Toward a Sounder Financial Position

The pursuit of a sounder financial position is ranked as one of the Bank's key priorities.
Therefore, we are strengthening our capital adequacy and reducing non-performing loans (NPL).

NPL Ratio increases by 0.39 percentage points to 3.20%

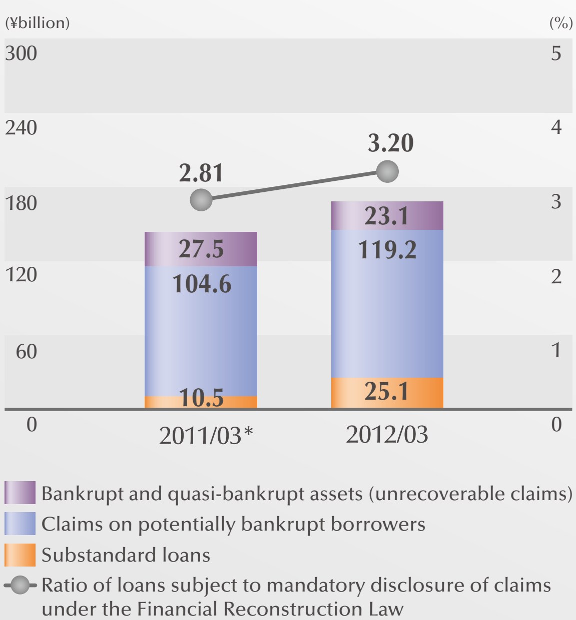
The Bank carries out write-offs and provision of reserves for its NPLs according to strict standards, based on self-assessment of assets. As of March 31, 2012, the Bank's NPL balance (subject to mandatory disclosure of claims under the Financial Reconstruction Law, non-consolidated basis) increased by ¥24.7 billion year on year, to ¥167.5 billion. As a result, the NPL ratio increased to 3.20%, up 0.39 percentage points year on year compared with 2.81% for previous fiscal year-end. The coverage ratio for loans subject to mandatory disclosure of claims under the Financial Reconstruction Law is 84.77% through collateral, guarantees, and the reserve for possible loan losses. Coverage ratio for bankrupt and quasi-bankrupt assets is 100%.

Capital Ratio (consolidated) is 10.67%

The capital ratio as of March 31, 2012 stood at 10.45% (an increase of 0.13 of a percentage point year on year) on a nonconsolidated basis and 10.67% (an increase of 0.06 of a percentage point year on year) on a consolidated basis. These figures are significantly higher than the minimum level of 4% required for banks operating in Japan.

The core Tier I ratio stood at 7.77% on a non-consolidated basis and 7.81% on a consolidated basis, with both figures exceeding the levels of the previous fiscal year. We will be implementing measures to further strengthen our capital adequacy and raise the capital ratio.

Balance of NPLs and ratio of loans subject to mandatory disclosure of claims under the Financial Reconstruction Law



*Included in figures for 2011/03 are figures for a split-off subsidiary liquidated in the first quarter of 2012/03.

Capital ratio