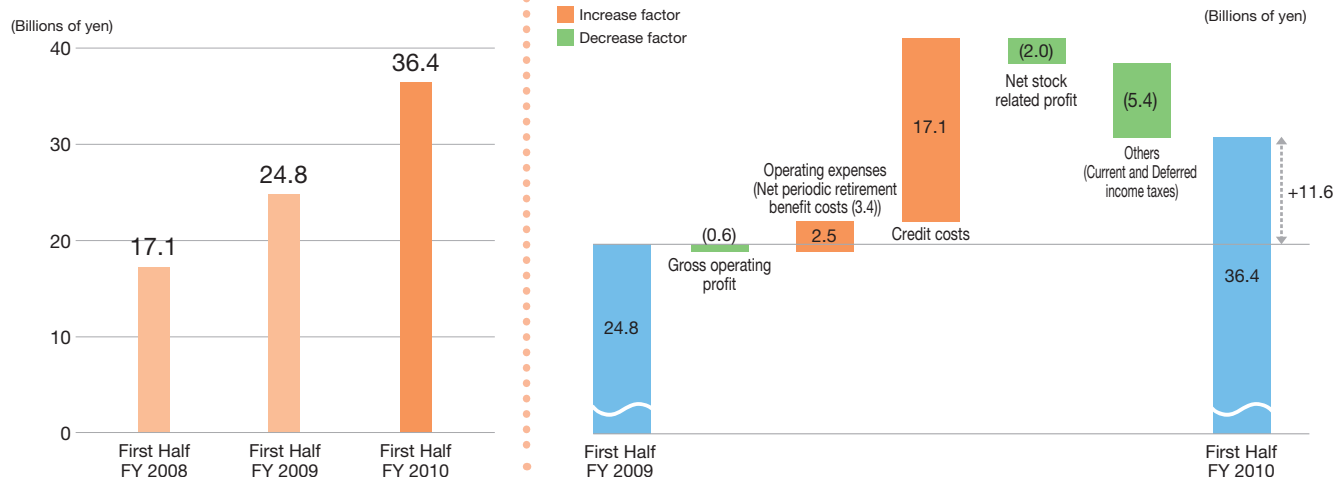
# Financial Report (Combined results for Chuo Mitsui and Chuo Mitsui Asset)

## Gross Operating Profit



Gross operating profit held roughly steady at ¥115.6 billion as increased profits from investment trust and insurance-related business and the real estate business combined with favorable bond trading results to offset a year-on-year decline in profits from the corporate lending and individual loan businesses.

## Net Income

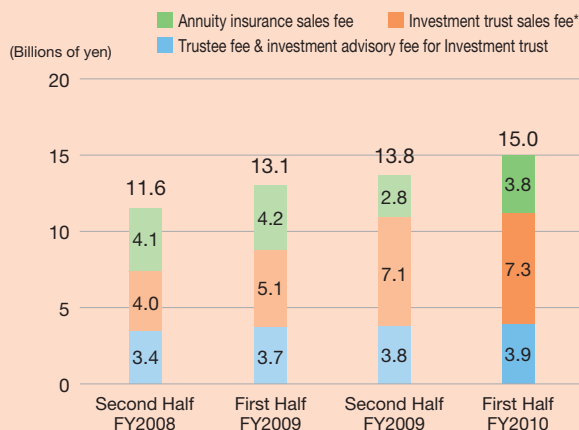


Despite gross operating profit that was roughly flat with figures from the previous year, interim net income increased ¥11.6 billion to ¥36.4 billion as credit costs decreased significantly due to factors such as a decrease in the number of new non performing loan (responsible for an increase of ¥17.1 billion compared to the previous year).

## Investment Trust and Annuity Insurance-related Businesses

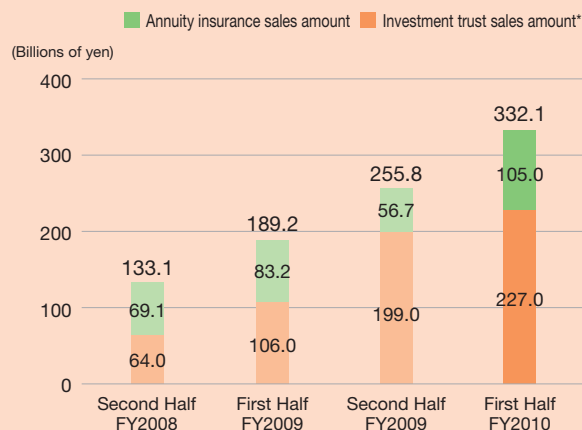
As shift from savings to investments continues; we will offer optimal products to customers through an extensive line-up of products and precisely targeted consulting services in an effort to meet customers' diversifying asset management needs.

### Investment Trust and Annuity Insurance-Related Revenues



\*Including wrap account

### Investment Trust and Annuity Insurance Sales Amount

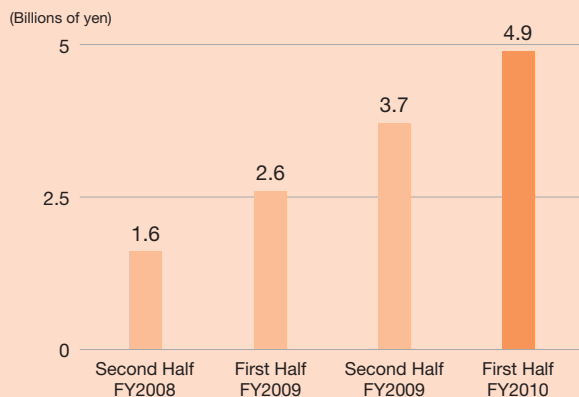


\*Including wrap account

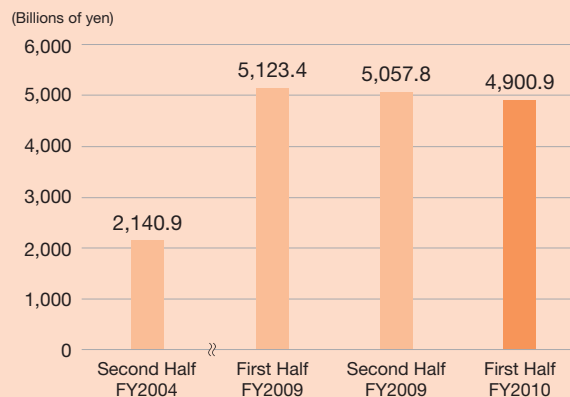
## Real Estate Business

The real estate market continued to show signs of recovery during the first half of fiscal 2010 due to factors such as an increase in real estate brokerage fees over the second half of fiscal 2009. We will continue to improve profitability by precisely gauging real estate needs.

### Real Estate Brokerage Fees



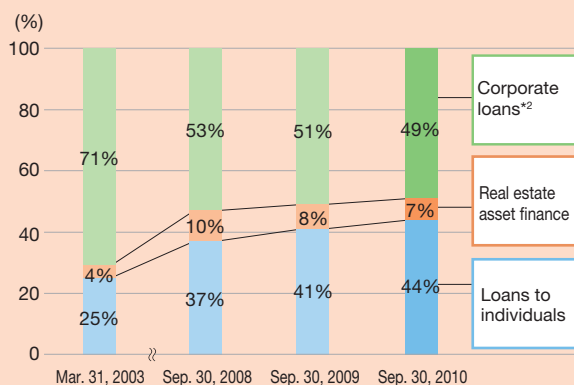
### Balance of Securitized Real Estate



## Lending Business

The Group is striving to build a sound and highly profitable loan portfolio with a focus on profitability in the area of housing and other loan product.

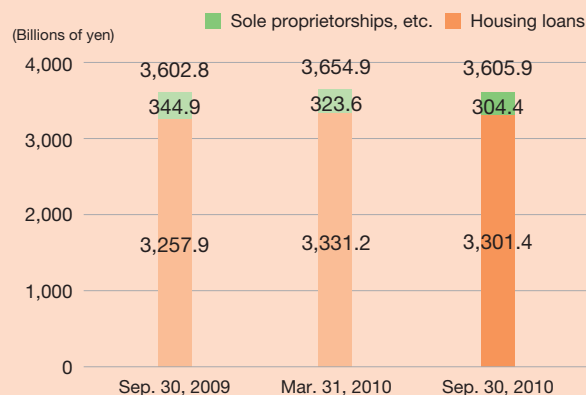
### Average Loans Balance\*<sup>1</sup> Composition



\*<sup>1</sup> Banking account (domestic funds) + jointly operated money trusts + loan trusts + non-resident yen-denominated loans, after deducting the impact of securitization.

\*<sup>2</sup> Loans to corporate borrowers + restructuring and revitalization-related finance.

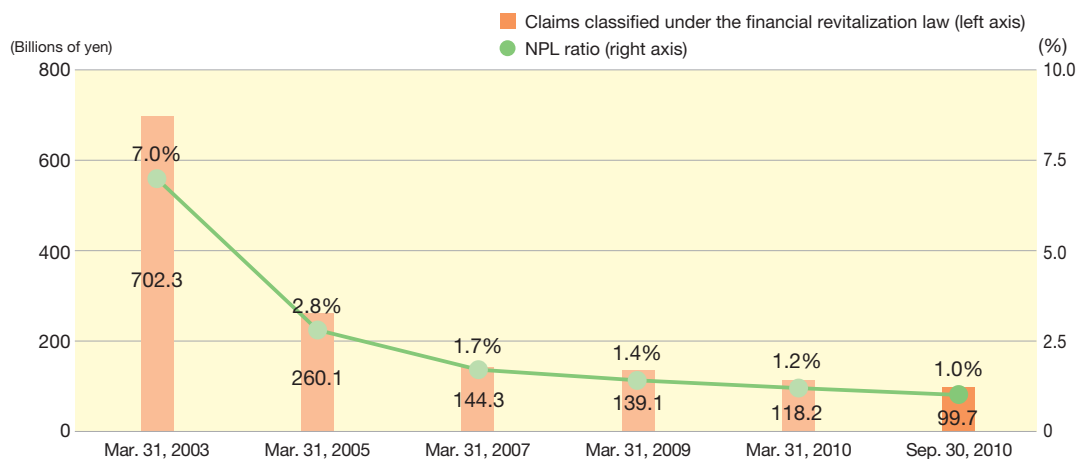
### Balance of Loans to Individuals\*



\* Balance post-securitization

## Claims Classified under the Financial Revitalization Law and Non-Performing Loan (NPL) Ratio\*

Claims classified under the Financial Revitalization Law have decreased by ¥18.5 billion yoy to ¥99.7 billion as of the end of March 2010. The NPL ratio decreased by 0.2% yoy to 1.0%.



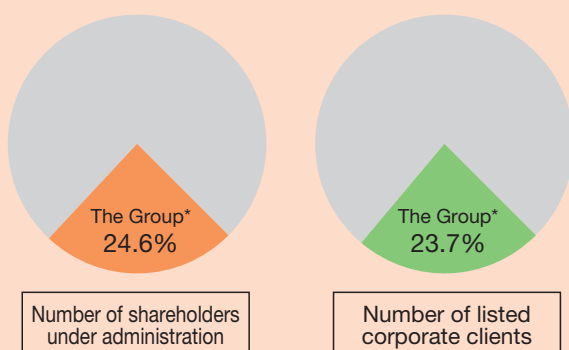
\* Figures are for Chuo Mitsui non-consolidated and are the combined totals of the banking and trust accounts. The NPL ratio conforms to the standard set in the Financial Revitalization Law.

## Stock Transfer Agency Business

Chuo Mitsui Trust Group is entrusted with providing stock transfer agency services by many leading Japanese corporations. Almost one in four listed companies in Japan are clients for stock transfer agency services of the Chuo Mitsui Trust Group.

### Industry Share

As of September 30, 2010

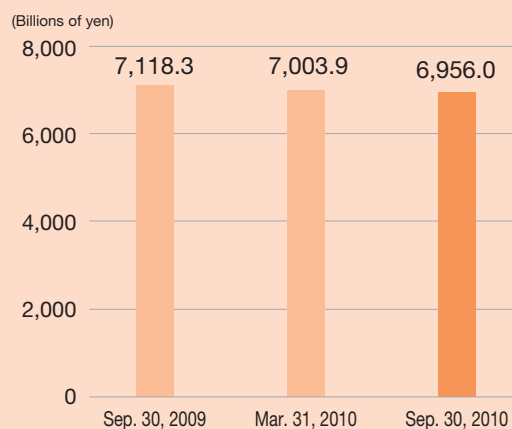


\* The Group includes Chuo Mitsui and Tokyo Securities Transfer Agent Co., Ltd.

## Pension Trust Business

Utilizing market-respected asset management and consultation capabilities, we are reinforcing our profit base and extending our business scope.

### Balance of Entrusted Pension Assets\*

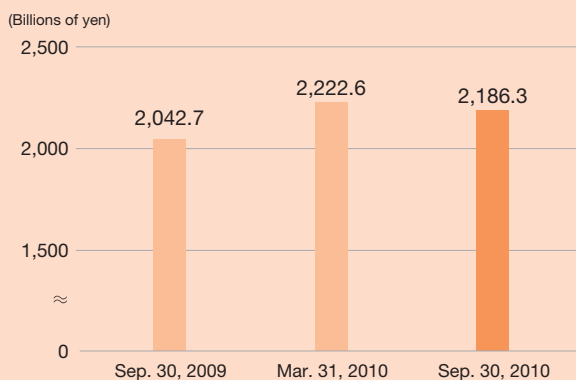


\* Book value basis. Combined total of pension assets from such sources as defined benefit plans, employees' pension funds and qualified pension plans. Includes balance of investments with discretionary rights for management.

## Asset Management Business

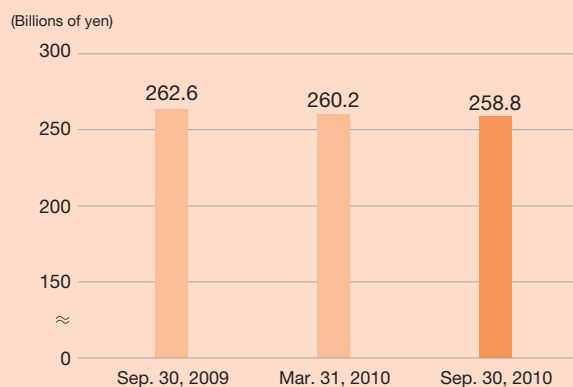
The Group continues to strengthen its asset management business at its two asset management companies.

### Balance of Assets under Management at Chuo Mitsui Asset Management\*



\* Total of investment trusts and investment advisors

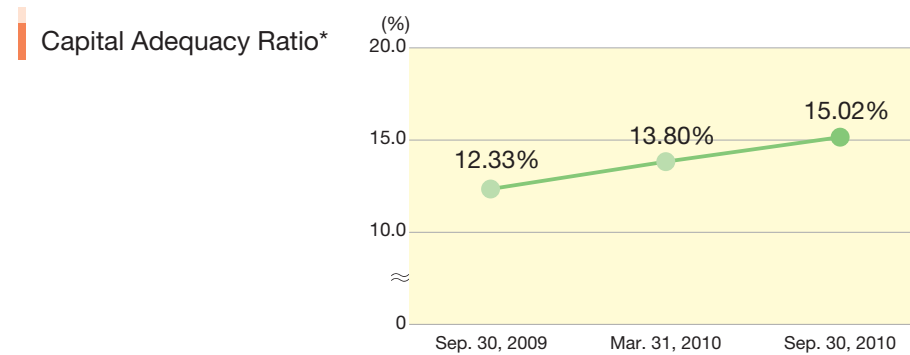
### Total Funds under Management by Chuo Mitsui Capital\*



\* Commitment basis (combined contribution amounts promised by investors to funds)

## ● Status of Capital Adequacy Ratio

The capital adequacy ratio increased by 1.22% to 15.02% compared to March 31, 2010. The Group maintains a sufficient capital adequacy ratio.



\* Percentages are for CMTH on a consolidated basis (Domestic standard).

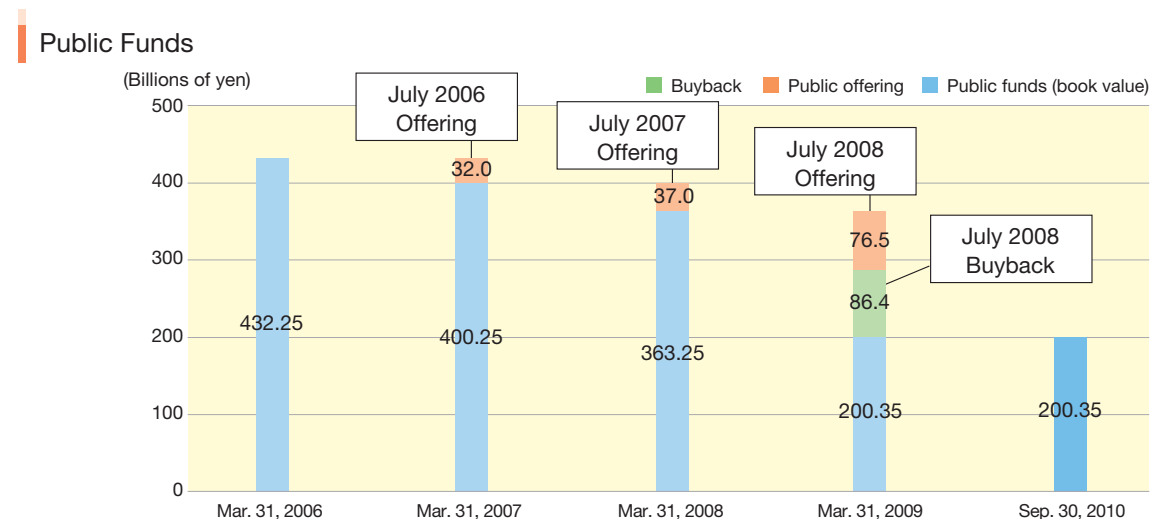
## ● Public Funds

Public funds underwritten by the Resolution and Collection Corporation ("RCC") in the form of preferred shares fell to ¥200.35 billion during fiscal 2008 due to the sale of shares in the market and repurchases from RCC. However, as the share price of the Company's stock remained relatively low mainly due to the turmoil in the financial market, the full amount of ¥200.35 billion in preferred shares was converted to common shares pursuant to the provisions of the Company's Articles of Incorporation on August 1, 2009.

As a consequence, RCC now holds approximately 30% of the Company's outstanding common shares.

We plan to make full repayment through sales in the market and/or other means as soon as conditions for repayment, such as stock price, have met.

\* The conversion of preferred stock to common stock resulted in the addition of 500,875,000 shares of common stock, bringing the total number of outstanding common stock to 1,658,426,267 as of September 30, 2010.



# Corporate Governance

## Basic Premise

Chuo Mitsui Trust Group strives to clarify the scope of accountability and responsibility assumed by regular employees and senior management, including members of the Board, and has implemented a suitable system of crosschecks to maintain management transparency and ensure sound business practices. At the same time, the Group strives to maintain efficient management structures in order to expedite decision-making.

## Overview of Governance Structures

Under the Chuo Mitsui Trust Holdings (“CMTH”) umbrella, established management structures have been put in place to allow the Group’s subsidiary trust banks, Chuo Mitsui and Chuo Mitsui Asset, and its subsidiary asset management companies, Chuo Mitsui Asset Management and Chuo Mitsui Capital, to pursue their respective business activities in an independent manner. Meanwhile, CMTH serves as a financial holding company established to oversee the operations and administration of its subsidiaries by taking responsibility for the following Group-level functions.

### 1. Formulation of Group management strategy

CMTH coordinates business strategies for the Group’s subsidiary trust banks and asset management companies and formulates management plans to maximize Group-wide profits and shareholder value.

### 2. Monitoring of business operations

While responsibility for business operations lies with each subsidiary trust bank and asset management company, CMTH manages operation of trust banks and asset management companies to ensure consistency with Group strategies and monitors operational performance.

### 3. Allocation of management resources

CMTH allocates the Group’s management resources—that is, those resources necessary for business activities, consisting of tangible resources such as human resources, physical resources, and monetary resources, as well as intangible resources such as information, knowledge, and branding—and manages their utilization by its subsidiary trust banks and asset management companies.

### 4. Supervision of risk management

CMTH formulates basic policy on risk management for the Group as a whole and monitors risk management at its subsidiary trust banks and asset management companies.

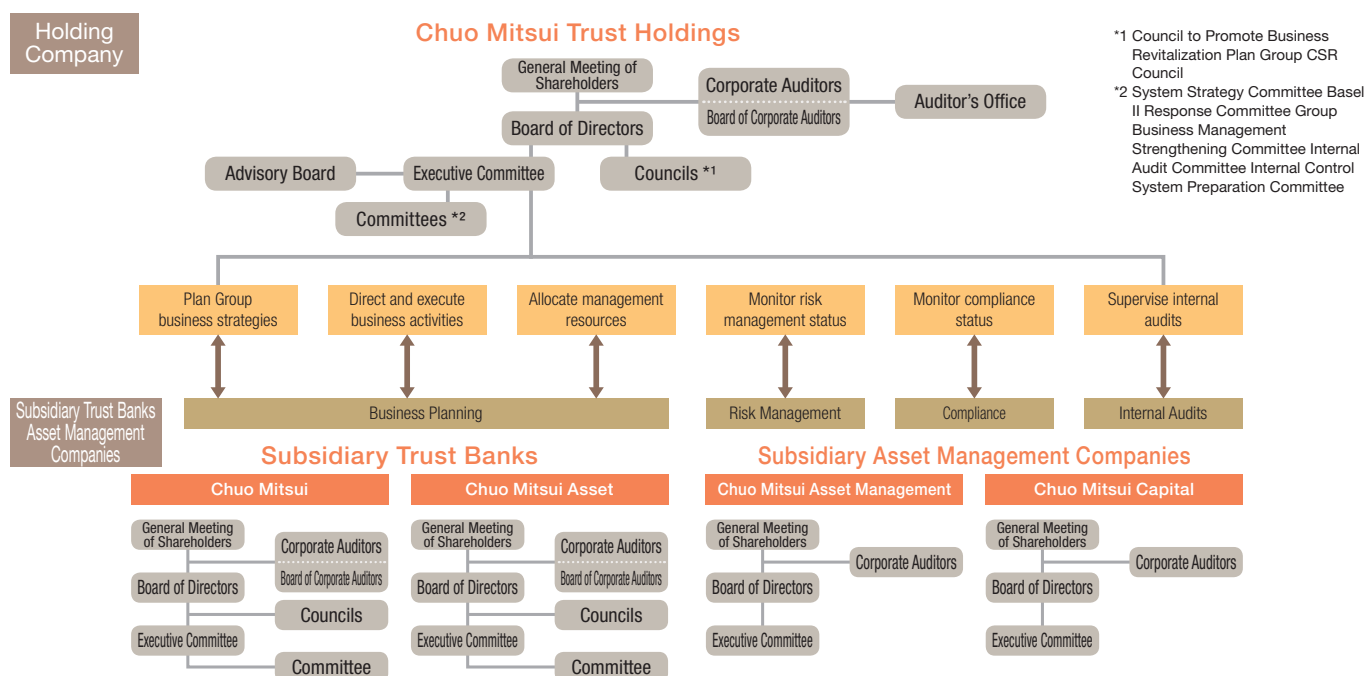
### 5. Supervision of compliance

In addition to formulating basic policy on corporate ethics for the Group and standards of conduct for senior management and employees, CMTH monitors compliance status at subsidiary trust banks and asset management companies.

### 6. Supervision of internal audits

In addition to formulating basic policy on internal audits for the Group as a whole, CMTH assesses the internal audit systems at subsidiary trust banks and asset management companies and offers guidance as necessary.

## Corporate Governance Structure





## CSR Basic Concept

Chuo Mitsui Trust Group engages in CSR activities as part of our commitment, codified in our management philosophy, to fulfilling the inherent social responsibilities of a corporate citizen. We emphasize dialogue with stakeholders and believe in the importance of sustained, consistent responsiveness. To this end, we seek to foster greater awareness among our employees—the main contributors in our business—and promote activities that incorporate input from clients and employees that meet the needs of society. CSR activities establish us as a member of society, and are integral to our ability to grow together with society. Going forward we will continue to pursue CSR activities, fully cognizant of our public mission as a financial group.

## CSR Activities—Highlights

### Initiatives to Conserve Biodiversity

The Group embarked on a variety of CSR activities linked to the conservation of biodiversity\* in 2010, which was declared the International Year of Biodiversity by the United Nations.

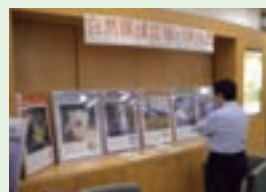
Chuo Mitsui held a “Chuo Mitsui Special Interest Campaign” during October and November 2010 to support nature conservation by making a donation to the World Wide Fund for Nature Japan for every deposit to a deposit account. During the campaign, Kanto, Chubu, and Kansai major branches held exhibits of biodiversity-themed graphic panels introducing supporting nature conservation activities to clients.

In addition, CMTH invited local residents to learn about biodiversity by participating in a walking rally. It did so as a member of Minatonet, a community service group made up of corporations with offices in Tokyo’s Minato Ward.

\* To conserve biodiversity by pursuing initiatives to protect the ecosystems that are essential to human life so that humankind can better coexist with other organisms.



Chuo Mitsui held a “Chuo Mitsui Special Interest Campaign” to support nature conservation



Branches held exhibits of graphic panels supporting nature conservation.

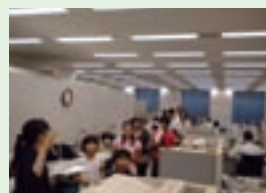


CMTH held a biodiversity walking rally.

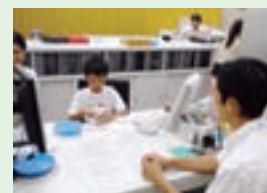
### Employees and CSR

#### ● “Bring Your Kids to Work” Day

The Group holds a “bring your kids to work” day for employees’ families at all facilities nationwide. In addition to helping employees develop a healthy work-life balance, initiatives such as this are intended to increase awareness of CSR by providing an opportunity to think about the significance of work.



The Group held a “bring your kids to work” day



#### ● Kurumin Mark Certification

In June 2010 Chuo Mitsui and Chuo Mitsui Asset received the certification mark under the Act on Advancement of Measures to Support Raising Next-generation Children (popularly known as the Kurumin mark) from the Minister of Health, Labour and Welfare and the Director of the Tokyo Labour Bureau. The companies were recognized for their active support of next-generation parenting, including efforts to expand employee programs related to childbirth and parenting and improve their management.



Two Group companies earned the Kurumin next-generation certification mark

# Chuo Mitsui

Financial Services for Individuals  
 Financial Services for Corporations  
 Real Estate Business  
 Stock Transfer Agency Business

## *The Chuo Mitsui Trust and Banking Company, Limited*

### CMTB's Expanding Line of Investment Trust Products

Chuo Mitsui is working to expand its line-up of investment trust products to more precisely meet clients' diversifying asset management needs as the market environment continues to change.

We began offering the Australia Public and Corporate Bond Fund ("Aussie Bond"; established and managed by Chuo Mitsui Asset Management), which invests in Australian public and corporate bonds, in May 2010, as well as the Yen Global Select Government Bond Fund ("Yen Select"; established and managed by Chuo Mitsui Asset Management), which invests in government bonds issued by select countries worldwide and other instruments with hedging currency risk, in August 2010.



### Expanded Line-Up of Single-Payment Whole Life and Fixed Annuity Insurance Offerings

Chuo Mitsui began offering the Fukokushinrai Fixed Annuity (underwritten by Fukokushinrai Life Insurance Co., Ltd.) in May 2010. Clients can fix future pension and lump-sum payments at the time of subscription, making the product well suited to a carefully planned program of asset building.

In July, we began offering "Sekaino-kajitsu" (underwritten by Mitsui Sumitomo MetLife Insurance Co., Ltd.), a product designed to meet the needs of clients who wish to bequeath assets while managing foreign currency-denominated funds.



## Investment Trust Wrap Accounts

Chuo Mitsui offers Chuo Mitsui Private Wrap accounts (with a minimum contract of ¥10 million) and Chuo Mitsui Executive Wrap accounts (with a minimum contract of ¥100 million). After the client signs a discretionary investment agreement, we offer a comprehensive suite of services, including development of a basic management plan and reporting financial results. In response to recent trends toward increased complexity in the drivers of market change and rising expectations with regard to the sophisticated and specialized asset management expertise offered by investment professionals, our investment wrap accounts allow us to propose portfolios for clients based on their management needs and risk tolerance.



## Joint Development of Japan's First Life Insurance Trust Product to Go beyond the Market's Conventional Business Categories

In July 2010, Chuo Mitsui began offering a new life insurance trust product developed jointly with Prudential Life Insurance Co., Ltd., that brings a new level of flexibility to life insurance beneficiary designation and payout methods as well as to the applications in which such policies can be used. The product is the first life insurance trust offering in Japan to include flexible trust-based asset payout capability.

Used in combination with our popular testamentary trust, inheritance coordination etc., this new product will allow us to meet clients' increasingly diverse needs.



## Introduction of a New Branch Terminal System

Chuo Mitsui began introducing a new branch terminal system called "Palette" for use by clients visiting branches to conduct banking business in May 2010, and finished deploying the system to all branches by November.

Among the system's capabilities is functionality for dramatically reducing the amount of information that must be filled in by clients by printing required information on forms used in various investment trust procedures. Other features include the ability to provide more detailed and timely information through displays that can be viewed by clients along with their assigned Chuo Mitsui representatives.

In addition to reducing the amount of time needed to conduct banking business, we look forward to harnessing this system to provide more robust support for clients' asset management needs by augmenting the expertise we have developed over our history as a trust bank with the ability to provide valuable information.





## New Consulplaza Locations

Chuo Mitsui is developing *Consulplaza* as a series of consulting-oriented offices located in areas frequented by clients during their daily lives, for example train stations and commercial facilities such as department stores. The offices remain open during evening hours year-round, providing advice on asset management, loans, wills and inheritance, real estate, and other topics.

In April 2010, we opened *Consulplaza* Totsuka as a new location, and reopened *Consulplaza* Seishin-Chuo following remodeling in June 2010. Both facilities introduce our new branch terminal system so that clients can enjoy maximum convenience.



Consulplaza Totsuka



Consulplaza Seishin-Chuo

## Customer Service Initiatives

Chuo Mitsui strives to reinforce activities designed to elicit a higher level of customer service as part of its efforts to cement its reputation as a financial institution truly trusted by its clients. In addition to working aggressively to implement a customer-first philosophy through such means as offering education and training programs for employees and creating a client satisfaction improvement committee at every sales branch, we are involved in a range of activities based on the unique characteristics of each office. In addition, we're also striving to improve branch operations and management as well as companywide operations and services based on client feedback. This feedback comes not only from direct encounters at branches and through our website, but also from questionnaires, direct-mail surveys, and other means.

As part of these initiatives, we announced compliance with the ISO 10002\* customer complaint resolution and management system on April 1, 2010.



\* ISO 10002, an international standard on the handling of customer complaints administered by the International Organization for Standardization (ISO), defines complaint resolution processes and guidelines for the appropriate implementation of those processes.

## Branch Initiatives

Our branches are involved in a variety of initiatives to better satisfy clients.

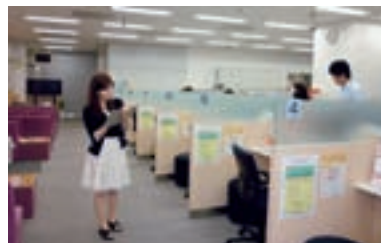
### Client Satisfaction Lectures

One of the ways branches are working to improve quality of service and hospitality is by offering study groups for employees featuring instructors with experience in businesses in other industries, for example hotels and department stores.



### Lobby Monitoring

Employees take turns standing in the lobby during business hours, where they reassess their own conduct from the customer's perspective so that they can work to improve it.



### Customer Service Role-Playing

Branches strive to improve individual employees' customer service skills by organizing client satisfaction role-playing exercises where employees critique one another's performance. The exercises are also video-taped so that employees can review their own actions.



## Home Remodeling Loans for Older Clients (Lump-Sum Principal Repayment)

Chuo Mitsui began offering home remodeling loans featuring lump sum principal repayment in October 2009 as a new product for older clients, who often face difficulties in securing financing through housing loans and other traditional products.

This product allows borrowers to use a residence as collateral in order to secure financing for home improvements such as increasing accessibility or earthquake resistance. The principal is repaid from proceeds from the sale of the house upon the client's passing.



## CMTB's Reverse Mortgages

Chuo Mitsui also offers reverse mortgages that support the financial freedom of older clients.

This product allows clients to borrow funds using a residence as collateral. The loan is repaid in a lump sum, for example from proceeds from the sale of the house upon the borrower's passing.

Borrowed funds can be used for any purpose (with the exception of business)—for example, to finance leisure pursuits or to make a lump sum payment of fees upon admission to a nursing home.



## Home-backed Card Loans ( $\alpha$ -style)

Chuo Mitsui also offers a home-secured card loan product known as " $\alpha$ -style" that can be used to provide funds needed by clients as they implement plans for the future.

This product is available regardless of whether the client already has a housing loan, even at another institution.

In addition, Chuo Mitsui waives prepayment penalties on its housing loans when borrowers apply or receive approval for " $\alpha$ -style."



## Initiatives to Facilitate Financing

CMTB considers the facilitation of financing to small and medium-sized enterprises and individuals seeking housing loans as one of its most important social missions, a mission we have strived to fulfill throughout our history. In the context of the Bill on Provisional Measures for the Facilitation of Financing to Small and Medium-sized Businesses, CMTB took steps to further enhance its intermediary capability as a lending institution and adopted the Fundamental Policy on Facilitating Financing in December 2009 to ensure a prompt and appropriate response to requests from small and medium-sized business and housing loan customers for discussion and review of loan conditions, and restructuring of loan repayment conditions.

In addition to facilitating financing operations through systems at our branch offices to provide a prompt and

appropriate response to customer inquiries, and a system at our head office to enable full understanding of the branch office support activities, each branch office maintains a customer consultation desk for discussion of inquiries and complaints, which can also be submitted via a toll-free telephone number and our website.

We also assist small and medium-sized enterprises with efforts to improve and revitalize business operations by offering business consultation, management guidance, business reconstruction strategies, and other support services.

CMTB is committed to continuing to work together to provide appropriate and proactive financial intermediary services to facilitate the business activities of small and medium-sized enterprises and to help housing loan customers enjoy a stable lifestyle.

## Supporting the Bank of Japan's Efforts to Strengthen the Basis for Growth

Chuo Mitsui is working to provide a smooth supply of funds to businesses in fields that are critical to economic growth. In July 2010, we developed a "Policy on Initiatives to Strengthen the Basis for Growth" targeting 18 fields, including environmental and alternative energy as well as the development and improvement of critical infrastructure, based on the Bank of Japan's "Financing to Help Strengthen the Basis for Growth" program\*<sup>1</sup>.

It is believed that in order to overcome the sustained deflation being experienced by the Japanese economy, it is critical to place the overall economy on the path for medium- and long-term growth by reversing the tendency of the growth rate to decline.

Based on its "Policy on Initiatives to Strengthen the Basis for Growth," Chuo Mitsui provides support in the form of financing for initiatives related to the New Growth Strategy\*<sup>2</sup>, which was conceived to create an environment conducive to the creation of new demand and employment and to strengthen supply capability.

### \*1 Financing to Help Strengthen the Basis for Growth

A financing program created by the Bank of Japan to support initiatives by private-sector financial institutions to strengthen the basis for growth in the Japanese economy while ensuring smooth implementation of monetary controls. The program is designed to contribute to the robust growth of the national economy through price stabilization.

### \*2 New Growth Strategy

A series of policies directed towards the integrated achievement of a strategy adopted at a cabinet meeting in June 2010 for a strong economy, strong fiscal management, and strong social security.

## Environmental Financing Initiatives

With the government announcing the goal of reducing greenhouse gas emissions by 25% from 1990 levels by 2020 and interest in global warming on the rise, the number of companies implementing aggressive environmental conservation policies is increasing.

In addition to introducing Financing Employing Environmental Ratings\*<sup>1</sup> in September 2010 to support companies that are actively pursuing measures to address global warming, Chuo Mitsui began offering zero-interest (subsidized-interest) loans to support the acceleration of countermeasures against global warming.\*<sup>2</sup>

Going forward, we look forward to offering financial support for corporate initiatives incorporating environmental conservation measures through environmental financing initiatives.

### \*1 Financing Employing Environmental Ratings

A mechanism whereby companies' environmental initiatives are evaluated and scored based on certain standards and criteria to derive an environmental ranking that is used in turn to determine eligibility for preferential interest rates for loans.

### \*2 Zero-interest (subsidized-interest) Loans to Support the Acceleration of Countermeasures against Global Warming

A program under which the Ministry of the Environment offers interest rate subsidies through the Japan Environment Association of up to 3% (up to the equivalent of zero interest) for a period of three years starting the day of a loan's disbursement for borrowing for capital investments related to global warming countermeasures that meet certain conditions, for example a declaration of intent to reduce CO<sub>2</sub> emissions.

## Broaden Fund Supply through Varied Financing Techniques

Chuo Mitsui draws on a wealth of experience and expertise developed over its many years in the industry to provide financing that is carefully geared to the needs of its clients.

Real estate asset finance such as non-recourse loans and real estate securitization utilizing real estate-managed trusts and special-purpose companies has numerous applications ranging from securitization of company-owned properties to real estate investment projects.

For clients interested in corporate restructuring, Chuo Mitsui provides leveraged finance\*<sup>1</sup> services for increasing corporate value through restructuring by such means as management buyouts\*<sup>2</sup> and leveraged buyouts\*<sup>3</sup>.

For clients interested in revitalizing their operations, Chuo Mitsui offers funds to meet needs throughout the corporate rehabilitation process through debtor-in-possession financing\*<sup>4</sup> and other means.

### \*1 Leveraged Financing

Using borrowed funds obtained by using the cash flows or assets of the target company as collateral to make an acquisition.

### \*2 MBO

A form of corporate acquisition where a company's managers acquire administration rights by purchasing shares from the existing owner or parent company in cooperation with a sponsor such as an investment fund, with the intention of continuing the business in question.

### \*3 LBO

An acquisition made using borrowed funds obtained by using the cash flows or assets of the target company as collateral.

### \*4 DIP financing

Credit extended to an entity after it files for bankruptcy under the Civil Rehabilitation Law or Corporate Reorganization Law until the process ends is known as debtor-in-possession financing.



## Real Estate-Related Business Initiatives



Chuo Mitsui is actively involved in a variety of real estate-related business initiatives so that it can precisely meet individual clients' real estate investment needs, as well as corporate clients' needs for financial solutions. Services include mediation and securitization for business and investment real estate, proposals for effectively utilizing real estate holdings, and real estate appraisals.

Individual clients' needs range from home purchases and relocations to the acquisition or management of income-generating properties that provide a stable cash flow. In addition to listing numerous properties on the website of Group company Chuo Mitsui Realty Co., Ltd., a close partner that offers the benefits of extensive expertise and a far-reaching information network, Chuo Mitsui offers extensive consulting services that include seminars and individual consultations.

Through our real estate managed trust, one of the fundamental frameworks of real estate securitization, we can propose optimal securitization schemes for individual clients. We offer a range of high-quality trust administration services, and the balance of trusts under administration has reached ¥4.9 trillion (as of September 30, 2010).

Chuo Mitsui also devotes significant resources to its real estate fund business, particularly the J-REIT (Japanese Real Estate Investment Trust) sector, where we have participated in the establishment of multiple listed investment corporations. In addition to providing administration services of real estate, for example by holding assets in trust for 10 of the 37 investment corporations on the Tokyo Stock Exchange (as of September 30, 2010), we take advantage of our extensive real estate expertise to offer investment advisory and other services concerning pension funds.

## Investor Relations (IR)\* and Shareholder Relations (SR)\* Support



Chuo Mitsui offers beneficial shareholder survey services to identify domestic and overseas institutional investors not listed in shareholders' registries, such as foreign beneficial shareholder surveys, foreign beneficial shareholder data services, and proprietary products including domestic institutional investor beneficial shareholder data creation and domestic institutional investor shareholder survey reports. In addition, we provide an extensive selection of services designed to offer comprehensive support for corporate IR and SR activities, including analytical reports on voting results and individual shareholder analysis reports that can be put to use in targeting and evaluating the effectiveness of individual IR and SR activities.



### \* Investor Relations (IR) and Shareholder Relations (SR)

Investor relations (IR) refers to public relations activities targeting investors, specifically the full range of activities by which corporations provide the information needed to make investment decisions to shareholders and investors in a timely, fair, and ongoing manner. Shareholder relations (SR) refers to those activities targeting shareholders.

## Initiatives to Enhance Stock Transfer Agency Services



Chuo Mitsui is strengthening its initiatives to improve its stock transfer agency services by enhancing information management structures.

In July 2010, Japan Stockholders Data Service Company, Limited, which oversees back-office operations for Chuo Mitsui's stock transfer agency business, received certification under the Japan Information Processing Development Corporation's Privacy Mark standard. Privacy Mark certification is granted to businesses that maintain appropriate structures for protecting personal information based on the Japan Stockholders Data Service Company's Privacy Mark program.



# Chuo Mitsui Asset

Trust Asset Management Business

Trust Asset Administration Business

Pension Management Services

## *Chuo Mitsui Asset Trust and Banking Company, Limited*

### High Marks as an Institutional Administrator of Corporate Pension Programs

Chuo Mitsui Asset has received high marks from clients as a trust institution that provides a full range of services related to management of corporate pension programs, from the verification of existing retirement benefit programs to the design, introduction, and management of defined benefit (DB) and defined contribution (DC) pensions.

In its role as a lead manager, the company was ranked No. 1 for three years running in advice and consulting services related to DB programs and financial management.\*1

It also ranked No. 1 in client satisfaction for investment education and other DC management and administration services in 11 of 20 areas.\*2

As part of its efforts to improve services such as these, Chuo Mitsui Asset worked to improve client convenience, for example by redesigning its web services for DC programs in March 2010, and developing an asset balance simulation.



\*1 From "Pension Client Evaluation Research" (Newsletter on Pension & Investment, November 16, 2009), Rating and Investment Information, Inc.

\*2 From "Survey of the Attitudes of Corporate DC Managers (2010)," conducted by the NPO 401k Educational Society.

### High Marks as a Corporate Pension Asset Management Company

Chuo Mitsui Asset achieved high approval ratings, both quantitatively and qualitatively, and took the top spot among Japanese trust banks in a 2010 survey of corporate pension funds of Japanese asset management companies.\*

The Chuo Mitsui Asset-managed Japan Equity-A1 Fund was recognized in the domestic share growth segment/defined benefit pension category of the R&I Fund Award 2010 by Rating and Investment Information, Inc. (May 2010). The fund also received the Mercer MPA Award 2010 from asset management rating company Mercer Japan (June 2010).

We will continue to work to provide the best possible solutions to clients by maintaining a precise understanding of their diverse needs.



Mercer MPA Award 2010

\* From "Pension Client Evaluation Research" (Newsletter on Pension & Investment, November 15, 2010), Rating and Investment Information, Inc.

# Chuo Mitsui Asset Management

Investment trust management services

## *Chuo Mitsui Asset Management Company, Limited*

### Develop Products Tailored to Diverse Needs and Promote Expansion of Distribution Channels

In addition to developing investment trust products that meet an extensive range of needs for Chuo Mitsui and other sales companies, Chuo Mitsui Asset Management is actively involved in providing investment products for variable annuity insurance and institutional investors.

Following Chuo Mitsui's earlier decision to begin offering the product, the company began offering the PIMCO U.S. High Yield Bond Fund in February 2010, followed by SBI certificates in May, Rakuten certificates in June, and SMBC Friend certificates in August.

Chuo Mitsui Asset Management also established the Australia Public and Corporate Bond Fund, which invests in Australian public and corporate bonds, in May 2010, followed by the Yen Global Select Government Bond Fund, which invests in government bonds issued by select countries worldwide and other instruments to hedge currency risk, in September. Balances for both funds continue to increase.

In addition, the e-Series index fund, which was established in April 2010, was developed to allow use of core asset-building products in the Internet channel, which is expected to continue to grow.

We will continue to provide products that meet the full range of investor needs through a broad array of sales channels.



### Strengthening Sales Support Activities and Information Services

In addition to actively disseminating reports and other information through its website and sales companies as part of an effort to communicate the changing investment environment in a more timely manner, Chuo Mitsui Asset Management held some 700 investor seminars and workshops for the salespeople of sales company throughout Japan from April to September 2010.

All Chuo Mitsui branches offered market environment seminars for investors in July and August 2010. The large number of clients who participated had high praise for the program.

We will remain committed to actively providing useful information to clients.



# Chuo Mitsui Capital

Private equity fund management services

*Chuo Mitsui Capital Company Limited*

## Providing Quality, Diversified Investment Opportunities to All Investors

Demand for private equity investment as a vehicle that is less correlated with stock prices is expected to continue to grow among pension funds and other institutional investors.

Chuo Mitsui Capital provides quality investment\* opportunities for financial institutions, pension funds, and other investors through products and services such as funds of funds, which provide globally diversified private equity investment opportunities, and mezzanine funds, which offer middle-risk/middle-return investment opportunities.

Going forward, private equity investment is likely to assume increasing importance as a financial (investment) asset class. Chuo Mitsui Capital will continue to draw on its advanced investment and fund operations expertise to develop and operate funds that provide quality investment opportunities for all investors.

### \* Private Equity Investments

Investment which aims to realize capital gains through listing on the stock market or sale to a third party by acquiring shares in unlisted companies, or to receive interest and dividends by acquiring corporate bonds or preferred shares.

## A Top Player in the Mezzanine Market

In the area of leveraged finance\*<sup>1</sup>, Chuo Mitsui Capital dedicates significant resources to MBOs (Management Buy-Outs)\*<sup>2</sup> and other forms of mezzanine financing. Successful investments in the past include companies such as BancTec Japan, Inc., and Sanyo Electric Logistics Co., Ltd.

Chuo Mitsui Capital will continue to actively pursue the mezzanine finance business by taking maximum advantage of the investment expertise and broad network it developed as a pioneer of related products and services in Japan.

### \*1 Leveraged Financing

Using borrowed funds obtained by using the cash flows or assets of the target company as collateral to make an acquisition.

### \*2 MBO

A form of corporate acquisition where a company's managers acquire administration rights by purchasing shares from the existing owner or parent company in cooperation with a sponsor such as an investment fund, with the intention of continuing the business in question.

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# Financial Review

## Economic and Financial Environments

With respect to the economic conditions during this period, economic recovery in U.S. or other developed countries remained sluggish, and the pace of economic growth in developing countries such as China slowed down slightly. In Japan, economic condition has shown a gradual recovery trend. However, outlook for the economic conditions has become unclear since the appreciation of the Japanese yen against foreign currencies has developed and the growth in exports and production has slowed down.

In the financial markets, short-term interest rates (overnight call rates) hovered around the Bank of Japan's target rate of 0.1%. Long-term interest rates fell to 0.9% level, for the first time since August 2003, from 1.3% level at the beginning of the period due to the uncertain outlook for the global economy.

The Nikkei Stock Average dropped from the 11,000 level at the beginning of the period, finishing at the 9,300 level. In the foreign exchange market, the yen trended higher against the dollar, rising sharply from the ¥93 range in early April to the ¥83 range at the end of the period.

## Consolidated Performance for the First Half of Fiscal 2010, for the six-month period ended September 30, 2010

As of September 30, 2010, total asset was ¥14,265.1 billion, decreased by ¥712.8 billion from the end of March. Of which, balance of loans and bills decreased by ¥74.0 billion to ¥8,867.9 billion, balance of securities decreased by ¥459.4 billion to ¥4,066.1 billion. Balance of deposits increased by ¥172.5 billion to ¥8,932.4 billion. Net assets increased by ¥3.5 billion to ¥850.1 billion, owing to the increase of retained earnings.

Aggregate trust assets (combined amounts in the trust accounts of Chuo Mitsui and Chuo Mitsui Asset) were ¥37,751.3 billion, decreased by ¥83.7 billion.

On the profit-and-loss front, ordinary income decreased by ¥2.5 billion YoY to ¥179.2 billion, and ordinary expenses decreased by ¥18.2 billion YoY to ¥129.1 billion. As a result, Chuo Mitsui Trust Holdings recorded an ordinary profit of ¥50.1 billion, increased by ¥15.7 billion YoY, and net income of ¥32.0 billion, increased by ¥12.9 billion YoY. Net income per share was ¥19.34.

## Segment Information

For this period, the trust and banking business generated total ordinary income of ¥86.1 billion and ordinary expenses of ¥62.7 billion, leading to an ordinary profit of ¥23.4 billion. Other finance-related operations generated ordinary income of ¥8.6 billion and ordinary expenses of ¥8.0 billion, for ordinary profit of ¥0.6 billion.

## Cash Flows

For the second quarter of the fiscal year, net cash provided by operating activities was ¥363.3 billion, increased by ¥557.6 billion from the second quarter of the previous fiscal year, primarily due to a net increase in payables under securities lending transactions.

Net cash used in investing activities was ¥408.6 billion, decreased by ¥735.4 billion from the second quarter of the previous fiscal year, mainly due to decrease in securities-related proceeds.

Net cash used in financing activities was ¥3.7 billion, increased by ¥0.1 billion from the second quarter of the previous fiscal year, mainly due to a decrease of dividend paid for minority shareholders.

For this period, net cash used in operating activities was ¥682.7 billion, decreased by ¥454.2 billion primarily due to a net decrease in borrowed money (excluding subordinated borrowings).

Net cash provided by investment activities was ¥675.0 billion, increased by ¥480.8 billion from the first half of the previous fiscal year, mainly due to an increase in securities-related proceeds.

Net cash used in financing activities was ¥17.0 billion, decreased by ¥58.4 billion from the first half of the last fiscal year, mainly due to a decrease of income owing to the issuance of subordinated bonds.

As a result, Cash and cash equivalents at the end of September 2010 was ¥212.8 billion, decreased by ¥12.0 billion compared to the end of September 2009.



**Non-Consolidated Results for the First half of the Fiscal year 2010, for the six-month period ended September 30, 2010**

Total assets of Chuo Mitsui Trust Holdings decreased by ¥0.4 billion to ¥804.7 billion in this period. Net assets were ¥612.1 billion, decreased by ¥0.2 billion from the end of March 2010. Net assets per share were ¥369.19.

Ordinary profit was ¥13.3 billion, increased by ¥7.2 billion from the first half of previous fiscal year, mainly due to increase in dividends received from subsidiaries. Net income increased by ¥6.9 billion from the first half of previous fiscal year to ¥13.0 billion, and net income per share of common stock was ¥7.85.

**Dividends**

In view of its public duty as a financial institution, Chuo Mitsui Trust Holdings' basic policy on dividends is underscored by an unwavering commitment to ensure an appropriate level of retained earnings while maintaining stable dividends for shareholders.

Under this basic policy, enhancing the opportunity of dividends and taking the financial result into the dividend calculation, interim dividend was ¥4 per share of common stock.

# How to Read the Financial Statements of Trust Banks

## Trust Account and Banking Account

Trust banks keep two types of accounts: the banking account, which is the institution's own; and the trust account, which is the account of beneficiaries. Trust banks have a number of trust accounts, reflecting the fact that they must separately administer the assets of each trust contract. In principle, details of individual accounts are disclosed only to trustors or beneficiaries. Nevertheless, the total balances of money and pension trusts are recorded in the trust account's aggregate balance sheet. The main assets and liabilities of the trust account with principal guarantee agreement are also disclosed.

Although trust assets nominally belong to trust banks, in fact they belong to the beneficiaries. The institutions therefore receive trust fees for managing these accounts. After deductions for fees and expenses, the profits generated with these accounts all become trust assets.

Trust fees represent one source of income in the banking account. In other words, the banking account income statement reflects both earnings from banking operations and from trust operations.

## The Concept of Net Operating Profit (Gyomu Juneki)

To calculate core profits—excluding items outside core operations, such as stock earnings and losses and writeoffs of non-performing assets—we calculate the net operating profit by selecting only those items that express the earnings from core operations from within the income statement.

Net operating profit is calculated by subtracting the general and administrative expenses and the transfer to the general allowance for loan losses from gross operating profit. Gross operating profit comprises:

- Net interest income (such as from deposits, loans and marketable securities);
- Net fees and commissions (trust fees, and fees and commissions);
- Net trading gains (earnings from trading purpose transactions); and
- Net other operating income (such as earnings from foreign exchange and bond trading).

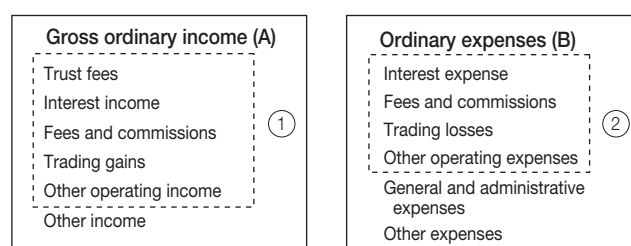
## Net Operating Profit at Trust Banks

In addition to net operating profit, trust banks disclose net operating profit before trust account write-offs. With trust banks, the net operating profit calculated according to the formula mentioned above does not adequately reflect the profitability of core operations. Trust fees, which are part of business profit, are calculated after subtracting loan write-offs in the trust account. Therefore, net operating profit is smaller than a trust bank's actual profitability in core operations.

To adjust for this difference and more accurately reflect the profitability of core operations, trust banks calculate net operating profit before trust account write-offs. This allows a comparison with other banks according to net operating profit.

Pre-provision profit is calculated by adding back the transfer to the general allowance for loan losses from net operating profit before trust account write-offs. The purpose of this calculation is to show the trend of a bank's earning power by eliminating all credit costs including transfers to general reserves.

## • The Relationship between Ordinary Income and Net Operating Profit



## Ordinary income

This is calculated by deducting ordinary expenses (B) from gross ordinary income (A).

## Gross operating profit

The amount remaining after subtracting the highlighted areas in box ② from those in box ① is nearly equal to gross operating profit.

## Net operating profit

This results from subtracting general and administrative expenses and the transfer to general allowance for loan losses from gross operating profit. The transfer to the general allowance for loan losses is part of other expenses.

## • Sample Calculation of Net Operating Profit before Trust Account Write-Offs

Net operating profit other than for trust fees		Trust fees before loan write-offs
Net operating profit other than for trust fees (a)		Trust fees (b)
150		70
Net operating profit (a + b)		Loan write-offs in the trust account (c)
220		30
Net operating profit before trust account write-offs (a + b + c)		
250		

# Consolidated Balance Sheets (Unaudited)

Chuo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries  
As of September 30, 2010 and 2009, and March 31, 2010

	Millions of yen			Thousands of U.S. dollars (Note 1)
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>ASSETS</b>				
Cash and cash equivalents (Note 25)	¥ 212,815	¥ 224,857	¥ 237,851	\$ 2,539,565
Due from banks other than due from the Bank of Japan (Note 25)	16,768	31,383	24,388	200,097
Call loans and bills bought (Note 25)	5,056	3,565	9,884	60,334
Receivables under securities borrowing transactions (Note 25)	11,938	5,932	1,521	142,458
Monetary claims bought (Notes 4 and 25)	97,510	107,741	98,818	1,163,614
Trading assets (Notes 4, 8 and 25)	18,929	22,747	22,778	225,890
Securities (Notes 4, 8 and 25)	4,066,192	4,900,667	4,525,683	48,522,588
Money held in trust (Notes 5 and 25)	2,270	4,762	2,234	27,089
Loans and bills discounted (Notes 6, 8 and 25)	8,867,944	9,115,054	8,941,948	105,822,724
Foreign exchanges	716	745	767	8,545
Other assets (Notes 8, 25 and 26)	333,489	344,174	446,145	3,979,589
Tangible fixed assets (Note 7)	125,546	126,443	126,000	1,498,164
Intangible fixed assets	57,929	57,945	58,940	691,287
Deferred tax assets	142,725	158,648	150,296	1,703,167
Customers' liabilities for acceptances and guarantees (Note 9)	352,067	419,395	384,117	4,201,284
Allowance for loan losses	(46,739)	(63,934)	(53,410)	(557,744)
<b>Total assets</b>	<b>¥14,265,161</b>	<b>¥15,460,128</b>	<b>¥14,977,966</b>	<b>\$170,228,657</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Deposits (Notes 8, 10 and 25)	¥ 9,203,628	¥ 9,327,881	¥ 9,087,107	\$109,828,499
Call money and bills sold (Notes 8 and 25)	274,493	329,050	306,161	3,275,572
Payables under repurchase agreements (Note 8)	—	255,326	—	—
Payables under securities lending transactions (Notes 8 and 25)	1,638,268	1,354,655	1,702,697	19,549,746
Trading liabilities (Note 25)	8,538	7,228	7,911	101,889
Borrowed money (Notes 8, 11 and 25)	445,874	1,352,004	1,217,246	5,320,695
Foreign exchanges	—	—	21	—
Bonds payable (Notes 12 and 25)	227,741	219,992	234,750	2,717,673
Due to trust account (Note 25)	873,256	1,113,645	995,612	10,420,718
Other liabilities (Notes 25 and 26)	367,455	225,658	170,887	4,384,910
Provision for bonuses	3,140	3,091	3,160	37,476
Provision for directors' retirement benefits	1,292	1,518	1,704	15,423
Provision for retirement benefits (Note 13)	2,752	2,488	2,662	32,840
Provision for contingent losses	13,230	11,459	12,022	157,880
Deferred tax liabilities	3,307	6,964	5,346	39,464
Acceptances and guarantees (Note 9)	352,067	419,395	384,117	4,201,284
<b>Total liabilities</b>	<b>13,415,045</b>	<b>14,630,361</b>	<b>14,131,410</b>	<b>160,084,077</b>
<b>Commitments and contingent liabilities (Note 14)</b>				
<b>Equity (Note 15):</b>				
Common stock and preferred stock (Note 16)	261,608	261,608	261,608	3,121,822
Retained earnings	396,425	349,883	377,619	4,730,612
Valuation difference on available-for-sale securities	17,750	47,374	35,002	211,816
Deferred gains or losses on hedges	4,805	1,073	2,705	57,349
Revaluation reserve for land	(15,532)	(15,532)	(15,532)	(185,353)
Foreign currency translation adjustment	(2,002)	(1,464)	(1,738)	(23,895)
Treasury stock	(272)	(264)	(270)	(3,257)
<b>Total</b>	<b>662,782</b>	<b>642,678</b>	<b>659,394</b>	<b>7,909,094</b>
Minority interests	187,333	187,088	187,161	2,235,485
<b>Total equity</b>	<b>850,115</b>	<b>829,767</b>	<b>846,556</b>	<b>10,144,580</b>
<b>Total liabilities and equity</b>	<b>¥14,265,161</b>	<b>¥15,460,128</b>	<b>¥14,977,966</b>	<b>\$170,228,657</b>

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

# Consolidated Statements of Income (Unaudited)

Chuo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

Chuo Mitsui Trust Holdings, Inc.

	Millions of yen			Thousands of U.S. dollars (Note 1)
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2010	2009	2010	2010
<b>Income:</b>				
Interest income:				
Interest on loans and discounts	¥ 54,658	¥ 62,187	¥122,029	\$ 652,250
Interest and dividends on securities	23,616	28,059	55,570	281,823
Interest on call loans and bills bought	185	43	181	2,215
Other interest income (Note 17)	2,581	1,424	3,810	30,801
Trust fees (Note 18)	23,372	26,543	50,874	278,913
Fees and commissions	43,193	39,302	80,790	515,435
Trading income	1,494	926	2,592	17,832
Other ordinary income (Note 19)	23,567	15,002	27,505	281,240
Other income (Note 20)	14,071	10,224	24,740	167,916
<b>Total income</b>	<b>186,742</b>	<b>183,715</b>	<b>368,095</b>	<b>2,228,430</b>
<b>Expenses:</b>				
Interest expenses:				
Interest on deposits	21,346	23,648	46,393	254,730
Interest on call money and bills sold	258	412	725	3,085
Interest on borrowings	1,453	2,137	3,838	17,350
Other interest expenses (Note 21)	7,693	9,497	17,943	91,812
Fees and commissions	10,549	9,420	21,112	125,894
Trading expenses	40	—	—	488
Other ordinary expenses (Note 22)	4,852	3,355	8,318	57,902
General and administrative expenses	69,713	75,070	149,232	831,905
Other expenses (Note 23)	15,999	24,069	35,733	190,919
<b>Total expenses</b>	<b>131,908</b>	<b>147,611</b>	<b>283,296</b>	<b>1,574,089</b>
<b>Income before income taxes</b>	<b>54,833</b>	<b>36,104</b>	<b>84,798</b>	<b>654,340</b>
<b>Income taxes:</b>				
Income taxes-current	3,621	4,182	8,149	43,217
Income taxes-deferred	15,175	9,016	22,150	181,086
<b>Total income taxes</b>	<b>18,796</b>	<b>13,199</b>	<b>30,299</b>	<b>224,303</b>
<b>Minority interests in net income</b>	<b>3,965</b>	<b>3,815</b>	<b>7,672</b>	<b>47,319</b>
<b>Net income</b>	<b>¥ 32,071</b>	<b>¥ 19,088</b>	<b>¥ 46,826</b>	<b>\$ 382,716</b>

	Yen			U.S. dollars (Note 1)
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2010	2009	2010	2010
<b>Per share of common stock (Note 28):</b>				
Basic net income	¥19.34	¥14.41	¥31.41	\$0.23

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

# Consolidated Statements of Changes in Equity (Unaudited)

Chuo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Thousands		Millions of yen										Total	Minority interests	Total equity
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Treasury stock					
Balance, March 31, 2010	1,658,426	—	¥ 261,608	¥ —	¥ 377,619	¥ 35,002	¥ 2,705	¥ (15,532)	¥ (1,738)	¥ (270)	¥ 659,394	¥ 187,161	¥ 846,556		
Net income					32,071						32,071		32,071		
Cash dividends					(13,264)						(13,264)		(13,264)		
Purchase of treasury stock										(5)	(5)		(5)		
Disposal of treasury stock					(1)					3	1		1		
Net change in the period						(17,251)	2,100		(264)		(15,415)	172	(15,243)		
<b>Balance, September 30, 2010</b>	<b>1,658,426</b>	<b>—</b>	<b>¥ 261,608</b>	<b>¥ —</b>	<b>¥ 396,425</b>	<b>¥ 17,750</b>	<b>¥ 4,805</b>	<b>¥ (15,532)</b>	<b>¥ (2,002)</b>	<b>¥ (272)</b>	<b>¥ 662,782</b>	<b>¥ 187,333</b>	<b>¥ 850,115</b>		

	Thousands		Thousands of U.S. dollars (Note 1)										Total	Minority interests	Total equity
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Treasury stock					
Balance, March 31, 2010	1,658,426	—	\$ 3,121,822	\$ —	\$ 4,506,204	\$ 417,687	\$ 32,281	\$ (185,353)	\$ (20,740)	\$ (3,230)	\$ 7,868,671	\$ 2,233,431	\$ 10,102,102		
Net income					382,716						382,716		382,716		
Cash dividends					(158,287)						(158,287)		(158,287)		
Purchase of treasury stock										(65)	(65)		(65)		
Disposal of treasury stock					(21)					38	16		16		
Net change in the period						(205,870)	25,067		(3,155)		(183,958)	2,054	(181,903)		
<b>Balance, September 30, 2010</b>	<b>1,658,426</b>	<b>—</b>	<b>\$ 3,121,822</b>	<b>\$ —</b>	<b>\$ 4,730,612</b>	<b>\$ 211,816</b>	<b>\$ 57,349</b>	<b>\$ (185,353)</b>	<b>\$ (23,895)</b>	<b>\$ (3,257)</b>	<b>\$ 7,909,094</b>	<b>\$ 2,235,485</b>	<b>\$ 10,144,580</b>		

	Thousands		Millions of yen										Total	Minority interests	Total equity
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Treasury stock					
Balance, March 31, 2009	1,157,551	125,218	¥ 261,608	¥ —	¥ 338,564	¥ (83,325)	¥ 2,406	¥ (15,532)	¥ (2,045)	¥ (262)	¥ 501,413	¥ 187,041	¥ 688,455		
Net income					19,088						19,088		19,088		
Cash dividends					(7,765)						(7,765)		(7,765)		
Purchase of treasury stock										(8)	(8)		(8)		
Disposal of treasury stock					(3)					6	2		2		
Conversion of Class II preferred stock into common stock	375,000	(93,750)													
Conversion of Class III preferred stock into common stock	125,875	(31,468)													
Net change in the period						130,700	(1,333)		581		129,948	46	129,994		
<b>Balance, September 30, 2009</b>	<b>1,658,426</b>	<b>—</b>	<b>¥ 261,608</b>	<b>¥ —</b>	<b>¥ 349,883</b>	<b>¥ 47,374</b>	<b>¥ 1,073</b>	<b>¥ (15,532)</b>	<b>¥ (1,464)</b>	<b>¥ (264)</b>	<b>¥ 642,678</b>	<b>¥ 187,088</b>	<b>¥ 829,767</b>		

	Thousands		Millions of yen										Total	Minority interests	Total equity
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Treasury stock					
Balance, March 31, 2009	1,157,551	125,218	¥ 261,608	¥ —	¥ 338,564	¥ (83,325)	¥ 2,406	¥ (15,532)	¥ (2,045)	¥ (262)	¥ 501,413	¥ 187,041	¥ 688,455		
Net income					46,826						46,826		46,826		
Cash dividends					(7,765)						(7,765)		(7,765)		
Purchase of treasury stock										(18)	(18)		(18)		
Disposal of treasury stock					(5)					9	4		4		
Conversion of class II preferred stock into common stock	375,000	(93,750)													
Conversion of class III preferred stock into common stock	125,875	(31,468)													
Net change in the year						118,327	298		307		118,933	119	119,053		
<b>Balance, March 31, 2010</b>	<b>1,658,426</b>	<b>—</b>	<b>¥ 261,608</b>	<b>¥ —</b>	<b>¥ 377,619</b>	<b>¥ 35,002</b>	<b>¥ 2,705</b>	<b>¥ (15,532)</b>	<b>¥ (1,738)</b>	<b>¥ (270)</b>	<b>¥ 659,394</b>	<b>¥ 187,161</b>	<b>¥ 846,556</b>		

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

# Consolidated Statements of Cash Flows (Unaudited)

Chuo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Millions of yen			Thousands of U.S. dollars (Note 1)
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2010	2009	2010	2010
<b>Operating activities:</b>				
Income before income taxes	¥ 54,833	¥ 36,104	¥ 84,798	\$ 654,340
Adjustments for:				
Income taxes paid	(4,957)	1,006	(4,013)	(59,154)
Depreciation and amortization	5,638	5,452	11,135	67,279
Loss on impairment of fixed assets	—	—	41	—
Amortization of consolidation goodwill	1,180	1,210	2,451	14,091
Equity in earnings of associated companies	(258)	779	814	(3,088)
(Decrease) increase in allowance for loan losses	(6,671)	2,412	(8,111)	(79,610)
(Decrease) increase in provision for bonuses	(19)	12	80	(233)
(Decrease) increase in provision for directors' retirement benefits	(411)	(111)	73	(4,915)
Increase in provision for retirement benefits	89	94	268	1,071
Increase (decrease) in provision for contingent losses	1,208	(768)	(206)	14,417
Net gain on securities	(17,365)	(10,352)	(18,967)	(207,224)
Net gain on money held in trust	(60)	(61)	(144)	(722)
Foreign exchange loss—net	53,459	51,987	34,951	637,936
Net loss (gain) on disposals of tangible fixed assets	148	(8)	267	1,770
Change in assets and liabilities:				
Decrease in trading assets	3,848	15,502	15,471	45,930
Increase (decrease) in trading liabilities	626	(1,639)	(956)	7,478
Decrease (increase) in loans and bills discounts	74,004	(530,759)	(357,653)	883,102
Increase (decrease) in deposits	116,520	(118,613)	(359,387)	1,390,457
Decrease in borrowed money (excluding subordinated borrowings)	(771,372)	(340,561)	(475,319)	(9,204,918)
Decrease (increase) in due from banks (excluding cash equivalents)	7,620	(15,707)	(8,712)	90,932
Decrease in call loans and bills bought	6,172	7,498	10,127	73,659
(Increase) decrease in receivables under securities borrowing transactions	(10,417)	2,880	7,291	(124,307)
(Decrease) increase in call money and bills sold	(31,668)	330,898	52,683	(377,902)
(Decrease) increase in payables under securities lending transactions	(64,429)	99,006	447,049	(768,844)
Decrease in foreign exchanges (assets)	50	56	35	607
Decrease in foreign exchanges (liabilities)	(21)	(42)	(20)	(256)
(Decrease) increase in due to trust account	(122,356)	233,727	115,695	(1,460,103)
Other—net	21,842	1,463	13,794	260,645
Net cash used in operating activities	(682,765)	(228,532)	(436,461)	(8,147,561)
<b>Investing activities:</b>				
Purchases of securities	(5,357,472)	(3,272,980)	(6,619,136)	(63,931,654)
Proceeds from sales of securities	5,828,572	3,296,493	6,651,069	69,553,371
Proceeds from redemption of securities	209,437	176,650	385,705	2,499,253
Increase in money held in trust	—	(2,500)	(2,500)	—
Decrease in money held in trust	57	58	2,637	686
Purchases of tangible fixed assets	(2,349)	(1,056)	(3,446)	(28,041)
Proceeds from sales of tangible fixed assets	160	166	353	1,916
Purchases of intangible fixed assets	(3,593)	(3,611)	(9,302)	(42,879)
Proceeds from sales of intangible fixed assets	189	884	1,064	2,264
Net cash provided by investing activities	675,001	194,104	406,443	8,054,915
<b>Financing activities:</b>				
Proceeds from subordinated borrowings	5,000	60,000	65,000	59,665
Payment of subordinated borrowings	(5,000)	(60,000)	(65,000)	(59,665)
Proceeds from subordinated bonds	—	60,000	103,000	—
Redemption of subordinated bonds	—	(6,905)	(37,274)	—
Dividends paid	(13,264)	(7,765)	(7,765)	(158,287)
Dividends paid for minority interests	(3,744)	(3,882)	(7,649)	(44,679)
Payment for purchase of treasury stock	(5)	(8)	(18)	(65)
Proceeds from sales of treasury stock	1	2	4	16
Net cash (used in) provided by financing activities	(17,012)	41,441	50,296	(203,015)
Foreign currency translation adjustments on cash and cash equivalents	(259)	573	302	(3,101)
Net (decrease) increase in cash and cash equivalents	(25,036)	7,587	20,581	(298,762)
Cash and cash equivalents, beginning of period	237,851	217,270	217,270	2,838,327
Cash and cash equivalents, end of period	¥ 212,815	¥ 224,857	¥ 237,851	\$ 2,539,565

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.



# Notes to Consolidated Financial Statements (Unaudited)

Chuo Mitsui Trust Holdings, Inc. and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

## 1. Basis of Presentation

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Chuo Mitsui Trust Holdings, Inc. ("Chuo Mitsui Trust Holdings") and its consolidated subsidiaries (together, the "Chuo Mitsui Trust Group") in accordance with accounting principles generally accepted in Japan, and certain accounting and disclosure rules under Financial Instruments and Exchange Act of Japan and the Banking Law of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to Chuo Mitsui Trust Holdings' consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the consolidated financial statements for the fiscal year ended March 31, 2010 and six months ended September 30, 2009 to conform to classifications and presentations used in the consolidated financial statement for six months ended September 30, 2010.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Chuo Mitsui Trust Holdings is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.80 to U.S.\$1, the approximate rate of exchange at September 30, 2010. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen and one thousand U.S. dollars have been truncated, except for per share information. As a result, the total may not be equal to the total of individual amounts.

## 2. Summary of Significant Accounting Policies

### a. Consolidation

The consolidated financial statements include the accounts of Chuo Mitsui Trust Holdings and its significant subsidiaries. The number of consolidated subsidiaries as of September 30, 2010 was 25 (24 in 2009). Major consolidated subsidiaries are The Chuo Mitsui Trust and Banking Company, Limited ("Chuo Mitsui"), Chuo Mitsui Asset Trust and Banking Company, Limited ("Chuo Mitsui Asset"), Chuo Mitsui Asset Management Company, Limited ("Chuo Mitsui Asset Management") and Chuo Mitsui Capital Company Limited ("Chuo Mitsui Capital"). In the fiscal year ended March 31, 2010, Chuo Mitsui Trust Realty Company, Limited was newly included in the scope of consolidation upon its establishment.

Under the control or influence concept, those companies in which the parent company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Chuo Mitsui Trust Group has the ability to exercise significant influence are accounted for by the equity method, unless in either case the companies are immaterial.

Investments in 4 associated companies were accounted for by the equity method as of September 30, 2010 and 2009. Investments in unconsolidated subsidiaries are stated at cost. If

the equity method of accounting had been applied to the investments in these subsidiaries, the effect on the accompanying consolidated financial statements would not be material.

Any differences between the cost of an acquired subsidiary or associated company and the fair value of its net assets at the date of the acquisition are amortized over a period within 20 years, or charged to expense as incurred if such differences are considered to be immaterial.

All significant intercompany transactions, balances and unrealized profits have been eliminated in consolidation.

### b. Implementation Guidance on Determining a Subsidiary and an Affiliate

As "Implementation Guidance on Determining a Subsidiary and an Affiliate" (Accounting Standards Board of Japan Implementation Guidance No.22) was adopted from the fiscal year beginning on and after October 1, 2008, the Chuo Mitsui Trust Group has started to adopt this implementation guidance from the first half of the fiscal year 2009. This adoption did not affect the consolidated financial statements for the first half of the fiscal year 2009.

### c. Cash and Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include amounts due from the Bank of Japan.

### d. Mark-to-Market Accounting for Trading Purpose Transactions

Transactions for trading purposes (that is, transactions which seek to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from gaps among markets) are included in trading assets and trading liabilities on a trade date basis. Trading securities and monetary claims bought for trading purposes recorded in these accounts are stated at market value and trading-related financial derivatives are at the amounts that would be settled if they were terminated at the end of the period.

Unrealized gains and losses on trading transactions are recognized in the consolidated statements of income.

### e. Translation of Foreign Currency Accounts

The consolidated trust bank subsidiaries maintain their accounting records in Japanese yen. Assets and liabilities denominated in foreign currencies are translated into Japanese yen using the exchange rate prevailing at each balance sheet date.

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of each balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity.

### f. Securities

Securities other than investments in unconsolidated subsidiaries and associated companies are classified and accounted for, depending on management's intent, as follows:

(i) Trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value and the related unrealized gains and losses are included in earnings.

(ii) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost; and  
 (iii) Available-for-sale securities, which are not classified as either of the aforementioned securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average cost method.

For other than temporary declines in fair value, securities are reduced to net realizable value by a charge to expense.

Securities in money held in trust are classified and accounted for in the same manner as securities described above.

#### *g. Derivatives and Hedging Activities*

Derivative financial instruments are classified and accounted for as follows: (i) except as discussed below, all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income; and (ii) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of the high correlation and effectiveness between the hedging instruments and the hedged items, certain domestic consolidated subsidiaries use the deferral hedge method or the fair value hedge method.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expenses or income.

#### *h. Tangible Fixed Assets*

Tangible fixed assets are carried at cost less accumulated depreciation. Depreciation of tangible fixed assets owned by the consolidated trust bank subsidiaries is computed by the declining-balance method, while the straight-line method is applied to buildings acquired after April 1, 1998. The range of useful lives is from 10 to 50 years for buildings, and from three to eight years for equipment. Depreciation of tangible fixed assets owned by other consolidated subsidiaries is mainly computed by the straight-line method over the estimated useful lives of the respective assets.

#### *i. Software*

Capitalized software for internal use is amortized by the straight-line method over the estimated useful lives of the software (principally five years).

#### *j. Impairment of Fixed Assets*

The Chuo Mitsui Trust Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

#### *k. Land Revaluation*

Under the Law of Land Revaluation, The Mitsui Trust and Banking Company, Limited, the forerunner of Chuo Mitsui, elected a one-time revaluation for its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation difference represents unrealized appreciation of land and is stated as a component of equity. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation difference account and related deferred tax liabilities.

As of September 30, 2010 and 2009, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥5,392 million (\$64,347 thousand), and ¥2,428 million, respectively.

#### *l. Stock and Bond Issue Costs*

Stock issue costs are amortized by the straight-line method over the effective period within three years.

Bond issue costs are charged to expense as incurred.

#### *m. Allowance for Loan Losses*

Allowance for loan losses of major consolidated subsidiaries is maintained in accordance with internally established standards for write-offs and allowance for loan losses.

(i) For claims against borrowers that are legally bankrupt, such as borrowers in bankruptcy and under special liquidation proceedings ("legal bankruptcy"), and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), allowances are maintained at 100% of the amount of claims net of expected amounts recoverable from the disposal of collateral and/or the amounts recoverable under guarantees.  
 (ii) For claims against borrowers that have not yet become legally or formally bankrupt but that are very likely to become bankrupt ("possible bankruptcy"), allowances are maintained at amounts deemed necessary to absorb losses on the amount of claims less expected amounts recoverable from the disposal of collateral and/or the amounts recoverable under guarantees, based on the overall assessment of the borrowers' repayment ability.

For claims against large borrowers that are classified as possible bankruptcy and close observation borrowers for which future cash flows could be reasonably estimated, allowances are provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate and the carrying value of the claim.

(iii) For claims against other borrowers judged to be in legal bankruptcy, virtual bankruptcy and possible bankruptcy borrowers, as mentioned above, allowances are maintained at rates derived from historical loan loss experiences, etc.  
 (iv) Allowance for losses on loans to restructuring countries is maintained in order to cover possible losses based on the political and economic climates of those countries.

All claims are assessed by the operating sections and each Credit Supervision Department based on the internal guidelines for self-assessment on asset quality. Subsequently, the Internal Audit Department, which is independent from the operating sections, reviews these self-assessments, and the allowances are provided based on the results of the self-assessments. With respect to claims with collateral and/or guarantees

extended to borrowers that are in legal bankruptcy or virtual bankruptcy borrowers, the unrecoverable amount is estimated by deducting from the amount of claims the realizable value of collateral or the amount likely to be recovered based on guarantees.

The outstanding amount thus determined is then directly written off from the amount of claims as the unrecoverable amount, which totaled ¥28,200 million (\$336,519 thousand) and ¥36,020 million as of September 30, 2010 and 2009, respectively.

Other consolidated subsidiaries provide for “allowance for loan losses” based on the past experience and management’s assessment of the loan portfolio.

#### *n. Provision for Bonuses*

Provision for bonuses is provided for the payment of employees’ bonuses based on estimates of the future payments attributed to the current period.

#### *o. Provision for Directors’ Retirement Benefits*

Provision for directors’ retirement Benefits is provided at the amount which would be required if all directors, corporate auditors and executive officers retired at the balance sheet date. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

#### *p. Provision for Retirement Benefits and Pension Plans*

Chuo Mitsui Trust Holdings and its principal domestic subsidiaries have defined benefit plans (employee pension fund plans and tax qualified pension plans) and lump-sum severance indemnity plans.

Chuo Mitsui Trust Holdings and its principal domestic subsidiaries account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

#### *q. Provision for Contingent Losses*

Provision for contingent losses, which is provided for possible losses from contingent events related to off-balance sheet and other transactions, is calculated by estimation of the impact of these contingent events.

##### *(1) Provision for Reimbursement of Deposits*

Provision for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursement experience.

##### *(2) Provision for Possible Losses Related to Land Trust*

Provision for possible losses related to land trust is provided for estimated losses deemed necessary for potential damages to the compensation rights being acquired, when a liability for reimbursement, as a trustee of a land trust, is incurred due to the future business circumstances of the land trust.

#### *r. Income Taxes*

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

#### *s. Leases*

In March 2007, the ASBJ issued ASBJ Statement No. 13, “Accounting Standard for Lease Transactions”, which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were accounted for as operating lease transactions if certain “as if capitalized” information was disclosed in the notes to the lessee’s financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet.

In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions.

The Chuo Mitsui Trust Group applied the revised accounting standard effective April 1, 2008. The effect of this change did not have a significant impact on the consolidated balance sheets and the consolidated statements of income.

#### *t. Per Share Information*

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

#### *u. New Accounting Pronouncements*

##### *Accounting Changes and Error Correction*

In December 2009, ASBJ issued ASBJ Statement No.24 “Accounting Standard for Accounting Changes and Error Corrections” and ASBJ Guidance No.24 “Guidance on Accounting Standard for Accounting Changes and Error Corrections.” Accounting treatments under this standard and guidance are as follows;

##### *(1) Changes in Accounting Policies*

When a new accounting policy is applied with revision of accounting standards, a new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

##### *(2) Changes in Presentations*

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

##### *(3) Changes in Accounting Estimates*

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

##### *(4) Corrections of Prior Period Errors*

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

### 3. Changes in Significant Accounting Policies

#### a. Equity Method

The Chuo Mitsui Trust Group applied ASBJ Statement No. 16 "Accounting Standard for Equity Method of Accounting for Investments" (issued by ASBJ on March 10, 2008) and PITF No. 24 "Practical Solution for Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (issued by ASBJ on March 10, 2008) from this period. There was no effect on financial statements with regard to this adoption.

#### b. Asset Retirement Obligations

The Chuo Mitsui Trust Group applied ASBJ Statement No. 18 "Accounting Standards for Asset Retirement Obligations" (issued by ASBJ on March 31, 2008) and ASBJ Guidance No. 21 "Implementation Guidance for Asset Retirement Obligations" (issued by ASBJ on March 31, 2008) from this period. As a result, Income before income taxes decreased by ¥238 million (\$2,850 thousand). With regard to this adoption, the amount of asset retirement obligations increased ¥418 million (\$4,992 thousand).

### 4. Securities

Securities as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Japanese government bonds	<b>¥1,685,283</b>	¥2,440,727	<b>\$20,110,781</b>
Japanese municipal bonds	<b>206</b>	644	<b>2,463</b>
Japanese corporate bonds	<b>284,661</b>	348,333	<b>3,396,919</b>
Japanese stocks	<b>587,312</b>	692,157	<b>7,008,504</b>
Other securities	<b>1,508,728</b>	1,418,804	<b>18,003,919</b>
Total	<b>¥4,066,192</b>	¥4,900,667	<b>\$48,522,588</b>

The carrying amounts and aggregate fair values of securities (including securities in trading assets and monetary claims bought) as of September 30, 2010 and 2009, were as follows:

	Millions of yen			Fair value
	Cost	Unrealized gains	Unrealized losses	
September 30, 2010				
Securities classified as:				
Trading				¥ 7,097
Available-for-sale:				
Japanese equity securities	¥ 461,009	¥77,545	¥60,107	478,446
Japanese debt securities	1,947,363	8,727	8,628	1,947,462
Other	1,154,003	19,310	18,252	1,155,062
Held-to-maturity	314,569	1,871	2,206	314,234

	Millions of yen			
	Cost	Unrealized gains	Unrealized losses	Fair value
September 30, 2009				
Securities classified as:				
Trading				¥ 13,013
Available-for-sale:				
Japanese equity securities	¥ 489,938	¥128,765	¥38,557	580,147
Japanese debt securities	1,881,427	10,192	13,938	1,877,681
Other	1,048,855	3,723	24,050	1,028,529
Held-to-maturity	921,106	5,739	7,856	918,989

	Thousands of U.S. dollars			
	Cost	Unrealized gains	Unrealized losses	Fair value
September 30, 2010				
Securities classified as:				
Trading				\$ 84,693
Available-for-sale:				
Japanese equity securities	\$ 5,501,301	\$925,362	\$717,276	5,709,387
Japanese debt securities	23,238,228	104,148	102,968	23,239,409
Other	13,770,926	230,439	217,809	13,783,557
Held-to-maturity	3,753,807	22,337	26,327	3,749,817

Note: Values in the consolidated balance sheets reflect fair market values calculated by using the average market prices during the final month of the period for Japanese stocks and securities investment trusts, and by using the market prices at the end of the period for securities other than Japanese stocks and securities investment trusts.

Available-for-sale securities and held-to-maturity securities whose fair value is not readily determinable as of September 30, 2009 were as follows. The similar information for 2010 is disclosed in Note 25.

	Carrying amount
	Millions of yen
2009	
Available-for-sale:	
Unlisted Japanese stocks	¥ 91,673
Unlisted corporate bonds	289,117
Unlisted foreign securities	14,430
Subscription certificates	17,854
Held-to-maturity:	
Unlisted foreign securities	4,442
Total	¥417,519

Securities in unconsolidated subsidiaries and associated companies totaled ¥132,877 million (\$1,585,655 thousand) and ¥145,456 million as of September 30, 2010 and 2009, respectively.

Guarantee obligations for privately offered corporate bonds (provided in accordance with Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) in "Securities" were ¥141,698 million (\$1,690,911 thousand) and ¥150,832 million as of September 30, 2010 and 2009, respectively.

Available-for-sale securities with the fair value, whose fair value significantly declined compared with the acquisition cost, and is not considered to recover to their acquisition cost, are written down to the respective fair value which is recorded as the carrying amount on the consolidated balance sheets. The related losses on revaluation are charged to income for the period.



Impairment losses on equity securities were ¥1,207 million (\$14,404 thousand) and ¥685 million as of September 30, 2010 and 2009, respectively.

## 5. Money Held in Trust

The carrying amounts and aggregate fair values of money held in trust as of September 30, 2010 and 2009, were as follows:

September 30, 2010	Millions of yen		
	Cost	Unrealized gains	Fair value
Money held in trust classified as:			
Available-for-sale	<b>¥1,697</b>	<b>¥572</b>	<b>¥2,270</b>

September 30, 2009	Millions of yen		
	Cost	Unrealized gains	Fair value
Money held in trust classified as:			
Available-for-sale	¥1,691	¥571	¥2,262

September 30, 2010	Thousands of U.S. dollars		
	Cost	Unrealized gains	Fair value
Money held in trust classified as:			
Available-for-sale	<b>\$20,258</b>	<b>\$6,830</b>	<b>\$27,089</b>

## 6. Loans and Bills Discounted

Loans and bills discounted as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Bills discounted	¥ 2,515	¥ 3,147	\$ 30,014
Loans on notes	1,313,212	1,319,576	15,670,791
Loans on deeds	6,830,797	6,983,821	81,513,093
Overdrafts	721,419	808,507	8,608,824
Total	<u>¥8,867,944</u>	<u>¥9,115,054</u>	<u>\$105,822,724</u>

### Loans to Borrowers in Bankruptcy and Non-Accrual Loans

Loans to borrowers in bankruptcy are included in loans and bills discounted, and totaled ¥14,905 million (\$177,866 thousand) and ¥26,009 million as of September 30, 2010 and 2009 respectively.

Loans are generally placed on non-accrual status when substantial doubt is judged to exist as to the ultimate collectibility of either principal or interest.

Loans to borrowers in bankruptcy represent non-accruing loans, after the partial write-off of claims deemed uncollectible, to debtors who are legally bankrupt as defined in Article 96, Paragraph 1, Subparagraphs 3 and 4 of Enforcement Ordinance for the Corporation Tax Law.

Non-accrual loans are included in loans and bills discounted, and totaled ¥55,005 million (\$656,386 thousand) and ¥101,245 million as of September 30, 2010 and 2009, respectively.

Non-accrual loans are non-accruing loans other than loans to borrowers in bankruptcy and loans for which interest payment is deferred in order to assist the debtor's recovery from financial difficulties.

### Loans Past Due Three Months or More

Loans past due three months or more are included in loans and bills discounted, and totaled ¥384 million (\$4,591 thousand) and ¥31 million as of September 30, 2010 and 2009, respectively. Loans classified as loans to borrowers in bankruptcy or non-accrual loans are excluded.

### Restructured Loans

Restructured loans are included in loans and bills discounted, and totaled ¥31,437 million (\$375,152 thousand) and ¥6,797 million as of September 30, 2010 and 2009, respectively. Such restructured loans are loans on which major consolidated subsidiaries have granted concessions (for example, reduction of the face amount or maturity amount of the debt or accrued interest) to debtors in financial difficulties to assist them in their financial recovery and eventually enable them to pay their creditors. Loans classified as loans to borrowers in bankruptcy or non-accrual loans or loans past due three months or more are excluded.

Loans to borrowers in bankruptcy and non-accrual loans, loans past due three months or more and restructured loans totaled ¥101,732 million (\$1,213,996 thousand) and ¥134,083 million as of September 30, 2010 and 2009, respectively. These claims are before deduction of the allowance for loan losses.

Bills discounted are accounted for as secured lending transactions in conformity with the Industry Audit Committee Report No. 24, "Treatment of Accounting and Auditing Concerning Accounting for Financial Products in the Banking Industry" issued by the JICPA on February 13, 2002. Bills discounted by Chuo Mitsui are permitted to be sold or pledged.

## 7. Tangible Fixed Assets

Accumulated depreciation amounted to ¥92,786 million (\$1,107,238 thousand) and ¥90,600 million as of September 30, 2010 and 2009, respectively.

## 8. Collateral

The carrying amounts of assets pledged as collateral and the related collateralized debt as of September 30, 2010 and 2009, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Securities	<b>¥1,792,422</b>	¥2,590,435	<b>\$21,389,291</b>
Loans	<b>652,330</b>	773,585	<b>7,784,369</b>
Trading assets	—	4,982	—
Other assets	<b>69</b>	70	<b>823</b>
Total	<u><b>¥2,444,821</b></u>	<u>¥3,369,074</u>	<u><b>\$29,174,484</b></u>
Deposits	¥ 8,582	¥ 8,423	\$ 102,410
Call money and bills sold	—	45,000	—
Payables under repurchase agreements	—	255,326	—
Payables under securities lending transactions	<b>1,638,268</b>	1,354,655	<b>19,549,746</b>
Borrowed money	<b>352,000</b>	1,258,100	<b>4,200,477</b>
Total	<u><b>¥1,998,850</b></u>	<u>¥2,921,505</u>	<u><b>\$23,852,634</b></u>

In addition, securities pledged as collateral for exchange settlements, for derivative transactions and for certain other purposes as of September 30, 2010 and 2009 were ¥658,388 million (\$7,856,665 thousand) and ¥625,059 million, respectively.

Also, securities deposits (included in other assets) as of September 30, 2010 and 2009 were ¥9,662 million (\$115,303 thousand) and ¥9,121 million, respectively.

### 9. Customers' Liabilities for Acceptances and Guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in acceptances and guarantees. As a contra account, customers' liabilities for acceptances and guarantees are shown as assets in the consolidated balance sheets representing Chuo Mitsui Trust Holdings' right of indemnity from the applicant.

### 10. Deposits

Deposits as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Current deposits	¥ 74,406	¥ 107,561	\$ 887,900
Ordinary deposits	1,203,138	1,140,697	14,357,262
Deposits at notice	14,958	20,859	178,506
Time deposits	7,591,537	7,397,846	90,591,139
Negotiable certificates of deposit	271,170	604,900	3,235,918
Other	48,417	56,017	577,770
Total	<u>¥9,203,628</u>	<u>¥9,327,881</u>	<u>\$109,828,499</u>

### 11. Borrowed Money

Borrowed money as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Borrowed money	¥353,374	¥1,259,504	\$4,216,877
Subordinated borrowings	77,500	77,500	924,821
Perpetual subordinated borrowings	15,000	15,000	178,997
Total	<u>¥445,874</u>	<u>¥1,352,004</u>	<u>\$5,320,695</u>

### 12. Bonds Payable

Bonds payable as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Unsecured perpetual subordinated bonds	¥ 94,741	¥ 99,992	\$1,130,561
Unsecured subordinated bonds	133,000	120,000	1,587,112
Total	<u>¥227,741</u>	<u>¥219,992</u>	<u>\$2,717,673</u>

### 13. Retirement and Pension Plans

Employees who terminate their services with Chuo Mitsui Trust Holdings or certain domestic consolidated subsidiaries are, under most circumstances, entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payment than in the case of voluntary termination.

Chuo Mitsui Trust Holdings and its principal domestic subsidiaries have defined benefit plans (employee pension fund plans and tax qualified pension plans) and lump-sum severance indemnity plans. Certain domestic consolidated subsidiaries have lump-sum severance indemnity plans and integrated contributory pension plans.

The consolidated trust bank subsidiaries contributed certain available-for-sale securities with a fair value to the employee retirement benefit trust for their pension plans. The securities held in this trust are qualified as plan assets.

### 14. Commitments and Contingent Liabilities

a. Certain consolidated subsidiaries issue commitments to extend credit and establish credit lines for overdrafts by making agreements to meet the financing needs of their customers. The total balance of unused commitment lines as of September 30, 2010 and 2009, was ¥2,589,029 million (\$30,895,341 thousand) and ¥2,322,112 million, respectively, of which commitment lines whose maturities are less than one year were ¥2,439,278 million (\$29,108,333 thousand) and ¥2,190,221 million, respectively.

Many of these commitment lines expire without being drawn. As such, the total balance of unused commitment lines does not necessarily impact future cash flows of the subsidiaries. Furthermore, many commitment lines contain provisions that allow the subsidiaries to refuse to advance funds to the customers or reduce the contract amount of the commitment lines under certain conditions.

The subsidiaries may also request customers to provide collateral, if necessary, such as real estate or securities on the execution date of the contract. After the execution date, the subsidiaries periodically monitor the customers' creditworthiness over the term of the contracts in accordance with internal policies, and take measures to manage the credit exposures such as revising the terms of the contracts, if necessary.

b. Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by Chuo Mitsui. Regarding guaranteed trusts, Chuo Mitsui guaranteed the principal amount of ¥932,804 million (\$11,131,320 thousand) and ¥1,085,575 million for certain money trusts as of September 30, 2010 and 2009, respectively, and ¥282,557 million (\$3,371,805 thousand) and ¥439,731 million for loan trusts as of September 30, 2010 and 2009, respectively.



## 15. Equity

Japanese companies are subject to the Companies Act of Japan (the “Companies Act”). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

### (a) Dividends

Under the Companies Act, companies can pay dividends at any time during the period in addition to the year-end dividend upon resolution at the shareholders’ meeting. For companies that meet certain criteria such as: (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Corporate Auditors, and (4) where the term of service of the directors under the company’s article of incorporation is prescribed as one year rather than two years for a normal term, the Board of Directors may declare dividends (except for dividends in kind) at any time during the period if the company has so prescribed in its articles of incorporation. However, Chuo Mitsui Trust Holdings cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

### (b) Increases/decreases and transfer of capital stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the capital stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that capital stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

### (c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

Under the Banking Law of Japan, the consolidated trust bank subsidiaries are required to appropriate an amount equal to 20% of dividends as a legal reserve or as additional paid-in capital depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 100% of the capital stock.

## 16. Common Stock and Preferred Stock

Common stock and preferred stock as of September 30, 2010, consisted of the following:

Class of stock	Number of shares (Thousands)	
	Authorized	Issued
Common stock	4,068,332	1,658,426
Class V convertible preferred stock	62,500	—
Class VI convertible preferred stock	62,500	—

Dividends are as follows:

Resolution	Type of Shares	Cash Dividends Declared		Cash Dividends per share		Record Date	Effective Date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
June 29, 2010 Ordinary General Meeting of Shareholders	Common Stock	¥13,264	\$142,582	¥8.00	\$0.08	March 31, 2010	June 30, 2010

Dividends, which record date is during the period and effective date of distribution is after the period, are as follows:

Resolution	Type of Shares	Cash Dividends Declared		Resources Allotted for the Distribution	Cash Dividends per share		Record Date	Effective Date
		Millions of yen	Thousands of U.S. dollars		Yen	U.S. dollars		
November 12, 2010 Board of Directors’ meeting	Common Stock	¥6,632	\$79,143	Retained Earnings	¥4.00	\$0.04	September 30, 2010	December 3, 2010

**17. Other Interest Income**

Other interest income for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Interest on due from banks	¥ 215	¥ 110	\$ 2,573
Interest on interest rate swaps	1,455	564	17,367
Interest on monetary claims			
bought	599	678	7,151
Other	310	70	3,708
Total	<u>¥2,581</u>	<u>¥1,424</u>	<u>\$30,801</u>

**18. Trust Fees**

Chuo Mitsui and Chuo Mitsui Asset receive fees for controlling and managing trust properties held under trust agreements between them and their clients.

**19. Other Ordinary Income**

Other ordinary income for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Gains on foreign exchange	¥ 60	¥ 138	\$ 725
Gains on sales and redemption of bonds	23,500	10,528	280,434
Gains on derivatives	—	2,530	—
Other	6	1,805	81
Total	<u>¥23,567</u>	<u>¥15,002</u>	<u>\$281,240</u>

**20. Other Income**

Other income for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Gains on sales of stocks and other securities	¥ 3,526	¥ 5,314	\$ 42,080
Gains on money held in trust	60	61	722
Gains on disposal of tangible fixed assets	13	209	158
Recoveries of written-off claims	1,675	940	19,993
Reversal allowance for contingent losses	—	762	—
Net reversal of allowance for loan losses	5,815	—	69,393
Other	2,980	2,936	35,568
Total	<u>¥14,071</u>	<u>¥10,224</u>	<u>\$167,916</u>

**21. Other Interest Expenses**

Other interest expenses for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Interest on bonds payable	¥3,769	¥3,569	\$44,986
Interest on payables under repurchase agreements and payables under securities lending transactions	1,248	2,147	14,893
Other	2,675	3,780	31,932
Total	<u>¥7,693</u>	<u>¥9,497</u>	<u>\$91,812</u>

**22. Other Ordinary Expenses**

Other ordinary expenses for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Losses on sales and redemption of bonds	¥4,182	¥3,322	\$49,904
Other	670	32	7,997
Total	<u>¥4,852</u>	<u>¥3,355</u>	<u>\$57,902</u>

**23. Other Expenses**

Other expenses for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Net provision of allowance for loan losses	¥ —	¥ 4,146	\$ —
Losses on sales of loans	—	1	—
Write-off of loans	1,735	7,366	20,706
Losses on sales of stocks and other securities	281	606	3,359
Losses on devaluation of stocks and other securities	1,419	1,150	16,943
Losses on disposal of tangible fixed assets	161	201	1,928
Other	12,400	10,597	147,982
Total	<u>¥15,999</u>	<u>¥24,069</u>	<u>\$190,919</u>

## 24. Leases

### Lessee

Total lease payments under finance lease arrangements that do not transfer ownership of the leased property to the lessee were ¥4 million (\$51 thousand) and ¥5 million for six months ended September 30, 2010 and 2009, respectively.

Pro forma information on leased property such as acquisition cost and accumulated depreciation and obligations under finance leases as of September 30, 2010 and 2009, and the related depreciation expense and interest expense under finance leases for six months ended September 30, 2010 and 2009, on an “as if capitalized” basis were as follows:

	Millions of yen		
	2010		
	Equipment	Other	Total
Acquisition cost	¥25	¥—	¥25
Accumulated depreciation	22	—	22
Net leased property	¥ 3	¥—	¥ 3

	Millions of yen		
	2009		
	Equipment	Other	Total
Acquisition cost	¥45	¥—	¥45
Accumulated depreciation	33	—	33
Net leased property	¥12	¥—	¥12

	Thousands of U.S. dollars		
	2010		
	Equipment	Other	Total
Acquisition cost	\$307	\$—	\$307
Accumulated depreciation	268	—	268
Net leased property	\$ 39	\$—	\$ 39

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Obligations under finance leases:			
Due within one year	¥2	¥ 9	\$29
Due after one year	1	3	12
Total	¥3	¥12	\$42

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Depreciation expense	¥3	¥4	\$42
Interest expense	0	0	1
Total	¥3	¥4	\$43

Depreciation expense and interest expense, which were not reflected in the accompanying consolidated statements of income, were computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancellable operating leases as of September 30, 2010 and 2009, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Due within one year	¥329	¥327	\$3,932
Due after one year	279	508	3,334
Total	¥608	¥836	\$7,266

## 25. Financial Instruments

The Chuo Mitsui Trust Group applied ASBJ Statement No.10 “Accounting Standard for Financial Instruments” and ASBJ Guidance No.19 “Guidance on Accounting Standard for Financial Instruments and Related Disclosures.” The accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. Therefore, the required information is disclosed only for 2010.

### Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheets and fair value of financial instruments as of September 30, 2010 as well as the differences between these values are described below. Financial instruments whose fair values are not readily determinable are not included in the table. (See Notes B)

September 30, 2010	Millions of yen		
	Carrying amount	Fair value	Unrealized gain (losses)
(1) Cash and cash equivalents	¥ 212,815	¥ 212,815	¥ —
(2) Due from banks other than due from the Bank of Japan	16,768	16,768	—
(3) Call loans and bills bought	5,056	5,056	—
(4) Receivables under securities borrowing transactions	11,938	11,938	—
(5) Monetary claims bought (*1)	97,436	98,625	1,188
(6) Trading assets			
Trading securities	7,097	7,097	—
(7) Money held in trust	2,270	2,270	—
(8) Securities			
Held-to-maturity debt securities	258,730	257,281	(1,448)
Other securities	3,565,769	3,565,769	—
(9) Loans and bills discounted	8,867,944		
Allowance for loan losses (*1)	(45,807)		
	8,822,136	8,900,089	77,952
Total assets	¥13,000,018	¥13,077,710	¥77,692
(1) Deposits	¥ 9,203,628	¥ 9,247,346	¥43,718
(2) Call money and bills sold	274,493	274,493	—
(3) Payables under securities lending transactions	1,638,268	1,638,268	—
(4) Borrowed money	445,874	450,867	4,992
(5) Bonds payable	227,741	234,886	7,145
(6) Due to trust account	873,256	873,256	—
Total liabilities	¥12,663,261	¥12,719,118	¥55,856
Derivative transactions (*2)			
To which hedge accounting is not applied	¥ 5,973	¥ 5,973	¥ —
To which hedge accounting is applied	11,053	11,053	—
Total derivative transactions	¥ 17,027	¥ 17,027	¥ —

September 30, 2010	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain (losses)
(1) Cash and cash equivalents	\$ 2,539,565	\$ 2,539,565	\$ —
(2) Due from banks other than due from the Bank of Japan	200,097	200,097	—
(3) Call loans and bills bought	60,334	60,334	—
(4) Receivables under securities borrowing transactions	142,458	142,458	—
(5) Monetary claims bought (*1)	1,162,726	1,176,909	14,183
(6) Trading assets			
Trading securities	84,693	84,693	—
(7) Money held in trust	27,089	27,089	—
(8) Securities			
Held-to-maturity debt securities	3,087,471	3,070,185	(17,285)
Other securities	42,550,954	42,550,954	—
(9) Loans and bills discounted	105,822,724		
Allowance for loan losses (*1)	(546,630)		
	<u>105,276,094</u>	<u>106,206,313</u>	<u>930,218</u>
Total assets	<u>\$155,131,484</u>	<u>\$156,058,600</u>	<u>\$927,116</u>
(1) Deposits	\$109,828,499	\$110,350,202	\$521,703
(2) Call money and bills sold	3,275,572	3,275,572	—
(3) Payables under securities lending transactions	19,549,746	19,549,746	—
(4) Borrowed money	5,320,695	5,380,274	59,579
(5) Bonds payable	2,717,673	2,802,942	85,268
(6) Due to trust account	10,420,718	10,420,718	—
Total liabilities	<u>\$151,112,906</u>	<u>\$151,779,457</u>	<u>\$666,551</u>
Derivative transactions (*2)			
To which hedge accounting is not applied	\$ 71,287	\$ 71,287	\$ —
To which hedge accounting is applied	131,901	131,901	—
Total derivative transactions	<u>\$ 203,189</u>	<u>\$ 203,189</u>	<u>\$ —</u>

(\*1) General as well as specific allowance for loan losses in respect of loans and bills discounted is excluded. As allowances for loan losses in respect of call loans and bills bought, and monetary claims bought are immaterial, they are deducted from the carrying amount.

(\*2) Derivative transactions included in trading assets and trading liabilities or other assets and other liabilities are collectively indicated. Receivables and payables incurred by derivative transactions are presented in net. Net payables are presented in parenthesis.

Notes: A. Calculation method of fair values of financial instruments

#### Assets

(1) Cash and cash equivalents and (2) Due from banks other than due from the Bank of Japan  
Deposits without maturity are stated at their carrying amounts as their fair values approximate carrying amounts. Deposits with maturities with shorter deposit terms (within one year) are stated at their carrying amounts as their fair values approximate carrying amounts.

(3) Call loans and bills bought and (4) Receivables under securities borrowing transactions  
These are subject to shorter agreed periods (within one year), and are stated at their acquisition costs as their fair values approximate acquisition costs.

(5) Monetary claims bought  
Of the monetary claims bought, beneficiary certificates representing interest in a trust holding loan receivables are stated at the prices quoted by brokers. Other monetary claims bought with shorter agreed periods (within one year), are stated at

their acquisition costs as their fair values approximate acquisition costs.

#### (6) Trading assets

Securities including bonds held for trading purposes are stated at the prices quoted by Japan Securities Dealers Association.

#### (7) Money held in trust

Securities comprising trust assets in money held in trust are stated at the prices quoted by brokers.

Matters to be noted in respect of money held in trust by purpose of holding are stated in Note 5 "Money Held in Trust."

#### (8) Securities

Of securities of various categories; (i) equity securities are stated at the prices quoted on the stock exchanges, (ii) privately offered corporate bonds are stated at the values calculated by discounting principal and interest by the interest rate reflecting credit risk, by category based on internal rating and term, (iii) other bonds are stated at the prices published by Japan Securities Dealers Association or the prices quoted by brokers. Investment trust beneficiary certificates are stated at the official reference price published by securities investment trust and management firms.

Following an examination of the recent market environment, market values of floating-rate Japanese government bonds (JGBs) are believed to remain inappropriate to be treated as their fair values. Therefore reasonably assessed values of floating-rate JGBs are recorded as the carrying amount for six months ended September 30, 2010.

Reasonably assessed values of floating-rate JGBs are determined based on the discounted cash flow method. Price-determining variables include JGB yield and its volatility. Matters to be noted in respect of securities by purpose of holding are stated in Note 4 "Securities."

#### (9) Loans and bills discounted

Of loans and bills discounted, those with floating rates reflect market rates at short intervals, whose fair values approximate acquisition costs unless borrowers' creditworthiness changes significantly after the loans are made, and acquisition costs are stated as the fair values. Meanwhile, those with fixed rates are stated at the fair values, as calculated by discounting principal and interest by the interest rate reflecting credit risk by category based on the nature of loan, internal rating and term. Those loans with shorter contract periods (within one year) are stated at acquisition cost which approximate their fair values. Claims under legal bankruptcy, virtual bankruptcy and possible bankruptcy, whose expected amounts of loan losses are calculated based on the expected recoverable amounts from their collateral or guarantee, are stated at their acquisition costs at the consolidation date less the current expected amount of loan losses, which approximate their fair values. Of loans and bills discounted, those without scheduled due dates thanks to the special conditions such as the ones limiting the loan amounts within the values of pledged assets, are stated at acquisition costs which are assumed to approximate their fair values because of the estimated repayment period and interest rate conditions, etc.

#### Liabilities

##### (1) Deposits

For demand deposits, the amount payable (carrying amount) in case demand is made on the consolidation date is treated as their fair value. Meanwhile for time deposits, present values

calculated by discounting future cash flows by category based on terms, etc., by the interest rate applicable to newly deposited savings are deemed to be their fair values. For time deposits with shorter deposit terms (within one year) and those with floating rates, carrying amounts approximate fair values, and thus quoted as such.

Negotiable certificates of deposit are all with shorter deposit terms (within one year) and are stated at their carrying amounts which approximate their fair values.

(2) Call money and bills sold and (3) Payables under securities lending transactions

These are subject to shorter agreed periods (within one year), and are stated at their acquisition costs as their fair values approximate acquisition costs.

(4) Borrowed money

Borrowings are stated at their present values, as calculated by discounting principal and interest by the interest rate assumed for similar borrowings. Those borrowings with shorter contract periods (within one year) are stated at acquisition costs which approximate their fair values.

(5) Bonds payable

Bonds payable are stated at the prices quoted by Japan Securities Dealers Association, or in the absence of such market values, at their present values as calculated by discounting principal and interest by the interest rate assumed for the similar bond issues.

(6) Due to trust account

Due to trust account is stated at the amounts payable (book value) in case demand is made on the consolidation date.

#### Derivative transactions

The information regarding derivatives transactions is included in Note 26 "Derivative Information."

Notes: B. Financial instruments whose fair values are not readily determinable are listed below.  
These items are not included in "Asset (8) Other securities" stated in fair value of financial instruments.

Category	Millions of yen
	Carrying amount
Unlisted Japanese stocks (*)	¥ 88,837
Subscription certificates	17,545
Foreign securities	2,431
Total	¥108,814

Category	Thousands of U.S. dollars
	Carrying amount
Unlisted Japanese stocks (*)	\$1,060,119
Subscription certificates	209,370
Foreign securities	29,018
Total	\$1,298,507

Fair Values of these items are not disclosed because there is no market price, and it is very difficult to identify fair values.

Securities in subsidiaries and associated companies are not included in the table.

(\*) For six months ended September 30, 2010, unlisted Japanese stocks were treated with an impairment loss of ¥200 million (\$2,388 thousand).

## 26. Derivatives Information

### Derivative Transactions

#### 1. Derivatives to which hedge accounting is not applied

Contract or notional amount, fair value, unrealized gains (losses) and calculation method of fair value are as follows:  
Note that contract or notional amounts do not represent the market risk exposure associated with the derivatives.

#### Interest rate transactions

Millions of yen				
2010				
Contract or notional amount				
	Total	Over one year	Fair value	Unrealized gains (losses)
Over-the-counter:				
Interest rate swaps:				
Fixed rate receipt, floating rate payment	¥4,855,405	¥3,887,588	¥ 204,108	¥ 204,108
Floating rate receipt, fixed rate payment	4,829,570	3,845,767	(200,644)	(200,644)
Floating rate receipt, floating rate payment	32,200	32,200	2,783	2,783
Interest rate swaptions:				
Selling	82,350	49,200	(919)	945
Buying	102,992	57,439	1,131	473
Others:				
Selling	56,854	54,406	(58)	117
Buying	96,306	93,906	58	(23)
Total			¥ 6,459	¥ 7,759

Millions of yen			
2009			
Contract or notional amount			
	Total	Fair value	Unrealized gains (losses)
Over-the-counter:			
Interest rate swaps:	¥10,289,685	¥5,134	¥5,134
Interest rate swaptions:	127,153	83	875
Others:	96,183	(0)	104
Total		¥5,217	¥6,114



	Thousands of U.S. dollars			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Interest rate swaps:				
Fixed rate receipt, floating rate payment	\$57,940,402	\$46,391,273	\$ 2,435,665	\$ 2,435,665
Floating rate receipt, fixed rate payment	57,632,107	45,892,217	(2,394,327)	(2,394,327)
Floating rate receipt, floating rate payment	384,248	384,248	33,213	33,213
Interest rate swaptions:				
Selling	982,696	587,112	(10,975)	11,281
Buying	1,229,021	685,429	13,501	5,648
Others:				
Selling	678,459	649,242	(700)	1,398
Buying	1,149,242	1,120,602	699	(285)
Total			\$ 77,076	\$ 92,593

Note: Fair value of listed transactions is calculated according to closing market prices on the Tokyo International Financial Futures Exchange and other exchanges. Fair value of over-the-counter transactions is calculated according to discounted present value, the option pricing model and other valuation techniques.

### Currency transactions

	Millions of yen			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Currency rate swaps	¥ 41,900	¥41,900	¥ 98	¥ 98
Foreign exchange contracts:				
Selling	1,174,113	308	2,544	2,544
Buying	1,213,060	388	(2,705)	(2,705)
Currency options:				
Buying	5,028	—	12	(24)
Total			¥ (50)	¥ (86)

	Millions of yen		
	2009		
	Contract or notional amount	Fair value	Unrealized gains (losses)
	Total		
Over-the-counter:			
Currency rate swaps	¥ 46,893	¥ 145	¥ 145
Foreign exchange contracts:			
Selling	2,403,996	1,475	1,475
Total		¥1,620	¥1,620

	Thousands of U.S. dollars			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Currency rate swaps	\$ 500,000	\$ 500,000	\$ 1,178	\$ 1,178
Foreign exchange contracts:				
Selling	14,010,902	3,687	30,359	30,359
Buying	14,475,667	4,639	(32,281)	(32,281)
Currency options:				
Buying	60,000	—	143	(293)
Total			\$ (600)	\$ (1,037)

Note: Fair value is calculated according to discounted present value, the option pricing model and other valuation techniques.

### Stock transactions

	Millions of yen			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Stock index options:				
Selling	¥2,475	¥—	¥(0)	¥ 23
Buying	3,762	—	6	(63)
Total			¥ 5	¥(40)

	Millions of yen		
	2009		
	Contract or notional amount	Fair value	Unrealized gains (losses)
	Total		
Listed:			
Stock index options:	¥4,156	¥5	¥(33)

	Thousands of U.S. dollars			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Stock index options:				
Selling	\$29,534	\$—	\$ (9)	\$ 276
Buying	44,898	—	73	(758)
Total			\$63	\$ (481)

Note: Fair value is calculated according to closing market prices on the stock exchanges, such as the Tokyo Stock Exchange.

### Bond transactions

There was no contract or notional amount of bond transactions as of September 30, 2010 and 2009.



**Credit derivative transactions**

	Millions of yen			
	<b>2010</b>			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Credit default swaps:				
Selling	<b>¥5,000</b>	<b>¥5,000</b>	<b>¥(440)</b>	<b>¥(440)</b>
	Millions of yen			
	<b>2009</b>			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Credit default swaps:	¥15,000		¥(11,618)	¥(11,618)
	Thousands of U.S. dollars			
	<b>2010</b>			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Credit default swaps:				
Selling	<b>\$59,665</b>	<b>\$59,665</b>	<b>\$(5,252)</b>	<b>\$(5,252)</b>

Notes: 1. Fair value is calculated according to discounted present value and the prices offered by brokers and by the pricing model.  
2. "Selling" refers to acceptance transactions on credit risk.

The fair values of these credit default swaps were determined based on the values reasonably estimated by using our own calculation methods.

The values reasonably estimated by using our own calculation methods are calculated by the theory value model on the basis of analysis such as price change chronological order comparison of the market price of the credit default swap and a price comparison between similar articles.

**2. Derivatives to which hedge accounting is applied**

Contract or notional amount, fair value, unrealized gains (losses) and calculation method of fair value are as follows: Note that contract or notional amounts do not represent the market risk exposure associated with the derivatives.

The Chuo Mitsui Trust Group applied ASBJ Statement No.10 "Accounting Standard for Financial Instruments" and ASBJ Guidance No.19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." The accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. Therefore, the required information is disclosed only for 2010.

**Interest rate transactions**

	Millions of yen			
	<b>2010</b>			
	Contract or notional amount		Fair value	
	Total	Over one year		
Hedge accounting method	Type of derivatives	Major hedged item		
Primary method	Interest rate swaps:			
	Fixed rate receipt			
	Floating rate payment	Securities	<b>¥100,000</b>	<b>¥100,000</b>
	Floating rate receipt			
	Fixed rate payment	Securities	<b>100,000</b>	<b>100,000</b>
	Fixed rate receipt			
	Floating rate payment	Borrowed money	<b>17,500</b>	<b>17,500</b>
	Fixed rate receipt			
	Floating rate payment	Bonds payable	<b>108,641</b>	<b>108,641</b>
Total			<b>¥11,896</b>	<b>¥11,896</b>
	Thousands of U.S. dollars			
	<b>2010</b>			
	Contract or notional amount		Fair value	
	Total	Over one year		
Hedge accounting method	Type of derivatives	Major hedged item		
Primary method	Interest rate swaps:			
	Fixed rate receipt			
	Floating rate payment	Securities	<b>\$1,193,317</b>	<b>\$1,193,317</b>
	Floating rate receipt			
	Fixed rate payment	Securities	<b>1,193,317</b>	<b>1,193,317</b>
	Fixed rate receipt			
	Floating rate payment	Borrowed money	<b>208,830</b>	<b>208,830</b>
	Fixed rate receipt			
	Floating rate payment	Bonds payable	<b>1,296,432</b>	<b>1,296,432</b>
Total			<b>\$141,959</b>	<b>\$141,959</b>

Notes: 1. These transactions are mainly accounted for using the deferral hedge accounting in accordance with JICPA Industry Audit Committee Report No. 24 "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry."  
2. Fair values are calculated according to discounted present value.

**Currency transactions**

	Millions of yen			
	<b>2010</b>			
	Contract or notional amount		Fair value	
	Total	Over one year		
Hedge accounting method	Type of derivatives	Major hedged item		
Primary method	Foreign exchange forward contracts:			
	Buying	Bonds payable	<b>¥3,181</b>	<b>¥2,511</b>
	Thousands of U.S. dollars			
	<b>2010</b>			
	Contract or notional amount		Fair value	
	Total	Over one year		
Hedge accounting method	Type of derivatives	Major hedged item		
Primary method	Foreign exchange forward contracts:			
	Buying	Bonds payable	<b>\$37,966</b>	<b>\$29,968</b>

- Notes: 1. These transactions are accounted for using the deferral hedge accounting individually in accordance with JICPA Guidance on Accounting Standard for Financial Instruments.  
2. Fair values are calculated according to discounted present value.

### Bond transactions

Hedge accounting method	Type of derivatives	Major hedged item	Millions of yen		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Bond forward agreements:				
	Selling	Securities	¥319,610	¥—	¥(1,117)
Method of recognizing gains or losses on hedged items	Bond OTC options:				
	Selling	Securities	510,000	—	(29)
	Buying	Securities	510,000	—	329
Total					¥ (817)

Hedge accounting method	Type of derivatives	Major hedged item	Thousands of U.S. dollars		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Bond forward agreements:				
	Selling	Securities	\$3,813,961	\$—	\$(13,336)
Method of recognizing gains or losses on hedged items	Bond OTC options:				
	Selling	Securities	6,085,918	—	(346)
	Buying	Securities	6,085,918	—	3,926
Total					\$ (9,756)

Note: Fair values are calculated according to the prices offered by information vendors, the option pricing model and other valuation techniques.

## 27. Segment Information

The Chuo Mitsui Trust Group applied ASBJ Statement No.17 “Accounting Standard for Segment Information Disclosures” (revised on March 27, 2009) and ASBJ Guidance No.20 “Guidance on Accounting Standard for Segment Information Disclosures” from this period.

Therefore, the required information is disclosed only for 2010.

### 1. Outline of reportable segments

A reportable segments for the Group is a component unit that constitutes a business for which discrete financial information is available and is regularly reviewed by the Board of Directors to determine the allocation of management resources and assess its performance.

Chuo Mitsui Trust Group has established a management system which enables each group company to conduct its operating activities independently. Chuo Mitsui Trust Group separates its operations into the following companies: two trust banks, Chuo Mitsui and Chuo Mitsui Asset, and two asset management companies, Chuo Mitsui Asset Management and Chuo Mitsui Capital. In addition, Chuo Mitsui Trust Holdings, the holding company, aims to maximize Chuo Mitsui Trust

Group profits by ensuring an appropriate allocation of management resources to each operating division.

Accordingly, Chuo Mitsui Trust Group’s reportable segments are distinguished at the company level. Thus, the following companies are distinguished as three groups and defined as reportable segments:

Chuo Mitsui is principally engaged in the retail investment business (sales of investment trust, individual annuity insurance and other products), lending related business (corporate loans, mortgage loans, real estate asset finance, etc), real estate business, securities transfer agency business and other.

Chuo Mitsui Asset is principally engaged in the asset management business of pension trusts and securities trusts, asset administration business and pension fund administration business.

The asset management companies consist of Chuo Mitsui Asset Management and Chuo Mitsui Capital. Chuo Mitsui Asset Management is principally engaged in investment trust management services and Chuo Mitsui Capital is principally engaged in private equity fund management services.

### 2. The method of calculation of ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Accounting policies adopted by the reported operating segments are same as those described in Note 2 “Summary of Significant Accounting Policies”. Profit for reportable segments is determined based on income before income taxes for this period. In allocating income before income taxes, the values of internal transactions are treated consistently as those held with external customers.

### 3. Information about ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Millions of yen								
	Reportable segments							
	Chuo Mitsui	Chuo Mitsui Asset	Asset management subsidiaries	Total	Other	Total	Adjustment	Carrying amount
Ordinary income								
External customers	¥ 146,595	¥ 20,102	¥5,019	¥ 171,717	¥ 7,521	¥ 179,238	¥ —	¥ 179,238
Internal transactions	2,982	1,304	81	4,368	29,112	33,481	(33,481)	—
Total	149,578	21,406	5,100	176,085	36,634	212,720	(33,481)	179,238
Segment profit	48,171	5,585	316	54,073	18,636	72,709	(17,875)	54,833
Segment assets	13,809,614	143,430	5,234	13,958,278	1,003,598	14,961,876	(696,715)	14,265,161
Segment liabilities	13,065,660	104,851	1,190	13,171,702	57,957	13,229,659	185,386	13,415,045
Other items								
Depreciation and amortization	4,543	687	37	5,268	499	5,768	(130)	5,638
Interest income	80,093	59	64	80,217	18,142	98,360	(17,318)	81,042
Interest expenses	30,731	54	—	30,785	106	30,891	(138)	30,752
Extraordinary income	8,053	—	—	8,053	604	8,657	(1,153)	7,503
(Reversal of allowance for loan losses)	6,982	—	—	6,982	—	6,982	(1,167)	5,815
Extraordinary loss	2,203	292	42	2,537	2,209	4,746	(1,971)	2,774
(Management integration expenses)	1,916	266	41	2,224	1,879	4,104	(1,971)	2,132

Thousands of U.S. dollars

	Reportable segments			Total	Other	Total	Adjust- ment	Carrying amount
	Chuo Mitsui	Chuo Mitsui Asset	Asset management subsidiaries					
Ordinary income								
External customers	\$ 1,749,350	\$ 239,883	\$ 59,895	\$ 2,049,129	\$ 89,755	\$ 2,138,884	\$ —	\$ 2,138,884
Internal transactions	35,592	15,569	973	52,135	347,409	399,544	(399,544)	—
Total	1,784,942	255,453	60,869	2,101,264	437,164	2,538,429	(399,544)	2,138,884
Segment profit	574,842	66,650	3,773	645,266	222,387	867,654	(213,313)	654,340
Segment assets	164,792,534	1,711,575	62,460	166,566,570	11,976,112	178,542,682	(8,314,025)	170,228,657
Segment liabilities	155,914,801	1,251,208	14,206	157,180,216	691,612	157,871,828	2,212,248	160,084,077
Other items								
Depreciation and amortization	54,219	8,202	451	62,874	5,960	68,834	(1,555)	67,279
Interest income	955,768	710	774	957,253	216,498	1,173,751	(206,660)	967,091
Interest expenses	366,719	649	—	367,368	1,267	368,635	(1,656)	366,978
Extraordinary income	96,105	—	—	96,105	7,210	103,315	(13,769)	89,545
(Reversal of allowance for loan losses)	83,321	—	—	83,321	—	83,321	(13,928)	69,393
Extraordinary loss	26,289	3,488	505	30,284	26,360	56,645	(23,531)	33,113
(Management integration expenses)	22,868	3,184	493	26,546	22,426	48,973	(23,531)	25,442

## Notes:

- 1 "Ordinary income" corresponds to "Net sales" of financial products and services. The adjustment shows the difference between ordinary income for management reporting purpose and for the purpose of preparing interim consolidated statements of income for this period.
- 2 "Other" consists of consolidated subsidiaries other than trust banks and asset management companies as described above, and segments not included in the reportable segments
- 3 "Adjustment" includes the elimination adjustments required for internal transactions. In addition, adjustments of segment assets and segment liabilities include ¥300,035 million (\$3,580,374 thousand) related to "Customers' liabilities for acceptances and guarantees" and "Acceptance and guarantee" for mortgage loans.
- 4 Segment profit has been calculated in line with income before income taxes as adjusted in the consolidated statement of income for this period.

## Related Information

Six months ended September 30, 2010

## 1. Information by service

Millions of yen

	Corporate business	Consumer loans	Market	Pension/ Securities	Other	Total
Ordinary income from external customers	¥32,047	¥29,339	¥36,250	¥24,430	¥57,169	¥179,238

Thousands of U.S. dollars

	Corporate business	Consumer loans	Market	Pension/ Securities	Other	Total
Ordinary income from external customers	\$382,429	\$350,118	\$432,587	\$291,538	\$682,210	\$2,138,884

Note: "Ordinary income" corresponds to "Net sales" of financial products and services.

## 2. Information by geographic region

## (1) Ordinary income

Chuo Mitsui Trust Group omits ordinary income information by geographical region, since ordinary income from domestic external customers exceeds 90% of ordinary income of the interim consolidated statement of income for this period.

## (2) Tangible fixed assets

Chuo Mitsui Trust Group omits tangible fixed asset information by geographical region, since tangible fixed assets located in Japan exceeds 90% of total tangible fixed assets of the interim consolidated balance sheet as of September 30, 2010.

## 3. Information by major customer

Chuo Mitsui Trust Group omits major customer information, since there is no particular customer who accounts for more than 10% of ordinary income of the interim consolidated statement of income for this period.

## Information about Loss on Impairment of Fixed Assets by Reportable Segment

There is no information applicable to this disclosure.

## Information about Amortization and Unamortized Balance of Goodwill by Reportable Segment

Six months ended September 30, 2010

Millions of yen

	Reportable segments			Total	Other	Eliminations/ corporate	Total
	Chuo Mitsui	Chuo Mitsui Asset	Asset management subsidiaries				
Amortization for the period	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,180	¥ 1,180
Unamortized balance at end of period	—	—	—	—	—	34,123	34,123

Thousands of U.S. dollars

	Reportable segments			Total	Other	Eliminations/ corporate	Total
	Chuo Mitsui	Chuo Mitsui Asset	Asset management subsidiaries				
Amortization for the period	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 14,091	\$ 14,091
Unamortized balance at end of period	—	—	—	—	—	407,205	407,205

Note: "Eliminations/corporate" includes ¥839 million (\$10,022 thousand) and ¥26,876 million (\$320,721 thousand) of amortization cost for the interim period and unamortized balance at end of the interim period of Chuo Mitsui Asset, respectively and ¥249 million (\$2,982 thousand) and ¥7,247 million (\$86,483 thousand) of amortization cost for the interim period and unamortized balance at end of the interim period of Tokyo Securities Transfer Agent Co., Ltd., respectively.

## Information about Gain on Negative Goodwill by Reportable Segment

There is no information applicable to this disclosure.

The following segment information for the six-month ended September 30, 2009 was not applied the revised Accounting Standard and the Guidance, ASBJ Statement No.17 and Guidance No.20.

### (1) Business Segment Information

	Millions of yen			
	2009			
	Trust and banking business	Other finance-related operations	Eliminations/corporate	Consolidated
Ordinary income:				
External customers	¥ 171,402	¥ 10,400	¥ —	¥ 181,802
Intersegment	8,335	13,215	(21,551)	—
Total ordinary income	179,738	23,615	(21,551)	181,802
Ordinary expenses	141,024	17,738	(11,352)	147,410
Ordinary profit	¥ 38,713	¥ 5,877	¥ (10,199)	¥ 34,392
Total assets	¥15,390,610	¥871,575	¥(802,057)	¥15,460,128

### (2) Geographic Segment Information

Since domestic (Japan) total ordinary income and total assets by geographic segment for six months ended September 30, 2009, represented more than 90% of the consolidated total ordinary income and total assets of each respective year, geographic segment information was not required to be disclosed.

### (3) Ordinary Income from International Operations

	Millions of yen, except percentage data
	2009
Ordinary income from international operations (A)	¥29,470
Consolidated ordinary income (B)	181,802
(A)/(B) (%)	16.2%

Note: Ordinary income from international operations represents ordinary income arising from international operations both in and outside Japan.

## 28. Per Share Information

Diluted net income per share for six months ended September 30, 2010 is not stated as there were no potential dilutive securities. Basic net income per share ("EPS") for six months ended September 30, 2010 was as follows:

	Millions of yen	Thousands of shares	Yen	U.S. dollars
Six months ended September 30, 2010	Net income	Weighted-average shares	EPS	EPS
Basic EPS				
Net income available to common shareholders	¥32,071	1,658,055	¥19.34	\$0.23

Diluted net income per share for six months ended September 30, 2009 is not disclosed because of Chuo Mitsui Trust Group's net loss position. Basic net income per share ("EPS") for six months ended September 30, 2009 was as follows:

	Millions of yen	Thousands of shares	Yen
Six months ended September 30, 2009	Net income	Weighted-average shares	EPS
Basic EPS			
Net income available to common shareholders	¥19,088	1,324,179	¥14.41

# Non-Consolidated Balance Sheets (Supplemental Information—Unaudited)

Chuo Mitsui Trust Holdings, Inc.

As of September 30, 2010 and 2009, and March 31, 2010

	Millions of yen			Thousands of U.S. dollars
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>ASSETS</b>				
Current assets:				
Cash and due from banks	¥ 1,410	¥ 1,549	¥ 1,922	\$ 16,828
Securities	32,000	39,000	35,000	381,861
Income taxes refunds receivable	3,415	2,007	2,024	40,761
Other current assets	2,071	180	316	24,714
Total current assets	<u>38,897</u>	<u>42,737</u>	<u>39,263</u>	<u>464,166</u>
Non-current assets:				
Tangible fixed assets	1	2	1	18
Intangible fixed assets	3	5	4	40
Investments and other assets:	765,821	765,409	765,879	9,138,679
Investments in subsidiaries and affiliates (Stocks)	764,391	764,406	764,406	9,121,619
Other investments	1,429	1,002	1,473	17,059
Total non-current assets	<u>765,826</u>	<u>765,416</u>	<u>765,885</u>	<u>9,138,738</u>
<b>Total assets</b>	<u><b>¥804,723</b></u>	<u><b>¥808,154</b></u>	<u><b>¥805,149</b></u>	<u><b>\$ 9,602,905</b></u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Current liabilities:				
Provision for bonuses	¥ 85	¥ 71	¥ 80	\$ 1,022
Other liabilities	1,501	1,560	1,588	17,921
Total current liabilities	<u>1,587</u>	<u>1,632</u>	<u>1,668</u>	<u>18,944</u>
Non-current liabilities:				
Bonds payable	189,700	189,700	189,700	2,263,723
Provision for retirement benefits	1,097	902	1,041	13,099
Provision for directors' retirement benefits	200	328	363	2,387
Total non-current liabilities	<u>190,997</u>	<u>190,930</u>	<u>191,105</u>	<u>2,279,209</u>
<b>Total liabilities</b>	<u><b>192,585</b></u>	<u><b>192,563</b></u>	<u><b>192,774</b></u>	<u><b>2,298,154</b></u>
<b>Equity:</b>				
Common stock and preferred stock	261,608	261,608	261,608	3,121,822
Capital surplus	118,666	118,670	118,668	1,416,070
Retained earnings	232,135	235,576	232,368	2,770,114
Treasury stock	(272)	(264)	(270)	(3,257)
<b>Total equity</b>	<u><b>612,138</b></u>	<u><b>615,591</b></u>	<u><b>612,375</b></u>	<u><b>7,304,750</b></u>
<b>Total liabilities and equity</b>	<u><b>¥804,723</b></u>	<u><b>¥808,154</b></u>	<u><b>¥805,149</b></u>	<u><b>\$ 9,602,905</b></u>

Chuo Mitsui Trust Holdings, Inc.

# Non-Consolidated Statements of Income (Supplemental Information—Unaudited)

Chuo Mitsui Trust Holdings, Inc.

Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Millions of yen			Thousands of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2010	2009	2010	2010
<b>Operating income:</b>				
Dividends received from subsidiaries	¥17,068	¥10,017	¥10,043	\$ 203,684
Fees and commissions received from subsidiaries	3,444	1,525	3,607	41,098
<b>Total operating income</b>	<b>20,512</b>	<b>11,543</b>	<b>13,651</b>	<b>244,782</b>
<b>Operating expenses:</b>				
Interest on bonds	3,783	3,905	7,674	45,146
General and administrative expenses	1,498	1,511	2,871	17,882
<b>Total operating expenses</b>	<b>5,281</b>	<b>5,417</b>	<b>10,545</b>	<b>63,029</b>
<b>Operating profit</b>	<b>15,230</b>	<b>6,126</b>	<b>3,106</b>	<b>181,753</b>
<b>Non-operating income</b>	<b>55</b>	<b>44</b>	<b>66</b>	<b>659</b>
<b>Non-operating expenses</b>	<b>1,947</b>	<b>85</b>	<b>889</b>	<b>23,241</b>
<b>Income before income taxes</b>	<b>13,338</b>	<b>6,084</b>	<b>2,283</b>	<b>159,171</b>
<b>Income taxes:</b>				
Income taxes-current	1	1	3	22
Income taxes-deferred	305	9	(585)	3,643
<b>Total income taxes</b>	<b>307</b>	<b>11</b>	<b>(582)</b>	<b>3,665</b>
<b>Net income</b>	<b>¥13,031</b>	<b>¥ 6,073</b>	<b>¥ 2,865</b>	<b>\$ 155,505</b>
	Yen		U.S. dollars	
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2010	2009	2010	2010
<b>Net income per share of common stock</b>	<b>¥7.85</b>	<b>¥4.58</b>	<b>¥1.92</b>	<b>\$0.09</b>



# Consolidated Balance Sheets (Unaudited)

The Chuo Mitsui Trust and Banking Company, Limited, and Consolidated Subsidiaries  
As of September 30, 2010 and 2009, and March 31, 2010

	Millions of yen			Thousands of U.S. dollars (Note 1)
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>ASSETS</b>				
Cash and cash equivalents (Note 25)	¥ 195,412	¥ 204,300	¥ 225,570	\$ 2,331,891
Due from banks other than due from the Bank of Japan (Note 25)	16,634	31,316	24,286	198,499
Call loans and bills bought (Note 25)	5,056	3,565	9,884	60,334
Receivables under securities borrowing transactions (Note 25)	11,938	5,932	1,521	142,458
Monetary claims bought (Notes 4 and 25)	97,510	107,741	98,818	1,163,614
Trading assets (Notes 4, 8 and 25)	18,929	22,747	22,778	225,890
Securities (Notes 4, 8 and 25)	3,954,870	4,790,158	4,414,926	47,194,158
Money held in trust (Notes 5 and 25)	2,270	4,762	2,234	27,089
Loans and bills discounted (Notes 6, 8 and 25)	8,867,944	9,115,054	8,941,948	105,822,724
Foreign exchanges	716	745	767	8,545
Other assets (Notes 8, 25 and 26)	300,951	310,333	412,807	3,591,304
Tangible fixed assets (Note 7)	124,733	125,706	125,162	1,488,465
Intangible fixed assets	27,292	25,875	27,361	325,691
Deferred tax assets	140,521	157,230	147,841	1,676,868
Customers' liabilities for acceptances and guarantees (Note 9)	352,067	419,395	384,117	4,201,284
Allowance for loan losses	(46,700)	(63,893)	(53,370)	(557,282)
<b>Total assets</b>	<b>¥14,070,149</b>	<b>¥15,260,971</b>	<b>¥14,786,655</b>	<b>\$167,901,539</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Deposits (Notes 8, 10 and 25)	¥ 9,240,672	¥ 9,371,474	¥ 9,127,480	\$110,270,560
Call money and bills sold (Notes 8 and 25)	178,493	229,050	217,161	2,129,988
Payables under repurchase agreements (Note 8)	—	255,326	—	—
Payables under securities lending transactions (Notes 8 and 25)	1,638,268	1,354,655	1,702,697	19,549,746
Trading liabilities (Note 25)	8,538	7,228	7,911	101,889
Borrowed money (Notes 8, 11 and 25)	445,874	1,352,004	1,217,246	5,320,695
Foreign exchanges	—	—	21	—
Bonds payable (Notes 12 and 25)	227,741	219,992	234,750	2,717,673
Due to trust account (Note 25)	873,256	1,113,645	995,612	10,420,718
Other liabilities (Notes 25 and 26)	362,001	218,107	163,570	4,319,824
Provision for bonuses	2,607	2,586	2,643	31,117
Provision for directors' retirements benefits	872	999	1,115	10,416
Provision for retirement benefits (Note 13)	1,623	1,562	1,592	19,377
Provision for contingent losses	13,230	11,459	12,022	157,880
Deferred tax liabilities	3,304	6,964	5,345	39,431
Acceptances and guarantees (Note 9)	352,067	419,395	384,117	4,201,284
<b>Total liabilities</b>	<b>13,348,552</b>	<b>14,564,452</b>	<b>14,073,289</b>	<b>159,290,606</b>
<b>Commitments and contingent liabilities (Note 14)</b>				
<b>Equity (Note 15):</b>				
Common stock and preferred stock (Note 16)	399,697	399,697	399,697	4,769,659
Capital surplus	149,011	149,011	149,011	1,778,185
Retained earnings	166,183	114,757	142,334	1,983,091
Valuation difference on available-for-sale securities	17,710	47,368	34,968	211,339
Deferred gains or losses on hedges	3,639	177	1,891	43,434
Revaluation reserve for land	(15,532)	(15,532)	(15,532)	(185,353)
Foreign currency translation adjustments	(2,002)	(1,464)	(1,738)	(23,895)
<b>Total</b>	<b>718,707</b>	<b>694,015</b>	<b>710,632</b>	<b>8,576,461</b>
Minority interests	2,888	2,504	2,733	34,472
<b>Total equity</b>	<b>721,596</b>	<b>696,519</b>	<b>713,366</b>	<b>8,610,933</b>
<b>Total liabilities and equity</b>	<b>¥14,070,149</b>	<b>¥15,260,971</b>	<b>¥14,786,655</b>	<b>\$167,901,539</b>

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

# Consolidated Statements of Income (Unaudited)

The Chuo Mitsui Trust and Banking Company, Limited, and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Millions of yen			Thousands of U.S. dollars (Note 1)
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2010	2009	2010	2010
<b>Income:</b>				
Interest income:				
Interest on loans and discounts	¥ 54,658	¥ 62,187	¥122,029	\$ 652,250
Interest and dividends on securities	23,559	27,947	55,379	281,143
Interest on call loans and bills bought	185	43	181	2,215
Other interest income (Note 17)	2,575	1,416	3,798	30,738
Trust fees (Note 18)	5,871	9,111	15,713	70,065
Fees and commissions	38,584	34,441	70,922	460,431
Trading income	1,494	926	2,592	17,832
Other ordinary income (Note 19)	23,567	15,002	27,505	281,240
Other income (Note 20)	14,522	10,924	25,852	173,302
<b>Total income</b>	<b>165,020</b>	<b>162,001</b>	<b>323,975</b>	<b>1,969,220</b>
<b>Expenses:</b>				
Interest expenses:				
Interest on deposits	21,359	23,677	46,444	254,892
Interest on call money and bills sold	204	326	575	2,436
Interest on borrowings	1,453	2,137	3,837	17,350
Other interest expenses (Note 21)	7,693	9,497	17,943	91,812
Fees and commissions	5,367	5,240	11,677	64,045
Trading expenses	40	—	—	488
Other ordinary expenses (Note 22)	4,852	3,355	8,318	57,902
General and administrative expenses	58,524	63,669	126,184	698,382
Other expenses (Note 23)	15,846	23,926	36,123	189,100
<b>Total expenses</b>	<b>115,343</b>	<b>131,830</b>	<b>251,105</b>	<b>1,376,410</b>
<b>Income before income taxes</b>	<b>49,677</b>	<b>30,171</b>	<b>72,869</b>	<b>592,810</b>
<b>Income taxes:</b>				
Income taxes-current	957	718	1,618	11,423
Income taxes-deferred	15,166	9,561	23,668	180,983
<b>Total income taxes</b>	<b>16,123</b>	<b>10,280</b>	<b>25,287</b>	<b>192,407</b>
<b>Minority interests in net income</b>	<b>204</b>	<b>(58)</b>	<b>54</b>	<b>2,435</b>
<b>Net income</b>	<b>¥ 33,349</b>	<b>¥ 19,950</b>	<b>¥ 47,527</b>	<b>\$ 397,967</b>
	Yen			U.S. dollars (Note 1)
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2010	2009	2010	2010
<b>Per share of common stock (Note 28):</b>				
Basic net income	¥12.84	¥10.02	¥20.73	\$0.15

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

# Consolidated Statements of Changes in Equity (Unaudited)

The Chuo Mitsui Trust and Banking Company, Limited, and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Thousands		Millions of yen									
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance, March 31, 2010	2,595,958	—	¥ 399,697	¥ 149,011	¥ 142,334	¥ 34,968	¥ 1,891	¥ (15,532)	¥ (1,738)	¥ 710,632	¥ 2,733	¥ 713,366
Net income					33,349					33,349		33,349
Cash dividends					(9,501)					(9,501)		(9,501)
Purchase of treasury stock												
Disposal of treasury stock												
Conversion of convertible bonds												
Cancellation of treasury stock												
Net change in the year						(17,257)	1,748		(264)	(15,773)	155	(15,618)
<b>Balance, September 30, 2010</b>	<b>2,595,958</b>	<b>—</b>	<b>¥ 399,697</b>	<b>¥ 149,011</b>	<b>¥ 166,183</b>	<b>¥ 17,710</b>	<b>¥ 3,639</b>	<b>¥ (15,532)</b>	<b>¥ (2,002)</b>	<b>¥ 718,707</b>	<b>¥ 2,888</b>	<b>¥ 721,596</b>

	Thousands		Thousands of U.S. dollars (Note 1)									
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance, March 31, 2010	2,595,958	—	\$4,769,659	\$1,778,185	\$1,698,504	\$ 417,280	\$ 22,568	\$ (185,353)	\$ (20,740)	\$8,480,104	\$ 32,621	\$8,512,726
Net income					397,967					397,967		397,967
Cash dividends					(113,379)					(113,379)		(113,379)
Purchase of treasury stock												
Disposal of treasury stock												
Conversion of convertible bonds												
Cancellation of treasury stock												
Net change in the year						(205,940)	20,865		(3,155)	(188,230)	1,850	(186,380)
<b>Balance, September 30, 2010</b>	<b>2,595,958</b>	<b>—</b>	<b>\$4,769,659</b>	<b>\$1,778,185</b>	<b>\$1,983,091</b>	<b>\$ 211,339</b>	<b>\$ 43,434</b>	<b>\$ (185,353)</b>	<b>\$ (23,895)</b>	<b>\$8,576,461</b>	<b>\$ 34,472</b>	<b>\$8,610,933</b>

	Thousands		Millions of yen									
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance, March 31, 2009	1,687,833	227,031	¥ 399,697	¥ 149,011	¥ 94,807	¥ (83,321)	¥ 1,757	¥ (15,532)	¥ (2,045)	¥ 544,374	¥ 2,449	¥ 546,824
Net income					19,950					19,950		19,950
Issuance of capital stock												
Conversion of class II preferred stock into common stock	375,000	(93,750)										
Conversion of class III preferred stock into common stock	533,125	(133,281)										
Net change in the period						130,689	(1,579)		581	129,691	54	129,745
<b>Balance, September 30, 2009</b>	<b>2,595,958</b>	<b>—</b>	<b>¥ 399,697</b>	<b>¥ 149,011</b>	<b>¥ 114,757</b>	<b>¥ 47,368</b>	<b>¥ 177</b>	<b>¥ (15,532)</b>	<b>¥ (1,464)</b>	<b>¥ 694,015</b>	<b>¥ 2,504</b>	<b>¥ 696,519</b>

	Thousands		Millions of yen									
	Issued number of shares of common stock	Issued number of shares of preferred stock	Common stock and preferred stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance, March 31, 2009	1,687,833	227,031	¥399,697	¥149,011	¥ 94,807	¥ (83,321)	¥ 1,757	¥ (15,532)	¥(2,045)	¥ 544,374	¥ 2,449	¥ 546,824
Net income					47,527					47,527		47,527
Conversion of class II preferred stock into Common stock	375,000	(93,750)										
Conversion of class III preferred stock into Common stock	533,125	(133,281)										
Net change in the year						118,289	134		307	118,730	283	119,014
<b>Balance, March 31, 2010</b>	<b>2,595,958</b>	<b>—</b>	<b>¥399,697</b>	<b>¥149,011</b>	<b>¥142,334</b>	<b>¥ 34,968</b>	<b>¥ 1,891</b>	<b>¥ (15,532)</b>	<b>¥ (1,738)</b>	<b>¥ 710,632</b>	<b>¥ 2,733</b>	<b>¥ 713,366</b>

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

# Consolidated Statements of Cash Flows (Unaudited)

The Chuo Mitsui Trust and Banking Company, Limited, and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Millions of yen			Thousands of U.S. dollars (Note 1)
	Six months ended September 30	2009	Year ended March 31 2010	Six months ended September 30 2010
<b>Operating activities:</b>				
Income before income taxes	¥ 49,677	¥ 30,171	¥ 72,869	\$ 592,810
Adjustments for:				
Income taxes paid	(810)	2,079	853	(9,670)
Depreciation and amortization	4,913	4,810	9,789	58,631
Loss on impairment of fixed assets	—	—	41	—
Amortization of consolidation goodwill	308	337	705	3,677
Equity in earnings of associated companies	(75)	508	895	(904)
(Decrease) increase in allowance for loan losses	(6,670)	2,413	(8,108)	(79,595)
(Decrease) increase in provision for bonuses	(35)	15	71	(426)
(Decrease) increase in provision for directors' retirement benefits	(242)	(70)	45	(2,899)
Increase in provision for retirement benefits	31	28	58	379
Increase (decrease) in provision for contingent losses	1,208	(768)	(206)	14,417
Net gain on securities	(17,316)	(10,366)	(18,951)	(206,642)
Net gain on money held in trust	(60)	(61)	(144)	(722)
Foreign exchange loss—net	53,459	51,987	34,951	637,936
Net loss (gain) on disposals of tangible fixed assets	136	(8)	265	1,623
Change in assets and liabilities:				
Decrease in trading assets	3,848	15,502	15,471	45,930
Increase (decrease) in trading liabilities	626	(1,639)	(956)	7,478
Decrease (increase) in loans and bills discounts	74,004	(530,759)	(357,653)	883,102
Increase (decrease) in deposits	113,192	(118,724)	(362,718)	1,350,751
Decrease in borrowed money (excluding subordinated borrowings)	(771,372)	(340,561)	(475,319)	(9,204,918)
Decrease (increase) in due from banks (excluding cash equivalents)	7,652	(15,769)	(8,739)	91,321
Decrease in call loans and bills bought	6,172	7,498	10,127	73,659
(Increase) decrease in receivables under securities borrowing transactions	(10,417)	2,880	7,291	(124,307)
(Decrease) increase in call money and bills sold	(38,668)	323,898	56,683	(461,435)
(Decrease) increase in payables under securities lending transactions	(64,429)	99,006	447,049	(768,844)
Decrease in foreign exchanges (assets)	50	56	35	607
Decrease in foreign exchanges (liabilities)	(21)	(42)	(20)	(256)
(Decrease) increase in due to trust account	(122,356)	233,727	115,695	(1,460,103)
Other—net	21,320	(1,628)	9,807	254,425
Net cash used in operating activities	(695,872)	(245,475)	(450,109)	(8,303,972)
<b>Investing activities:</b>				
Purchases of securities	(5,268,462)	(3,183,997)	(6,441,189)	(62,869,480)
Proceeds from sales of securities	5,828,404	3,296,433	6,650,948	69,551,367
Proceeds from redemption of securities	120,457	87,703	207,843	1,437,440
Increase in money held in trust	—	(2,500)	(2,500)	—
Decrease in money held in trust	57	58	2,637	686
Purchases of tangible fixed assets	(2,278)	(986)	(3,142)	(27,194)
Proceeds from sales of tangible fixed assets	161	166	351	1,932
Purchase of intangible fixed assets	(2,864)	(2,745)	(7,271)	(34,178)
Proceeds from sales of intangible fixed assets	0	569	567	5
Net provided by in investing activities	675,476	194,702	408,245	8,060,578
<b>Financing activities:</b>				
Proceeds from subordinated borrowings	5,000	60,000	65,000	59,665
Payment of subordinated borrowings	(5,000)	(60,000)	(65,000)	(59,665)
Proceeds from subordinated bonds	—	60,000	103,000	—
Redemption of subordinated bonds	—	(6,905)	(37,274)	—
Dividends paid	(9,501)	—	—	(113,379)
Net cash (used in) provided by financing activities	(9,501)	53,094	65,725	(113,379)
Foreign currency translation adjustments on cash and cash equivalents	(259)	573	302	(3,101)
Net (decrease) increase in cash and cash equivalents	(30,157)	2,894	24,163	(359,875)
Cash and cash equivalents, beginning of period	225,570	201,406	201,406	2,691,767
Cash and cash equivalents, end of period	¥ 195,412	¥ 204,300	¥ 225,570	\$ 2,331,891

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

# Notes to Consolidated Financial Statements (Unaudited)

The Chuo Mitsui Trust and Banking Company, Limited, and Consolidated Subsidiaries  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

## 1. Basis of Presentation

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by The Chuo Mitsui Trust and Banking Company, Limited ("Chuo Mitsui"), and its consolidated subsidiaries under the umbrella of Chuo Mitsui Trust Holdings, Inc. ("Chuo Mitsui Trust Holdings") in accordance with accounting principles generally accepted in Japan, and certain accounting and disclosure rules under the Financial Instruments and Exchange Act of Japan and the Banking Law of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to Chuo Mitsui's consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the consolidated financial statements for the fiscal year ended March 31, 2010 and six months ended September 30, 2009 to conform to classifications and presentations used in the consolidated financial statement for six months ended September 30, 2010.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Chuo Mitsui is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.80 to U.S.\$1, the approximate rate of exchange at September 30, 2010. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen and one thousand U.S. dollars have been truncated, except for per share information. As a result, the total may not be equal to the total of individual amounts.

## 2. Summary of Significant Accounting Policies

### a. Consolidation

The consolidated financial statements include the amounts of Chuo Mitsui and its significant subsidiaries. The number of consolidated subsidiaries as of September 30, 2010 was 15 (14 in 2009). In the fiscal year ended March 31, 2010, Chuo Mitsui Trust Realty Company, Limited was newly included in the scope of consolidation upon its establishment.

Under the control or influence concept, those companies in which Chuo Mitsui, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which Chuo Mitsui has the ability to exercise significant influence are accounted for by the equity method, unless in either case the companies are immaterial.

Investments in two (three in 2009) associated companies were accounted for by the equity method.

Investments in unconsolidated subsidiaries are stated at cost. If the equity method of accounting had been applied to the investments in these subsidiaries, the effect on the accompanying consolidated financial statements would not be material.

Any differences between the cost of an acquired subsidiary or associated company and the fair value of its net assets at the date of the acquisition are amortized over a period within 20 years, or charged to expense as incurred if such differences are considered to be immaterial.

All significant intercompany transactions, balances and unrealized profits have been eliminated in consolidation.

### b. Implementation Guidance on Determining a Subsidiary and an Affiliate

As "Implementation Guidance on Determining a Subsidiary and an Affiliate" (Accounting Standards Board of Japan Implementation Guidance No.22) was adopted from the fiscal year beginning on and after October 1, 2008, the Chuo Mitsui Trust Group has started to adopt this implementation guidance from the first half of the fiscal year 2009. This adoption did not affect the consolidated financial statements for the first half of the fiscal year 2009.

### c. Cash and Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include amounts due from the Bank of Japan.

### d. Mark-to-Market Accounting for Trading Purpose Transactions

Transactions for trading purposes (that is, transactions which seek to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from gaps among markets) are included in trading assets and trading liabilities on a trade date basis. Trading securities and monetary claims bought for trading purposes recorded in these accounts are stated at market value and trading-related financial derivatives are at the amounts that would be settled if they were terminated at the end of the period.

Unrealized gains and losses on trading purpose transactions are recognized in the consolidated statements of income.

### e. Translation of Foreign Currency Accounts

Chuo Mitsui maintains its accounting records in Japanese yen. Assets and liabilities denominated in foreign currencies are translated into Japanese yen using the exchange rate prevailing at each balance sheet date.

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of each balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity.

### f. Securities

Securities other than investments in unconsolidated subsidiaries and associated companies are classified and accounted for, depending on management's intent, as follows:

- (i) Trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings;
- (ii) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost; and
- (iii) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average cost method.



For other than temporary declines in fair value, securities are reduced to net realizable value by a charge to expense.

Securities in money held in trust are classified and accounted for the same as securities described above.

#### *g. Derivative and Hedging Activities*

Derivative financial instruments are classified and accounted for as follows:

(i) Except as discussed below, all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income; and (ii) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of the high correlation and effectiveness between the hedging instruments and the hedged items, Chuo Mitsui and certain domestic consolidated subsidiaries use the deferral hedge method or the fair value hedge method.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expenses or income.

#### *h. Tangible Fixed Assets*

Tangible fixed assets are carried at cost less accumulated depreciation. Depreciation of tangible fixed assets owned by Chuo Mitsui is computed by the declining-balance method, while the straight-line method is applied to buildings acquired after April 1, 1998. The range of useful lives is from 10 to 50 years for buildings, and from three to eight years for equipment.

Depreciation of tangible fixed assets owned by consolidated subsidiaries is mainly computed by the straight-line method over the estimated useful lives of the respective assets.

#### *i. Software*

Capitalized software for internal use is amortized by the straight-line method over the estimated useful lives of the software (principally five years).

#### *j. Impairment of Fixed Assets*

The Chuo Mitsui Trust and Banking Group reviews their long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

#### *k. Land Revaluation*

Under the Law of Land Revaluation, The Mitsui Trust and Banking Company, Limited, the forerunner of Chuo Mitsui, elected the one-time revaluation for its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation difference represents unrealized appreciation of land and is stated as a component of equity. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the

decline in value should be removed from the land revaluation difference account and related deferred tax liabilities.

As of September 30, 2010 and 2009, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥5,392 million (\$64,347 thousand), and ¥2,428 million, respectively.

#### *l. Stock and Bond Issue Costs*

Stock issue costs are amortized by the straight-line method over the effective period within three years.

Bond issue costs are charged to expense as incurred.

#### *m. Allowance for Loan Losses*

Allowance for loan losses of Chuo Mitsui and major consolidated subsidiaries is maintained in accordance with internally established standards for write-offs and allowances for loan losses.

(i) For claims against borrowers that are legally bankrupt, such as borrowers in bankruptcy and under special liquidation proceedings ("legal bankruptcy"), and against borrowers that are in substantially similarly adverse condition ("virtual bankruptcy"), allowances are maintained at 100% of amount of claims net of expected amounts recoverable from the disposal of collateral and/or the amounts recoverable under guarantees.

(ii) For claims against borrowers that have not yet become legally or formally bankrupt but that are very likely to become bankrupt ("possible bankruptcy"), allowances are maintained at amounts deemed necessary to absorb losses on the amount of claims less expected amounts recoverable from the disposal of collateral and/or the amounts recoverable under guarantees, based on the overall assessment of the borrowers' repayment ability.

For claims against large borrowers that are classified as possible bankruptcy and close observation borrowers for which future cash flows could be reasonably estimated, allowances are provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate and the carrying value of the claim.

(iii) For claims against other borrowers judged to be in legal bankruptcy, virtual bankruptcy and possible bankruptcy borrowers, as mentioned above, allowances are maintained at rates derived from historical loan loss experiences, etc.

(iv) Allowance for losses on loans to restructuring countries is maintained in order to cover possible losses based on the political and economic climates of those countries.

All claims are assessed by the operating sections and each Credit Supervision Department based on the internal guidelines for self-assessment on asset quality. Subsequently, the Internal Audit Department, which is independent from the operating sections, reviews these self-assessments, and the allowances are provided based on the results of the self-assessments.

With respect to claims with collateral and/or guarantees extended to borrowers that are in legal bankruptcy or virtual bankruptcy borrowers, the unrecoverable amount is estimated by deducting from the amount of claims the realizable value of collateral or the amount likely to be recovered based on guarantees.

The outstanding amount thus determined is then directly written off from the amount of claims as the unrecoverable amount, which totaled ¥28,200 million (\$336,519 thousand) and ¥36,020 million as of September 30, 2010 and 2009, respectively.

Other consolidated subsidiaries provide for "allowance for loan losses" based on the past experience and management's assessment of the loan portfolio.



**n. Provision for Bonuses**

Provision for bonuses is provided for the payment of employees' bonuses based on estimates of the future payments attributed to the current period.

**o. Provision for Directors' Retirement Benefits**

Provision for directors' retirement benefits is provided at the amount which would be required if all directors, corporate auditors and executive officers retired at the balance sheet date. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

**p. Provision for Retirement Benefits and Pension Plans**

Chuo Mitsui has defined benefit plans (employee pension fund plans and tax qualified pension plans) and lump-sum severance indemnity plans.

Chuo Mitsui accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

**q. Provision for Contingent Losses**

Provision for contingent losses, which is provided for possible losses from contingent events related to off-balance sheet and other transactions is calculated by estimation of the impact of these contingent events.

**(1) Provision for Reimbursement of Deposits**

Provision for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursement experience.

**(2) Provision for Possible Losses Related to Land Trust**

Provision for possible losses related to land trust is provided for estimated losses deemed necessary for potential damages to the compensation rights being acquired, when a liability for reimbursement, as a trustee of a land trust, is incurred due to the future business circumstances of the land trust.

**r. Income Taxes**

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

**s. Leases**

In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to

recognize lease assets and lease obligations in the balance sheet.

In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions.

The Chuo Mitsui Trust and Banking Group applied the revised accounting standard effective April 1, 2008. The effect of this change did not have a significant impact on the consolidated balance sheets and the consolidated statements of income.

**t. Per Share Information**

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

**u. New Accounting Pronouncements****Accounting Changes and Error Correction**

In December 2009, ASBJ issued ASBJ Statement No.24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No.24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows;

**(1) Changes in Accounting Policies**

When a new accounting policy is applied with revision of accounting standards, a new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

**(2) Changes in Presentations**

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

**(3) Changes in Accounting Estimates**

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

**(4) Corrections of Prior Period Errors**

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

**3. Changes in Significant Accounting Policies****a. Equity Method**

The Chuo Mitsui Trust and Banking Group applied ASBJ Statement No. 16 "Accounting Standard for Equity Method of Accounting for Investments" (issued by ASBJ on March 10, 2008) and PITF No. 24 "Practical Solution for Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (issued by ASBJ on March 10, 2008) from

this period. There was no effect on financial statements with regard to this adoption.

#### b. Asset Retirement Obligations

The Chuo Mitsui Trust and Banking Group applied ASBJ Statement No. 18 "Accounting Standards for Asset Retirement Obligations" (issued by ASBJ on March 31, 2008) and ASBJ Guidance No. 21 "Implementation Guidance for Asset Retirement Obligations" (issued by ASBJ on March 31, 2008) from this period. As a result, Income before income taxes decreased by ¥223 million (\$2,667 thousand). With regard to this adoption, the amount of asset retirement obligations increased ¥361 million (\$4,316 thousand).

#### 4. Securities

Securities as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Japanese government bonds	<b>¥1,596,313</b>	¥2,351,762	<b>\$19,049,082</b>
Japanese municipal bonds	<b>206</b>	644	<b>2,463</b>
Japanese corporate bonds	<b>284,661</b>	348,333	<b>3,396,919</b>
Japanese stocks	<b>567,377</b>	672,616	<b>6,770,617</b>
Other securities	<b>1,506,311</b>	1,416,801	<b>17,975,075</b>
Total	<b>¥3,954,870</b>	<b>¥4,790,158</b>	<b>\$47,194,158</b>

The carrying amounts and aggregate fair values of securities (including securities in trading assets and monetary claims bought) as of September 30, 2010 and 2009, were as follows:

	Millions of yen			
September 30, 2010	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading				¥ 7,097
Available-for-sale:				
Japanese equity securities	¥ 461,007	¥77,546	¥60,107	478,446
Japanese debt securities	1,858,389	8,726	8,624	1,858,492
Other	1,153,992	19,310	18,252	1,155,050
Held-to-maturity	314,569	1,871	2,206	314,234

	Millions of yen			
September 30, 2009	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading				¥ 13,013
Available-for-sale:				
Japanese equity securities	¥ 489,937	¥128,766	¥38,557	580,147
Japanese debt securities	1,792,468	10,183	13,934	1,788,717
Other	1,048,844	3,723	24,050	1,028,518
Held-to-maturity	921,106	5,739	7,856	918,989

	Thousands of U.S. dollars			
September 30, 2010	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading				\$ 84,693
Available-for-sale:				
Japanese equity securities	\$ 5,501,283	\$925,380	\$717,276	5,709,387
Japanese debt securities	22,176,489	104,133	102,911	22,177,710
Other	13,770,793	230,437	217,809	13,783,421
Held-to-maturity	3,753,807	22,337	26,327	3,749,817

Note: Values in the consolidated balance sheets reflect fair market values calculated by using the average market prices during the final month of the period for Japanese stocks and securities investment trusts, and by using the market prices at the end of the period for securities other than Japanese stocks and securities investment trusts.

Available-for sale securities and held-to-maturity securities whose fair value is not readily determinable as of September 30, 2009 were as follows. The similar information for 2010 is disclosed in Note 25.

	Carrying amount
	Millions of yen
	2009
Available-for-sale:	
Unlisted Japanese stocks	¥ 90,765
Unlisted corporate bonds	289,117
Unlisted foreign securities	19,956
Subscription certificates	135,457
Held-to-maturity:	
Unlisted foreign securities	4,442
Total	¥539,740

Securities in unconsolidated subsidiaries and associated companies totaled ¥971 million (\$11,588 thousand) and ¥1,703 million as of September 30, 2010 and 2009, respectively.

Guarantee obligations for privately offered corporate bonds (provided in accordance with Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) in "Securities" were ¥141,698 million (\$1,690,911 thousand) and ¥150,832 million as of September 30, 2010 and 2009, respectively.

Available-for-sale securities with the fair value, whose fair value significantly declined compared with the acquisition cost, and is not considered to recover to their acquisition cost, are written down to the respective fair value which is recorded as the carrying amount on the consolidated balance sheets. The related losses on revaluation are charged to income for the period.

Impairment losses on equity securities were ¥1,207 million (\$14,404 thousand) and ¥685 million as of September 30, 2010 and 2009, respectively.

## 5. Money Held in Trust

The carrying amounts and aggregate fair values of money held in trust as of September 30, 2010 and 2009, were as follows:

	Millions of yen		
	Cost	Unrealized gains	Fair value
September 30, 2010			
Money held in trust classified as:			
Available-for-sale	<b>¥1,697</b>	<b>¥572</b>	<b>¥2,270</b>
	Millions of yen		
	Cost	Unrealized gains	Fair value
September 30, 2009			
Money held in trust classified as:			
Available-for-sale	¥1,691	¥571	¥2,262
	Thousands of U.S. dollars		
	Cost	Unrealized gains	Fair value
September 30, 2010			
Money held in trust classified as:			
Available-for-sale	<b>\$20,258</b>	<b>\$6,830</b>	<b>\$27,089</b>

## 6. Loans and Bills Discounted

Loans and bills discounted as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Bills discounted	¥ 2,515	¥ 3,147	\$ 30,014
Loans on notes	1,313,212	1,319,576	15,670,791
Loans on deeds	6,830,797	6,983,821	81,513,093
Overdrafts	721,419	808,507	8,608,824
Total	<u>¥8,867,944</u>	<u>¥9,115,054</u>	<u>\$105,822,724</u>

### Loans to Borrowers in Bankruptcy and Non-Accrual Loans

Loans to borrowers in bankruptcy are included in loans and bills discounted, and totaled ¥14,905 million (\$177,866 thousand) and ¥26,009 million as of September 30, 2010 and 2009, respectively.

Loans are generally placed on non-accrual status when substantial doubt is judged to exist as to the ultimate collectibility of either principal or interest.

Loans to borrowers in bankruptcy represent non-accruing loans, after the partial write-off of claims deemed uncollectible, to debtors who are legally bankrupt as defined in Article 96, Paragraph 1, Subparagraphs 3 and 4 of Enforcement Ordinance for the Corporation Tax Law.

Non-accrual loans are included in loans and bills discounted, and totaled ¥55,005 million (\$656,386 thousand) and ¥101,245 million as of September 30, 2010 and 2009, respectively.

Non-accrual loans are non-accruing loans other than loans to borrowers in bankruptcy and loans for which interest payment is deferred in order to assist the debtor's financial recovery from financial difficulties.

### Loans Past Due Three Months or More

Loans past due three months or more are included in loans and bills discounted, and totaled ¥384 million (\$4,591 thousand) and ¥31 million as of September 30, 2010 and 2009,

respectively. Loans classified as loans to borrowers in bankruptcy or non-accrual loans are excluded.

### Restructured Loans

Restructured loans are included in loans and bills discounted, and totaled ¥31,437 million (\$375,152 thousand) and ¥6,797 million as of September 30, 2010 and 2009, respectively. Such restructured loans are loans on which Chuo Mitsui and major consolidated subsidiaries have granted concessions (for example, reduction of the face amount or maturity amount of the debt or accrued interest) to debtors in financial difficulties to assist them in their financial recovery and eventually enable them to pay their creditors. Loans classified as loans to borrowers in bankruptcy or non-accrual loans or loans past due three months or more are excluded.

Loans to borrowers in bankruptcy and non-accrual loans, loans past due three months or more and restructured loans totaled ¥101,732 million (\$1,213,996 thousand) and ¥134,083 million as of September 30, 2010 and 2009, respectively. These claims are before deduction of the allowance for loan losses.

Bills discounted are accounted for as secured lending transactions in conformity with the Industry Audit Committee Report No. 24, "Treatment of Accounting and Auditing Concerning Accounting for Financial Products in the Banking Industry" issued by the JICPA on February 13, 2002. Bills discounted by Chuo Mitsui are permitted to be sold or pledged.

## 7. Tangible Fixed Assets

Accumulated depreciation amounted to ¥90,870 million (\$1,084,369 thousand) and ¥88,734 million as of September 30, 2010 and 2009, respectively.

## 8. Collateral

The carrying amounts of assets pledged as collateral and the related collateralized debt as of September 30, 2010 and 2009, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Securities	<b>¥1,792,422</b>	¥2,590,435	<b>\$21,389,291</b>
Loans	<b>652,330</b>	773,585	<b>7,784,369</b>
Trading assets	—	4,982	—
Other assets	<b>69</b>	70	<b>823</b>
Total	<u><b>¥2,444,821</b></u>	<u>¥3,369,074</u>	<u><b>\$29,174,484</b></u>
Deposits	¥ 8,582	¥ 8,423	\$ 102,416
Call money and bills sold	—	45,000	—
Payables under repurchase agreements	—	255,326	—
Payables under securities lending transactions	<b>1,638,268</b>	1,354,655	<b>19,549,746</b>
Borrowed money	<b>352,000</b>	1,258,100	<b>4,200,477</b>
Total	<u><b>¥1,998,851</b></u>	<u>¥2,921,505</u>	<u><b>\$23,852,640</b></u>

In addition, securities pledged as collateral for exchange settlements, for derivative transactions and for certain other purposes as of September 30, 2010 and 2009 were ¥569,418 million (\$6,794,966 thousand) and ¥536,094 million, respectively.

Also, securities deposits (included in other assets) as of September 30, 2010 and 2009 were ¥7,865 million (\$93,855 thousand) and ¥8,260 million, respectively.

## 9. Customers' Liabilities for Acceptances and Guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in acceptances and guarantees. As a contra account, customers' liabilities for acceptances and guarantees are shown as assets in the consolidated balance sheets representing Chuo Mitsui's right of indemnity from the applicant.

## 10. Deposits

Deposits as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Current deposits	¥ 74,787	¥ 107,931	\$ 892,456
Ordinary deposits	1,205,513	1,143,357	14,385,597
Deposits at notice	14,958	20,859	178,506
Time deposits	7,593,837	7,399,446	90,618,585
Negotiable certificates of deposit	303,170	643,900	3,617,780
Other	48,405	55,979	577,633
Total	<u>¥9,240,672</u>	<u>¥9,371,474</u>	<u>\$110,270,560</u>

## 11. Borrowed Money

Borrowed money as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Borrowed money	¥353,374	¥1,259,504	\$4,216,877
Subordinated borrowings	77,500	77,500	924,821
Perpetual subordinated borrowings	15,000	15,000	178,997
Total	<u>¥445,874</u>	<u>¥1,352,004</u>	<u>\$5,320,695</u>

## 12. Bonds Payable

Bonds payable as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Issuer: Chuo Mitsui, Unsecured perpetual subordinated bonds	¥ 94,741	¥ 99,992	\$1,130,561
Unsecured subordinated bonds	133,000	120,000	1,587,112
Total	<u>¥227,741</u>	<u>¥219,992</u>	<u>\$2,717,673</u>

## 13. Retirement and Pension Plans

Employees who terminate their services with Chuo Mitsui or certain domestic consolidated subsidiaries are, under most circumstances, entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the

termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payment than in the case of voluntary termination.

Chuo Mitsui has defined benefit plans (employee pension fund plans and tax qualified pension plans) and lump-sum severance indemnity plans. Certain domestic consolidated subsidiaries have lump-sum severance indemnity plans and integrated contributory pension plans.

Chuo Mitsui contributed certain available-for-sale securities with a fair value to the employee retirement benefit trust for their pension plans. The securities held in this trust are qualified as plan assets.

## 14. Commitments and Contingent Liabilities

a. Chuo Mitsui and certain consolidated subsidiaries issue commitments to extend credit and establish credit lines for overdrafts by making agreements to meet the financing needs of their customers. The total balance of unused commitment lines as of September 30, 2010 and 2009, was ¥2,689,029 million (\$32,088,659 thousand) and ¥2,422,112 million, respectively, of which commitment lines whose maturities are less than one year were ¥2,539,278 million (\$30,301,650 thousand) and ¥2,290,221 million, respectively.

Many of these commitment lines expire without being drawn. As such, the total balance of unused commitment lines does not necessarily impact future cash flows of Chuo Mitsui and certain consolidated subsidiaries. Furthermore, many commitment lines contain provisions that allow Chuo Mitsui and certain consolidated subsidiaries to refuse to advance funds to the customers or reduce the contract amount of the commitment lines under certain conditions.

Chuo Mitsui and certain consolidated subsidiaries may also request customers to provide collateral, if necessary, such as real estate or securities on the execution date of the contract. After the execution date, Chuo Mitsui and certain consolidated subsidiaries periodically monitor the customers' creditworthiness over the term of the contracts in accordance with internal policies, and take measures to manage the credit exposures such as revising the terms of the contracts, if necessary.

b. Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by Chuo Mitsui. Regarding guaranteed trusts, Chuo Mitsui guaranteed the principal amount of ¥932,804 million (\$11,131,320 thousand) and ¥1,085,575 million for certain money trusts as of September 30, 2010 and 2009, respectively, and ¥282,557 million (\$3,371,805 thousand) and ¥439,731 million for loan trusts as of September 30, 2010 and 2009, respectively.

## 15. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

### (a) Dividends

Under the Companies Act, companies can pay dividends at any time during the period in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as: (1) having a Board of



Directors, (2) having independent auditors, (3) having a Board of Corporate Auditors, and (4) where the term of service of the directors under the company's article of incorporation is prescribed as one year rather than two years for a normal term, the Board of Directors may declare dividends (except for dividends in kind) at any time during the period if the company has so prescribed in its articles of incorporation. However, Chuo Mitsui cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

(b) Increases/decreases and transfer of capital stock, reserve and surplus

The Banking Law of Japan requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 100% of the capital stock. The Companies Act also provides that capital stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

## 16. Common Stock and Preferred Stock

Common stock and preferred stock as of September 30, 2010, consisted of the following:

Class of stock	Number of shares (Thousands)	
	Authorized	Issued
Common stock	3,911,104	2,595,958

Dividends are as follows:

Resolution	Type of Shares	Cash Dividends Declared		Cash Dividends per share		Record Date	Effective Date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
June 28, 2010 Ordinary General Meeting of Shareholders	Common Stock	¥9,501	\$102,130	¥3.66	\$0.03	March 31, 2010	June 29, 2010

Dividends, which record date is during the period and effective date of distribution is after the period, are as follows:  
There are no corresponding items.

## 17. Other Interest Income

Other interest income for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Interest on due from banks	¥ 210	¥ 103	\$ 2,510
Interest on interest rate swap	1,455	564	17,367
Interest on monetary claims bought	599	678	7,151
Other	310	70	3,708
Total	¥2,575	¥1,416	\$30,738

## 18. Trust Fees

Chuo Mitsui receives fees for controlling and managing trust properties held under trust agreements between it and its clients.

## 19. Other Ordinary Income

Other ordinary income for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Gains on foreign exchange	¥ 60	¥ 138	\$ 725
Gains on sales and redemption of bonds	23,500	10,528	280,434
Gains on derivatives	—	2,530	—
Other	6	1,805	81
Total	¥23,567	¥15,002	\$281,240

## 20. Other Income

Other income for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Gains on sales of stocks and other securities	¥ 3,466	¥ 5,314	\$ 41,364
Gains on money held in trust	60	61	722
Gains on disposal of tangible fixed assets	13	209	158
Recoveries of written-off claims	1,675	940	19,993
Reversal allowance for contingent losses	—	762	—
Net reversal of allowance for loan losses	5,813	—	69,379
Other	3,493	3,635	41,684
Total	¥14,522	¥10,924	\$173,302



## 21. Other Interest Expenses

Other interest expenses for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Interest on bonds payable	<u>¥3,769</u>	¥3,569	<u>\$44,986</u>
Interest on payables under repurchase agreements and payables under securities lending transactions	<u>1,248</u>	2,147	<u>14,893</u>
Other	<u>2,675</u>	3,780	<u>31,932</u>
Total	<u>¥7,693</u>	<u>¥9,497</u>	<u>\$91,812</u>

## 22. Other Ordinary Expenses

Other ordinary expenses for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Losses on sales and redemption of bonds	<u>¥4,182</u>	¥3,322	<u>\$49,904</u>
Other	<u>670</u>	32	<u>7,997</u>
Total	<u>¥4,852</u>	<u>¥3,355</u>	<u>\$57,902</u>

## 23. Other Expenses

Other expenses for six months ended September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Net provision of allowance for loan losses	¥ —	¥ 4,147	\$ —
Losses on sales of loans	—	1	—
Write-off of loans	<u>1,735</u>	7,366	<u>20,706</u>
Losses on sales of stocks and other securities	<u>281</u>	606	<u>3,355</u>
Losses on devaluation of stocks and other securities	<u>1,419</u>	1,150	<u>16,943</u>
Losses on disposal of tangible fixed assets	<u>149</u>	201	<u>1,782</u>
Other	<u>12,261</u>	10,453	<u>146,313</u>
Total	<u>¥15,846</u>	<u>¥23,926</u>	<u>\$189,100</u>

## 24. Leases

### Lessee

Total lease payments under finance lease arrangements that do not transfer ownership of the leased property to the lessee were ¥4 million (\$51 thousand) and ¥5 million for six months ended September 30, 2010 and 2009, respectively.

Pro forma information on leased property such as acquisition cost and accumulated depreciation and obligations under finance leases as of September 30, 2010 and 2009, and the related depreciation expense and interest expense under finance leases for six months ended September 30, 2010 and 2009, on an “as if capitalized” basis were as follows:

	Millions of yen		
	2010		
	Equipment	Other	Total
Acquisition cost	<u>¥25</u>	¥—	<u>¥25</u>
Accumulated depreciation	<u>22</u>	—	<u>22</u>
Net leased property	<u>¥ 3</u>	<u>¥—</u>	<u>¥ 3</u>

	Millions of yen		
	2009		
	Equipment	Other	Total
Acquisition cost	¥45	¥—	¥45
Accumulated depreciation	33	—	33
Net leased property	<u>¥12</u>	<u>¥—</u>	<u>¥12</u>

	Thousands of U.S. dollars		
	2010		
	Equipment	Other	Total
Acquisition cost	<u>\$307</u>	\$—	<u>\$307</u>
Accumulated depreciation	<u>268</u>	—	<u>268</u>
Net leased property	<u>\$ 39</u>	<u>\$—</u>	<u>\$ 39</u>

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Obligations under finance leases:			
Due within one year	<u>¥2</u>	¥ 9	<u>\$29</u>
Due after one year	<u>1</u>	3	<u>12</u>
Total	<u>¥3</u>	<u>¥12</u>	<u>\$42</u>

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Depreciation expense	<u>¥3</u>	¥4	<u>\$42</u>
Interest expense	<u>0</u>	0	<u>1</u>
Total	<u>¥3</u>	<u>¥4</u>	<u>\$43</u>

Depreciation expense and interest expense, which were not reflected in the accompanying consolidated statements of income, were computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancellable operating leases as of September 30, 2010 and 2009, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Due within one year	<u>¥329</u>	¥327	<u>\$3,932</u>
Due after one year	<u>279</u>	508	<u>3,334</u>
Total	<u>¥608</u>	<u>¥836</u>	<u>\$7,266</u>

## 25. Financial Instruments

The Chuo Mitsui Trust and Banking Group applied ASBJ Statement No.10 “Accounting Standard for Financial Instruments” and ASBJ Guidance No.19 “Guidance on Accounting Standard for Financial Instruments and Related Disclosures.” The accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. Therefore, the required information is disclosed only for 2010.

### Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheets and fair value of financial instruments as of September 30, 2010 as well as the differences between these values are described below. Financial instruments such as unlisted Japanese stocks whose fair values are not readily determinable are not included in the table. (See Notes B)

September 30, 2010	Millions of yen		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and cash equivalents	¥ 195,412	¥ 195,412	¥ —
(2) Due from banks other than due from the Bank of Japan	16,634	16,634	—
(3) Call loans and bills bought	5,056	5,056	—
(4) Receivables under securities borrowing transactions	11,938	11,938	—
(5) Monetary claims bought (*1)	97,436	98,625	1,188
(6) Trading assets			
Trading securities	7,097	7,097	—
(7) Money held in trust	2,270	2,270	—
(8) Securities			
Held-to-maturity debt securities	258,730	257,281	(1,448)
Other securities	3,476,788	3,476,788	—
(9) Loans and bills discounted	8,867,944		
Allowance for loan losses (*1)	(45,807)		
	8,822,136	8,900,089	77,952
Total assets	¥12,893,499	¥12,971,191	¥77,692
(1) Deposits	¥ 9,240,672	¥ 9,284,391	¥43,718
(2) Call money and bills sold	178,493	178,493	—
(3) Payables under securities lending transactions	1,638,268	1,638,268	—
(4) Borrowed money	445,874	450,867	4,992
(5) Bonds payable	227,741	234,886	7,145
(6) Due to trust account	873,256	873,256	—
Total liabilities	¥12,604,306	¥12,660,163	¥55,856
Derivative transactions (*2)			
To which hedge accounting is not applied	¥ 5,973	¥ 5,973	¥ —
To which hedge accounting is applied	11,053	11,053	—
Total derivative transactions	¥ 17,027	¥ 17,027	¥ —

September 30, 2010	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and cash equivalents	\$ 2,331,891	\$ 2,331,891	\$ —
(2) Due from banks other than due from the Bank of Japan	198,499	198,499	—
(3) Call loans and bills bought	60,334	60,334	—
(4) Receivables under securities borrowing transactions	142,458	142,458	—
(5) Monetary claims bought (*1)	1,162,726	1,176,909	14,183
(6) Trading assets			
Trading securities	84,693	84,693	—
(7) Money held in trust	27,089	27,089	—
(8) Securities			
Held-to-maturity debt securities	3,087,471	3,070,185	(17,285)
Other securities	41,489,119	41,489,119	—
(9) Loans and bills discounted	105,822,724		
Allowance for loan losses (*1)	(546,630)		
	105,276,094	106,206,313	930,218
Total assets	\$153,860,377	\$154,787,493	\$927,116
(1) Deposits	\$110,270,560	\$110,792,264	\$521,703
(2) Call money and bills sold	2,129,988	2,129,988	—
(3) Payables under securities lending transactions	19,549,746	19,549,746	—
(4) Borrowed money	5,320,695	5,380,274	59,579
(5) Bonds payable	2,717,673	2,802,942	85,268
(6) Due to trust account	10,420,718	10,420,718	—
Total liabilities	\$150,409,383	\$151,075,935	\$666,551
Derivative transactions (*2)			
To which hedge accounting is not applied	\$ 71,287	\$ 71,287	\$ —
To which hedge accounting is applied	131,901	131,901	—
Total derivative transactions	\$ 203,189	\$ 203,189	\$ —

(\*1) General as well as specific allowance for loan losses in respect of loans and bills discounted is excluded. As allowances for loan losses in respect of call loans and bills bought, and monetary claims bought are immaterial, they are deducted from the carrying amount.

(\*2) Derivative transactions included in trading assets and trading liabilities or other assets and other liabilities are collectively indicated. Receivables and payables incurred by derivative transactions are presented in net. Net payables are presented in parenthesis.

Notes: A Calculation method of fair values of financial instruments

### Assets

(1) Cash and cash equivalents and (2) Due from banks other than due from Bank of Japan.

Deposits without maturity are stated at their carrying amounts as their fair values approximate carrying amounts. Deposits with maturities with shorter deposit terms (within one year) are stated at their carrying amounts as their fair values approximate carrying amounts.

(3) Call loans and bills bought and (4) Receivables under securities borrowing transactions

These are subject to shorter agreed periods (within one year), and are stated at their acquisition costs as their fair values approximate acquisition costs.

(5) Monetary claims bought

Of the monetary claims bought, beneficiary certificates representing interest in a trust holding loan receivables are stated at the prices quoted by brokers. Other monetary claims bought with shorter agreed periods (within one year), are stated at their acquisition costs as their fair values approximate acquisition costs.

## (6) Trading assets

Securities including bonds held for trading purposes are stated at the prices quoted by Japan Securities Dealers Association.

## (7) Money held in trust

Securities comprising trust assets in money held in trust are stated at the prices quoted by brokers.

Matters to be noted in respect of money held in trust by purpose of holding are stated in Note 5 "Money Held in Trust."

## (8) Securities

Of securities of various categories; (i) equity securities are stated at the prices quoted on the stock exchanges, (ii) privately offered corporate bonds are stated at the values calculated by discounting principal and interest by the interest rate reflecting credit risk, by category based on internal rating and term, (iii) other bonds are stated at the prices published by Japan Securities Dealers Association or the prices quoted by brokers. Investment trust beneficiary certificates are stated at the official reference price published by securities investment trust and management firms.

Following an examination of the recent market environment, market values of floating-rate Japanese government bonds (JGBs) are believed to remain inappropriate to be treated as their fair values. Therefore reasonably assessed values of floating-rate JGBs are recorded as the carrying amount for six months ended September 30, 2010.

Reasonably assessed values of floating-rate JGBs are determined based on the discounted cash flow method. Price-determining variables include JGB yield and its volatility.

Matters to be noted in respect of securities by purpose of holding are stated in Note 4 "Securities."

## (9) Loans and bills discounted

Of loans and bills discounted, those with floating rates reflect market rates at short intervals, whose fair values approximate acquisition costs unless borrowers' creditworthiness changes significantly after the loans are made, and acquisition costs are stated as the fair values. Meanwhile, those with fixed rates are stated at the fair values, as calculated by discounting principal and interest by the interest rate reflecting credit risk by category based on the nature of loan, internal rating and term. Those loans with shorter contract periods (within one year) are stated at acquisition cost which approximate their fair values. Claims under legal bankruptcy, virtual bankruptcy and possible bankruptcy, whose expected amounts of loan losses are calculated based on the expected recoverable amounts from their collateral or guarantee, are stated at their acquisition costs at the consolidation date less the current expected amount of loan losses, which approximate their fair values. Of loans and bills discounted, those without scheduled due dates thanks to the special conditions such as the ones limiting the loan amounts within the values of pledged assets, are stated at acquisition costs which are assumed to approximate their fair values because of the estimated repayment period and interest rate conditions, etc.

**Liabilities**

## (1) Deposits

For demand deposits, the amount payable (carrying amount) in case demand is made on the consolidation date is treated as their fair value. Meanwhile for time deposits, present values calculated by discounting future cash flows by category based on terms, etc., by the interest rate applicable to newly deposited savings are deemed to be their fair values. For time

deposits with shorter deposit terms (within one year) and those with floating rates, carrying amounts approximate fair values, and thus quoted as such.

Negotiable certificates of deposit are all with shorter deposit terms (within one year) and are stated at their carrying amounts which approximate their fair values.

## (2) Call money and bills sold and (3) Payables under securities lending transactions

These are subject to shorter contract periods (within one year), and are stated at their acquisition costs as their fair values approximate acquisition costs.

## (4) Borrowed money

Borrowings are stated at their present values, as calculated by discounting principal and interest by the interest rate assumed for similar borrowings. Those borrowings with shorter agreed periods (within one year) are stated at acquisition costs which approximate their fair values.

## (5) Bonds payable

Bonds payable are stated at the prices quoted by Japan Securities Dealers Association, or in the absence of such market values, at their present values as calculated by discounting principal and interest by the interest rate assumed for the similar bond issues.

## (6) Due to trust account

Due to trust account is stated at the amounts payable (book value) in case demand is made on the consolidation date.

**Derivative transactions**

The information regarding derivatives transactions is included in Note 26 "Derivative Information."

Notes: B Financial instruments whose fair values are not readily determinable are listed below.

These items are not included in "Asset (8) Other securities" stated in fair value of financial instruments.

Category	Millions of yen
	Carrying amount
Unlisted Japanese stocks (*)	¥ 87,959
Subscription certificates	121,910
Foreign securities	8,510
Total	¥218,381

Category	Thousands of U.S. dollars
	Carrying amount
Unlisted Japanese stocks (*)	\$ 1,049,641
Subscription certificates	1,454,784
Foreign securities	101,554
Total	\$ 2,605,980

Fair Values of these items are not disclosed because there is no market price, and it is very difficult to identify fair values.

Securities in subsidiaries and associated companies are not included in the table.

(\*) For six months ended September 30, 2010, unlisted Japanese stocks were treated with an impairment loss of ¥200 million (\$2,388 thousand).

## 26. Derivatives Information

### Derivative Transactions

#### 1. Derivatives to which hedge accounting is not applied

Contract or notional amount, fair value, unrealized gains (losses) and calculation method of fair value are as follows:

Note that contract or notional amounts do not represent the market risk exposure associated with the derivatives.

#### Interest rate transactions

	Millions of yen			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Interest rate swaps:				
Fixed rate receipt, floating rate payment	¥4,855,405	¥3,887,588	¥ 204,108	¥ 204,108
Floating rate receipt, fixed rate payment	4,829,570	3,845,767	(200,644)	(200,644)
Floating rate receipt, floating rate payment	32,200	32,200	2,783	2,783
Interest rate swaptions:				
Selling	82,350	49,200	(919)	945
Buying	102,992	57,439	1,131	473
Others:				
Selling	56,854	54,406	(58)	117
Buying	96,306	93,906	58	(23)
Total			¥ 6,459	¥ 7,759

	Millions of yen		
	2009		
	Contract or notional amount		Unrealized gains (losses)
	Total	Fair value	
Over-the-counter:			
Interest rate swaps:	¥10,289,685	¥5,134	¥5,134
Interest rate swaptions:	127,153	83	875
Others:	96,183	(0)	104
Total		¥5,217	¥6,114

	Thousands of U.S. dollars			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Interest rate swaps:				
Fixed rate receipt floating rate payment	\$57,940,402	\$46,391,273	\$ 2,435,665	\$ 2,435,665
Floating rate receipt fixed rate payment	57,632,107	45,892,217	(2,394,327)	(2,394,327)
Floating rate receipt floating rate payment	384,248	384,248	33,213	33,213
Interest rate swaptions:				
Selling	982,696	587,112	(10,975)	11,281
Buying	1,229,021	685,429	13,501	5,648
Others:				
Selling	678,459	649,242	(700)	1,398
Buying	1,149,242	1,120,602	699	(285)
Total			\$ 77,076	\$ 92,593

Note: Fair value of listed transactions is calculated according to closing market prices on the Tokyo International Financial Futures Exchange and other exchanges. Fair value of over-the-counter transactions is calculated according to discounted present value, the option pricing model and other valuation techniques.

#### Currency transactions

	Millions of yen			
	2010			
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Currency rate swaps	¥ 41,900	¥41,900	¥ 98	¥ 98
Foreign exchange contracts:				
Selling	1,174,113	308	2,544	2,544
Buying	1,213,060	388	(2,705)	(2,705)
Currency options:				
Buying	5,028	—	12	(24)
Total			¥ (50)	¥ (86)

	Millions of yen		
	2009		
	Contract or notional amount		Unrealized gains (losses)
	Total	Fair value	
Over-the-counter:			
Currency rate swaps	¥ 46,893	¥ 145	¥ 145
Foreign exchange contracts:			
Selling	2,403,996	1,475	1,475
Buying			
Total		¥1,620	¥1,620

Thousands of U.S. dollars				
2010				
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Currency rate swaps	\$ 500,000	\$ 500,000	\$ 1,178	\$ 1,178
Foreign exchange contracts:				
Selling	14,010,902	3,687	30,359	30,359
Buying	14,475,667	4,639	(32,281)	(32,281)
Currency options:				
Buying	60,000	—	143	(293)
Total			<u>\$ (600)</u>	<u>\$ (1,037)</u>

Note: Fair value is calculated according to discounted present value, the option pricing model and other valuation techniques.

### Stock transactions

Millions of yen				
2010				
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Stock index options:				
Selling	¥2,475	¥—	¥(0)	¥ 23
Buying	3,762	—	6	(63)
Total			<u>¥ 5</u>	<u>¥(40)</u>

Millions of yen				
2009				
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Stock index options:	¥4,156		¥5	¥(33)

Thousands of U.S. dollars				
2010				
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Stock index options:				
Selling	\$29,534	\$—	\$ (9)	\$ 276
Buying	44,898	—	73	(758)
Total			<u>\$63</u>	<u>\$ (481)</u>

Note: Fair value is calculated according to closing market prices on the stock exchanges, such as the Tokyo Stock Exchange.

### Bond transactions

There was no contract or notional amount of bond transactions as of September 30, 2010 and 2009.

### Credit derivative transactions

Millions of yen				
2010				
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Credit default swaps:				
Selling	¥5,000	¥5,000	¥(440)	¥(440)

Millions of yen				
2009				
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Credit default swaps:	¥15,000		¥(11,618)	¥(11,618)

Thousands of U.S. dollars				
2010				
	Contract or notional amount		Fair value	Unrealized gains (losses)
	Total	Over one year		
Over-the-counter:				
Credit default swaps:				
Selling	\$59,665	\$59,665	\$(5,252)	\$(5,252)

Notes: 1. Fair value is calculated according to discounted present value and the prices offered by brokers and by the pricing model.  
2. "Selling" refers to acceptance transactions on credit risk.

The fair values of these credit default swaps were determined based on the values reasonably estimated by using our own calculation methods.

The values reasonably estimated by using our own calculation methods are calculated by the theory value model on the basis of analysis such as price change chronological order comparison of the market price of the credit default swap and a price comparison between similar articles.

### 2. Derivatives to which hedge accounting is applied

Contract or notional amount, fair value, unrealized gains (losses) and calculation method of fair value are as follows: Note that contract or notional amounts do not represent the market risk exposure associated with the derivatives.

The Chuo Mitsui Trust and Banking Group applied ASBJ Statement No.10 "Accounting Standard for Financial Instruments" and ASBJ Guidance No.19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." The accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. Therefore, the required information is disclosed only for 2010.



**Interest rate transactions**

Hedge accounting method	Type of derivatives	Major hedged item	Millions of yen		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Interest rate swaps:				
	Fixed rate receipt				
	Floating rate payment	Securities	¥100,000	¥100,000	¥ 5,415
	Floating rate receipt				
	Fixed rate payment	Securities	100,000	100,000	(5,669)
	Floating rate payment	Borrowed money	17,500	17,500	330
	Fixed rate receipt				
	Floating rate payment	Bonds payable	108,641	108,641	11,819
Total					¥11,896
Hedge accounting method	Type of derivatives	Major hedged item	Thousands of U.S. dollars		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Interest rate swaps:				
	Fixed rate receipt				
	Floating rate payment	Securities	\$1,193,317	\$1,193,317	\$ 64,618
	Floating rate receipt				
	Fixed rate payment	Securities	1,193,317	1,193,317	(67,649)
	Floating rate payment	Borrowed money	208,830	208,830	3,948
	Fixed rate receipt				
	Floating rate payment	Bonds payable	1,296,432	1,296,432	141,041
Total					\$141,959

- Notes: 1. These transactions are mainly accounted for using the deferral hedge accounting in accordance with JICPA Industry Audit Committee Report No. 24 "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry."
2. Fair values are calculated according to discounted present value.

**Currency transactions**

Hedge accounting method	Type of derivatives	Major hedged item	Millions of yen		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Foreign exchange forward contracts:				
	Buying	Bonds payable	¥3,181	¥2,511	¥(25)
Hedge accounting method	Type of derivatives	Major hedged item	Thousands of U.S. dollars		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Foreign exchange forward contracts:				
	Buying	Bonds payable	\$37,966	\$29,968	\$(301)

- Notes: 1. These transactions are accounted for using the deferral hedge accounting individually in accordance with JICPA Guidance on Accounting Standard for Financial Instruments.
2. Fair values are calculated according to discounted present value.

**Bond transactions**

Hedge accounting method	Type of derivatives	Major hedged item	Millions of yen		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Bond forward agreements:				
	Selling	Securities	¥ 319,610	¥—	¥(1,117)
Method of recognizing gains or losses on hedged items	Bond OTC options:				
	Selling	Securities	510,000	—	(29)
	Buying	Securities	510,000	—	329
Total					¥ (817)
Hedge accounting method	Type of derivatives	Major hedged item	Thousands of U.S. dollars		
			2010		
			Contract or notional amount		
			Total	Over one year	Fair value
Primary method	Bond forward agreements:				
	Selling	Securities	\$3,813,961	\$—	\$(13,336)
Method of recognizing gains or losses on hedged items	Bond OTC options:				
	Selling	Securities	6,085,918	—	(346)
	Buying	Securities	6,085,918	—	3,926
Total					\$ (9,756)

Note: Fair values are calculated according to the prices offered by information vendors, the option pricing model and other valuation techniques.

**27. Segment Information**

The Chuo Mitsui Trust and Banking Group applied ASBJ Statement No.17 "Accounting Standard for Segment Information Disclosures" (revised on March 27, 2009) and ASBJ Guidance No.20 "Guidance on Accounting Standard for Segment Information Disclosures" from this period.

Therefore, the required information is disclosed only for 2010.

**1. Outline of reportable segments**

A reportable segment for Chuo Mitsui Trust and Banking Group is a component unit that constitutes a business for which discrete financial information is available and is regularly reviewed by the Board of Directors to determine the allocation of management resources and assess its performance.

Chuo Mitsui Trust and Banking Group has established a management system which enables each group company to conduct its operating activities independently. In addition, Chuo Mitsui Trust Holdings, the holding company, aims to maximize Chuo Mitsui Trust Group profits by ensuring an appropriate allocation of management resources to each operating division.

Accordingly, Chuo Mitsui Trust and Banking Group's reportable segments are distinguished at the company level. Thus, Chuo Mitsui is defined as a reportable segment.

Chuo Mitsui is principally engaged in the retail investment business (sales of investment trust, individual annuity insurance and other products), lending related business (corporate loans, mortgage loans, real estate asset finance, etc.), real estate business, securities transfer agency business and other.

## 2. The method of calculation of ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Accounting policies adopted by the reportable segments are same as those described in Note 2 "Summary of Significant Accounting Policies". Profit for reportable segments is determined based on income before income taxes for this period. In allocating income before income taxes, the values of internal transactions are treated consistently as those held with external customers.

## 3. Information about ordinary income, profit or loss, assets, liabilities and other items by reportable segment

	Millions of yen				
	Chuo Mitsui	Other	Total	Adjustment	Carrying amount
Ordinary income					
External customers	¥ 149,174	¥ 8,343	¥ 157,517	¥ —	¥ 157,517
Internal transactions	403	7,645	8,048	(8,048)	—
Total	149,578	15,988	165,566	(8,048)	157,517
Segment profit	48,171	1,426	49,598	79	49,677
Segment assets	13,809,614	206,115	14,015,730	54,418	14,070,149
Segment liabilities	13,065,660	56,459	13,122,119	226,433	13,348,552
Other items					
Depreciation and amortization	4,543	498	5,041	(128)	4,913
Interest income	80,093	1,128	81,221	(241)	80,979
Interest expenses	30,731	106	30,837	(125)	30,711
Extraordinary income	8,053	604	8,657	(1,155)	7,502
(Reversal of allowance for loan losses)	6,982	—	6,982	(1,168)	5,813
Extraordinary loss	2,203	329	2,532	—	2,532
(Management integration expenses)	1,916	—	1,916	—	1,916
	Thousands of U.S. dollars				
	Chuo Mitsui	Other	Total	Adjustment	Carrying amount
Ordinary income					
External customers	\$ 1,780,129	\$ 99,559	\$ 1,879,689	\$ —	\$ 1,879,689
Internal transactions	4,812	91,230	96,042	(96,042)	—
Total	1,784,942	190,790	1,975,732	(96,042)	1,879,689
Segment profit	574,842	17,023	591,866	944	592,810
Segment assets	164,792,534	2,459,614	167,252,149	649,390	167,901,539
Segment liabilities	155,914,801	673,739	156,588,540	2,702,065	159,290,606
Other items					
Depreciation and amortization	54,219	5,945	60,165	(1,533)	58,631
Interest income	955,768	13,464	969,233	(2,885)	966,347
Interest expenses	366,719	1,267	367,986	(1,495)	366,491
Extraordinary income	96,105	7,210	103,315	(13,784)	89,531
(Reversal of allowance for loan losses)	83,321	—	83,321	(13,942)	69,379
Extraordinary loss	26,289	3,933	30,223	—	30,223
(Management integration expenses)	22,868	—	22,868	—	22,868

Notes:

- 1 "Ordinary income" corresponds to "Net sales" of financial products and services. The adjustment shows the difference between ordinary income for management reporting purpose and for the purpose of preparing interim consolidated statements of income for this period.
- 2 "Other" consists of consolidated subsidiaries other than Chuo Mitsui, and segments not included in the reportable segments.
- 3 "Adjustment" includes the elimination adjustments required for internal transactions. In addition, adjustments of segment assets and segment liabilities include ¥300,035 million (\$3,580,374 thousand) related to "customers' liabilities for acceptance and guarantees" and "acceptance and guarantees" for mortgage loans.
- 4 Segment profit has been calculated in line with income before income taxes as adjusted in the consolidated statement of income for this period.

## Related Information

Six months ended September 30, 2010

### 1. Information by service

	Millions of yen				
	Corporate business	Consumer loans	Market	Other	Total
Ordinary income from external customers	¥32,047	¥29,339	¥36,250	¥59,879	¥157,517
	Thousands of U.S. dollars				
	Corporate business	Consumer loans	Market	Other	Total
Ordinary income from external customers	\$382,429	\$350,118	\$432,587	\$714,553	\$1,879,689

Note: "Ordinary income" corresponds to "Net sales" of financial products and services.

### 2. Information by geographic region

#### (1) Ordinary income

Chuo Mitsui Trust and Banking Group omits ordinary income information by geographical region, since ordinary income from domestic external customers exceeds 90% of ordinary income of the interim consolidated statement of income for this period.

#### (2) Tangible fixed assets

Chuo Mitsui Trust and Banking Group omits tangible fixed asset information by geographical region, since tangible fixed assets located in Japan exceeds 90% of total tangible fixed assets of the interim consolidated balance sheet as of September 30, 2010.

### 3. Information by major customer

Chuo Mitsui Trust and Banking Group omits major customer information, since there is no particular customer who accounts for more than 10% of ordinary income of the interim consolidated statement of income for this period.

### Information about Loss on Impairment of Fixed Assets by Reportable Segment

There is no information applicable to this disclosure.

### Information about Amortization and Unamortized Balance of Goodwill by Reportable Segment

Six months ended September 30, 2010

	Millions of yen			
	Chuo Mitsui	Other	Eliminations/corporate	Total
Amortization for the period	¥—	¥—	¥ 308	¥ 308
Unamortized balance at end of period	—	—	7,247	7,247

	Thousands of U.S. dollars			
	Chuo Mitsui	Other	Eliminations/corporate	Total
Amortization for the period	\$—	\$—	\$ 3,677	\$ 3,677
Unamortized balance at end of period	—	—	86,483	86,483

Note: "Eliminations/corporate" includes ¥249 million (\$2,982 thousand) and ¥7,247 million (\$86,483 thousand) of amortization cost for the interim period and unamortized balance at end of the interim period of Tokyo Securities Transfer Agent Co., Ltd., respectively.

### Information about Gain on Negative Goodwill by Reportable Segment

There is no information applicable to this disclosure.

The following segment information for the six-month ended September 30, 2009 was not applied the revised Accounting Standard and the Guidance, ASBJ Statement No.17 and Guidance No.20.

### (1) Business Segment Information

	Millions of yen			
	2009			
	Trust and banking business	Other finance-related operations	Eliminations/corporate	Consolidated
Ordinary income:				
External customers	¥ 154,682	¥ 5,406	¥ —	¥ 160,088
Intersegment	869	1,529	(2,399)	—
Total ordinary income	155,552	6,935	(2,399)	160,088
Ordinary expenses	126,723	7,304	(2,399)	131,629
Ordinary profit (loss)	¥ 28,828	¥ (368)	¥ —	¥ 28,459
Total assets	¥15,246,308	¥61,619	¥(46,956)	¥15,260,971

### (2) Geographic Segment Information

Since domestic (Japan) total ordinary income and total assets by geographic segment for six months ended September 30, 2009, represented more than 90% of the consolidated total ordinary income and total assets of each respective period, geographic segment information was not required to be disclosed.

### (3) Ordinary Income from International Operations

	Millions of yen, except percentage data	
	2009	
Ordinary income from international operations (A)	¥ 29,470	
Consolidated ordinary income (B)	160,088	
(A)/(B) (%)	18.4%	

Note: Ordinary income from international operations represents ordinary income arising from international operations both in and outside Japan.

## 28. Per Share Information

Diluted net income per share for six months ended September 30, 2010 is not stated as there were no potential dilutive securities. Basic net income per share ("EPS") for six months ended September 30, 2010 was as follows:

	Millions of yen	Thousands of shares Weighted-average shares	Yen	U.S. dollars
Six months ended September 30, 2010	Net income		EPS	EPS
Basic EPS				
Net income available to common shareholders	¥33,349	2,595,958	¥12.84	\$0.15

Diluted net income per share for six months ended September 30, 2009 is not disclosed because of the Chuo Mitsui Trust and Banking Group net loss position. Basic net income per share ("EPS") for six months ended September 30, 2009 was as follows:

	Millions of yen	Thousands of shares Weighted-average shares	Yen
Six months ended September 30, 2009	Net income		EPS
Basic EPS			
Net income available to common shareholders	¥19,950	1,990,541	¥10.02

# Non-Consolidated Balance Sheets (Supplemental Information—Unaudited)

The Chuo Mitsui Trust and Banking Company, Limited  
As of September 30, 2010 and 2009, and March 31, 2010

	Millions of yen			Thousands of U.S. dollars
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>ASSETS</b>				
Cash and cash equivalents	¥ 191,923	¥ 199,820	¥ 221,587	\$ 2,290,255
Due from banks other than due from the Bank of Japan	16,634	31,316	24,286	198,499
Call loans	—	—	6,512	—
Receivables under securities borrowing transactions	11,938	5,932	1,521	142,458
Monetary claims bought	97,510	107,741	98,818	1,163,614
Trading assets	18,929	22,747	22,778	225,890
Money held in trust	—	2,500	—	—
Securities	4,041,835	4,862,672	4,494,557	48,231,932
Loans and bills discounted	8,865,057	9,111,322	8,938,774	105,788,270
Foreign exchanges	716	745	767	8,545
Other assets	299,535	308,628	410,641	3,574,407
Tangible fixed assets	100,005	100,371	99,887	1,193,386
Intangible fixed assets	19,556	17,513	19,311	233,371
Deferred tax assets	133,006	150,455	140,434	1,587,183
Customers' liabilities for acceptances and guarantees	51,979	45,715	48,101	620,285
Allowance for loan losses	(39,014)	(57,881)	(46,519)	(465,566)
<b>Total assets</b>	<b>¥13,809,614</b>	<b>¥14,909,601</b>	<b>¥14,481,460</b>	<b>\$164,792,534</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Deposits	¥ 9,298,214	¥ 9,425,815	¥ 9,184,360	\$110,957,216
Call money	178,493	229,050	217,161	2,129,988
Payables under repurchase agreements	—	255,326	—	—
Payables under securities lending transactions	1,638,268	1,354,655	1,702,697	19,549,746
Trading liabilities	8,538	7,228	7,911	101,889
Borrowed money	445,874	1,352,004	1,217,246	5,320,695
Foreign exchanges	—	—	21	—
Bonds payable	227,741	219,992	234,750	2,717,673
Due to trust accounts	873,256	1,113,645	995,612	10,420,718
Other liabilities	327,941	181,631	127,070	3,913,378
Provision for bonuses	2,011	2,013	2,050	24,001
Provision for directors' retirement benefits	640	781	875	7,637
Provision for contingent losses	12,701	11,045	11,567	151,568
Acceptances and guarantees	51,979	45,715	48,101	620,285
<b>Total liabilities</b>	<b>13,065,660</b>	<b>14,198,904</b>	<b>13,749,429</b>	<b>155,914,801</b>
<b>Equity:</b>				
Common stock and preferred stock	399,697	399,697	399,697	4,769,659
Capital surplus	149,011	149,011	149,011	1,778,185
Retained earnings	200,789	148,053	177,199	2,396,055
Valuation difference on available-for-sale securities	6,347	29,288	19,762	75,751
Deferred gains or losses on hedges	3,639	177	1,891	43,434
Revaluation reverse for land	(15,532)	(15,532)	(15,532)	(185,353)
<b>Total equity</b>	<b>743,954</b>	<b>710,697</b>	<b>732,030</b>	<b>8,877,732</b>
<b>Total liabilities and equity</b>	<b>¥13,809,614</b>	<b>¥14,909,601</b>	<b>¥14,481,460</b>	<b>\$164,792,534</b>

The Chuo Mitsui Trust and Banking Company, Limited  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

**The Chuo Mitsui Trust and Banking Company, Limited**

# Non-Consolidated Balance Sheets (Supplemental Information—Unaudited)

Chuo Mitsui Asset Trust and Banking Company, Limited  
As of September 30, 2010 and 2009, and March 31, 2010

	Millions of yen		Thousands of U.S. dollars	
	September 30	March 31	September 30	
	2010	2009	2010	2010
<b>ASSETS</b>				
Cash and cash equivalents	¥ 17,403	¥ 20,556	¥ 12,281	\$ 207,673
Due from banks other than due from the Bank of Japan	515	438	569	6,153
Securities	89,186	89,180	89,185	1,064,276
Other assets	29,432	32,271	31,631	351,218
Tangible fixed assets	669	570	679	7,991
Intangible fixed assets	3,675	3,324	3,711	43,856
Deferred tax assets	2,547	1,816	2,254	30,404
<b>Total assets</b>	<b>¥143,430</b>	<b>¥148,158</b>	<b>¥140,313</b>	<b>\$1,711,575</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Deposits	¥ 59	¥ 70	¥ 96	\$ 704
Call money	96,000	100,000	89,000	1,145,584
Other liabilities	8,252	8,523	7,944	98,480
Provision for bonuses	373	365	367	4,460
Provision for directors' retirement benefits	165	137	158	1,977
<b>Total liabilities</b>	<b>104,851</b>	<b>109,096</b>	<b>97,566</b>	<b>1,251,208</b>
<b>Equity:</b>				
Common stock	11,000	11,000	11,000	131,264
Capital surplus	21,246	21,246	21,246	253,532
Retained earnings	6,334	6,812	10,507	75,593
Valuation difference on available-for-sale securities	(2)	3	(6)	(24)
<b>Total equity</b>	<b>38,578</b>	<b>39,061</b>	<b>42,747</b>	<b>460,366</b>
<b>Total liabilities and equity</b>	<b>¥143,430</b>	<b>¥148,158</b>	<b>¥140,313</b>	<b>\$1,711,575</b>



Chuo Mitsui Asset Trust and Banking Company, Limited  
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

Chuo Mitsui Asset Trust and Banking Company, Limited

# Financial Statements of Subsidiary Banks (Trust Account—Unaudited)

Chuo Mitsui Trust Holdings, Inc.

As of September 30, 2010 and 2009, and March 31, 2010

	Millions of yen			Thousands of U.S. dollars
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>Assets:</b>				
Loans (Note 2)	¥ 245,687	¥ 265,809	¥ 254,912	\$ 2,931,835
Securities (Note 3)	81,477	83,614	82,610	972,288
Beneficiary rights	29,636,508	27,069,344	29,356,150	353,657,624
Securities held in custody accounts	122	136	123	1,457
Monetary claims	1,496,527	1,438,442	1,528,858	17,858,328
Premises and equipment	5,140,247	5,389,944	5,334,660	61,339,471
Intangible fixed assets	30,977	26,973	26,982	369,658
Other claims	35,938	37,643	37,588	428,866
Due from banking account	873,256	1,113,645	995,612	10,420,718
Cash and due from banks	210,629	224,968	217,640	2,513,483
<b>Total assets</b>	<b>¥37,751,374</b>	<b>¥35,650,523</b>	<b>¥37,835,141</b>	<b>\$450,493,733</b>
<b>Liabilities:</b>				
Money trusts (Note 4)	¥ 9,306,516	¥ 9,715,368	¥ 9,453,157	\$111,056,282
Pension trusts	6,643,151	6,591,218	6,749,433	79,273,886
Property formation benefit trusts	13,076	13,474	13,657	156,043
Loan trusts (Note 5)	285,041	439,439	358,777	3,401,446
Securities investment trusts	11,642,896	8,915,356	11,222,499	138,936,714
Money in trust other than money trusts	342,670	373,304	343,023	4,089,149
Securities in trust	1,432,499	1,348,073	1,369,355	17,094,264
Money claims in trust	1,517,621	1,459,210	1,548,503	18,110,039
Real estate in trust	76,144	76,393	75,951	908,645
Composite trusts	6,491,716	6,718,649	6,700,739	77,466,779
Other trusts	40	33	42	483
<b>Total liabilities</b>	<b>¥37,751,374</b>	<b>¥35,650,523</b>	<b>¥37,835,141</b>	<b>\$450,493,733</b>

See Notes to Financial Statements of Subsidiary Banks (Trust Account—Unaudited).

# Notes to Financial Statements of Subsidiary Banks (Trust Account—Unaudited)

Chuo Mitsui Trust Holdings, Inc. (Formerly, Mitsui Trust Holdings, Inc.)  
Six months ended September 30, 2010 and 2009

## 1. Trust Accounts

Under the Trust Law of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from other assets. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of Chuo Mitsui Trust Holdings, Inc. (“Chuo Mitsui Trust Holdings”), do not reflect Chuo Mitsui Trust Holdings’ records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers’ trust assets are guaranteed by The Chuo Mitsui Trust and Company, Limited, and such guaranteed principal as of September 30, 2010 and 2009, was ¥1,215,361 million (\$14,503,126 thousand) and ¥1,525,307 million, respectively.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.80 to U.S.\$1, the approximate rate of exchange as of September 30, 2010. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen and one thousand U.S. dollars have been truncated. As a result, the total may not be equal to the total of individual amounts.

## 2. Loans

Loans as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Loans on deeds	<b>¥222,428</b>	¥239,715	<b>\$2,654,274</b>
Loans on notes	<b>23,259</b>	26,094	<b>277,561</b>
Total	<b><u>¥245,687</u></b>	<u>¥265,809</u>	<b><u>\$2,931,835</u></b>

Under certain trust agreements, repayments of the principal of the customers’ trust assets are guaranteed by banking subsidiaries, and loans on such guaranteed trust assets as of September 30, 2010 and 2009, included the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Loans to borrowers in bankruptcy	<b>¥ 5</b>	¥ 6	<b>\$ 66</b>
Non-accrual loans	<b>179</b>	170	<b>2,147</b>
Restructured loans	<b>8,386</b>	9,460	<b>100,081</b>
Total	<b><u>¥8,572</u></b>	<u>¥9,638</u>	<b><u>\$102,295</u></b>

## 3. Securities

Securities are stated at market price or at cost by each trust agreement.

Securities held as of September 30, 2010 and 2009, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Japanese government bonds	<b>¥80,939</b>	¥82,908	<b>\$965,870</b>
Japanese stocks	<b>482</b>	488	<b>5,761</b>
Foreign securities	<b>0</b>	0	<b>0</b>
Other securities	<b>54</b>	216	<b>655</b>
Total	<b><u>¥81,477</u></b>	<u>¥83,614</u>	<b><u>\$972,288</u></b>

#### 4. Balance of Money Trusts

The principal amounts of certain money trusts are guaranteed and the balance of these accounts is as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Assets:			
Loans	<b>¥236,015</b>	¥ 251,270	<b>\$ 2,816,418</b>
Other	<b>696,807</b>	834,306	<b>8,315,123</b>
Total	<b><u>¥932,823</u></b>	<b><u>¥1,085,576</u></b>	<b><u>\$11,131,541</u></b>
Liabilities:			
Principal	<b>¥932,804</b>	¥1,085,575	<b>\$11,131,320</b>
Allowance for the impairment of guaranteed trust principal	<b>37</b>	44	<b>452</b>
Other	<b>(19)</b>	(43)	<b>(231)</b>
Total	<b><u>¥932,823</u></b>	<b><u>¥1,085,576</u></b>	<b><u>\$11,131,541</u></b>

In the case of certain money trusts, the principal amount is guaranteed and, as the above table indicates, allowance for the impairment of guaranteed trust principal is set aside by banking subsidiaries. The figures of the table include funds reinvested from the other trusts managed by a banking subsidiary.

#### 5. Balance of Loan Trusts

The balance of loan trusts is as follows (the figures of the table include funds reinvested from the other trusts managed by a banking subsidiary):

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Assets:			
Securities	<b>¥ 482</b>	¥ 488	<b>\$ 5,761</b>
Other	<b>285,973</b>	444,840	<b>3,412,567</b>
Total	<b><u>¥286,456</u></b>	<b><u>¥445,329</u></b>	<b><u>\$3,418,329</u></b>
Liabilities:			
Principal	<b>¥282,557</b>	¥439,731	<b>\$3,371,805</b>
Allowance for the impairment of guaranteed trust principal	<b>1,739</b>	2,766	<b>20,762</b>
Other	<b>2,158</b>	2,831	<b>25,761</b>
Total	<b><u>¥286,456</u></b>	<b><u>¥445,329</u></b>	<b><u>\$3,418,329</u></b>

As in certain money trusts, the principal amount of loan trusts is guaranteed and, as the above table indicates, allowance for the impairment of guaranteed trust principal is set aside by banking subsidiaries.

# Reference

## Basel II Related Data

### Chuo Mitsui Trust Holdings, Inc.

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## Consolidated Data

### Means of Capital Procurement

- Common stock
- Non-dilutive preferred securities (including non-dilutive preferred securities with step-up interest rate provisions)
- Perpetual subordinated bonds
- Fixed-term subordinated bonds

### Credit Risk Weighted Assets

1. Type of internal ratings-based approach to be used: the foundation internal ratings-based approach
2. Scope of application of the internal ratings-based approach and scope of application of the standardised approach: for calculation of credit risk weighted assets, the foundation internal ratings-based approach is used in principle, however, the following scope shall be exempted from application and the standardised approach is used.

#### Business units under the standardised approach

Assets not occurring incidental to credit transactions, or assets to which it is practically difficult to apply the internal ratings-based approach and besides there is little significance in credit risk management.

#### Assets under the standardised approach

Business units whose primary business is not credit business.

21 companies within the scope of consolidation of the holding company are the business units for which application was excluded (as of end of September, 2010)

3. Phased roll-out application: N.A.
4. Rating agency used for the standardised approach: Rating and Investment Information, Inc.  
However, for corporate exposures, we apply 100% risk weight to all.
5. Securitization Exposure
  - Credit risk weighted asset amount calculation method:
    - for those with external ratings: the external ratings-based approach
    - for those without external ratings but possible to ascertain the original assets that back up the relevant securitization exposure: supervisory formula
    - for those without external ratings and not possible to ascertain the original assets that back up the relevant securitization exposure: capital deduction
  - Rating agency to be used: Rating and Investment Information, Inc.  
Japan Credit Rating Agency, Ltd.  
Moody's Investors Service Inc.  
Standard & Poor's Ratings Services  
Fitch Ratings Limited

### Operational Risks

- Method used in calculation of operational risk equivalents: the standardised approach

## Scope of Consolidation

• Difference between companies that belong to the group of companies subject to calculation of the consolidated capital adequacy ratio (the "Holding Company Group") and companies included within the consolidation scope in accordance with the consolidated financial statements rules (Regulations for Terminology, Forms and Preparation of Consolidated Financial Statements):

• Of the Holding Company Group, the number of consolidated subsidiaries, name of principal consolidated subsidiaries, and descriptions of their primary businesses:

• Number of affiliates engaging in financial businesses applicable to Article 21 of the Consolidated Capital Adequacy Ratio Notification, names of primary affiliates engaging in financial businesses, and descriptions of their primary businesses:

• Number of companies subject to items for deduction indicated in a. to c. of Article 20, Paragraph 1, Item 2 of Consolidated Capital Adequacy Ratio Notification, names of primary companies, and descriptions of their primary businesses:

• Number of companies which belong to companies indicated in Article 52-23, Paragraph 1, Item 10 of Bank Law and that exclusively operate businesses indicated in a. of the relevant Item, or companies which belong to companies indicated in Item 11 of the relevant Paragraph, and that do not belong to the Holding Company Group and the names of the primary companies, and descriptions of the primary businesses:

• Overview of restrictions relating to transfer of funds and capital inside Holding Company Group:

• Of companies subject to items for deduction as indicated in a. to c. of Article 20, Paragraph 1, Item 2 of Consolidated Capital Adequacy Ratio Notification, names of companies that have less capital than regulatory required capital, and the total amount less than the required capital:

The consolidated capital adequacy ratio is calculated by including financial subsidiaries that are not consolidated, since Article 5, Paragraph 2 of Consolidated Financial Statements Rules is applicable, and companies that adopt the method of pro rata consolidation pursuant to Article 21 of the Consolidated Capital Adequacy Ratio Notification, with the companies that are within the scope of consolidation in preparation of consolidated financial statements

Number of consolidated subsidiaries: 25

Primary consolidated subsidiaries:

The Chuo Mitsui Trust and Banking Company, Limited (trust banking business)

Chuo Mitsui Asset Trust and Banking Company, Limited. (trust banking business)

Chuo Mitsui Asset Management Co., Ltd. (investment trust management business)

Chuo Mitsui Capital Co., Ltd. (private equity fund management business)

Chuo Mitsui Guarantee Co., Ltd. (credit guarantee business)

Chuo Mitsui Card Co., Ltd. (credit card business)

CMTB Equity Investments Co., Ltd. (securities operation management)

Chuo Mitsui Finance Service Co., Ltd. (loan business)

Number of affiliates, etc. engaging in financial businesses: 1

Name: Japan Trustee Services Bank, Ltd.

Primary businesses: trust banking business

N.A.

N.A.

N.A.

N.A.

## Composition of Capital

### Composition of Capital

(Millions of Yen)

Item	September 30, 2009	March 31, 2010	September 30, 2010
Tier I capital			
Capital stock	261,608	261,608	<b>261,608</b>
Non-cumulative perpetual preferred stock of above	—	—	—
New stock application margin	—	—	—
Capital surplus	—	—	—
Retained earnings	349,845	377,592	<b>396,399</b>
Treasury stock (—)	264	270	<b>272</b>
Treasury stock application margin	—	—	—
Projected amount of distributed income (—)	—	13,264	<b>6,632</b>
Evaluation loss on other securities (—)	—	—	—
Foreign currency translation adjustment	(1,464)	(1,738)	<b>(2,002)</b>
Stock acquisition rights	—	—	—
Minority interests of consolidated subsidiaries and affiliates	187,697	187,805	<b>187,899</b>
Non-dilutive preferred securities issued by overseas SPCs among above	183,500	183,500	<b>183,500</b>
Trade right equivalent amount (—)	—	—	—
Goodwill equivalent amount (—)	36,545	35,304	<b>34,123</b>
Intangible fixed asset equivalent posted by corporate consolidation, etc. (—)	—	—	—
Amount equivalent to capital increase due to securitization transactions (—)	22,902	20,401	<b>17,608</b>
Amount equivalent to 50% of the amount exceeding the expected loss amount from the qualifying reserve (—)	18,166	13,602	<b>9,781</b>
Total Tier I capital before deduction of deferred tax assets (total amount of above respective items)	719,807	742,425	<b>775,485</b>
Amount of deferred tax assets deducted (—)	7,722	—	—
Total Tier I capital (A)	712,085	742,425	<b>775,485</b>
Non-dilutive preferred securities with step-up interest rate provisions of above <sup>(Note 2)</sup> (B)	85,000	85,000	<b>85,000</b>
Tier II capital			
Amount equivalent to 45% of difference between land revaluation amount and book value just before revaluation	—	—	—
General reserve for possible loan losses <sup>(Note 3)</sup>	0	0	<b>0</b>
Amount by which qualifying reserve exceeds expected loss amount <sup>(Note 4)</sup>	—	—	—
Liability type fundraising means	311,492	319,250	<b>312,241</b>
Perpetual subordinated bonds of above <sup>(Note 5)</sup>	114,992	116,750	<b>109,741</b>
Fixed-term subordinated bonds and fixed-term preferred stock <sup>(Note 6)</sup>	196,500	202,500	<b>202,500</b>
Amount not calculated into Tier II capital (—)	—	—	—
Total Tier II capital (C)	311,492	319,251	<b>312,241</b>
Items for deduction <sup>(Note 7)</sup> (D)	29,418	23,041	<b>18,731</b>
Capital Amount (E) = (A) + (C) – (D)	994,159	1,038,635	<b>1,068,995</b>
For Reference:			
Risk weighted assets, etc.			
Credit risk weighted asset amount	7,532,583	7,022,674	<b>6,636,771</b>
Asset (on-balance sheet) items	6,823,387	6,371,285	<b>6,044,612</b>
Off-balance sheet transaction items	709,196	651,389	<b>592,159</b>
Amount arrived at by dividing operational risk equivalents by 8%	529,001	503,395	<b>480,221</b>
Amount arrived at by multiplying 25.0 ((amount arrived at by multiplying the rate prescribed in the Notification with former required capital) minus (amount of new required capital)) by 25.0	—	—	—
Total (F)	8,061,585	7,526,070	<b>7,116,993</b>
Consolidated Capital Adequacy Ratio (Domestic Standard) = (E)/(F) × 100	12.33%	13.80%	<b>15.02%</b>
(A)/(F) × 100	8.83%	9.86%	<b>10.89%</b>
(B)/(A) × 100	11.93%	11.44%	<b>10.96%</b>

#### Notes:

1. Composition of capital and capital adequacy ratio, etc. are calculated in accordance with Financial Services Agency Notification No. 20 of 2006 (the “Consolidated Capital Adequacy Ratio Notification”) and No. 79 of 2008.
2. Meaning those as provided in Article 17, Paragraph 2 of Consolidated Capital Adequacy Ratio Notification, in other words, stock, etc., that has the probability of redemption including those adding a step-up interest rate and other special provisions (including non-dilutive preferred securities issued by overseas SPCs).
3. Amount of portion to which standardised approach is adopted is stated.
4. For trust account with an agreement on compensation for principal, amount by which qualifying reserve exceeds expected loss amount is not posted.

5. Meaning liability fundraising means as indicated in Article 18, Paragraph 1, Item 3 of the Consolidated Capital Adequacy Ratio Notification, and which have all the characteristics as indicated below:
  - (1) Unsecured, subordinated to other liabilities, and already paid,
  - (2) Not to be redeemed, except for in certain cases,
  - (3) Should supplement loss while business is ongoing,
  - (4) That for which interest payment obligation postponement is allowed.
6. These are those indicated in Article 18, Paragraph 1, Items 4 and 5 of the Consolidated Capital Adequacy Ratio Notification. However, for fixed-term subordinated bonds, there is a limitation to those with redemption periods exceeding 5 years from the agreement.
7. Amount equivalent to intentional holding of fundraising means of other financial institutions as indicated in Article 20, Paragraph 1, Item 1 of the Consolidated Capital Adequacy Ratio Notification, amount equivalent to investment in those set in Item 2 of the relevant paragraph, the amount that is to be deducted pursuant to the provisions of Items 3 to 6 thereof and those indicated in Item 2 above.
8. From the end of the 2002 consolidated fiscal term (March 31, 2003), as to internal management system relating to calculation of the consolidated capital adequacy ratio, we have received examination services by Deloitte Touche Tohmatsu LLC. The relevant examination services were an implementation of examination procedures agreed upon between Tohmatsu and us, and were not an accounting audit in accordance with the GAAS, nor did we receive their opinion on the consolidated capital adequacy ratio itself, or internal controls relating to the calculation of the consolidated capital adequacy ratio (the abovementioned examination procedures were in accordance with the Japanese Institute of Certified Public Accountants, Committee on Audit by Business Type, Report No. 30).
9. Consolidated capital adequacy ratio (International Unified Standard) as of September 30, 2010, which constitutes a condition for adoption and continuous use of the internal ratings-based approach as prescribed in Article 216 of the Consolidated Capital Adequacy Ratio Notification, is 14.90% (Tier I ratio: 10.73%).

Chuo Mitsui issued “preferred investment securities issued by foreign SPCs” as follows, and, as for non-dilutive preferred securities issued by SPCs, we accounted for these in “Tier I capital” of “Consolidated Capital Adequacy Ratio.”

Issuer	MTH Preferred Capital 1 (Cayman) Limited	MTH Preferred Capital 3 (Cayman) Limited	MTH Preferred Capital 4 (Cayman) Limited
Types of securities issued	Dividend non-cumulative preferred securities	Dividend non-cumulative preferred securities	Dividend non-cumulative preferred securities
Redemption date	No provisions	No provisions	No provisions
Voluntary redemption	Redeemable voluntarily on each dividend payment date in July 2012 and thereafter (however, prior approval by supervising agencies is required)	Redeemable voluntarily on each dividend payment date in July 2013 and thereafter (however, prior approval by supervising agencies is required)	Redeemable voluntarily on each dividend payment date in July 2014 and thereafter (however, prior approval by supervising agencies is required)
Total issue amount	27.5 billion yen	30.0 billion yen	10.0 billion yen
Paid-in date	March 25, 2002	March 24, 2003	March 22, 2004
Dividend payment date	July 25 and January 25 every year	July 25 and January 25 every year	July 25 and January 25 every year
Dividend rate	Variable dividend (no step-up)	Variable dividend (no step-up)	Variable dividend (no step-up)
Outline of conditions with regards to dividend payments	(1) A dividend on the preferred securities shall be paid within the scope of our distributable payments profit amount in the most recent fiscal year (if there is a dividend on our preferred stock, amount after deducting the amount) (2) Dividend occlusion conditions If any one of the following events is applicable, a dividend on the preferred securities shall not be paid: (i) When we did not pay a dividend on our preferred stock relating to the most recent fiscal year, (ii) When we deliver to the issuer a certificate to the effect that we are in a state of insolvency, (iii) When our capital adequacy ratio is below the standard required under the regulations, (iv) When we issue instructions not to pay dividend to issuer. (3) Compulsory dividend When we distribute a dividend on the common stock of the Company relating to the most recent fiscal year, a dividend on the preferred securities shall be made in the entire amount. However, the restrictions as in (1) and (2) (ii) (iii) above shall be applicable.	Same as left	Same as left
Right to claim the remaining assets	Shareholders of the preferred securities shall hold the right to claim the remaining assets of the substantially same priority order as the preferred stock	Same as left	Same as left
Issuer	MTH Preferred Capital 5 (Cayman) Limited	MTH Preferred Capital 6 (Cayman) Limited	CMTH Preferred Capital 7 (Cayman) Limited
Types of securities issued	Dividend non-cumulative preferred securities	Dividend non-cumulative preferred securities	Dividend non-cumulative preferred securities
Redemption date	No provisions	No provisions	No provisions
Voluntary redemption	Redeemable voluntarily on each dividend payment date in July 2017 and thereafter (however, prior approval by supervising agencies is required)	Redeemable voluntarily on each dividend payment date in July 2018 and thereafter (however, prior approval by supervising agencies is required)	Redeemable voluntarily on each dividend payment date in July 2019 and thereafter (however, prior approval by supervising agencies is required)
Total issue amount	33.0 billion yen	42.0 billion yen	Series A: 10.0 billion yen Series B: 31.0 billion yen
Paid-in date	March 1, 2007	March 15, 2008	December 16, 2008
Dividend payment date	July 25 and January 25 every year	July 25 and January 25 every year	July 25 and January 25 every year
Dividend rate	Fixed dividend initially (however, on and after the dividend payment date that comes after July 2017, variable dividend will be applied and a step-up dividend will be added)	Fixed dividend initially (however, on and after the dividend payment date that comes after July 2018, variable dividend will be applied and a step-up dividend will be added)	Series A: Fixed dividend initially (however, on and after the dividend payment date that comes after July 2019, variable dividend will be applied and a step-up dividend will be added) Series B: Fixed dividend initially (however, on and after the dividend payment date that comes after July 2019, variable dividend will be applied, and no dividend rate step-up will be added)
Outline of conditions with regards to dividend payments	(1) A dividend on the preferred securities shall be paid within the scope of our distributable payments profit amount in the most recent fiscal year (if there is a dividend on our preferred stock, amount after deducting the amount) (2) Dividend occlusion conditions If any one of the following events is applicable, a dividend on preferred securities shall not be paid: (i) When we did not pay a dividend on our preferred stock relating to the most recent fiscal year, (ii) When we deliver to the issuer a certificate to the effect that we are in a state of insolvency, (iii) When our capital adequacy ratio is below the standard required under the regulations, (iv) When we issue instructions not to pay dividend to issuer. (3) Compulsory dividend When we distribute a dividend on the common stock of the Company relating to the most recent fiscal year, a dividend on the preferred securities shall be made in the entire amount. However, the restrictions as in (1) and (2) (ii) (iii) above shall be applicable.	Same as left	Same as left
Right to claim the remaining assets	Shareholders of the preferred securities shall hold the right to claim the remaining assets which is essentially at the substantially same priority order as the preferred stock	Same as left	Same as left



## Capital Adequacy Levels Required Capital Amount

(1) Required capital amount for credit risks (amount in (2) (3) shall be excluded)

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Portfolio applicable to the standardised approach	7,832	<b>7,532</b>
Business units under the standardised approach	6,910	<b>6,750</b>
Assets under the standardised approach	922	<b>781</b>
Portfolio applicable to the internal ratings-based approach	576,282	<b>480,948</b>
Corporate exposures	433,654	<b>351,785</b>
Sovereign exposures	1,303	<b>1,773</b>
Bank exposures	26,812	<b>24,829</b>
Residential mortgage exposures	49,301	<b>48,602</b>
Qualifying revolving retail exposures	2,041	<b>1,842</b>
Other retail exposures	22,887	<b>15,657</b>
Other exposures <sup>(Note 1)</sup>	40,282	<b>36,457</b>
Securitization exposure	40,930	<b>33,935</b>
Total	625,046	<b>522,415</b>

Notes:

1. Exposure regarding purchased receivables, unsettled transactions, lease transactions and other assets.
2. Calculation method of required capital amount for the credit risk is as follows (though the Group uses domestic standard), as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount  
 Portfolio which the standardised approach is applicable: amount of credit risk weighted asset  $\times$  8% + capital deduction amount  
 Portfolio which the internal ratings-based approach is applicable and securitization exposure: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + expected loss amount + capital deduction amount

(2) Required capital amount for the credit risk relating to equity exposures applicable to the internal ratings-based approach

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Market-based approach	148	<b>1,507</b>
Simple risk weight method	148	<b>1,507</b>
PD/LGD approach	27,196	<b>24,966</b>
Those applicable to the transitional measure <sup>(Note 1)</sup>	35,796	<b>33,065</b>
Total	63,141	<b>59,539</b>

Notes:

1. Amount of credit risk weighted assets is calculated by placing risk weight as being 100%, pursuant to Article 13 of Supplementary Rules of Consolidated Capital Adequacy Ratio Notification.
2. Calculation method of required capital amount to credit risk relating to equity exposures applicable to the internal ratings-based approach is as follows (though the Group uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount)  
 Those applicable to simple risk weight method of the market-based approach: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + capital deduction amount  
 Those applicable to the PD/LGD approach: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + expected loss amount + capital deduction amount  
 Those applicable to the transitional measure: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + capital deduction amount

## (3) Required capital amount for the credit risk relating to funds

(Millions of Yen)

Calculation Method	September 30, 2009	September 30, 2010
Look-through formula	80,284	69,749
Modified simple majority method	4,166	3,511
Operational standards method	1,192	872
Simple risk weight method	—	—
Those applicable to 400% risk weight	—	—
Those applicable to 1250% risk weight	—	—
Total	85,644	74,132

Note: Calculation method of required capital amount for the credit risk relating to funds is as follows (though the Group uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount)

Look-through formula: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + expected loss amount + capital deduction amount

Other than look-through formula: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + capital deduction amount

## (4) Required capital amount for operational risks

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Standardised approach	42,320	38,417
Total	42,320	38,417

## (5) Total amount of consolidated required capital

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Total amount of consolidated required capital <sup>(Note 1)</sup>	644,926	569,359

Notes:

1. (Total amount of credit risk weighted asset + Operational risk equivalents/8%)  $\times$  8%

2. Though the Group uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the total amount of consolidated required capital.

## Credit Risks

(except for exposure relating to funds and securitization exposure)

### Term-end Balance of Exposure Relevant to Credit Risks and Breakdown by Primary Types

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010	Average balance of exposure during the term
Standardised approach	504,615	517,106	515,876
Loaned money, call loans, deposits, etc.	175,598	189,367	148,205
Securities	298,457	298,246	328,501
Derivative transactions	—	—	—
Off-balance sheet transactions	30,559	29,492	39,169
Commitment	—	—	—
Trusts with an agreement on compensation for principal	—	—	—
Repo-style transactions	—	—	—
Other	30,559	29,492	39,169
Internal ratings-based approach	15,782,544	13,676,245	14,006,638
Loaned money, call loans, deposits, etc.	9,262,624	8,983,795	8,973,988
Securities	3,734,330	2,981,937	2,974,648
Derivative transactions	91,214	113,967	115,792
Off-balance sheet transactions	2,694,374	1,596,544	1,942,208
Commitment	577,166	515,369	515,723
Trusts with an agreement on compensation for principal	211,586	196,446	199,086
Repo-style transactions	39,176	43,529	34,520
Other	1,866,445	841,200	1,192,878
Total	16,287,159	14,193,351	14,522,515

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default.
2. Equity exposures and other assets, etc. as provided in Article 156 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
3. The internal ratings-based approach application exclusion portion is described in the standardised approach.
4. The average balance of exposure during the term is the average value for respective quarterly term-end balances.

### (1) Term-end balance of exposure by region and breakdown by primary types

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Domestic	14,849,638	12,722,006
Loaned money, call loans, deposits, etc.	9,195,513	8,969,567
Securities	2,956,018	2,149,903
Derivative transactions	12,258	16,589
Off-balance sheet transactions	2,685,848	1,585,945
Commitment	577,165	515,369
Trusts with an agreement on compensation for principal	211,581	196,442
Repo-style transactions	3,035	3,773
Other	1,894,065	870,360
Overseas	1,437,520	1,471,345
Loaned money, call loans, deposits, etc.	242,708	203,595
Securities	1,076,770	1,130,280
Derivative transactions	78,955	97,377
Off-balance sheet transactions	39,085	40,091
Commitment	0	—
Trusts with an agreement on compensation for principal	4	3
Repo-style transactions	36,141	39,755
Other	2,939	332
Total	16,287,159	14,193,351

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default.
2. Equity exposures and other assets, etc. as provided in Article 156 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
3. The internal ratings-based approach application exclusion portion is described in the standardised approach.

(2) Term-end balance of exposure by business type and breakdown by primary type

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Sovereign	5,423,804	<b>3,820,878</b>
Central government and central bank	4,928,618	<b>3,253,744</b>
Loaned money, call loans, deposits, etc.	206,831	<b>210,785</b>
Securities	3,009,291	<b>2,288,289</b>
Derivative transactions	—	—
Off-balance sheet transactions	1,712,495	<b>754,670</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	4	<b>3</b>
Repo-style transactions	2,023	—
Other	1,710,468	<b>754,666</b>
Local public organizations	46,806	<b>47,747</b>
Loaned money, call loans, deposits, etc.	12,826	<b>16,386</b>
Securities	640	<b>200</b>
Derivative transactions	—	—
Off-balance sheet transactions	33,339	<b>31,161</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	4,350	<b>4,234</b>
Repo-style transactions	—	—
Other	28,989	<b>26,926</b>
Other	448,379	<b>519,385</b>
Loaned money, call loans, deposits, etc.	187,186	<b>155,499</b>
Securities	247,641	<b>352,733</b>
Derivative transactions	—	—
Off-balance sheet transactions	13,551	<b>11,152</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	13,333	<b>10,935</b>
Repo-style transactions	—	—
Other	218	<b>217</b>
Financial institutions	871,698	<b>839,445</b>
Loaned money, call loans, deposits, etc.	440,164	<b>465,175</b>
Securities	295,432	<b>199,093</b>
Derivative transactions	70,550	<b>83,758</b>
Off-balance sheet transactions	65,551	<b>91,417</b>
Commitment	25,725	<b>46,691</b>
Trusts with an agreement on compensation for principal	1,474	<b>1,192</b>
Repo-style transactions	37,153	<b>43,529</b>
Other	1,197	<b>3</b>
Business corporations	6,464,987	<b>6,032,372</b>
Loaned money, call loans, deposits, etc.	5,306,979	<b>5,042,019</b>
Securities	479,782	<b>439,866</b>
Derivative transactions	20,663	<b>30,209</b>
Off-balance sheet transactions	657,561	<b>520,276</b>
Commitment	490,579	<b>422,326</b>
Trusts with an agreement on compensation for principal	25,565	<b>21,593</b>
Repo-style transactions	—	—
Other	141,415	<b>76,356</b>

(continues to right column)

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Individual	3,492,467	<b>3,482,154</b>
Loaned money, call loans, deposits, etc.	3,250,032	<b>3,264,795</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	242,435	<b>217,358</b>
Commitment	60,861	<b>46,351</b>
Trusts with an agreement on compensation for principal	166,857	<b>158,485</b>
Repo-style transactions	—	—
Other	14,715	<b>12,522</b>
Special international financial transaction account portion	34,201	<b>18,500</b>
Loaned money, call loans, deposits, etc.	34,201	<b>18,500</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Total	16,287,159	<b>14,193,351</b>

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default.
2. Equity exposures and other assets, etc. as provided in Article 156 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

Reference: Term-end balance of exposure by business type relevant to business corporations and breakdown by primary type

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Manufacturing	1,271,482	<b>1,192,588</b>
Loaned money, call loans, deposits, etc.	987,298	<b>942,196</b>
Securities	54,877	<b>44,118</b>
Derivative transactions	2,905	<b>2,855</b>
Off-balance sheet transactions	226,400	<b>203,417</b>
Commitment	200,212	<b>174,994</b>
Trusts with an agreement on compensation for principal	8,016	<b>5,478</b>
Repo-style transactions	—	—
Other	18,172	<b>22,944</b>
Agriculture	385	<b>326</b>
Loaned money, call loans, deposits, etc.	385	<b>326</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Forestry	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Fishery	4	<b>2</b>
Loaned money, call loans, deposits, etc.	4	<b>2</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Mining industry	4,314	<b>754</b>
Loaned money, call loans, deposits, etc.	1,865	<b>738</b>
Securities	—	—
Derivative transactions	6	—
Off-balance sheet transactions	2,442	<b>15</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	2,442	<b>15</b>
Construction	141,106	<b>120,377</b>
Loaned money, call loans, deposits, etc.	111,077	<b>85,472</b>
Securities	200	<b>450</b>
Derivative transactions	59	<b>8</b>
Off-balance sheet transactions	29,768	<b>34,445</b>
Commitment	28,691	<b>33,480</b>
Trusts with an agreement on compensation for principal	50	<b>20</b>
Repo-style transactions	—	—
Other	1,027	<b>945</b>

(continues to right column)

(continued from left column) (Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Electricity, gas, heating, water	259,030	<b>200,181</b>
Loaned money, call loans, deposits, etc.	169,494	<b>195,652</b>
Securities	—	—
Derivative transactions	10	<b>5</b>
Off-balance sheet transactions	89,524	<b>4,523</b>
Commitment	88,782	<b>4,482</b>
Trusts with an agreement on compensation for principal	742	<b>41</b>
Repo-style transactions	—	—
Other	0	—
Information communications	42,811	<b>44,361</b>
Loaned money, call loans, deposits, etc.	37,190	<b>35,413</b>
Securities	1,725	<b>3,837</b>
Derivative transactions	8	<b>8</b>
Off-balance sheet transactions	3,887	<b>5,101</b>
Commitment	3,773	<b>5,006</b>
Trusts with an agreement on compensation for principal	96	<b>83</b>
Repo-style transactions	—	—
Other	17	<b>11</b>
Transportation	658,019	<b>610,092</b>
Loaned money, call loans, deposits, etc.	557,324	<b>524,997</b>
Securities	37,167	<b>32,259</b>
Derivative transactions	2,111	<b>2,621</b>
Off-balance sheet transactions	61,415	<b>50,214</b>
Commitment	55,885	<b>45,873</b>
Trusts with an agreement on compensation for principal	4,120	<b>3,429</b>
Repo-style transactions	—	—
Other	1,409	<b>911</b>
Wholesale and retail	554,402	<b>556,724</b>
Loaned money, call loans, deposits, etc.	497,987	<b>502,109</b>
Securities	20,276	<b>15,693</b>
Derivative transactions	1,066	<b>1,133</b>
Off-balance sheet transactions	35,071	<b>37,787</b>
Commitment	22,687	<b>19,803</b>
Trusts with an agreement on compensation for principal	3,278	<b>3,718</b>
Repo-style transactions	—	—
Other	9,106	<b>14,266</b>
Finance and insurance	1,242,279	<b>1,267,498</b>
Loaned money, call loans, deposits, etc.	1,137,736	<b>1,221,974</b>
Securities	—	—
Derivative transactions	11,723	<b>20,643</b>
Off-balance sheet transactions	92,820	<b>24,880</b>
Commitment	15,544	<b>17,449</b>
Trusts with an agreement on compensation for principal	7,344	<b>7,269</b>
Repo-style transactions	—	—
Other	69,930	<b>161</b>
Real estate	1,468,793	<b>1,289,744</b>
Loaned money, call loans, deposits, etc.	1,263,417	<b>1,066,836</b>
Securities	133,121	<b>117,080</b>
Derivative transactions	1,953	<b>1,780</b>
Off-balance sheet transactions	70,301	<b>104,045</b>
Commitment	49,266	<b>83,937</b>
Trusts with an agreement on compensation for principal	290	<b>187</b>
Repo-style transactions	—	—
Other	20,745	<b>19,920</b>

(continues to p. 92)



(continued from p. 91)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
Various services	411,452	<b>356,032</b>
Loaned money, call loans, deposits, etc.	335,318	<b>269,964</b>
Securities	46,134	<b>39,396</b>
Derivative transactions	365	<b>394</b>
Off-balance sheet transactions	29,634	<b>46,278</b>
Commitment	11,728	<b>29,869</b>
Trusts with an agreement on compensation for principal	1,627	<b>1,367</b>
Repo-style transactions	—	—
Other	16,278	<b>15,040</b>
Other	410,904	<b>393,688</b>
Loaned money, call loans, deposits, etc.	207,879	<b>196,334</b>
Securities	186,280	<b>187,030</b>
Derivative transactions	452	<b>756</b>
Off-balance sheet transactions	16,292	<b>9,566</b>
Commitment	14,007	<b>7,427</b>
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	2,284	<b>2,139</b>
Total	6,464,987	<b>6,032,372</b>

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
- (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
- (3) Derivative transactions: credit equivalents,
- (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default.

2. Equity exposures and other assets, etc. as provided in Article 156 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

(3) Term-end balance of exposure by remaining period and breakdown by primary type

	(Millions of Yen)	
Remaining Period	September 30, 2009	September 30, 2010
1 year or shorter	6,107,336	<b>4,664,141</b>
Loaned money, call loans, deposits, etc.	3,054,489	<b>3,094,126</b>
Securities	911,107	<b>435,756</b>
Derivative transactions	20,272	<b>25,581</b>
Off-balance sheet transactions	2,121,466	<b>1,108,678</b>
Commitment	242,207	<b>249,248</b>
Trusts with an agreement on compensation for principal	35,078	<b>29,049</b>
Repo-style transactions	39,176	<b>43,529</b>
Other	1,805,005	<b>786,851</b>
Over 1 year to 3 years or shorter	2,735,038	<b>2,342,319</b>
Loaned money, call loans, deposits, etc.	1,589,441	<b>1,243,678</b>
Securities	967,022	<b>940,199</b>
Derivative transactions	4,066	<b>1,809</b>
Off-balance sheet transactions	174,506	<b>156,631</b>
Commitment	170,959	<b>153,472</b>
Trusts with an agreement on compensation for principal	1,198	<b>1,013</b>
Repo-style transactions	—	<b>—</b>
Other	2,348	<b>2,145</b>
Over 3 years to 5 years or shorter	2,324,285	<b>1,666,579</b>
Loaned money, call loans, deposits, etc.	1,056,315	<b>1,056,881</b>
Securities	1,149,131	<b>557,138</b>
Derivative transactions	1,891	<b>3,979</b>
Off-balance sheet transactions	116,946	<b>48,580</b>
Commitment	112,993	<b>36,784</b>
Trusts with an agreement on compensation for principal	1,765	<b>4,257</b>
Repo-style transactions	—	<b>—</b>
Other	2,187	<b>7,538</b>
Over 5 years to 7 years or shorter	543,637	<b>727,305</b>
Loaned money, call loans, deposits, etc.	322,937	<b>335,935</b>
Securities	193,312	<b>338,090</b>
Derivative transactions	2,813	<b>1,944</b>
Off-balance sheet transactions	24,573	<b>51,334</b>
Commitment	7,721	<b>44,813</b>
Trusts with an agreement on compensation for principal	8,604	<b>5,118</b>
Repo-style transactions	—	<b>—</b>
Other	8,247	<b>1,402</b>
Over 7 years	4,328,190	<b>4,562,253</b>
Loaned money, call loans, deposits, etc.	3,318,052	<b>3,350,757</b>
Securities	812,213	<b>1,008,998</b>
Derivative transactions	62,169	<b>80,652</b>
Off-balance sheet transactions	135,754	<b>121,844</b>
Commitment	22,735	<b>20,197</b>
Trusts with an agreement on compensation for principal	36,552	<b>31,365</b>
Repo-style transactions	—	<b>—</b>
Other	76,466	<b>70,281</b>

(continues to right column)

	(Millions of Yen)	
Remaining Period	September 30, 2009	September 30, 2010
With no provision for period	248,671	<b>230,752</b>
Loaned money, call loans, deposits, etc.	96,985	<b>91,783</b>
Securities	—	<b>—</b>
Derivative transactions	—	<b>—</b>
Off-balance sheet transactions	151,685	<b>138,968</b>
Commitment	20,549	<b>10,852</b>
Trusts with an agreement on compensation for principal	128,387	<b>125,641</b>
Repo-style transactions	—	<b>—</b>
Other	2,749	<b>2,473</b>
Total	16,287,159	<b>14,193,351</b>

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default.
2. Equity exposures and other assets, etc. as provided in Article 156 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
3. Those of which remaining period is beyond recognition are included in "With no provision for period."

## Term-end Balance of Exposures Three Months or Longer Overdue and Exposures in Default and Breakdown by Primary Type

### (1) Term-end balance of exposure by region

(Millions of Yen)

Classification	September 30, 2009			September 30, 2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Exposures three months or longer overdue (those applying to standardised approach)	21	—	21	2	—	2
Exposures in default (those applying to the internal ratings-based approach)	154,636	6,956	161,593	116,183	5,263	121,446
<b>Total</b>	<b>154,658</b>	<b>6,956</b>	<b>161,615</b>	<b>116,186</b>	<b>5,263</b>	<b>121,449</b>

Notes:

1. Equity exposures is not included in the above.

2. Internal ratings-based approach application exclusion portion is described in the standardised approach.

### (2) Term-end balance of exposure by business type

#### (i) Exposures three months or longer overdue (those applicable to standardised approach)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
<b>Sovereign</b>	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
<b>Financial institutions</b>	—	—
<b>Business corporations</b>	<b>21</b>	<b>2</b>
Manufacturing	19	1
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	—
Construction	0	—
Electricity, gas, heating, water	—	—
Information communications	—	0
Transportation	—	—
Wholesale and retail	0	—
Finance and insurance	—	—
Real estate	—	—
Various services	1	1
Other	—	0
<b>Individual</b>	—	—
<b>Special international financial transaction account portion</b>	—	—
<b>Total</b>	<b>21</b>	<b>2</b>

Note: Equity exposures is not included in the above.

(ii) Exposures in default (those applicable to the internal ratings-based approach)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
Sovereign	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
Financial institutions	5,000	5,000
Business corporations	123,124	75,234
Manufacturing	8,150	7,224
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	—
Construction	7,281	6,224
Electricity, gas, heating, water	272	231
Information communications	3,285	3,294
Transportation	2,239	651
Wholesale and retail	8,392	4,533
Finance and insurance	6,554	6,940
Real estate	77,516	39,804
Various services	7,718	6,328
Other	1,713	—
Individual	33,157	40,949
Special international financial transaction account portion	310	263
Total	161,593	121,446

Note: Equity exposures is not included in the above.

### Term-end Balance and Amount of Variance during the Term of General Reserve for Possible Loan Losses, Respective Reserve for Possible Loan Losses, and Specified Overseas Receivables Reserve Account

(1) Balance of reserve by region

(Millions of Yen)

Six months ended September 30 Type of Reserve	2009		2010	
	Term-end Balance	Variance during Term	Term-end Balance	Variance during Term
General reserve for possible loan losses	31,002	406	26,338	(4,664)
Respective reserve for possible loan losses (—)	32,856	4,461	20,400	(12,456)
Domestic	28,356	4,369	16,150	(12,206)
Overseas	4,500	91	4,250	(250)
Specified overseas receivables reserve account	75	40	—	(75)
Total	63,934	4,907	46,739	(17,195)

Notes:

1. Above is a description of the value in bank account.
2. General reserve for possible loan losses is not managed by region.

## (2) Balance of respective reserve for possible loan losses by business type

(Millions of Yen)

Six months ended September 30 Type of Reserve	2009		2010	
	Term-end Balance	Variance during Term	Term-end Balance	Variance during Term
Sovereign	—	—	—	—
Central government and central bank	—	—	—	—
Local public body	—	—	—	—
Other	—	—	—	—
Financial institutions	4,500	(7,650)	4,250	(250)
Business corporations	25,412	11,871	11,972	(13,440)
Manufacturing	2,804	752	139	(2,665)
Agriculture	—	—	—	—
Forestry	—	—	—	—
Fishery	—	—	—	—
Mining industry	—	—	—	—
Construction	1,214	(240)	382	(831)
Electricity, gas, heating, water	—	—	—	—
Information communications	1,677	1,635	3,270	1,593
Transportation	258	214	46	(212)
Wholesale and retail	1,037	(548)	549	(487)
Finance and insurance	3,132	2,987	26	(3,105)
Real estate	11,856	7,184	6,031	(5,824)
Various services	3,430	(115)	1,525	(1,905)
Other	0	0	—	0
Individual	2,943	239	4,178	1,234
Special international financial transaction account portion	—	—	—	—
Total	32,856	4,461	20,401	(12,455)

Note: General reserve for possible loan losses and specified overseas receivables reserve account are not managed by business type.

## Amount of Loan Amortized by Business Type

(Millions of Yen)

Six months ended September 30 Business Type	2009	2010
	Amount of loan amortized	Amount of loan amortized
Sovereign	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
Financial institutions	—	—
Business corporations	7,669	1,514
Manufacturing	187	33
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	2
Construction	371	219
Electricity, gas, heating, water	—	—
Information communications	29	16
Transportation	21	1
Wholesale and retail	794	119
Finance and insurance	—	36
Real estate	5,491	1,010
Various services	772	73
Other	—	—
Individual	1,460	1,065
Special international financial transaction account portion	—	—
Total	9,130	2,579

Note: Amount of loan amortized for trust account with an agreement on compensation for principal is included in the above.

## Balance by Risk Weight Classification for Exposure Applicable to Standardised Approach

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010				
		Rating applicable	Rating not applicable <sup>(Note)</sup>		Rating applicable	Rating not applicable <sup>(Note)</sup>
0%	363,128	3	363,125	<b>368,437</b>	<b>17</b>	<b>368,419</b>
Over 0% to 10%	708	—	708	<b>11,679</b>	—	<b>11,679</b>
Over 10% to 35%	114,135	3,286	110,849	<b>112,761</b>	<b>2,499</b>	<b>110,262</b>
Over 35% to 75%	267	—	267	<b>272</b>	—	<b>272</b>
Over 75% to 100%	26,352	—	26,352	<b>23,954</b>	—	<b>23,954</b>
Over 100% to 150%	21	—	21	<b>2</b>	—	<b>2</b>
Capital deduction	—	—	—	—	—	—
Total	504,615	3,289	501,325	<b>517,107</b>	<b>2,517</b>	<b>514,590</b>

Note: The Group has registered for application of special exceptions in Article 45 of Consolidated Capital Adequacy Ratio Notification as to Exposure oriented to corporations, etc., so risk weight is uniformly 100%. The exposures applicable to the relevant special exceptions are described in the "rating not applicable" column.

## Exposures Applicable to the Internal Ratings-based Approach

### (1) Balance of specialized lending using slotting criteria

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010
0%	23,857	<b>9,126</b>
50%	179,868	<b>226,470</b>
70%	267,067	<b>243,154</b>
90%	52,501	<b>17,548</b>
115%	45,578	<b>14,301</b>
250%	58,936	<b>19,921</b>
Total	627,810	<b>530,522</b>

Note: The Group does not hold loans for commercial real estate (with high volatility).

### (2) Balance of equity exposures using simple risk weight method of the market-based approach

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010
300%	263	<b>313</b>
400%	240	<b>4,210</b>
Total	503	<b>4,523</b>

Note: As for balance of equity exposures classified into other securities, smaller amount of either, the amount posted on the consolidated balance sheet or acquisition cost. For balance of equity exposures that is not classified into other securities, the amount posted on the consolidated balance sheet is used.

## Portfolio Applicable to the Internal Ratings-based Approach

### (1) Corporate exposures

(Millions of Yen)

Classification	September 30, 2009			EAD Estimated Value <sup>(Note 1)</sup>	
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.51%	44.00%	55.02%	4,631,100	619,478
Need caution ( <i>youchui-saki</i> ) (Not including obligor under close observation)	8.15%	41.56%	161.05%	407,340	36,373
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	41.50%		112,391	20,199
Total	3.35%	43.75%	61.84%	5,150,832	676,051



(Millions of Yen)

Classification	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.45%	44.12%	52.58%	4,649,893	458,861
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.94%	41.16%	158.36%	268,346	32,924
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	41.53%		71,200	25,489
Total	2.61%	43.91%	57.44%	4,989,440	517,275

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (2) Sovereign exposures

(Millions of Yen)

Classification	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.00%	44.96%	0.30%	3,333,102	1,728,827
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	—	—	—	—	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		—	6
Total	0.00%	44.96%	0.30%	3,333,102	1,728,833

(Millions of Yen)

Classification	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.00%	44.96%	0.61%	2,675,104	767,491
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	—	—	—	—	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		—	6
Total	0.00%	44.96%	0.61%	2,675,104	767,497

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (3) Bank exposures

(Millions of Yen)

Classification	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.22%	45.09%	39.75%	599,371	136,101
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	12.33%	45.00%	223.11%	1,002	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		5,000	—
Total	0.91%	45.09%	39.73%	605,374	136,101

(Millions of Yen)

Classification	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.21%	43.93%	38.08%	538,622	175,175
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	12.10%	45.00%	209.65%	607	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		5,000	—
Total	0.92%	43.94%	37.96%	544,229	175,175

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (4) Equity exposures using PD/LGD approach

(Millions of Yen)

Classification	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.52%	90.00%	169.46%	186,735	—
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.39%	90.00%	434.86%	304	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	90.00%		7	—
Total	0.54%	90.00%	169.88%	187,047	—

(Millions of Yen)

Classification	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.53%	90.00%	174.23%	166,428	—
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.15%	90.00%	441.82%	216	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	90.00%		4	—
Total	0.55%	90.00%	174.58%	166,649	—

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (5) Exposure relating to purchased receivables

(Millions of Yen)

September 30, 2009			September 30, 2010		
Risk Weight Weighted Average	EAD Estimated Value (Note 1)		Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
	On-balance Sheet Asset Items	Off-balance Sheet Asset Items		On-balance Sheet Asset Items	Off-balance Sheet Asset Items
55.25%	184,148	795	53.46%	132,572	—

Notes:

1. EAD Estimated value is an amount that takes into consideration the effect of credit risk reduction method.
2. This description is about exposure oriented to purchase business corporations that do not use top-down approach.
3. Risk weight weighted average is a value of risk weight weighted with EAD dilution.

(6) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures.

(Millions of Yen)

Types of exposure	September 30, 2009						Weighted average of estimated value of assessment rate which is to be multiplied by the non-withdrawal amount to the left
	PD estimated value weighted average	LGD estimated value weighted average	Risk weight weighted average	EAD estimated value		Commitment pre-withdrawal amount	
				On-balance sheet asset items	Off-balance sheet asset items		
Residential mortgage							
Not delinquent	0.20%	34.16%	14.01%	2,862,015	178,551	10,509	100.00%
Delinquent	28.34%	34.21%	210.30%	28,182	171	19	100.00%
Default	100.00%	32.08%	43.05%	15,464	76	—	—
Consumer loan							
Not delinquent	0.90%	72.92%	42.78%	50,205	50,104	170,439	29.34%
Delinquent	28.48%	64.44%	181.93%	1,503	169	556	30.38%
Default	100.00%	56.08%	12.21%	4,379	66	217	30.33%
Business type loan							
Not delinquent	1.71%	37.91%	39.57%	146,124	2,605	612	33.61%
Delinquent	53.42%	53.81%	61.65%	3,175	—	—	—
Default	100.00%	75.32%	—	12,628	—	—	—
Other							
Not delinquent	1.00%	17.84%	22.82%	1,067	1,205	144	100.00%
Delinquent	—	—	—	—	—	—	—
Default	100.00%	91.76%	—	102	22	22	100.00%
Total	1.56%	35.69%	17.87%	3,124,849	232,971	182,521	33.50%

(Millions of Yen)

Types of exposure	September 30, 2010						Weighted average of estimated value of assessment rate which is to be multiplied by the non-withdrawal amount to the left
	PD estimated value weighted average	LGD estimated value weighted average	Risk weight weighted average	EAD estimated value		Commitment pre-withdrawal amount	
				On-balance sheet asset items	Off-balance sheet asset items		
Residential mortgage							
Not delinquent	0.17%	34.51%	12.74%	2,910,203	163,681	3,808	100.00%
Delinquent	26.86%	34.46%	211.62%	27,031	106	—	—
Default	100.00%	30.94%	57.53%	23,096	117	—	—
Consumer loan							
Not delinquent	0.90%	71.12%	45.65%	47,891	42,114	150,317	27.96%
Delinquent	26.15%	70.11%	192.00%	1,285	169	544	31.08%
Default	100.00%	58.47%	3.79%	4,417	59	205	28.87%
Business type loan							
Not delinquent	1.06%	33.59%	29.69%	126,644	2,624	110	100.00%
Delinquent	38.68%	40.14%	78.47%	2,580	1	1	100.00%
Default	100.00%	54.90%	—	10,512	4	4	100.00%
Other							
Not delinquent	0.99%	22.13%	27.76%	869	759	123	100.00%
Delinquent	—	—	—	—	—	—	—
Default	100.00%	91.03%	—	102	23	23	100.00%
Total	1.62%	35.54%	16.27%	3,154,636	209,661	155,138	29.86%

Notes:

1. EAD Estimated value is an amount that takes into consideration the effect of credit risk reduction method.
2. Segmented pool classification is integrated into above classifications and shown.
3. PD estimated value weighted average, LGD estimated value weighted average, risk weight weighted average, and weighted average of estimated value of assessment rate by which to multiply the pre-withdrawal amount to the left are estimated values or risk weight by respective pool classifications weighted with EAD estimated value.

## Actual Value of Loss of Portfolio Applicable to the Internal Ratings-based Approach in the Most Recent Term / Actual Value of the Relevant Term, and Comparison with Past Actual Value

(Millions of Yen)

Six months ended September 30			
Classification	2009 Actual loss amount	2010 Actual loss amount	Comparison with actual loss amount for previous term
Corporate exposures	33,752	16,137	(17,615)
Sovereign exposures	—	—	—
Bank exposures	4,500	4,250	(250)
Equity exposures applicable to the PD/LGD approach	—	7	7
Residential mortgage exposures	2,793	4,792	1,999
Qualifying revolving retail exposures	75	128	52
Other retail exposures	462	612	149
Total	41,585	25,927	(15,657)

Note: Actual loss amount is a total of the following amounts relating to exposures in default, not including reversal of reserve:

General reserve for possible loan losses provision amount, special reserve provision amount debt, rewrite-off reserve provision amount, special foreign receivables reserve account provision amount, credit risk adjusted amount relating to derivatives (up to here, portion for party requiring management), respective reserve for possible loan losses provision amount, reserve for contingent loss provision amount, debt write-off, loss on sale of receivables, loss on waiver of receivables, amount relating to equity exposures applicable to the PD/LGD approach, loss on sale.

### Analysis of Factors

Actual loss amount for the six months ended September 2010 decreased by 15.6 billion yen compared with the corresponding period in 2009.

This was primarily attributable to a reduction in losses due to factors such as a decrease in the number of nonperforming loans associated with corporate exposures.

## Estimated Value of Loss Amount of Portfolio Applicable to the Internal Ratings-based Approach

(Millions of Yen)

Six months ended September 30		
Classification	2009 Actual value of loss amount	2010 Estimated value of loss amount
Corporate exposures	81,544	60,045
Sovereign exposures	56	70
Bank exposures	3,043	2,979
Equity exposures applicable to the PD/LGD approach	875	790
Residential mortgage exposures	9,899	11,590
Qualifying revolving retail exposures	1,203	1,198
Other retail exposures	15,097	9,507
Total	111,719	86,183

Note: Estimated value of loss amount (= EAD estimated value × PD estimated value × LGD estimated value) is the value estimated to have accrued in each term with September 30, 2009 and 2010 as the reference date, respectively.

### Credit Risk Mitigation Measures

#### Amount of Exposure to which Credit Risk Reduction Method Has Been Applied

(Millions of Yen)

Classification	September 30, 2009			
	Amount of exposure to which qualified financial asset collateral has been applied	Amount of exposure to which qualified receivables collateral has been applied	Amount of exposure to which qualified real estate collateral has been applied	Amount of exposure to which qualified other collateral has been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	1,640,785	4,508	606,432	34,971
Corporate exposures	32,713	4,508	588,420	34,971
Sovereign exposures	255,326	—	18,012	—
Bank exposures	1,352,745	—	—	—
Total	1,640,785	4,508	606,432	34,971

(Millions of Yen)

Classification	September 30, 2010			
	Amount of exposure to which qualified financial asset collateral has been applied	Amount of exposure to which qualified receivables collateral has been applied	Amount of exposure to which qualified real estate collateral has been applied	Amount of exposure to which qualified other collateral has been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	1,670,163	3,879	567,294	40,499
Corporate exposures	11,867	3,879	554,528	40,499
Sovereign exposures	—	—	12,765	—
Bank exposures	1,658,295	—	—	—
Total	1,670,163	3,879	567,294	40,499

### Amount of Exposure to which Guarantees and Credit Derivatives Have Been Applied

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Amount of exposure to which guarantees have been applied	Amount of exposure to which credit derivatives have been applied	Amount of exposure to which guarantees have been applied	Amount of exposure to which credit derivatives have been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	111,483	—	101,623	—
Corporate exposures	61,340	—	55,410	—
Sovereign exposures	4,359	—	3,324	—
Bank exposures	45,783	—	42,889	—
Total	111,483	—	101,623	—

### Risks of Transaction Partners in Derivative Products Transactions and Long-term Settlement Period Transactions

#### (1) Method used for calculation of credit equivalents

	Name
Method used for calculation of credit equivalents	Current exposure method

#### (2) Total amount of gross reconstruction cost (not less than zero)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Total gross reconstruction cost amount	196,615	246,661

#### (3) Credit equivalents before taking into consideration effect of credit risk reduction method by collateral (for derivative product transactions, credit equivalents for each transaction classification are included)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Credit equivalents before taking into consideration the effect of credit risk reduction method by collateral	85,678	94,704
Of which, those corresponding to foreign exchange related transactions	46,594	45,123
Of which, those corresponding to interest rate related transactions	230,225	288,977
Of which, those corresponding to other transactions	—	216
Of which, those corresponding to the effect of credit risk reduction via collective liquidation netting contracts (loss)	191,141	239,613

#### (4) Total amount as indicated in (2) plus total amount of gross add-on minus the amount indicated in (3)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Total amount as indicated in (2) and gross add-on total minus the amount as indicated in (3)	191,141	239,613

## (5) Amount by type of collateral

(Millions of Yen)

Classification of acceptance or provision	Type of collateral	September 30, 2009	September 30, 2010
Accepted collateral	Government bonds	5,097	6,285
	Domestic stocks	—	—
	US bonds	—	—
	Cash	2,235	8,014
	Other	—	—
Total		7,332	14,299
Deposited collateral	Government bonds	13,334	25,580
	Domestic stocks	16,998	15,499
	US bonds	1,819	1,679
	Cash	211	171
	Other	—	—
Total		32,363	42,931

Notes:

1. Amount of collateral is indicated at market value.

2. Of deposited collateral, ¥26,831 million (at September 30, 2009) and ¥23,672 million (at September 30, 2010) are deposited with liquidation institutions, etc.

## (6) Credit equivalents after taking into consideration the effect of credit risk reduction method by collateral

(Millions of Yen)

	September 30, 2009	September 30, 2010
Credit equivalents after taking into consideration the effect of credit risk reduction method by collateral	79,576	84,977

## (7) Credit derivative predicted principal amount that will be subject to calculation of credit equivalents

(Millions of Yen)

Classification of purchase or provision	Type of credit derivative	September 30, 2009 predicted principal	September 30, 2010 predicted principal
Protection purchase	Credit default swap	—	—
	Credit linked notes	—	—
	Other	—	—
Total		—	—
Protection provision	Credit default swap	15,000	5,000
	Credit linked notes	63,000	63,000
	Other	—	—
Total		78,000	68,000

## (8) Estimated amount of principal of credit derivatives used to take into consideration the effect of credit risk reduction method

(Millions of Yen)

	September 30, 2009	September 30, 2010
Estimated amount of principal of credit derivatives used to take into consideration the effect of credit risk reduction method	—	—



## Securitization Exposure

### Securitization Exposure of which the Group is the Originator

(1) Total amount of original assets and breakdown by type of these primary original assets

(Millions of Yen)

Form of securitization	September 30, 2009	September 30, 2010
Amount of original assets of asset transfer-type securitization transactions	543,222	470,792
Residential mortgage	543,222	470,792
Other	—	—
Amount of original assets of synthetic-type securitization transactions	—	—
Residential mortgage	—	—
Other	—	—
Total amount of original assets	543,222	470,792

(2) Of exposure composing original assets, amount of exposures three months or longer overdue or exposures in default amount, loss amount in current term, and breakdown by type of these primary original assets

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Exposure amount	Loss amount in current term	Exposure amount	Loss amount in current term
Exposures three months or longer overdue	—	—	—	—
Residential mortgage	—	—	—	—
Other	—	—	—	—
Exposures in default	3,583	518	1,497	221
Residential mortgage	3,583	518	1,497	221
Other	—	—	—	—
Total	3,583	518	1,497	221

(3) Amount of securitization exposure held and breakdown by type of these primary original assets

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
	Amount of exposure	Amount of exposure
Residential mortgage	192,325	188,226
Other	—	—
Total	192,325	188,226

(4) Balance of securitization exposure held by risk weight classification of appropriate number and required capital amount

(Millions of Yen)

Risk weight	September 30, 2009		September 30, 2010	
	Balance	Required capital	Balance	Required capital
Less than 20%	—	—	—	—
20% to less than 50%	—	—	—	—
50% to less than 100%	192,325	11,671	188,226	10,222
100% to less than 350%	—	—	—	—
Capital deduction	2,682	2,682	2,682	2,682
Total	195,008	14,354	190,909	12,904

Note: Required capital amount = (credit risk weighted asset amount × 1.06) × 8% + expected loss amount

(5) Capital equivalent amount increased due to securitization transaction and breakdown by original asset type

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
Residential mortgage	22,902	17,608
Other	—	—
Total	22,902	17,608

(6) Amount of securitization exposure to be deducted from capital pursuant to provisions of Article 225 of the Consolidated Capital Adequacy Ratio Notification and breakdown by original asset type

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
Residential mortgage	—	—
Other	3,135	2,682
Total	3,135	2,682

(7) Matters concerning securitization exposure with early redemption provisions

N.A.

(8) Outline of exposure securitized in current term

N.A.

(9) Amount of profit/loss on sale recognized during the term accompanying securitization transactions and breakdown by primary original asset type

N.A.

(10) Amount of credit risk weighted assets calculated through application of Article 15 of the Supplementary Rules of Consolidated Capital Adequacy Ratio Notification

N.A.

#### Securitization Exposure in which the Group is the Investor

(1) Amount of securitization exposure held and breakdown by primary original asset type

(Millions of Yen)

Breakdown of original assets	September 30, 2009	September 30, 2010
Residential mortgage backed securities (RMBS)	96,392	84,359
Multi-borrower type commercial-use real estate backed securities (MCMBS)	—	2,950
Debt collateral certificate using credit derivative (Synthetic CDO)	2,955	4,560
First to default type credit linked notes (CLN)	50,696	52,704
Collateralized Loan Obligation (CLO)	—	820
Securitization of business (WBS)	30,068	14,403
Asset-backed securities of monetary receivables such as installment receivables (ABS)	8,803	9,101
Total	188,917	168,900

(2) Balance of securitization exposure held by risk weight classification of appropriate number and required capital amount

(Millions of Yen)

Risk weight	September 30, 2009		September 30, 2010	
	Balance	Required capital amount	Balance	Required capital amount
Less than 20%	98,225	613	92,348	548
20% to less than 50%	90,692	2,608	41,987	1,161
50% to less than 100%	—	—	29,754	1,261
100% to less than 350%	—	—	4,810	449
350% to less than 1250%	—	—	—	—
Capital deduction	—	—	—	—
Total	188,917	3,221	168,900	3,421

Note:

Required capital amount = (Credit risk weighted asset amount × 1.06) × 8%

(3) Amount of securitization exposure deducted from capital pursuant to provisions of Article 225 of the Capital Adequacy Ratio Notification and breakdown by type of original asset

(Millions of Yen)

Breakdown of original assets	September 30, 2009	September 30, 2010
Residential mortgage	—	—
Other	452	—
Total	452	—

(4) Amount of credit risk weighted asset calculated with application of Article 15 of the Supplementary Rules of Consolidated Capital Adequacy Ratio Notification

N.A.

## Equity Exposures in Bank Accounts

### Amount Posted on Consolidated Balance Sheet and Market Value

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Amount posted on consolidated balance sheet	Market value	Amount posted on consolidated balance sheet	Market value
Listed equity exposures	580,827	580,827	477,064	477,064
Equity exposures other than above	112,014		110,252	
Total	692,841		587,316	

Note: Equity exposures for domestic and foreign stocks are described in the above.

### Amount of Profit/Loss Accompanying Sale and Write-Off of Equity Exposures

(Millions of Yen)

Breakdown	September 30, 2009	September 30, 2010
Profit/loss on sale	(4,752)	3,244
Amortization loss (–)	1,513	1,419
Total	(6,266)	1,825

Note: Profit/loss on stocks stated on the Consolidated Profit and Loss Statement is described in the above.

### Amount of Appraisal Profit/Loss Recognized on Consolidated Balance Sheet and Not Recognized on Consolidated Profit and Loss Statements

(Millions of Yen)

	September 30, 2009	September 30, 2010
Amount of appraisal profit/loss recognized on consolidated balance sheet and not recognized on consolidated profit and loss statements	90,613	17,437

Note: Appraisal profit/loss relating to other securities (domestic and foreign stocks) that fall under equity exposures is described in the above.

### Amount of Appraisal Profit/Loss Not Recognized on Consolidated Balance Sheet and Not Recognized on Consolidated Profit and Loss Statements

N.A.

### Amount Calculated into Tier II Capital Pursuant to Article 6, Paragraph 1 of the Consolidated Capital Adequacy Ratio Notification

N.A.

### Amount of Equity Exposures Applicable to Article 13 (Transitional measure) of Supplementary Rules of Consolidated Capital Adequacy Ratio Notification

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	330,050	300,075
Equity exposures other than above	85,815	83,499
Total	415,866	383,574

Note: As for the amount of equity exposures classified into other securities, smaller amount of either, the amount posted on the consolidated balance sheet or the acquisition cost is used.

As for the amount of equity exposures that is not classified into other securities, the amount posted on the consolidated balance sheet is used.

## Reference: Equity Exposures in Trust Account with an Agreement on Compensation for Principal Term-end Balance in Trust Account with an Agreement on Compensation for Principal

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	—	—
Equity exposures other than above	488	482
Total	488	482

Note: Term-end balance is the amount based on accounting processing of trust account with an agreement on compensation for principal.

## Amount of Profit/Loss Accompanying Sale and Write-Off of Equity Exposures in Trust Accounts with an Agreement on Compensation for Principal

(Millions of Yen)

Breakdown	September 30, 2009	September 30, 2010
Profit/loss on sale	—	—
Amortization loss (—)	—	—
Total	—	—

Note: Profit/loss on sale and loss on amortization is the amount in accordance with the accounting processing of trust accounts with an agreement on compensation for principal.

## Amount of Equity Exposures Applicable to Article 13 (Transitional Measure) of the Supplementary Rules of Consolidated Capital Adequacy Ratio Notification in Trust Accounts with an Agreement on Compensation for Principal

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	—	—
Equity exposures other than above	488	482
Total	488	482

## Exposure Relating to Funds

(Millions of Yen)

Calculation Method	September 30, 2009	September 30, 2010
Exposure applicable to look-through formula is applicable (Note 1)	398,760	372,053
Exposure applicable to modified simple majority method is applicable (Note 2)	13,866	11,795
Exposure applicable to investment criteria formula is applicable (Note 3)	4,078	2,614
Exposure applicable to simple risk weight method is applicable (Note 4)	—	—
Those applicable to 400% risk weight	—	—
Those applicable to 1250% risk weight	—	—
Total	416,705	386,463

Notes:

1. In investment trusts, funds, repackaged bonds, etc. (the "Fund, etc."), the exposure in which the respective backed assets are obvious.
2. Exposure in which equity exposures makes up a majority of the assets backing up the Fund, etc.
3. Exposure in which the composing assets of the Fund, etc. are predictable since the operational standards are determined even though the respective assets that back up Fund, etc. are not obvious.
4. Exposure in which the respective assets backing up the Fund, etc. are not obvious, and does not fall under 1 to 3 above.

## Variation Amount of Profit/Loss or Economic Value from Interest Rate Shock Used by the Group for Internal Management with Regard to Interest Rate Risk in Bank Accounts

(Millions of Yen)

	September 30, 2009	September 30, 2010
Variation amount of profit/loss or economic value from interest rate shock	70,677	56,597

Note: Calculation is done by the same method as the outlier standard as provided in "General Supervision Guidelines for Major Banks."

Since subject assets in consolidation target companies other than bank subsidiaries are very few, the total sum of the value calculated for The Chuo Mitsui Trust and Banking Company, Limited on a non-consolidated basis and for Chuo Mitsui Asset Trust and Banking Company, Limited on a non-consolidated basis is indicated.

Interest rate shock to be applied: 99 percentile value of interest rate volatility measured with a retention period of 1 year and observation period of 5 years.

Core deposit to be applied: 50% of current balance of liquid deposit (ordinary deposit, current deposit, etc.)



# Reference

## Basel II Related Data

### The Chuo Mitsui Trust and Banking Company, Limited

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## Consolidated Data

### Means of Capital Procurement

Common stock  
 Perpetual subordinated bonds  
 Fixed-term subordinated bonds

### Credit Risk Weighted Assets

1. Type of internal ratings-based approach to be used:

the foundation internal ratings-based approach

2. Scope of application of the internal rating-based approach and scope of application of the standardised approach:

for calculation of credit risk weighted assets, the foundation internal ratings-based approach is used in principle, however, the following scope shall be considered exempted from application and the standardised approach is used.

#### [Business units under the standardised approach]

Assets not occurring incidental to credit transactions or assets to which it is practically difficult to apply the internal ratings-based approach and besides there is little significance in credit risk management.

#### [Assets under the standardised approach]

Business units whose primary business is not credit business.

12 companies within the scope of consolidation of The Chuo Mitsui Trust and Banking Company, Limited are the business units for which application was excluded (as of end of September, 2010)

3. Phased roll-out application:

N.A.

4. Rating agency used for the standardised approach:

Rating and Investment Information, Inc.  
 However, for corporate exposures, we apply 100% risk weight to all.

5. Securitization Exposure

Credit risk weighted asset amount  
 calculation method:

- for those with external ratings: the external ratings-based approach  
 - for those without external ratings but possible to ascertain the original assets that back up the relevant securitization exposure: supervisory formula  
 - for those without external ratings and not possible to ascertain the original assets that back up the relevant securitization exposure: capital deduction

Rating agency to be used:

Rating and Investment Information, Inc.  
 Japan Credit Rating Agency, Ltd.  
 Moody's Investors Service Inc.  
 Standard & Poor's Ratings Services  
 Fitch Ratings Limited

### Operational Risks

• Method used in calculation of operational risk equivalents:

the standardised approach

## Scope of Consolidation

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Difference between companies that belong to the group of companies subject to calculation of the consolidated capital adequacy ratio (the “Consolidated Group”) and companies included within the consolidation scope in accordance with the Consolidated Financial Statements Rules.</li> </ul>   | <p>The consolidated capital adequacy ratio is calculated by including financial subsidiaries that are not consolidated, since Article 5, Paragraph 2 of Consolidated Financial Statements Rules is applicable, with companies that are within the scope of consolidation in preparation of consolidated financial statements</p>   |
| <ul style="list-style-type: none"> <li>• Of the Consolidated Group, the number of consolidated subsidiaries, names of principal consolidated subsidiaries, and descriptions of their primary businesses:</li> </ul>   | <p>Number of consolidated subsidiaries: 15<br/>           Primary consolidated subsidiaries:<br/>           Chuo Mitsui Guarantee Co., Ltd. (credit guarantee business)<br/>           Chuo Mitsui Card Co., Ltd. (credit card business)<br/>           CMTB Equity Investments Co., Ltd. (securities operation management)<br/>           Chuo Mitsui Finance Service Co., Ltd. (loan business)</p> |
| <ul style="list-style-type: none"> <li>• Number of affiliates engaging in financial businesses applicable to Article 32 of the Capital Adequacy Ratio Notification, names of primary affiliates engaging in financial businesses, and descriptions of their primary businesses:</li> </ul>  | <p>N.A.</p>  |
| <ul style="list-style-type: none"> <li>• Number of companies subject to items for deduction as indicated in a. to c. of Article 31, Paragraph 1, Item 2 of the Capital Adequacy Ratio Notification, names of primary companies, and descriptions of their primary businesses:</li> </ul>  | <p>N.A.</p>  |
| <ul style="list-style-type: none"> <li>• Number of companies indicated in Article 16-2, Paragraph 1, Item 11 of the Bank Law and that only operate subordinate businesses, or companies indicated in Item 12 of the relevant Paragraph, and that do not belong to the Consolidated Group and the names of the primary companies exclusively, and descriptions of the primary businesses:</li> </ul> | <p>N.A.</p>  |
| <ul style="list-style-type: none"> <li>• Overview of restrictions relating to transfer of funds and capital inside Consolidated Group:</li> </ul>   | <p>N.A.</p>  |
| <ul style="list-style-type: none"> <li>• Of companies subject to items for deduction indicated in a. to c. of Article 31, Paragraph 1, Item 2 of the Capital Adequacy Ratio Notification, the names of companies that have less capital than the regulatory required capital, and the total amount less than the required capital:</li> </ul>   | <p>N.A.</p>  |

## Composition of Capital

### Composition of Capital

(Millions of Yen)

Item	September 30, 2009	March 31, 2010	September 30, 2010
Tier I capital			
Capital stock	399,697	399,697	<b>399,697</b>
Non-cumulative perpetual preferred stock of above	—	—	—
New stock application margin	—	—	—
Capital surplus	149,011	149,011	<b>149,011</b>
Retained earnings	114,718	142,307	<b>166,156</b>
Treasury stock (—)	—	—	—
Treasury stock application margin	—	—	—
Projected amount of distributed income (—)	—	9,501	—
Evaluation loss on other securities (—)	—	—	—
Foreign currency translation adjustment	(1,464)	(1,738)	<b>(2,002)</b>
Stock acquisition rights	—	—	—
Minority interests of consolidated subsidiaries, etc.	3,112	3,378	<b>3,454</b>
Non-dilutive preferred securities issued by overseas SPCs among above	—	—	—
Trade right equivalent amount (—)	—	—	—
Goodwill equivalent amount (—)	7,923	7,555	<b>7,247</b>
Intangible fixed asset equivalent posted by corporate consolidation, etc. (—)	—	—	—
Amount equivalent to capital increase due to securitization transactions (—)	22,902	20,401	<b>17,608</b>
Amount equivalent to 50% of the amount exceeding the expected loss amount from the qualifying reserve (—)	18,165	13,600	<b>9,780</b>
Total Tier I capital before deduction of deferred tax assets (total amount of above respective items)	616,086	641,598	<b>681,682</b>
Amount of deferred tax assets deducted (—)	27,048	14,176	<b>880</b>
Total Tier I capital (A)	589,037	627,422	<b>680,801</b>
Non-dilutive preferred securities with step-up interest rate provisions of above <sup>(Note 2)</sup> (B)	—	—	—
Tier II capital			
Amount equivalent to 45% of difference between land revaluation amount and book value just before revaluation	—	—	—
General reserve for possible loan losses <sup>(Note 3)</sup>	0	0	<b>0</b>
Amount by which qualifying reserve exceeds expected loss amount <sup>(Note 4)</sup>	—	—	—
Liability type fundraising means, etc.	311,492	319,250	<b>312,241</b>
Perpetual subordinated bonds of above <sup>(Note 5)</sup>	114,992	116,750	<b>109,741</b>
Fixed-term subordinated bonds and fixed-term preferred stock <sup>(Note 6)</sup>	196,500	202,500	<b>202,500</b>
Amount not calculated into Tier II capital (—)	—	—	—
Total Tier II capital (C)	311,492	319,251	<b>312,241</b>
Items for deduction <sup>(Note 7)</sup> (D)	29,345	22,986	<b>18,613</b>
Capital Amount (E) = (A) + (C) – (D)	871,183	923,687	<b>974,429</b>
For Reference:			
Risk weighted assets, etc.			
Credit risk weighted asset amount	7,440,996	6,943,353	<b>6,564,959</b>
Asset (on-balance sheet) items	6,739,562	6,296,411	<b>5,978,454</b>
Off-balance sheet transaction items	701,434	646,941	<b>586,504</b>
Amount arrived at by dividing operational risk equivalents by 8%	416,308	390,445	<b>370,075</b>
Amount arrived at by multiplying 25.0 {(amount arrived at by multiplying the rate prescribed in the Notification with former required capital) minus (amount of new required capital)} by 25.0	—	—	—
Total (F)	7,857,304	7,333,798	<b>6,935,034</b>
Consolidated Capital Adequacy Ratio (Domestic Standard) = (E)/(F) × 100	11.08%	12.59%	<b>14.05%</b>
(A)/(F) × 100	7.49%	8.55%	<b>9.81%</b>
(B)/(A) × 100	—	—	—

#### Notes:

1. Compositions of capital and capital adequacy ratio, etc. are calculated in accordance with Financial Services Agency Notification No. 19 of 2006 (the "Capital Adequacy Ratio Notification") and No. 79 of 2008.
2. Meaning those as provided in Article 28, Paragraph 2 of the Capital Adequacy Ratio Notification, in other words, stock, etc., that has the probability of redemption, including those adding a step-up interest rate and other special provisions (including preferred investment securities issued by overseas SPCs).
3. The amount of the portion on which a standardised approach has been adopted is stated.
4. For trust account with an agreement on compensation for principal, amount by which qualifying reserve exceeds expected loss amount is not posted.
5. Meaning liability type fundraising means as indicated in Article 29, Paragraph 1, Item 3 of the Capital Adequacy Ratio Notification, and which have all the characteristics as indicated below:
  - (1) Unsecured, subordinated to other liabilities, and already paid,
  - (2) Not to be redeemed, except for in certain cases,
  - (3) Should supplement loss while business is ongoing,
  - (4) That for which interest payment obligation postponement is allowed.
6. These are those indicated in Article 29, Paragraph 1, Items 4 and 5 of the Capital Adequacy Ratio Notification. However, for fixed-term subordinated bonds, there is a limitation to those with redemption periods exceeding 5 years from the agreement.
7. Amount equivalent to intentional holding of fundraising means of other financial institutions as indicated in Article 31, Paragraph 1, Item 1 of the Capital Adequacy Ratio Notification, amount equivalent to investment in those set in Item 2 of the relevant paragraph, the amount that is to be deducted pursuant to the provisions of Items 3 to 6 thereof and those indicated in Item 2 above.

8. From the end of the 2002 consolidated fiscal term (March 31, 2003), as to the internal management system relating to calculation of the consolidated capital adequacy ratio, we have received examination services by Deloitte Touche Tohmatsu LLC. The relevant examination services were an implementation of examination procedures agreed upon between Tohmatsu and us, and were not an accounting audit in accordance with the GAAS, nor did we receive their opinion on the consolidated capital adequacy ratio itself, or internal controls relating to the calculation of the consolidated capital adequacy ratio (the abovementioned examination procedures were in accordance with the Japanese Institute of Certified Public Accountants, Committee on Audit by Business Type, Report No. 30)
9. Consolidated capital adequacy ratio (International Unified Standard) as of September 30, 2010, which constitutes a condition for adoption and continuous use of the internal ratings-based approach as prescribed in Article 238 of the Capital Adequacy Ratio Notification, is 13.94% (Tier I ratio: 9.66%)

## Capital Adequacy Levels Required Capital Amount

(1) Required capital amount for credit risks (amount in (2) (3) shall be excluded)

	(Millions of Yen)	
Classification	September 30, 2009	September 30, 2010
Portfolio applicable to the standardised approach	3,493	<b>3,269</b>
Business units under the standardised approach	2,571	<b>2,487</b>
Assets under the standardised approach	921	<b>781</b>
Portfolio applicable to the internal ratings-based approach	574,676	<b>480,814</b>
Corporate exposures	433,650	<b>351,781</b>
Sovereign exposures	1,303	<b>1,773</b>
Bank exposures	26,812	<b>24,829</b>
Residential mortgage exposures	49,301	<b>48,602</b>
Qualifying revolving retail exposures	2,041	<b>1,842</b>
Other retail exposures	22,887	<b>15,657</b>
Other exposures <sup>(Note 2)</sup>	38,680	<b>36,327</b>
Securitization exposure	40,930	<b>33,935</b>
<b>Total</b>	<b>619,100</b>	<b>518,018</b>

Notes:

- Credit card receivables held by Chuo Mitsui Card Co., Ltd.
- Exposure regarding purchased receivables, unsettled transactions, lease transactions and other assets.
- Calculation method of required capital amount for credit risk is as follows (although the Group uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount).  
Portfolio applicable to the standardised approach: amount of credit risk weighted asset  $\times$  8% + capital deduction amount  
Portfolio applicable to the internal ratings-based approach and securitization exposure: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + expected loss amount + capital deduction amount

(2) Required capital amount for credit risk relating to equity exposures applicable to the internal ratings-based approach

	(Millions of Yen)	
Classification	September 30, 2009	September 30, 2010
Market-based approach	148	<b>1,507</b>
Simple risk weight method	148	<b>1,507</b>
PD/LGD approach	27,153	<b>24,933</b>
Those applicable to the transitional measure <sup>(Note 1)</sup>	35,689	<b>32,893</b>
<b>Total</b>	<b>62,991</b>	<b>59,335</b>

Notes:

- Amount of credit risk weighted assets is calculated by placing risk weight as being 100%, pursuant to Article 13 of Supplementary Rules of Capital Adequacy Ratio Notification.
- Calculation method of required capital amount to credit risk relating to equity exposures applicable to the internal ratings-based approach is as follows (although the Group uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount).  
Those applicable to the simple risk weight method of the market-based approach: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + capital deduction amount  
Those applicable to PD/LGD approach: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + expected loss amount + capital deduction amount  
Those applicable to the transitional measure: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + capital deduction amount

## (3) Required capital amount for the credit risk relating to funds

(Millions of Yen)

Calculation Method	September 30, 2009	September 30, 2010
Look-through formula	78,984	68,560
Modified simple majority method	4,163	3,509
Operational standards method	1,188	870
Simple risk weight method	—	—
Those applicable to 400% risk weight	—	—
Those applicable to 1250% risk weight	—	—
<b>Total</b>	<b>84,337</b>	<b>72,940</b>

Note: Calculation method of required capital amount for the credit risk relating to funds is as follows (although the Group uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount).

Look-through formula: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + expected loss amount + capital deduction amount

Other than look-through formula: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + capital deduction amount

## (4) Required capital amount for operational risks

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Standardised approach	33,304	29,606
<b>Total</b>	<b>33,304</b>	<b>29,606</b>

## (5) Total amount of consolidated required capital

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
<b>Total amount of consolidated required capital</b> <sup>(Note 1)</sup>	<b>628,584</b>	<b>554,802</b>

Notes:

1. (Total amount of credit risk weighted asset + operational risk equivalents/8%)  $\times$  8%

2. Although the Group uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the total amount of consolidated required capital.

## Credit Risks

(except for exposure relating to funds and securitization exposure)

### Term-end Balance of Exposure Relevant to Credit Risks and Breakdown by Primary Types

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010	Average balance of exposure during the term
<b>Standardised approach</b>	<b>19,032</b>	<b>16,001</b>	<b>16,289</b>
Loaned money, call loans, deposits, etc.	18,895	15,865	16,153
Securities	136	135	135
Derivative transactions	—	—	—
Off-balance sheet transactions	—	—	—
Commitment	—	—	—
Trusts with an agreement on compensation for principal	—	—	—
Repo-style transactions	—	—	—
Other	—	—	—
<b>Internal ratings-based approach</b>	<b>15,780,380</b>	<b>13,672,672</b>	<b>14,002,845</b>
Loaned money, call loans, deposits, etc.	9,260,460	8,980,222	8,970,195
Securities	3,734,330	2,981,937	2,974,648
Derivative transactions	91,214	113,967	115,792
Off-balance sheet transactions	2,694,374	1,596,544	1,942,208
Commitment	577,166	515,369	515,723
Trusts with an agreement on compensation for principal	211,586	196,446	199,086
Repo-style transactions	39,176	43,529	34,520
Other	1,866,445	841,200	1,192,878
<b>Total</b>	<b>15,799,412</b>	<b>13,688,674</b>	<b>14,019,135</b>

#### Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation exposure at default; however, for exposures under the standardised approach (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default less partial direct write-off.
2. Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
3. The internal ratings-based approach application exclusion portion is described in the standardised approach.
4. The average balance of exposure during the term is the average value for respective quarterly term-end balances.

### (1) Term-end balance of exposure by region and breakdown by primary types

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
<b>Domestic</b>	<b>14,361,876</b>	<b>12,217,321</b>
Loaned money, call loans, deposits, etc.	9,036,631	8,792,484
Securities	2,657,696	1,851,793
Derivative transactions	12,258	16,589
Off-balance sheet transactions	2,655,288	1,556,453
Commitment	577,165	515,369
Trusts with an agreement on compensation for principal	211,581	196,442
Repo-style transactions	3,035	3,773
Other	1,863,506	840,868
<b>Overseas</b>	<b>1,437,536</b>	<b>1,471,353</b>
Loaned money, call loans, deposits, etc.	242,724	203,603
Securities	1,076,770	1,130,280
Derivative transactions	78,955	97,377
Off-balance sheet transactions	39,085	40,091
Commitment	0	—
Trusts with an agreement on compensation for principal	4	3
Repo-style transactions	36,141	39,755
Other	2,939	332
<b>Total</b>	<b>15,799,412</b>	<b>13,688,674</b>

#### Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation exposure at default; however, for exposures under the standardised approach (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default less partial direct write-off.
2. Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
3. The internal ratings-based approach application exclusion portion is described in the standardised approach.



(2) Term-end balance of exposure by business type and breakdown by primary type

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Sovereign	5,058,271	<b>3,437,574</b>
Central government and central bank	4,564,333	<b>2,882,618</b>
Loaned money, call loans, deposits, etc.	170,859	<b>166,764</b>
Securities	2,710,969	<b>1,990,179</b>
Derivative transactions	—	—
Off-balance sheet transactions	1,682,504	<b>725,674</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	4	<b>3</b>
Repo-style transactions	2,023	—
Other	1,680,476	<b>725,670</b>
Local public organizations	46,238	<b>47,249</b>
Loaned money, call loans, deposits, etc.	12,825	<b>16,385</b>
Securities	640	<b>200</b>
Derivative transactions	—	—
Off-balance sheet transactions	32,771	<b>30,664</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	4,350	<b>4,234</b>
Repo-style transactions	—	—
Other	28,421	<b>26,429</b>
Other	447,700	<b>507,706</b>
Loaned money, call loans, deposits, etc.	186,507	<b>143,820</b>
Securities	247,641	<b>352,733</b>
Derivative transactions	—	—
Off-balance sheet transactions	13,551	<b>11,152</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	13,333	<b>10,935</b>
Repo-style transactions	—	—
Other	218	<b>217</b>
Financial institutions	761,954	<b>734,767</b>
Loaned money, call loans, deposits, etc.	330,420	<b>360,498</b>
Securities	295,432	<b>199,093</b>
Derivative transactions	70,550	<b>83,758</b>
Off-balance sheet transactions	65,551	<b>91,417</b>
Commitment	25,725	<b>46,691</b>
Trusts with an agreement on compensation for principal	1,474	<b>1,192</b>
Repo-style transactions	37,153	<b>43,529</b>
Other	1,197	<b>3</b>
Business corporation	6,452,517	<b>6,015,677</b>
Loaned money, call loans, deposits, etc.	5,294,509	<b>5,025,323</b>
Securities	479,782	<b>439,866</b>
Derivative transactions	20,663	<b>30,209</b>
Off-balance sheet transactions	657,561	<b>520,276</b>
Commitment	490,579	<b>422,326</b>
Trusts with an agreement on compensation for principal	25,565	<b>21,593</b>
Repo-style transactions	—	—
Other	141,415	<b>76,356</b>

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(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Individual	3,492,467	<b>3,482,154</b>
Loaned money, call loans, deposits, etc.	3,250,032	<b>3,264,795</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	242,435	<b>217,358</b>
Commitment	60,861	<b>46,351</b>
Trusts with an agreement on compensation for principal	166,857	<b>158,485</b>
Repo-style transactions	—	—
Other	14,715	<b>12,522</b>
Special international financial transaction account portion	34,201	<b>18,500</b>
Loaned money, call loans, deposits, etc.	34,201	<b>18,500</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Total	15,799,412	<b>13,688,674</b>

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation exposure at default; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default less partial direct write-off.
2. Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

Reference: Term-end balance of exposure by business type relevant to corporations and breakdown by primary type

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Manufacturing	1,271,441	<b>1,192,549</b>
Loaned money, call loans, deposits, etc.	987,256	<b>942,158</b>
Securities	54,877	<b>44,118</b>
Derivative transactions	2,905	<b>2,855</b>
Off-balance sheet transactions	226,400	<b>203,417</b>
Commitment	200,212	<b>174,994</b>
Trusts with an agreement on compensation for principal	8,016	<b>5,478</b>
Repo-style transactions	—	—
Other	18,172	<b>22,944</b>
Agriculture	385	<b>326</b>
Loaned money, call loans, deposits, etc.	385	<b>326</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Forestry	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Fishery	4	<b>2</b>
Loaned money, call loans, deposits, etc.	4	<b>2</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Mining industry	4,314	<b>754</b>
Loaned money, call loans, deposits, etc.	1,865	<b>738</b>
Securities	—	—
Derivative transactions	6	—
Off-balance sheet transactions	2,442	<b>15</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	2,442	<b>15</b>
Construction	141,106	<b>120,377</b>
Loaned money, call loans, deposits, etc.	111,077	<b>85,472</b>
Securities	200	<b>450</b>
Derivative transactions	59	<b>8</b>
Off-balance sheet transactions	29,768	<b>34,445</b>
Commitment	28,691	<b>33,480</b>
Trusts with an agreement on compensation for principal	50	<b>20</b>
Repo-style transactions	—	—
Other	1,027	<b>945</b>

(continues to right column)

(continued from left column) (Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Electricity, gas, heating, water	259,030	<b>200,181</b>
Loaned money, call loans, deposits, etc.	169,494	<b>195,652</b>
Securities	—	—
Derivative transactions	10	<b>5</b>
Off-balance sheet transactions	89,524	<b>4,523</b>
Commitment	88,782	<b>4,482</b>
Trusts with an agreement on compensation for principal	742	<b>41</b>
Repo-style transactions	—	—
Other	0	—
Information communications	42,809	<b>44,359</b>
Loaned money, call loans, deposits, etc.	37,188	<b>35,411</b>
Securities	1,725	<b>3,837</b>
Derivative transactions	8	<b>8</b>
Off-balance sheet transactions	3,887	<b>5,101</b>
Commitment	3,773	<b>5,006</b>
Trusts with an agreement on compensation for principal	96	<b>83</b>
Repo-style transactions	—	—
Other	17	<b>11</b>
Transportation	657,869	<b>609,943</b>
Loaned money, call loans, deposits, etc.	557,175	<b>524,848</b>
Securities	37,167	<b>32,259</b>
Derivative transactions	2,111	<b>2,621</b>
Off-balance sheet transactions	61,415	<b>50,214</b>
Commitment	55,885	<b>45,873</b>
Trusts with an agreement on compensation for principal	4,120	<b>3,429</b>
Repo-style transactions	—	—
Other	1,409	<b>911</b>
Wholesale and retail	554,402	<b>556,724</b>
Loaned money, call loans, deposits, etc.	497,987	<b>502,109</b>
Securities	20,276	<b>15,693</b>
Derivative transactions	1,066	<b>1,133</b>
Off-balance sheet transactions	35,071	<b>37,787</b>
Commitment	22,687	<b>19,803</b>
Trusts with an agreement on compensation for principal	3,278	<b>3,718</b>
Repo-style transactions	—	—
Other	9,106	<b>14,266</b>
Finance and insurance	1,242,152	<b>1,267,355</b>
Loaned money, call loans, deposits, etc.	1,137,609	<b>1,221,831</b>
Securities	—	—
Derivative transactions	11,723	<b>20,643</b>
Off-balance sheet transactions	92,820	<b>24,880</b>
Commitment	15,544	<b>17,449</b>
Trusts with an agreement on compensation for principal	7,344	<b>7,269</b>
Repo-style transactions	—	—
Other	69,930	<b>161</b>
Real estate	1,467,896	<b>1,288,833</b>
Loaned money, call loans, deposits, etc.	1,262,519	<b>1,065,925</b>
Securities	133,121	<b>117,080</b>
Derivative transactions	1,953	<b>1,780</b>
Off-balance sheet transactions	70,301	<b>104,045</b>
Commitment	49,266	<b>83,937</b>
Trusts with an agreement on compensation for principal	290	<b>187</b>
Repo-style transactions	—	—
Other	20,745	<b>19,920</b>

(continues to p. 118)

(continued from p. 117)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
Various services	411,364	<b>355,949</b>
Loaned money, call loans, deposits, etc.	335,230	<b>269,881</b>
Securities	46,134	<b>39,396</b>
Derivative transactions	365	<b>394</b>
Off-balance sheet transactions	29,634	<b>46,278</b>
Commitment	11,728	<b>29,869</b>
Trusts with an agreement on compensation for principal	1,627	<b>1,367</b>
Repo-style transactions	—	—
Other	16,278	<b>15,040</b>
Other	399,739	<b>378,319</b>
Loaned money, call loans, deposits, etc.	196,714	<b>180,965</b>
Securities	186,280	<b>187,030</b>
Derivative transactions	452	<b>756</b>
Off-balance sheet transactions	16,292	<b>9,566</b>
Commitment	14,007	<b>7,427</b>
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	2,284	<b>2,139</b>
Total	6,452,517	<b>6,015,677</b>

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of depreciation exposure at default; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from amount posted on consolidated balance sheet,
- (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
- (3) Derivative transactions: credit equivalents,
- (4) Trust with an agreement on compensation for principal: amount gained by deducting partial direct write-off from amount of exposure at default less partial direct write-off.

2. Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

(3) Term-end balance of exposure by remaining period and breakdown by primary type

	(Millions of Yen)	
Remaining Period	September 30, 2009	September 30, 2010
1 year or shorter	5,621,350	<b>4,207,785</b>
Loaned money, call loans, deposits, etc.	2,896,807	<b>2,918,208</b>
Securities	612,794	<b>184,312</b>
Derivative transactions	20,272	<b>25,581</b>
Off-balance sheet transactions	2,091,475	<b>1,079,682</b>
Commitment	242,207	<b>249,248</b>
Trusts with an agreement on compensation for principal	35,078	<b>29,049</b>
Repo-style transactions	39,176	<b>43,529</b>
Other	1,775,013	<b>757,855</b>
Over 1 year to 3 years or less	2,734,919	<b>2,295,583</b>
Loaned money, call loans, deposits, etc.	1,589,331	<b>1,243,609</b>
Securities	967,014	<b>893,532</b>
Derivative transactions	4,066	<b>1,809</b>
Off-balance sheet transactions	174,506	<b>156,631</b>
Commitment	170,959	<b>153,472</b>
Trusts with an agreement on compensation for principal	1,198	<b>1,013</b>
Repo-style transactions	—	—
Other	2,348	<b>2,145</b>
Over 3 years to 5 years or shorter	2,324,206	<b>1,666,500</b>
Loaned money, call loans, deposits, etc.	1,056,235	<b>1,056,802</b>
Securities	1,149,131	<b>557,138</b>
Derivative transactions	1,891	<b>3,979</b>
Off-balance sheet transactions	116,946	<b>48,580</b>
Commitment	112,993	<b>36,784</b>
Trusts with an agreement on compensation for principal	1,765	<b>4,257</b>
Repo-style transactions	—	—
Other	2,187	<b>7,538</b>
Over 5 years to 7 years or shorter	543,637	<b>726,808</b>
Loaned money, call loans, deposits, etc.	322,937	<b>335,935</b>
Securities	193,312	<b>338,090</b>
Derivative transactions	2,813	<b>1,944</b>
Off-balance sheet transactions	24,573	<b>50,838</b>
Commitment	7,721	<b>44,813</b>
Trusts with an agreement on compensation for principal	8,604	<b>5,118</b>
Repo-style transactions	—	—
Other	8,247	<b>906</b>
Over 7 years	4,327,622	<b>4,562,253</b>
Loaned money, call loans, deposits, etc.	3,318,052	<b>3,350,757</b>
Securities	812,213	<b>1,008,998</b>
Derivative transactions	62,169	<b>80,652</b>
Off-balance sheet transactions	135,186	<b>121,844</b>
Commitment	22,735	<b>20,197</b>
Trusts with an agreement on compensation for principal	36,552	<b>31,365</b>
Repo-style transactions	—	—
Other	75,898	<b>70,281</b>

(continues to right column)

	(Millions of Yen)	
Remaining Period	September 30, 2009	September 30, 2010
With no provision for period	247,676	<b>229,742</b>
Loaned money, call loans, deposits, etc.	95,990	<b>90,774</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	151,685	<b>138,968</b>
Commitment	20,549	<b>10,852</b>
Trusts with an agreement on compensation for principal	128,387	<b>125,641</b>
Repo-style transactions	—	—
Other	2,749	<b>2,473</b>
Total	15,799,412	<b>13,688,674</b>

Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: exposure at default less partial direct write-off; however, for application exclusion portion (standardised approach), amount posted on consolidated balance sheet less valuation gains on other available-for-sale securities,
  - Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after deduction of credit risk,
  - Derivative transactions: credit equivalents,
  - Trust with an agreement on compensation for principal: exposure at default less partial direct write-off.
- Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
- Those of which remaining period is beyond recognition are included in "With no provision for period."

## Term-end Balance of Exposures Three Months or Longer Overdue and Exposures in Default and Breakdown by Primary Type

### (1) Term-end balance of exposure by region

(Millions of Yen)

Classification	September 30, 2009			September 30, 2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Exposures three months or longer overdue (Those applicable to the standardised approach)	21	—	21	2	—	2
Exposures in default (Those applicable to the internal ratings-based approach)	154,636	6,956	161,593	116,183	5,263	121,446
<b>Total</b>	<b>154,658</b>	<b>6,956</b>	<b>161,615</b>	<b>116,186</b>	<b>5,263</b>	<b>121,449</b>

Notes:

1. Equity exposures is not included in the above.

2. Internal ratings-based approach application exclusion portion is described in the standardised approach.

### (2) Term-end balance of exposure by business type

#### (i) Exposure delay of three months or longer (applicable to the standardised approach)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
Sovereign	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
Financial institutions	—	—
Business corporations	21	2
Manufacturing	19	1
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	—
Construction	0	—
Electricity, gas, heating, water	—	—
Information communications	—	0
Transportation	—	—
Wholesale and retail	0	—
Finance and insurance	—	—
Real estate	—	—
Various services	1	1
Other	—	0
Individual	—	—
Special international financial transaction account portion	—	—
<b>Total</b>	<b>21</b>	<b>2</b>

Note: Equity exposure is not included in the above.

(ii) Exposures in default (applicable to the internal ratings-based approach)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
<b>Sovereign</b>	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
<b>Financial institutions</b>	5,000	5,000
<b>Business corporations</b>	123,124	75,234
Manufacturing	8,150	7,224
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	—
Construction	7,281	6,224
Electricity, gas, heating, water	272	231
Information communications	3,285	3,294
Transportation	2,239	651
Wholesale and retail	8,392	4,533
Finance and insurance	6,554	6,940
Real estate	77,516	39,804
Various services	7,718	6,328
Other	1,713	—
Individual	33,157	40,949
Special international financial transaction account portion	310	263
<b>Total</b>	161,593	121,446

Note: Equity exposures is not included in the above.

### Term-end Balance and Amount of Variance during the Term of General Reserve for Possible Loan Losses, Respective Reserve for Possible Loan Losses, and Specified Overseas Receivables Reserve Account

(1) Balance of reserve by region

(Millions of Yen)

Six months ended September 30 Business Type	2009		2010	
	Term-end Balance	Variance during Term	Term-end Balance	Variance during Term
General reserve for possible loan losses	31,002	406	26,338	(4,664)
Respective reserve for possible loan losses	32,815	4,463	20,361	(12,453)
Domestic	28,315	4,371	16,111	(12,203)
Overseas	4,500	91	4,250	(250)
Specified overseas receivables reserve account	75	40	—	(75)
<b>Total</b>	63,893	4,909	46,700	(17,192)

Notes:

1. Above is a description of the value in the bank account.
2. General reserve for possible loan losses is not managed by region.



## (2) Balance of respective reserve for possible loan losses by business type

(Millions of Yen)

Six months ended September 30 Business Type	2009		2010	
	Term-end Balance	Variance during Term	Term-end Balance	Variance during Term
Sovereign	—	—	—	—
Central government and central bank	—	—	—	—
Local public organizations	—	—	—	—
Other	—	—	—	—
Financial institutions	4,500	(7,650)	4,250	(250)
Business corporations	25,371	11,873	11,933	(13,437)
Manufacturing	2,804	752	139	(2,665)
Agriculture	—	—	—	—
Forestry	—	—	—	—
Fishery	—	—	—	—
Mining industry	—	—	—	—
Construction	1,214	(240)	382	(831)
Electricity, gas, heating, water	—	—	—	—
Information communications	1,677	1,635	3,270	1,593
Transportation	258	214	46	(212)
Wholesale and retail	996	(545)	511	(485)
Finance and insurance	3,132	2,987	26	(3,105)
Real estate	11,856	7,184	6,031	(5,824)
Various services	3,430	(115)	1,525	(1,905)
Other	0	0	—	0
Individual	2,943	239	4,178	1,234
Special international financial transaction account portion	—	—	—	—
Total	32,815	4,463	20,362	(12,453)

Note: General reserve for possible loan losses and specified overseas receivables reserve account are not managed by business type.

## Amount of Loan Amortized by Business Type

(Millions of Yen)

Six months ended September 30 Business Type	2009	2010
	Amount of loan amortized	Amount of loan amortized
Sovereign	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
Financial institutions	—	—
Business corporations	7,669	1,514
Manufacturing	187	33
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	2
Construction	371	219
Electricity, gas, heating, water	—	—
Information communications	29	16
Transportation	21	1
Wholesale and retail	794	119
Finance and insurance	—	36
Real estate	5,491	1,010
Various services	772	73
Other (Note 2)	—	—
Individual	1,460	1,065
Special international financial transaction account portion	—	—
Total	9,130	2,579

Note: Amount of loan amortized for trust account with an agreement on compensation for principal is included in the above.

## Balance by Risk Weight Classification for Exposure Applicable to the Standardised Approach

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010				
		Rating applicable	Rating not applicable <sup>(Note)</sup>		Rating applicable	Rating not applicable <sup>(Note)</sup>
0%	282	3	279	227	17	209
Over 0% to 10%	29	—	29	—	—	—
Over 10% to 35%	4,390	3,371	1,018	3,416	2,582	834
Over 35% to 75%	267	—	267	272	—	272
Over 75% to 100%	14,039	—	14,039	12,082	—	12,082
Over 100% to 150%	21	—	21	2	—	2
Capital deduction	—	—	—	—	—	—
Total	19,032	3,374	15,657	16,001	2,600	13,401

Note: The Group has registered for application of special exceptions in Article 67 of Consolidated Capital Adequacy Ratio Notification as to exposure oriented to corporations, etc., so risk weight is uniformly 100%. The exposures applicable to the relevant special exceptions are described in the "rating not applicable" column.

## Exposures Applicable to Internal Rating System

### (1) Balance of specialized lending using slotting criteria

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010
0%	23,857	9,126
50%	179,868	226,470
70%	267,067	243,154
90%	52,501	17,548
115%	45,578	14,301
250%	58,936	19,921
Total	627,810	530,522

Note: The Group does not hold loans for commercial real estate (with high volatility).

### (2) Balance of equity exposures using simple risk weight method of the market-based approach

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010
300%	263	313
400%	240	4,210
Total	503	4,523

Note: As for balance of equity exposures classified into other securities, smaller amount of either, the amount posted on the consolidated balance sheet or acquisition cost. For balance of equity exposures that is not classified into other securities, the amount posted on the consolidated balance sheet is used.

## Portfolio Applicable to the Internal Ratings-based Approach

### (1) Corporate exposures

(Millions of Yen)

Credit Rating	September 30, 2009			EAD Estimated Value <sup>(Note 1)</sup>	
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.51%	44.00%	55.02%	4,630,943	619,478
Need caution ( <i>youchui-saki</i> ) (Not including obligor under close observation)	8.15%	41.56%	161.05%	407,340	36,373
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	41.50%		112,391	20,199
Total	3.35%	43.75%	61.84%	5,150,675	676,051

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.45%	44.12%	52.58%	4,649,736	458,861
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.94%	41.16%	158.36%	268,346	32,924
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	41.53%		71,200	25,489
Total	2.61%	43.91%	57.44%	4,989,283	517,275

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (2) Sovereign exposures

(Millions of Yen)

Credit Rating	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.00%	44.96%	0.30%	3,331,094	1,728,827
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	—	—	—	—	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		—	6
Total	0.00%	44.96%	0.30%	3,331,094	1,728,833

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.00%	44.96%	0.61%	2,671,688	767,491
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	—	—	—	—	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		—	6
Total	0.00%	44.96%	0.61%	2,671,688	767,497

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (3) Bank exposures

(Millions of Yen)

Credit Rating	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.22%	45.09%	39.75%	599,372	136,101
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	12.33%	45.00%	223.11%	1,002	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		5,000	—
Total	0.91%	45.09%	39.73%	605,375	136,101

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.21%	43.93%	38.08%	538,622	175,175
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	12.10%	45.00%	209.65%	607	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		5,000	—
Total	0.92%	43.94%	37.96%	544,230	175,175

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average is values estimated by the respective internal ratings or risk weight weighted with EAD estimated value.

## (4) Equity exposures using the PD/LGD approach

(Millions of Yen)

Credit Rating	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.52%	90.00%	169.39%	186,505	—
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.39%	90.00%	434.86%	304	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	90.00%		7	—
Total	0.54%	90.00%	169.81%	186,817	—

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.54%	90.00%	174.24%	166,198	—
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.15%	90.00%	441.82%	216	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	90.00%		4	—
Total	0.55%	90.00%	174.58%	166,419	—

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are values estimated by the respective internal ratings or risk weight weighted with EAD estimated value.

## (5) Exposure relating to purchased receivables

(Millions of Yen)

September 30, 2009			September 30, 2010		
Risk Weight Weighted Average	EAD Estimated Value (Note 1)		Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
	On-balance Sheet Asset Items	Off-balance Sheet Asset Items		On-balance Sheet Asset Items	Off-balance Sheet Asset Items
55.25%	184,148	795	53.46%	132,572	—

Notes:

1. EAD Estimated value is amount that takes into consideration the effect of credit risk reduction method.
2. This description is about Exposure oriented to purchase business corporations that do not use top-down approach.
3. Risk weight weighted average is a value of risk weight weighted with EAD dilution.

## (6) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

(Millions of Yen)

Types of exposure	September 30, 2009						Weighted average of estimated value of assessment rate which is to be multiplied by the non-withdrawal amount to the left
	PD estimated value weighted average	LGD estimated value weighted average	Risk weight weighted average	EAD estimated value		Commitment pre-withdrawal amount	
				On-balance sheet asset items	Off-balance sheet asset items		
Residential mortgage							
Not delinquent	0.20%	34.16%	14.01%	2,862,015	178,551	10,509	100.00%
Delinquent	28.34%	34.21%	210.30%	28,182	171	19	100.00%
Default	100.00%	32.08%	43.05%	15,464	76	—	0.00%
Consumer loan							
Not delinquent	0.90%	72.92%	42.78%	50,205	50,104	170,439	29.34%
Delinquent	28.48%	64.44%	181.93%	1,503	169	556	30.38%
Default	100.00%	56.08%	12.21%	4,379	66	217	30.33%
Business type loan							
Not delinquent	1.71%	37.91%	39.57%	146,124	2,605	612	33.61%
Delinquent	53.42%	53.81%	61.65%	3,175	—	—	—
Default	100.00%	75.32%	—	12,628	—	—	—
Other							
Not delinquent	1.00%	17.84%	22.82%	1,067	1,205	144	100.00%
Delinquent	—	—	—	—	—	—	—
Default	100.00%	91.76%	—	102	22	22	100.00%
Total	1.56%	35.69%	17.87%	3,124,849	232,971	182,521	33.50%

(Millions of Yen)

Types of exposure	September 30, 2010						Weighted average of estimated value of assessment rate which is to be multiplied by the non-withdrawal amount to the left
	PD estimated value weighted average	LGD estimated value weighted average	Risk weight weighted average	EAD estimated value		Commitment pre-withdrawal amount	
				On-balance sheet asset items	Off-balance sheet asset items		
Residential mortgage							
Not delinquent	0.17%	34.51%	12.74%	2,910,203	163,681	3,808	100.00%
Delinquent	26.86%	34.46%	211.62%	27,031	106	—	—
Default	100.00%	30.94%	57.53%	23,096	117	—	—
Consumer loan							
Not delinquent	0.90%	71.12%	45.65%	47,891	42,114	150,317	27.96%
Delinquent	26.15%	70.11%	192.00%	1,285	169	544	31.08%
Default	100.00%	58.47%	3.79%	4,417	59	205	28.87%
Business type loan							
Not delinquent	1.06%	33.59%	29.69%	126,644	2,624	110	100.00%
Delinquent	38.68%	40.14%	78.47%	2,580	1	1	100.00%
Default	100.00%	54.90%	—	10,512	4	4	100.00%
Other							
Not delinquent	0.99%	22.13%	27.76%	869	759	123	100.00%
Delinquent	—	—	—	—	—	—	—
Default	100.00%	91.03%	—	102	23	23	100.00%
Total	1.62%	35.54%	16.27%	3,154,636	209,661	155,138	29.86%

Notes:

1. EAD Estimated value is an amount that takes into consideration the effect of credit risk reduction method.
2. Segmented pool classification is integrated into above classifications and shown.
3. PD estimated value weighted average, LGD estimated value weighted average, risk weight weighted average, and weighted average of estimated value of assessment rate by which to multiply the pre-withdrawal amount to the left are estimated values or risk weight by respective pool classifications weighted with EAD estimated value.

## Actual Loss Amounts of Portfolio Applicable to Internal Ratings-based Approach in the Most Recent Term / Actual Value of the Relevant Term, and Comparison with Past Actual Value

(Millions of Yen)

Six months ended September 30	2009	2010	Comparison with actual loss amount for previous term
Classification	Actual loss amount	Actual loss amount	
Corporate exposures	33,752	16,137	(17,615)
Sovereign exposures	—	—	—
Bank exposures	4,500	4,250	(250)
Equity exposures applicable to the PD/LGD approach	—	7	7
Residential mortgage exposures	2,793	4,792	1,999
Qualifying revolving retail exposures	75	128	52
Other retail exposures	462	612	149
Total	41,585	25,927	(15,657)

Note: Actual loss amount is a total of the following amounts relating to exposures in default, not including reversal of reserve:

General reserve for possible loan losses provision amount, special reserve provision amount debt, rewrite-off reserve provision amount, special foreign receivables reserve account provision amount, credit risk adjusted amount relating to derivatives (up to here, portion for party requiring management), respective reserve for possible loan losses provision amount, reserve for contingent loss provision amount, debt write-off, loss on sale of receivables, loss on waiver of receivables, depreciation relating to equity exposures applicable to the PD/LGD approach, loss on sale.

### Analysis of Factors

Actual loss amount for the six months ended September 2010 decreased by 15.6 billion yen compared with the corresponding period in 2009.

This was primarily attributable to a reduction in losses due to factors such as a decrease in the number of nonperforming loans associated with corporate exposures.

## Estimated Value of Loss Amount of Portfolio Applicable to the Internal Ratings-based Approach

(Millions of Yen)

Six months ended September 30	2009	2010
Classification	Actual value of loss amount	Estimated value of loss amount
Corporate exposures	81,543	60,045
Sovereign exposures	56	70
Bank exposures	3,043	2,979
Equity exposures applicable to the PD/LGD approach	873	790
Residential mortgage exposures	9,899	11,590
Qualifying revolving retail exposures	1,203	1,198
Other retail exposures	15,097	9,507
Total	111,717	86,182

Note: Estimated value of loss amount (= EAD estimated value × PD estimated value × LGD estimated value) is the value estimated to have accrued in each term with September 30, 2009 and 2010 as the reference date, respectively.

### Credit Risk Mitigation Measures

#### Amount of Exposure to which Credit Risk Reduction Method Has Been Applied

(Millions of Yen)

Classification	September 30, 2009			
	Amount of exposure to which qualified financial asset collateral has been applied	Amount of exposure to which qualified receivables collateral has been applied	Amount of exposure to which qualified real estate collateral has been applied	Amount of exposure to which qualified other collateral has been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	1,640,785	4,508	606,432	34,971
Corporate exposures	32,713	4,508	588,420	34,971
Sovereign exposures	255,326	—	18,012	—
Bank exposures	1,352,745	—	—	—
Total	1,640,785	4,508	606,432	34,971



(Millions of Yen)

Classification	September 30, 2010			
	Amount of exposure to which qualified financial asset collateral has been applied	Amount of exposure to which qualified receivables collateral has been applied	Amount of exposure to which qualified real estate collateral has been applied	Amount of exposure to which qualified other collateral has been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	1,670,163	3,879	567,294	40,499
Corporate exposures	11,867	3,879	554,528	40,499
Sovereign exposures	—	—	12,765	—
Bank exposures	1,658,295	—	—	—
Total	1,670,163	3,879	567,294	40,499

### Amount of Exposure to which Guarantees and Credit Derivatives Have Been Applied

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Amount of exposure to which guarantees have been applied	Amount of exposure to which credit derivatives have been applied	Amount of exposure to which guarantees have been applied	Amount of exposure to which credit derivatives have been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	111,483	—	101,623	—
Corporate exposures	61,340	—	55,410	—
Sovereign exposures	4,359	—	3,324	—
Bank exposures	45,783	—	42,889	—
Total	111,483	—	101,623	—

### Risks of Transaction Partners in Derivative Products Transactions and Long-term Settlement Period Transactions

#### (1) Method used for calculation of credit equivalents

	Name
Method used for calculation of credit equivalents	Current exposure method

#### (2) Total amount of gross reconstruction cost (not less than zero)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Total gross reconstruction cost amount	196,615	246,661

#### (3) Credit equivalents before taking into consideration effect of credit risk reduction method by collateral (for derivative product transactions, credit equivalents for each transaction classification is included)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Credit equivalents before taking into consideration the effect of credit risk reduction method by collateral	85,678	94,704
Of which, those corresponding to foreign exchange related transactions	46,594	45,123
Of which, those corresponding to interest rate related transactions	230,225	288,977
Of which, those corresponding to other transactions	—	216
Of which, those corresponding to the effect of credit risk reduction via collective liquidation netting contracts (loss)	191,141	239,613

#### (4) Total amount as indicated in (2) plus total amount of gross add-on minus the amount indicated in (3)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Total amount as indicated in (2) and gross add-on total minus the amount as indicated in (3)	191,141	239,613

## (5) Amount by type of collateral

(Millions of Yen)

Classification of acceptance or provision	Type of collateral	September 30, 2009	September 30, 2010
Accepted collateral	Government bonds	5,097	6,285
	Domestic stocks	—	—
	US bonds	—	—
	Cash	2,235	8,014
	Other	—	—
Total		7,332	14,299
Deposited collateral	Government bonds	13,334	25,580
	Domestic stocks	16,998	15,499
	US bonds	1,819	1,679
	Cash	211	171
	Other	—	—
Total		32,363	42,931

Notes:

1. Amount of collateral is indicated at market value.

2. Of deposited collateral, ¥26,831 million (at September 30, 2009) and ¥23,672 million (at September 30, 2010) are deposited with liquidation institutions, etc.

## (6) Credit equivalents after taking into consideration the effect of credit risk reduction method by collateral

(Millions of Yen)

	September 30, 2009	September 30, 2010
Credit equivalents after taking into consideration the effect of credit risk reduction method by collateral	79,576	84,977

## (7) Credit derivative predicted principal amount that will be subject to calculation of credit equivalents

(Millions of Yen)

Classification of purchase or provision	Type of credit derivative	September 30, 2009 predicted principal	September 30, 2010 predicted principal
Protection purchase	Credit default swap	—	—
	Credit linked notes	—	—
	Other	—	—
Total		—	—
Protection provision	Credit default swap	15,000	5,000
	Credit linked notes	63,000	63,000
	Other	—	—
Total		78,000	68,000

## (8) Estimated amount of principal of credit derivatives used to take into consideration the effect of credit risk reduction method

(Millions of Yen)

	September 30, 2009	September 30, 2010
Estimated amount of principal of credit derivatives used to take into consideration the effect of credit risk reduction method	—	—

## Securitization Exposure

### Securitization Exposure of which the Group is the Originator

(1) Total amount of original assets and breakdown by type of these primary original assets

(Millions of Yen)

Form of Securitization	September 30, 2009	September 30, 2010
Amount of original assets of asset transfer-type securitization transactions	543,222	470,792
Residential mortgage	543,222	470,792
Other	—	—
Amount of original assets of synthetic-type securitization transactions	—	—
Residential mortgage	—	—
Other	—	—
Total amount of original assets	543,222	470,792

(2) Of exposure composing original assets, amount of exposures three months or longer overdue or exposures in default amount, loss amount in current term, and breakdown by type of these primary original assets

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Exposure amount	Loss amount in current term	Exposure amount	Loss amount in current term
Exposures three months or longer overdue	—	—	—	—
Residential mortgage	—	—	—	—
Other	—	—	—	—
Exposures in default	3,583	518	1,497	221
Residential mortgage	3,583	518	1,497	221
Other	—	—	—	—
Total	3,583	518	1,497	221

(3) Amount of securitization exposure held and breakdown by type of these primary original assets

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
	Amount of exposure	Amount of exposure
Residential mortgage	192,325	188,226
Other	—	—
Total	192,325	188,226

(4) Balance of securitization exposure held by risk weight classification of appropriate number and required capital amount

(Millions of Yen)

Risk weight	September 30, 2009		September 30, 2010	
	Balance	Required capital	Balance	Required capital
Less than 20%	—	—	—	—
20% to less than 50%	—	—	—	—
50% to less than 100%	192,325	11,671	188,226	10,222
100% to less than 350%	—	—	—	—
Capital deduction	2,682	2,682	2,682	2,682
Total	195,008	14,354	190,909	12,904

Note: Required capital amount = (credit risk weighted asset amount × 1.06) × 8% + expected loss amount

(5) Capital equivalent amount increased due to securitization transaction and breakdown by original asset type

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
Residential mortgage	22,902	17,608
Other	—	—
Total	22,902	17,608

(6) Amount of securitization exposure to be deducted from capital pursuant to provisions of Article 247 of the Capital Adequacy Ratio Notification and breakdown by original asset type

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
Residential mortgage	—	—
Other	3,135	2,682
Total	3,135	2,682

(7) Matters concerning securitization exposure with early redemption provisions

N.A.

(8) Outline of exposure securitized in current term

N.A.

(9) Amount of profit/loss on sale recognized during the term accompanying securitization transactions and breakdown by primary original asset type

N.A.

(10) Amount of credit risk weighted assets calculated through application of Article 15 of the Supplementary Rules of Capital Adequacy Ratio Notification

N.A.

#### Securitization Exposure in which the Group is the Investor

(1) Amount of securitization exposure held and breakdown by type of original asset

(Millions of Yen)

Breakdown of original assets	September 30, 2009	September 30, 2010
Residential mortgage backed securities (RMBS)	96,392	84,359
Multi-borrower type commercial-use real estate backed securities (MCMBBS)	—	2,950
Debt collateral certificate using credit derivative (Synthetic CDO)	2,955	4,560
First to default type credit linked notes (CLN)	50,696	52,704
Collateralized Loan Obligation (CLO)	—	820
Securitization of business (WBS)	30,068	14,403
Asset-backed securities of monetary receivables such as installment receivables (ABS)	8,803	9,101
Total	188,917	168,900

(2) Balance of securitization exposure held by risk weight classification of appropriate number and required capital amount

(Millions of Yen)

Risk weight	September 30, 2009		September 30, 2010	
	Balance	Required capital amount	Balance	Required capital amount
Less than 20%	98,225	613	92,348	548
20% to less than 50%	90,692	2,608	41,987	1,161
50% to less than 100%	—	—	29,754	1,261
100% to less than 350%	—	—	4,810	449
350% to less than 1250%	—	—	—	—
Capital deduction	—	—	—	—
Total	188,917	3,221	168,900	3,421

Note: Required capital amount = (Credit risk weighted asset amount × 1.06) × 8%

(3) Amount of securitization exposure deducted from capital pursuant to provisions of Article 247 of the Capital Adequacy Ratio Notification and breakdown by type of original asset

(Millions of Yen)

Breakdown of original assets	September 30, 2009	September 30, 2010
Residential mortgage	—	—
Other	452	—
Total	452	—

(4) Amount of credit risk weighted asset calculated with application of Article 15 of the Supplementary Rules of Capital Adequacy Ratio Notification

N.A.

## Equity Exposures in Bank Accounts

### Amount Posted on Consolidated Balance Sheet and Market Value

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Amount posted on consolidated balance sheet	Market value	Amount posted on consolidated balance sheet	Market value
Listed equity exposures	580,827	580,827	477,064	477,064
Equity exposures other than above	92,474		90,317	
Total	673,301		567,381	

Note: Equity exposures for domestic and foreign stocks are described in the above.

### Amount of Profit/Loss Accompanying Sale and Write-Off of Equity Exposures

(Millions of Yen)

Breakdown	September 30, 2009	September 30, 2010
Profit/loss on sale	4,752	3,185
Amortization loss (–)	1,513	1,419
Total	3,238	1,765

Note: Profit/loss on stocks stated on the Consolidated Profit and Loss Statement is described in the above.

### Amount of Appraisal Profit/Loss Recognized on Consolidated Balance Sheet and Not Recognized on Consolidated Profit and Loss Statements

(Millions of Yen)

	September 30, 2009	September 30, 2010
Amount of appraisal profit/loss recognized on consolidated balance sheet and not recognized on consolidated profit and loss statements	90,615	17,439

Note: Appraisal profit/loss relating to other securities (domestic and foreign stocks) that fall under equity exposures is described in the above.

### Amount of Appraisal Profit/Loss Not Recognized on Consolidated Balance Sheet and Not Recognized on Consolidated Profit and Loss Statements

N.A.

### Amount Calculated into Tier II Capital Pursuant to Article 6, Paragraph 1 of the Consolidated Capital Adequacy Ratio Notification

N.A.

### Amount of Equity Exposures Applicable to Article 13 (Transitional measure) of Supplementary Rules of Consolidated Capital Adequacy Ratio Notification

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	330,050	300,075
Equity exposures other than above	85,137	82,851
Total	415,188	382,926

Note: As for the amount of equity exposures classified into other securities, smaller amount of either, the amount posted on the consolidated balance sheet or the acquisition cost is used.

As for the amount of equity exposures that is not classified into other securities, the amount posted on the consolidated balance sheet is used.

## Reference: Equity Exposures in Trust Account with an Agreement on Compensation for Principal

### Term-end Balance in Trust Account with an Agreement on Compensation for Principal

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	—	—
Equity exposures other than above	488	482
Total	488	482

Note: Term-end balance is the amount based on accounting processing of trust account with an agreement on compensation for principal.

## Amount of Profit/Loss Accompanying Sale and Write-Off of Equity Exposures in Trust Accounts with an Agreement on Compensation for Principal

(Millions of Yen)

Breakdown	September 30, 2009	September 30, 2010
Profit/loss on sale	—	—
Amortization loss (—)	—	—
Total	—	—

Note: Profit/loss on sale and amortization loss is the amount based on the accounting processing of trust accounts with an agreement on compensation for principal.

## Amount of Equity Exposures Applicable to Article 13 (Transitional Measure) of the Supplementary Rules of Capital Adequacy Ratio Notification in Trust Accounts with an Agreement on Compensation for Principal

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	—	—
Equity exposures other than above	488	482
Total	488	482

## Exposure Relating to Funds

(Millions of Yen)

Calculation Method	September 30, 2009	September 30, 2010
Exposure applicable to look-through formula <sup>(Note 1)</sup>	395,077	368,402
Exposure applicable to modified simple majority method <sup>(Note 2)</sup>	13,855	11,785
Exposure applicable to investment criteria formula <sup>(Note 3)</sup>	4,065	2,610
Exposure applicable to simple risk weight method <sup>(Note 4)</sup>	—	—
Those applicable to 400% risk weight	—	—
Those applicable to 1250% risk weight	—	—
Total	412,998	382,798

Notes:

1. In investment trusts, funds, repackaged bonds, etc. (the "Fund, etc."), the exposure in which the respective backed assets are obvious.
2. Exposure in which equity exposures makes up a majority of the assets backing up the Fund, etc.
3. Exposure in which the composing assets of the Fund, etc. are predictable since the operational standards are determined even though the respective assets that back up Fund, etc. are not obvious.
4. Exposure in which the respective assets backing up the Fund, etc. are not obvious, and does not fall under 1 to 3 above.

## Variation Amount of Profit/Loss or Economic Value from Interest Rate Shock Used by the Group for Internal Management with Regard to Interest Rate Risk in Bank Accounts

(Millions of Yen)

	September 30, 2009	September 30, 2010
Variation amount of profit/loss or economic value from interest rate shock	70,571	56,499

Note: Calculation is done by the same method as the outlier standard as provided in "General Supervision Guidelines for Major Banks."

Since subject assets in consolidation target companies other than The Chuo Mitsui Trust and Banking Company, Limited are very few, and as internal management only manages on a non-consolidated basis, the value calculated for Chuo Mitsui Trust Banking and Company, Limited on a non-consolidated basis is indicated.

Interest rate shock to be applied: 99 percentile value of interest rate volatility measured with retention period of 1 year and observation period of 5 years.

Core deposit to be applied: 50% of current balance of liquid deposit (ordinary deposit, current deposit, etc.)



## Non-consolidated Data

### Means of Capital Procurement

Common stock  
Perpetual subordinated bonds  
Fixed-term subordinated bonds

### Credit Risk Weighted Assets

1. Type of internal ratings-based approach to be used:

the foundation internal ratings-based approach

2. Scope of application of the internal ratings-based approach and scope of application of the standardised approach:

for calculation of credit risk weighted assets, the foundation internal ratings-based approach is used in principle, however, the following scope shall be considered exempted from application and the standardised approach is used.

#### [Application Exclusion Assets]

Assets not occurring incidental to credit transactions or assets to which it is practically difficult to apply the internal ratings-based approach and besides there is little significance in credit risk management.

3. Rating agency used for the standardised approach:

Rating and Investment Information, Inc.  
However, for corporate exposures, we apply 100% risk weight to all.

4. Securitization exposure

Credit risk weighted asset amount  
calculation method:

- for those with external ratings: the external ratings-based approach  
- for those without external ratings but possible to ascertain the original assets that back up the relevant securitization exposure: supervisory formula  
- for those without external ratings and not possible to ascertain the original assets that back up the relevant securitization exposure: capital deduction

Rating agency to be used:

Rating and Investment Information, Inc.  
Japan Credit Rating Agency, Ltd.  
Moody's Investors Service Inc.  
Standard & Poor's Ratings Services  
Fitch Ratings Limited

### Operational Risks

• Method used in calculation of operational risk equivalents:

the standardised approach

## Composition of Capital

### Composition of Capital

(Millions of Yen)

Item	September 30, 2009	March 31, 2010	September 30, 2010
Tier I capital			
Capital stock	399,697	399,697	<b>399,697</b>
Non-cumulative perpetual preferred stock of above	—	—	—
New stock application margin	—	—	—
Capital reserve	149,011	149,011	<b>149,011</b>
Other capital surplus	—	—	—
Retained earnings	46,008	47,908	<b>47,908</b>
Other retained earnings	102,045	129,291	<b>152,880</b>
Treasury stock (—)	—	—	—
Treasury stock application margin	—	—	—
Projected amount of distributed income (—)	—	9,501	—
Evaluation loss on securities (—)	—	—	—
Stock acquisition rights	—	—	—
Trade rights equivalent amount (—)	—	—	—
Intangible fixed asset equivalent posted by corporate consolidation (—)	—	—	—
Amount equivalent to capital increase due to securitization transactions (—)	22,902	20,401	<b>17,608</b>
Amount equivalent to 50% of the amount exceeding the expected loss from the qualifying reserve (—)	21,149	17,056	<b>13,754</b>
Total Tier I capital before deduction of deferred tax assets (total amount of above respective items)	652,711	678,950	<b>718,135</b>
Amount of deferred tax assets deducted (—)	19,912	4,643	—
Total Tier I capital (A)	632,798	674,307	<b>718,135</b>
Non-dilutive preferred securities with step-up interest rate provisions of above <sup>(Note 2)</sup> (B)	—	—	—
Tier II capital			
Amount equivalent to 45% of difference between land revaluation amount and carrying amount just before revaluation	—	—	—
General reserve for possible loan losses <sup>(Note 3)</sup>	—	—	—
Amount by which qualifying reserve exceeds expected loss amount <sup>(Note 4)</sup>	—	—	—
Liability type fundraising means, etc.	311,492	319,250	<b>312,241</b>
Perpetual subordinated bonds of above <sup>(Note 5)</sup>	114,992	116,750	<b>109,741</b>
Fixed-term subordinated bonds and fixed-term preferred stock of above <sup>(Note 6)</sup>	196,500	202,500	<b>202,500</b>
Amount not calculated into Tier II capital (—)	—	—	—
Total Tier II capital (C)	311,492	319,250	<b>312,241</b>
Items for deduction <sup>(Note 7)</sup> (D)	32,204	26,389	<b>22,622</b>
Capital Amount (E) = (A) + (C) – (D)	912,085	967,168	<b>1,007,754</b>
For Reference:			
Risk weighted assets, etc.			
Credit risk weighted asset amount	7,534,882	7,050,041	<b>6,671,501</b>
Asset (on-balance sheet) items	6,837,036	6,405,613	<b>6,086,806</b>
Off-balance sheet transaction items	697,846	644,427	<b>584,694</b>
Amount arrived at by dividing operational risk equivalents by 8%	387,339	364,954	<b>344,141</b>
Amount arrived at by multiplying ((amount arrived at by multiplying the rate prescribed in the Notification by the former required capital) minus (amount of new required capital)) by 25.0	—	—	—
Total (F)	7,922,221	7,414,995	<b>7,015,642</b>
Non-consolidated Capital Adequacy Ratio (Domestic Standard) = (E)/(F) × 100	11.51%	13.04%	<b>14.36%</b>
(A)/(F) × 100	7.98%	9.09%	<b>10.23%</b>
(B)/(A) × 100	—	—	—

#### Notes:

- Composition of capital and capital adequacy ratio, etc. are calculated in accordance with Financial Services Agency Notification No. 19 of 2006 (the "Capital Adequacy Ratio Notification") and No. 79 of 2008.
- Meaning those as provided in Article 40, Paragraph 2 of the Capital Adequacy Ratio Notification, in other words, stock, etc., that has the probability of redemption including those adding a step-up interest rate and other special provisions (including preferred investment securities issued by overseas SPCs).
- Amount of portion to which standardised approach is adopted is stated.
- For trust account with an agreement on compensation for principal, amount by which qualifying reserve exceeds expected loss amount is not posted.
- Meaning liability fundraising means as indicated in Article 41, Paragraph 1, Item 3 of the Capital Adequacy Ratio Notification, and which have all of the characteristics as indicated below:
  - Unsecured, subordinated to other liabilities, and already paid,
  - Not to be redeemed, except for in certain cases,
  - Should supplement loss while business is ongoing,
  - That for which interest payment obligation postponement is allowed.

6. These are those indicated in Article 41, Paragraph 1, Items 4 and 5 of the Capital Adequacy Ratio Notification. However, for fixed-term subordinated bonds, there is a limitation to those with redemption periods exceeding 5 years from the agreement.
7. Amount equivalent to intentional holding of fundraising means of other financial institutions as indicated in Article 43, Paragraph 1, Item 1 of the Capital Adequacy Ratio Notification, amount equivalent to investment in those set in Item 2 of the relevant paragraph, the amount that is to be deducted pursuant to the provisions of Items 3 to 6 thereof and those indicated in Item 2 above.
8. From the end of the 2002 consolidated fiscal term (March 31, 2003), as to the internal control system relating to calculation of the capital adequacy ratio, we have received examination services by Deloitte Touche Tohmatsu LLC. The relevant examination services were an implementation of examination procedures agreed upon between Tohmatsu and us, and were not an accounting audit in accordance with the GAAS, nor did we receive their opinion on the capital adequacy ratio itself, or internal controls relating to the calculation of the capital adequacy ratio (the abovementioned examination procedures were in accordance with the Japanese Institute of Certified Public Accountants, Committee on Audit by Business Type, Report No. 30).
9. Non-consolidated capital adequacy ratio (International Unified Standard) as of September 30, 2010, which constitutes a condition for adoption and continuous use of the internal ratings-based approach as prescribed in Article 238 of the Capital Adequacy Ratio Notification, is 14.24% (Tier 1 ratio: 10.13%).

## Capital Adequacy Levels

### Required Capital Amount

(1) Required capital amount for credit risks (amount in (2) (3) shall be excluded)

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Portfolio applicable to standardised approach	850	<b>712</b>
Portfolio applicable to the internal ratings-based approach	570,676	<b>477,255</b>
Corporate exposures	432,739	<b>351,374</b>
Sovereign exposures	1,303	<b>1,773</b>
Bank exposures	26,811	<b>24,825</b>
Residential mortgage exposures	48,102	<b>47,514</b>
Qualifying revolving retail exposures	1,030	<b>897</b>
Other retail exposures	21,621	<b>14,864</b>
Other exposures <sup>(Note 1)</sup>	39,068	<b>36,005</b>
Securitization exposure	40,930	<b>33,935</b>
Total	612,457	<b>511,903</b>

Notes:

1. Exposure regarding purchased receivables, unsettled transactions, lease transactions and other assets.
2. Calculation method of required capital amount for the credit risk is as follows (although the Company uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount).  
Portfolio applicable to the standardised approach: amount of credit risk weighted asset × 8% + capital deduction amount  
Portfolio applicable to the internal ratings-based approach and securitization exposure: (amount of credit risk weighted asset × 1.06) × 8% + expected loss amount + capital deduction amount

(2) Required capital amount for the credit risk relating to equity exposures applicable to the internal ratings-based approach

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Market-based approach	148	<b>1,507</b>
Simple risk weight method	148	<b>1,507</b>
PD/LGD approach	30,383	<b>29,448</b>
Those applicable to the transitional measure <sup>(Note 1)</sup>	42,819	<b>40,059</b>
Total	73,350	<b>71,015</b>

Notes:

1. Amount of credit risk weighted assets is calculated by placing risk weight as being 100%, pursuant to Article 13 of the Supplementary Rules of Capital Adequacy Ratio Notification.
2. Calculation method of required capital amount to credit risk relating to equity exposures applicable to the internal ratings-based approach is as follows (although the Company uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount).  
Those applicable to simple risk weight method of the market-based approach: (amount of credit risk weighted asset × 1.06) × 8% + capital deduction amount  
Those applicable to the PD/LGD approach is: (amount of credit risk weighted asset × 1.06) × 8% + expected loss amount + capital deduction amount  
Those applicable to the transitional measure: (amount of credit risk weighted asset × 1.06) × 8% + capital deduction amount

## (3) Required capital amount for the credit risk relating to funds

(Millions of Yen)

Calculation Method	September 30, 2009	September 30, 2010
Look-through formula	78,710	68,285
Modified simple majority method	3,519	2,931
Operational standards method	1,188	870
Simple risk weight method	—	—
Those applicable to 400% risk weight	—	—
Those applicable to 1250% risk weight	—	—
Total	83,418	72,087

Note: Calculation method of required capital amount for credit risk relating to funds is as follows (although the Company uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the required capital amount).

Look-through formula: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + expected loss amount + capital deduction amount

Other than look-through formula: (amount of credit risk weighted asset  $\times$  1.06)  $\times$  8% + capital deduction amount

## (4) Required capital amount for operational risks

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Standardised approach	30,987	27,531
Total	30,987	27,531

## (5) Total amount of non-consolidated required capital

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Total amount of non-consolidated required capital (Note 1)	633,777	561,251

Notes:

1. (Total amount of credit risk weighted asset + operational risk equivalents/8%)  $\times$  8%

2. Although the Company uses domestic standards, as we have adopted the foundation internal ratings-based approach, we use 8% for calculation of the principal requirements amount.

## Credit Risks

(except for matters regarding exposure applicable to credit risk weighted asset deemed calculation and securitization exposure)

### Term-end Balance of Exposure Relevant to Credit Risks and Breakdown by Primary Types

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010	Average balance of exposure during the term
Standardised approach	11,601	9,801	9,563
Loaned money, call loans, deposits, etc.	11,601	9,801	9,563
Securities	—	—	—
Derivative transactions	—	—	—
Off-balance sheet transactions	—	—	—
Commitment	—	—	—
Trusts with an agreement on compensation for principal	—	—	—
Repo-style transactions	—	—	—
Other	—	—	—
Internal ratings-based approach	15,752,761	13,654,176	13,981,803
Loaned money, call loans, deposits, etc.	9,254,775	8,973,881	8,964,423
Securities	3,732,625	2,980,226	2,972,929
Derivative transactions	91,214	113,967	115,792
Off-balance sheet transactions	2,674,145	1,586,099	1,928,656
Commitment	556,940	504,926	502,173
Trusts with an agreement on compensation for principal	211,586	196,446	199,086
Repo-style transactions	39,176	43,529	34,520
Other	1,866,442	841,198	1,192,876
Total	15,764,362	13,663,977	13,991,367

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of exposure at default; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from the amount posted on balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: exposure at default less partial direct write-off.
2. Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
3. Internal ratings-based approach application exclusion portion is described in the standardised approach.
4. The average balance of exposure during the term is the average value for respective quarterly term-end balances.

### (1) Term-end balance of exposure by region and breakdown by primary types

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Domestic	14,330,192	12,195,165
Loaned money, call loans, deposits, etc.	9,027,018	8,782,665
Securities	2,655,855	1,849,946
Derivative transactions	12,258	16,589
Off-balance sheet transactions	2,635,059	1,545,963
Commitment	556,940	504,881
Trusts with an agreement on compensation for principal	211,581	196,442
Repo-style transactions	3,035	3,773
Other	1,863,502	840,866
Overseas	1,434,170	1,468,812
Loaned money, call loans, deposits, etc.	239,358	201,017
Securities	1,076,770	1,130,280
Derivative transactions	78,955	97,377
Off-balance sheet transactions	39,085	40,136
Commitment	0	45
Trusts with an agreement on compensation for principal	4	3
Repo-style transactions	36,141	39,755
Other	2,939	332
Total	15,764,362	13,663,977

Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of exposure at default; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from the amount posted on balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: exposure at default less partial direct write-off.
2. Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
3. Internal ratings-based approach application exclusion portion is described in the standardised approach.

## (2) Term-end balance of exposure by business type and breakdown by primary type

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
<b>Sovereign</b>	<b>5,056,212</b>	<b>3,435,590</b>
Central government and central bank	4,562,307	<b>2,880,636</b>
Loaned money, call loans, deposits, etc.	170,674	<b>166,630</b>
Securities	2,709,128	<b>1,988,332</b>
Derivative transactions	—	—
Off-balance sheet transactions	1,682,504	<b>725,674</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	4	<b>3</b>
Repo-style transactions	2,023	—
Other	1,680,476	<b>725,670</b>
<b>Local public organizations</b>	<b>46,235</b>	<b>47,247</b>
Loaned money, call loans, deposits, etc.	12,822	<b>16,382</b>
Securities	640	<b>200</b>
Derivative transactions	—	—
Off-balance sheet transactions	32,771	<b>30,664</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	4,350	<b>4,234</b>
Repo-style transactions	—	—
Other	28,421	<b>26,429</b>
<b>Other</b>	<b>447,670</b>	<b>507,706</b>
Loaned money, call loans, deposits, etc.	186,477	<b>143,820</b>
Securities	247,641	<b>352,733</b>
Derivative transactions	—	—
Off-balance sheet transactions	13,551	<b>11,152</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	13,333	<b>10,935</b>
Repo-style transactions	—	—
Other	218	<b>217</b>
<b>Financial institutions</b>	<b>757,545</b>	<b>731,154</b>
Loaned money, call loans, deposits, etc.	326,011	<b>356,884</b>
Securities	295,432	<b>199,093</b>
Derivative transactions	70,550	<b>83,758</b>
Off-balance sheet transactions	65,551	<b>91,417</b>
Commitment	25,725	<b>46,691</b>
Trusts with an agreement on compensation for principal	1,474	<b>1,192</b>
Repo-style transactions	37,153	<b>43,529</b>
Other	1,197	<b>3</b>
<b>Business corporation</b>	<b>6,450,090</b>	<b>6,012,456</b>
Loaned money, call loans, deposits, etc.	5,292,531	<b>5,022,258</b>
Securities	479,782	<b>439,866</b>
Derivative transactions	20,663	<b>30,209</b>
Off-balance sheet transactions	657,112	<b>520,121</b>
Commitment	490,131	<b>422,171</b>
Trusts with an agreement on compensation for principal	25,565	<b>21,593</b>
Repo-style transactions	—	—
Other	141,415	<b>76,356</b>

(continues to right column)

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
<b>Individual</b>	<b>3,466,312</b>	<b>3,466,276</b>
Loaned money, call loans, deposits, etc.	3,243,657	<b>3,259,206</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	222,654	<b>207,069</b>
Commitment	41,084	<b>36,063</b>
Trusts with an agreement on compensation for principal	166,857	<b>158,485</b>
Repo-style transactions	—	—
Other	14,712	<b>12,520</b>
<b>Special international financial transaction account portion</b>	<b>34,201</b>	<b>18,500</b>
Loaned money, call loans, deposits, etc.	34,201	<b>18,500</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
<b>Total</b>	<b>15,764,362</b>	<b>13,663,977</b>

## Notes:

1. The following values are used for above term-end balance:

- (1) On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of exposure at default; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from the amount posted on balance sheet,
  - (2) Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - (3) Derivative transactions: credit equivalents,
  - (4) Trust with an agreement on compensation for principal: exposure at default less partial direct write-off.
2. Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

Reference: Term-end balance of exposure by business type relevant to corporations and breakdown by primary type

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Manufacturing	1,271,058	<b>1,192,297</b>
Loaned money, call loans, deposits, etc.	986,880	<b>941,906</b>
Securities	54,877	<b>44,118</b>
Derivative transactions	2,905	<b>2,855</b>
Off-balance sheet transactions	226,395	<b>203,417</b>
Commitment	200,207	<b>174,994</b>
Trusts with an agreement on compensation for principal	8,016	<b>5,478</b>
Repo-style transactions	—	—
Other	18,172	<b>22,944</b>
Agriculture	385	<b>326</b>
Loaned money, call loans, deposits, etc.	385	<b>326</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Forestry	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Fishery	0	—
Loaned money, call loans, deposits, etc.	0	—
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	—	—
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	—	—
Mining industry	4,311	<b>753</b>
Loaned money, call loans, deposits, etc.	1,862	<b>738</b>
Securities	—	—
Derivative transactions	6	—
Off-balance sheet transactions	2,442	<b>15</b>
Commitment	—	—
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	2,442	<b>15</b>
Construction	140,451	<b>119,887</b>
Loaned money, call loans, deposits, etc.	110,436	<b>84,982</b>
Securities	200	<b>450</b>
Derivative transactions	59	<b>8</b>
Off-balance sheet transactions	29,754	<b>34,445</b>
Commitment	28,676	<b>33,480</b>
Trusts with an agreement on compensation for principal	50	<b>20</b>
Repo-style transactions	—	—
Other	1,027	<b>945</b>

(continues to right column)

(Millions of Yen)		
Business Type	September 30, 2009	September 30, 2010
Electricity, gas, heating, water	259,030	<b>200,181</b>
Loaned money, call loans, deposits, etc.	169,494	<b>195,652</b>
Securities	—	—
Derivative transactions	10	<b>5</b>
Off-balance sheet transactions	89,524	<b>4,523</b>
Commitment	88,782	<b>4,482</b>
Trusts with an agreement on compensation for principal	742	<b>41</b>
Repo-style transactions	—	—
Other	0	—
Information communications	42,647	<b>44,208</b>
Loaned money, call loans, deposits, etc.	37,027	<b>35,260</b>
Securities	1,725	<b>3,837</b>
Derivative transactions	8	<b>8</b>
Off-balance sheet transactions	3,886	<b>5,101</b>
Commitment	3,772	<b>5,006</b>
Trusts with an agreement on compensation for principal	96	<b>83</b>
Repo-style transactions	—	—
Other	17	<b>11</b>
Transportation	657,787	<b>609,885</b>
Loaned money, call loans, deposits, etc.	557,096	<b>524,790</b>
Securities	37,167	<b>32,259</b>
Derivative transactions	2,111	<b>2,621</b>
Off-balance sheet transactions	61,411	<b>50,214</b>
Commitment	55,881	<b>45,873</b>
Trusts with an agreement on compensation for principal	4,120	<b>3,429</b>
Repo-style transactions	—	—
Other	1,409	<b>911</b>
Wholesale and retail	553,655	<b>555,238</b>
Loaned money, call loans, deposits, etc.	497,258	<b>500,623</b>
Securities	20,276	<b>15,693</b>
Derivative transactions	1,066	<b>1,133</b>
Off-balance sheet transactions	35,053	<b>37,787</b>
Commitment	22,669	<b>19,803</b>
Trusts with an agreement on compensation for principal	3,278	<b>3,718</b>
Repo-style transactions	—	—
Other	9,106	<b>14,266</b>
Finance and insurance	1,248,322	<b>1,273,759</b>
Loaned money, call loans, deposits, etc.	1,143,778	<b>1,228,234</b>
Securities	—	—
Derivative transactions	11,723	<b>20,643</b>
Off-balance sheet transactions	92,820	<b>24,880</b>
Commitment	15,544	<b>17,449</b>
Trusts with an agreement on compensation for principal	7,344	<b>7,269</b>
Repo-style transactions	—	—
Other	69,930	<b>161</b>
Real estate	1,463,790	<b>1,283,406</b>
Loaned money, call loans, deposits, etc.	1,258,429	<b>1,060,499</b>
Securities	133,121	<b>117,080</b>
Derivative transactions	1,953	<b>1,780</b>
Off-balance sheet transactions	70,285	<b>104,045</b>
Commitment	49,250	<b>83,937</b>
Trusts with an agreement on compensation for principal	290	<b>187</b>
Repo-style transactions	—	—
Other	20,745	<b>19,920</b>

(continues to p. 141)



(continued from p. 140)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
Various services	410,360	<b>355,332</b>
Loaned money, call loans, deposits, etc.	334,237	<b>269,264</b>
Securities	46,134	<b>39,396</b>
Derivative transactions	365	<b>394</b>
Off-balance sheet transactions	29,623	<b>46,278</b>
Commitment	11,717	<b>29,869</b>
Trusts with an agreement on compensation for principal	1,627	<b>1,367</b>
Repo-style transactions	—	—
Other	16,278	<b>15,040</b>
Other	398,289	<b>377,177</b>
Loaned money, call loans, deposits, etc.	195,642	<b>179,978</b>
Securities	186,280	<b>187,030</b>
Derivative transactions	452	<b>756</b>
Off-balance sheet transactions	15,913	<b>9,411</b>
Commitment	13,628	<b>7,272</b>
Trusts with an agreement on compensation for principal	—	—
Repo-style transactions	—	—
Other	2,284	<b>2,139</b>
Total	6,450,090	<b>6,012,456</b>

Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of exposure at default; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from the amount posted on balance sheet,
  - Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - Derivative transactions: credit equivalents,
  - Trust with an agreement on compensation for principal: exposure at default less partial direct write-off.
- Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

(3) Term-end balance of exposure by remaining period relevant to corporations and breakdown by primary type

(Millions of Yen)		
Remaining Period	September 30, 2009	September 30, 2010
1 year or shorter	5,613,219	<b>4,200,559</b>
Loaned money, call loans, deposits, etc.	2,888,736	<b>2,910,938</b>
Securities	612,794	<b>184,312</b>
Derivative transactions	20,272	<b>25,581</b>
Off-balance sheet transactions	2,091,416	<b>1,079,727</b>
Commitment	242,148	<b>249,293</b>
Trusts with an agreement on compensation for principal	35,078	<b>29,049</b>
Repo-style transactions	39,176	<b>43,529</b>
Other	1,775,013	<b>757,855</b>
Over 1 year to 3 years or shorter	2,733,881	<b>2,293,729</b>
Loaned money, call loans, deposits, etc.	1,588,309	<b>1,241,890</b>
Securities	967,014	<b>893,396</b>
Derivative transactions	4,066	<b>1,809</b>
Off-balance sheet transactions	174,490	<b>156,631</b>
Commitment	170,943	<b>153,472</b>
Trusts with an agreement on compensation for principal	1,198	<b>1,013</b>
Repo-style transactions	—	—
Other	2,348	<b>2,145</b>
Over 3 years to 5 years or shorter	2,324,058	<b>1,666,486</b>
Loaned money, call loans, deposits, etc.	1,056,224	<b>1,056,788</b>
Securities	1,148,995	<b>557,138</b>
Derivative transactions	1,891	<b>3,979</b>
Off-balance sheet transactions	116,946	<b>48,580</b>
Commitment	112,993	<b>36,784</b>
Trusts with an agreement on compensation for principal	1,765	<b>4,257</b>
Repo-style transactions	—	—
Other	2,187	<b>7,538</b>
Over 5 years to 7 years or shorter	543,622	<b>726,805</b>
Loaned money, call loans, deposits, etc.	322,922	<b>335,932</b>
Securities	193,312	<b>338,090</b>
Derivative transactions	2,813	<b>1,944</b>
Off-balance sheet transactions	24,573	<b>50,838</b>
Commitment	7,721	<b>44,813</b>
Trusts with an agreement on compensation for principal	8,604	<b>5,118</b>
Repo-style transactions	—	—
Other	8,247	<b>906</b>
Over 7 years	4,324,714	<b>4,559,636</b>
Loaned money, call loans, deposits, etc.	3,316,850	<b>3,349,851</b>
Securities	810,508	<b>1,007,288</b>
Derivative transactions	62,169	<b>80,652</b>
Off-balance sheet transactions	135,186	<b>121,844</b>
Commitment	22,735	<b>20,197</b>
Trusts with an agreement on compensation for principal	36,552	<b>31,365</b>
Repo-style transactions	—	—
Other	75,898	<b>70,281</b>

(continues to right column)

(Millions of Yen)		
Remaining Period	September 30, 2009	September 30, 2010
With no provision for period	224,866	<b>216,759</b>
Loaned money, call loans, deposits, etc.	93,334	<b>88,281</b>
Securities	—	—
Derivative transactions	—	—
Off-balance sheet transactions	131,532	<b>128,478</b>
Commitment	398	<b>365</b>
Trusts with an agreement on compensation for principal	128,387	<b>125,641</b>
Repo-style transactions	—	—
Other	2,746	<b>2,471</b>
Total	15,764,362	<b>13,663,977</b>

Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: amount gained by deducting partial direct write-off from amount of exposure at default; however, for application exclusion portion (standardised approach), amount gained by deducting valuation gains on other securities from the amount posted on balance sheet,
  - Off-balance sheet transactions: credit equivalents; however, for repo-style transactions, exposure at default after credit risk mitigation,
  - Derivative transactions: credit equivalents,
  - Trust with an agreement on compensation for principal: exposure at default less partial direct write-off.
- Equity exposures and other assets, etc. as provided in Article 178 of the Consolidated Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
- Those of which remaining period is beyond recognition are included in "With no provision for period."

## Term-end Balance of Exposure Delay of Three Months or Longer and Exposures in Default and Breakdown by Primary Type

### (1) Term-end balance of exposure by region

(Millions of Yen)

Classification	September 30, 2009			September 30, 2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Exposure delay of three months or longer (applicable to standardised approach)	—	—	—	—	—	—
Exposures in default (applicable to the internal ratings-based approach)	149,139	6,956	156,096	111,703	5,263	116,966
<b>Total</b>	<b>149,139</b>	<b>6,956</b>	<b>156,096</b>	<b>111,703</b>	<b>5,263</b>	<b>116,966</b>

Notes:

- Equity exposures is not included in the above.
- Internal ratings-based approach application exclusion portion is described in the standardised approach.

### (2) Term-end balance of exposure by business type

#### (i) Exposures three months or longer overdue (applicable to standardised approach)

N.A.

#### (ii) Exposures in default (applicable to the internal ratings-based approach)

(Millions of Yen)

Business Type	September 30, 2009	September 30, 2010
<b>Sovereign</b>	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
<b>Financial institutions</b>	<b>5,000</b>	<b>5,000</b>
<b>Corporations</b>	<b>119,038</b>	<b>71,870</b>
Manufacturing	8,143	7,196
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	—
Construction	7,275	6,196
Electricity, gas, heating, water	272	231
Information communications	3,282	3,289
Transportation	2,239	648
Wholesale and retail	8,388	4,231
Finance and insurance	6,554	6,940
Real estate	73,460	36,832
Various services	7,706	6,304
Other	1,713	—
<b>Individual</b>	<b>31,747</b>	<b>39,833</b>
Special international financial transaction account portion	310	263
<b>Total</b>	<b>156,096</b>	<b>116,966</b>

Note: Equity exposures is not included in the above.

## Term-end Balance and Amount of Variance during the Term of General Reserve for Possible Loan Losses, Respective Reserve for Possible Loan Losses, and Specified Overseas Receivables Reserve Account

### (1) Balance of reserve by region

(Millions of Yen)

Six months ended September 30	2009		2010	
Type of Reserve	Term-end Balance	Variance during Term	Term-end Balance	Variance during Term
General reserve for possible loan losses	27,837	99	22,741	(5,096)
Respective reserve for possible loan losses	29,968	4,025	16,273	(13,695)
Domestic	25,468	3,933	12,023	(13,445)
Overseas	4,500	91	4,250	(250)
Specified overseas receivables reserve account	75	40	—	(75)
<b>Total</b>	<b>57,881</b>	<b>4,164</b>	<b>39,014</b>	<b>(18,866)</b>

Notes:

- Above is a description of the value in bank account.
- General reserve for possible loan losses is not managed by region.

## (2) Balance of respective reserve for possible loan losses by business type

(Millions of Yen)

Six months ended September 30 Type of Reserve	2009		2010	
	Term-end Balance	Variance during Term	Term-end Balance	Variance during Term
Sovereign	—	—	—	—
Central government and central bank	—	—	—	—
Local public organizations	—	—	—	—
Other	—	—	—	—
Financial institutions	4,500	(7,650)	4,250	(250)
Corporations	25,078	11,637	11,667	(13,410)
Manufacturing	2,801	749	131	(2,670)
Agriculture	—	—	—	—
Forestry	—	—	—	—
Fishery	—	—	—	—
Mining industry	—	—	—	—
Construction	1,211	(240)	368	(842)
Electricity, gas, heating, water	—	—	—	—
Information communications	1,675	1,634	3,267	1,591
Transportation	258	214	46	(212)
Wholesale and retail	994	(539)	504	(490)
Finance and insurance	3,132	2,987	26	(3,105)
Real estate	11,582	6,949	5,811	(5,771)
Various services	3,422	(118)	1,512	(1,910)
Other	—	—	—	—
Individual	389	37	355	(34)
Special international financial transaction account portion	—	—	—	—
Total	29,968	4,025	16,273	(13,695)

Note: General reserve for possible loan losses and specified overseas receivables reserve account are not managed by business type.

## Amount of Loan Amortized by Business Type

(Millions of Yen)

Six months ended September 30 Business Type	2009	2010
	Amount of loan amortized	Amount of loan amortized
Sovereign	—	—
Central government and central bank	—	—
Local public organizations	—	—
Other	—	—
Financial institutions	—	—
Business corporations	6,770	1,387
Manufacturing	149	30
Agriculture	—	—
Forestry	—	—
Fishery	—	—
Mining industry	—	—
Construction	278	212
Electricity, gas, heating, water	—	—
Information communications	22	15
Transportation	14	—
Wholesale and retail	704	102
Finance and insurance	—	36
Real estate	4,871	923
Various services	730	64
Other	—	—
Individual	138	12
Special international financial transaction account portion	—	—
Total	6,909	1,399

Note: Amount of loan amortized for trust account with an agreement on compensation for principal is included in the above.

## Balance by Risk Weight Classification for Exposure Applicable to Standardised Approach

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010					
		Rating applicable	Rating not applicable <sup>(Note)</sup>		Rating applicable	Rating not applicable <sup>(Note)</sup>	
0%	3	—	3	—	—	—	—
Over 0% to 10%	—	—	—	—	—	—	—
Over 10% to 35%	—	—	—	—	—	—	—
Over 35% to 75%	11	—	11	9	—	—	9
Over 75% to 100%	11,586	—	11,586	9,791	—	—	9,791
Over 100% to 150%	—	—	—	—	—	—	—
Capital deduction	—	—	—	—	—	—	—
Total	11,601	—	11,601	9,801	—	—	9,801

Note: The Company as registered for application of special exceptions in Article 67 of Capital Adequacy Ratio Notification as to corporate exposures, so risk weight is uniformly 100%. The exposures applicable to the relevant special exceptions are described in the "rating not applicable" column.

## Exposures Applicable to Internal Rating System

### (1) Balance of specialized lending using slotting criteria

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010
0%	23,857	9,126
50%	179,868	226,470
70%	267,067	243,154
90%	52,501	17,548
115%	45,578	14,301
250%	58,936	19,921
Total	627,810	530,522

Note: The Company does not hold loans for commercial real estate (with high volatility).

### (2) Balance of equity exposures using simple risk weight method of the market-based approach

(Millions of Yen)

Risk Weight	September 30, 2009	September 30, 2010
300%	263	313
400%	240	4,210
Total	503	4,523

Note: As for balance of equity exposures classified into other securities, smaller amount of either the amount posted on the balance sheet or acquisition cost. For balance of equity exposures that is not classified into other securities, the amount posted on the balance sheet is used.

## Portfolio Applicable to the Internal Ratings-based Approach

### (1) Corporate exposures

(Millions of Yen)

Credit Rating	September 30, 2009			EAD Estimated Value <sup>(Note 1)</sup>	
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.51%	44.00%	55.06%	4,630,063	619,523
Need caution ( <i>youchui-saki</i> ) (Not including obligor under close observation)	8.13%	41.50%	160.55%	415,346	36,373
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	41.57%		107,081	20,199
Total	3.27%	43.75%	62.03%	5,152,491	676,096

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.45%	44.12%	52.60%	4,643,204	458,906
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.89%	41.17%	157.89%	279,083	32,924
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	41.62%		66,832	25,489
Total	2.54%	43.91%	57.69%	4,989,120	517,320

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (2) Sovereign exposures

(Millions of Yen)

Credit Rating	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.00%	44.96%	0.30%	3,329,345	1,728,827
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	—	—	—	—	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		—	6
Total	0.00%	44.96%	0.30%	3,329,345	1,728,833

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.00%	44.96%	0.61%	2,669,932	767,491
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	—	—	—	—	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		—	6
Total	0.00%	44.96%	0.61%	2,669,932	767,497

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (3) Bank exposures

(Millions of Yen)

Credit Rating	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.22%	45.09%	39.75%	599,353	136,101
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	12.33%	45.00%	223.11%	1,002	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		5,000	—
Total	0.91%	45.09%	39.73%	605,356	136,101

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.21%	43.93%	38.08%	538,425	175,175
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	12.10%	45.00%	209.65%	607	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	45.00%		5,000	—
Total	0.92%	43.94%	37.96%	544,033	175,175

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (4) Equity exposures using the PD/LGD approach

(Millions of Yen)

Credit Rating	September 30, 2009				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.48%	90.00%	162.85%	201,268	—
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.28%	90.00%	425.94%	5,970	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	90.00%		7	—
Total	0.68%	90.00%	170.42%	207,246	—

(Millions of Yen)

Credit Rating	September 30, 2010				
	PD Estimated Value Weighted Average	LGD Estimated Value Weighted Average	Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Normal ( <i>seijou-saki</i> )	0.52%	90.00%	170.05%	186,070	—
Need caution ( <i>youchui-saki</i> )					
(Not including obligor under close observation)	7.09%	90.00%	422.86%	5,887	—
Under close observation ( <i>youkanri-saki</i> ) or worse	100.00%	90.00%		43	—
Total	0.74%	90.00%	177.77%	192,002	—

Notes:

1. EAD Estimated value is an amount that took into consideration the effect of the credit risk reduction method.
2. Eleven internal ratings stages are integrated into three debtor classifications and indicated.
3. PD estimated value weighted average, LGD estimated value weighted average, and risk weight weighted average are either the estimated value of the respective internal ratings weighted with EAD estimated value, or the risk weight of the respective internal ratings weighted with EAD estimated value.

## (5) Exposure relating to purchased receivables

(Millions of Yen)

September 30, 2009			September 30, 2010		
Risk Weight Weighted Average	EAD Estimated Value (Note 1)		Risk Weight Weighted Average	EAD Estimated Value (Note 1)	
	On-balance Sheet Asset Items	Off-balance Sheet Asset Items		On-balance Sheet Asset Items	Off-balance Sheet Asset Items
55.25%	184,148	795	53.46%	132,572	—

Notes:

1. EAD Estimated value is amount that takes into consideration the effect of credit risk reduction method.
2. This description is about Exposure to purchase corporations that do not use top-down approach.
3. Risk weight weighted average is a value of risk weight weighted with EAD dilution.



## (6) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

(Millions of Yen)

Types of exposure	September 30, 2009						Weighted average of estimated value of assessment rate which is to be multiplied by the non-withdrawal amount to the left
	PD estimated value weighted average	LGD estimated value weighted average	Risk weight weighted average	EAD estimated value		Commitment pre-withdrawal amount	
				On-balance sheet asset items	Off-balance sheet asset items		
Residential mortgage							
Not delinquent	0.20%	34.16%	14.01%	2,862,015	178,549	10,509	100.00%
Delinquent	28.34%	34.21%	210.30%	28,182	171	19	100.00%
Default	100.00%	31.33%	43.05%	12,356	75	—	—
Consumer loan							
Not delinquent	1.07%	68.18%	51.13%	45,870	29,954	87,365	34.18%
Delinquent	28.48%	64.44%	181.93%	1,503	169	556	30.38%
Default	100.00%	51.89%	14.18%	3,355	66	217	30.33%
Business type loan							
Not delinquent	1.57%	36.60%	36.84%	143,226	2,484	85	100.00%
Delinquent	53.05%	53.37%	61.66%	3,146	—	—	—
Default	100.00%	75.26%	—	12,039	—	—	—
Other							
Not delinquent	1.00%	17.84%	22.82%	1,067	1,205	144	100.00%
Delinquent	—	—	—	—	—	—	—
Default	100.00%	91.76%	—	102	22	22	100.00%
Total	1.42%	35.23%	17.73%	3,112,866	212,697	98,920	41.32%

(Millions of Yen)

Types of exposure	September 30, 2010						Weighted average of estimated value of assessment rate which is to be multiplied by the non-withdrawal amount to the left
	PD estimated value weighted average	LGD estimated value weighted average	Risk weight weighted average	EAD estimated value		Commitment pre-withdrawal amount	
				On-balance sheet asset items	Off-balance sheet asset items		
Residential mortgage							
Not delinquent	0.17%	34.51%	12.74%	2,910,203	163,680	3,808	100.00%
Delinquent	26.86%	34.46%	211.62%	27,031	106	—	—
Default	100.00%	30.46%	57.53%	20,313	116	—	—
Consumer loan							
Not delinquent	1.00%	67.86%	51.02%	43,851	31,626	88,152	35.79%
Delinquent	26.15%	70.11%	192.00%	1,285	169	544	31.08%
Default	100.00%	52.79%	2.79%	3,443	59	205	28.87%
Business type loan							
Not delinquent	0.96%	32.64%	27.69%	124,876	2,624	110	100.00%
Delinquent	38.19%	39.54%	78.32%	2,555	1	1	100.00%
Default	100.00%	54.13%	—	10,129	4	4	100.00%
Other							
Not delinquent	0.99%	22.13%	27.76%	869	759	123	100.00%
Delinquent	—	—	—	—	—	—	—
Default	100.00%	91.03%	—	102	23	23	100.00%
Total	1.50%	35.26%	16.15%	3,144,662	199,172	92,974	38.55%

Notes:

1. EAD Estimated value is an amount that takes into consideration the effect of credit risk reduction method.
2. Segmented pool classification is integrated into above classifications and shown.
3. PD estimated value weighted average, LGD estimated value weighted average, risk weight weighted average, and weighted average of estimated value of assessment rate by which to multiply the pre-withdrawal amount to the left are estimated values or risk weight by respective pool classifications weighted with EAD estimated value.

## Actual Loss Amount of Portfolio Applicable to the Internal Ratings-based Approach in the Most Recent Term / Actual Value of the Relevant Term, and Comparison with Past Actual Value

(Millions of Yen)

Six months ended September 30	2009	2010	Comparison with actual loss amount for previous term
Classification	Actual loss amount	Actual loss amount	
Corporate exposures	33,190	15,841	(17,348)
Sovereign exposures	—	—	—
Bank exposures	4,500	4,250	(250)
Equity exposures applicable to the PD/LGD approach	—	7	7
Residential mortgage exposures	73	178	104
Qualifying revolving retail exposures	0	0	(0)
Other retail exposures	2,467	544	(1,923)
Total	40,231	20,821	(19,410)

Note: Actual loss amount is total of following amounts relating to exposures in default, not including reversal of reserve:

General reserve for possible loan losses provision amount, special reserve provision amount, receivables depreciation reserve provision, special foreign receivables reserve account provision amount, debt credit risk adjusted amount relating to derivatives (up to here, portion for party requiring management), respective reserve for possible loan losses provision amount, reserve for contingent loss provision amount, debt write-off amount, loss on sale of receivables, loss on waiver of receivables, depreciation amount relating to equity exposures applicable to the PD/LGD approach, loss on sale.

### Analysis of Factors

Actual loss amount for the six months ended September 2010 decreased by 19.4 billion yen compared with the corresponding period in 2009.

This was primarily attributable to a reduction in losses due to factors such as a decrease in the number of nonperforming loans associated with corporate exposures.

## Estimated Value of Loss Amount of Portfolio Applicable to the Internal Ratings-based Approach

(Millions of Yen)

Six months ended September 30	2009	2010
Classification	Actual value of loss amount	Estimated value of loss amount
Corporate exposures	79,643	58,580
Sovereign exposures	56	70
Bank exposures	3,043	2,979
Equity exposures applicable to the PD/LGD approach	1,227	1,242
Residential mortgage exposures	8,807	10,630
Qualifying revolving retail exposures	514	455
Other retail exposures	14,261	8,972
Total	107,554	82,932

Note: Estimated value of loss amount (= EAD estimated value × PD estimated value × LGD estimated value) is the value estimated to have accrued in each term with September 30, 2009 and 2010 as the reference date, respectively.

### Credit Risk Mitigation Measures

#### Amount of Exposure to which Credit Risk Reduction Method Has Been Applied

(Millions of Yen)

Classification	September 30, 2009			
	Amount of exposure to which qualified financial asset collateral has been applied	Amount of exposure to which qualified receivables collateral has been applied	Amount of exposure to which qualified real estate collateral has been applied	Amount of exposure to which qualified other collateral has been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	1,642,388	4,508	601,715	34,971
Corporate exposures	34,316	4,508	583,747	34,971
Sovereign exposures	255,326	—	17,968	—
Bank exposures	1,352,745	—	—	—
Total	1,642,388	4,508	601,715	34,971

(Millions of Yen)

Classification	September 30, 2010			
	Amount of exposure to which qualified financial asset collateral has been applied	Amount of exposure to which qualified receivables collateral has been applied	Amount of exposure to which qualified real estate collateral has been applied	Amount of exposure to which qualified other collateral has been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	<b>1,671,382</b>	<b>3,879</b>	<b>559,908</b>	<b>40,499</b>
Corporate exposures	<b>13,087</b>	<b>3,879</b>	<b>547,188</b>	<b>40,499</b>
Sovereign exposures	—	—	<b>12,720</b>	—
Bank exposures	<b>1,658,295</b>	—	—	—
Total	<b>1,671,382</b>	<b>3,879</b>	<b>559,908</b>	<b>40,499</b>

### Amount of Exposure to which Guarantees and Credit Derivatives Have Been Applied

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Amount of exposure to which guarantees have been applied	Amount of exposure to which credit derivatives have been applied	Amount of exposure to which guarantees have been applied	Amount of exposure to which credit derivatives have been applied
Standardised approach	—	—	—	—
Internal ratings-based approach	111,483	—	<b>101,623</b>	—
Corporate exposures	61,340	—	<b>55,410</b>	—
Sovereign exposures	4,359	—	<b>3,324</b>	—
Bank exposures	45,783	—	<b>42,889</b>	—
Total	111,483	—	<b>101,623</b>	—

### Risks of Transaction Partners in Derivative Products Transactions and Long-term Settlement Period Transactions

(1) Method used for calculation of credit equivalents

	Name
Method used for calculation of credit equivalents	Current exposure method

(2) Total amount of gross reconstruction cost (not less than zero)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Total gross reconstruction cost amount	196,615	<b>246,661</b>

(3) Credit equivalents before taking into consideration effect of credit risk reduction method by collateral  
(for derivative product transactions, credit equivalents for each transaction classification is included)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Credit equivalents before taking into consideration the effect of credit risk reduction method by collateral	85,678	<b>94,704</b>
Of which, those corresponding to foreign exchange related transactions	46,594	<b>45,123</b>
Of which, those corresponding to interest rate related transactions	230,225	<b>288,977</b>
Of which, those corresponding to other transactions	—	<b>216</b>
Of which, those corresponding to the effect of credit risk reduction via collective liquidation netting contracts (loss)	191,141	<b>239,613</b>

(4) Total amount indicated in (2) plus total amount of gross add-on minus the amount indicated in (3)

(Millions of Yen)

	September 30, 2009	September 30, 2010
Total amount indicated in (2) and gross add-on total minus the amount as indicated in (3)	191,141	<b>239,613</b>

## (5) Amount by type of collateral

(Millions of Yen)

Classification of acceptance or provision	Type of collateral	September 30, 2009	September 30, 2010
Accepted collateral	Government bonds	5,097	6,285
	Domestic stocks	—	—
	US bonds	—	—
	Cash	2,235	8,014
	Other	—	—
Total		7,332	14,299
Deposited collateral	Government bonds	13,334	25,580
	Domestic stocks	16,998	15,499
	US bonds	1,819	1,679
	Cash	211	171
	Other	—	—
Total		32,363	42,931

Notes:

1. Amount of collateral is indicated at market value.

2. Of deposited collateral, ¥26,831 million yen (at September 30, 2009) and ¥23,672 million yen (at September 30, 2010) are deposited with liquidation institutions, etc.

## (6) Credit equivalents after taking into consideration the effect of credit risk reduction method by collateral

(Millions of Yen)

	September 30, 2009	September 30, 2010
Credit equivalents after taking into consideration the effect of credit risk reduction method by collateral	79,576	84,977

## (7) Credit derivative predicted principal amount that will be subject to calculation of credit equivalents

(Millions of Yen)

Classification of purchase or provision	Type of credit derivative	September 30, 2009 predicted principal	September 30, 2010 predicted principal
Protection purchase	Credit default swap	—	—
	Credit linked notes	—	—
	Other	—	—
Total		—	—
Protection provision	Credit default swap	15,000	5,000
	Credit linked notes	63,000	63,000
	Other	0	—
Total		78,000	68,000

## (8) Estimated amount of principal of credit derivatives used to take into consideration the effect of credit risk reduction method

(Millions of Yen)

	September 30, 2009	September 30, 2010
Estimated amount of principal of credit derivatives used to take into consideration the effect of credit risk reduction method	—	—

## Securitization Exposure

### Securitization Exposure of which the Company is the Originator

(1) Total amount of original assets and breakdown by type of these primary original assets

(Millions of Yen)

Form of Securitization	September 30, 2009	September 30, 2010
Amount of original assets of asset transfer-type securitization transactions	543,222	470,792
Residential mortgage	543,222	470,792
Other	—	—
Amount of original assets of synthetic-type securitization transactions	—	—
Residential mortgage	—	—
Other	—	—
Total amount of original assets	543,222	470,792

(2) Of exposure composing original assets, amount of exposure delay of three months or longer or exposures in default amount, current loss amount, and breakdown by type of these primary original assets

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Exposure amount	Current loss amount	Exposure amount	Current loss amount
Exposure delay of three months or longer	—	—	—	—
Residential mortgage	—	—	—	—
Other	—	—	—	—
Exposures in default	3,583	—	1,497	—
Residential mortgage	3,583	—	1,497	—
Other	—	—	—	—
Total	3,583	—	1,497	—

(3) Amount of securitization exposure held and breakdown by type of these primary original assets

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
	Amount of exposure	Amount of exposure
Residential mortgage	192,325	188,226
Other	—	—
Total	192,325	188,226

(4) Balance of securitization exposure held by risk weight classification of appropriate number and required capital amount

(Millions of Yen)

Risk weight	September 30, 2009		September 30, 2010	
	Balance	Required capital amount	Balance	Required capital amount
Less than 20%	—	—	—	—
20% to less than 50%	—	—	—	—
50% to less than 100%	192,325	11,671	188,226	10,222
100% to less than 350%	—	—	—	—
Capital deduction	2,682	2,682	2,682	2,682
Total	195,008	14,354	190,909	12,904

Note: Required capital amount = (credit risk weighted asset amount × 1.06) × 8% + expected loss amount

(5) Capital equivalent amount increased due to securitization transaction and breakdown by type of original assets

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
Residential mortgage	22,902	17,608
Other	—	—
Total	22,902	17,608

(6) Amount of securitization exposure to be deducted from capital pursuant to provisions of Article 247 of the Capital Adequacy Ratio Notification and breakdown by type of original assets

(Millions of Yen)

Type of original assets	September 30, 2009	September 30, 2010
Residential mortgage	—	—
Other	3,135	2,682
Total	3,135	2,682

(7) Matters concerning securitization exposure with early redemption provisions

N.A.

(8) Outline of exposure securitized in current term

N.A.

(9) Amount of profit/loss on sale recognized during the term accompanying securitization transactions and breakdown by type of primary original assets

N.A.

(10) Amount of credit risk weighted assets calculated through application of Article 15 of the Supplementary Rules of Capital Adequacy Ratio Notification

N.A.

#### Securitization Exposure in which the Company is the Investor

(1) Amount of securitization exposure held and breakdown of primary original assets by type

(Millions of Yen)

Breakdown of original assets	September 30, 2009	September 30, 2010
Residential mortgage backed securities (RMBS)	96,392	84,359
Multi-borrower type commercial-use real estate backed securities (MCMBS)	—	2,950
Debt collateral certificate using credit derivative (Synthetic CDO)	2,955	4,560
First to default type credit linked notes (CLN)	50,696	52,704
Collateralized Loan Obligation (CLO)	—	820
Securitization of business (WBS)	30,068	14,403
Asset-backed securities of monetary receivables such as installment receivables (ABS)	8,803	9,101
Total	188,917	168,900

(2) Balance of securitization exposure held by risk weight classification of appropriate number and required capital amount

(Millions of Yen)

Risk weight	September 30, 2009		September 30, 2010	
	Balance	Required capital amount	Balance	Required capital amount
Less than 20%	98,225	613	92,348	548
20% to less than 50%	90,692	2,608	41,987	1,161
50% to less than 100%	—	—	29,754	1,261
100% to less than 350%	—	—	4,810	449
350% to less than 1250%	—	—	—	—
Capital deduction	—	—	—	—
Total	188,917	3,221	168,900	3,421

Note: Required capital amount = (Credit risk weighted asset amount × 1.06) × 8%

(3) Amount of securitization exposure deducted from capital pursuant to provisions of Article 247 of the Capital Adequacy Ratio Notification and breakdown of original assets by type

(Millions of Yen)

Breakdown of original assets	September 30, 2009	September 30, 2010
Residential mortgage	—	—
Other	452	—
Total	452	—

(4) Amount of credit risk weighted asset calculated with application of Article 15 of the Supplementary Rules of Capital Adequacy Ratio Notification

N.A.

## Equity Exposures in Bank Accounts

Amount Posted on Balance Sheet and Market Value

(Millions of Yen)

Classification	September 30, 2009		September 30, 2010	
	Amount posted on balance sheet	Market value	Amount posted on balance sheet	Market value
Listed equity exposures	492,943	492,943	<b>464,844</b>	<b>464,844</b>
Equity exposures other than above	264,194		<b>263,031</b>	
Total	757,137		<b>727,876</b>	

Note: Equity exposures for domestic and foreign stocks are described in the above.

## Amount of Profit/Loss Accompanying Sale and Write-Off of Equity Exposures

(Millions of Yen)

Breakdown	September 30, 2009	September 30, 2010
Profit/loss on sale	4,727	<b>2,932</b>
Amortization loss	1,143	<b>1,363</b>
Total	3,584	<b>1,568</b>

Note: Profit/loss on stocks stated on the Profit and Loss Statements is described in the above.

## Amount of Appraisal Profit/Loss Recognized on Balance Sheet and Not Recognized on Profit and Loss Statements

(Millions of Yen)

	September 30, 2009	September 30, 2010
Amount of appraisal profit/loss recognized on balance sheet and not recognized on profit and loss statements	64,725	<b>1,682</b>

Note: Appraisal profit/loss relating to other securities (domestic and foreign stocks) that fall under equity exposures is described in the above.

## Amount of Appraisal Profit/Loss Not Recognized on Balance Sheet and Not Recognized on Profit and Loss Statements

N.A.

## Amount Calculated into Tier II Capital Pursuant to Article 18, Paragraph 1 of the Capital Adequacy Ratio Notification

N.A.

## Amount of Equity Exposures Applicable to Article 13 (Transitional measure) of Supplementary Rules of Capital Adequacy Ratio Notification

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	275,756	<b>250,155</b>
Equity exposures other than above	229,145	<b>222,200</b>
Total	504,901	<b>472,356</b>

Note: As for the amount of equity exposures classified into other securities, smaller amount of either the amount posted on the balance sheet or the acquisition cost is used.

As for the amount of equity exposures that is not classified into other securities, the amount posted on the balance sheet is used.



## Reference: Equity Exposures in Trust Account with an Agreement on Compensation for Principal Term-end Balance in Trust Account with an Agreement on Compensation for Principal

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	—	—
Equity exposures other than above	488	482
Total	488	482

Note: Term-end balance is the amount based on accounting processing of trust account with an agreement on compensation for principal.

## Amount of Profit/Loss Accompanying Sale and Write-Off of Equity Exposures in Trust Accounts with an Agreement on Compensation for Principal

(Millions of Yen)

Breakdown	September 30, 2009	September 30, 2010
Profit/loss on sale	—	—
Amortization loss (—)	—	—
Total	—	—

Note: Profit/loss on sale and amortization loss is the amount in accordance with the accounting processing of trust accounts with an agreement on compensation for principal.

## Amount of Equity Exposures Applicable to Article 13 (Transitional Measure) of the Supplementary Rules of Capital Adequacy Ratio Notification in Trust Accounts with an Agreement on Compensation for Principal

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Listed equity exposures	—	—
Equity exposures other than above	488	482
Total	488	482

## Exposure Relating to Funds

(Millions of Yen)

Calculation Method	September 30, 2009	September 30, 2010
Exposure applicable to look-through formula <sup>(Note 1)</sup>	386,347	360,431
Exposure applicable to modified simple majority method <sup>(Note 2)</sup>	11,334	9,520
Exposure applicable to investment criteria formula <sup>(Note 3)</sup>	4,065	2,610
Exposure applicable to simple risk weight method <sup>(Note 4)</sup>	—	—
Those applicable to 400% risk weight	—	—
Those applicable to 1250% risk weight	—	—
Total	401,746	372,562

Notes:

1. In investment trusts, funds, repackaged bonds, etc. (the "Fund, etc."), the exposure in which the respective backed assets are obvious.
2. Exposure in which equity exposures makes up a majority of the assets backing up the Fund, etc.
3. Exposure in which the composing assets of the Fund, etc. are predictable since the operational standards are determined even though the respective assets that back up Fund, etc. are not obvious.
4. Exposure in which the respective assets backing up the Fund, etc. are not obvious, and does not fall under 1 to 3 above.

## Variation Amount of Profit/Loss or Economic Value from Interest Rate Shock used by the Company for Internal Management with Regard to Interest Rate Risk in Bank Accounts

(Millions of Yen)

	September 30, 2009	September 30, 2010
Variation amount of profit/loss or economic value from interest rate shock	70,571	56,499

Note: Calculation is done by the same method as the outlier standard as provided in "General Supervision Guidelines for Major Banks."

Interest rate shock to be applied: 99 percentile value of interest rate volatility measured with retention period of 1 year and observation period of 5 years.

Core deposit to be applied: 50% of current balance of liquid deposit (ordinary deposit, current deposit, etc.)



# Reference

## Basel II Related Data

### Chuo Mitsui Asset Trust and Banking Company, Limited

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## Non-consolidated Data

### Means of Capital Procurement

Common stock

### Credit Risk Weighted Assets

1. Method to be used: the standardised approach
2. Rating agency to be used: Rating and Investment Information, Inc.  
However, for corporate exposures, etc., we apply 100% risk weight to all.

### Operational Risks

- Method used in calculation of operational risk equivalents: the standardised approach

## Composition of Capital

### Composition of Capital

(Millions of Yen)

Item	September 30, 2009	March 31, 2010	September 30, 2010
Tier I capital			
Capital stock	11,000	11,000	<b>11,000</b>
Non-cumulative perpetual preferred stock of above	—	—	—
New stock application margin	—	—	—
Capital reserve	21,246	21,246	<b>21,246</b>
Other capital surplus	—	—	—
Retained earnings	—	—	—
Other retained earnings	6,812	10,507	<b>6,334</b>
Treasury stock (—)	—	—	—
Treasury stock application margin	—	—	—
Projected amount of distributed income (—)	—	7,500	—
Evaluation loss on other securities (—)	—	—	—
Stock acquisition rights	—	—	—
Trade rights equivalent amount (—)	—	—	—
Intangible fixed asset equivalent posted by corporate consolidation (—)	—	—	—
Amount equivalent to capital increase due to securitization transactions (—)	—	—	—
Total Tier I capital (A)	39,058	35,253	<b>38,580</b>
Non-dilutive preferred securities with step-up interest rate provisions of above <sup>(Note 2)</sup> (B)	—	—	—
Tier II capital			
Amount equivalent to 45% of difference between land revaluation amount and book value just before revaluation	—	—	—
General reserve for possible loan losses	—	—	—
Liability type fundraising means, etc.	—	—	—
Perpetual subordinated bonds of above <sup>(Note 3)</sup>	—	—	—
Fixed-term subordinated bonds and fixed-term preferred stock of above <sup>(Note 4)</sup>	—	—	—
Amount not calculated into Tier II capital (—)	—	—	—
Total Tier II capital (C)	—	—	—
Items for deduction <sup>(Note 5)</sup> (D)	—	—	—
Capital Amount (E) = (A) + (C) – (D)	39,058	35,253	<b>38,580</b>
For Reference:			
Risk weighted assets, etc.			
Credit risk weighted asset amount	32,661	31,327	<b>31,407</b>
Asset (on-balance sheet) items	32,661	31,327	<b>31,407</b>
Off-balance sheet transaction items	—	—	—
Amount arrived at by dividing operational risk equivalents by 8%	91,840	88,498	<b>84,702</b>
Total (F)	124,502	119,826	<b>116,110</b>
Non-consolidated Capital Adequacy Ratio (Domestic Standard) = (E)/(F) × 100	31.37%	29.42%	<b>33.22%</b>
(A)/(F) × 100	31.37%	29.42%	<b>33.22%</b>
(B)/(A) × 100	—	—	—

#### Notes:

- Composition of capital and capital adequacy ratio, etc. are calculated in accordance with Financial Services Agency Notification No. 19 of 2006 (the “Capital Adequacy Ratio Notification”) and No. 79 of 2008.
- Meaning those as provided in Article 40, Paragraph 2 of the Capital Adequacy Ratio Notification, in other words, stock, etc., that has the probability of redemption, including those adding a step-up interest rate or other special provisions (including preferred investment securities issued by overseas SPCs)
- Meaning liability type fundraising means as indicated in Article 41, Paragraph 1, Item 3 of the Capital Adequacy Ratio Notification, and which have all the characteristics as indicated below:
  - Unsecured, subordinated to other liabilities, and already paid,
  - Not to be redeemed, except for in certain cases,
  - Should supplement loss while business is ongoing,
  - That for which interest payment obligation postponement is allowed.
- These are indicated in Article 41, Paragraph 1, Items 4 and 5 of the Capital Adequacy Ratio Notification. However, for fixed-term subordinated bonds, there is a limitation to those with redemption periods exceeding 5 years from the agreement.
- Amount equivalent to intentional holding of fundraising means of other financial institutions as indicated in Article 43, Paragraph 1, Item 1 of the Capital Adequacy Ratio Notification, and the amount that is to be deducted pursuant to the provisions of Items 2 and 5 thereof.

## Capital Adequacy Levels

### Required Capital Amount

#### (1) Required capital amount for credit risks

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Portfolio applicable to the standardised approach	1,306	1,256
For financial institutions and securities companies	59	56
For corporations	457	441
Investment	8	8
Other	780	749
Securitization exposure	—	—
Total	1,306	1,256

Note: Calculation method of required capital amount for credit risk is as follows:  
Amount of credit risk weighted asset × 4% + capital deduction amount

#### (2) Required capital amount for operational risks

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Standardised approach	3,673	3,388
Total	3,673	3,388

#### (3) Total amount of non-consolidated required capital

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Total amount of non-consolidated required capital <sup>(Note)</sup>	4,980	4,644

Note: (Amount of credit risk weighted asset + operational risk equivalents/8%) × 4%

## Credit Risks

(except for matters regarding securitization exposure)

### Term-end Balance of Exposure Relevant to Credit Risks and Breakdown by Primary Type

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010	Average balance of exposure during the term
Loaned money, call loans, deposits, etc.	39,463	35,497	30,639
Securities	88,955	88,969	88,968
Off-balance sheet transactions	30,559	29,492	39,170
Total	158,978	153,959	158,778

Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: amount gained by deducting valuation gains on other securities amount posted on balance sheet,
  - Off-balance sheet transactions: credit equivalents.
- Assets that fall under Article 77 of the Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.
- The average balance of exposure during the term is the average value for respective quarterly term-end balances.

#### (1) Term-end balance of exposure by region and breakdown by primary types

(Millions of Yen)

Classification	September 30, 2009	September 30, 2010
Domestic	158,978	153,959
Loaned money, call loans, deposits, etc.	39,463	35,497
Securities	88,955	88,969
Off-balance sheet transactions	30,559	29,492
Overseas	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Total	158,978	153,959

Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: amount gained by deducting valuation gains on other securities amount posted on balance sheet,
  - Off-balance sheet transactions: credit equivalents.
- Assets that fall under Article 77 of the Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

## (2) Term-end balance of exposure by business type and breakdown by primary type

	(Millions of Yen)	
Business Type	September 30, 2009	September 30, 2010
Sovereign	140,096	<b>135,890</b>
Central government and central bank	139,529	<b>135,394</b>
Loaned money, call loans, deposits, etc.	20,582	<b>17,429</b>
Securities	88,955	<b>88,969</b>
Off-balance sheet transactions	29,991	<b>28,995</b>
Local public organizations	567	<b>496</b>
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	567	<b>496</b>
Other	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Financial institutions	7,435	<b>7,026</b>
Loaned money, call loans, deposits, etc.	7,435	<b>7,026</b>
Securities	—	—
Off-balance sheet transactions	—	—
Business corporation	11,446	<b>11,041</b>
Loaned money, call loans, deposits, etc.	11,446	<b>11,041</b>
Securities	—	—
Off-balance sheet transactions	—	—

(continues to right column)

	(Millions of Yen)	
Business Type	September 30, 2009	September 30, 2010
Individual	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Other	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Special international financial transaction account portion	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Total	158,978	<b>153,959</b>

## Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: amount gained by deducting valuation gains on other securities amount posted on balance sheet,
  - Off-balance sheet transactions: credit equivalents
- Assets that fall under Article 77 of the Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

## Reference: Term-end balance of exposure by business type relevant to business corporations and breakdown by primary type

	(Millions of Yen)	
Business Type	September 30, 2009	September 30, 2010
Manufacturing	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Agriculture	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Forestry	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Fishery	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Mining industry	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Construction	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Electricity, gas, heating, water	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Information communications	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—

(continues to right column)

	(Millions of Yen)	
Business Type	September 30, 2009	September 30, 2010
Transportation	72	<b>72</b>
Loaned money, call loans, deposits, etc.	72	<b>72</b>
Securities	—	—
Off-balance sheet transactions	—	—
Wholesale and retail	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Finance and insurance	312	<b>289</b>
Loaned money, call loans, deposits, etc.	312	<b>289</b>
Securities	—	—
Off-balance sheet transactions	—	—
Real estate	897	<b>910</b>
Loaned money, call loans, deposits, etc.	897	<b>910</b>
Securities	—	—
Off-balance sheet transactions	—	—
Various services	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Other	10,164	<b>9,768</b>
Loaned money, call loans, deposits, etc.	10,164	<b>9,768</b>
Securities	—	—
Off-balance sheet transactions	—	—
Total	11,446	<b>11,041</b>

## Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: amount gained by deducting valuation gains on other securities amount posted on balance sheet,
  - Off-balance sheet transactions: credit equivalents
- Assets that fall under Article 77 of the Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.



(3) Term-end balance of exposure by remaining period and breakdown by primary type

Remaining Period	(Millions of Yen)	
	September 30, 2009	September 30, 2010
1 year or shorter	157,309	<b>152,348</b>
Loaned money, call loans, deposits, etc.	38,362	<b>34,383</b>
Securities	88,955	<b>88,969</b>
Off-balance sheet transactions	29,991	<b>28,995</b>
Over 1 year to 3 years or shorter	68	<b>68</b>
Loaned money, call loans, deposits, etc.	68	<b>68</b>
Securities	—	—
Off-balance sheet transactions	—	—
Over 3 years to 5 years or shorter	—	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	—
Over 5 years to 7 years or shorter	—	<b>496</b>
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	—	<b>496</b>

(continues to right column)

Remaining Period	(Millions of Yen)	
	September 30, 2009	September 30, 2010
Over 7 years	567	—
Loaned money, call loans, deposits, etc.	—	—
Securities	—	—
Off-balance sheet transactions	567	—
With no provision for period	1,032	<b>1,045</b>
Loaned money, call loans, deposits, etc.	1,032	<b>1,045</b>
Securities	—	—
Off-balance sheet transactions	—	—
Total	158,978	<b>153,959</b>

Notes:

- The following values are used for above term-end balance:
  - On-balance sheet transactions: amount gained by deducting valuation gains on other securities amount posted on balance sheet.
  - Off-balance sheet transactions: credit equivalents.
- Assets that fall under Article 77 of the Capital Adequacy Ratio Notification (prepaid pension expenses, fixed assets, deferred tax assets, etc.) are not included in above.

**Term-end Balance of Exposure Delay of Three Months or Longer and Breakdown by Primary Type**

N.A.

**Term-end Balance and Amount of Variance during the Term of General Reserve for Possible Loan Losses, Respective Reserve for Possible Loan Losses, and Specified Overseas Receivables Reserve Account**

N.A.

**Balance of Respective Reserve for Possible Loan Losses by Business Type**

N.A.

**Amount of Loan Amortized by Business Type**

N.A.

**Balance by Risk Weight Classification for Exposure Applicable to the Standardised Approach**

Risk Weight	September 30, 2009		September 30, 2010		(Millions of Yen)	
		Rating applicable	Rating not applicable <sup>(Note)</sup>		Rating applicable	Rating not applicable <sup>(Note)</sup>
0%	140,096	—	140,096	<b>135,890</b>	—	<b>135,890</b>
Over 0% to 10%	—	—	—	—	—	—
Over 10% to 35%	7,435	—	7,435	<b>7,026</b>	—	<b>7,026</b>
Over 35% to 75%	—	—	—	—	—	—
Over 75% to 100%	11,446	—	11,446	<b>11,041</b>	—	<b>11,041</b>
Over 100% to 150%	—	—	—	—	—	—
Capital deduction	—	—	—	—	—	—
Total	158,978	—	158,978	<b>153,959</b>	—	<b>153,959</b>

Note: The Company has registered for application of special exceptions in Article 67 of Capital Adequacy Ratio Notification as to exposure oriented to corporations, etc., so risk weight is uniformly 100%. Therefore, the exposures applicable to the relevant special exceptions are described in the "rating not applicable" column.

## Credit Risk Mitigation Measures

N.A.

## Risks of Transaction Partners in Derivative Products Transactions and Long-term Settlement Period Transactions

N.A.

## Securitization Exposure

N.A.

## Equity Exposures in Bank Accounts

### Amount Posted on Balance Sheet and Market Value

Classification	(Millions of Yen)			
	September 30, 2009		September 30, 2010	
	Amount posted on balance sheet	Market value	Amount posted on balance sheet	Market value
Listed equity exposures	—	—	—	—
Exposures other than above	216		216	
Total	216		216	

### Amount of Profit/Loss Accompanying Sale and Write-Off of Equity Exposures

N.A.

### Amount of Appraisal Profit/Loss Recognized on Balance Sheet and Not Recognized on Profit and Loss Statements

N.A.

### Amount of Appraisal Profit/Loss Not Recognized on Balance Sheet and Not Recognized on Profit and Loss Statements

N.A.

### Amount Calculated into Tier II Capital Pursuant to Article 18, Paragraph 1 of the Capital Adequacy Ratio Notification

N.A.

### Variation Amount of Profit/Loss or Economic Value from Interest Rate Shock Used by the Company for Internal Management with Regard to Interest Rate Risk in Bank Accounts

	(Millions of Yen)	
	September 30, 2009	September 30, 2010
Variation amount of profit/loss or economic value from interest rate shock	106	98

Note: Since the assets to be subject to management are very few, these are managed in a single unit as risk in internal management, and management limited to interest rate risk is not performed. For reference values, values calculated in accordance with the outlier standard provided in "General Supervision Guidelines for Major Banks" is indicated.

Interest rate shock to be applied: 99 percentile value of interest rate volatility measured with retention period of 1 year and observation period of 5 years.

# Directors, Corporate Auditors and Executive Officers

As of February 1, 2011

## Chuo Mitsui Trust Holdings, Inc.

### President

Kazuo Tanabe\*

### Deputy President

Kunitaro Kitamura\*

### Senior Managing Director

Nobuo Iwasaki

### Managing Director

Shinji Ochiai

### Directors

Jun Okuno

Ken Sumida

### Corporate Auditors

Tetsuo Amano

Yasuhiro Wakasa

Yasuhiro Yonezawa

Yasuhiko Takano

Hiroyuki Nakanishi

### Senior Executive Officers

Takashi Kamikanda

Masaru Hashimoto

### Executive Officers

Tsuyoshi Saitou

Yuzuru Kawaguchi

\* Representative directors

## The Chuo Mitsui Trust and Banking Company, Limited

### Chairman of the Board

Kazuo Tanabe\*

### President

Jun Okuno\*

### Deputy President

Itaru Masuda\*

### Corporate Auditors

Junichi Sahara

Yasuhiko Takano

Hiroyuki Nakanishi

### First Senior Executive Officers

Mamoru Kawakami\*\*

Nobuo Iwasaki

### Senior Executive Officers

Shunichi Sakata

Naoya Shoji

Taro Kiritani

Takashi Kamikanda

Yoichi Nakae

Katsuhiko Kudo

Takuya Miyazaki

Masaru Hashimoto

Toshiyuki Ueki

### Executive Officers

Masashi Hirose

Mutsumi Watanabe

Yoshiaki Koshimura

Tomoyuki Kiyotsune

Hirofumi Wakui

Tadao Umezawa

\* Representative directors

\*\* Director

## Chuo Mitsui Asset Trust and Banking Company, Limited

### Chairman of the Board

Tadashi Kawai

### President

Ken Sumida\*

### Corporate Auditors

Yasuhiro Wakasa

Norihide Kirihara

Yasuhiro Yonezawa

### Senior Executive Officers

Yasuo Kuwana\*\*

Hiroshi Misawa

### Executive Officers

Seigo Kimoto

Yoshinori Miyamoto

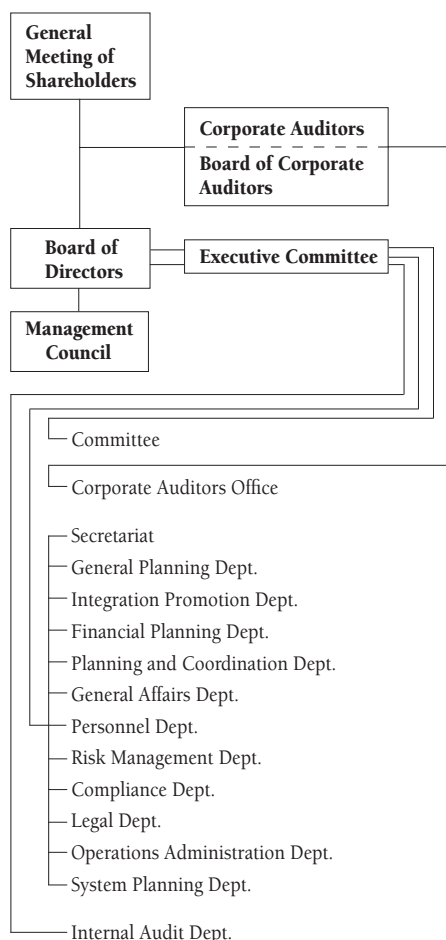
\* Representative director

\*\* Director

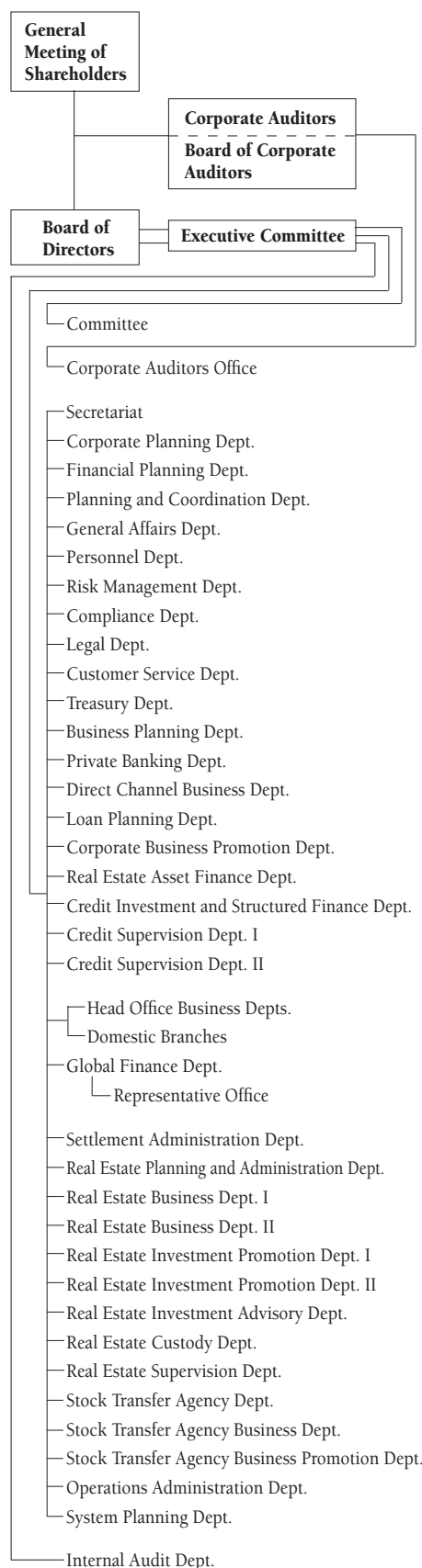
# Organization

As of February 1, 2011

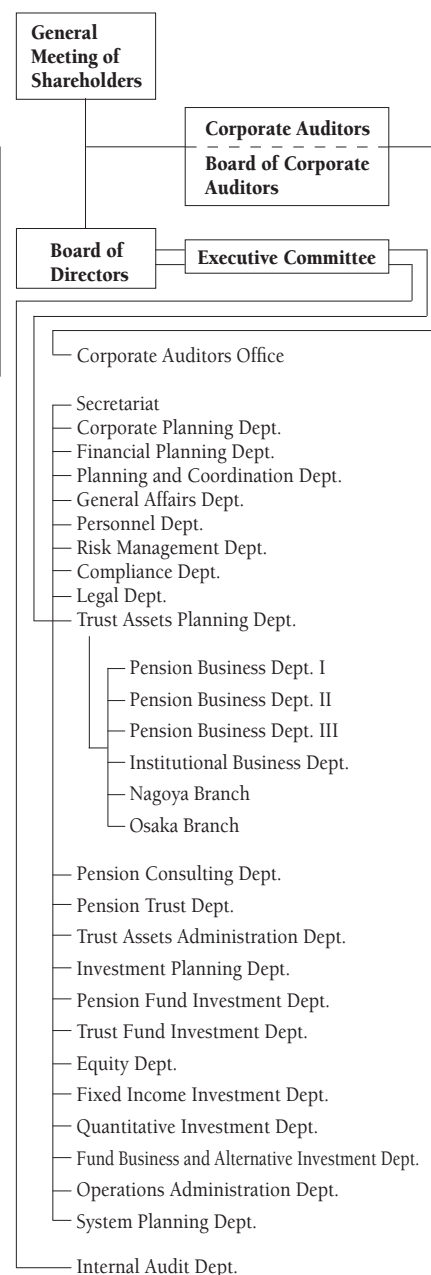
## Chuo Mitsui Trust Holdings, Inc.



## The Chuo Mitsui Trust and Banking Company, Limited



## Chuo Mitsui Asset Trust and Banking Company, Limited



## Major Associated Companies

As of February 1, 2011

### Chuo Mitsui Trust Holdings, Inc.

	Services	Capital (Millions of yen)
Japan Trustee Services Bank, Ltd.	Trust and banking	51,000

### The Chuo Mitsui Trust and Banking Company, Limited

	Services	Capital (Millions of yen)
Chuo Mitsui Guarantee Co., Ltd.	Credit guarantee services	301
Chuo Mitsui Card Co., Ltd.	Credit card services	300
Chuo Mitsui Realty Company, Limited	Real estate brokerage	300
Chuo Mitsui Information Technology Co., Ltd.	Computer-related services	200
CMTB Equity Investments Co., Ltd.	Investment, management and administration of stocks	100
Chuo Mitsui Finance Service Co., Ltd.	Finance	3,150
Tokyo Securities Transfer Agent Co., Ltd.	Stock transfer agency services	50
Chuo Mitsui Trust Realty Company, Ltd.	Asset management services	300

## Overseas Network

As of February 1, 2011

### Representative Offices

#### The Chuo Mitsui Trust and Banking Company, Limited

##### New York Representative Office

Akihiko Koda  
Chief Representative  
655 Third Avenue, 26th Floor  
New York, N.Y. 10017-5617, U.S.A.  
Telephone: 1-212-309-1900  
Telefax: 1-212-692-0888

##### Singapore Representative Office

Takeyasu Koike  
Chief Representative  
8 Shenton Way  
#14-02  
Singapore 068811  
Republic of Singapore  
Telephone: 65-6532-2353  
Telefax: 65-6532-6155

##### Beijing Representative Office

Kei Ogawa  
Chief Representative  
Room 5011, 5th Floor,  
Chang Fu Gong Office Building,  
No. 26, Jianguomenwai Dajie,  
Chaoyang District, Beijing 100022,  
People's Republic of China  
Telephone: 86-10-6559-8556  
Telefax: 86-10-6559-8592

##### London Representative Office

Masazumi Eto  
Chief Representative  
7th Floor, Milton Gate,  
60 Chiswell Street,  
London EC1Y 4SA, U.K.  
Telephone: 44-20-7847-8402, 8420  
Telefax: 44-20-7847-8406

### Overseas Subsidiaries

#### Chuo Mitsui Trust Holdings, Inc.

##### MTH Preferred Capital 1 (Cayman) Limited

P.O. Box 309, Ugland House,  
Grand Cayman KYI-1104,  
Cayman Islands

##### MTH Preferred Capital 3 (Cayman) Limited

P.O. Box 309, Ugland House,  
Grand Cayman KYI-1104,  
Cayman Islands

##### MTH Preferred Capital 4 (Cayman) Limited

P.O. Box 309, Ugland House,  
Grand Cayman KYI-1104,  
Cayman Islands

##### MTH Preferred Capital 5 (Cayman) Limited

P.O. Box 309, Ugland House,  
Grand Cayman KYI-1104,  
Cayman Islands

##### CMTH Preferred Capital 6 (Cayman) Limited

P.O. Box 309, Ugland House,  
Grand Cayman KYI-1104,  
Cayman Islands

##### CMTH Preferred Capital 7 (Cayman) Limited

P.O. Box 309, Ugland House,  
Grand Cayman KYI-1104,  
Cayman Islands

#### The Chuo Mitsui Trust and Banking Company, Limited

##### Chuo Mitsui Investments, Inc. (Under liquidation)

##### Chuo Mitsui Investments, Singapore Pte. Ltd. (Under liquidation)

##### Chuo Mitsui Trust International Ltd.

Makoto Nakamura  
Managing Director  
7th Floor, Milton Gate,  
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Telephone: 44-20-7847-8400  
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##### Chuo Mitsui Investments Hong Kong Limited

Toshiya Fujiwara  
Managing Director  
Suite 4108, Two Exchange Square,  
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Telephone: 85 2 2565 5688  
Telefax: 85 2 2533 4499

## Investor Information

As of September 30, 2010

### Chuo Mitsui Trust Holdings, Inc.

#### Registered Head Office

33-1, Shiba 3-chome,  
Minato-ku, Tokyo 105-8574, Japan  
Telephone: 81-3-5445-3500  
Telefax: 81-3-5232-8879  
Web site: <http://www.chuomitsui.jp>

#### Date of Establishment

February 1, 2002

#### Capital Stock

¥261,608 million

#### Number of Shares Authorized

4,193,332 thousand shares  
Common: 4,068,332 thousand shares  
Class V preferred: 62,500 thousand shares  
Class VI preferred: 62,500 thousand shares

#### Number of Shares Issued

Common: 1,658,426 thousand shares

#### Number of Shareholders

Common: 46,928

### Major Shareholders

#### Common stock

Name	Number of shares held (Thousands)	Percentage of total shares (%)
The Resolution and Collection Corporation	500,875	30.20
Japan Trustee Services Bank, Ltd. (Trust Account)	101,131	6.09
The Master Trust Bank of Japan, Ltd. (Trust Account)	90,485	5.45
Government of Singapore Investment Corporation Pte Ltd. (Standing proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	20,434	1.23
Japan Trustee Services Bank, Ltd. (Trust Account 4)	20,352	1.22
Goldman Sachs & Company Regular account (Standing proxy: Goldman Sachs Japan Co., Ltd.)	16,617	1.00
Japan Trustee Services Bank, Ltd. (Re-trusted by Chuo Mitsui Asset Trust and Banking Co., Ltd. Composite Trust Account held for Toyota Motor Corporation)	15,226	0.91
Japan Trustee Services Bank, Ltd. (Trust Account 9)	14,772	0.89
Mitsui Life Insurance Company Limited	13,648	0.82
Tobu Railway Co., Ltd.	13,355	0.80
Total	806,895	48.65

### Certified Public Accountants

Deloitte Touche Tohmatsu LLC  
MS Shibaura Building  
13-23, Shibaura 4-chome  
Minato-ku, Tokyo 108-8530, Japan

### Further Information

For further information, please contact:  
Investor Relations Group  
Financial Planning Department  
Chuo Mitsui Trust Holdings, Inc.  
33-1, Shiba 3-chome,  
Minato-ku, Tokyo 105-8574, Japan

## Company Information

### The Chuo Mitsui Trust and Banking Company, Limited

#### Registered Head Office

33-1, Shiba 3-chome,  
Minato-ku, Tokyo 105-8574, Japan  
Telephone: 81-3-5232-3331  
Telefax: 81-3-5232-8879  
S.W.I.F.T. Address: MTRBJPJT  
Web site: <http://www.chuomitsui.co.jp>

### Chuo Mitsui Asset Trust and Banking Company, Limited

#### Registered Head Office

23-1, Shiba 3-chome,  
Minato-ku, Tokyo 105-8574, Japan  
Telephone: 81-3-5232-8111  
Telefax: 81-3-5232-8506  
Web site: <http://www.chuomitsui-asset.co.jp>





Based on an awareness of the importance of its social responsibility and public mission, the Chuo Mitsui Trust Group strives to earn the confidence of investors, shareholders, clients and others by actively disclosing business information.

Chuo Mitsui Trust Holdings strives to implement a high level of transparency in its management by disclosing information about the Group's overall financial condition in a timely, fair, and forthright manner on its website.

In addition to providing easy-to-understand explanations of management direction and results in the form of Disclosure Reports and other disclosure materials, the Company details its business strategies and other relevant information at analyst meetings and via other forums. The Company also provides an extensive range of investor relations (IR) information on its website, and Group companies offer a broad range of information about their products and services on their own websites.

The Group will continue to strive to promote a deeper understanding of its activities.

## ● Websites of Chuo Mitsui Trust Group Companies ●



Chuo Mitsui Trust Holdings  
<http://www.chuomitsui.jp/>



The Chuo Mitsui Trust and Banking Company, Limited  
<http://www.chuomitsui.co.jp/>



Chuo Mitsui Asset Trust and Banking Company, Limited  
<http://www.chuomitsui-asset.jp/>



Chuo Mitsui Asset Management Company, Limited  
<http://www.cmam.co.jp/>



Chuo Mitsui Capital Company Limited  
<http://www.cm-capital.com/>



**Chuo Mitsui Trust Group**