

住友信託銀行

2007

INTERIM REPORT

Six Months Ended September 30, 2007



**Sumitomo Trust
& Banking Co., Ltd.**

Financial Highlights

Earnings

Our consolidated results for the first half of fiscal year 2007 saw strong performance in sales commissions on mutual funds and real-estate related fees as well as in trust fees for pension trusts, investment trusts, etc. However, this was more than offset by a shortfall against projection of market-derived profits in the Global Market Group, bringing a year-on-year decrease of ¥2.9 billion in net business profit before credit cost, which represents real earnings capacity, to ¥102.4 billion.

Meanwhile, net income decreased ¥26.2 billion year-on-year to ¥37.7 billion, affected by an increase in credit costs primarily due to increases in reserves in relation to debtors in certain industries and losses on overseas corporate loans sold in response to the overseas credit-market turmoil in the wake of subprime distress.

In view of the business performance during the half year, a revision has been made to our forecast for consolidated earnings for the full fiscal year 2007.

Financial Soundness

The balance of non-performing loans (non-consolidated assets classified under the Financial Reconstruction Law; banking account and principal guaranteed trust account combined) at the end of September 2007 declined by ¥19.3 billion from the end of the preceding fiscal year to ¥98.1 billion. The non-performing ratio (the proportion of assets classified under the Financial Reconstruction Law to total loan balance) stood at 0.8%, indicating maintained soundness of asset quality.

Capital (Net Assets)

Despite the decrease of net income during the period under review, we maintained a consolidated BIS capital adequacy ratio, as of the end of September 2007, at a sufficient level of 11.80%, 0.44% higher than the 11.36%* at the end of the preceding fiscal year, due primarily to a decrease in total risk-adjusted assets. The Tier I capital ratio, which indicates the ratio associated with stock capitalization, retained earnings, and other core equity capital components, marked 6.68%. Considering the effects of the planned full-fledged shifting of consolidated subsidiaries and retail-related assets (the "Phased Roll-out Exposures" of Basel II), the target level of 7 to 8% has come within range.

* This figure has been revised from the announcement made at the end of March 2007. For details, please refer to the news release titled "Corrections of 2007 ANNUAL REPORT" dated November 28, 2007.

Dividend Policy

With regard to annual dividend payments, we target the payout ratio relative to consolidated net income to be 30% by fiscal year 2008. The dividend for fiscal year 2007 is expected to be ¥17 (consolidated payout ratio 31.6%), the same level as the preceding year, based on the earnings forecast for full fiscal year 2007 and other factors. On this basis, we will pay out half of that amount, ¥8.5, as an interim dividend.

• Revision to the Results Forecast (consolidated and non-consolidated) for the Full Fiscal Year 2007 (as of Oct. 29, 2007)

	Billions of Yen					
	Non-consolidated			Consolidated		
	Net Business Profit before Credit Costs	Operating Profit	Net Income	Net Business Profit before Credit Costs	Operating Profit	Net Income
Previous Forecast (A)	180	155	100	220	185	120
Revised Forecast (B)	175	120	80	215	150	90
Change (B) - (A)	(5)	(35)	(20)	(5)	(35)	(30)

• Financial Highlights for the First Half Fiscal Year 2007

	Billions of Yen							
	Non-consolidated				Consolidated			
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Year-on-Year	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Year-on-Year
Net Business Profit before Credit Costs (Note) ...	80.7	86.8	175.9	(6.0)	102.4	105.3	215.4	(2.9)
Total Credit Costs	34.7	3.3	40.5	31.4	35.4	4.2	42.0	31.1
Net Gains on Stocks	4.6	3.4	5.0	1.1	4.6	3.3	4.8	1.3
Net Operating Income	42.8	85.9	134.5	(43.1)	61.3	99.1	170.1	(37.8)
Net Income	31.9	55.4	81.8	(23.5)	37.7	63.9	103.8	(26.2)

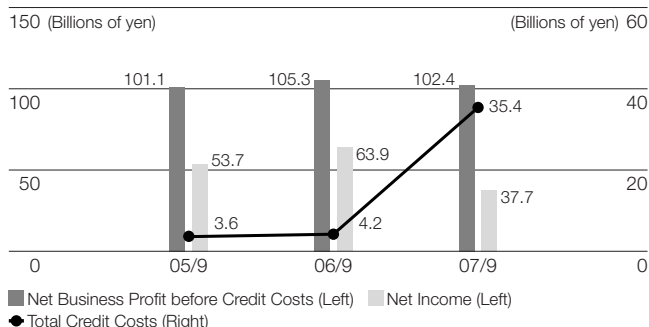
Note: Consolidated Net Business Profit before Credit Costs (the figure that indicates real earnings for the consolidated group as a whole) is calculated by the following formula:
Consolidated Net Business Profit before Credit Costs = (Non-consolidated Net Business Profit before Credit Costs) + (Adjusted Net Operating Income of subsidiaries and affiliated companies) - (Income from intragroup transactions)

• Dividends

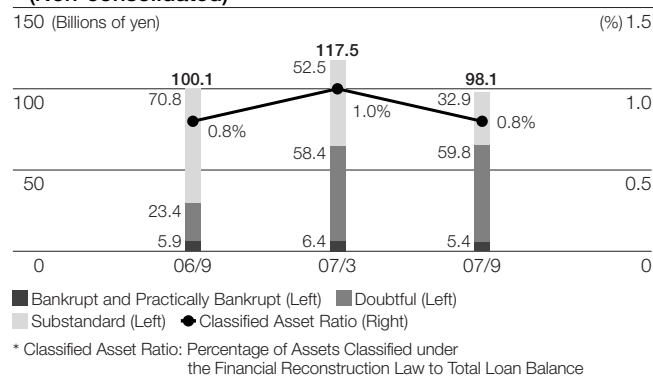
	FY2005	FY2006	FY2007 (Forecast)
Common Stock Dividends per Share	12 yen	17 yen	17 yen
Interim Dividend	6 yen	8.5 yen	8.5 yen (actual)
Consolidated Net Income	100.0 billion yen	103.8 billion yen	90.0 billion yen
Consolidated Dividend Payout Ratio (Note)	20.0%	27.4%	31.6%

Note: Consolidated Dividend Payout Ratio = $\frac{\text{Cash Dividends (common stock)}}{\text{Consolidated Net Income}} \times 100$

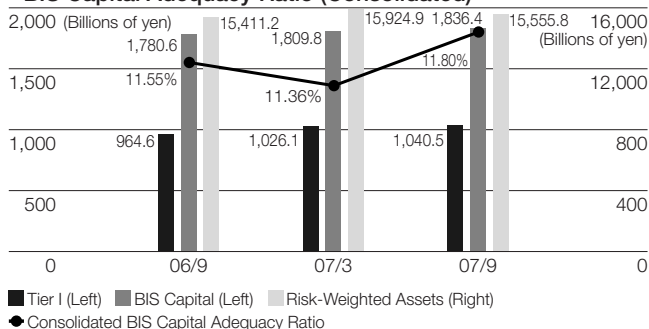
• Consolidated Results



• Assets Classified under the Financial Reconstruction Law (Non-consolidated)

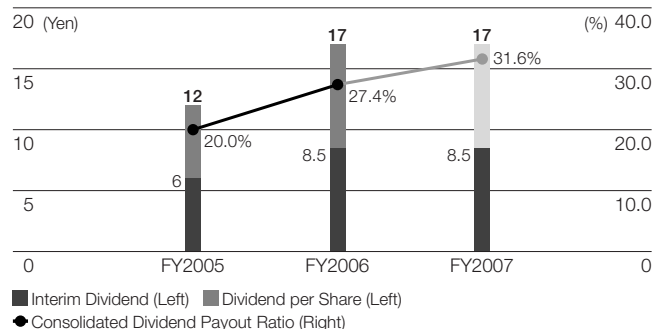


• BIS Capital, Risk-Weighted Assets, BIS Capital Adequacy Ratio (Consolidated)*



* Former Standard for the Sep. 06 and New Standard (Basel II) for Mar. 07 and Sep. 07.

• Dividend per Share and Consolidated Dividend Payout Ratio



Message from the President and CEO



I assumed office as President and CEO of The Sumitomo Trust and Banking Company, Limited*¹ on January 4, 2008. As successor to top corporate management, I would like to report on the financial results for the first half of fiscal year 2007 and explain our growth strategy and management policy.

*¹ Hereinafter Sumitomo Trust or STB.

Review of the First Half of Fiscal Year 2007

Our consolidated net income for the first half of fiscal year 2007 stood at 37.7 billion yen, down 41.0% from the previous fiscal year, chiefly due to the increase in total credit costs and decrease in market-derived profits. We also regret to inform you that net business profit before credit costs decreased to 102.4 billion yen, down 2.8% from the preceding year.

On the other hand, we continued to exhibit successful results in the business areas that take full advantage of the strengths of a trust bank that jointly operates “banking, trust and real estate businesses.” Among our five businesses, three businesses increased profit over the comparative period of the previous fiscal year. More specifically, the Retail Financial Services Division and the Fiduciary Services Group increased profit over the previous year due to favorable sales of mutual fund and individual annuity and expansion of trust fees for pension trusts and investment trusts. The Real Estate Division also increased profit due to the successful results of our brokerage service and securitization services of high-class large-size properties in metro area. These three businesses also led the growth of net fees and commissions (an 18.1% increase year-on-year) and other trust fees (a 10.9% increase year-on-year). The Global Markets Group’s profit fell by 18.7 billion yen from the good performance in the comparative period of the previous fiscal year, due to transactions in interest rate and forex related products. As a whole, the group reached 9.8 billion yen of gross business profit. The Wholesale Financial Services Division also made a profit, almost the same as in the previous fiscal year.

Meanwhile, credit costs of 34.7 billion yen on a non-consolidated basis were attributed to an increase in reserves in relation to debtors in certain industries, disposal of loans, loss on sales and reserves of overseas corporate loans.

The balance of loans to special mention debtors (excluding loans to substandard debtors) at the end of September 2007 increased by 44.7 billion yen over the end of March 2007 mainly due to downgrade of some overseas corporate loans. Meanwhile, loans to substandard debtors decreased by 47.3 billion yen mainly due to the improvement in business conditions of some large debtors. As a result, total balance of non-performing loans (non-consolidated assets classified under the Financial Reconstruction Law; banking account and principal guaranteed trust account combined) decreased by 19.3 billion yen from the end of the preceding fiscal year to 98.1 billion yen, while the non-performing loan ratio stood at 0.8%, down 0.2% from the end of the previous fiscal year.

In addition, the consolidated BIS capital adequacy ratio rose by 0.44% to 11.80% from the 11.36%*² at the end of the preceding fiscal year, still maintaining a sufficient level.

Further, we have decided to declare interim dividends of 8.50 yen per common share, which is the same as the interim dividends of the previous fiscal year. We plan to distribute annual dividends of 17 yen per share, which is equivalent to a consolidated dividend payout ratio of 31.6%, based on our full-year performance forecast as of the end of the first half.

*² Revised from the announcement made at the end of March 2007. For details, please refer to the news release titled “Corrections of 2007 ANNUAL REPORT” dated November 28, 2007.

Efforts in this Term – Growth Strategy through M&A and Business Alliance

Since the completion of the repayment of its public funds in January 2004, we have been expanding our business vigorously through aggressive acquisition and business tie-ups. Our efforts focused on “improvement of economy of scale and functionality of fiduciary and real estate business,” “complement of current credit portfolio centered in large corporations,” and “expansion of customer franchise.”

As a means to improve economy of scale and functionality of fiduciary and real estate business, we acquired Barclays Global Investors Japan Trust & Banking Co., Ltd., who made smooth arrangements to complete the transfer of entrusted assets by the end of December 2007.

As part of our complementing current credit portfolios centered in large corporations, we acquired Life Housing Loan, Ltd., which specializes in housing loans, in May 2007. The incorporation of Life Housing Loan into the Sumitomo Trust Group allowed us to expand our customer and business franchise for extending loans to retail customers.

Expansion of customer franchise is part of our objective for our M&A and business alliance strategy. In line with the objective, Sumitomo Trust, together with Tokai Tokyo Securities Co., Ltd. and Sumishin Realty Co., Ltd., formed a joint venture, called Tokai Tokyo-Sumishin Wealth Partners & Consulting Co., Ltd., in September 2007. The joint venture specializes in asset management, business succession and real estate management consulting in the Chukyo area.

Also in September, Sumitomo Trust and SBI Holdings, Inc. founded a joint venture, called SBI Sumishin Net Bank, Ltd. SBI Holdings owns SBI E*TRADE SECURITIES Co., Ltd.*³, one of Japan’s largest internet securities firms. In this way, we have come to support a broader group of customers. More specifically, Sumitomo Trust has been implementing a two-brand strategy where we expect customers in their 20s to 40s, who are in the course of building assets, to use SBI Sumishin Net Bank, while customers who have already built assets will use Sumitomo Trust for their asset management and servicing.

*³ To be renamed SBI Securities Co., Ltd. on July 1, 2008.

Achieving the Best Balance between “Forward Attack” and “Defense Build-Up”

Going forward, based the efforts to date and current market conditions, the first things we want to do is achieve the best balance between attacking forward and building up defense.

On the attack front, we will prioritize our characteristics as trustee and the specific merits of Sumitomo Trust. We coined the word “Trustee-ness” to express the spirit that imbues us as a trustee, based upon which we devote meticulous attention to every case and offer the most appropriate solutions from the standpoint of each individual customer across our entire range of services. As for “STB-ness,” it refers to our goal of providing speedy solutions, thereby boosting our corporate value, through the ongoing amalgamation of the variety of high-caliber specialized business skills available within the Sumitomo Trust Group. Concrete steps in our progress toward the realization of this goal can be seen in our continued focus on strategic acquisitions and tie-up initiatives.

On the defense front, we will strengthen further the infrastructure that underpins the quality of services we provide, from upgrading business operations and systems, implementing tighter compliance and risk-management controls, to nurturing our human resources.

To Our Shareholders

The economic and financial environment in Japan and overseas is increasingly uncertain. However, one certain fact emerging in Japan is the trend represented by the phrase “from savings to investment.” We are sure that Sumitomo Trust will have a golden opportunity where we can make the most of our fiduciary strength, namely our collective strength that consists of “asset management and servicing functions” and “real estate functions,” after we succeed in overcoming the tidal wave we are facing now.

As the new president of Sumitomo Trust, I am determined to achieve sustainable growth by sticking to the management strategy and business development that prioritize the “Trustee-ness” and the “STB-ness.” In the capital markets, we will also emphasize our valuable management model to enhance the corporate value of Sumitomo Trust.

I would like to thank you for your continued support and understanding.

January 2008



Hitoshi Tsunekage President and CEO

Financial Section

Consolidated Balance Sheet

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007 (unaudited)	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Assets:				
Cash and Due from Banks	¥ 694,569	¥ 555,165	¥ 789,472	\$ 6,016
Call Loans and Bills Bought	331,134	196,001	299,623	2,868
Receivables under Securities Borrowing Transactions	—	205,065	—	—
Monetary Claims Bought	685,817	632,298	753,314	5,940
Trading Assets	725,509	437,934	608,887	6,284
Money Held in Trust	18,677	14,598	20,031	162
Securities	6,137,291	5,739,238	5,265,243	53,160
Loans and Bills Discounted	10,625,402	10,687,582	10,487,237	92,035
Foreign Exchanges	6,940	3,882	6,618	60
Other Assets	2,133,397	1,666,539	2,077,233	18,479
Tangible Fixed Assets	131,301	91,083	131,120	1,137
Intangible Fixed Assets	149,536	138,340	134,619	1,295
Deferred Tax Assets	20,239	20,044	26,187	175
Customers' Liabilities for Acceptances and Guarantees	537,799	607,069	516,865	4,658
Reserve for Possible Loan Losses	(130,674)	(79,823)	(106,671)	(1,132)
Reserve for Losses on Investment Securities	(7,552)	—	(6,718)	(65)
Total Assets	¥ 22,059,389	¥ 20,915,021	¥ 21,003,064	\$ 191,073
Liabilities:				
Deposits	¥ 11,407,709	¥ 11,102,415	¥ 11,361,270	\$ 98,811
Negotiable Certificates of Deposit	2,499,886	2,300,783	2,354,648	21,653
Call Money and Bills Sold	224,046	224,967	153,620	1,941
Payables under Repurchase Agreements	1,286,855	1,010,513	683,686	11,146
Payables under Securities Lending Transactions	105,752	291,461	292,166	916
Trading Liabilities	75,300	49,383	53,682	652
Borrowed Money	1,177,513	746,343	927,931	10,199
Foreign Exchanges	105	7	4	1
Short-term Corporate Bonds	488,930	374,989	333,959	4,235
Bonds and Notes	615,855	519,448	549,455	5,334
Borrowed Money from Trust Account	1,159,892	1,490,588	1,319,548	10,047
Other Liabilities	1,023,868	787,406	878,955	8,868
Reserve for Employees' Bonus	6,143	5,753	5,752	53
Reserve for Bonus for Directors and Corporate Auditors	—	—	85	—
Reserve for Employee Retirement Benefits	9,908	9,830	10,078	86
Deferred Tax Liabilities	40,160	78,787	107,334	348
Deferred Tax Liabilities for Land Revaluation	6,113	6,408	6,113	53
Acceptances and Guarantees	537,799	607,069	516,865	4,658
Total Liabilities	¥ 20,665,842	¥ 19,606,159	¥ 19,555,157	\$ 179,003
Net Assets:				
Owners' Equity:	¥ 982,816	¥ 931,621	¥ 959,340	\$ 8,513
Capital Stock	287,537	287,457	287,517	2,491
Capital Surplus	242,559	240,877	242,538	2,101
Retained Earnings	453,158	403,602	429,674	3,925
Treasury Stock	(439)	(316)	(389)	(4)
Valuation and Translation Adjustments:	199,949	216,460	277,817	1,732
Net Unrealized Gains on Securities Available for Sale, Net of Taxes	217,387	232,520	295,213	1,883
Net Deferred Losses on Hedging Instruments, Net of Taxes	(10,771)	(7,907)	(9,710)	(93)
Revaluation Reserve for Land, Net of Taxes	(4,168)	(3,735)	(4,168)	(36)
Foreign Currency Translation Adjustments	(2,498)	(4,416)	(3,517)	(22)
Minority Interests	210,781	160,780	210,749	1,826
Total Net Assets	¥ 1,393,547	¥ 1,308,862	¥ 1,447,907	\$ 12,071
Total Liabilities and Net Assets	¥ 22,059,389	¥ 20,915,021	¥ 21,003,064	\$ 191,073

Note: Number of Shares

	Shares		
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007
Authorized: Common Shares	3,000,000,000	3,000,000,000	3,000,000,000
Issued: Common Shares	1,675,128,546	1,673,460,956	1,675,034,546

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2007 (unaudited)	Six Months Ended Sep. 30, 2006	Year Ended Mar. 31, 2007	Six Months Ended Sep. 30, 2007
Income:				
Trust Fees	¥ 36,737	¥ 35,867	¥ 73,226	\$ 318
Interest Income:	201,340	162,271	344,541	1,744
Interest on Loans and Discounts	114,264	89,066	192,565	990
Interest and Dividends on Securities	74,216	61,383	127,848	643
Other Interest Income	12,859	11,822	24,127	111
Fees and Commissions	68,702	59,705	134,250	595
Trading Income	6,886	3,612	8,311	60
Other Operating Income	196,717	112,620	261,632	1,704
Other Income	22,610	13,874	36,618	196
Total Income	¥ 532,994	¥ 387,951	¥ 858,580	\$ 4,617
Expenses:				
Interest Expenses:	¥ 119,483	¥ 79,618	¥ 184,455	\$ 1,035
Interest on Deposits (including CDs)	72,447	47,314	113,421	628
Interest on Borrowings and Rediscounts	6,645	2,675	6,904	58
Other Interest Expenses	40,390	29,628	64,129	350
Fees and Commissions	13,646	13,076	30,498	118
Trading Expenses	489	—	166	4
Other Operating Expenses	181,440	93,235	222,739	1,572
General and Administrative Expenses	98,751	91,870	183,334	855
Other Expenses	48,344	12,167	69,606	419
Total Expenses	¥ 462,156	¥ 289,969	¥ 690,801	\$ 4,003
Income before Income Taxes and Others	¥ 70,838	¥ 97,982	¥ 167,778	\$ 614
Income Taxes and Others:				
Current	37,333	13,391	59,830	323
Deferred	(7,193)	18,403	(1,086)	(62)
Minority Interests	2,980	2,226	5,214	26
Net Income	¥ 37,718	¥ 63,960	¥ 103,820	\$ 327

	Yen			U.S. Dollars
	Six Months Ended Sep. 30, 2007 (unaudited)	Six Months Ended Sep. 30, 2006	Year Ended Mar. 31, 2007	Six Months Ended Sep. 30, 2007
Net Income per Share	¥ 22.52	¥ 38.23	¥ 62.05	\$ 0.20
Net Income per Share (fully-diluted)	22.52	38.22	62.04	0.20

Financial Section

Consolidated Statement of Changes in Net Assets

	Millions of Yen				
	Owners' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity
Six Months Ended September 30, 2007					
Balance at the End of Previous Period	¥ 287,517	¥ 242,538	¥ 429,674	¥ (389)	¥ 959,340
Changes of Items during the Period:					
Issuance of New Shares	19	19			39
Dividends from Surplus		—	(14,234)		(14,234)
Net Income			37,718		37,718
Purchase of Treasury Stock				(60)	(60)
Disposal of Treasury Stock		1	—	10	12
Net Changes of Items other than Owners' Equity					
Total Changes of Items during the Period	¥ 19	¥ 20	¥ 23,484	¥ (49)	¥ 23,475
Balance at the End of the Current Period	¥ 287,537	¥ 242,559	¥ 453,158	¥ (439)	¥ 982,816

	Millions of U.S. Dollars				
	Owners' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity
Six Months Ended September 30, 2007					
Balance at the End of Previous Period	\$ 2,490	\$ 2,101	\$ 3,722	\$ (3)	\$ 8,310
Changes of Items during the Period:					
Issuance of New Shares	0	0			0
Dividends from Surplus		—	(123)		(123)
Net Income			327		327
Purchase of Treasury Stock				(1)	(1)
Disposal of Treasury Stock		0	—	0	0
Net Changes of Items other than Owners' Equity					
Total Changes of Items during the Period	\$ 0	\$ 0	\$ 203	\$ (0)	\$ 203
Balance at the End of the Current Period	\$ 2,491	\$ 2,101	\$ 3,925	\$ (4)	\$ 8,513

	Millions of Yen				
	Owners' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity
Six Months Ended September 30, 2006					
Balance at the End of Previous Period	¥ 287,283	¥ 240,703	¥ 349,751	¥ (251)	¥ 877,487
Changes of Items during the Period:					
Issuance of New Shares	173	172			346
Dividends from Surplus		—	(10,035)		(10,035)
Bonuses to Directors			(70)		(70)
Net Income			63,960		63,960
Purchase of Treasury Stock				(67)	(67)
Disposal of Treasury Stock		1	—	3	4
Reversal of Revaluation Reserve for Land, Net of Taxes			(3)		(3)
Net Changes of Items other than Owners' Equity					
Total Changes of Items during the Period	¥ 173	¥ 174	¥ 53,851	¥ (64)	¥ 54,134
Balance at the End of the Current Period	¥ 287,457	¥ 240,877	¥ 403,602	¥ (316)	¥ 931,621

	Millions of Yen				
	Owners' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity
Year Ended March 31, 2007					
Balance at the End of Previous Period	¥ 287,283	¥ 240,703	¥ 349,751	¥ (251)	¥ 877,487
Changes of Items during the Period:					
Issuance of New Shares	233	1,832			2,066
Dividends from Surplus		—	(24,256)		(24,256)
Bonuses to Directors			(70)		(70)
Net Income			103,820		103,820
Purchase of Treasury Stock				(145)	(145)
Disposal of Treasury Stock		2	—	6	9
Reversal of Revaluation Reserve for Land, Net of Taxes			429		429
Provision for Reserve for Losses on Overseas Investment			0		0
Net Changes of Items other than Owners' Equity					
Total Changes of Items during the Period	¥ 233	¥ 1,835	¥ 79,922	¥ (138)	¥ 81,853
Balance at the End of the Current Period	¥ 287,517	¥ 242,538	¥ 429,674	¥ (389)	¥ 959,340

Millions of Yen						
Valuation and Translation Adjustments						
Net Unrealized Gains (Losses) on Securities Available for Sale, Net of Taxes	Net Deferred Gains (Losses) on Hedging Instruments, Net of Taxes	Revaluation Reserve for Land, Net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
¥ 295,213	¥ (9,710)	¥ (4,168)	¥ (3,517)	¥ 277,817	¥ 210,749	¥ 1,447,907
						39
						(14,234)
						37,718
						(60)
						12
(77,826)	(1,060)	—	1,019	(77,867)	32	(77,835)
¥ (77,826)	¥ (1,060)	¥ —	¥ 1,019	¥ (77,867)	¥ 32	¥ (54,360)
¥ 217,387	¥ (10,771)	¥ (4,168)	¥ (2,498)	¥ 199,949	¥ 210,781	¥ 1,393,547
Millions of U.S. Dollars						
Valuation and Translation Adjustments						
Net Unrealized Gains (Losses) on Securities Available for Sale, Net of Taxes	Net Deferred Gains (Losses) on Hedging Instruments, Net of Taxes	Revaluation Reserve for Land, Net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
\$ 2,557	\$ (84)	\$ (36)	\$ (30)	\$ 2,406	\$ 1,825	\$ 12,541
						0
						(123)
						327
						(1)
						0
(674)	(9)	—	9	(674)	0	(674)
\$ (674)	\$ (9)	\$ —	\$ 9	\$ (674)	\$ 0	\$ (471)
\$ 1,883	\$ (93)	\$ (36)	\$ (22)	\$ 1,732	\$ 1,826	\$ 12,071
Millions of Yen						
Valuation and Translation Adjustments						
Net Unrealized Gains (Losses) on Securities Available for Sale, Net of Taxes	Net Deferred Gains (Losses) on Hedging Instruments, Net of Taxes	Revaluation Reserve for Land, Net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
¥ 248,116	¥ —	¥ (3,740)	¥ (3,871)	¥ 240,504	¥ 159,085	¥ 1,277,076
						346
						(10,035)
						(70)
						63,960
						(67)
						4
						(3)
(15,596)	(7,907)	4	(544)	(24,044)	1,695	(22,349)
¥ (15,596)	¥ (7,907)	¥ 4	¥ (544)	¥ (24,044)	¥ 1,695	¥ 31,785
¥ 232,520	¥ (7,907)	¥ (3,735)	¥ (4,416)	¥ 216,460	¥ 160,780	¥ 1,308,862
Millions of Yen						
Valuation and Translation Adjustments						
Net Unrealized Gains (Losses) on Securities Available for Sale, Net of Taxes	Net Deferred Gains (Losses) on Hedging Instruments, Net of Taxes	Revaluation Reserve for Land, Net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
¥ 248,116	¥ —	¥ (3,740)	¥ (3,871)	¥ 240,504	¥ 159,085	¥ 1,277,076
						2,066
						(24,256)
						(70)
						103,820
						(145)
						9
						429
						0
47,096	(9,710)	(427)	354	37,312	51,663	88,976
¥ 47,096	¥ (9,710)	¥ (427)	¥ 354	¥ 37,312	¥ 51,663	¥ 170,830
¥ 295,213	¥ (9,710)	¥ (4,168)	¥ (3,517)	¥ 277,817	¥ 210,749	¥ 1,447,907

Financial Section

Consolidated Statement of Cash Flows

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2007 (unaudited)	Six Months Ended Sep. 30, 2006	Year Ended Mar. 31, 2007	Six Months Ended Sep. 30, 2007
Net Cash Provided by (Used in) Operating Activities:				
Income before Income Taxes and Others	¥ 70,838	¥ 97,982	¥ 167,778	\$ 614
Depreciation	7,296	7,488	14,071	63
Losses on Impairment of Fixed Assets	29	1,079	7,088	0
Amortization of Goodwill (Negative Goodwill)	3,970	4,169	6,171	34
Equity in Losses (Earnings) of Affiliates	546	(1,096)	(5,861)	5
Increase (Decrease) in Reserve for Possible Loan Losses	23,481	3,618	29,259	203
Increase (Decrease) in Reserve for Losses on Investment Securities	833	—	6,718	7
Increase (Decrease) in Reserve for Employees' Bonus	361	(36)	(81)	3
Increase (Decrease) in Reserve for Bonus for Directors and Corporate Auditors	(85)	—	85	(1)
Increase (Decrease) in Reserve for Employee Retirement Benefits	(247)	(374)	(635)	(2)
Interest Income	(201,340)	(162,271)	(344,541)	(1,744)
Interest Expenses	119,483	79,618	184,455	1,035
Losses (Gains) on Securities	(25,092)	(7,871)	(3,495)	(217)
Losses (Gains) on Money Held in Trust	1,292	(188)	(680)	11
Losses (Gains) on Foreign Exchanges	(14,851)	(42,027)	(84,777)	(129)
Losses (Gains) on Sale of Fixed Assets	862	293	(1,754)	7
Net Decrease (Increase) in Trading Assets	(116,622)	(2,890)	(173,842)	(1,010)
Net Increase (Decrease) in Trading Liabilities	21,618	(20,477)	(16,179)	187
Net Decrease (Increase) in Loans and Bills Discounted	(35,840)	(501,158)	(257,487)	(310)
Net Increase (Decrease) in Deposits	43,163	739,207	997,277	374
Net Increase (Decrease) in Negotiable Certificates of Deposit	145,238	(107,873)	(54,008)	1,258
Net Increase (Decrease) in Borrowed Money other than Subordinated Borrowings	141,208	329,254	37,130	1,223
Net Decrease (Increase) in Due from Banks other than from Bank of Japan	124,587	(126,451)	(147,239)	1,079
Net Decrease (Increase) in Call Loans and Others	43,631	194,624	75,699	378
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	—	(205,065)	—	—
Net Increase (Decrease) in Call Money and Others	673,596	(417,257)	(815,431)	5,835
Net Increase (Decrease) in Payables under Securities Lending Transactions	(186,413)	(411,589)	(410,884)	(1,615)
Net Decrease (Increase) in Foreign Exchange Assets	(322)	(798)	(3,534)	(3)
Net Increase (Decrease) in Foreign Exchange Liabilities	100	6	2	1
Net Increase (Decrease) in Short-term Corporate Bonds Liabilities	154,961	43,406	(90,454)	1,342
Net Increase (Decrease) in Issuance and Redemption of Bonds other than Subordinated Bonds	2,150	—	—	19
Net Increase (Decrease) in Borrowed Money from Trust Account	(159,655)	(242,858)	(413,898)	(1,383)
Interest Income Received on Cash Basis	214,429	170,766	336,732	1,857
Interest Expenses Paid on Cash Basis	(117,017)	(75,149)	(166,196)	(1,014)
Other-Net	(4,369)	(68,593)	(37,586)	(38)
Subtotal	¥ 931,823	¥ (722,513)	¥ (1,166,098)	\$ 8,071
Income Tax Paid	(66,297)	(5,801)	(8,396)	(574)
Net Cash Provided by (Used in) Operating Activities	¥ 865,526	¥ (728,314)	¥ (1,174,494)	\$ 7,497
Net Cash Provided by (Used in) Investing Activities:				
Purchase of Securities	¥ (4,835,041)	¥ (2,494,491)	¥ (3,532,205)	\$ (41,880)
Proceeds from Sale of Securities	3,537,637	2,222,673	3,386,301	30,642
Proceeds from Redemption of Securities	440,622	418,693	978,915	3,817
Increase in Money Held in Trust	—	—	(5,000)	—
Decrease in Money Held in Trust	61	358	417	1
Purchase of Tangible Fixed Assets	(4,028)	(3,819)	(51,725)	(35)
Proceeds from Sale of Tangible Fixed Assets	1,098	65	3,722	10
Purchase of Intangible Fixed Assets	(5,540)	(8,536)	(12,259)	(48)
Proceeds from Sale of Intangible Fixed Assets	24	0	0	0
Purchase of Stock of New Consolidated Subsidiaries	(24,101)	—	(23,462)	(209)
Purchase of Stock of Consolidated Subsidiaries	—	—	(399)	—
Net Cash Provided by (Used in) Investing Activities	¥ (889,267)	¥ 134,943	¥ 744,304	\$ (7,703)
Net Cash Provided by (Used in) Financing Activities:				
Increase in Subordinated Borrowings	45,000	—	—	390
Decrease in Subordinated Borrowings	(38,000)	—	—	(329)
Proceeds from Issuance of Subordinated Bonds and Bonds with Stock Acquisition Rights	89,518	184,415	205,203	775
Payments for Redemption of Subordinated Bonds and Bonds with Stock Acquisition Rights	(26,900)	(43,600)	(46,800)	(233)
Proceeds from Issuance of Common Stock	39	346	466	0
Proceeds from Issuance of Stock to Minority Stockholders	—	1,728	51,735	—
Cash Dividends Paid	(14,293)	(10,031)	(24,248)	(124)
Cash Dividends Paid to Minority Stockholders	(2,978)	(2,320)	(4,492)	(26)
Purchase of Treasury Stock	(60)	(67)	(145)	(1)
Proceeds from Sale of Treasury Stock	12	4	10	0
Net Cash Provided by (Used in) Financing Activities	¥ 52,336	¥ 130,474	¥ 181,729	\$ 453
Effect on Exchange Rate Changes on Cash and Cash Equivalents	1,089	(663)	250	9
Net Change in Cash and Cash Equivalents	¥ 29,684	¥ (463,560)	¥ (248,209)	\$ 257
Cash and Cash Equivalents at Beginning of Year	443,240	691,450	691,450	3,839
Cash and Cash Equivalents at End of (Half) Year	¥ 472,925	¥ 227,889	¥ 443,240	\$ 4,096

Basis of Presentation

The accompanying translated consolidated financial statements of the Sumitomo Trust and Banking Company, Limited (“the Bank”) have been compiled from the consolidated financial statements that are prepared for Japanese domestic purposes in accordance with the Financial Instruments and Exchange Law of Japan, the Banking Law of Japan and accounting principles and practices generally accepted in Japan (“Japanese GAAP”). Certain parts of Japanese GAAP are different from International Financial Reporting Standards in terms of application and disclosure requirements.

The accounts of the Bank’s overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile.

The accompanying consolidated financial statements have been restructured and translated into English (with some modifications and expanded descriptions for facilitation of understanding by readers outside Japan) from the consolidated financial statements in accordance with Japanese GAAP and filed with appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law of Japan. Some supplementary information included in the statutory Japanese consolidated financial statements, but not required for fair presentation, is not presented in the accompanying financial statements.

The Bank, a Japanese corporation, maintains its records and prepares its financial statements in Japanese yen. The accompanying U.S. dollar financial statements have been translated from yen-base financial statements for convenience, and only as a matter of arithmetical computation, at the rate of ¥115.45 to U.S. \$1.00, the exchange rate prevailing at the end of September, 2007. The convenient translations would not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

In accordance with the Financial Instruments and Exchange Law of Japan, amounts less than one million yen have been omitted. As a result, the totals in yen, and accordingly in U.S. dollars, shown in the consolidated financial statements do not necessarily correspond with the sum of the individual amounts.

Certain amounts in prior periods have been reclassified to the current presentation.

Changes in Significant Accounting Policies and Practices

1. Accounting Standards and Practical Guidelines for Financial Instruments

In accordance with the revision on the “Accounting Standards for Financial Instruments” (the Accounting Standards Board of Japan (hereafter “ASBJ”) Statement No.10, revised on June 15,

2007) and the “Practical Guidelines for Financial Instruments Accounting” (Japanese Institute of Certified Public Accountants (hereafter “JICPA”) Accounting System Committee Report No.14, revised on July 4, 2007), which amended the classification of “Securities,” the Bank adopted such accounting standards and practical guidelines from the six months ended September 30, 2007.

2. Practical Guidelines for Deferred Tax Accounting in Consolidated Financial Statements

The bank started to adopt the Paragraph 30-2 of the “Practical Guidelines for Deferred Tax Accounting in Consolidated Financial Statements” (the JICPA Accounting System Committee Report No.6, March 29, 2007) for the deferred tax accounting for sale of investments within the corporate group from the six months ended September 30, 2007. As a result, Net income for the six months ended September 30, 2007 decreased by 4,134 million yen compared to that calculated under the earlier method.

Balance Sheet

1. Trading Account Activities

Trading account activities are conducted for short-term profit taking by market-making and sales arbitrages. Trading assets and liabilities include securities, commercial paper and derivative financial instruments. The mark-to-market accounting method is adopted for such financial instruments, all of which are stated at fair value as “Trading Assets” and “Trading Liabilities” in the consolidated balance sheet.

Trading account securities and monetary claims are stated at fair value at the balance sheet date and derivative financial instruments for trading activities, such as swaps, futures and options, are valued on the assumption that they were settled at the balance sheet date.

2. Securities

Under the “Accounting Standards for Financial Instruments” (ASBJ Statement No.10), the Bank is required to explicitly determine the objectives of holding each security and classify them into (1) securities held for trading purposes (“Trading Securities”), (2) debt securities intended to be held to maturity (“Held-to-Maturity Debt Securities”), (3) stocks issued by subsidiaries and affiliated companies, or (4) all other securities that are not classified in any of the above categories (“Available-for-Sale Securities”).

Held-to-maturity debt securities are carried at amortized cost, using the moving average method. Stocks issued by subsidiaries and affiliated companies that are neither consolidated nor accounted for using the equity method are stated at moving average cost. Japanese stocks classified as Available-for-sale securities with fair value are revaluated at the average market price of the final month of the first half fiscal year. Securities other than Japanese stocks classified as Available-

for-sale securities with fair value are revaluated at the balance sheet date. Available-for-sale securities with no available fair value are carried at cost or amortized cost using the moving average method.

Net unrealized gains (losses) on securities available for sale, net of taxes, are recorded as a separate component of Net assets and reported on the consolidated balance sheet.

3. Securities Invested in Money Held in Trust

Securities invested in money held in trust, which is solely entrusted by the Bank for security trading purpose, are revalued at fair value.

4. Derivative Financial Instruments

Derivative financial instruments other than trading purposes are valued on the assumption that they were settled at the balance sheet date (the mark-to-market accounting method).

5. Tangible Fixed Assets

Tangible fixed assets are depreciated using the declining-balance method over the following estimated useful lives. Buildings acquired on and after April 1, 1998 are depreciated using the straight-line method.

Buildings: 3 to 60 years

Equipment: 2 to 20 years

Tangible fixed assets of subsidiaries are depreciated mainly using the declining-balance method over the estimated useful lives.

In accordance with the taxation reform for the fiscal year 2007, Tangible fixed assets acquired on and after April 1, 2007 are depreciated using a method under the revised Corporate Tax Law of Japan. The impact of this change on the Income before taxes and others for the six months ended September 30, 2007 was immaterial.

Regarding Tangible fixed assets acquired on and before March 31, 2007, the bank started to depreciate the difference between 5% of acquiring cost and memorandum value of those assets over 5 years using the straight-line method from the six months ended September 30, 2007. Such depreciation starts from the fiscal year after those assets hit allowable limit for the depreciation. The impact of this change on the Income before taxes and others for the six months ended September 30, 2007 was also immaterial.

6. Intangible Fixed Assets

Intangible fixed assets are depreciated using the straight-line method. Expenses related to software for internal use are capitalized in "Intangible Fixed Assets" and amortized over the estimated useful lives, generally 5 years.

Goodwill is amortized over the duration which is reasonably determined by each case within 20 years. However, it is expensed as incurred during each fiscal year if deemed immaterial.

7. Delivery Costs of Stocks, Issuance Costs of Bonds

Delivery costs of stocks and Issuance costs of bonds are charged to expenses as incurred.

8. Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are primarily translated into yen at the exchange rate at the balance sheet date.

Assets and liabilities of consolidated overseas subsidiaries are translated into yen at the exchange rate at each of the balance sheet date.

9. Reserve for Possible Loan Losses

As for the Bank, Reserve for possible loan losses is provided as detailed below, pursuant to the internal rules for self-assessment of assets' quality and the internal rules regarding reserves for possible credit losses.

For claims to debtors who are legally bankrupt or virtually bankrupt, the specific reserve is provided based on the amount of claims, deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from book value after direct deduction described below.

For claims to debtors who are likely to become bankrupt, the specific reserve is provided for the amount considered to be necessary based on an overall solvency assessment, deducting the amount expected to be collected through the disposal of collateral or execution of guarantees.

Among for claims to debtors with more than certain amount of the Bank's claims to debtors, 1) who are likely to become bankrupt, 2) to whom the Bank has Restructured loans, or 3) whom the Bank classifies as "Special Mention Debtors" other than substandard ones meeting certain credit criteria, where future cash flows from capital collection and interest receipt could be reasonably estimated, a reserve is provided for the difference between the present value of expected future cash flows discounted at the original contracted interest rate before relaxing to support and the current book value of the claims.

For claims that are classified to the categories other than above, the general reserve is provided based on the historical loan-loss-ratio. The reserve for loans to borrowers in specific foreign countries is provided based on expected losses due to the political and economic situation of these countries.

All claims are assessed by the branches and the Global Credit Supervision Department based on the internal rules for self-assessment of assets' quality. The Corporate Risk Management Department, which is independent from the branches and the department, subsequently conducts the audits of their assessments, and the reserve is adjusted to reflect the audit results.

As for the consolidated subsidiaries, Reserve for possible loan losses for general claims is provided based on the historical loan-loss-

ratio, and Reserve for possible loan losses for specific claims is provided based on the amount expected to be uncollectible for each claim.

And for claims to debtors who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amount, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are deducted directly out of the original amount of claims. The deducted amount was 38,946 million yen.

10. Reserve for Losses on Investment Securities

Reserve for losses on investment securities is provided for the possible losses on securities, which are estimated based on the financial conditions of issuers.

11. Reserve for Employees' Bonus

Reserve for employees' bonus is provided for the estimated employees' bonus attributable to the six months ended September 30, 2007.

12. Reserve for Employee Retirement Benefits

Reserve for employee retirement benefits is provided based on the projected benefit obligation and fair value of the plan assets at the respective balance sheet date. Prior service cost is recognized in income or expenses using the straight-line method over the average expected remaining service years (mainly 10 years).

Actuarial gains and losses are recognized in expenses using the straight-line method over the average expected remaining service years (mainly 10 years).

13. Accounting for Leases

As for the Bank and its domestic consolidated subsidiaries, finance leases, whereby the ownership of the property was not deemed to be transferred to the lessee, are accounted for by the same accounting treatment used in the operating leases.

14. Derivatives and Hedge Accounting

(Interest Related Transactions)

The Bank manages interest rate risk arising from various assets and liabilities, such as Loans, Bills discounted, Deposits, etc., by using financial derivative transactions and applies deferred hedge accounting regulated by "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.24, hereafter "Report No.24"). In hedging activities to offset changes in fair value of deposits, loans, etc., as hedged items, the Bank designates hedged items and interest rate swaps etc. as hedging transactions by grouping them by their maturities. As for cash-flow-hedge, the effectiveness of the hedge is assessed by confirming the correlation between the fluctuant factor of

interest rate for hedged items and for hedging transactions. In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.15), the Bank had adopted "Macro Hedge Accounting" to account for certain interest related derivatives, which were utilized to manage interest rate exposure of certain changes of transactions such as loans and deposits. Deferred hedge income (losses) resulted from "Macro Hedge Accounting" are amortized over the remaining period for each hedging transaction. At the balance sheet date, deferred hedge losses and income (before net of taxes) resulted from "Macro Hedge Accounting" were 39,520 million yen and 38,069 million yen, respectively.

(Currency Related Transactions)

The Bank manages foreign exchange risk arising from various assets and liabilities denominated in foreign currencies by using financial derivative transactions and applies deferred hedge accounting regulated by "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No.25, hereafter "Report No.25"). The Bank designates specific currency swaps and foreign exchange swaps made to mitigate foreign exchange risks arising from monetary claims and debts denominated in foreign currencies as hedging transactions. The effectiveness of the hedge is assessed by confirming that the monetary claims and debts denominated in foreign currency as hedged items exceed the position of those hedging transactions. The Bank also applies fair value hedge to mitigate foreign currency exchange rate exposure in Available-for-sale securities denominated in foreign currencies (other than bonds) as "Portfolio Hedges" when hedged foreign currency securities are specified in advance to the inception of the transactions and spot liabilities and forward liabilities exist on a foreign currency basis that exceed acquisition costs of the foreign currency securities designated as hedged items.

(Internal Hedge Transactions)

Gains and losses arisen from hedging instruments such as interest rate swaps and cross currency swaps among consolidated subsidiaries and between the trading account and other accounts are either accounted as income, losses or deferred as asset, liability or net asset and are not eliminated. This treatment is allowed by the Report No.24 and 25, under which the Bank operated strictly and nonarbitrarily in conformity with the standard equivalent to the third-party cover transactions that are required for hedge qualification.

(Others)

The Bank also applies the individual deferred hedge accounting to specific assets and liabilities. As for specific assets and liabilities, the Bank also applies the individual deferred hedge accounting. Consolidated subsidiaries apply the individual deferred hedge accounting, the individual fair value hedge accounting and the accrual-basis hedge accounting on interest rate swaps.

15. National and Local Consumption Taxes

National and local consumption taxes of the Bank and consolidated subsidiaries were accounted for using the tax-exclusion method. However, consumption taxes not eligible for deduction such as those with purchasing properties are charged to expenses as incurred.

16. Investments in Stocks of Affiliated Companies

Investments in stocks of affiliated companies excluding consolidated subsidiaries were 36,940 million yen.

17. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of Tangible fixed assets was 106,213 million yen.

18. Tax Qualified Deferred Gains on Tangible Fixed Assets

Total tax qualified deferred gains on tangible fixed assets, which is allowed by the tax law, was 28,337 million yen.

19. Delinquent Loans

“Loans in Bankruptcy Proceedings” and “Other Delinquent Loans” were 1,310 million yen and 93,228 million yen, respectively.

Loans in bankruptcy proceedings are non-accrual loans outstanding (not including direct write-off portion of loans) to borrowers who are legally bankrupt as defined in the Paragraph 1, Item 3 and 4 of Article 96 of “Enforcement Ordinance for the Corporation Tax Law” (Cabinet Order No.97, 1965).

Other delinquent loans are non-accrual loans other than 1) loans in bankruptcy proceedings and 2) loans of which interest payments are rescheduled in order to assist the restructuring of borrowers.

20. Loans more than Three Months Past Due

“Loans more than Three Months Past Due” amounted to 170 million yen.

Loans more than three months past due are those loans for which principal or interest payments are more than three months past due from the date succeeding the due date, excluding those loans classified as delinquent loans.

21. Restructured Loans

“Restructured Loans” amounted 33,485 million yen.

Restructured loans are those loans whose terms have been relaxed to support borrowers who are in financial difficulties excluding delinquent loans and loans more than three months past due.

22. Total of Delinquent Loans, Loans more than Three Months Past Due and Restructured Loans

The total of “Loans in Bankruptcy Proceedings,” “Other Delinquent Loans,” “Loans More than Three Months Past Due”

and “Restructured Loans” amounted 128,195 million yen. Note that those amounts described in Notes 19 to 22 are before deducting Reserve for possible loan losses.

23. Bills Discounted

The Bank treats Bills discounted as financial transaction, which are regulated by the JICPA Industry Auditing Committee Report No.24. The Bank holds the right to sell or pledge such bills discounted at its discretion and the total face value of these bills amounted to 5,450 million yen.

24. Assets Pledged as Collateral

Following parts of the assets were pledged as collateral:

Trading Assets	194,351 million yen
Securities	1,706,296 million yen
Loans and Bills Discounted	260,182 million yen
Other Assets	51,019 million yen

Corresponding Liabilities of the Assets Pledged as Collateral:

Deposits	1,034 million yen
Payables under	
Repurchase Agreements	1,286,855 million yen
Payables under	
Securities Lending Transactions	105,752 million yen
Borrowed Money	400,276 million yen

In addition to the items outlined above, “Securities” of 579,500 million yen and “Other Assets” of 182 million yen were pledged mainly as collateral in substitution for settlement of cash or margin of future markets. “Other Assets” includes margin of future markets of 3,305 million yen, security deposits of 19,552 million yen and cash collateral for derivative transactions of 2,596 million yen. The Bank treats Bills rediscounted as financial transaction, which are regulated by the JICPA Industry Auditing Committee Report No.24, and the total face value of delivered Foreign bills bought amounted to 1 million yen.

25. Revaluation Reserve for Land

In accordance with the “Act on Revaluation of Land” (Law No.34, promulgated on March 31, 1998, hereafter the “Act”), the Bank revaluated land used for business operations. Net unrealized losses on revaluation deducted by “Deferred Tax Liabilities for Land Revaluations” are recorded as “Revaluation Reserve for Land, Net of Taxes” in “Net Assets.”

Revaluation Date: March 31, 1999

Revaluation method as stipulated in the Paragraph 3, Article 3 of the Act: Revaluations are based on land prices of standardized premises as specified by the Paragraph 1, Article 2 of the “Enforcement Order on Act on Revaluation of Land,” and the land prices specified in the Article 4 of the Act after relevant adjustments.

26. Other Assets

“Other Assets” in the consolidated balance sheet includes the amount of 6,316 million yen of the provisional withholding tax payment as the Bank received a reassessment notice from the tax office claiming the Bank’s responsibility for collecting withholding tax on some of its repurchase agreement transactions. After a petition, the Bank filed a lawsuit in the Tokyo District Court on March 31, 2005, and won the case on April 17, 2007. The defendant appealed to the Tokyo High Court on May 1, 2007.

27. Borrowed Money

Borrowed money includes subordinate debt of 145,500 million yen.

28. Bonds and Notes

Bonds and notes include subordinate bonds of 600,855 million yen.

29. Principal of Guaranteed Trust Account

Principals of Jointly-operated money trusts (“JOMTs”) and Loan trust, whose repayment of the principal is guaranteed by the Bank, were 863,500 million yen and 555,847 million yen, respectively.

30. Guarantee Liabilities for

Privately-offered Corporate Bonds

The Bank guaranteed 101,124 million yen of corporate bonds in “Securities” which were privately offered (subject to the Paragraph 3, Article 2 of the “Financial Instruments and Exchange Law”) at the end of September, 2007. “Acceptances and Guarantees” and “Customers’ Liabilities of Acceptances and Guarantees” related to such amount are cancelled out due to the revision to the appended forms in the “Enforcement Ordinance of the Banking Law” (Cabinet Office Ordinance No.38, April 17, 2007). If this change in presentation were adopted, both “Acceptances and Guarantees” and “Customers’ Liabilities of Acceptances and Guarantees” at the end of September, 2006 would have been decreased by 91,996 million yen.

31. Net Assets per Share

Net assets per share was 706.27 yen.

In accordance with the “Law Concerning Revaluation Reserve for Land,” the Bank recorded unrealized revaluation loss in net assets, of which deferred tax was deducted from the gross surplus, based on the evaluations as of March 31, 1999.

32. Commitment Line Contracts on Overdrafts and Loans

Commitment line contracts on overdrafts and loans are agreements to loan up to committed limit as long as there have been no breach of contracts upon the customers’ request. The balance of unused commitment line contracts was 7,920,583 million yen,

including 6,505,306 million yen of those either maturing within 1 year or unconditionally cancelable.

Because most of these contracts expire without being drawn down, the balance of unused commitment line contracts itself does not necessarily represent future cash flows of the Bank and its subsidiaries. In addition, most of these contracts contain clauses allowing the Bank and its subsidiaries to reject requests or reduce committed limits, when there are reasonable reasons such as changes in financial condition, needs to protect claims and other similar necessities. The Bank and its subsidiaries may request the customer to provide collateral such as real estate or securities at the time of the contract, and may ask customers to amend clauses or take measures to secure soundness of the credit thereafter through periodical internal monitoring procedures that have already been in place.

Statement of Income

1. Net Income per Share 22.52 yen

2. Net Income per Share (fully-diluted) 22.52 yen

3. Trading Profits and Losses

Profits and losses on trading transactions are shown as “Trading Income” or “Trading Expenses” on a trade date basis.

4. Other Income

“Other Income” includes Gains on sale of stocks and other securities of 7,646 million yen.

5. Other Expenses

“Other Expenses” includes Provision for reserve for possible loan losses of 24,085 million yen, and losses on write-offs of 9,620 million yen.

6. Extraordinary Profits

“Extraordinary Profits” includes Gains from return on employee retirement benefit trust of 9,969 million yen.

7. Extraordinary Losses

“Extraordinary Losses” includes Losses on dispositions of fixed assets of 1,172 million yen.

Statement of Changes in Net Assets

1. Issued Share and Treasury Stock

Issued share and Treasury stock are as follows:

(Thousands of Shares)

	Number of Shares Outstanding at the End of Previous Period	Increase	Decrease	Number of Shares Outstanding at the End of Current Period
Number of Issued Shares (including Treasury Stock):				
Common Stock	1,675,034	94	—	1,675,128
Number of Treasury Stock:				
Common Stock	429	52	11	470

Notes: 1. Issued share increased by 94 thousand due to exercise of stock option plans.
 2. Treasury stock increased by 52 thousand due to requests for redemption of odd-lot stocks.
 3. Treasury stock decreased by 11 thousand due to requests for additional purchase of odd-lot stocks.

2. Dividends

Dividends are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date of Distribution
28-Jun-07 Ordinary General Meeting of Shareholders	Common Stock	(Millions of Yen) 14,234	(Yen) 8.50	31-Mar-07	29-Jun-07

Dividends, which record date is within this interim period and effective date of distribution is after the end of the first half fiscal year, are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Source of Distribution Surplus	Cash Dividends per Share	Record Date	Effective Date of Distribution
15-Nov-07 Board of Directors	Common Stock	(Millions of Yen) 14,234	Other Retained Earnings	(Yen) 8.50	30-Sep-07	07-Dec-07

Statement of Cash Flows

1. Cash and Cash Equivalents

In preparing the consolidated statement of cash flows, Cash

and due from Bank of Japan in the case of the Bank, and Cash and due from banks in the case of the consolidated subsidiaries, are considered “Cash and Cash Equivalents.”

2. Reconciliation of Cash and Cash Equivalents

	Millions of Yen	Millions of U.S. Dollars
Cash and Due from Banks	¥ 694,569	\$ 6,016
Due from Banks (excluding due from Bank of Japan)	(221,643)	(1,920)
Cash and Cash Equivalents	¥ 472,925	\$ 4,096

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Assets:				
Loans and Bills Discounted	¥ 557,023	¥ 592,004	¥ 591,989	\$ 4,825
Securities	11,441,244	9,361,168	10,496,104	99,101
Money Held in Trust	54,895,358	47,209,092	50,601,325	475,490
Securities Held in Custody Accounts	408,264	311,325	399,129	3,536
Money Claims	7,875,375	6,205,559	7,058,417	68,215
Premises and Equipment	—	3,693,203	—	—
Tangible Fixed Assets	4,086,658	—	3,854,098	35,398
Intangible Fixed Assets	28,553	—	23,865	247
Other Claims	2,946,768	1,697,365	2,524,875	25,524
Call Loans	4,500	3,400	3,800	39
Loans to Banking Account	1,159,892	1,490,588	1,319,548	10,047
Cash and Due from Banks	239,413	247,026	276,793	2,074
Total Assets	¥ 83,643,053	¥ 70,810,733	¥ 77,149,949	\$ 724,496
Liabilities:				
Money Trusts	¥ 22,866,716	¥ 20,818,705	¥ 21,369,242	\$ 198,066
Pension Trusts	7,423,644	6,521,572	6,970,683	64,302
Property Formation Benefit Trusts	7,612	9,293	8,207	66
Loan Trusts	551,296	804,519	685,561	4,775
Securities Investment Trusts	19,636,728	14,105,756	16,912,419	170,089
Money Entrusted, other than Money Trusts	3,160,930	3,144,250	3,020,418	27,379
Securities Trusts	14,439,200	12,586,578	13,535,165	125,069
Money Claim Trusts	7,514,162	5,926,525	6,740,747	65,086
Equipment Trusts	437	1,411	1,147	4
Land and Fixtures Trusts	143,721	147,805	146,802	1,245
Composite Trusts	7,898,602	6,744,313	7,759,552	68,416
Other Trusts	0	0	0	0
Total Liabilities	¥ 83,643,053	¥ 70,810,733	¥ 77,149,949	\$ 724,496

Risk Managed Loans

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Loans in Bankruptcy Proceedings	¥ 1,310	¥ 1,281	¥ 2,534	\$ 11
% to Total Loans	0.01%	0.01%	0.02%	
Other Delinquent Loans	93,228	57,592	93,132	808
% to Total Loans	0.87%	0.53%	0.88%	
Loans more than Three Months Past Due	170	2	2	1
% to Total Loans	0.00%	0.00%	0.00%	
Restructured Loans	33,485	56,024	39,596	290
% to Total Loans	0.31%	0.52%	0.37%	
Total Loans Outstanding	¥ 10,625,402	¥ 10,687,582	¥ 10,487,237	\$ 92,035
Direct Reduction	38,946	34,910	31,868	337

(2) Guaranteed Trust Account	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Loans in Bankruptcy Proceedings	¥ —	¥ —	¥ —	\$ —
% to Total Loans	—	—	—	
Other Delinquent Loans	3,077	2,939	2,688	27
% to Total Loans	0.74%	0.71%	0.62%	
Loans more than Three Months Past Due	—	—	—	—
% to Total Loans	—	—	—	
Restructured Loans	770	17,080	16,829	7
% to Total Loans	0.18%	4.16%	3.92%	
Total Loans Outstanding	¥ 415,437	¥ 410,104	¥ 428,943	\$ 3,598

Definitions :

- (1) Loans in bankruptcy proceedings are non-accrual loans outstanding (not including direct write-off portion of loans) to borrowers who are legally bankrupt as defined in the Paragraph 1, Item 3 and 4 of Article 96 of “Enforcement Ordinance for the Corporate Tax Law” (Cabinet Order No.97, 1965).
- (2) Other delinquent loans are non-accrual loans other than 1) loans in bankruptcy proceedings and 2) loans of which interest payments are rescheduled in order to assist the restructuring of borrowers.
- (3) Loans more than three months past due are those loans for which principal or interest payments are more than three months past due from the date succeeding the due date, excluding those loans classified as loans in bankruptcy proceedings and other delinquent loans.
- (4) Restructured loans are those loans whose terms have been relaxed to support borrowers who are in financial difficulties, excluding delinquent loans and loans more than three months past due.

Note: Guaranteed trust, the principals of which are guaranteed, are constituted by “Loan Trusts” and Jointly-Operated Money Trusts (“JOMT”) included in “Money Trusts.”

Reserves

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Reserves for Possible Loan Losses:				
General Reserves	¥ 99,927	¥ 54,547	¥ 76,383	\$ 866
Specific Loan Loss Reserves	29,995	24,725	29,568	260
Reserves for Loans to Borrowers in Specific Foreign Countries	750	550	720	7
Total	¥ 130,674	¥ 79,823	¥ 106,671	\$ 1,132

(2) Guaranteed Trust Account	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Reserves for Possible Impairment of Principal (Loan Trusts)	¥ 3,467	¥ 4,630	¥ 4,136	\$ 30
Reserves for Possible Impairment of Principal (JOMT)	1,175	852	1,235	10
Total	¥ 4,643	¥ 5,483	¥ 5,372	\$ 40

Credit Costs

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2007	Six Months Ended Sep. 30, 2006	Year Ended Mar. 31, 2007	Six Months Ended Sep. 30, 2007
Provision for General Reserve	¥ 23,251	¥ (3,989)	¥ 17,527	\$ 201
Expenses Relating to Problem Loans	12,188	8,108	23,185	106
Claims Written-Off	9,620	455	6,462	83
Provision for Specific Reserve	788	7,404	16,240	7
Provision for Reserve for Borrowers in Specific Foreign Countries ...	46	245	413	0
Others	1,733	2	68	15
Total	¥ 35,439	¥ 4,118	¥ 40,713	\$ 307

(2) Guaranteed Trust Account	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Claims Written-Off	¥ —	¥ (206)	¥ (258)	\$ —
Losses on Sale of Loans	—	369	1,619	—
Total	¥ —	¥ 163	¥ 1,360	\$ —

Total Credit Costs	¥ 35,439	¥ 4,281	¥ 42,073	\$ 307
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Notes: 1. Credit costs in banking account are included in "Other Expenses" on the consolidated statement of income.
2. Credit costs in guaranteed trust accounts are reflected in "Trust Fees" after deduction of such costs.

Net Unrealized Gains (Losses) on Securities

(1) Held-to-Maturity Debt Securities with Fair Value	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Japanese Government Bonds	¥ 202	¥ (1,019)	¥ (711)	\$ 2
Japanese Local Government Bonds	(0)	(0)	(0)	(0)
Japanese Short-term Corporate Bonds	—	—	—	—
Japanese Corporate Bonds	(607)	(944)	(930)	(5)
Others	18	20	27	0
Foreign Bonds	18	20	27	0
Total	¥ (386)	¥ (1,943)	¥ (1,614)	\$ (3)

(2) Available-for-Sale Securities with Fair Value	Millions of Yen			Millions of U.S. Dollars
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
Japanese Stocks	¥ 420,062	¥ 404,624	¥ 507,273	\$ 3,638
Japanese Bonds	(5,673)	(6,724)	(3,555)	(49)
Government Bonds	(3,414)	(4,589)	(2,433)	(30)
Local Government Bonds	(28)	(727)	(177)	(0)
Short-term Corporate Bonds	—	—	—	—
Corporate Bonds	(2,230)	(1,408)	(944)	(19)
Others	(49,069)	(13,436)	(7,245)	(425)
Foreign Stocks	1,248	412	24	11
Foreign Bonds	(61,723)	(19,417)	(20,035)	(535)
Others	11,405	5,568	12,765	99
Total	¥ 365,319	¥ 384,462	¥ 496,472	\$ 3,164

BIS Capital Adequacy Ratio

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Total Qualifying Capital	¥ 1,836,452	¥ 1,809,860
Tier I Capital	1,040,536	1,026,199
including: Minority Interests in Consolidated Subsidiaries	210,397	210,641
including: Non-cumulative Preferred Securities	183,000	183,000
including: Goodwill (Deduction)	119,777	104,877
including: 50% of the Total Expected Loss Amount in excess of Total Eligible Provisions (Deduction)	16,165	21,068
Tier II Capital	921,173	904,656
Upper Tier II	506,018	534,565
45% of Net Unrealized Gains on Securities Available for Sale, Net of Taxes	167,000	223,049
45% of Revaluation Reserve for Land	875	875
General Reserve for Possible Loan Losses	6,942	5,626
Subordinated Debts	331,200	305,015
Lower Tier II	415,155	370,090
Termed Subordinated Debts, etc.	415,155	370,090
Deductible Items (-)	125,257	120,995
Total Risk-adjusted Assets	¥ 15,555,868	¥ 15,924,988
Risk-weighted Assets for Credit Risk	14,719,262	15,100,642
Market Risk Equivalents	135,417	158,957
Operational Risk Equivalents	701,187	665,388
Tier I Capital Ratio	6.68%	6.44%
BIS Capital Adequacy Ratio	11.80%	11.36%

Note: Non-consolidated BIS capital adequacy ratio and Tier I capital ratio were 12.74% and 7.30%, respectively.

Risk Management

Capital Adequacy Ratio

Consolidated

As from March 31, 2007, we calculate the BIS capital adequacy ratio on both a consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Law and on the basis of calculation formulae prescribed under the criteria for judging whether a bank's capital adequacy ratio is appropriate in light of assets held (the Financial Services Agency 2006 Notification No.19, hereinafter referred to as the "Notification"). Further, as of September 30, 2006, we calculated the BIS capital adequacy ratio on both the consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Law and on the basis of calculation formulae prescribed under the notice concerning the determination of criteria for the capital adequacy ratio (the Ministry of Finance 1993 Notification No.55, hereinafter referred to as the "Old Notification"). Applying uniform international standards, we have adopted the Foundation Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets and the Standardized Approach for the calculation of operational risk amount, and also introduced market risk regulations.

BIS Capital Adequacy Ratio

	Millions of Yen		
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007
Tier I			
Capital	¥ 287,537	¥ 287,457	¥ 287,517
Noncumulative Perpetual Preferred Stock	—	—	—
New Stock Subscription Rights	—	—	—
Capital Surplus	242,559	240,877	242,538
Retained Earnings	453,156	403,602	429,674
Treasury Stock (Deduction)	439	316	389
Treasury Stock Subscription Rights	—	—	—
Expected Distributed Amount (Deduction)	14,234	14,221	14,319
Unrealized Loss on Securities Available for Sale (Deduction)	—	—	—
Foreign Currency Translation Adjustments	(2,498)	(4,416)	(3,517)
Share Warrants	—	—	—
Minority Interest	210,397	160,669	210,641
Noncumulative Preferred Securities Issued by Overseas Special Purpose Companies	183,000	133,000	183,000
Business Rights Equivalents (Deduction)	—	—	—
Goodwill Equivalents (Deduction)	119,777	108,997	104,877
Equivalent to Intangible Fixed Assets Recorded through Business Combination (Deduction)	—	—	—
Equivalent to the Increase in the Capital Associated with Securitization Transactions (Deduction)	—	—	—
Equivalent to 50% of the Excess of Expected Loss over Qualifying Reserves (Deduction)	16,165	—	21,068
Total Tier I before Deduction of Deferred Tax Assets (Aggregate Sum of Items Above)	1,040,536	964,655	1,026,199
Deducted Amounts of Deferred Tax Assets (Deduction)*1	—	—	—
Total (A)	1,040,536	964,655	1,026,199
Noncumulative Preferred Securities Attached with Step-up Interest Rate Clause*2 (a)	100,000	50,000	100,000
Tier II			
45% of Unrealized Gain on Securities Available for Sale	167,000	176,150	223,049
45% of Revaluation Reserve for Land	875	1,202	875
General Reserves	6,942	54,547	5,626
Excess of Qualifying Reserves over Expected Loss	—	—	—
Debt Capital	746,355	655,948	675,105
Perpetual Subordinated Debt*3	331,200	284,665	305,015
Subordinated Term Debt and Fixed-term Preferred Stock*4	415,155	371,283	370,090
Total	921,173	887,849	904,656
Included in Capital (B)	921,173	887,849	904,656
Tier III			
Subordinated Short-term Debt	—	—	—
Included in Capital (C)	—	—	—
Items for Deduction			
Items for Deduction*5 (D)	125,257	71,844	120,995
Total Capital			
(A)+(B)+(C)-(D) (E)	1,836,452	1,780,659	1,809,860
Risk-Weighted Assets			
Asset (On-balance Sheet) Items	12,676,642	13,958,977	12,750,781
Off-balance Sheet Transaction Items	2,042,620	1,229,047	2,349,861
Amount of Credit Risk-Weighted Assets (F)	14,719,262	15,188,025	15,100,642
Amount of Market Risk Equivalents ((H)/8%) (G)	135,417	223,192	158,957
(Reference) Market Risk Equivalents (H)	10,833	17,855	12,716
Amount of Operational Risk Equivalents ((J)/8%) (I)	701,187	—	665,388
(Reference) Operational Risk Equivalents (J)	56,095	—	53,231
Amount Obtained by Multiplying by 12.5 the Excess of the Amount Obtained by Multiplying the Old Required Capital by the Rate Prescribed by the Notification over the New Required Capital (K)	—	—	—
Total ((F)+(G)+(I)+(K)) (L)	¥ 15,555,868	¥ 15,411,217	¥ 15,924,988
BIS Capital Adequacy Ratio = E/L x 100 (%)	11.80	11.55	11.36
Tier I Capital Ratio = A/L x 100 (%)	6.68	6.25	6.44
Ratio of Noncumulative Preferred Securities with Step-up Interest Rate Clauses to Tier I Capital = a/A x 100 (%)	9.61	5.18	9.74

*1 Deferred tax assets and deferred tax liabilities are in deficit in net terms. The upper limit on the inclusion of deferred tax assets in capital is ¥312,160 million.

*2 Listed in the Notification Article 5, Paragraph 2 (the Old Notification Article 4, Paragraph 2), i.e. stocks and other securities with high probability of redemptions through such measures as attachment of step-up interest rate clauses (including noncumulative preferred securities issued by overseas special purpose companies).

*3 Debt capital listed in the Notification Article 6, Paragraph 1, 4 (the Old Notification Article 5, Paragraph 1, 4) that have all of the characteristics listed below:

- (1) Paid-up debts unsecured and subordinate to other debts
- (2) Not redeemable, except for certain cases
- (3) Used for compensation of loss while continuing business
- (4) Allowed to defer interest payment obligations

*4 Listed in the Notification Article 6, Paragraph 1, 5 and 6 (the Old Notification Article 5, Paragraph 1, 5 and 6). However, subordinated term debts are limited to those with an original maturity of over five years.

*5 Listed in the Notification Article 8, Paragraph 1, 1 through 6 (the Old Notification Article 7, Paragraph 1), and include the amounts equivalent to intentional holdings of other financial institutions' capital funding means and the amounts equivalent to investments in those provided for under the Notification Article 8, Paragraph 1, 2 (the Old Notification Article 7, Paragraph 1, 2).

*6 We received an external audit by KPMG AZSA & Co. on the calculation of the consolidated BIS capital adequacy ratio in line with 'Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits' (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, June 12, 2007).

The external audit is not part of the accounting audit of the consolidated financial statements but was conducted on parts of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures and is a report of the results. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of the internal control which concern the ratio.

Details of preferred securities issued by overseas special purpose companies included in the basic categories of capital for consolidated BIS capital adequacy ratio calculation are the following:

1. Issuer	STB Preferred Capital (Cayman) Limited	STB Preferred Capital 2 (Cayman) Limited	STB Preferred Capital 3 (Cayman) Limited
2. Description of Securities	Noncumulative Preferred Securities	Same as on the left	Same as on the left
3. Maturity	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after seven years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).
4. Dividend Rate	Floating Rate (Non Step-up)	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate
5. Issue Amount	¥83 billion	¥50 billion	¥50 billion
6. Issue Date	March 26, 1999	December 7, 2005	March 2, 2007
7. Outline of Dividend Payment	Dividends are payable by the Issuer in the presence of distributable amount of the Bank in conformity with the calculation of preferred shares of the bank. If the Bank pays any dividends on any of its common stock with respect to any financial year of the Bank, then the Issuer will be required to pay full dividends on the Securities for the applicable year.	Same as on the left	Same as on the left
8. Dividend Limitation	Dividends will not be paid if any of certain criteria have met. The criteria include the following: When the Bank did not pay dividend on any class of preferred shares, if any. When the Bank's BIS capital adequacy ratio or Tier 1 capital ratio were to decline below the minimum percentages required by Japanese banking regulations.	Same as on the left	Same as on the left
9. Liquidation Preference	The Securities are intended to provide holders, through the perpetual subordinated loan to the Bank, with rights to liquidation preferences that are the same as those to which holders would be entitled if they had purchased non-cumulative nonvoting perpetual preferred stock issued directly by the Bank.	Same as on the left	Same as on the left

Scope of Consolidation

Consolidated

Companies that are Subject to Deduction Items Listed in the Notification, Article 8, Paragraph 1, 2 (a) through (c).

	Sep. 30, 2007	Mar. 31, 2007
Companies that Failed to Meet the Regulatory Required Capital and Shortfall Amounts	Not applicable	Not applicable

Capital Adequacy

Consolidated

(1) Amount of Required Capital against Credit Risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Portfolios to which the Standardized Approach is Applied	¥ 223,572	¥ 216,549
Retail Exposures	82,846	83,567
Exposures to Business Units Set for Phased Roll-Out Application	114,002	97,435
Exposures Excluded from Application	26,723	35,546
Portfolios to which the IRB Approach is Applied and the Breakdown by Portfolio	877,893	875,527
Corporate Exposures	737,955	737,987
Sovereign Exposures	31,215	24,449
Bank Exposures	25,902	24,295
Purchased Receivables	70,801	77,524
Other Assets	12,018	11,270
Securitization Exposures	97,724	89,425
Exposures to which the Standardized Approach is Applied	24,867	24,713
Exposures to which the IRB Approach is Applied	72,856	64,711

(2) Amount of Required Capital against Credit Risk concerning Equity Exposures to which the IRB Approach is Applied

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Equity Exposures	¥ 99,636	¥ 107,182
PD/LGD Approach	13,189	18,533
Simplified Method of the Market-Based Approach	15,494	11,796
Internal Models Method of the Market-Based Approach	—	—
Transitional Measures	70,953	76,852

(3) Amount of Required Capital against Credit Risk concerning Exposures Held in Funds

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
	¥ 100,057	¥ 120,840

(4) Amount of Required Capital against Market Risk

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Market Risk	¥ 10,833	¥ 12,716
Amount of Required Capital by Category under the Standardized Approach	2,008	1,512
Interest Rate Risk	1,525	1,352
Equity Risk	—	—
Foreign Exchange Risk	482	160
Commodities Risk	—	—
Options Transactions	—	—
Internal Models Approach	8,824	11,204

(5) Amount of Required Capital against Operational Risk

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Standardized Approach	¥ 56,095	¥ 53,231

(6) Total Required Capital

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Total Required Capital	¥ 1,244,469	¥ 1,273,999

Credit Risk

Consolidated

(1) Balance of Exposures Related to Credit Risk (excluding exposures held in funds and securitization exposures)

	Millions of Yen				
	Sep. 30, 2007				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives			
Japan	¥ 17,755,870	¥ 14,530,736	¥ 2,949,867	¥ 275,266	¥ 117,371
Outside Japan	5,181,205	1,955,223	1,700,249	1,525,732	1,572
Total for Regions	¥ 22,937,076	¥ 16,485,960	¥ 4,650,116	¥ 1,800,998	¥ 118,944
Manufacturing	2,789,639	2,181,910	593,496	14,232	7,056
Agriculture	3,886	3,022	850	14	—
Forestry	262	262	—	—	—
Fishing	9,751	9,364	365	21	—
Mining	17,191	17,093	—	97	—
Construction	232,145	218,660	12,996	488	3,749
Energy and Utilities	250,460	195,158	54,340	961	—
Communication	191,640	173,536	17,940	164	5,497
Transportation	872,016	725,898	138,178	7,939	17,843
Wholesale and Retail	1,500,870	1,368,514	123,235	9,120	38,573
Finance and Insurance	2,299,860	1,906,796	141,760	251,303	—
Real Estate	2,035,123	1,854,615	174,948	5,559	22,434
Various Services	1,351,559	1,320,727	25,919	4,911	6,459
Local Public Bodies	142,206	106,519	35,686	—	—
Individuals	2,017,372	2,017,372	—	—	6,101
Others	9,223,088	4,386,507	3,330,396	1,506,184	11,226
Total for Industry Sectors	¥ 22,937,076	¥ 16,485,960	¥ 4,650,116	¥ 1,800,998	¥ 118,944
One Year or Shorter	6,344,325	5,867,492	319,272	157,559	
Over One Year to less than Five Years	7,550,476	5,382,944	1,447,107	720,424	
Five Years or Longer	9,042,274	5,235,523	2,883,736	923,013	
Total for All Durations	¥ 22,937,076	¥ 16,485,960	¥ 4,650,116	¥ 1,800,998	

*1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

*2 "Others" in the industry sectors include overseas and state public services. Exposures for the duration of over five years include those with no fixed maturities.

	Millions of Yen				
	Mar. 31, 2007				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
	Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives		
Japan	¥ 17,522,227	¥ 14,316,799	¥ 2,942,858	¥ 262,569	¥ 139,281
Outside Japan	3,763,118	1,668,131	920,251	1,174,735	—
Total for Regions	¥ 21,285,345	¥ 15,984,930	¥ 3,863,109	¥ 1,437,305	¥ 139,281
Manufacturing	2,804,531	2,140,037	650,972	13,520	5,298
Agriculture	3,671	2,755	900	15	—
Forestry	295	295	—	—	—
Fishing	6,941	6,456	474	10	—
Mining	19,755	19,651	—	103	—
Construction	249,552	227,778	21,331	442	1,915
Energy and Utilities	268,188	198,904	67,902	1,382	—
Communication	237,135	210,748	26,290	97	4,240
Transportation	912,621	758,542	146,121	7,957	48,784
Wholesale and Retail	1,509,827	1,362,348	137,832	9,646	37,515
Finance and Insurance	2,686,759	2,288,759	186,782	211,217	—
Real Estate	1,928,299	1,761,115	161,694	5,489	22,090
Various Services	1,435,682	1,399,393	30,094	6,193	8,107
Local Public Bodies	209,194	147,310	61,884	—	—
Individuals	1,849,586	1,849,586	—	—	2,844
Others	7,163,302	3,611,246	2,370,829	1,181,227	8,484
Total for Industry Sectors	¥ 21,285,345	¥ 15,984,930	¥ 3,863,109	¥ 1,437,305	¥ 139,281
One Year or Shorter	6,233,405	5,584,790	532,126	116,488	
Over One Year to less than Five Years	7,303,851	5,449,062	1,283,559	571,229	
Five Years or Longer	7,748,087	4,951,077	2,047,423	749,587	
Total for All Durations	¥ 21,285,345	¥ 15,984,930	¥ 3,863,109	¥ 1,437,305	

*1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

*2 "Others" in the industry sectors include overseas and state public services. Exposures for the duration of over five years include those with no fixed maturities.

(2) General Reserves

	Millions of Yen		
	Sep. 30, 2007	Mar. 31, 2007	Change
	Balance	Balance	
General Reserves	¥ 99,927	¥ 76,383	¥ 23,544

(3) Amount of Specific Loan-Loss Reserves (breakdown by region, industry sector)

	Millions of Yen		
	Sep. 30, 2007	Mar. 31, 2007	Change
	Balance	Balance	
Japan	¥ 29,586	¥ 29,568	¥ 18
Outside Japan	409	—	409
Total for Regions	¥ 29,995	¥ 29,568	¥ 427
Manufacturing	1,307	761	546
Agriculture	—	—	—
Forestry	—	—	—
Fishing	—	—	—
Mining	—	—	—
Construction	352	304	48
Energy and Utilities	—	81	(81)
Communication	803	62	741
Transportation	12,130	13,787	(1,656)
Wholesale and Retail	1,289	626	663
Finance and Insurance	—	4	(4)
Real Estate	2,727	2,662	65
Various Services	2,027	2,387	(359)
Local Public Bodies	3,164	3,262	(97)
Individuals	3,372	2,525	847
Others	2,820	3,102	(281)
Total for Industry Sectors	¥ 29,995	¥ 29,568	¥ 427

(4) Amount of Reserves for Loans to Borrowers in Specific Foreign Countries (breakdown by industry sector)

	Millions of Yen		
	Sep. 30, 2007	Mar. 31, 2007	Change
	Balance	Balance	
Manufacturing	¥ 29	¥ 64	¥ (35)
Agriculture	—	—	—
Forestry	—	—	—
Fishing	—	—	—
Mining	94	106	(11)
Construction	—	—	—
Energy and Utilities	—	0	(0)
Communication	—	—	—
Transportation	—	—	—
Wholesale and Retail	33	17	15
Finance and Insurance	575	513	61
Real Estate	—	—	—
Various Services	—	—	—
Local Public Bodies	—	—	—
Individuals	—	—	—
Others	17	17	(0)
Total for Industry Sectors	¥ 750	¥ 720	¥ 30

(5) Amount of Write-Offs of Loans (breakdown by industry sector)

	Millions of Yen	
	Six Months Ended Sep. 30, 2007	Year Ended Mar. 31, 2007
Manufacturing	¥ 211	¥ 23
Agriculture	—	—
Forestry	—	—
Fishing	—	—
Mining	—	—
Construction	300	49
Energy and Utilities	—	—
Communication	1	4,141
Transportation	—	79
Wholesale and Retail	4,177	320
Finance and Insurance	16	—
Real Estate	28	(1,038)
Various Services	35	2,528
Local Public Bodies	—	—
Individuals	228	366
Others	4,620	(9)
Total for Industry Sectors	¥ 9,620	¥ 6,462

(6) Amount of Exposures by Risk-Weight Category (Standardized Approach)

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Subject to Rating		Subject to Rating	
Balance of Exposures to which the Standardized Approach is Applied after				
Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category ...	¥ 4,181,769	¥ 145,735	¥ 4,177,181	¥ 118,117
0%	283,754	—	345,124	—
10%	972	—	809	—
20%	401,923	28,477	480,432	26,075
35%	1,157,495	—	1,091,411	—
50%	65,536	55,782	51,730	43,140
100%	2,261,600	61,443	2,198,157	48,901
150%	10,486	31	9,515	—
Amounts Deducted from Capital under				
Provisions of Article 8, Paragraph 1, 3 and 6	—	—	—	—

(7) Amount of Exposures by Risk-Weight Category (IRB Approach)

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those with maturities longer than two and a half years and in the category of high-volatility commercial real estate lending)		
Strong	¥ 678,340	¥ 647,589
70%	319,159	280,545
Good	211,902	212,866
90%	133,136	140,385
Satisfactory	2,183	1,139
115%	11,959	12,651
Weak		
250%		
Default		
0%		
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those with the Duration of less than two and a half years and those in the Category of High-Volatility Commercial Real Estate Lending)		
Strong	¥ 324,068	¥ 342,638
50%	131,446	140,816
Good	106,958	146,824
70%	85,436	54,739
Satisfactory	82	—
115%	144	258
Weak		
250%		
Default		
0%		
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those with maturities longer than two and a half years and in the category of high-volatility commercial real estate lending)		
Strong	¥ 88,723	¥ 63,243
95%	29,959	16,386
Good	31,040	24,873
120%	27,724	21,983
Satisfactory	—	—
140%	—	—
Weak	—	—
250%	—	—
Default	—	—
0%	—	—
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (those with the Duration of less than two and a half years and in the Category of High-Volatility Commercial Real Estate Lending)		
Strong	¥ 129,517	¥ 68,582
70%	46,550	34,705
Good	50,479	26,386
95%	32,487	7,490
Satisfactory	—	—
140%	—	—
Weak	—	—
250%	—	—
Default	—	—
0%	—	—
Equity Exposures to which the Simplified Method of the Market-Based Approach is Applied		
Listed Stocks	¥ 49,977	¥ 42,133
300%	17,191	29,423
Unlisted Stocks	32,786	12,709
400%		

Application of the IRB Approach

(1) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by debtor category for corporate exposures

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	45.86%	23.97%	¥ 1,985,790	¥ 847,955
Ratings 5 – 6	1.02%	45.08%	76.23%	4,374,314	846,549
Ratings 7 – 8	19.86%	45.00%	219.95%	605,440	94,433
Ratings 8- – 10	100.00%	45.00%	—	93,342	13,325
Total	3.39%	45.32%	69.95%	¥ 7,058,888	¥ 1,802,263

* Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Mar. 31, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	46.15%	24.80%	¥ 1,766,587	¥ 791,661
Ratings 5 – 6	1.00%	45.05%	76.51%	4,612,853	1,040,969
Ratings 7 – 8	11.46%	45.00%	197.58%	666,751	92,974
Ratings 8- – 10	100.00%	45.00%	—	111,967	16,536
Total	3.01%	45.36%	71.02%	¥ 7,158,159	¥ 1,942,141

* Specialized lending and purchased receivables are excluded.

(2) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by debtor category for sovereign exposures

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.29%	¥ 3,582,069	¥ 53,996
Ratings 5 – 6	1.41%	45.00%	105.54%	23,673	1,899
Ratings 7 – 8	15.19%	45.00%	231.51%	6,791	0
Ratings 8- – 10	—	—	—	—	—
Total	0.05%	45.00%	10.37%	¥ 3,612,533	¥ 55,895

* Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Mar. 31, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.42%	¥ 2,588,471	¥ 55,146
Ratings 5 – 6	1.14%	45.00%	90.29%	30,224	1,743
Ratings 7 – 8	15.15%	45.00%	233.17%	7,453	1
Ratings 8- – 10	—	—	—	—	—
Total	0.07%	45.00%	11.00%	¥ 2,626,149	¥ 56,891

* Specialized lending and purchased receivables are excluded.

(3) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by debtor category for bank exposures

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	45.38%	17.35%	¥ 721,503	¥ 877,593
Ratings 5 – 6	0.70%	47.18%	66.96%	32,319	28,289
Ratings 7 – 8	—	—	—	—	—
Ratings 8- – 10	—	—	—	—	—
Total	0.06%	45.44%	19.16%	¥ 753,823	¥ 905,883

* Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Mar. 31, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	45.49%	16.98%	¥ 833,621	¥ 657,150
Ratings 5 – 6	0.58%	47.14%	53.44%	51,851	31,010
Ratings 7 – 8	—	—	—	—	—
Ratings 8 – 10	—	—	—	—	—
Total	0.07%	45.58%	18.90%	¥ 885,473	¥ 688,160

* Specialized lending and purchased receivables are excluded.

(4) The Probability of Default (PD), weighted average of Risk Weights (RW) and balance of equity exposures to which the PD/LGD approach is applied by obligor category

	Millions of Yen		
	Sep. 30, 2007		
	PD	RW	Balance
Ratings 1 – 4	0.06%	108.90%	¥ 30,801
Ratings 5 – 6	0.36%	170.37%	74,743
Ratings 7 – 8	14.68%	524.97%	75
Ratings 8 – 10	100.00%	—	19
Total	0.30%	152.67%	¥ 105,639

	Millions of Yen		
	Mar. 31, 2007		
	PD	RW	Balance
Ratings 1 – 4	0.06%	109.13%	¥ 35,696
Ratings 5 – 6	0.67%	197.63%	93,003
Ratings 7 – 8	14.68%	524.97%	77
Ratings 8 – 10	100.00%	—	99
Total	0.59%	173.16%	¥ 128,876

(5) Losses in the Previous Period and Comparison of Losses in the Current Period with those in the Previous Period

	Millions of Yen				
	Six Months Ended Sep. 30, 2007		Six Months Ended Sep. 30, 2006		Change in Actual Credit Loss
	Actual Credit Loss	Writebacks	Actual Credit Loss	Writebacks	
Corporate Exposures	¥ 26,260	¥ (11,646)	¥ (1,022)	¥ (16,422)	¥ 27,283
Sovereign Exposures	(27)	(27)	30	(353)	(57)
Bank Exposures	—	—	—	—	—
Stock Exposures Calculated Using the PD/LGD Method	—	—	—	—	—

* Of credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Credit losses in the first half of fiscal year 2007 increased ¥27.2 billion over the comparable period in the previous year mainly due to larger general reserves taken for special mention debtors.

(6) Estimated Credit Losses

	Millions of Yen	
	Estimated Credit Losses	Actual Credit Losses
Corporate Exposures	¥ 121,373	¥ 63,964
Sovereign Exposures	619	(39)
Bank Exposures	164	—
Stock Exposures Calculated Using the PD/LGD Method	364	—

Notes: 1. Estimated credit losses are the average of estimates calculated as of Mar. 31, 2007 and Sep. 30, 2007
2. Actual credit losses are the sum of losses for one year started Sep. 30, 2007

Credit Risk Mitigation

Consolidated

Exposures to which Credit Risk Mitigation Measures are Applied

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Qualifying Financial Assets Collateral	Credit Derivatives	Qualifying Financial Assets Collateral	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 24,756	¥ —	¥ 57,046	¥ —
Portfolios to which the IRB Approach is Applied	1,404,772	40,000	998,123	40,000
Corporate Exposures	93,243	40,000	175,684	40,000
Sovereign Exposures	150	—	32,889	—
Bank Exposures	1,311,378	—	789,549	—

Derivative Products

Consolidated

Derivative Products

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 868,308	¥ 647,698
Aggregate Sum of Gross Add-On Amounts	932,951	789,606
Credit Equivalents (Gross)	¥ 1,801,260	¥ 1,437,305

* Credit equivalents are calculated with the current exposure formula.

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Foreign Exchange Related	¥ 283,001	¥ 238,448
Interest Rate Related	1,517,991	1,198,748
Gold Related	—	—
Equity Related	—	—
Precious Metals (Excluding Gold) Related	—	—
Other Commodities Related	—	—
Credit Derivatives	266	108
Total	¥ 1,801,260	¥ 1,437,305
Effect of Mitigating Credit Equivalents due to Close-out Netting Contracts (Deduction)	(809,514)	(680,134)
Total	¥ 991,745	¥ 757,170
Effect of Mitigation by Collateral under the Credit Risk Mitigation Measures (Deduction)	—	—
Total	¥ 991,745	¥ 757,170

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Provision of Protection	Purchase of Protection	Provision of Protection	Purchase of Protection
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents				
Credit Default Swaps	¥ 80,000	¥ 40,000	¥ 81,000	¥ 40,000
Total Return Swaps	—	—	—	—
First-to-Default Credit Derivatives	—	—	—	—
Second-to-Default Credit Derivatives	—	—	—	—

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Notional Principal Amounts used to Allow for the Effect of Credit Risk Mitigation Measures	¥ 40,000	¥ 40,000

Securitization Exposures (Originator)

Consolidated

First Half of Fiscal Year 2007

(1) Outline of Securitizations during the First Half of Fiscal Year 2007, Type and Status of Main Underlying Assets

We conducted the following single securitization transaction as an originator during the first half of fiscal year 2007.

Date of Securitization:	July 2007
Type of Underlying Assets:	Mortgage Loans
Aggregate Sum of Underlying Assets:	¥30,202 million (at the time of securitization), ¥29,117 million (as of Sep. 30, 2007)
Type of Transaction:	Asset transfer-type securitization transaction
Rating Agency:	Moody's Investors Service, Inc. Standards & Poors Rating Services (S&P)
Initial Issue Amount:	Class A ¥ 3,000 million (Aaa/Moody's, AAA/S&P), Class B ¥ 23,570 million (A2/Moody's, A/S&P) Class C ¥ 3,330 million (no rating), Subordinate Earnings Right ¥ 302 million (no rating)
Date of Redemption:	December 2036

We hold part of the exposures related to this securitization transaction, and quantitative data in (2)-(9) below include data related to this securitization transaction.

(2) Amounts of Securitization Exposures Held and Breakdown of Main Underlying Assets by Type

	Millions of Yen			
	Sep. 30, 2007			
	Exposure Amount	Aggregate Sum of Underlying Assets		
		Asset Transfer-Type Securitization	Synthetic Securitization	
Housing Loans	¥ 302	¥ 29,117	¥ 29,117	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	—	—	—	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 302	¥ 29,117	¥ 29,117	¥ —

(3) Cumulative Total for the First Half of Fiscal Year 2007 of Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for the First Half of Fiscal Year 2007, and their Breakdowns by Type of Underlying Assets.

Not applicable

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Sep. 30, 2007	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ —	¥ —
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1250%	—	—
Capital Deduction	—	—
Risk-Weight Category (Standardized Approach)	302	302
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1250%	—	—
Capital Deduction	302	302
Total	¥ 302	¥ 302

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Main Underlying Assets

Not applicable

(6) Amount of Securitization Exposures by Type of Main Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ 302
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ 302

(7) Items by Type of Main Underlying Assets of Securitization Exposures with Early Redemption Clauses

Not applicable

(8) Amounts of Gains/Losses on Sale in Association with Securitization Transactions Recognized during the First Half of Fiscal Year 2007 and Breakdown by Type of Principal Underlying Assets

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ (30)
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ (30)

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

Fiscal Year 2006

(1) Outline of Securitizations during Fiscal Year 2006, Type and Status of Underlying Assets

We conducted the following single securitization transaction as an originator during fiscal year 2006.

Date of Securitization:	December 2006		
Type of Underlying Assets:	Commercial real estate-secured loan (real estate non-recourse loan)		
Aggregate Sum of Underlying Assets:	¥20,000 million (at the time of securitization), ¥17,221 million (as of Mar. 31, 2007)		
Type of Transaction:	Asset transfer-type securitization transaction		
Rating Agency:	Moody's Investors Service, Inc.		
Initial Issue Amount:	Class A ¥ 11,900 million (Aaa),	Class B ¥ 5,000 million (Aa2)	Class C ¥ 2,600 million (A2),
			Class D ¥ 500 million (A3)
Date of Redemption:	October 2013		

We hold part of the exposures related to this securitization transaction, and quantitative data in (2)-(9) below include data related to this securitization transaction.

(2) Amounts of Securitization Exposures Held and Breakdown of Underlying Assets by Type

	Millions of Yen			
	Mar. 31, 2007			
	Exposure Amount	Aggregate Sum of Underlying Assets		
Asset Transfer-Type Securitization		Synthetic Securitization		
Housing Loans	¥ —	¥ —	¥ —	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	10,201	29,041	29,041	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 10,201	¥ 29,041	¥ 29,041	¥ —

(3) Cumulative Total for Fiscal Year 2006 of Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for Fiscal Year 2006, and their Breakdowns by Type of Underlying Assets.

Not applicable

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Mar. 31, 2007	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 10,201	¥ 810
20% or less	1,335	22
over 20% and 100% or less	—	—
over 100% and less than 1250%	8,866	788
Capital Deduction	—	—
Risk-Weight Category (Standardized Approach)	—	—
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1250%	—	—
Capital Deduction	—	—
Total	¥ 10,201	¥ 810

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Underlying Assets

Not applicable

(6) Amount of Securitization Exposures by Type of Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

Not applicable

(7) Items by Type of Underlying Assets of Securitization Exposures with Early Redemption Clauses

Not applicable

(8) Amounts of Gains/Losses on Sale in Association with Securitization Transactions Recognized during Fiscal Year 2006 and Breakdown by Type of Principal Underlying Assets

Not applicable

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

Securitization Exposures (Investor)

Consolidated

(1) Amount of Securitization Exposures Held and Breakdown by Type of Principal Underlying Assets

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
	Exposure	Exposure
Housing Loans	¥ 627,680	¥ 609,005
Credit Card Loans, Consumer Loans	239,660	276,624
Auto Loans, Other Loans to Individuals	41,100	44,875
Commercial Real Estate-Secured Loans	101,556	109,384
Loans and Bonds to Corporates	579,970	543,016
Claims on Lease Payments	133,848	162,799
Accounts Receivable, Other Claims on Corporates	5,990	6,205
Total	¥ 1,729,807	¥ 1,751,911

(2) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Balance	Required Capital	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 821,365	¥ 72,856	¥ 821,406	¥ 63,900
20% or less	651,279	5,312	650,917	5,441
over 20% and 100% or less	90,609	4,030	105,025	5,527
over 100% and less than 1250%	28,202	12,238	24,230	11,698
Capital Deduction	51,274	51,274	41,233	41,233
Risk-Weight Category (Standardized Approach)	908,441	24,565	930,505	24,713
20% or less	711,267	11,380	736,829	11,789
over 20% and 100% or less	197,173	13,185	193,675	12,924
over 100% and less than 1250%	—	—	—	—
Capital Deduction	—	—	—	—
Total	¥ 1,729,807	¥ 97,422	¥ 1,751,911	¥ 88,614

(3) Amount of Securitization Exposures by Type of Main Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Housing Loans	¥ —	¥ —
Credit Card Loans, Consumer Loans	—	—
Auto Loans, Other Loans to Individuals	—	—
Commercial Real Estate-Secured Loans	—	—
Loans and Bonds to Corporates	51,274	41,233
Claims on Lease Payments	—	—
Accounts Receivable, Other Claims on Corporates	—	—
Total	¥ 51,274	¥ 41,233

(4) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

Market Risk

(1) End of Period Value at Risk (VaR) and Maximum, Minimum and Mean VaR for the Period

• Market Risk in the First Half of FY2007

	Banking Account	Trading Account
As of Sep. 30, 2007	¥ 100.0 billion	¥ 0.5 billion
Maximum	103.7 billion	1.3 billion
Minimum	81.8 billion	0.3 billion
Mean	90.5 billion	0.6 billion

(For the October, 2006 - September, 2007 Period)

• Market Risk in FY2006

	Banking Account	Trading Account
As of Mar. 31, 2007	¥ 81.8 billion	¥ 0.4 billion
Maximum	111.6 billion	1.6 billion
Minimum	75.5 billion	0.3 billion
Mean	94.9 billion	1.1 billion

(For the April, 2006 - March, 2007 Period)

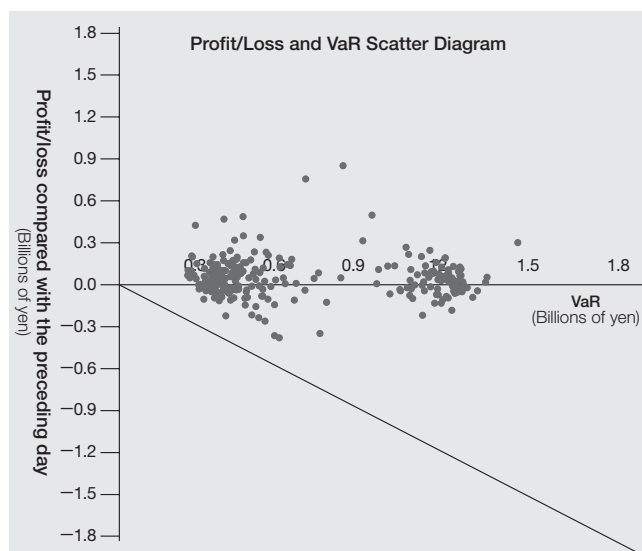
VaR Measurement Standards

Banking Account	Confidence Interval: One-tailed 99%	Time Horizon: 21 business days	Observation Period: One Year
Trading Account	Confidence Interval: One-tailed 99%	Time Horizon: 1 business day	Observation Period: One Year

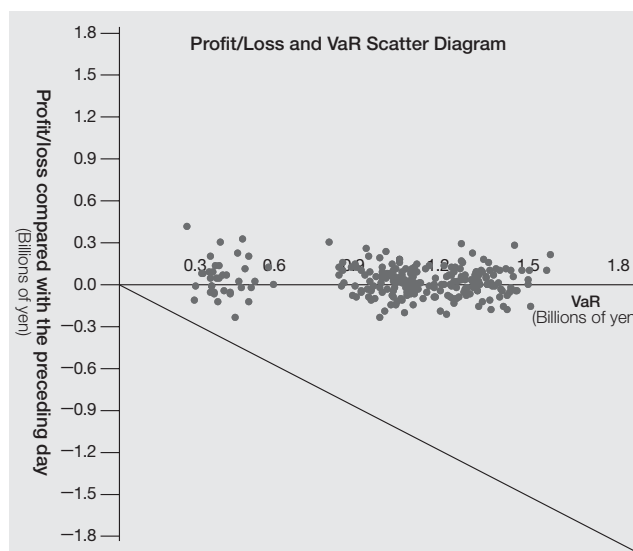
(2) Results of Back Testing and Reasons for Large Deviations between Actual Losses and VaR

• Back Testing of the Trading Account

First Half of FY 2007



FY 2006



* As noted above, for the first half of fiscal year 2007 back testing of the trading account shows no instances of losses in excess of VaR

Capital Subscriptions or Equity Exposures in the Banking Account

Consolidated

	Millions of Yen							
	Sep. 30, 2007				Mar. 31, 2007			
	Book Value		Market Value		Book Value		Market Value	
Consolidated Book and Market Values (Note 1)								
Listed Equity Exposures	¥	914,935	¥	914,935	¥	989,188	¥	989,188
Exposures not Listed in the "Listed Equity Exposures" Category and Other Equity Exposures (Note 2)		74,853		74,853		83,483		83,483
Amounts of Gains/Losses on Sale and Write-Offs of Capital Subscriptions or Equity Exposures (Note 1 and 3)	Gains/Losses	Gains	Losses	Write-Offs	Gains/Losses	Gains	Losses	Write-Offs
	4,695	7,646	813	2,138	4,814	12,350	2,962	4,573
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheet and not Recognized in the Consolidated Income Statement				421,310				507,273
Amounts of Unrealized Gains/Losses not Reported in the Consolidated Balance Sheet and Income Statement				Not applicable				Not applicable

Notes: 1. Figures for Other Securities include only domestic and overseas stocks. Figures for Mar. 31, 2007 however include only domestic stocks.

2. Overseas stocks listed on the Consolidated Balance Sheet totaled ¥4,049 million as of Mar. 31, 2007.

3. Income statement figures for gains/losses on stock holdings and related write-offs.

	Millions of Yen			
	Sep. 30, 2007	Mar. 31, 2007		
Amounts by Portfolio Category*	¥	992,328	¥	1,077,285
Outstanding Shares Held		836,711		906,275
Portfolios Adopting the Market-Based Approach		49,977		42,133
Portfolios Adopting the PD/LGD Approach		105,639		128,876

* Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Amounts Held in Funds

Consolidated

	Millions of Yen			
	Sep. 30, 2007	Mar. 31, 2007		
Aggregate Sum of Exposures Held in Funds	¥	422,272	¥	503,842
Look-through Formula		242,947		242,418
Simple Majority Formula		60,115		66,780
Investment Criteria Formula		23,138		103,826
Internal Models Approach		—		0
Items with a High Probability of Being Given a Risk Weight Under 400%		88,756		78,152
Others		7,314		12,665

* Exposures subject to the calculation of credit risk-weighted assets are shown.

Interest Rate Risk in the Banking Account

Consolidated

Gains/Losses and Changes in Economic Value due to Interest Rate Shocks under the Internal Control System used by the Consolidated Group

- Outlier Ratio

	Sep. 30, 2007	(for reference) Mar. 31, 2007
Overall Amount of Interest Rate Risk	¥ 191.2 billion	¥ 120.9 billion
Outlier Ratio	9.7%	6.3%

Notes: 1. Our interest rate fluctuation scenario assumes an interest rate shock consisting of the 1st and 99th percentile of the fluctuation range measured for a one year time horizon and a minimum observation period of five years.

2. Our risk measurement method uses the interest rate sensitivity approach. Core deposits are defined as the lowest of the following three items, as an upper limit, for the five-year maturity (an average term of 2.5 years): 1) the lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Capital Adequacy Ratio

Non-consolidated

BIS Capital Adequacy Ratio

	Millions of Yen		
	Sep. 30, 2007	Sep. 30, 2006	Mar. 31, 2007
Tier I			
Capital	¥ 287,537	¥ 287,457	¥ 287,517
Noncumulative Perpetual Preferred Stock	—	—	—
New Stock Subscription Rights	—	—	—
Capital Reserve	242,555	240,876	242,536
Other Capital Surplus	4	1	2
Earned Surplus Reserve	46,580	46,580	46,580
Other Earned Surplus	357,001	326,492	339,220
Others	182,999	132,999	182,999
Treasury Stock	439	316	389
Treasury Stock Subscription Rights	—	—	—
Expected Distributed Amount (Deduction)	14,234	14,221	14,319
Unrealized Loss on Securities Available for Sale (Deduction)	—	—	—
Share Warrants	—	—	—
Business Rights Equivalents (Deduction)	—	—	—
Goodwill Equivalents (Deduction)	—	—	—
Equivalent to Intangible Fixed Assets Recorded through Business Combination (Deduction)	—	—	—
Equivalent to the Increase in the Capital Associated with Securitization Transactions (Deduction)	—	—	—
Equivalent to 50% of the Excess of Expected Loss over Qualifying Reserves (Deduction)	16,077	—	20,949
Total Tier I before Deduction of Deferred Tax Assets (Aggregate Sum of Items Above)	1,085,928	1,019,870	1,063,198
Deducted Amount of Deferred Tax Assets (Deduction)*1	—	—	—
Total (A)	1,085,928	1,019,870	1,063,198
Noncumulative Preferred Securities Attached with Step-up Interest Rate Clause*2 (a)	100,000	50,000	100,000
Tier II			
45% of Unrealized Gain on Securities Available for Sale	166,261	173,204	222,403
45% of Revaluation Reserve for Land	875	1,202	875
General Reserves	2,013	50,306	2,004
Excess of Qualifying Reserves over Expected Loss	—	—	—
Debt Capital	746,355	655,948	675,105
Perpetual Subordinated Debt*3	331,200	284,665	305,015
Subordinated Term Debt and Fixed-term Preferred Stock*4	415,155	371,283	370,090
Total	915,505	880,662	900,387
Included in Capital (B)	915,505	880,662	900,387
Tier III			
Subordinated Short-term Debt	—	—	—
Included in Capital (C)	—	—	—
Items for Deduction			
Items for Deduction*5 (D)	105,550	55,694	91,179
Total Capital			
((A) + (B) + (C) - (D)) (E)	1,895,883	1,844,839	1,872,406
Risk-Weighted Assets			
Asset (On-balance Sheet) Items	12,085,410	13,694,559	12,247,083
Off-balance Sheet Transaction Items	2,101,334	1,186,204	2,329,227
Amount of Credit Risk-Weighted Assets (F)	14,186,744	14,880,764	14,576,310
Amount of Market Risk Equivalents ((H)/8%) (G)	129,384	219,848	156,954
(Reference) Market Risk Equivalents (H)	10,350	17,587	12,556
Amount of Operational Risk Equivalents ((J)/8%) (I)	558,595	—	546,154
(Reference) Operational Risk Equivalents (J)	44,687	—	43,692
Amount Obtained by Multiplying by 12.5 the Excess of the Amount Obtained by Multiplying the Old Required Capital by the Rate Prescribed by the Notification over the New Required Capital (K)	—	—	—
Total ((F)+(G)+(I)+(K)) (L)	¥ 14,874,723	¥ 15,100,612	¥ 15,279,419
BIS Capital Adequacy Ratio = E/L x 100 (%)	12.74	12.21	12.25
Tier I Capital Ratio = A/L x 100 (%)	7.30	6.75	6.95
Ratio of Noncumulative Preferred Securities with Step-up Interest Rate Clauses to Tier I Capital= a/A x 100 (%)	9.20	4.90	9.40

*1 Deferred tax assets and deferred tax liabilities are in deficit in net terms. The upper limit on the inclusion of deferred tax assets in capital is ¥325,778 million.

*2 Listed in the Notification Article 17, Paragraph 2 (the Old Notification Article 14, Paragraph 2), i.e. stocks and other securities with high probability of redemptions through such measures as attachment of step-up interest rate clauses (including Noncumulative preferred securities issued by overseas special purpose companies).

*3 Debt capital listed in the Notification Article 18, Paragraph 1, 4 (the Old Notification Article 15, Paragraph 1, 4) that have all of the characteristics listed below:

- (1) Paid-up debts unsecured and subordinate to other debts
- (2) Not redeemable except for certain cases
- (3) Used for compensation of loss while continuing business
- (4) Allowed to defer interest payment obligations

*4 Listed in the Notification Article 18, Paragraph 1, 5 and 6 (the Old Notification Article 15, Paragraph 1, 5 and 6). However, subordinated term debts are limited to those with an original maturity of over five years.

*5 Listed in the Notification Article 20, Paragraph 1, 1 through 5 (the Old Notification Article 17, Paragraph 1), and include the amounts equivalent to intentional holdings of other financial institutions' capital funding means.

*6 We received an external audit by KPMG AZSA & Co. of the calculation of the non-consolidated BIS capital adequacy ratio in line with 'Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits' (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, June 12, 2007).

The external audit is not part of the accounting audit of the financial statements but was conducted on part of the internal risk management framework concerning the calculation of the non-consolidated BIS capital adequacy ratio under agreed-upon examination procedures and is a report of the results. It thus does not represent the opinion of the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of the internal control which concern the ratio.

Included in the “other” category of capital for non-consolidated BIS capital adequacy ratio calculation is preferred securities issued by overseas special purpose companies. Details are the following:

1. Issuer	STB Preferred Capital (Cayman) Limited	STB Preferred Capital 2 (Cayman) Limited	STB Preferred Capital 3 (Cayman) Limited
2. Description of Securities	Noncumulative Preferred Securities	Same as on the left	Same as on the left
3. Maturity	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after seven years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).
4. Dividend Rate	Floating Rate (Non Step-up)	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate
5. Issue Amount	¥83 billion	¥50 billion	¥50 billion
6. Issue Date	March 26, 1999	December 7, 2005	March 2, 2007
7. Outline of Dividend Payment	Dividends are payable by the Issuer in the presence of distributable amount of the Bank in conformity with the calculation of preferred shares of the bank. If the Bank pays any dividends on any of its common stock with respect to any financial year of the Bank, then the Issuer will be required to pay full dividends on the Securities for the applicable year.	Same as on the left	Same as on the left
8. Dividend Limitation	Dividends will not be paid if any of certain criteria have met. The criteria include the following: When the Bank did not pay dividend on any class of preferred shares, if any. When the Bank's BIS capital adequacy ratio or Tier I capital ratio were to decline below the minimum percentages required by Japanese banking regulations.	Same as on the left	Same as on the left
9. Liquidation Preference	The Securities are intended to provide holders, through the perpetual subordinated loan to the Bank, with rights to liquidation preferences that are the same as those to which holders would be entitled if they had purchased non-cumulative nonvoting perpetual preferred stock issued directly by the Bank.	Same as on the left	Same as on the left

Capital Adequacy

Non-consolidated

(1) Amount of Required Capital against Credit Risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Portfolios to which the Standardized Approach is Applied	¥ 100,615	¥ 101,014
Retail Exposures	82,846	83,567
Exposures to Business Units Set for Phased Roll-Out Application	—	—
Exposures Excluded from Application	17,769	17,446
Portfolios to which the IRB Approach is Applied and the Breakdown by Portfolio	961,025	773,030
Corporate Exposures	737,700	639,708
Sovereign Exposures	31,215	23,617
Bank Exposures	25,899	25,792
Purchased Receivables	67,027	71,186
Other Assets	99,182	12,725
Securitization Exposures	78,951	70,429
Exposures to which the Standardized Approach is Applied	24,821	26,149
Exposures to which the IRB Approach is Applied	54,129	44,279

(2) Amount of Required Capital against Credit Risk concerning Equity Exposures to which the IRB Approach is Applied

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Equity Exposures	¥ 96,798	¥ 130,814
PD/LGD Approach	13,189	18,533
Simplified Method of the Market-Based Approach	13,116	11,796
Transitional Measures	70,492	100,484

(3) Amount of Required Capital against Credit Risk concerning Exposures Held in Funds

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
	¥ 100,057	¥ 120,840

(4) Amount of Required Capital against Market Risk

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Market Risks	¥ 10,350	¥ 12,556
Amount of Required Capital by Category under the Standardized Approach	1,525	1,352
Interest Rate Risk	1,525	1,352
Equity Risk	—	—
Foreign Exchange Risk	—	0
Commodities Risk	—	—
Options Transactions	—	—
Internal Models Approach	8,824	11,204

(5) Amount of Required Capital against Operational Risk

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Standardized Approach	¥ 44,687	¥ 43,692

(6) Total Required Capital

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Total Required Capital	¥ 1,189,977	¥ 1,222,353

(1) Balance of Exposures Related to Credit Risk (excluding exposures held in funds and securitization exposures)

	Millions of Yen				
	Sep. 30, 2007				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives			
Japan	¥ 16,196,818	¥ 12,986,799	¥ 2,934,987	¥ 275,030	¥ 109,378
Outside Japan	5,152,706	1,926,775	1,700,249	1,525,681	1,572
Total for Regions	¥ 21,349,524	¥ 14,913,574	¥ 4,635,237	¥ 1,800,712	¥ 110,951
Manufacturing	2,758,284	2,150,554	593,496	14,232	7,056
Agriculture	3,886	3,022	850	14	—
Forestry	262	262	—	—	—
Fishing	9,751	9,364	365	21	—
Mining	17,191	17,093	—	97	—
Construction	226,205	212,720	12,996	488	3,749
Energy and Utilities	250,367	195,065	54,340	961	—
Communication	179,777	161,750	17,863	164	5,497
Transportation	842,668	701,174	133,553	7,939	17,843
Wholesale and Retail	1,486,146	1,354,005	123,020	9,120	38,573
Finance and Insurance	2,291,896	1,899,538	141,340	251,016	—
Real Estate	1,902,487	1,724,768	172,160	5,559	22,434
Various Services	1,330,482	1,300,611	24,958	4,911	6,459
Local Public Bodies	142,204	106,517	35,686	—	—
Individuals	1,868,816	1,868,816	—	—	6,101
Others	8,039,094	3,208,306	3,324,603	1,506,184	3,234
Total for Industry Sectors	¥ 21,349,524	¥ 14,913,574	¥ 4,635,237	¥ 1,800,712	¥ 110,951
One Year or Shorter	6,157,454	5,685,431	314,524	157,498	
Over One Year to less than Five Years	7,503,270	5,339,539	1,443,531	720,199	
Five Years or Longer	7,688,798	3,888,603	2,877,180	923,013	
Total for All Durations	¥ 21,349,524	¥ 14,913,574	¥ 4,635,237	¥ 1,800,712	

*1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

*2 "Others" in the industry sectors include overseas and state public services. Exposures for the duration of over five years include those with no fixed maturities.

	Millions of Yen				
	Mar. 31, 2007				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives			
Japan	¥ 17,051,376	¥ 13,530,342	¥ 3,258,704	¥ 262,329	¥ 132,608
Outside Japan	3,740,304	1,645,324	920,303	1,174,676	—
Total for Regions	¥ 20,791,681	¥ 15,175,667	¥ 4,179,008	¥ 1,437,005	¥ 132,608
Manufacturing	2,870,099	2,205,606	650,972	13,520	5,298
Agriculture	3,671	2,755	900	15	—
Forestry	295	295	—	—	—
Fishing	6,941	6,456	474	10	—
Mining	19,755	19,651	—	103	—
Construction	248,105	226,332	21,331	442	1,915
Energy and Utilities	268,082	198,798	67,902	1,382	—
Communication	236,227	209,475	26,654	97	4,240
Transportation	889,132	735,052	146,121	7,957	48,784
Wholesale and Retail	1,506,028	1,358,550	137,832	9,646	37,515
Finance and Insurance	3,038,631	2,463,904	363,808	210,918	—
Real Estate	1,840,381	1,673,136	161,755	5,489	22,090
Various Services	1,796,937	1,619,418	171,325	6,193	8,107
Local Public Bodies	209,191	147,307	61,884	—	—
Individuals	1,849,586	1,849,586	—	—	2,844
Others	6,008,613	2,459,340	2,368,045	1,181,227	1,811
Total for Industry Sectors	¥ 20,791,681	¥ 15,175,667	¥ 4,179,008	¥ 1,437,005	¥ 132,608
One Year or Shorter	6,507,316	5,858,726	532,126	116,463	
Over One Year to less than Five Years	7,386,718	5,494,973	1,320,775	570,969	
Five Years or Longer	6,897,646	3,821,966	2,326,105	749,573	
Total for All Durations	¥ 20,791,681	¥ 15,175,667	¥ 4,179,008	¥ 1,437,005	

*1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

*2 "Others" in the industry sectors include overseas and state public services. Exposures for the duration of over five years include those with no fixed maturities.

(2) General Reserves

	Millions of Yen		
	Sep. 30, 2007	Mar. 31, 2007	Change
	Balance	Balance	
General Reserves	¥ 94,998	¥ 72,760	¥ 22,238

(3) Amount of Specific Loan-Loss Reserves (breakdown by region, industry sector)

	Millions of Yen		
	Sep. 30, 2007	Mar. 31, 2007	Change
	Balance	Balance	
Japan	¥ 24,808	¥ 24,398	¥ 409
Outside Japan	409	—	409
Total for Regions	¥ 25,217	¥ 24,398	¥ 818
Manufacturing	1,254	526	727
Agriculture	—	—	—
Forestry	—	—	—
Fishing	—	—	—
Mining	—	—	—
Construction	128	136	(8)
Energy and Utilities	—	—	—
Communication	768	60	708
Transportation	12,104	13,728	(1,624)
Wholesale and Retail	1,018	485	532
Finance and Insurance	—	—	—
Real Estate	2,220	1,343	876
Various Services	1,252	1,516	(264)
Local Public Bodies	3,164	3,262	(98)
Individuals	978	1,122	(144)
Others	2,329	2,214	115
Total for Industry Sectors	¥ 25,217	¥ 24,398	¥ 818

(4) Amount of Reserves for Loans to Borrowers in Specific Foreign Countries (breakdown by industry sector)

	Millions of Yen		
	Sep. 30, 2007	Mar. 31, 2007	Change
	Balance	Balance	
Manufacturing	¥ 29	¥ 64	¥ (35)
Agriculture	—	—	—
Forestry	—	—	—
Fishing	—	—	—
Mining	94	106	(11)
Construction	—	—	—
Energy and Utilities	—	0	(0)
Communication	—	—	—
Transportation	—	—	—
Wholesale and Retail	33	17	15
Finance and Insurance	575	513	61
Real Estate	—	—	—
Various Services	—	—	—
Local Public Bodies	—	—	—
Individuals	—	—	—
Others	17	17	(0)
Total for Industry Sectors	¥ 750	¥ 720	¥ 30

(5) Amount of Write-Offs of Loans (breakdown by industry sector)

	Millions of Yen	
	Six Months Ended Sep. 30, 2007	Year Ended Mar. 31, 2007
Manufacturing	¥ 211	¥ —
Agriculture	—	—
Forestry	—	—
Fishing	—	—
Mining	—	—
Construction	300	—
Energy and Utilities	—	—
Communication	1	4,141
Transportation	—	41
Wholesale and Retail	4,177	466
Finance and Insurance	—	—
Real Estate	8	(2,612)
Various Services	35	2,258
Local Public Bodies	—	—
Individuals	179	525
Others	4,359	—
Total for Industry Sectors	¥ 9,273	¥ 4,820

(6) Amount of Exposures by Risk-Weight Category (Standardized Approach)

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Subject to Rating		Subject to Rating	
Balance of Exposures to which the Standardized Approach is Applied after				
Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category ...	¥ 2,016,905	¥ —	¥ 2,148,850	¥ —
0%	15,096	—	156,542	—
10%	—	—	—	—
20%	17,732	—	27,044	—
35%	1,124,882	—	1,091,411	—
50%	—	—	—	—
100%	856,699	—	871,008	—
150%	2,493	—	2,842	—
Amounts Deducted from Capital under				
Provisions of Article 20, Paragraph 1, 2 and 5	—	—	—	—

(7) Amount of Exposures by Risk-Weight Category (IRB Approach)

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those with maturities longer than two and a half years and in the category of high-volatility commercial real estate lending)	¥ 678,340	¥ 647,589
Strong 70%	319,159	280,545
Good 90%	211,902	212,866
Satisfactory 115%	133,136	140,385
Weak 250%	2,183	1,139
Default 0%	11,959	12,651
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those with the duration of less than two and a half years and those in the category of high-volatility commercial real estate lending)	¥ 324,068	¥ 342,638
Strong 50%	131,446	140,816
Good 70%	106,958	146,824
Satisfactory 115%	85,436	54,739
Weak 250%	82	—
Default 0%	144	258
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (other than those with maturities longer than two and a half years and in the category of high-volatility commercial real estate lending)	¥ 88,723	¥ 63,243
Strong 95%	29,959	16,386
Good 120%	31,040	24,873
Satisfactory 140%	27,724	21,983
Weak 250%	—	—
Default 0%	—	—
Balance by Risk-Weight Category of Specialized Lending under the Slotting Criteria (those with the duration of less than two and a half years and in the category of high-volatility commercial real estate lending)	¥ 129,517	¥ 68,582
Strong 70%	46,550	34,705
Good 95%	50,479	26,386
Satisfactory 140%	32,487	7,490
Weak 250%	—	—
Default 0%	—	—
Equity Exposures to which the Simplified Method of the Market-Based Approach is Applied	¥ 42,916	¥ 42,133
Listed Stocks 300%	16,986	29,423
Unlisted Stocks 400%	25,930	12,709

Application of the IRB Approach

(1) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by debtor category for corporate exposures

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	45.86%	23.97%	¥ 1,985,790	¥ 847,955
Ratings 5 – 6	1.02%	45.08%	76.21%	4,372,163	846,549
Ratings 7 – 8	19.86%	45.00%	219.95%	605,440	94,433
Ratings 8 – 10	100.00%	45.00%	—	93,342	13,325
Total	3.39%	45.32%	69.94%	¥ 7,056,736	¥ 1,802,263

Notes: 1. Specialized lending and purchased receivables are excluded.

2. As of Mar. 31, 2007 receivables from subsidiaries and related companies was presented as part of "others," but for this presentation the receivables have been reclassified under "other assets" and thus are not presented here.

	Millions of Yen				
	Mar. 31, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	46.15%	24.80%	¥ 1,766,587	¥ 791,661
Ratings 5 – 6	1.00%	45.05%	76.51%	4,612,853	1,040,969
Ratings 7 – 8	11.46%	45.00%	197.58%	666,751	92,974
Ratings 8 – 10	100.00%	45.00%	—	111,967	16,536
Others	—	—	106.00%	463,883	38,939
Total	2.85%	42.98%	72.83%	¥ 7,622,043	¥ 1,981,080

* Specialized lending and purchased receivables are excluded. Others are credits provided to affiliated companies.

(2) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by debtor category for sovereign exposures

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.29%	¥ 3,582,069	¥ 53,996
Ratings 5 – 6	1.41%	45.00%	105.54%	23,673	1,899
Ratings 7 – 8	15.19%	45.00%	231.51%	6,791	0
Ratings 8 – 10	—	—	—	—	—
Total	0.05%	45.00%	10.37%	¥ 3,612,533	¥ 55,895

* Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Mar. 31, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.42%	¥ 2,588,471	¥ 55,146
Ratings 5 – 6	1.14%	45.00%	90.29%	30,224	1,743
Ratings 7 – 8	15.15%	45.00%	233.17%	7,453	1
Ratings 8 – 10	—	—	—	—	—
Total	0.07%	45.00%	11.00%	¥ 2,626,149	¥ 56,891

* Specialized lending and purchased receivables are excluded.

(3) The Probability of Default (PD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by debtor category for bank exposures

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	45.38%	17.35%	¥ 721,099	¥ 877,593
Ratings 5 – 6	0.70%	47.18%	66.96%	32,319	28,289
Ratings 7 – 8	—	—	—	—	—
Ratings 8 – 10	—	—	—	—	—
Total	0.06%	45.44%	19.16%	¥ 753,418	¥ 905,883

Notes: 1. Specialized lending and purchased receivables are excluded.

2. As of Mar. 31, 2007 receivables from subsidiaries and related companies was presented as part of "others," but for this presentation the receivables have been reclassified under "other assets" and thus are not presented here.

	Millions of Yen				
	Mar. 31, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	45.49%	16.98%	¥ 833,621	¥ 657,150
Ratings 5 – 6	0.58%	47.14%	53.44%	51,851	31,010
Ratings 7 – 8	—	—	—	—	—
Ratings 8- – 10	—	—	—	—	—
Others	—	—	106.00%	21,705	1,803
Total	0.07%	44.91%	20.18%	¥ 907,178	¥ 689,964

* Specialized lending and purchased receivables are excluded. Others are credits provided to affiliated companies.

(4) The Probability of Default (PD), weighted average of Risk Weights (RW) and balance of equity exposures to which the PD/LGD approach is applied by obligor category

	Millions of Yen		
	Sep. 30, 2007		
	PD	RW	Balance
Ratings 1 – 4	0.06%	108.90%	¥ 30,801
Ratings 5 – 6	0.36%	170.37%	74,743
Ratings 7 – 8	14.68%	524.97%	75
Ratings 8- – 10	100.00%	—	19
Total	0.30%	152.67%	¥ 105,639

	Millions of Yen		
	Mar. 31, 2007		
	PD	RW	Balance
Ratings 1 – 4	0.06%	109.13%	¥ 35,696
Ratings 5 – 6	0.67%	197.63%	93,003
Ratings 7 – 8	14.68%	524.97%	77
Ratings 8- – 10	100.00%	—	99
Total	0.59%	173.16%	¥ 128,876

(5) Losses in the Previous Period and Comparison of Losses in the Current Period with those in the Previous Period

	Millions of Yen				
	Six Months Ended Sep. 30, 2007		Six Months Ended Sep. 30, 2006		Change in Actual Credit Loss
	Actual Credit Loss	Writebacks	Actual Credit Loss	Writebacks	
Corporate Exposures	¥ 26,260	¥ (11,646)	¥ (1,022)	¥ (16,422)	¥ 27,283
Sovereign Exposures	(27)	(27)	30	(353)	(57)
Bank Exposures	—	—	—	—	—
Stock Exposures Calculated Using the PD/LGD Method	—	—	—	—	—

* Of credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Credit losses in the first half of fiscal year 2007 increased ¥27.2 billion over the comparable period in the previous year mainly due to larger general reserves taken for special mention debtors.

(6) Estimated Credit Losses

	Millions of Yen	
	Estimated Credit Losses	Actual Credit Losses
Corporate Exposures	¥ 121,373	¥ 63,964
Sovereign Exposures	619	(39)
Bank Exposures	164	—
Stock Exposures Calculated Using the PD/LGD Method	364	—

Notes: 1. Estimated credit losses are the average of estimates calculated as of Mar. 31, 2007 and Sep. 30, 2007
2. Actual credit losses are the sum of losses for one year started Sep. 30, 2007

Credit Risk Mitigation

Non-consolidated

Exposures to which Credit Risk Mitigation Measures are Applied

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Qualifying Financial Asset Collateral	Credit Derivatives	Qualifying Financial Asset Collateral	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 6,072	¥ —	¥ 5,171	¥ —
Portfolios to which the IRB Approach is Applied	1,404,772	40,000	998,123	40,000
Corporate Exposures	93,243	40,000	175,684	40,000
Sovereign Exposures	150	—	32,889	—
Bank Exposures	1,311,378	—	789,549	—

Derivative Products

Non-consolidated

Derivative Products

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 871,070	¥ 647,400
Aggregate Sum of Gross Add-On Amounts	937,750	789,606
Credit Equivalents (Gross)	¥ 1,808,820	¥ 1,437,006

* Credit equivalents are calculated with the current exposure formula.

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Foreign Exchange Related	¥ 290,453	¥ 238,448
Interest Rate Related	1,518,100	1,198,449
Gold Related	—	—
Equity Related	—	—
Precious Metals (Excluding Gold) Related	—	—
Other Commodities Related	—	—
Credit Derivatives	266	108
Total	¥ 1,808,820	¥ 1,437,006
Effect of Mitigating Credit Equivalents due to Close-out Netting Contracts (Deduction)	(809,514)	(680,134)
Total	¥ 999,305	¥ 756,871
Effect of Mitigation by Collateral under the Credit Risk Mitigation Measures (Deduction)	—	—
Total	¥ 999,305	¥ 756,871

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Provision of Protection	Purchase of Protection	Provision of Protection	Purchase of Protection
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents				
Credit Default Swaps	¥ 80,000	¥ 40,000	¥ 81,000	¥ 40,000
Total Return Swaps	—	—	—	—
First-to-Default Credit Derivatives	—	—	—	—
Second-to-Default Credit Derivatives	—	—	—	—

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Notional Principal Amounts used to Allow for the Effect of Credit Risk Mitigation Measures	¥ 40,000	¥ 40,000

Securitization Exposures (Originator)

Non-consolidated

First Half of Fiscal Year 2007

(1) Outline of Securitization during the First Half of Fiscal Year 2007, Type and Status of Main Underlying Assets

We conducted the following single securitization transaction as an originator during the first half of fiscal year 2007.

Date of Securitization:	July 2007
Type of Underlying Assets:	Mortgage Loans
Aggregate Sum of Underlying Assets:	¥30,202 million (at the time of securitization), ¥29,117 million (as of Sep. 30, 2007)
Type of Transaction:	Asset transfer-type securitization transaction
Rating Agency:	Moody's Investors Service, Inc. Standards & Poors Rating Services (S&P)
Initial Issue Amount:	Class A ¥ 3,000 million (Aaa/Moody's, AAA/S&P), Class B ¥ 23,570 million (A2/Moody's, A/S&P) Class C ¥ 3,330 million (no rating), Subordinate Earnings Right ¥ 302 million (no rating)
Date of Redemption:	December 2036

We hold part of the exposures related to this securitization transaction, and quantitative data in (2)-(9) below include data related to this securitization transaction.

(2) Amounts of Securitization Exposures Held and Breakdown of Main Underlying Assets by Type

	Millions of Yen			
	Sep. 30, 2007			
	Exposure Amounts	Aggregate Sum of Underlying Assets		
Asset Transfer-Type Securitization		Synthetic Securitization		
Housing Loans	¥ 302	¥ 29,117	¥ 29,117	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	—	—	—	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 302	¥ 29,117	¥ 29,117	¥ —

(3) Cumulative Total for the First Half of Fiscal Year 2007 of Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for the First Half of Fiscal Year 2007, and their Breakdowns by Type of Underlying Assets.

Not applicable

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Sep. 30, 2007	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ —	¥ —
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1250%	—	—
Capital Deduction	—	—
Risk-Weight Category (Standardized Approach)	302	302
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1250%	—	—
Capital Deduction	302	302
Total	¥ 302	¥ 302

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Main Underlying Assets

Not applicable

(6) Amounts of Securitization Exposures by Type of Main Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ 302
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ 302

(7) Items by Type of Main Underlying Assets of Securitization Exposures with Early Redemption Clauses
Not applicable

(8) Amounts of Gains/Losses on Sale in Association with Securitization Transactions Recognized during the First Half of Fiscal Year 2007 and Breakdown by Type of Principal Underlying Assets

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ (30)
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ (30)

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures
Not applicable

Fiscal Year 2006

(1) Outline of Securitization during Fiscal Year 2006, Type and Status of Underlying Assets

We conducted the following single securitization transaction as an originator during fiscal year 2006.

Date of Securitization:	December 2006
Type of Underlying Assets:	Commercial real estate-secured loan (real estate non-recourse loan)
Aggregate Sum of Underlying Assets:	¥20,000 million (at the time of securitization), ¥17,221 million (as of Mar. 31, 2007)
Type of Transaction:	Asset transfer-type securitization transaction
Rating Agency:	Moody's Investors Service, Inc.
Initial Issue Amount:	Class A ¥ 11,900 million (Aaa), Class B ¥ 5,000 million (Aa2) Class C ¥ 2,600 million (A2), Class D ¥ 500 million (A3)
Date of Redemption:	October 2013

We hold part of the exposures related to this securitization transaction, and quantitative data in (2)-(9) below include data related to this securitization transaction.

(2) Amounts of Securitization Exposures Held and Breakdown of Underlying Assets by Type

	Millions of Yen			
	Mar. 31, 2007			
	Exposure Amounts	Aggregate Sum of Underlying Assets		
		Asset Transfer-Type Securitization	Synthetic Securitization	
Housing Loans	¥ —	¥ —	¥ —	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	10,201	29,041	29,041	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 10,201	¥ 29,041	¥ 29,041	¥ —

(3) Cumulative Total for Fiscal Year 2006 of Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for Fiscal Year 2006, and their Breakdowns by Type of Underlying Assets.

Not applicable

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Mar. 31, 2007	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 10,201	¥ 811
20% or less	1,335	22
over 20% and 100% or less	—	—
over 100% and less than 1250%	8,866	788
Capital Deduction	—	—
Risk-Weight Category (Standardized Approach)	—	—
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1250%	—	—
Capital Deduction	—	—
Total	¥ 10,201	¥ 810

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Underlying Assets

Not applicable

(6) Amounts of Securitization Exposures by Type of Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

Not applicable

(7) Items by Type of Underlying Assets of Securitization Exposures with Early Redemption Clauses

Not applicable

(8) Amounts of Gains/Losses on Sale in Association with Securitization Transactions Recognized during Fiscal Year 2006 and Breakdown by Type of Principal Underlying Assets

Not applicable

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

Securitization Exposures (Investor)

Non-consolidated

(1) Amounts of Securitization Exposures Held and Breakdown by Type of Principal Underlying Assets

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
	Exposure	Exposure
Housing Loans	¥ 627,680	¥ 609,005
Credit Card Loans, Consumer Loans	239,660	276,624
Auto Loans, Other Loans to Individuals	38,239	44,884
Commercial Real Estate-Secured Loans	101,556	109,384
Loans and Bonds to Corporates	561,312	522,215
Claims on Lease Payments	122,144	162,801
Accounts Receivable, Other Claims on Corporates	5,990	6,205
Total	¥ 1,696,585	¥ 1,731,122

(2) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen			
	Sep. 30, 2007		Mar. 31, 2007	
	Balance	Required Capital	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 791,004	¥ 54,129	¥ 800,608	¥ 43,468
20% or less	639,574	5,243	646,245	5,413
over 20% and 100% or less	90,609	4,030	109,700	5,924
over 100% and less than 1250%	28,202	12,238	24,230	11,698
Capital Deduction	32,617	32,617	20,431	20,431
Risk-Weight Category (Standardized Approach)	905,580	24,519	930,514	26,149
20% or less	708,407	11,334	714,400	11,430
over 20% and 100% or less	197,173	13,185	216,114	14,719
over 100% and less than 1250%	—	—	—	—
Capital Deduction	—	—	—	—
Total	¥ 1,696,585	¥ 78,649	¥ 1,731,122	¥ 69,618

(3) Amount of Securitization Exposures by Type of Main Underlying Assets Deducted from Capital under Provisions of the Notification on Capital Adequacy Ratio, Article 247

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Housing Loans	¥ —	¥ —
Credit Card Loans, Consumer Loans	—	—
Auto Loans, Other Loans to Individuals	—	—
Commercial Real Estate-Secured Loans	—	—
Loans and Bonds to Corporates	32,617	20,431
Claims on Lease Payments	—	—
Accounts Receivable, Other Claims on Corporates	—	—
Total	¥ 32,617	¥ 20,431

(4) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

(1) End of Period Value at Risk (VaR) and Maximum, Minimum and Mean VaR for the Period

• Market Risk in the First Half of FY2007

	Banking Account	Trading Account
As of Sep. 30, 2007	¥ 97.1 billion	¥ 0.5 billion
Maximum	100.4 billion	1.3 billion
Minimum	80.0 billion	0.3 billion
Mean	87.8 billion	0.6 billion

(For the October, 2006 - September, 2007 Period)

• Market Risk in FY2006

	Banking Account	Trading Account
As of Mar. 31, 2007	¥ 80.0 billion	¥ 0.4 billion
Maximum	109.5 billion	1.6 billion
Minimum	73.4 billion	0.3 billion
Mean	92.9 billion	1.1 billion

(For the April, 2006 - March, 2007 Period)

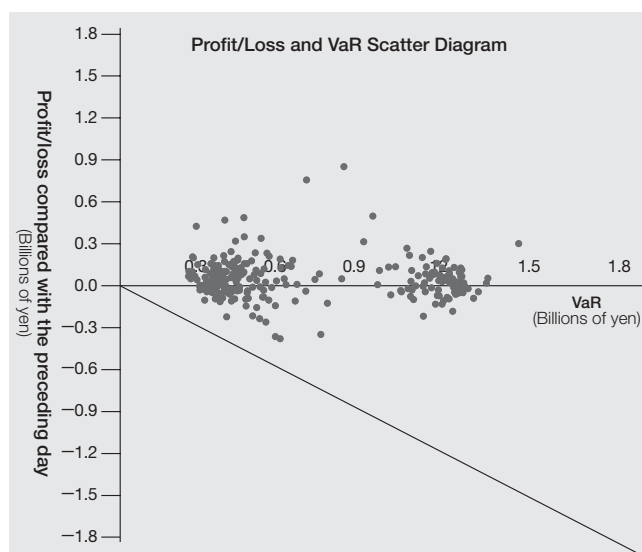
VaR Measurement Standards

Banking Account	Confidence Interval: One-tailed 99%	Time Horizon: 21 business days	Observation Period: One Year
Trading Account	Confidence Interval: One-tailed 99%	Time Horizon: 1 business day	Observation Period: One Year

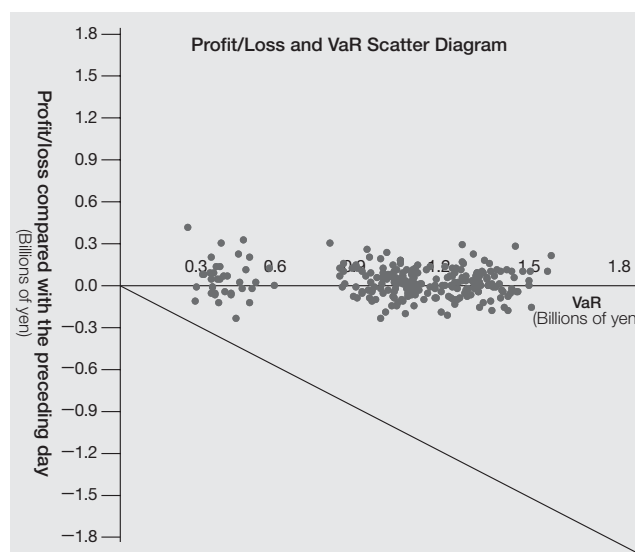
(2) Results of Back Testing and Reasons for Large Deviations between Actual Losses and VaR

• Back Testing of the Trading Account

First Half of FY 2007



FY 2006



* As noted above, for the first half of fiscal year 2007 back testing of the trading account shows no instances of losses in excess of VaR

Capital Subscriptions or Equity Exposures in the Banking Account

Non-consolidated

	Millions of Yen							
	Sep. 30, 2007				Mar. 31, 2007			
	Book Value		Market Value		Book Value		Market Value	
Book and Market Values (Note 1)								
Listed Equity Exposures	¥ 914,172		¥ 914,172		¥ 988,215		¥ 988,215	
Exposures not Listed in the "Listed Equity Exposures" Category and Other Equity Exposures (Note 2)	74,171		74,171		82,843		82,843	
Amounts of Gains/Losses on Sale and Write-Offs of Capital Subscriptions or Equity Exposures (Note 1 and 3)	Gains/Losses	Gains	Losses	Write-Offs	Gains/Losses	Gains	Losses	Write-Offs
	4,614	7,554	811	2,129	5,088	12,564	2,931	4,544
Amounts of Unrealized Gains/Losses Recognized in the Balance Sheet and not Recognized in the Income Statement	420,740				506,509			
Amounts of Unrealized Gains/Losses not Reported in the Balance Sheet and Income Statement	Not applicable				Not applicable			

Notes: 1. Figures for Other Securities include only domestic and overseas stocks. Figures for Mar. 31, 2007 however include only domestic stocks.

2. Overseas stocks listed on the Consolidated Balance Sheet totaled ¥4,044 million as of Mar. 31, 2007.

3. Income statement figures for gains/losses on stock holdings and related write-offs.

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Amounts by Portfolio Category	¥ 979,832	¥ 1,355,968
Outstanding Shares Held	831,276	1,184,958
Portfolios Adopting the Market-Based Approach	42,916	42,133
Portfolios Adopting the PD/LGD Approach	105,639	128,876

Notes: 1. Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

2. As of Mar. 31, 2007 share holdings in affiliates of ¥278,682 million was included in total share holdings but from Sep. 30, 2007 this information is no longer being included in the category.

Amounts Held in Funds

Non-consolidated

	Millions of Yen	
	Sep. 30, 2007	Mar. 31, 2007
Aggregate Sum of Exposures Held in Funds	¥ 422,272	¥ 503,841
Look-through Formula	242,947	242,418
Simple Majority Formula	60,115	66,780
Investment Criteria Formula	23,138	103,825
Internal Models Approach	—	—
Items with a High Probability of Being Given a Risk Weight Under 400%	88,756	78,152
Others	7,314	12,665

* Exposures subject to the calculation of credit risk-weighted assets are shown.

Interest Rate Risk in the Banking Account

Non-consolidated

Gains/Losses and Changes in Economic Value due to Interest Rate Shocks Under the Internal Control System Used by the Parent Company

• Outlier Ratio

	Sep. 30, 2007	(for reference) Mar. 31, 2007
Overall Amount of Interest Rate Risk	¥ 177.1 billion	¥ 108.4 billion
Outlier Ratio	8.9%	5.5%

Notes: 1. Our interest rate fluctuation scenario assumes an interest rate shock consisting of the 1st and 99th percentile of the fluctuation range measured for a one year time horizon and a minimum observation period of five years.

2. Our risk measurement method uses the interest rate sensitivity approach. Core deposits are defined as the lowest of the following three items, as an upper limit, for the five-year maturity (an average term of 2.5 years): 1) the lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

* Various figures related to Basel II were calculated from the period starting end of March 2007 and as such only data for periods after that date is being presented.

STB Basic Information

Corporate Data

as of September 30, 2007

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Chiyoda-ku, Tokyo 100-6611, Japan
Telephone: 81-3-3286-1111

* New address for 2008 onward

Date of Establishments

July 1925

Paid-in Capital

¥287,537 million

Number of Employees

5,681

Independent Public Accountants

KPMG AZSA & Co.

Authorized Stock (Thousands)

Common Stock: 3,000,000

Issued Stock (Thousands)

Common Stock: 1,675,128

Number of Stockholders

Common Stock: 40,524

STB Basic Information

Board of Directors, Executive Officers, and Auditors

as of January 4, 2008

Executive Chairman

Atsushi Takahashi*

Vice Chairman

Takaaki Hatabe*

President and Chief Executive Officer

Hitoshi Tsunekage*

Senior Executive Officer

Masao Shibuya*

Masakiyo Inoue*

Regional Executive, Corporate Business Dept., Osaka

Managing Executive Officer

Akio Otsuka

Kiyoshi Mukohara*

Masaru Suzuki*

Teruhiko Sugita

Hiroaki Okuno*

Tomoaki Ando*

Shuichi Kusakawa*

Rikiya Hattori

Mitsuru Nawata

Hideo Amemiya

General Manager, International Business Planning Dept.

Sumikazu Tsutsui*

General Manager, Group Planning Unit, Global Markets

Tetsuo Ohkubo

General Manager, Corporate Planning Dept.

* Director

Executive Officer

Hidehiko Asai

Regional Executive, Nagoya
General Manager, Nagoya Branch

Takashi Matsui

General Manager, Fukuoka Branch

Kazumitsu Tanaka

General Manager, Kyoto Branch

Fuminari Suzuki

General Manager, Corporate Trust Business Dept. I

Koichi Hozumi

General Manager, Planning and Coordination Dept.

Junichi Sayato

Regional Executive, Americas
General Manager, New York Branch

Yasuyuki Yagi

President and CEO, First Credit Corporation (Subsidiary of Sumitomo Trust)

Kazuyoshi Arakawa

General Manager, Internal Audit Dept.

Takeshi Kataoka

General Manager, Corporate Business Dept. I, Osaka

Shigemasa Shibata

General Manager, Tokyo Corporate Business Dept. IV

Masayuki Imanaka

General Manager, Tokyo Corporate Business Dept. II

Yukihiro Kitano

Ibuki Mori

Director

Jiro Araki*

President, STB Leasing Co., Ltd. (Subsidiary of Sumitomo Trust)

Standing Statutory Auditor

Eiichi Tanabe

Statutory Auditor

Koichi Takamura

Hiroshi Noguchi

Hitoshi Maeda

Koji Hirao

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as of September 30, 2007

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Facsimile: 66-2-256-7799

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STB Basic Information**Subsidiaries and Affiliated Companies**

as of September 30, 2007

JAPAN

The Sumishin Shinko Company Limited
Sumishin Guaranty Company Limited
First Credit Corporation
STB Leasing Co., Ltd.
STB Wealth Partners Co., Limited
Life Housing Loan, Ltd.
Sumishin Business Service Company, Limited
STB Real Estate Investment Management Co., Ltd.
STB Business Partners Co., Ltd.
Japan TA Solution, Ltd.
Sumishin Matsushita Financial Services Co., Ltd.
Sumishin Life Card Company, Limited
Sumishin Card Company, Limited
STB Investment Corporation
Sumishin Information Service Company Limited
STB Asset Management Co., Ltd.
STB Research Institute Co., Ltd.
Sumishin Realty Company, Limited
SBI Sumishin Net Bank, Ltd.

Japan Pension Operation Service, Ltd.
BUSINEXT CORPORATION
Human Resource Management Service & Consulting Co., Ltd.
Top REIT Asset Management Co., Ltd.
Japan Trustee Services Bank, Ltd.
Japan Trustee Information Systems, Ltd.

OVERSEAS

The Sumitomo Trust Finance (H.K.) Limited
Sumitomo Trust and Banking (Luxembourg) S.A.
Sumitomo Trust and Banking Co. (U.S.A.)
STB Consulting (China) Co., Ltd.
STB Omega Investment Limited
STB Finance Cayman Limited
STB Preferred Capital (Cayman) Limited
STB Preferred Capital 2 (Cayman) Limited
STB Preferred Capital 3 (Cayman) Limited
Fresco Asset Funding Corporation



For further information, please contact:

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