

MIZUHO FINANCIAL GROUP INC

Form 6-K

July 30, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of July 2013

Commission File Number 001-33098

Mizuho Financial Group, Inc.

(Translation of registrant's name into English)

5-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-8333

Japan

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

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If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____ .

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 30, 2013

Mizuho Financial Group, Inc.

By: /s/ Hideyuki Takahashi

Name: Hideyuki Takahashi

Title: Deputy President / Group CFO

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The following is an English translation of excerpt regarding Basel capital adequacy disclosure and relevant information released in our Japanese language disclosure material published in July 2013. The capital adequacy disclosure and other financial information included herein are based on Japanese GAAP pursuant to Japanese regulatory requirements.

In this report, we, us, and our refer to Mizuho Financial Group, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries. Mizuho Financial Group refers to Mizuho Financial Group, Inc.

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Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. merged as of July 1, 2013 with Mizuho Corporate Bank being the surviving entity, which changed the trade name to Mizuho Bank, Ltd. The information disclosed herein is that of the fiscal year ended March 31, 2013, and unless the context indicates otherwise, Mizuho Bank and Mizuho Corporate Bank refer to the entities before the merger.

Table of Contents**Capital adequacy ratio highlights**

The Basel Framework, based on the International Convergence of Capital Measurement and Capital Standards: A Revised Framework issued by the Basel Committee on Banking Supervision, requires the disclosure of capital adequacy information to ensure the enhanced effectiveness of market discipline. Our disclosure is made under the Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Capital Adequacy Conditions, etc. pursuant to Article 19-2, Paragraph 1, Item 5, Subitem (d), etc. of the Ordinance for Enforcement of the Banking Law (Ministry of Finance Ordinance No. 10 of 1982) (the FSA Notice No. 15 of 2007).

We have adopted (a) the advanced internal ratings-based approach as a method to calculate the amount of credit risk weighted assets and (b) the advanced measurement approach as a method to calculate the amount equivalent to the operational risk.

Mizuho Financial Group, Mizuho Corporate Bank and Mizuho Trust & Banking calculate their capital adequacy ratios based on the revised FSA Notices (Standards for Determining the Status of Capital Adequacy for banks, in accordance with Banking Law Article 14-2 (the FSA Notice No. 19 of 2006), as amended, and Standards for Determining the Status of Capital Adequacy for bank holding companies, in accordance with Banking Law Article 52-25 (the FSA Notice No. 20 of 2006), as amended (the FSA Notice No. 20) from the fiscal year ended March 31, 2013.

The tables for the fiscal year ended March 31, 2012 and 2013, set forth under the heading Status of Capital Adequacy, are calculated based on the Basel II and Basel III Framework, respectively.

n Capital adequacy ratio highlights**Mizuho Financial Group (Consolidated)**

| | (Billions of yen) As of March 31, 2012 (Basel II) |
|-----------------------------------------------------------|---------------------------------------------------------|
| Consolidated capital adequacy ratio (BIS standard) | 15.50% |
| Tier 1 capital ratio | 12.76% |
| Tier 1 capital | 6,398.9 |
| Tier 2 capital | 1,745.1 |
| Deductions for total risk-based capital | 368.9 |
| Total risk-based capital | 7,775.0 |
| Risk weighted assets | 50,144.9 |

| | (Billions of yen) As of March 31, 2013 (Basel III) |
|-----------------------------------------------------|-------------------------------------------------------------|
| Total capital ratio (International standard) | 14.18% |
| Tier 1 capital ratio | 11.02% |
| Common equity Tier 1 capital ratio | 8.16% |
| Total capital | 8,344.5 |
| Tier 1 capital | 6,487.4 |
| Common equity Tier 1 capital | 4,803.8 |
| Risk weighted assets | 58,823.5 |

(Reference)**Mizuho Corporate Bank (Consolidated)**

| | (Billions of yen) As of March 31, 2012 (Basel II) |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------|
| Consolidated capital adequacy ratio (BIS standard) | 17.83% |
| Tier 1 capital ratio | 15.87% |
| Tier 1 capital | 4,430.8 |
| Tier 2 capital | 682.8 |
| Deductions for total risk-based capital | 137.2 |
| Total risk-based capital | 4,976.4 |
| Risk weighted assets | 27,910.1 |

| | (Billions of yen) As of March 31, 2013 (Basel III) |
|-----------------------------------------------------|----------------------------------------------------------|
| Total capital ratio (International standard) | 13.89% |
| Tier 1 capital ratio | 11.03% |
| Common equity Tier 1 capital ratio | 8.65% |
| Total capital | 5,130.0 |
| Tier 1 capital | 4,071.3 |
| Common equity Tier 1 capital | 3,195.0 |
| Risk weighted assets | 36,908.3 |

Mizuho Corporate Bank (Non-consolidated)

| | (Billions of yen) As of March 31, 2012 (Basel II) |
|---------------------------------------------------------------|---------------------------------------------------------|
| Non-consolidated capital adequacy ratio (BIS standard) | 20.19% |
| Tier 1 capital ratio | 16.34% |
| Tier 1 capital | 4,135.2 |
| Tier 2 capital | 1,013.5 |
| Deductions for total risk-based capital | 41.3 |
| Total risk-based capital | 5,107.4 |
| Risk weighted assets | 25,296.0 |

| | (Billions of yen) As of March 31, 2013 (Basel III) |
|-----------------------------------------------------|----------------------------------------------------------|
| Total capital ratio (International standard) | 15.33% |
| Tier 1 capital ratio | 12.18% |
| Common equity Tier 1 capital ratio | 9.16% |
| Total capital | 5,007.7 |
| Tier 1 capital | 3,979.9 |
| Common equity Tier 1 capital | 2,993.0 |
| Risk weighted assets | 32,663.9 |

Table of Contents**Mizuho Bank (Consolidated)**

| | (Billions of yen) As of March 31, 2012 (Basel II) |
|----------------------------------------------------------------|---------------------------------------------------------|
| Consolidated capital adequacy ratio (Domestic standard) | 15.52% |
| Tier 1 capital ratio | 11.39% |
| Tier 1 capital | 2,428.1 |
| Tier 2 capital | 977.6 |
| Deductions for total risk-based capital | 98.9 |
| Total risk-based capital | 3,306.8 |
| Risk weighted assets | 21,299.9 |

| | (Billions of yen) As of March 31, 2013 (Basel II) |
|----------------------------------------------------------------|------------------------------------------------------------|
| Consolidated capital adequacy ratio (Domestic standard) | 15.04% |
| Tier 1 capital ratio | 11.66% |
| Tier 1 capital | 2,381.8 |
| Tier 2 capital | 920.8 |
| Deductions for total risk-based capital | 231.5 |
| Total risk-based capital | 3,071.2 |
| Risk weighted assets | 20,412.3 |

Mizuho Bank (Non-Consolidated)

| | (Billions of yen) As of March 31, 2012 (Basel II) |
|--------------------------------------------------------------------|------------------------------------------------------------|
| Non-consolidated capital adequacy ratio (Domestic standard) | 15.62% |
| Tier 1 capital ratio | 11.51% |
| Tier 1 capital | 2,379.6 |
| Tier 2 capital | 978.7 |
| Deductions for total risk-based capital | 131.0 |
| Total risk-based capital | 3,227.2 |
| Risk weighted assets | 20,656.9 |

| | (Billions of yen) As of March 31, 2013 (Basel II) |
|--------------------------------------------------------------------|------------------------------------------------------------|
| Non-consolidated capital adequacy ratio (Domestic standard) | 15.46% |
| Tier 1 capital ratio | 11.49% |

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| | |
|-----------------------------------------|-----------------|
| Tier 1 capital | 2,294.1 |
| Tier 2 capital | 920.1 |
| Deductions for total risk-based capital | 126.9 |
| Total risk-based capital | 3,087.3 |
| Risk weighted assets | 19,959.0 |

Mizuho Trust & Banking (Consolidated)

(Billions of yen)
As of March 31,
2012
(Basel II)

| | |
|-----------------------------------------------------------|----------------|
| Consolidated capital adequacy ratio (BIS standard) | 18.26% |
| Tier 1 capital ratio | 14.02% |
| Tier 1 capital | 334.5 |
| Tier 2 capital | 103.5 |
| Deductions for total risk-based capital | 2.4 |
| Total risk-based capital | 435.7 |
| Risk weighted assets | 2,386.0 |

| | (Billions of yen) As of March 31, 2013 (Basel III) |
|-----------------------------------------------------|-------------------------------------------------------------|
| Total capital ratio (International standard) | 17.22% |
| Tier 1 capital ratio | 13.24% |
| Common equity Tier 1 capital ratio | 13.24% |
| Total capital | 447.5 |
| Tier 1 capital | 344.2 |
| Common equity Tier 1 capital | 344.2 |
| Risk weighted assets | 2,598.0 |

Mizuho Trust & Banking (Non-consolidated)

| | (Billions of yen) As of March 31, 2012 (Basel II) |
|---------------------------------------------------------------|------------------------------------------------------------|
| Non-consolidated capital adequacy ratio (BIS standard) | 18.42% |
| Tier 1 capital ratio | 14.13% |
| Tier 1 capital | 332.4 |
| Tier 2 capital | 103.1 |
| Deductions for total risk-based capital | 2.3 |
| Total risk-based capital | 433.1 |
| Risk weighted assets | 2,351.6 |

| | (Billions of yen) As of March 31, 2013 (Basel III) |
|-----------------------------------------------------|-------------------------------------------------------------|
| Total capital ratio (International standard) | 17.44% |
| Tier 1 capital ratio | 13.46% |
| Common equity Tier 1 capital ratio | 13.46% |
| Total capital | 446.3 |
| Tier 1 capital | 344.5 |
| Common equity Tier 1 capital | 344.5 |
| Risk weighted assets | 2,559.4 |

(Reference) Mizuho Bank (Consolidated)

As of March 31, 2013
(Basel III)

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| | |
|-----------------------------------------------------|-----------------|
| Total capital ratio (International standard) | 14.08% |
| Tier 1 capital ratio | 10.13% |
| Common equity Tier 1 capital ratio | 8.90% |
| Total capital | 3,258.6 |
| Tier 1 capital | 2,343.8 |
| Common equity Tier 1 capital | 2,060.5 |
| Risk weighted assets | 23,128.6 |

(Reference) Mizuho Bank (Non-Consolidated)

| | As of March 31, 2013 (Basel III) |
|-----------------------------------------------------|----------------------------------------|
| Total capital ratio (International standard) | 13.95% |
| Tier 1 capital ratio | 9.93% |
| Common equity Tier 1 capital ratio | 8.86% |
| Total capital | 3,162.9 |
| Tier 1 capital | 2,251.5 |
| Common equity Tier 1 capital | 2,008.8 |
| Risk weighted assets | 22,668.0 |

Table of Contents**Status of Mizuho Financial Group's consolidated capital adequacy****in Scope of consolidation****(1) Scope of consolidation for calculating consolidated capital adequacy ratio****(A) Difference from the companies included in the scope of consolidation based on consolidation rules for preparation of consolidated financial statements (the scope of accounting consolidation)**

None as of March 31, 2012 and 2013

(B) Number of consolidated subsidiaries

| | As of March 31, 2012 | As of March 31, 2013 |
|----------------------------------|----------------------|----------------------|
| Consolidated subsidiaries | 149 | 145 |

Our major consolidated subsidiaries are Mizuho Corporate Bank, Ltd., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Mizuho Securities Co., Ltd.

The following table sets forth information with respect to our principal consolidated subsidiaries as of March 31, 2013:

| Name | Country of organization | Main business | Proportion of ownership interest (%) | Proportion of voting interest (%) |
|----------------------------------------------|-------------------------|-------------------------------|--------------------------------------|-----------------------------------|
| Domestic | | | | |
| Mizuho Corporate Bank, Ltd. | Japan | Banking | 100.0% | 100.0% |
| Mizuho Bank, Ltd. | Japan | Banking | 100.0 | 100.0 |
| Mizuho Trust & Banking Co., Ltd. | Japan | Trust and banking | 100.0 | 100.0 |
| Mizuho Securities Co., Ltd. | Japan | Securities | 95.8 | 95.8 |
| Trust & Custody Services Bank, Ltd. | Japan | Trust and banking | 54.0 | 54.0 |
| Mizuho Asset Management Co., Ltd. | Japan | Investment management | 98.7 | 98.7 |
| Mizuho Research Institute Ltd. | Japan | Research and consulting | 98.6 | 98.6 |
| Mizuho Information & Research Institute Inc. | Japan | Information technology | 91.5 | 91.5 |
| Mizuho Financial Strategy Co., Ltd. | Japan | Consulting | 100.0 | 100.0 |
| Mizuho Private Wealth Management Co., Ltd. | Japan | Consulting | 100.0 | 100.0 |
| Mizuho Factors, Limited | Japan | Factoring | 100.0 | 100.0 |
| Mizuho Credit Guarantee Co., Ltd. | Japan | Credit guarantee | 100.0 | 100.0 |
| Mizuho Capital Co., Ltd. | Japan | Venture capital | 50.0 | 50.0 |
| Defined Contribution Plan Services Co., Ltd. | Japan | Pension plan-related business | 60.0 | 60.0 |
| Overseas | | | | |
| Mizuho Bank (Switzerland) Ltd | Switzerland | | 100.0 | 100.0 |

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| | | Trust and banking | | |
|------------------------------------------|-------------|------------------------|-------|-------|
| Mizuho Capital Markets Corporation | U.S.A. | Derivatives | 100.0 | 100.0 |
| Mizuho Corporate Bank (China), Ltd. | China | Banking | 100.0 | 100.0 |
| Mizuho Corporate Bank (USA) | U.S.A. | Banking | 100.0 | 100.0 |
| Mizuho Corporate Bank Nederland N.V. | Netherlands | Banking and securities | 100.0 | 100.0 |
| Mizuho International plc | U.K. | Securities and banking | 100.0 | 100.0 |
| Mizuho Securities USA Inc. | U.S.A. | Securities | 100.0 | 100.0 |
| Mizuho Trust & Banking (Luxembourg) S.A. | Luxembourg | Trust and banking | 100.0 | 100.0 |
| Mizuho Trust & Banking Co. (USA) | U.S.A. | Trust and banking | 100.0 | 100.0 |
| PT. Bank Mizuho Indonesia | Indonesia | Banking | 99.0 | 99.0 |

Note:

Mizuho Securities Co., Ltd. and Mizuho Investors Securities Co., Ltd. merged in January, 2013.

(C) Corporations providing financial services for which Article 9 of the FSA Notice No. 20 is applicable

None as of March 31, 2012 and 2013.

(D) Companies that are in the bank holding company's corporate group but not included in the scope of accounting consolidation and companies that are not in the bank holding company's corporate group but included in the scope of accounting consolidation

None as of March 31, 2012 and 2013.

(E) Restrictions on transfer of funds or capital within the bank holding company's corporate group

None as of March 31, 2012 and 2013.

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n Composition of capital

(2) Composition of capital, etc.

(A) Composition of capital disclosure

(As of March 31, 2012 (Basel II))

Summary table of consolidated capital adequacy ratio (BIS standard)

| | | (Billions of yen) As of March 31, 2012 |
|-----------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Tier 1 capital | Common stock and preferred stock | 2,254.9 |
| | Non-cumulative perpetual preferred stock | |
| | Advance payment for new shares | |
| | Capital surplus | 1,109.7 |
| | Retained earnings | 1,405.4 |
| | Less: Treasury stock | 7.0 |
| | Advance payment for treasury stock | |
| | Less: Dividends (estimate), etc | 76.3 |
| | Less: Unrealized losses on other securities | |
| | Foreign currency translation adjustments | (102.8) |
| | Stock acquisition rights | 2.1 |
| | Minority interest in consolidated subsidiaries | 1,941.4 |
| | Preferred securities issued by overseas SPCs | 1,859.6 |
| | Less: Goodwill equivalent | 60.5 |
| | Less: Intangible fixed assets recognized as a result of a merger | 38.3 |
| | Less: Capital increase due to securitization transactions | 4.5 |
| | Less: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach | 25.0 |
| | Total of Tier 1 capital before deduction of deferred tax assets (total of the above items) | 6,398.9 |
| | Deduction for deferred tax assets | |
| | Total | (A) 6,398.9 |
| | Preferred securities with a step-up interest rate provision | (B) 524.0 |
| | Ratio to Tier 1 = (B) / (A) X 100 | 8.18% |
| Tier 2 capital | 45% of unrealized gains on other securities | 45.1 |
| | 45% of revaluation reserve for land | 102.5 |
| | General reserve for possible losses on loans | 4.2 |
| | Excess of eligible reserves relative to expected losses by banks adopting internal ratings-based approach | |
| | Debt capital, etc. | 1,593.2 |

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| | | | |
|-----------------------------------------------------------------------------|--------------------------------------------------------|-----|---------------|
| | Perpetual subordinated debt and other debt capital | | 262.6 |
| | Dated subordinated debt and redeemable preferred stock | | 1,330.6 |
| | Total | | 1,745.1 |
| | Tier 2 capital included as qualifying capital | (C) | 1,745.1 |
| Tier 3 capital | Short-term subordinated debt | | |
| | Tier 3 capital included as qualifying capital | (D) | |
| Deductions for total | | | |
| risk-based capital | Deductions for total risk-based capital | (E) | 368.9 |
| Total risk-based capital | (A) + (C) + (D) (E) | (F) | 7,775.0 |
| Risk weighted assets | Credit risk-weighted assets | (G) | 45,144.4 |
| | On-balance-sheet items | | 37,640.5 |
| | Off-balance-sheet items | | 7,503.9 |
| | Market risk equivalent assets [(I)/8%] | (H) | 2,083.3 |
| | (Reference) Market risk equivalent | (I) | 166.6 |
| | Operational risk equivalent assets [(K)/8%] | (J) | 2,917.1 |
| | (Reference) Operational risk equivalent | (K) | 233.3 |
| | Adjusted amount for credit risk-weighted assets | (L) | |
| | Adjusted amount for operational risk equivalent | (M) | |
| | Total [(G) + (H) + (J) + (L) +(M)] | (N) | 50,144.9 |
| Consolidated capital adequacy ratio (BIS standard) = (F) / (N) X 100 | | | 15.50% |
| Tier 1 capital ratio = (A) / (N) X 100 | | | 12.76% |

Notes:

1. The above figures are calculated based on the BIS standard applied on a consolidated basis under the FSA Notice No. 20. For the figures, we did not apply the exception to the FSA Notice No. 20 (the FSA Notice No. 79 of 2008).
2. As it is not possible to break down Mizuho Financial Group's common stock and preferred stock according to classes of stock, non-cumulative perpetual preferred stock is not stated separately from capital.
3. In calculating the consolidated capital adequacy ratio, we underwent an examination following the procedures agreed with Ernst & Young ShinNihon LLC, on the basis of Treatment in implementing examination by agreed-upon procedures for calculating capital adequacy ratio (Industry Committee Practical Guideline No. 30 of the Japanese Institute of Certified Public Accountants). Note that this is not a part of the accounting audit performed on our consolidated financial statements. This consists of an examination under agreed-upon procedures performed by Ernst & Young ShinNihon LLC on a portion of the internal control structure concerning the calculation of the capital adequacy ratio and a report of the results to us. As such, they do not represent an opinion regarding the capital adequacy ratio itself nor the internal controls related to the calculation of the capital adequacy ratio.
4. The amount of net deferred tax assets was ¥340.7 billion and the maximum amounts of deferred tax assets that can be recorded without diminishing the amount of Tier 1 capital for the purpose of calculating capital adequacy ratio was ¥1,279.7 billion.

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5. The adjusted amount for credit risk-weighted assets is the amount obtained by multiplying (i) 12.5 by (ii) the excess, if any, of the required capital under the foundation internal ratings-based approach multiplied by the rate prescribed in the FSA Notice No. 20 over the required capital under the advanced internal ratings-based approach; and the adjusted amount for operational risk equivalent is the amount obtained by multiplying (i) 12.5 by (ii) the excess, if any, of the required capital under the basic indicator approach multiplied by the rate prescribed in the FSA Notice No. 20 over the required capital under the advanced measurement approach.

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(As of March 31, 2013 (Basel III))

Composition of capital disclosure (International standard)

| | (Millions of yen) | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------------------------|-----------------------|
| | As of March 31, 2013 | | |
| | | Amounts excluded under transitional arrangements | Basel III template |
| Common equity Tier 1 capital: instruments and reserves | (1) | | |
| Directly issued qualifying common share capital plus related stock surplus and retained earnings | | 4,720,405 | / 1a+2-1c-26 |
| of which: capital and stock surplus | | 2,987,127 | / 1a |
| of which: retained earnings | | 1,814,331 | / 2 |
| of which: treasury stock | (-) | 4,661 | / 1c |
| of which: national specific regulatory adjustments (earnings to be distributed) | (-) | 76,392 | / 26 |
| of which: other than above | | | / |
| Subscription rights to common shares | | 2,687 | / 1b |
| Accumulated other comprehensive income and other disclosed reserves | | 752,533 | / 3 |
| Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | | 11,042 | / 5 |
| Total of items included in common equity Tier 1 capital: instruments and reserves subject to phase-out arrangements | | 69,685 | / |
| of which: amount allowed in group CET1 capital subject to phase-out arrangements on common share capital issued by subsidiaries and held by third parties | | 69,685 | / |
| Common equity Tier 1 capital: instruments and reserves | (A) | 4,803,820 | / 6 |
| Common equity Tier 1 capital: regulatory adjustments | (2) | | |
| Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights) | | 399,235 | / 8+9 |
| of which: goodwill (net of related tax liability, including those equivalent) | | 128,902 | / 8 |
| of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability) | | 270,332 | / 9 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | | 21,662 | / 10 |
| Deferred gains or losses on derivatives under hedge accounting | | 84,634 | / 11 |
| Shortfall of eligible provisions to expected losses | | 31,327 | / 12 |
| Securitization gain on sale | | 3,837 | / 13 |
| Gains and losses due to changes in own credit risk on fair valued liabilities | | | / 14 |
| Defined-benefit pension fund net assets (prepaid pension costs) | | 270,563 | / 15 |
| Investments in own shares (excluding those reported in the net assets section) | | 2,589 | / 16 |
| Reciprocal cross-holdings in common equity | | | / 17 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold) | | 248,376 | / 18 |
| Amount exceeding the 10% threshold on specified items | | | / 19+20+21 |
| of which: significant investments in the common stock of financials | | | / 19 |
| of which: mortgage servicing rights | | | / 20 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | | | / 21 |
| Amount exceeding the 15% threshold on specified items | | | / 22 |
| of which: significant investments in the common stock of financials | | | / 23 |
| of which: mortgage servicing rights | | | / 24 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | | | / 25 |

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| | | | |
|-----------------------------------------------------------------------------------------------------------------------------|-----|---|----|
| Regulatory adjustments applied to common equity Tier 1 due to insufficient additional Tier 1 and Tier 2 to cover deductions | | / | 27 |
| Common equity Tier 1 capital: regulatory adjustments | (B) | / | 28 |

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| | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|-----------|
| Common equity Tier 1 capital (CET1) | | | |
| Common equity Tier 1 capital (CET1) ((A)-(B)) | (C) | 4,803,820 | / 29 |
| Additional Tier 1 capital: instruments | (3) | | |
| Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown | | | / 31a 30 |
| Subscription rights to additional Tier 1 instruments | | | / 31b 30 |
| Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards | | | / 32 30 |
| Qualifying additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities | | | / 30 |
| Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1) | | 12,037 | / 34-35 |
| Eligible Tier 1 capital instruments subject to phase-out arrangements included in additional Tier 1 capital: instruments | | 1,874,825 | / 33+35 |
| of which: directly issued capital instruments subject to phase out from additional Tier 1 | | 1,874,825 | / 33 |
| of which: instruments issued by subsidiaries subject to phase out | | | / 35 |
| Total of items included in additional Tier 1 capital: instruments subject to phase-out arrangements | | (90,329) | / |
| of which: foreign currency translation adjustments | | (90,329) | / |
| Additional Tier 1 capital: instruments | (D) | 1,796,533 | / 36 |
| Additional Tier 1 capital: regulatory adjustments | | | |
| Investments in own additional Tier 1 instruments | | | 37 |
| Reciprocal cross-holdings in additional Tier 1 instruments | | | 38 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | | | 3,352 39 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | | | 77,938 40 |
| Total of items included in additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements | | 112,904 | / |
| of which: goodwill equivalent | | 57,686 | / |
| of which: intangible fixed assets recognized as a result of a merger | | 34,953 | / |
| of which: capital increase due to securitization transactions | | 3,837 | / |
| of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach | | 16,428 | / |
| Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions | | | / 42 |
| Additional Tier 1 capital: regulatory adjustments | (E) | 112,904 | / 43 |
| Additional Tier 1 capital (AT1) | | | |
| Additional Tier 1 capital ((D)-(E)) | (F) | 1,683,628 | / 44 |
| Tier 1 capital (T1 = CET1 + AT1) | | | |
| Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) | (G) | 6,487,449 | / 45 |

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| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------|-------|
| Tier 2 capital: instruments and provisions | (4) | | |
| Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown | | / | 46 |
| Subscription rights to Tier 2 instruments | | / | 46 |
| Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards | | / | 46 |
| Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities | | / | 46 |
| Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | 3,902 | / | 48-49 |
| Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions | 1,518,354 | / | 47+49 |
| of which: directly issued capital instruments subject to phase out from Tier 2 | 153,207 | / | 47 |
| of which: instruments issued by subsidiaries subject to phase out | 1,365,147 | / | 49 |
| Total of general allowance for loan losses and eligible provisions included in Tier 2 | 5,080 | / | 50 |
| of which: general allowance for loan losses | 5,080 | / | 50a |
| of which: eligible provisions | | / | 50b |
| Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements | 503,197 | / | |
| of which: 45% of unrealized gains on other securities | 402,252 | / | |
| of which: 45% of revaluation reserve for land | 100,945 | / | |
| Tier 2 capital: instruments and provisions | (H) 2,030,535 | / | 51 |
| Tier 2 capital: regulatory adjustments | | | |
| Investments in own Tier 2 instruments | | | 52 |
| Reciprocal cross-holdings in Tier 2 instruments | | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | | 224,779 | 54 |
| Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | | | 55 |
| Total of items included in Tier 2 capital: regulatory adjustments subject to phase-out arrangements | 173,475 | / | |
| of which: investments in the capital banking, financial and insurance entities | 157,047 | / | |
| of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach | 16,428 | / | |
| Tier 2 capital: regulatory adjustments | (I) 173,475 | / | 57 |
| Tier 2 capital (T2) | | | |
| Tier 2 capital (T2) ((H)-(I)) | (J) 1,857,060 | / | 58 |
| Total capital (TC = T1 + T2) | | | |
| Total capital (TC = T1 + T2) ((G) + (J)) | (K) 8,344,509 | / | 59 |

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| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|---|----|
| Risk weighted assets | (5) | | | |
| Total of items included in risk weighted assets subject to phase-out arrangements | | 1,190,628 | / | |
| of which: intangible assets (net of related tax liability, excluding those relating to mortgage service rights) | | 235,379 | / | |
| of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | | 21,662 | / | |
| of which: defined-benefit pension fund net assets (prepaid pension costs) | | 270,563 | / | |
| of which: investments in the capital banking, financial and insurance entities | | 663,022 | / | |
| Risk weighted assets | (L) | 58,823,585 | / | 60 |
| Capital ratio (consolidated) | | | | |
| Common equity Tier 1 capital ratio (consolidated) ((C)/(L)) | | 8.16% | / | 61 |
| Tier 1 capital ratio (consolidated) ((G)/(L)) | | 11.02% | / | 62 |
| Total capital ratio (consolidated) ((K)/(L)) | | 14.18% | / | 63 |
| Regulatory adjustments | (6) | | | |
| Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting) | | 467,127 | / | 72 |
| Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting) | | 152,796 | / | 73 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | | | / | 74 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | | 323,447 | / | 75 |
| Provisions included in Tier 2 capital: instruments and provisions | (7) | | | |
| Provisions (general allowance for loan losses) | | 5,080 | / | 76 |
| Cap on inclusion of provisions (general allowance for loan losses) | | 48,948 | / | 77 |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as nil) | | | / | 78 |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | | 277,776 | / | 79 |
| Capital instruments subject to phase-out arrangements | (8) | | | |
| Current cap on AT1 instruments subject to phase-out arrangements | | 1,874,825 | / | 82 |
| Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil) | | 208,313 | / | 83 |
| Current cap on T2 instruments subject to phase-out arrangements | | 1,518,354 | / | 84 |
| Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil) | | 168,706 | / | 85 |

Notes:

- The above figures are calculated based on International standard applied on a consolidated basis under the FSA Notice No. 20.
- In calculating the consolidated capital adequacy ratio, we underwent an examination following the procedures agreed with Ernst & Young ShinNihon LLC, on the basis of Treatment in implementing examination by agreed-upon procedures for calculating capital adequacy ratio (Industry Committee Practical Guideline No. 30 of the Japanese Institute of Certified Public Accountants). Note that this is not a part of the accounting audit performed on our consolidated financial statements. This consists of an examination under agreed-upon procedures performed by Ernst & Young ShinNihon LLC on a portion of the internal control structure concerning the calculation of the capital adequacy ratio and a report of the results to us. As such, they do not represent an opinion regarding the capital adequacy ratio itself nor the internal controls related to the calculation of the capital adequacy ratio.

Table of Contents**(B) Explanation of (A) Composition of capital disclosure (As of March 31, 2013)****Reconciliation between Consolidated balance sheet and items of consolidated balance sheet and Composition of capital disclosure**

| Items | (Millions of yen) Consolidated balance sheet as in published financial statements Amount | Cross- reference to Appended template | Reference # of Basel III template under the Composition of capital disclosure |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------|
| (Assets) | | | |
| Cash and due from banks | 12,333,997 | | |
| Call loans and bills purchased | 530,541 | | |
| Receivables under resale agreements | 9,025,049 | | |
| Guarantee deposits paid under securities borrowing transactions | 5,543,914 | | |
| Other debt purchased | 1,279,964 | | |
| Trading assets | 14,076,928 | 6-a | |
| Money held in trust | 96,014 | | |
| Securities | 53,472,399 | 2-b, 6-b | |
| Loans and bills discounted | 67,536,882 | 6-c | |
| Foreign exchange assets | 1,412,601 | | |
| Derivatives other than for trading assets | 4,475,055 | 6-d | |
| Other assets | 2,599,553 | 3, 6-e | |
| Tangible fixed assets | 901,085 | | |
| Intangible fixed assets | 477,546 | 2-a | |
| Deferred tax assets | 165,299 | 4-a | |
| Customers' liabilities for acceptances and guarantees | 4,224,259 | | |
| Reserves for possible losses on loans | (739,990) | | |
| Reserve for possible losses on investments | (40) | | |
| Total assets | 177,411,062 | | |
| (Liabilities) | | | |
| Deposits | 84,241,955 | | |
| Negotiable certificates of deposit | 15,326,781 | | |
| Call money and bills sold | 6,126,424 | | |
| Payables under repurchase agreements | 17,451,041 | | |
| Guarantee deposits received under securities lending transactions | 11,325,439 | | |
| Commercial paper | 472,718 | | |
| Trading liabilities | 7,686,442 | 6-f | |
| Borrowed money | 7,699,440 | 8-a | |
| Foreign exchange liabilities | 182,473 | | |
| Short-term bonds | 477,400 | | |
| Bonds and notes | 5,141,746 | 8-b | |
| Due to trust accounts | 1,120,696 | | |
| Derivatives other than for trading liabilities | 4,404,754 | 6-g | |
| Other liabilities | 3,501,064 | | |
| Reserve for bonus payments | 45,754 | | |
| Reserve for employee retirement benefits | 38,632 | | |
| Reserve for director and corporate auditor retirement benefits | 1,612 | | |

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| | | |
|-----------------------------------------------------------|--------------------|----------|
| Reserve for possible losses on sales of loans | 48 | |
| Reserve for contingencies | 16,859 | |
| Reserve for reimbursement of deposits | 16,464 | |
| Reserve for reimbursement of debentures | 35,417 | |
| Reserves under special laws | 1,203 | |
| Deferred tax liabilities | 54,221 | 4-b |
| Deferred tax liabilities for revaluation reserve for land | 81,977 | 4-c |
| Acceptances and guarantees | 4,224,259 | |
| Total liabilities | 169,674,832 | |
| (Net assets) | | |
| Common stock and preferred stock | 2,254,972 | 1-a |
| Capital surplus | 1,109,508 | 1-b |
| Retained earnings | 1,814,782 | 1-c |
| Treasury stock | (4,661) | 1-d |
| Total shareholders equity | 5,174,601 | |
| Net unrealized gains (losses) on other securities | 615,883 | |
| Deferred gains or losses on hedges | 84,634 | 5 |
| Revaluation reserve for land | 142,345 | |
| Foreign currency translation adjustment | (90,329) | |
| Total accumulated other comprehensive income | 752,533 | 3 |
| Stock acquisition rights | 2,687 | |
| Minority interests | 1,806,407 | 7 |
| Total net assets | 7,736,230 | |
| Total liabilities and net assets | 177,411,062 | |

Note:

The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Table of Contents**Appended template**

1. Shareholders' equity

(1) Consolidated balance sheet

| Consolidated balance sheet items | (Millions of yen) Amount | Remarks | Ref. |
|-----------------------------------------|-------------------------------------|---------------------------------------------------------------------------------|-------------|
| Common stock and preferred stock | 2,254,972 | Including eligible Tier 1 capital instruments subject to phase-out arrangements | 1-a |
| Capital surplus | 1,109,508 | Including eligible Tier 1 capital instruments subject to phase-out arrangements | 1-b |
| Retained earnings | 1,814,782 | | 1-c |
| Treasury stock | (4,661) | | 1-d |
| Total shareholders' equity | 5,174,601 | | |

(2) Composition of capital

| Composition of capital disclosure | (Millions of yen) Amount | Remarks | Basel III template |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Directly issued qualifying common share capital plus related stock surplus and retained earnings | 4,796,797 | Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) | |
| of which: capital and stock surplus | 2,987,127 | | 1a |
| of which: retained earnings | 1,814,331 | | 2 |
| of which: treasury stock (-) | 4,661 | | 1c |
| of which: other than above | | | |
| Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown | | Shareholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy | 31a |

2. Intangible fixed assets

(1) Consolidated balance sheet

| Consolidated balance sheet items | (Millions of yen) Amount | Remarks | Ref. |
|--------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------|-------------|
| Intangible fixed assets | 477,546 | | 2-a |
| Securities | 53,472,399 | | 2-b |
| of which: share of goodwill of companies accounted for using the equity method | 71,216 | Share of goodwill of companies accounted for using the equity method | |
| Income taxes related to above | (149,527) | | |

(2) Composition of capital

| Composition of capital disclosure | (Millions of yen) Amount | Remarks | Basel III template |
|---------------------------------------------------------------------|-------------------------------------|--------------------|-------------------------------|
| Goodwill (net of related tax liability, including those equivalent) | 128,902 | | 8 |
| | 270,332 | Software and other | 9 |

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| | |
|----------------------------------------------------------------------------------------------------|----|
| Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability) | |
| Mortgage servicing rights (net of related tax liability) | |
| Amount exceeding the 10% threshold on specified items | 20 |
| Amount exceeding the 15% threshold on specified items | 24 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | 74 |

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3. Defined-benefit pension fund net assets (prepaid pension costs)

(1) Consolidated balance sheet

| Consolidated balance sheet items | (Millions of yen) | Remarks | Ref. |
|---------------------------------------------------------------------------|-------------------|---------|------|
| | Amount | | |
| Other assets | 2,599,553 | | 3 |
| of which: defined-benefit pension fund net assets (prepaid pension costs) | 418,846 | | |
| Income taxes related to above | (148,283) | | |

(2) Composition of capital

| Composition of capital disclosure | (Millions of yen) | Remarks | Basel III template |
|-----------------------------------------------------------------|-------------------|---------|--------------------|
| | Amount | | |
| Defined-benefit pension fund net assets (prepaid pension costs) | 270,563 | | 15 |

4. Deferred tax assets

(1) Consolidated balance sheet

| Consolidated balance sheet items | (Millions of yen) | Remarks | Ref. |
|--------------------------------------------------------------------------------|-------------------|---------|------|
| | Amount | | |
| Deferred tax assets | 165,299 | | 4-a |
| Deferred tax liabilities | 54,221 | | 4-b |
| Deferred tax liabilities for revaluation reserve for land | 81,977 | | 4-c |
| Tax effects on intangible fixed assets | 149,527 | | |
| Tax effects on defined-benefit pension fund net assets (prepaid pension costs) | 148,283 | | |

(2) Composition of capital

| Composition of capital disclosure | (Millions of yen) | Remarks | Basel III template |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------|
| | Amount | | |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 21,662 | This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities. | 10 |
| Deferred tax assets that rely on future profitability arising from temporary differences (net of related tax liability) | 323,447 | This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities. | |
| Amount exceeding the 10% threshold on specified items | | | 21 |
| Amount exceeding the 15% threshold on specified items | | | 25 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 323,447 | | 75 |

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

| | (Millions of yen) | | |
|-----------------------------------------|----------------------|----------------|-------------|
| Consolidated balance sheet items | Amount | Remarks | Ref. |
| Deferred gains or losses on hedges | 84,634 | | 5 |

(2) Composition of capital

| | (Millions of yen) | | |
|----------------------------------------------------------------|----------------------|----------------|-------------------------------|
| Composition of capital disclosure | Amount | Remarks | Basel III template |
| Deferred gains or losses on derivatives under hedge accounting | 84,634 | | 11 |

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6. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

| Consolidated balance sheet items | (Millions of yen) | | Ref. |
|------------------------------------------------|-------------------|-------------------------------------------------------------------------|------|
| | Amount | Remarks | |
| Trading assets | | Including trading account securities and derivatives for trading assets | |
| | 14,076,928 | | 6-a |
| Securities | 53,472,399 | | 6-b |
| Loans and bills discounted | 67,536,882 | Including subordinated loans | 6-c |
| Derivatives other than for trading assets | 4,475,055 | | 6-d |
| Other assets | 2,599,553 | Including money invested | 6-e |
| Trading liabilities | | Including trading account securities sold | |
| | 7,686,442 | | 6-f |
| Derivatives other than for trading liabilities | 4,404,754 | | 6-g |

(2) Composition of capital

| Composition of capital disclosure | (Millions of yen) | | Basel III template |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------|--------------------|
| | Amount | Remarks | |
| Investments in own capital instruments | 2,589 | | |
| Common equity Tier 1 capital | 2,589 | | 16 |
| Additional Tier 1 capital | | | 37 |
| Tier 2 capital | | | 52 |
| Reciprocal cross-holdings in the capital of banking, financial and insurance entities | | | |
| Common equity Tier 1 capital | | | 17 |
| Additional Tier 1 capital | | | 38 |
| Tier 2 capital | | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | 943,637 | | |
| Common equity Tier 1 capital | 248,376 | | 18 |
| Additional Tier 1 capital | 3,352 | | 39 |
| Tier 2 capital | 224,779 | | 54 |
| Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting) | 467,127 | | 72 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions | 230,734 | | |
| Amount exceeding the 10% threshold on specified items | | | 19 |
| Amount exceeding the 15% threshold on specified items | | | 23 |
| Additional Tier 1 capital | 77,938 | | 40 |
| Tier 2 capital | | | 55 |
| Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting) | 152,796 | | 73 |

7. Minority interests

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(1) Consolidated balance sheet

| Consolidated balance sheet items | (Millions of yen) | Remarks | Ref. |
|----------------------------------|-------------------|---------|------|
| | Amount | | |
| Minority interests | 1,806,407 | | 7 |

(2) Composition of capital

| Composition of capital disclosure | (Millions of yen) | Remarks | Basel III template |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------|--------------------|
| | Amount | | |
| Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | 11,042 | After reflecting amounts eligible for inclusion (minority interest after adjustments) | 5 |
| Qualifying additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities | | After reflecting amounts eligible for inclusion (minority interest after adjustments) | 30-31 ab-32 |
| Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1) | 12,037 | After reflecting amounts eligible for inclusion (minority interest after adjustments) | 34-35 |
| Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities | | After reflecting amounts eligible for inclusion (minority interest after adjustments) | 46 |
| Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | 3,902 | After reflecting amounts eligible for inclusion (minority interest after adjustments) | 48-49 |

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8. Other capital instruments

(1) Consolidated balance sheet

| Consolidated balance sheet items | (Millions of yen) | Remarks | Ref. |
|----------------------------------|-------------------|---------|------|
| | Amount | | |
| Borrowed money | 7,699,440 | | 8-a |
| Bonds and notes | 5,141,746 | | 8-b |
| Total | 12,841,187 | | |

(2) Composition of capital

| Composition of capital disclosure | (Millions of yen) | Remarks | Basel III template |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------|--------------------|
| | Amount | | |
| Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards | | | 32 |
| Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards | | | 46 |

Note:

Amounts in the Composition of capital disclosure are based on those before considering amounts under transitional arrangements and include Amounts excluded under transitional arrangements disclosed in (A) Composition of capital disclosure as well as amounts included as regulatory capital. In addition, items for regulatory purposes under transitional arrangements are excluded from this table.

n Risk-based capital**(3) Summary of approach to assessing capital adequacy**

In order to ensure that risk-based capital is sufficiently maintained in light of the risk held by us, we regularly conduct the following assessment of capital adequacy in addition to adopting a suitable and effective capital adequacy monitoring structure.

Maintaining a sufficient BIS capital ratio

We confirm our maintenance of a high level of financial soundness by conducting regular evaluations to examine whether our risk-based capital is adequate in qualitative as well as quantitative terms, in light of our business plans and strategic targets to match the increase in risk-weighted assets acquired for growth, in addition to maintaining common equity Tier 1 capital ratio, Tier 1 capital ratio and total capital ratio (capital adequacy ratio for the financial institution subject to domestic standard) that exceed the minimum requirements.

Balancing risk and capital

On the basis of the framework for allocating risk capital, after obtaining the clearest possible grasp of the group's overall risk exposure, we endeavor to control risk so as to keep it within the range of our business capacity by means of allocating capital that corresponds to the amount of risk to the business groups and units of our banking subsidiaries, etc., within the bounds of our capital, and we conduct regular assessments to ensure that a sufficient level of capital is maintained for our risk profile. When making these assessments, we examine whether an appropriate return on risk is maintained in addition to considering the effects that interest rate risk related to our banking book, credit concentration risk and stress tests have on our capital.

Table of Contents**(4) Required capital by portfolio classification**

| | As of March 31, 2012 | | (Billions of yen) As of March 31, 2013 | |
|---------------------------------------------------|----------------------|------------------|-------------------------------------------|------------------|
| | EAD | Required capital | EAD | Required capital |
| Credit risk | 171,425.4 | 4,733.5 | 178,644.9 | 5,296.4 |
| Internal ratings-based approach | 163,265.5 | 4,482.3 | 169,424.6 | 4,712.8 |
| Corporate (except specialized lending) | 51,022.9 | 2,517.0 | 55,688.5 | 2,562.1 |
| Corporate (specialized lending) | 2,407.6 | 242.5 | 2,840.3 | 281.0 |
| Sovereign | 77,555.3 | 63.1 | 77,606.5 | 72.8 |
| Bank | 5,521.7 | 123.1 | 6,658.8 | 159.3 |
| Retail | 13,652.5 | 623.7 | 13,649.5 | 609.2 |
| Residential mortgage | 10,529.9 | 418.2 | 10,477.7 | 399.1 |
| Qualifying revolving loan | 346.3 | 31.0 | 372.6 | 32.8 |
| Other retail | 2,776.2 | 174.4 | 2,799.0 | 177.2 |
| Equities | 3,357.6 | 353.0 | 3,833.6 | 425.6 |
| PD/LGD approach | 964.4 | 97.7 | 1,107.3 | 123.6 |
| Market-based approach (simple risk weight method) | 274.2 | 75.6 | 364.4 | 97.4 |
| Market-based approach (internal models approach) | | | | |
| Transitional measure applied | 2,118.8 | 179.6 | 2,361.8 | 204.6 |
| Regarded-method exposure | 1,261.8 | 270.5 | 1,402.6 | 292.1 |
| Purchase receivables | 1,834.9 | 54.2 | 1,842.6 | 61.5 |
| Securitized | 3,818.1 | 74.0 | 3,317.8 | 60.3 |
| Others | 2,832.6 | 160.8 | 2,583.8 | 188.3 |
| Standardized approach | 8,159.8 | 251.2 | 9,220.3 | 313.2 |
| Sovereign | 4,273.0 | 4.2 | 4,263.0 | 4.7 |
| Bank | 1,159.0 | 24.1 | 1,362.1 | 30.1 |
| Corporate | 2,064.2 | 164.5 | 2,939.9 | 221.9 |
| Residential mortgage | | | | |
| Securitized | 37.0 | 24.4 | 22.9 | 12.1 |
| Others | 626.5 | 33.7 | 632.2 | 44.2 |
| CVA risk | n.a. | n.a. | n.a. | 256.3 |
| Central counterparty-related | n.a. | n.a. | n.a. | 13.9 |
| Market risk | n.a. | 166.6 | n.a. | 190.3 |
| Standardized approach | n.a. | 68.4 | n.a. | 74.0 |
| Interest rate risk | n.a. | 38.5 | n.a. | 50.2 |
| Equities risk | n.a. | 22.2 | n.a. | 17.1 |
| Foreign exchange risk | n.a. | 4.2 | n.a. | 4.0 |
| Commodities risk | n.a. | 3.3 | n.a. | 2.5 |
| Option transactions | n.a. | | n.a. | |
| Internal models approach | n.a. | 98.2 | n.a. | 116.3 |
| Operational risk | n.a. | 233.3 | n.a. | 228.2 |
| Advanced measurement approach | n.a. | 192.5 | n.a. | 178.0 |
| Basic indicator approach | n.a. | 40.8 | n.a. | 50.2 |

| | | | | |
|----------------------------------------------|-------------|----------------|-------------|----------------|
| Total required capital (consolidated) | n.a. | 4,011.5 | n.a. | 4,705.8 |
|----------------------------------------------|-------------|----------------|-------------|----------------|

Notes:

1. EAD: Exposure at default.
2. PD: Probability of default.
3. LGD: Loss given default.
4. Required capital: For credit risk, the sum of (i) 8% of credit risk-weighted assets, (ii) expected losses and (iii) deductions from capital. For market risk, the market risk equivalent amount. For operational risk, the operational risk equivalent amount.
5. Total required capital (consolidated): 8% of the denominator of the capital adequacy ratio.
6. The major exposures included in each portfolio classification of internal ratings-based approach are as follows:

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| | |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate (excluding specialized lending) | Credits to corporations and sole proprietors (excluding credits to retail customers) |
| Corporate (specialized lending) | Credits which limit interest and principal repayment sources to cash flow derived from specific real estate, chattel, businesses, etc, including real estate non-recourse loan, ship finance and project finance, etc. |
| Sovereign | Credits to central governments, central banks and local governmental entities |
| Bank | Credits to banks and securities companies, etc. |
| Retail | Housing loans (residential mortgage), credit card loans (qualifying revolving retail loan) and other individual consumer loans and loans to business enterprises with total credit amount of less than ¥100 million, etc. (other retail). |
| Equities | Capital stock, preferred securities, perpetual subordinated debt, etc. (excluding trading assets) The transitional measure (Article 13 of supplementary provision of the FSA Notice No. 20) applies to those held from September 30, 2004 or earlier, and others are applied either the PD/LGD approach or the market-based approach. |
| Regarded-method exposure | Investment trusts and funds, etc. |
| Purchase receivables | Receivables purchased from third parties excluding securities (excluding securitizations) |
| Securitizations | Transactions in the form of non-recourse and having a senior/subordinated structure, etc. (excluding specialized lending). |

7. With the start of the application of Basel III, we have been recognizing credit risk-weighted assets in relation to CVA risk and central counterparty-related exposure (Article 130, Paragraph 1(c) and (d) of the FSA Notice No. 20) from the fiscal year ended March 31, 2013.
8. EAD calculated using the standardized approach for credit risk represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.

Table of Contents**n Credit risk****(5) Credit risk management****Summary of credit risk management**

See pages 59 to 60 for a summary of our credit risk management policies and procedures.

We apply the advanced internal ratings-based approach to calculate credit risk-weighted assets under Basel Framework. With regard to some business units or asset classes that are deemed to be immaterial for purposes of calculating credit risk-weighted assets, we apply the standardized approach. Among the business units to which we apply the standardized approach, we plan to apply the advanced internal ratings-based approach to Mizuho Corporate Bank Nederland N.V. starting at the end of March 2015.

We use our estimates of PD (probability of default) and LGD (loss given default) in calculating credit risk-weighted assets. In accordance with regulations, we estimate PD by using long-term averages of actual defaults, to which conservative adjustments are made, based on internal data, and make adjustments to LGD taking into account recessionary periods. We regularly perform verifications of PD and LGD through back testing and other methods. We also utilize these estimates for measuring credit risks for internal use, allocating risk capital and other purposes.

Status of portfolios to which the standardized approach is applied

Eligible external credit assessment institutions used for determining the risk weight for portfolios to which the standardized approach is applied are Rating and Investment Information, Inc. (R&I) in Japan and Standard & Poor's Ratings Services (S&P) overseas.

We apply a risk weight of 100% for all of our corporate exposure.

Summary of our internal rating system

See pages 59 for a summary of our internal rating system and rating assignment procedures.

The following table sets forth information with respect to the definition of obligor ratings.

Obligor ratings**Obligor ratings**

| (major category) | Definition of ratings | Classification |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| A1 A3 | Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is excellent. | Investment grade zone |
| B1 B2 | Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, hence their level of credit risk is sufficient. | |
| C1 C3 | Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future. | |
| D1 D3 | Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future changes in business environment is low. | Non-investment grade zone |
| E1 E2 | Obligors who require close watching going forward because there are problems with their borrowing conditions, such as reduced or suspended interest payments, problems with fulfillment such as de facto postponements of principal or interest payments, or problems with their financial positions as a result of their poor or unstable business conditions. | |
| F1 | R* Obligors who are not yet bankrupt but are in financial difficulties and are deemed to be very likely to go bankrupt in the future because they are finding it difficult to make progress in implementing their management improvement plans (including obligors who are receiving ongoing support from financial institutions). | Default |
| G1 | | |

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Obligors who have not yet gone legally or formally bankrupt but who are substantially bankrupt because they are in serious financial difficulties and are not deemed to be capable of restructuring.

H1 Obligors who have already gone bankrupt, from both a legal and/or formal perspective.

* Including restructured loans and loans past due for three months or more

Table of Contents**(6) Credit risk exposure, etc.**

We exclude regarded-method exposure and securitization exposure from the amount of credit risk exposure.

The outstanding balance is based on exposure at default.

No significant difference exists between period-end credit risk position and the average credit risk position during the fiscal years ended March 31, 2012 and 2013.

Status of credit risk exposure**(A) Breakdown by geographical area**

| | (Billions of yen) | | | | |
|---------------------------|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|------------------|
| | As of March 31, 2012 | | | | |
| | Loans, commitments and other non-derivative off-balance-sheet exposure | Securities | Derivatives | Others | Total |
| Domestic | 77,828.0 | 40,146.5 | 1,842.3 | 7,323.2 | 127,140.2 |
| Overseas | 17,071.5 | 8,465.3 | 2,054.8 | 3,453.5 | 31,045.2 |
| Asia | 4,363.0 | 996.8 | 148.4 | 981.9 | 6,490.2 |
| Central and South America | 2,258.9 | 144.2 | 201.5 | 8.8 | 2,613.7 |
| North America | 5,825.6 | 6,029.2 | 595.1 | 1,922.0 | 14,372.0 |
| Eastern Europe | 29.2 | | 0.9 | 6.2 | 36.5 |
| Western Europe | 3,222.0 | 1,140.7 | 992.9 | 474.0 | 5,829.6 |
| Other areas | 1,372.5 | 154.2 | 115.7 | 60.3 | 1,702.9 |
| Total | 94,899.5 | 48,611.9 | 3,897.1 | 10,776.7 | 158,185.4 |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 8,122.8 |

| | (Billions of yen) | | | | |
|---------------------------|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|------------------|
| | As of March 31, 2013 | | | | |
| | Loans, commitments and other non-derivative off-balance-sheet exposure | Securities | Derivatives | Others | Total |
| Domestic | 75,213.7 | 39,317.3 | 1,618.3 | 8,929.6 | 125,079.0 |
| Overseas | 21,064.4 | 11,487.6 | 2,279.1 | 4,793.6 | 39,624.9 |
| Asia | 5,508.6 | 1,453.1 | 235.2 | 1,330.6 | 8,527.6 |
| Central and South America | 2,584.5 | 146.1 | 157.4 | 20.4 | 2,908.5 |
| North America | 7,387.9 | 7,883.8 | 638.3 | 2,651.4 | 18,561.7 |
| Eastern Europe | 30.8 | | 1.2 | 20.5 | 52.6 |
| Western Europe | 3,582.3 | 1,814.5 | 1,100.6 | 531.8 | 7,029.4 |
| Other areas | 1,970.0 | 189.9 | 146.2 | 238.7 | 2,544.9 |
| Total | 96,278.2 | 50,805.0 | 3,897.5 | 13,723.3 | 164,704.0 |

| | | | | | |
|-----------------------|-------------|-------------|-------------|-------------|----------------|
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 9,197.4 |
|-----------------------|-------------|-------------|-------------|-------------|----------------|

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Exposure to non-Japanese residents is included in Overseas.
3. Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(B) Breakdown by industry**

(Billions of yen)

| | As of March 31, 2012 | | | | | |
|------------------------------------|---------------------------------------------------|-----------------|----------------|-----------------|------------------|-------|
| | Loans, commitments and other non-derivative | | Securities | Derivatives | Others | Total |
| | off-balance-sheet exposure | Total | | | | |
| Manufacturing | 13,808.8 | 2,080.9 | 537.5 | 249.9 | 16,677.2 | |
| Construction | 1,374.8 | 188.3 | 18.6 | 4.1 | 1,585.8 | |
| Real estate | 6,752.2 | 439.8 | 53.1 | 33.2 | 7,278.4 | |
| Service industries | 3,575.2 | 2,136.7 | 123.5 | 60.5 | 5,896.1 | |
| Wholesale and retail | 7,474.5 | 593.3 | 457.2 | 512.4 | 9,037.6 | |
| Finance and insurance | 9,899.3 | 2,549.1 | 2,014.7 | 1,057.5 | 15,520.7 | |
| Individuals | 11,907.2 | 0.1 | 0.1 | 14.3 | 11,921.8 | |
| Other industries | 15,769.1 | 5,946.2 | 681.1 | 5,690.6 | 28,087.1 | |
| Japanese Government; Bank of Japan | 24,338.1 | 34,677.4 | 11.0 | 3,153.9 | 62,180.5 | |
| Total | 94,899.5 | 48,611.9 | 3,897.1 | 10,776.7 | 158,185.4 | |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 8,122.8 | |

(Billions of yen)

| | As of March 31, 2013 | | | | | |
|------------------------------------|---------------------------------------------------|-----------------|----------------|-----------------|------------------|-------|
| | Loans, commitments and other non-derivative | | Securities | Derivatives | Others | Total |
| | off-balance-sheet exposure | Total | | | | |
| Manufacturing | 15,249.1 | 2,033.2 | 456.6 | 290.2 | 18,029.2 | |
| Construction | 1,371.2 | 155.5 | 10.2 | 3.9 | 1,540.8 | |
| Real estate | 7,190.5 | 457.2 | 56.4 | 32.7 | 7,736.9 | |
| Service industries | 3,775.5 | 2,972.1 | 92.7 | 21.2 | 6,861.7 | |
| Wholesale and retail | 7,794.3 | 654.0 | 233.7 | 636.0 | 9,318.0 | |
| Finance and insurance | 10,547.0 | 2,578.5 | 2,371.6 | 1,489.9 | 16,987.1 | |
| Individuals | 11,986.3 | 0.1 | 0.1 | 13.9 | 12,000.4 | |
| Other industries | 18,190.6 | 8,085.1 | 662.3 | 6,204.2 | 33,142.3 | |
| Japanese Government; Bank of Japan | 20,173.3 | 33,869.1 | 13.6 | 5,030.9 | 59,087.1 | |
| Total | 96,278.2 | 50,805.0 | 3,897.5 | 13,723.3 | 164,704.0 | |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 9,197.4 | |

Notes:

- Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
- Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(C) Breakdown by residual contractual maturity**

(Billions of yen)

| | As of March 31, 2012 | | | | |
|------------------------------------------|---------------------------------------------------|-----------------|----------------|-----------------|------------------|
| | Loans, commitments and other non-derivative | | Derivatives | Others | Total |
| | off-balance-sheet exposure | Securities | | | |
| Less than one year | 29,665.1 | 13,917.9 | 536.9 | 1,897.0 | 46,017.1 |
| From one year to less than three years | 12,628.3 | 12,704.9 | 1,606.1 | 43.9 | 26,983.4 |
| From three years to less than five years | 11,347.2 | 11,449.5 | 937.4 | 27.8 | 23,762.1 |
| Five years or more | 28,158.3 | 7,156.6 | 746.9 | 1.8 | 36,063.7 |
| Other than above | 13,100.3 | 3,382.8 | 69.7 | 8,806.0 | 25,358.9 |
| Total | 94,899.5 | 48,611.9 | 3,897.1 | 10,776.7 | 158,185.4 |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 8,122.8 |

(Billions of yen)

| | As of March 31, 2013 | | | | |
|------------------------------------------|---------------------------------------------------|-----------------|----------------|-----------------|------------------|
| | Loans, commitments and other non-derivative | | Derivatives | Others | Total |
| | off-balance-sheet exposure | Securities | | | |
| Less than one year | 30,751.0 | 13,704.3 | 813.1 | 2,543.7 | 47,812.3 |
| From one year to less than three years | 13,665.5 | 9,768.9 | 1,518.1 | 46.9 | 24,999.6 |
| From three years to less than five years | 13,052.4 | 14,290.9 | 807.7 | 3.8 | 28,155.1 |
| Five years or more | 27,314.7 | 9,199.5 | 679.8 | 5.3 | 37,199.4 |
| Other than above | 11,494.3 | 3,841.2 | 78.5 | 11,123.3 | 26,537.4 |
| Total | 96,278.2 | 50,805.0 | 3,897.5 | 13,723.3 | 164,704.0 |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 9,197.4 |

Notes:

- Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
- Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**Status of exposure past due three months or more or in default****(D) Breakdown by geographical area**

| | As of March 31, 2012 | | | | (Billions of yen) |
|---------------------------|-------------------------------------------------------------------------|-------------|--------------|-------------|-------------------|
| | Loans, commitments and other non-derivative off-balance-sheet exposures | Securities | Derivatives | Others | Total |
| Domestic | 1,439.5 | 20.5 | 82.3 | 59.0 | 1,601.4 |
| Overseas | 197.0 | 0.5 | 17.7 | 14.5 | 229.9 |
| Asia | 41.7 | 0.0 | 0.1 | 3.9 | 45.8 |
| Central and South America | 59.0 | 0.0 | 9.5 | 0.0 | 68.7 |
| North America | 8.0 | 0.5 | 0.0 | 8.4 | 17.0 |
| Eastern Europe | 0.4 | | | | 0.4 |
| Western Europe | 66.5 | | 8.0 | 1.6 | 76.2 |
| Other areas | 21.2 | | | 0.4 | 21.6 |
| Total | 1,636.5 | 21.1 | 100.1 | 73.6 | 1,831.4 |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 1.1 |

| | As of March 31, 2013 | | | | (Billions of yen) |
|---------------------------|-------------------------------------------------------------------------|-------------|-------------|-------------|-------------------|
| | Loans, commitments and other non-derivative off-balance-sheet exposures | Securities | Derivatives | Others | Total |
| Domestic | 1,373.7 | 16.6 | 34.7 | 46.8 | 1,471.9 |
| Overseas | 342.6 | 0.6 | 33.8 | 10.2 | 387.3 |
| Asia | 47.7 | 0.0 | 0.7 | 3.7 | 52.2 |
| Central and South America | 183.8 | 0.0 | 24.3 | 0.1 | 208.3 |
| North America | 7.4 | 0.6 | 0.0 | 3.5 | 11.6 |
| Eastern Europe | 0.4 | | | | 0.4 |
| Western Europe | 77.0 | | 8.6 | 1.8 | 87.5 |
| Other areas | 26.0 | | 0.1 | 0.8 | 27.0 |
| Total | 1,716.3 | 17.2 | 68.6 | 57.0 | 1,859.2 |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 3.6 |

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset

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classes that are immaterial for the purpose of calculating credit risk-weighted assets.

2. Exposure to non-Japanese residents is included in Overseas.
3. Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(E) Breakdown by industry**

(Billions of yen)

| | As of March 31, 2012 | | | | | Total |
|-----------------------|---------------------------------------------------|-------------|--------------|-------------|----------------|-------|
| | Loans, commitments and other non-derivative | | Securities | Derivatives | Others | |
| | off-balance-sheet exposures | Total | | | | |
| Manufacturing | 386.7 | 8.0 | 35.1 | 16.6 | 446.6 | |
| Construction | 53.7 | 2.7 | 0.2 | 1.1 | 58.0 | |
| Real estate | 251.1 | 5.3 | 0.0 | 0.8 | 257.4 | |
| Service industries | 205.6 | 3.4 | 5.6 | 6.2 | 221.0 | |
| Wholesale and retail | 268.2 | 0.8 | 41.6 | 31.1 | 341.9 | |
| Finance and insurance | 21.2 | 0.2 | 3.0 | 10.5 | 35.0 | |
| Individuals | 236.2 | 0.0 | 0.0 | 1.3 | 237.5 | |
| Other industries | 213.3 | 0.3 | 14.2 | 5.7 | 233.7 | |
| Total | 1,636.5 | 21.1 | 100.1 | 73.6 | 1,831.4 | |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 1.1 | |

(Billions of yen)

| | As of March 31, 2013 | | | | | Total |
|-----------------------|---------------------------------------------------|-------------|-------------|-------------|----------------|-------|
| | Loans, commitments and other non-derivative | | Securities | Derivatives | Others | |
| | off-balance-sheet exposures | Total | | | | |
| Manufacturing | 415.3 | 7.3 | 13.8 | 14.3 | 450.9 | |
| Construction | 47.0 | 2.5 | 0.0 | 0.8 | 50.5 | |
| Real estate | 255.1 | 4.4 | 0.0 | 0.6 | 260.3 | |
| Service industries | 170.0 | 0.7 | 5.4 | 5.0 | 181.3 | |
| Wholesale and retail | 216.9 | 0.8 | 16.7 | 24.9 | 259.4 | |
| Finance and insurance | 25.1 | 0.3 | 2.7 | 5.6 | 33.7 | |
| Individuals | 210.8 | 0.0 | 0.0 | 1.3 | 212.1 | |
| Other industries | 375.7 | 1.0 | 29.7 | 4.2 | 410.7 | |
| Total | 1,716.3 | 17.2 | 68.6 | 57.0 | 1,859.2 | |
| Exempt portion | n.a. | n.a. | n.a. | n.a. | 3.6 | |

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**Status of reserves for possible losses on loans**

The amounts associated with regarded-method exposure and securitization exposure are excluded.

(F) Fiscal year-end balances of reserves for possible losses on loans and changes during the fiscal year

(after partial direct write-offs)

| | (Billions of yen) | |
|------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|
| | As of, or for the fiscal year ended, March 31, 2012 | As of, or for the fiscal year ended, March 31, 2013 |
| General reserve for possible losses on loans | | |
| Beginning balance | 501.4 | 447.5 |
| Increase during the fiscal year | 447.5 | 503.0 |
| Decrease during the fiscal year | 501.4 | 447.5 |
| Ending balance | 447.5 | 503.0 |
| Specific reserve for possible losses on loans | | |
| Beginning balance | 259.1 | 243.9 |
| Increase during the fiscal year | 243.9 | 235.7 |
| Decrease during the fiscal year | 259.1 | 243.9 |
| Ending balance | 243.9 | 235.7 |
| Reserve for possible losses on loans to restructuring countries | | |
| Beginning balance | 0.0 | 0.0 |
| Increase during the fiscal year | 0.0 | 1.0 |
| Decrease during the fiscal year | 0.0 | 0.0 |
| Ending balance | 0.0 | 1.0 |
| Total | | |
| Beginning balance | 760.5 | 691.5 |
| Increase during the fiscal year | 691.5 | 739.8 |
| Decrease during the fiscal year | 760.5 | 691.5 |
| Ending balance | 691.5 | 739.8 |

Note:

General reserve for possible losses on loans in the above table represents the amount recorded in our consolidated balance sheet, and the amounts associated with regarded-method exposure and securitization exposure are not excluded.

(G) Specific reserve for possible losses on loans by geographical area and industry

| | (Billions of yen) | | |
|--------------------|----------------------|----------------------|---------------|
| | As of March 31, 2011 | As of March 31, 2012 | Change |
| Domestic | 220.0 | 187.4 | (32.5) |
| Manufacturing | 27.0 | 26.8 | (0.1) |
| Construction | 18.6 | 6.0 | (12.5) |
| Real estate | 19.7 | 20.3 | 0.6 |
| Service industries | 17.0 | 14.1 | (2.9) |

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| | | | |
|-----------------------|--------------|--------------|---------------|
| Wholesale and retail | 39.0 | 39.7 | 0.6 |
| Finance and insurance | 0.5 | 0.8 | 0.2 |
| Individuals | 84.2 | 67.3 | (16.9) |
| Other industries | 13.5 | 12.0 | (1.5) |
| Overseas | 34.2 | 50.4 | 16.1 |
| Exempt portion | 4.8 | 6.0 | 1.2 |
| Total | 259.1 | 243.9 | (15.1) |

| | As of March 31, 2012 | As of March 31, 2013 | (Billions of yen) Change |
|-----------------------|----------------------|----------------------|-----------------------------|
| Domestic | 187.4 | 171.3 | (16.0) |
| Manufacturing | 26.8 | 35.1 | 8.2 |
| Construction | 6.0 | 7.0 | 0.9 |
| Real estate | 20.3 | 24.9 | 4.5 |
| Service industries | 14.1 | 12.3 | (1.8) |
| Wholesale and retail | 39.7 | 38.2 | (1.5) |
| Finance and insurance | 0.8 | 0.1 | (0.6) |
| Individuals | 67.3 | 41.8 | (25.4) |
| Other industries | 12.0 | 11.6 | (0.3) |
| Overseas | 50.4 | 57.8 | 7.4 |
| Exempt portion | 6.0 | 6.4 | 0.3 |
| Total | 243.9 | 235.7 | (8.2) |

Note:

Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.

Table of Contents**(H) Write-offs of loans by industry**

| | (Billions of yen) | |
|-----------------------|------------------------------------------------|---------------------------------------------|
| | For the fiscal year ended March 31, 2012 | For the fiscal year ended March 31, 2013 |
| Manufacturing | 7.1 | 18.3 |
| Construction | 1.1 | 1.1 |
| Real estate | 1.7 | 0.7 |
| Service industries | 3.4 | 5.3 |
| Wholesale and retail | 7.5 | 7.2 |
| Finance and insurance | 0.0 | |
| Individuals | 12.2 | 10.0 |
| Other industries | 5.0 | 6.7 |
| Exempt portion | 0.1 | 0.1 |
| Total | 38.5 | 49.7 |

Notes:

- The above table represents the breakdown of losses on write-offs of loans recorded in our consolidated statement of income after excluding the amounts associated with regarded-method exposure and securitization exposure.
 - Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.
 - Other industries include overseas and non-Japanese resident portions.
- Status of exposure to which the standardized approach is applied**

(I) Exposure by risk weight category after applying credit risk mitigation

| Risk weight | (Billions of yen) | | | |
|--------------|----------------------|----------------------|----------------|-------------------------|
| | As of March 31, 2012 | | | With external rating |
| | On-balance sheet | Off-balance sheet | Total | |
| 0% | 452.3 | 3,702.0 | 4,154.3 | 139.1 |
| 10% | 67.4 | 0.1 | 67.5 | |
| 20% | 288.5 | 796.1 | 1,084.7 | 8.7 |
| 35% | | | | |
| 50% | 4.4 | 1.0 | 5.4 | 2.0 |
| 100% | 2,144.8 | 665.7 | 2,810.5 | 42.8 |
| 150% | 0.1 | | 0.1 | |
| 250% | | | | |
| 350% | | | | |
| 625% | | 0.0 | 0.0 | |
| 937.5% | | | | |
| 1,250% | | 0.0 | 0.0 | |
| Total | 2,957.8 | 5,165.0 | 8,122.8 | 192.8 |

(Billions of yen)

As of March 31, 2013

| Risk weight | On-balance sheet | Off-balance sheet | Total | With external rating |
|--------------|---------------------|----------------------|----------------|-------------------------|
| 0% | 2,660.4 | 1,462.2 | 4,122.7 | 195.8 |
| 10% | 111.2 | 0.0 | 111.2 | |
| 20% | 314.0 | 892.0 | 1,206.0 | 8.0 |
| 35% | | | | |
| 50% | 20.0 | 1.3 | 21.4 | 3.3 |
| 100% | 2,455.3 | 1,235.1 | 3,690.5 | 44.0 |
| 150% | 0.0 | | 0.0 | |
| 250% | 45.3 | | 45.3 | |
| 350% | | | | |
| 625% | | 0.0 | 0.0 | |
| 937.5% | | 0.0 | 0.0 | |
| 1,250% | | | | |
| Total | 5,606.5 | 3,590.8 | 9,197.4 | 251.3 |

Notes:

1. The amounts in the above table are before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.
2. Off-balance-sheet exposure shows credit equivalent amount.

Table of Contents**(J) Deduction from capital / amount of exposure to which a risk weight of 1,250% is applied**

| | (Billions of yen) As of March 31, 2012 |
|-------------------------------|-------------------------------------------|
| Deduction from capital | 21.9 |

| | As of March 31, 2013 |
|-----------------------------------------------------------------------------------|----------------------|
| Amount of exposure to which a risk weight of 1,250% is applied | 9.8 |
| Status of exposure to which the internal ratings-based approach is applied | |

(K) Specialized lending exposure under supervisory slotting criteria by risk weight category

| Risk weight | (Billions of yen) | |
|--------------|----------------------|----------------------|
| | As of March 31, 2012 | As of March 31, 2013 |
| 50% | | |
| 70% | 13.1 | 19.8 |
| 90% | | 6.1 |
| 95% | 84.0 | 75.4 |
| 115% | 15.5 | 15.9 |
| 120% | 2.4 | 19.4 |
| 140% | 41.9 | 24.6 |
| 250% | 236.7 | 124.6 |
| Default | 7.1 | 32.4 |
| Total | 400.9 | 318.5 |

(L) Equity exposure under simple risk weight method of market-based approach by risk weight category

| Risk weight | (Billions of yen) | |
|--------------|----------------------|----------------------|
| | As of March 31, 2012 | As of March 31, 2013 |
| 300% | 204.9 | 298.9 |
| 400% | 69.2 | 65.5 |
| Total | 274.2 | 364.4 |

Note: Of the equity exposure under the simple risk weight method, a risk weight of 300% is applied for listed equities and 400% for unlisted equities.

Table of Contents**(M) Portfolio by asset class and ratings segment (Corporate, etc.)**

(Billions of yen, except percentages)

As of March 31, 2012

| | PD (EAD weighted average) (%) | LGD (EAD weighted average) (%) | EL default (EAD weighted average) (%) | Risk weight (EAD weighted average) (%) | EAD (Billions of yen) | On-balance sheet | Off-balance sheet | Amount of undrawn commitments | Weighted average of credit conversion factor (%) |
|--------------------------------------------------|-------------------------------------------|--------------------------------------------|------------------------------------------------------|-------------------------------------------------------|-----------------------------|---------------------|----------------------|-------------------------------------|-----------------------------------------------------------------|
| Corporate | 3.62 | 36.54 | n.a. | 43.67 | 54,517.9 | 40,758.6 | 13,759.2 | 10,637.7 | 75.11 |
| Investment grade zone | 0.09 | 38.26 | n.a. | 22.93 | 32,144.7 | 21,584.1 | 10,560.5 | 8,851.5 | 75.10 |
| Non-investment grade zone | 2.64 | 33.21 | n.a. | 75.91 | 20,981.8 | 17,924.8 | 3,057.0 | 1,757.9 | 75.14 |
| Default | 100.00 | 47.12 | 44.36 | 36.59 | 1,391.3 | 1,249.6 | 141.7 | 28.2 | 75.00 |
| Sovereign | 0.01 | 39.89 | n.a. | 0.98 | 77,843.9 | 58,069.4 | 19,774.5 | 220.8 | 75.00 |
| Investment grade zone | 0.00 | 39.89 | n.a. | 0.80 | 77,729.2 | 57,958.2 | 19,770.9 | 219.6 | 75.00 |
| Non-investment grade zone | 5.37 | 39.68 | n.a. | 122.43 | 114.5 | 111.0 | 3.5 | 1.2 | 75.00 |
| Default | 100.00 | 61.29 | 56.51 | 63.28 | 0.1 | 0.1 | | | |
| Bank | 0.55 | 37.62 | n.a. | 23.67 | 5,579.7 | 2,689.2 | 2,890.5 | 309.8 | 75.49 |
| Investment grade zone | 0.09 | 37.43 | n.a. | 19.80 | 5,024.4 | 2,460.3 | 2,564.0 | 248.1 | 75.61 |
| Non-investment grade zone | 0.97 | 38.02 | n.a. | 59.47 | 534.1 | 210.7 | 323.3 | 61.6 | 75.00 |
| Default | 100.00 | 73.41 | 70.53 | 38.17 | 21.2 | 18.1 | 3.1 | | |
| Equity exposure under PD/LGD approach | 0.33 | 90.00 | n.a. | 122.93 | 964.4 | 964.4 | | | |
| Investment grade zone | 0.06 | 90.00 | n.a. | 107.68 | 872.7 | 872.7 | | | |
| Non-investment grade zone | 1.64 | 90.00 | n.a. | 271.51 | 90.5 | 90.5 | | | |
| Default | 100.00 | 90.00 | 90.00 | | 1.1 | 1.1 | | | |
| Total | 1.45 | 38.83 | n.a. | 19.49 | 138,906.1 | 102,481.7 | 36,424.3 | 11,168.4 | 75.12 |
| Investment grade zone | 0.03 | 39.71 | n.a. | 8.57 | 115,771.1 | 82,875.5 | 32,895.5 | 9,319.3 | 75.11 |
| Non-investment grade zone | 2.61 | 33.60 | n.a. | 76.57 | 21,721.0 | 18,337.1 | 3,383.9 | 1,820.8 | 75.14 |
| Default | 100.00 | 47.55 | 44.79 | 36.58 | 1,413.9 | 1,269.1 | 144.8 | 28.2 | 75.00 |

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(Billions of yen, except percentages)

As of March 31, 2013

| | PD (EAD weighted average) (%) | LGD (EAD weighted average) (%) | EL default (EAD weighted average) (%) | Risk weight (EAD weighted average) (%) | EAD (Billions of yen) | On-balance sheet | Off-balance sheet | Amount of undrawn commitments | Weighted average of credit conversion factor (%) |
|--------------------------------------------------|-------------------------------------------|--------------------------------------------|------------------------------------------------------|-------------------------------------------------------|-----------------------------|---------------------|----------------------|-------------------------------------|--------------------------------------------------------------|
| Corporate | 3.32 | 35.56 | n.a. | 43.03 | 59,718.2 | 44,523.2 | 15,194.9 | 12,758.1 | 75.13 |
| Investment grade zone | 0.10 | 37.12 | n.a. | 25.14 | 37,217.6 | 24,836.9 | 12,380.7 | 10,816.9 | 75.09 |
| Non-investment grade zone | 2.72 | 32.28 | n.a. | 75.30 | 21,129.8 | 18,397.1 | 2,732.7 | 1,931.4 | 75.32 |
| Default | 100.00 | 43.88 | 41.51 | 31.50 | 1,370.6 | 1,289.2 | 81.4 | 9.7 | 75.00 |
| Sovereign | 0.01 | 38.38 | n.a. | 1.16 | 77,908.6 | 61,976.8 | 15,931.8 | 424.2 | 75.25 |
| Investment grade zone | 0.00 | 38.38 | n.a. | 1.04 | 77,785.0 | 61,859.9 | 15,925.1 | 421.0 | 75.25 |
| Non-investment grade zone | 1.53 | 38.21 | n.a. | 74.81 | 123.4 | 116.7 | 6.6 | 3.1 | 75.00 |
| Default | 100.00 | 60.56 | 56.02 | 60.21 | 0.1 | 0.1 | | | |
| Bank | 0.38 | 36.44 | n.a. | 27.57 | 6,691.4 | 3,557.2 | 3,134.1 | 330.8 | 75.00 |
| Investment grade zone | 0.09 | 36.34 | n.a. | 23.99 | 6,083.0 | 3,265.6 | 2,817.3 | 248.7 | 75.00 |
| Non-investment grade zone | 0.93 | 36.86 | n.a. | 63.90 | 594.1 | 280.7 | 313.4 | 82.1 | 75.00 |
| Default | 100.00 | 64.05 | 60.97 | 40.81 | 14.2 | 10.8 | 3.3 | | |
| Equity exposure under PD/LGD approach | 0.41 | 90.00 | n.a. | 139.55 | 1,107.3 | 1,107.3 | | | |
| Investment grade zone | 0.07 | 90.00 | n.a. | 122.81 | 975.4 | 975.4 | | | |
| Non-investment grade zone | 1.76 | 90.00 | n.a. | 252.57 | 130.4 | 130.4 | | | |
| Default | 100.00 | 90.00 | n.a. | 1,192.50 | 1.5 | 1.5 | | | |
| Total | 1.39 | 37.53 | n.a. | 20.62 | 145,425.6 | 111,164.7 | 34,260.9 | 13,513.2 | 75.13 |
| Investment grade zone | 0.04 | 38.31 | n.a. | 10.51 | 122,061.1 | 90,937.9 | 31,123.2 | 11,486.7 | 75.10 |
| Non-investment grade zone | 2.66 | 32.78 | n.a. | 76.04 | 21,977.9 | 18,925.0 | 3,052.9 | 2,016.7 | 75.31 |
| Default | 100.00 | 44.14 | 41.71 | 32.86 | 1,386.5 | 1,301.7 | 84.7 | 9.7 | 75.00 |

Notes:

- Investment grade zone includes obligor ratings A1 through B2, non-investment grade zone includes C1 through E2 (excluding E2R), and default includes E2R through H1 (see page 16 for details of obligor ratings).
- Corporate does not include specialized lending exposure under supervisory slotting criteria.
- Each asset class includes purchased receivables.
- The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.
- With the start of application of Basel III, regarding equity exposure under the PD/LGD approach, we recognize the risk-weighted assets by multiplying 1,250% by the expected loss (EL) from the fiscal year ended March 31, 2013.

Table of Contents**(N) Portfolio by asset class and ratings segment (Retail)**

(Billions of yen, except percentages)

As of March 31, 2012

| | PD | LGD | EL default | Risk weight | EAD | On-balance sheet | Off-balance sheet | Amount of undrawn commitments | Weighted average of credit conversion factor (%) |
|-------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------|------------------|-------------------|-------------------------------|--------------------------------------------------|
| | (EAD weighted average) (%) | (EAD weighted average) (%) | (EAD weighted average) (%) | (EAD weighted average) (%) | (Billions of yen) | | | | |
| Residential mortgage | 2.85 | 42.09 | n.a. | 33.65 | 10,529.9 | 10,244.4 | 285.4 | 6.2 | 75.00 |
| Non-default | 0.81 | 41.96 | n.a. | 33.78 | 10,313.0 | 10,033.7 | 279.3 | 6.2 | 75.00 |
| Default | 100.00 | 48.10 | 46.02 | 27.63 | 216.8 | 210.7 | 6.0 | | |
| Qualifying revolving loan (retail) | 3.98 | 79.22 | n.a. | 72.79 | 346.3 | 237.2 | 109.1 | 1,384.9 | 7.88 |
| Non-default | 3.57 | 79.23 | n.a. | 72.92 | 344.9 | 236.0 | 108.8 | 1,382.9 | 7.87 |
| Default | 100.00 | 77.21 | 74.07 | 41.51 | 1.4 | 1.1 | 0.2 | 1.9 | 13.72 |
| Other retail | 5.74 | 52.00 | n.a. | 45.41 | 2,776.3 | 2,752.3 | 23.9 | 22.4 | 72.45 |
| Non-default | 1.76 | 52.13 | n.a. | 45.92 | 2,663.6 | 2,643.8 | 19.8 | 18.3 | 67.39 |
| Default | 100.00 | 48.85 | 46.34 | 33.34 | 112.6 | 108.5 | 4.0 | 4.1 | 94.85 |
| Total | 3.47 | 45.04 | n.a. | 37.04 | 13,652.5 | 13,234.0 | 418.5 | 1,413.6 | 9.20 |
| Non-default | 1.07 | 44.96 | n.a. | 37.22 | 13,321.6 | 12,913.5 | 408.0 | 1,407.5 | 8.95 |
| Default | 100.00 | 48.49 | 46.25 | 29.63 | 330.9 | 320.4 | 10.4 | 6.0 | 69.01 |

(Billions of yen, except percentages)

As of March 31, 2013

| | PD | LGD | EL default | Risk weight | EAD | On-balance sheet | Off-balance sheet | Amount of undrawn commitments | Weighted average of credit conversion factor (%) |
|-------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------|------------------|-------------------|-------------------------------|--------------------------------------------------|
| | (EAD weighted average) (%) | (EAD weighted average) (%) | (EAD weighted average) (%) | (EAD weighted average) (%) | (Billions of yen) | | | | |
| Residential mortgage | 2.62 | 42.20 | n.a. | 32.86 | 10,477.7 | 10,231.1 | 246.6 | 7.5 | 75.00 |
| Non-default | 0.79 | 42.08 | n.a. | 32.98 | 10,284.4 | 10,042.9 | 241.5 | 7.5 | 75.00 |
| Default | 100.00 | 48.39 | 46.37 | 26.79 | 193.2 | 188.1 | 5.1 | | |
| Qualifying revolving loan (retail) | 3.86 | 78.81 | n.a. | 72.32 | 372.6 | 252.4 | 120.2 | 1,439.4 | 8.35 |
| Non-default | 3.54 | 78.82 | n.a. | 72.42 | 371.4 | 251.4 | 119.9 | 1,437.5 | 8.35 |
| Default | 100.00 | 76.05 | 72.89 | 41.79 | 1.2 | 1.0 | 0.2 | 1.8 | 12.13 |
| Other retail | 5.37 | 53.09 | n.a. | 48.25 | 2,799.1 | 2,778.2 | 20.8 | 20.9 | 73.48 |
| Non-default | 1.73 | 53.29 | n.a. | 48.88 | 2,695.3 | 2,678.3 | 16.9 | 16.9 | 68.19 |
| Default | 100.00 | 47.89 | 45.49 | 31.78 | 103.7 | 99.8 | 3.9 | 4.0 | 95.77 |
| Total | 3.22 | 45.43 | n.a. | 37.10 | 13,649.5 | 13,261.9 | 387.6 | 1,467.9 | 9.62 |
| Non-default | 1.05 | 45.37 | n.a. | 37.29 | 13,351.2 | 12,972.8 | 378.4 | 1,462.0 | 9.38 |
| Default | 100.00 | 48.33 | 46.17 | 28.59 | 298.3 | 289.0 | 9.2 | 5.8 | 69.36 |

Notes:

1. Each asset class includes purchased receivables.
2. The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.

Table of Contents**(O) Actual losses by asset class**

| | For the period from April 1, 2011 through March 31, 2012 Actual losses | (Billions of yen) For the period from April 1, 2012 through March 31, 2013 Actual losses |
|------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Corporate | 29.2 | 75.6 |
| Sovereign | 0.2 | 0.2 |
| Bank | (1.4) | (5.0) |
| Residential mortgage | (2.9) | (9.2) |
| Qualifying revolving loan (retail) | (0.7) | 0.3 |
| Other retail | 5.2 | 0.2 |
| Total | 29.5 | 62.1 |

Note:

Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserve for possible losses on loans and general reserve for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

<Analysis>

Actual losses of ¥62.1 billion in the period from April 1, 2012 through March 31, 2013 increased by ¥32.6 billion compared with the period from April 1, 2011 through March 31, 2012. This was due mainly to increase in losses from corporate exposure offset in part by a decrease in losses from bank exposure and retail exposure.

Table of Contents**(P) Comparison of estimated and actual losses by asset class**

| | (Billions of yen) | | | | | |
|------------------------------------|---------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|------------------|
| | For the period from April 1, 2007 through March 31, 2008 | | | For the period from April 1, 2008 through March 31, 2009 | | |
| | Estimated losses (expected losses as of March 31, 2007) | | Estimated losses (expected losses as of March 31, 2008) | | Estimated losses (expected losses as of March 31, 2008) | |
| | | After deduction of reserves | Actual losses | | After deduction of reserves | Actual losses |
| Corporate | 1,086.0 | 217.0 | 74.6 | 1,121.0 | 350.0 | 345.3 |
| Sovereign | 5.4 | (7.0) | 0.0 | 1.3 | (11.1) | 0.0 |
| Bank | 6.4 | 2.6 | (2.6) | 2.9 | 2.5 | 28.6 |
| Residential mortgage | 78.2 | 6.8 | 5.1 | 86.6 | 22.7 | 17.2 |
| Qualifying revolving loan (retail) | 7.2 | 2.3 | (0.1) | 7.9 | 3.2 | 2.1 |
| Other retail | 52.9 | 8.8 | (2.8) | 51.9 | 16.4 | 3.8 |
| Total | 1,236.5 | 230.5 | 74.1 | 1,271.8 | 383.9 | 397.3 |

| | (Billions of yen) | | | | | |
|------------------------------------|---------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|------------------|
| | For the period from April 1, 2009 through March 31, 2010 | | | For the period from April 1, 2010 through March 31, 2011 | | |
| | Estimated losses (expected losses as of March 31, 2009) | | Estimated losses (expected losses as of March 31, 2010) | | Estimated losses (expected losses as of March 31, 2010) | |
| | | After deduction of reserves | Actual losses | | After deduction of reserves | Actual losses |
| Corporate | 1,313.1 | 473.3 | 166.5 | 1,296.9 | 454.0 | 22.9 |
| Sovereign | 1.7 | (10.8) | 0.3 | 1.5 | (11.4) | 0.2 |
| Bank | 35.5 | 6.5 | 1.0 | 38.4 | 8.3 | (0.4) |
| Residential mortgage | 95.8 | 24.8 | 33.2 | 122.6 | 31.1 | 31.5 |
| Qualifying revolving loan (retail) | 10.3 | 3.8 | 0.2 | 10.2 | 3.5 | 1.4 |
| Other retail | 51.3 | 15.6 | 4.3 | 51.2 | 15.0 | 23.1 |
| Total | 1,508.0 | 513.3 | 205.8 | 1,521.1 | 500.6 | 78.7 |

| | (Billions of yen) | | | | | |
|------------------------------------|---------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|------------------|
| | For the period from April 1, 2011 through March 31, 2012 | | | For the period from April 1, 2012 through March 31, 2013 | | |
| | Estimated losses (expected losses as of March 31, 2011) | | Estimated losses (expected losses as of March 31, 2012) | | Estimated losses (expected losses as of March 31, 2012) | |
| | | After deduction of reserves | Actual losses | | After deduction of reserves | Actual losses |
| Corporate | 989.6 | 373.2 | 29.2 | 828.0 | 272.6 | 75.6 |
| Sovereign | 1.3 | (11.7) | 0.2 | 3.1 | (10.2) | 0.2 |
| Bank | 31.9 | 4.1 | (1.4) | 18.4 | 6.3 | (5.0) |
| Residential mortgage | 150.4 | 43.2 | (2.9) | 134.8 | 41.6 | (9.2) |
| Qualifying revolving loan (retail) | 12.2 | 4.2 | (0.7) | 10.8 | 3.7 | 0.3 |
| Other retail | 74.7 | 24.1 | 5.2 | 73.5 | 24.2 | 0.2 |

| | | | | | | |
|--------------|----------------|--------------|-------------|----------------|--------------|-------------|
| Total | 1,260.3 | 437.2 | 29.5 | 1,068.8 | 338.4 | 62.1 |
|--------------|----------------|--------------|-------------|----------------|--------------|-------------|

Notes:

1. Estimated losses after deduction of reserve are the amount after deductions of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as of the beginning of each period. Equity exposure under the PD/LGD approach is not included in the amount of estimated losses.
2. Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

Table of Contents**n Methods for credit risk mitigation****(7) Risk management regarding credit risk mitigation**

We obtain collateral and guarantees as a means of securing credit. In obtaining the collateral and guarantees, we evaluate the value of the collateral, guarantee performance capability of guarantor and legal enforceability, and we also conduct periodical subsequent re-evaluations. Furthermore, we monitor the state of concentration of collateral type and concentration of credit risks in individual companies, including indirect credit exposure such as guarantees.

When calculating the credit risk weighted assets for capital adequacy ratio regulations, the effect of credit risk mitigation through financial collateral (mainly deposits and securities), other collateral (mainly real estate) and guarantees by sovereign, banks or corporations above a certain credit rating is reflected.

For derivatives transactions and repurchase transactions, in cases in which a bilateral netting contract is valid in light of the legal system of the relevant jurisdiction, we take its effect into consideration.

(8) Credit risk mitigation by portfolio classification

The amounts of exposure to which the method of credit risk mitigation through collateral and guarantees is applied are as follows:

| | (Billions of yen) | | | | |
|----------------------------------------|----------------------|------------------|----------------|--------------------|-----------------|
| | As of March 31, 2012 | | | | |
| | Financial collateral | Other collateral | Guarantees | Credit derivatives | Total |
| Internal ratings-based approach | 2,337.0 | 4,733.6 | 5,228.5 | 34.1 | 12,333.4 |
| Corporate | 1,942.5 | 4,500.7 | 3,507.5 | 34.1 | 9,985.0 |
| Sovereign | 0.0 | 21.2 | 493.3 | | 514.6 |
| Bank | 367.0 | 33.7 | 222.7 | | 623.5 |
| Retail | 27.3 | 177.9 | 1,004.8 | | 1,210.1 |
| Residential mortgage | | | 222.3 | | 222.3 |
| Qualifying revolving loan | | | 0.3 | | 0.3 |
| Other retail | 27.3 | 177.9 | 782.0 | | 987.4 |
| Others | | | | | |
| Standardized approach | 3,087.8 | n.a. | | | 3,087.8 |
| Sovereign | 3,084.8 | n.a. | | | 3,084.8 |
| Bank | 0.9 | n.a. | | | 0.9 |
| Corporate | 2.1 | n.a. | | | 2.1 |
| Residential mortgage | | n.a. | | | |
| Securitizations | | n.a. | | | |
| Others | | n.a. | | | |
| Total | 5,424.9 | 4,733.6 | 5,228.5 | 34.1 | 15,421.3 |

| | (Billions of yen) | | | | |
|----------------------------------------|----------------------|------------------|----------------|--------------------|-----------------|
| | As of March 31, 2013 | | | | |
| | Financial collateral | Other collateral | Guarantees | Credit derivatives | Total |
| Internal ratings-based approach | 2,426.9 | 4,812.5 | 6,223.2 | 46.2 | 13,509.0 |
| Corporate | 2,033.7 | 4,552.6 | 4,779.9 | 46.2 | 11,412.5 |
| Sovereign | 0.0 | 18.4 | 481.3 | | 499.7 |
| Bank | 365.3 | 53.1 | 25.7 | | 444.3 |

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| | | | | |
|------------------------------|----------------|----------------|----------------|----------------------|
| Retail | 27.8 | 188.3 | 936.2 | 1,152.3 |
| Residential mortgage | | | 206.1 | 206.1 |
| Qualifying revolving loan | | | 0.3 | 0.3 |
| Other retail | 27.8 | 188.3 | 729.8 | 945.9 |
| Others | | | | |
| Standardized approach | 971.1 | n.a. | 28.0 | 999.2 |
| Sovereign | 940.9 | n.a. | 28.0 | 968.9 |
| Bank | | n.a. | | |
| Corporate | 30.2 | n.a. | | 30.2 |
| Residential mortgage | | n.a. | | |
| Securitizations | | n.a. | | |
| Others | | n.a. | | |
| Total | 3,398.1 | 4,812.5 | 6,251.2 | 46.2 14,508.2 |

Table of Contents**n Counterparty risk in derivatives transactions and long-settlement transactions****(9) Management of counterparty risk in derivatives transactions and long-settlement transactions**

In managing the risk pertaining to counterparty risk in derivatives transactions and long-settlement transactions, we generally allocate risk capital together with loans, etc. As to derivatives transactions with financial institutions, etc., we periodically, where necessary, deliver and receive collateral to and from the counterparty based on the replacement cost to mitigate credit risk (collateralized derivative transactions). In conducting such transactions, there is a risk in which we may be required to provide additional collateral in cases where our credit profile deteriorates. We calculate reserves for derivatives transactions by multiplying the same reserve ratio that we use for loans, etc., against the replacement cost.

(10) Status of counterparty risk in derivatives transactions and long-settlement transactions**(A) Status of derivatives transactions and long-settlement transactions****Derivative transactions**

| | As of March 31, 2012 | | | As of March 31, 2013 | | |
|----------------------------------------------------------------|------------------------|----------------|---------------------------------|------------------------|----------------|---------------------------------|
| | Gross replacement cost | Gross add-on | Credit equivalent amount | Gross replacement cost | Gross add-on | Credit equivalent amount |
| (Billions of yen) | | | | | | |
| Current exposure method | | | | | | |
| Foreign exchange-related transactions | 2,154.3 | 1,819.8 | 3,974.2 | 2,562.5 | 2,293.7 | 4,856.3 |
| Interest rate-related transactions | 5,783.8 | 2,727.4 | 8,511.3 | 6,023.2 | 2,384.8 | 8,408.0 |
| Gold-related transactions | | | | | | |
| Equity-related transactions | 58.0 | 98.7 | 156.7 | 110.7 | 100.9 | 211.7 |
| Transactions related to precious metals (other than gold) | | | | 25.7 | 97.1 | 122.8 |
| Other commodity-related transactions | 65.8 | 51.4 | 117.2 | 304.5 | 1,007.2 | 1,311.7 |
| Credit derivatives transactions | 59.6 | 429.3 | 489.0 | 69.8 | 299.7 | 369.5 |
| Subtotal (A) | 8,121.7 | 5,126.8 | 13,248.5 | 9,096.7 | 6,183.5 | 15,280.2 |
| Netting benefits by close-out netting settlement contracts (B) | n.a. | n.a. | 8,524.4 | n.a. | n.a. | 9,775.2 |
| Subtotal (C)=(A)+(B) | n.a. | n.a. | 4,724.1 | n.a. | n.a. | 5,505.0 |
| Effect of credit risk mitigation by collateral (D) | n.a. | n.a. | 400.9 | n.a. | n.a. | 651.8 |
| Total (C)+(D) | n.a. | n.a. | 4,323.2 | n.a. | n.a. | 4,853.1 |
| Standardized method | | | Credit equivalent amount | | | Credit equivalent amount |
| Total | | | 198.0 | | | 284.3 |

Note: The current exposure method and standardized method are used as the method to calculate credit equivalent amounts.

Long-settlement transactions

| | As of March 31, 2012 | | | As of March 31, 2013 | | |
|-------------------|------------------------|--------------|--------------------------|------------------------|--------------|--------------------------|
| | Gross replacement cost | Gross add-on | Credit equivalent amount | Gross replacement cost | Gross add-on | Credit equivalent amount |
| (Billions of yen) | | | | | | |

| | | | | | | |
|-------------------------------------|------------|------------|------------|------------|------------|------------|
| Long-settlement transactions | 3.5 | 0.7 | 4.3 | 3.3 | 3.0 | 6.3 |
|-------------------------------------|------------|------------|------------|------------|------------|------------|

Notes:

1. The current exposure method is used as the method to calculate credit equivalent amounts.
2. Neither the netting benefits by close-out netting settlement contracts nor the effect of credit risk mitigation by collateral applies to long-settlement transactions.

Table of Contents**(B) Amounts of credit risk mitigation by type**

| | As of March 31, 2012 | (Billions of yen) As of March 31, 2013 |
|----------------------|----------------------|-------------------------------------------|
| Financial collateral | 49.9 | 31.8 |
| Other collateral | 96.1 | 51.3 |
| Guarantees, others | 14.4 | 10.1 |
| Total | 160.5 | 93.3 |

(C) Notional amount of credit derivatives subject to credit equivalent amount calculations

| | | As of March 31, 2012 | (Billions of yen) As of March 31, 2013 |
|---------------------------------|--------------------------|----------------------|-------------------------------------------|
| | | Notional amount | Notional amount |
| Credit derivatives type: | | | |
| Credit default swap | Protection bought | 3,224.6 | 2,511.3 |
| | Protection sold | 3,213.3 | 2,308.0 |
| Total return swap | Protection bought | | |
| | Protection sold | | |
| Total | Protection bought | 3,224.6 | 2,511.3 |
| | Protection sold | 3,213.3 | 2,308.0 |

Note: Credit derivatives used for credit risk mitigation are as follows:

| | As of March 31, 2012 | (Billions of yen) As of March 31, 2013 |
|----------------------------------------------------|----------------------|-------------------------------------------|
| Credit derivatives used for credit risk mitigation | 127.5 | 113.7 |

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n Securitization exposure

We classify transactions as securitization exposure based on two characteristics, non-recourse and senior/subordinated structure, pursuant to the definitions set forth in the FSA Notice No. 20, etc.; provided that the transactions do not include those which fall within specialized lending exposure.

At Mizuho Financial Group, Mizuho Corporate Bank and Mizuho Trust & Banking, certain securitization exposure was deducted from capital under Basel II for the fiscal year ended March 31, 2012. With the start of application of Basel III, for certain securitization exposure, a risk weight of 1,250% was applied for calculation of credit risk-weighted assets, and a risk weight of 100% was applied for calculation of market risk equivalent amounts, under Basel III for the fiscal year ended March 31, 2013.

(11) Summary of securitization exposure and its risk management

We are associated with securitization transactions from various purposes and positions through our banking book and trading book. Quantitative information related to (a) to (c) below is disclosed in (13) Quantitative disclosure items for securitization exposure, in accordance with the definitions set forth in the FSA Notice No. 20. Securitization exposures are separately disclosed for calculation of credit risk-weighted assets and market risk equivalent amounts.

The role of our securitization transactions

(a) Securitization of our assets (Securitization as originator)

For the purposes of mitigating credit risk and credit concentration risk, controlling economic capital and responding to the needs of our investors, etc., we engage in securitization transactions the underlying assets of which include mortgage loans and loans to our corporate customers. When conducting a securitization as an originator, we consider such transaction from various aspects, including the effects of reduction of economic capital and improvement of return on risk as well as the practical effects of risk transfers, and make a comprehensive judgment on structure and appropriateness of transaction.

(b) Securitization program (ABCP/ABL) sponsor

As a means of supporting our customers in their securitization of their account receivables and notes receivables, etc., we retain securitization exposure by providing asset-backed loans (ABLS, which are on-balance-sheet transactions), and providing asset-backed commercial paper (ABCP) backup lines (off-balance-sheet transactions), as sponsor to special purpose companies (in the form of Cayman Islands Corporations, etc.). In such cases, in addition to gaining firm understanding of the actual risk profile through due diligence from the viewpoint of investors, we assign internal ratings and make evaluations by assessing such transactions and carefully managing the exposure together with other direct loan assets.

(c) Investment in alternative credit risk assets (Securitization transactions as investor)

We hold securitization products, such as ABS, CMBS, RMBS, and CDO, and resecuritization products, the underlying assets of which are mainly RMBS and CDO, etc., for the purpose of investing in alternative credit risk assets that are different from conventional credit risk assets in order to diversify our investment portfolio. The Portfolio Management Committee, etc. set limits on the amount of investment for securitization transactions as investor, and we maintain a stringent structure for management of such transactions. In addition, we implement stress tests based on scenarios under the market liquidity depletion and sharp price declines.

In addition, we undertake various securitization program arrangements such as ABL, ABCP and trust schemes, etc., as a means of financing for our customers. We endeavor to understand the actual risk profile, including the underlying assets, and to disclose appropriately the risks and terms of the program to the customers who invest in the product.

Furthermore, we actively act as servicer for securitization transactions, offer settlement account facilities (servicer cash advance) and provide interest rate swaps to securitization conduits.

None of our affiliated entities hold securitization products in which we are involved as originators or sponsors.

Overview of risk characteristics in securitization and monitoring system

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In addition to price fluctuation and market liquidity risks, securitization and resecuritization products are exposed to risks related to default, recovery and granularity of underlying asset portfolio.

The structure of these products also contains risks related to the originators, the administrators, trustees and managers of the underlying assets.

To address these risks, we also analyze the structure in terms of the underlying assets and credit events. We monitor the ability, quality and operating performance of originators and managers in charge of controlling the underlying assets as well as covenant information and credit status of the parties related to the program.

In addition, for resecuritization products, we pay attention to the underlying assets of the underlying securitization products.

We also assign internal ratings to all products and review the rating at least once a year. If there is a change in the credit situations, we will review the internal rating as appropriate. As mentioned above, we have established a system to comprehensively understand the risk characteristics of securitization exposures and manage these exposures.

We conduct credit risk measurements on all credit transactions, including securitization transactions. Furthermore, we carry out periodic monitoring on investment amount and performance on securitization transactions and report the situations to our Portfolio Management Committee, etc.

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Status of response to Basel Framework

In calculating credit risk-weighted assets of securitization exposure under the internal ratings-based approach, we apply the ratings-based approach (RBA) if the asset has a rating obtained from eligible external credit assessment institutions and apply the supervisory formula approach (SF) in other cases pursuant to the FSA Notice No. 20. We apply a risk weight of 1,250% under Basel III, and deduct securitization exposure from our capital under Basel II, when neither RBA nor SF can be applied.

In addition, in calculating credit risk-weighted assets of securitization exposure under the standardized approach, we calculate based on risk weight according to ratings by eligible external credit assessment institutions and weighted average risk weight of underlying assets.

In terms of securitization exposure in our trading book that is subject to market risk regulations, we adopt the standardized measurement method and calculate market risk equivalent amounts in connection with the specific risks of securitization products based on risk weights according to ratings assigned by eligible external credit assessment institutions pursuant to the FSA Notice No. 20.

As for the eligible external credit assessment institutions, we refer to Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service Inc. (Moody's), Standard & Poor's (S&P) and Fitch Ratings, Ltd. in determining securitization exposure risk weight (We do not separately designate eligible external credit assessment institutions for each type of securitization exposure).

(12) Accounting policies for securitization transactions

The point at which financial assets and liabilities relating to securitization transactions begin or cease to be recognized, their evaluation and accounting treatment are pursuant to Accounting Standards Relating to Financial Products (Business Accounting Standards No. 10), etc., and we conduct valuations based on market price or other reasonably calculated price (such as a price quoted by a broker or an information vender) unless the valuation based on such information is recognized as extremely difficult to conduct in practice. With respect to the credit investments in securitization products made as an alternative to loans by the European, North American and other offices of domestic consolidated banking subsidiaries, we applied reasonably calculated prices based on the reasonable estimates of our management as fair value. In deriving reasonably calculated prices based on the reasonable estimates of our management, we used the discounted cash flow method, and the price decision variables include default rates, recovery rates, pre-payment rates and discount rates. Being affected by the recent revitalization of the primary market and the secondary market, we changed discount rates of the price decision variables and set discount rates at a level deemed to be prevailing in the market beginning with the fiscal year ended March 31, 2013.

Furthermore, we apply appropriate accounting treatment on compound financial products based on Report on Auditing Securitized Instruments , announced by the Japanese Institute of Certified Public Accountants on March 26, 2008.

Table of Contents**(13) Quantitative disclosure items for securitization exposure****Securitization exposure as originator (for calculation of credit risk-weighted assets)****(A) Information by type of underlying assets**

(Billions of yen)

As of, or for the fiscal year ended, March 31, 2012

| | Residential | Auto | Lease | Corporate | Real | Securitization | Total |
|-------------------------------------------------------------|-------------|--------------|-------|--------------|-------------|----------------|--------------|
| | Credit | mortgage | loans | payment | estate | products | |
| | cards | loans | loans | receivables | | | |
| Traditional securitizations | | | | | | | |
| Amount of underlying assets (a) | | 169.1 | | | | | 169.1 |
| <i>Default exposure</i> | | 2.3 | | | | | 2.3 |
| Losses during the fiscal year | | 0.7 | | | | | 0.7 |
| Amount of exposures securitized during the fiscal year | | | | | | | |
| Gains and losses recognized on sales during the fiscal year | | | | | | | |
| Securitization subject to early amortization treatment | | | | | | | |
| Synthetic securitizations | | | | | | | |
| Amount of underlying assets (b) | | | | 660.5 | 10.0 | | 670.5 |
| <i>Default exposure</i> | | | | | | | |
| Losses during the fiscal year | | | | | | | |
| Amount of exposures securitized during the fiscal year | | | | 63.6 | | | 63.6 |
| Total amount of underlying assets (a)+(b) | | 169.1 | | 660.5 | 10.0 | | 839.6 |

(Billions of yen)

As of, or for the fiscal year ended, March 31, 2013

| | Residential | Auto | Lease | Corporate | Real | Securitization | Total |
|-------------------------------------------------------------|-------------|--------------|-------|--------------|-------------|----------------|--------------|
| | Credit | mortgage | loans | payment | estate | products | |
| | cards | loans | loans | receivables | | | |
| Traditional securitizations | | | | | | | |
| Amount of underlying assets (a) | | 142.3 | | | | | 142.3 |
| <i>Default exposure</i> | | 1.8 | | | | | 1.8 |
| Losses during the fiscal year | | 0.3 | | | | | 0.3 |
| Amount of exposures securitized during the fiscal year | | | | | | | |
| Gains and losses recognized on sales during the fiscal year | | | | | | | |
| Securitization subject to early amortization treatment | | | | | | | |
| Synthetic securitizations | | | | | | | |
| Amount of underlying assets (b) | | | | 496.9 | 10.0 | | 506.9 |
| <i>Default exposure</i> | | | | | | | |
| Losses during the fiscal year | | | | | | | |
| Amount of exposures securitized during the fiscal year | | | | | | | |
| Total amount of underlying assets (a)+(b) | | 142.3 | | 496.9 | 10.0 | | 649.3 |

Notes:

1. Items that refer to during the fiscal year show amounts accumulated during the fiscal year ended March 31, 2012 and 2013.
2. Amount of underlying assets and Losses during the fiscal year include those related to, in addition to exposure originated by us, exposure to assets originated by other financial institutions if they are contained in the same securitization program.
3. Default exposure and Losses during the fiscal year with respect to synthetic securitization transactions are based on the definition of default as set forth in the respective transactions.
4. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction.
5. Credit cards include shopping credit receivables, card loans, etc.
6. The effects of risk mitigation, in the context of calculating capital adequacy ratio, of transfers (hedges) of risk through synthetic securitization transactions are reflected in Required capital of (B) Information of securitization exposure retained or purchased.
7. Of the securitization exposure retained or purchased whose risk has been transferred (hedged) through securitization schemes, we have categorized securitization exposure as investor if the risk transfer (hedge) effects are not reflected in the calculation of capital adequacy ratio, following the definition for classification of securitization exposure set forth in the FSA Notice No. 20, etc.

Table of Contents**Exposure intended to be securitized**

| | As of March 31, 2012 | | | | | | | (Billions of yen) |
|--------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| Exposure intended to be securitized | | | | | | | | |

| | As of March 31, 2013 | | | | | | | (Billions of yen) |
|--------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| Exposure intended to be securitized | | | | | | | | |

(B) Information of securitization exposure retained or purchased**Exposure by type of underlying asset**

| | As of March 31, 2012 | | | | | | | (Billions of yen) |
|------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| On-balance sheet | | 36.2 | | | 660.5 | 10.0 | | 706.7 |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Total | | 36.2 | | | 660.5 | 10.0 | | 706.7 |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations deducted from capital | | | | | 1.5 | | | 1.5 |
| Exposure whose underlying assets are overseas assets | | | | | | | | |

| | As of March 31, 2013 | | | | | | | (Billions of yen) |
|-------------------------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| On-balance sheet | | 35.4 | | | 496.9 | 10.0 | | 542.3 |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Total | | 35.4 | | | 496.9 | 10.0 | | 542.3 |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations to which a risk weight of 1,250% is applied | | | | | | | | |
| Exposure whose underlying assets are overseas assets | | | | | | | | |

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Notes:

1. Classification based on type of underlying asset is conducted according to the principal underlying asset type for each transaction.
2. Credit cards include shopping credit receivables, card loans, etc.
3. Exposure whose underlying assets are overseas assets is classified based on the principal underlying asset type for each transaction.
4. Exposure on resecuritizations as of both March 31, 2012 and 2013 are classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Table of Contents**Exposure by risk weight category**

| | | | | | | | (Billions of yen) |
|------------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|--------------|-------------------------------------|----------------------|
| | | | | | | | As of March 31, 2012 |
| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations | |
| Up to 20% | 607.8 | | | | 607.8 | | |
| Up to 50% | 20.5 | | | | 20.5 | | |
| Up to 100% | 37.2 | | | | 37.2 | | |
| Up to 250% | | | | | | | |
| Up to 650% | 30.5 | | | | 30.5 | | |
| Over 650% | 9.1 | | | | 9.1 | | |
| Deduction from capital | 1.5 | | | | 1.5 | | |
| Total | 706.7 | | | | 706.7 | | |

| | | | | | | | (Billions of yen) |
|------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|--------------|-------------------------------------|----------------------|
| | | | | | | | As of March 31, 2013 |
| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations | |
| Up to 20% | 449.6 | | | | 449.6 | | |
| Up to 50% | 19.6 | | | | 19.6 | | |
| Up to 100% | 36.4 | | | | 36.4 | | |
| Up to 250% | 5.0 | | | | 5.0 | | |
| Up to 650% | 28.5 | | | | 28.5 | | |
| Less than 1,250% | 3.2 | | | | 3.2 | | |
| 1,250% | | | | | | | |
| Total | 542.3 | | | | 542.3 | | |

Amount of required capital by risk weight category

| | | | | | | | (Billions of yen) |
|------------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|-------|-------------------------------------|----------------------|
| | | | | | | | As of March 31, 2012 |
| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations | |
| Up to 20% | 3.6 | | | | 3.6 | | |
| Up to 50% | 0.5 | | | | 0.5 | | |
| Up to 100% | 2.2 | | | | 2.2 | | |
| Up to 250% | | | | | | | |
| Up to 650% | 0.3 | | | | 0.3 | | |
| Over 650% | 0.0 | | | | 0.0 | | |
| Deduction from capital | | | | | | | |

Total **6.7** **6.7**

(Billions of yen)

As of March 31, 2013

| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
|------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|------------|-------------------------------------|
| Up to 20% | 2.7 | | | | 2.7 | |
| Up to 50% | 0.5 | | | | 0.5 | |
| Up to 100% | 1.8 | | | | 1.8 | |
| Up to 250% | 0.0 | | | | 0.0 | |
| Up to 650% | 0.4 | | | | 0.4 | |
| Less than 1,250% | | | | | | |
| 1,250% | | | | | | |
| Total | 5.5 | | | | 5.5 | |

Credit risk mitigation against exposure on resecuritizations

| Risk weight | (Billions of yen) | |
|--------------|----------------------|----------------------|
| | As of March 31, 2012 | As of March 31, 2013 |
| Up to 20% | | |
| Up to 50% | | |
| Up to 100% | | |
| Up to 250% | | |
| Up to 650% | | |
| Over 650% | | |
| Total | | |

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

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Capital increase due to securitization transactions

| | As of March 31, 2012 | | | | | | | (Billions of yen) |
|------------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| Capital increase due to securitization transactions | | 3.3 | | | | | | 3.3 |

| | As of March 31, 2013 | | | | | | | (Billions of yen) |
|------------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| Capital increase due to securitization transactions | | 2.5 | | | | | | 2.5 |

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the FSA Notice No. 20

| | As of March 31, 2012 | (Billions of yen) As of March 31, 2013 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------|
| Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the FSA Notice No. 20 | | |

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Securitization exposure as sponsor of securitization programs (ABCP/ABL) (for calculation of credit risk-weighted assets)

(C) Information by type of underlying assets

(Billions of yen)

As of, or for the fiscal year ended, March 31, 2012

| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate | Others | Total |
|----------------------------------------------------------------------------------|--------------|----------------------------|--------------|---------------------------|------------------------------|-------------|-------------|----------------|
| Amount of underlying assets | 82.7 | | 79.0 | 125.6 | 465.5 | | 24.0 | 777.1 |
| Default exposure | | | | 0.1 | 13.8 | | | 14.0 |
| Estimated loss amount related to underlying assets during the fiscal year | 0.6 | | 1.2 | 0.8 | 14.3 | | 0.0 | 17.1 |
| Amount of exposures securitized during the fiscal year | 546.6 | | 471.6 | 1,723.3 | 2,637.0 | | 84.7 | 5,463.5 |

(Billions of yen)

As of, or for the fiscal year ended, March 31, 2013

| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate | Others | Total |
|----------------------------------------------------------------------------------|--------------|----------------------------|--------------|---------------------------|------------------------------|-------------|--------------|----------------|
| Amount of underlying assets | 73.4 | | 49.6 | 75.6 | 457.8 | | 55.9 | 712.4 |
| Default exposure | | | | 0.0 | 7.3 | | | 7.4 |
| Estimated loss amount related to underlying assets during the fiscal year | 0.5 | | 0.5 | 0.3 | 9.7 | | 0.5 | 11.7 |
| Amount of exposures securitized during the fiscal year | 461.2 | | 495.9 | 894.6 | 2,948.9 | | 163.4 | 4,964.2 |

Notes:

- Items that refer to during the fiscal year show amounts accumulated during the fiscal year ended March 31, 2012 and 2013.
- Securitization exposure that is acquired in securitization of customer's claims other than as sponsor (in the form of asset-backed securities, trust beneficiary rights and other transferable instruments) is categorized as securitization exposure as investor.
- The amount of default exposure is the amount of the underlying assets recognized as default in the calculation of capital adequacy ratio.
- Estimated loss amount related to underlying assets is based on the amount of the underlying assets as of the relevant date and the following parameters that are used in the calculation of capital adequacy ratio:
 - parameters used in the calculation of required capital for an underlying asset when applying the supervisory formula (e.g., PD); and
 - with respect to underlying assets classified as securitization exposure, the conservative application of risk weights used in the ratings-based approach.
- Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
- Credit cards include shopping credit receivables, card loans, etc.

Table of Contents**(D) Information of securitization exposure retained or purchased****Exposure by type of underlying asset**

(Billions of yen)

| | As of March 31, 2012 | | | | | | | |
|------------------------------------------------------|----------------------|----------------------------|-------------|---------------------------|------------------------------|-------------|-------------|--------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate | Others | Total |
| On-balance sheet | 68.2 | | 76.1 | 79.5 | 329.2 | | 5.9 | 559.1 |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | 64.6 | | 12.8 | 56.3 | 126.0 | | 22.5 | 282.5 |
| Exposure on resecuritizations | | | | | | | | |
| Total | 132.9 | | 89.0 | 135.9 | 455.3 | | 28.4 | 841.7 |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations deducted from capital | | | | | | | | |
| Exposure whose underlying assets are overseas assets | 47.2 | | 41.0 | 24.6 | 90.4 | | 22.5 | 225.9 |

(Billions of yen)

| | As of March 31, 2013 | | | | | | | |
|-------------------------------------------------------------------------|----------------------|----------------------------|-------------|---------------------------|------------------------------|-------------|-------------|--------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate | Others | Total |
| On-balance sheet | 56.9 | | 35.7 | 21.7 | 302.5 | | 28.6 | 445.6 |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | 80.5 | | 44.5 | 43.8 | 256.0 | | 35.2 | 460.3 |
| Exposure on resecuritizations | | | | | | | | |
| Total | 137.4 | | 80.2 | 65.6 | 558.6 | | 63.9 | 906.0 |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations to which a risk weight of 1,250% is applied | | | | | | | | |
| Exposure whose underlying assets are overseas assets | 68.1 | | 37.5 | 8.8 | 220.9 | | 63.4 | 399.0 |

Notes:

- Securitization exposure retained or purchased includes unused portions of securitization programs that are subject to allocation of required capital.
- Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
- Credit cards include shopping credit receivables, card loans, etc.
- The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
- Exposure on resecuritizations as of both March 31, 2012 and 2013 are classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Table of Contents**Exposure by risk weight category**

(Billions of yen)

As of March 31, 2012

| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
|------------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|--------------|-------------------------------------|
| Up to 20% | 537.1 | | 281.7 | | 818.8 | |
| Up to 50% | 18.3 | | 0.2 | | 18.5 | |
| Up to 100% | 0.3 | | | | 0.3 | |
| Up to 250% | 3.3 | | | | 3.3 | |
| Up to 650% | | | | | | |
| Over 650% | | | 0.5 | | 0.5 | |
| Deduction from capital | | | | | | |
| Total | 559.1 | | 282.5 | | 841.7 | |

(Billions of yen)

As of March 31, 2013

| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
|------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|--------------|-------------------------------------|
| Up to 20% | 438.0 | | 460.3 | | 898.3 | |
| Up to 50% | 0.0 | | | | 0.0 | |
| Up to 100% | 2.5 | | | | 2.5 | |
| Up to 250% | 5.1 | | | | 5.1 | |
| Up to 650% | | | | | | |
| Less than 1,250% | | | | | | |
| 1,250% | | | | | | |
| Total | 445.6 | | 460.3 | | 906.0 | |

Table of Contents**Amount of required capital by risk weight category**

(Billions of yen)

As of March 31, 2012

| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
|------------------------|------------------|-------------------------------|-------------------|-------------------------------|------------|-------------------------------|
| Up to 20% | 3.5 | | 1.7 | | 5.3 | |
| Up to 50% | 0.3 | | 0.0 | | 0.3 | |
| Up to 100% | 0.0 | | | | 0.0 | |
| Up to 250% | 0.4 | | | | 0.4 | |
| Up to 650% | | | | | | |
| Over 650% | | | 0.5 | | 0.5 | |
| Deduction from capital | | | | | | |
| Total | 4.4 | | 2.3 | | 6.7 | |

(Billions of yen)

As of March 31, 2013

| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
|------------------|------------------|-------------------------------|-------------------|-------------------------------|------------|-------------------------------|
| Up to 20% | 3.3 | | 2.8 | | 6.2 | |
| Up to 50% | 0.0 | | | | 0.0 | |
| Up to 100% | 0.1 | | | | 0.1 | |
| Up to 250% | 0.4 | | | | 0.4 | |
| Up to 650% | | | | | | |
| Less than 1,250% | | | | | | |
| 1,250% | | | | | | |
| Total | 3.9 | | 2.8 | | 6.8 | |

Credit risk mitigation against exposure on resecuritizations

(Billions of yen)

| Risk weight | As of March 31, 2012 | As of March 31, 2013 |
|--------------|----------------------|----------------------|
| Up to 20% | | |
| Up to 50% | | |
| Up to 100% | | |
| Up to 250% | | |
| Up to 650% | | |
| Over 650% | | |
| Total | | |

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the FSA Notice No. 20

| | As of March 31, 2012 | (Billions of yen) As March 31, 2013 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------|
| Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the FSA Notice No. 20 | | |

Table of Contents**Securitization exposure as investor (for calculation of credit risk-weighted assets)****(E) Information of securitization exposure retained or purchased****Exposure by type of underlying asset**

(Billions of yen)

| | As of March 31, 2012 | | | | | | | |
|------------------------------------------------------|----------------------|----------------------------|--------------|---------------------------|--------------|--------------|--------------|----------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Others | Total |
| On-balance sheet | 68.5 | 1,414.9 | 118.7 | 62.7 | 192.1 | 321.4 | 108.6 | 2,287.2 |
| Exposure on resecuritizations | | 39.0 | 0.5 | | 108.2 | 0.0 | 3.0 | 150.8 |
| Off-balance sheet | | | 7.6 | 4.7 | 1.5 | 0.6 | 4.8 | 19.4 |
| Exposure on resecuritizations | | | | | | | | |
| Total | 68.5 | 1,414.9 | 126.4 | 67.4 | 193.6 | 322.0 | 113.5 | 2,306.7 |
| Exposure on resecuritizations | | 39.0 | 0.5 | | 108.2 | 0.0 | 3.0 | 150.8 |
| Exposure on securitizations deducted from capital | | 8.8 | 0.1 | 0.4 | 8.1 | 38.3 | 4.2 | 60.0 |
| Exposure whose underlying assets are overseas assets | 57.4 | 83.5 | 14.1 | 28.0 | 176.1 | 26.3 | 13.1 | 398.9 |

(Billions of yen)

| | As of March 31, 2013 | | | | | | | |
|-------------------------------------------------------------------------|----------------------|----------------------------|-------------|---------------------------|--------------|--------------|-------------|----------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Others | Total |
| On-balance sheet | 78.6 | 1,279.3 | 45.5 | 49.9 | 161.4 | 156.6 | 91.4 | 1,863.0 |
| Exposure on resecuritizations | | 23.5 | 0.5 | | 101.8 | | | 125.9 |
| Off-balance sheet | 0.0 | | 10.0 | 14.5 | 0.0 | 0.4 | 4.3 | 29.3 |
| Exposure on resecuritizations | | | | | | | | |
| Total | 78.6 | 1,279.3 | 55.5 | 64.4 | 161.4 | 157.1 | 95.7 | 1,892.3 |
| Exposure on resecuritizations | | 23.5 | 0.5 | | 101.8 | | | 125.9 |
| Exposure on securitizations to which a risk weight of 1,250% is applied | | 2.6 | 0.2 | 1.0 | 0.7 | 27.9 | 0.6 | 33.2 |
| Exposure whose underlying assets are overseas assets | 70.3 | 55.5 | 8.6 | 40.1 | 158.7 | 22.7 | 7.9 | 364.1 |

Notes:

- Subordinated contributions for managed collateralized loan obligations (CLO), etc., are included in the above table as exposure as investor even when the assets underlying those CLOs, etc., include exposures that were originated by us. Our subordinated contributions for those managed CLOs, etc., were ¥0.7 billion as of March 31, 2012 (treated as deduction from capital for purpose of capital adequacy ratio calculation) and ¥0.7 billion as of March 31, 2013 (a risk weight of 1,250% was applied for purpose of capital adequacy ratio calculation).
- Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
- Credit cards include shopping credit receivables, card loans, etc.
- The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
- Securitization exposure retained or purchased whose risk transfer (hedge) effects are reflected in the calculation of capital adequacy ratio is categorized as securitization exposure as originator.
-

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Securitization exposure as investor as of March 31, 2012 includes ¥1.5 billion liquidity facilities, that we provide to ABCP programs sponsored by other companies.

7. Exposure on resecuritizations as of both March 31, 2012 and 2013 are classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Table of Contents**Exposure by risk weight category**

| | | | | | | | (Billions of yen) |
|------------------------|---------------------|----------------------------------|----------------------|----------------------------------|----------------|----------------------------------|----------------------|
| | | | | | | | As of March 31, 2012 |
| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations | |
| Up to 20% | 1,856.4 | 53.0 | 9.2 | | 1,865.6 | 53.0 | |
| Up to 50% | 292.2 | 86.8 | 4.7 | | 297.0 | 86.8 | |
| Up to 100% | 59.6 | 0.5 | | | 59.6 | 0.5 | |
| Up to 250% | 4.1 | | | | 4.1 | | |
| Up to 650% | 15.7 | 0.2 | 4.3 | | 20.1 | 0.2 | |
| Over 650% | | | | | | | |
| Deduction from capital | 58.9 | 10.2 | 1.1 | | 60.0 | 10.2 | |
| Total | 2,287.2 | 150.8 | 19.4 | | 2,306.7 | 150.8 | |

| | | | | | | | (Billions of yen) |
|------------------|---------------------|----------------------------------|----------------------|----------------------------------|----------------|----------------------------------|----------------------|
| | | | | | | | As of March 31, 2013 |
| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations | |
| Up to 20% | 1,582.7 | 47.0 | 10.0 | | 1,592.7 | 47.0 | |
| Up to 50% | 199.6 | 78.3 | 14.5 | | 214.2 | 78.3 | |
| Up to 100% | 30.7 | 0.5 | | | 30.7 | 0.5 | |
| Up to 250% | 4.5 | | | | 4.5 | | |
| Up to 650% | 13.1 | | 3.6 | | 16.8 | | |
| Less than 1,250% | | | | | | | |
| 1,250% | 32.1 | | 1.1 | | 33.2 | | |
| Total | 1,863.0 | 125.9 | 29.3 | | 1,892.3 | 125.9 | |

Amount of required capital by risk weight category

| | | | | | | | (Billions of yen) |
|------------------------|---------------------|----------------------------------|----------------------|----------------------------------|-------------|----------------------------------|----------------------|
| | | | | | | | As of March 31, 2012 |
| Risk weight | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations | |
| Up to 20% | 13.8 | 0.8 | 0.0 | | 13.9 | 0.8 | |
| Up to 50% | 7.9 | 1.9 | 0.0 | | 8.0 | 1.9 | |
| Up to 100% | 4.2 | 0.0 | | | 4.2 | 0.0 | |
| Up to 250% | 0.8 | | | | 0.8 | | |
| Up to 650% | 6.6 | 0.1 | 1.2 | | 7.8 | 0.1 | |
| Over 650% | | | | | | | |
| Deduction from capital | 48.9 | 0.4 | 1.1 | | 50.1 | 0.4 | |
| Total | 82.4 | 3.4 | 2.5 | | 85.0 | 3.4 | |

(Billions of yen)

As of March 31, 2013

| Risk weight | On-balance sheet | Exposure on resecritizations | Off-balance sheet | Exposure on resecritizations | Total | Exposure on resecritizations |
|------------------|------------------|------------------------------|-------------------|------------------------------|-------------|------------------------------|
| Up to 20% | 10.9 | 0.7 | 0.0 | | 11.0 | 0.7 |
| Up to 50% | 5.2 | 1.9 | 0.2 | | 5.5 | 1.9 |
| Up to 100% | 2.2 | 0.0 | | | 2.2 | 0.0 |
| Up to 250% | 0.9 | | | | 0.9 | |
| Up to 650% | 4.6 | | 1.0 | | 5.6 | |
| Less than 1,250% | | | | | | |
| 1,250% | 33.4 | | 1.1 | | 34.6 | |
| Total | 57.5 | 2.7 | 2.5 | | 60.1 | 2.7 |

Table of Contents**Credit risk mitigation against exposure on resecuritizations**

| Risk weight | (Billions of yen) | |
|--------------|----------------------|----------------------|
| | As of March 31, 2012 | As of March 31, 2013 |
| Up to 20% | | |
| Up to 50% | 42.2 | 22.3 |
| Up to 100% | | |
| Up to 250% | | |
| Up to 650% | | |
| Over 650% | | |
| Total | 42.2 | 22.3 |

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the FSA Notice No. 20

| Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the FSA Notice No. 20 | (Billions of yen) | |
|--------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|
| | As of March 31, 2012 | As March 31, 2013 |
| | | |

In addition to the above, within the provision of credit in the form of eligible servicer cash advance, set forth in Article 246 of the FSA Notice No. 20, there was an undrawn portion to which no required capital is allocated.

The balances of such portion as of March 31, 2012 and 2013 were ¥60.1 billion and ¥103.1 billion, respectively.

Table of Contents**Securitization exposure as originator (for calculation of market risk equivalent amounts)****(F) Information by type of underlying assets**

| | (Billions of yen) | | | | | | | |
|-------------------------------------------------------------|-----------------------------------------------------|----------|-------|-------------|----------------|--------|----------------|----------------|
| | As of, or for the fiscal year ended, March 31, 2012 | | | | | | | |
| | Residential | | | Lease | | | | |
| | Credit | mortgage | Auto | payment | Corporate | Real | Securitization | Total |
| | cards | loans | loans | receivables | | estate | products | |
| Traditional securitizations | | | | | | | | |
| Amount of underlying assets (a) | | | | | | | | |
| Amount of exposures securitized during the fiscal year | | | | | | | | |
| Gains and losses recognized on sales during the fiscal year | | | | | | | | |
| Securitization subject to early amortization treatment | | | | | | | | |
| Synthetic securitizations | | | | | | | | |
| Amount of underlying assets (b) | | | | | 2,853.0 | | | 2,853.0 |
| Amount of exposures securitized during the fiscal year | | | | | | | | |
| Gains and losses recognized on sales during the fiscal year | | | | | | | | |
| Total amount of underlying assets (a)+(b) | | | | | 2,853.0 | | | 2,853.0 |

| | (Billions of yen) | | | | | | | |
|-------------------------------------------------------------|-----------------------------------------------------|----------|-------|-------------|----------------|--------|----------------|----------------|
| | As of, or for the fiscal year ended, March 31, 2013 | | | | | | | |
| | Residential | | | Lease | | | | |
| | Credit | mortgage | Auto | payment | Corporate | Real | Securitization | Total |
| | cards | loans | loans | receivables | | estate | products | |
| Traditional securitizations | | | | | | | | |
| Amount of underlying assets (a) | | | | | | | | |
| Amount of exposures securitized during the fiscal year | | | | | | | | |
| Gains and losses recognized on sales during the fiscal year | | | | | | | | |
| Securitization subject to early amortization treatment | | | | | | | | |
| Synthetic securitizations | | | | | | | | |
| Amount of underlying assets (b) | | | | | 1,040.0 | | | 1,040.0 |
| Amount of exposures securitized during the fiscal year | | | | | | | | |
| Gains and losses recognized on sales during the fiscal year | | | | | | | | |
| Total amount of underlying assets (a)+(b) | | | | | 1,040.0 | | | 1,040.0 |

Note:

Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction.

Exposure intended to be securitized

| | (Billions of yen) | | | | | | | |
|--|----------------------|----------|-------|-------------|-----------|--------|----------------|-------|
| | As of March 31, 2012 | | | | | | | |
| | Residential | | | Lease | | | | |
| | Credit | mortgage | Auto | payment | Corporate | Real | Securitization | Total |
| | cards | loans | loans | receivables | | estate | products | |

Exposure intended to be securitized

| | (Billions of yen) | | | | | | |
|-------------------------------------|----------------------|----------|-------|-------------|-----------|--------|----------------|
| | As of March 31, 2013 | | | | | | |
| | Residential | | | | | | |
| | Credit | mortgage | Auto | Lease | Corporate | Real | Securitization |
| | cards | loans | loans | payment | | estate | products |
| | | | | receivables | | | |
| | | | | | | | Total |
| Exposure intended to be securitized | | | | | | | |

Table of Contents**(G) Information of securitization exposure retained or purchased****Exposure by type of underlying asset**

| | As of March 31, 2012 | | | | | | | (Billions of yen) |
|------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-------------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| On-balance sheet | | | | | 10.9 | | | 10.9 |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | | | | | 66.3 | | | 66.3 |
| Exposure on resecuritizations | | | | | | | | |
| Total | | | | | 77.3 | | | 77.3 |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations deducted from capital | | | | | 0.0 | | | 0.0 |
| Exposure whose underlying assets are overseas assets | | | | | 0.0 | | | 0.0 |

| | As of March 31, 2013 | | | | | | | (Billions of yen) |
|-----------------------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-------------|-------------|-------------------------|-------------------|
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| On-balance sheet | | | | | 6.2 | | | 6.2 |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | | | | | 18.8 | | | 18.8 |
| Exposure on resecuritizations | | | | | | | | |
| Total | | | | | 25.0 | | | 25.0 |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations to which a risk weight of 100% is applied | | | | | 0.0 | | | 0.0 |
| Exposure whose underlying assets are overseas assets | | | | | 0.0 | | | 0.0 |

Notes:

1. Classification based on type of underlying asset is conducted according to the principal underlying asset type for each transaction.
2. Exposure whose underlying assets are overseas assets is classified based on the principal underlying asset type for each transaction.

Table of Contents**Exposure by risk capital charge category**

| Risk capital charge | As of March 31, 2012 | | | | | (Billions of yen) |
|------------------------|----------------------|-----------------------------|-------------------|-----------------------------|-------------|-----------------------------|
| | On-balance sheet | Exposure on securitizations | Off-balance sheet | Exposure on securitizations | Total | Exposure on securitizations |
| Up to 1.6% | 4.4 | | | | 4.4 | |
| Up to 4% | 4.2 | | | | 4.2 | |
| Up to 8% | 2.2 | | | | 2.2 | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Over 52% | | | 66.3 | | 66.3 | |
| Deduction from capital | 0.0 | | | | 0.0 | |
| Total | 10.9 | | 66.3 | | 77.3 | |

| Risk capital charge | As of March 31, 2013 | | | | | (Billions of yen) |
|---------------------|----------------------|-----------------------------|-------------------|-----------------------------|-------------|-----------------------------|
| | On-balance sheet | Exposure on securitizations | Off-balance sheet | Exposure on securitizations | Total | Exposure on securitizations |
| Up to 1.6% | 3.7 | | 15.1 | | 18.9 | |
| Up to 4% | 2.4 | | 3.6 | | 6.1 | |
| Up to 8% | | | | | | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Less than 100% | | | | | | |
| 100% | 0.0 | | | | 0.0 | |
| Total | 6.2 | | 18.8 | | 25.0 | |

Amount of required capital by risk capital charge category

| Risk capital charge | As of March 31, 2012 | | | | | (Billions of yen) |
|------------------------|----------------------|-----------------------------|-------------------|-----------------------------|------------|-----------------------------|
| | On-balance sheet | Exposure on securitizations | Off-balance sheet | Exposure on securitizations | Total | Exposure on securitizations |
| Up to 1.6% | 0.0 | | | | 0.0 | |
| Up to 4% | 0.1 | | | | 0.1 | |
| Up to 8% | 0.1 | | | | 0.1 | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Over 52% | | | 1.8 | | 1.8 | |
| Deduction from capital | 0.0 | | | | 0.0 | |
| Total | 0.4 | | 1.8 | | 2.2 | |

(Billions of yen)

As of March 31, 2013

| | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
|----------------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|------------|-------------------------------------|
| Risk capital charge | | | | | | |
| Up to 1.6% | 0.0 | | 0.1 | | 0.2 | |
| Up to 4% | 0.0 | | 0.0 | | 0.1 | |
| Up to 8% | | | | | | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Less than 100% | | | | | | |
| 100% | 0.0 | | | | 0.0 | |
| Total | 0.1 | | 0.2 | | 0.3 | |

Table of Contents**Subject to Comprehensive Risk Measure**

| | (Billions of yen) | |
|------------------------------------------------|----------------------|-------------------|
| | As of March 31, 2012 | |
| | Securitizations | Resecuritizations |
| Total amount of securitization exposure | | |
| Total amount of required capital | | |
| Subject to Comprehensive Risk Measure | | |

| | (Billions of yen) | |
|-----------------------------------------------------|----------------------|-------------------|
| | As of March 31, 2013 | |
| | Securitizations | Resecuritizations |
| Total amount of securitization exposure | | |
| Total amount of required capital | | |
| Capital increase due to securitization transactions | | |

| | (Billions of yen) | | | | | | | |
|------------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------|
| | As of March 31, 2012 | | | | | | | |
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| Capital increase due to securitization transactions | | | | | | | | |

| | (Billions of yen) | | | | | | | |
|------------------------------------------------------------|----------------------|----------------------------|------------|---------------------------|-----------|-------------|-------------------------|-------|
| | As of March 31, 2013 | | | | | | | |
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Securitization products | Total |
| Capital increase due to securitization transactions | | | | | | | | |

Securitization exposure as sponsor of securitization programs (ABCP/ABL) (for calculation of market risk equivalent amounts)

(H) Information by type of underlying assets

| | (Billions of yen) | | | | | | | |
|----------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------|------------|---------------------------|------------------------------|-------------|--------|-------|
| | As of, or for the fiscal year ended, March 31, 2012 | | | | | | | |
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate | Others | Total |
| Amount of underlying assets | | | | | | | | |
| Estimated loss amount related to underlying assets during the fiscal year | | | | | | | | |
| Amount of exposures securitized during the fiscal year | | | | | | | | |

| | (Billions of yen) | |
|--|-----------------------------------------------------|-------|
| | As of, or for the fiscal year ended, March 31, 2013 | |
| | Others | Total |
| | | |

| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate |
|----------------------------------------------------------------------------------|--------------|----------------------------|------------|---------------------------|------------------------------|-------------|
| Amount of underlying assets | | | | | | |
| Estimated loss amount related to underlying assets during the fiscal year | | | | | | |
| Amount of exposures securitized during the fiscal year | | | | | | |

Table of Contents**(I) Information of securitization exposure retained or purchased****Exposure by type of underlying asset**

| | (Billions of yen) | | | | | | | |
|------------------------------------------------------|----------------------|----------------------------------|---------------|---------------------------------|------------------------------------|----------------|--------|-------|
| | As of March 31, 2012 | | | | | | | |
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate | Others | Total |
| On-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Total | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations deducted from capital | | | | | | | | |
| Exposure whose underlying assets are overseas assets | | | | | | | | |

| | (Billions of yen) | | | | | | | |
|-----------------------------------------------------------------------|----------------------|----------------------------------|---------------|---------------------------------|------------------------------------|----------------|--------|-------|
| | As of March 31, 2013 | | | | | | | |
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Account and note receivables | Real estate | Others | Total |
| On-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Off-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Total | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Exposure on securitizations to which a risk weight of 100% is applied | | | | | | | | |
| Exposure whose underlying assets are overseas assets | | | | | | | | |

Table of Contents**Exposure by risk capital charge category**

| | As of March 31, 2012 | | | | | (Billions of yen) |
|---------------------|----------------------|-------------------------------|-------------------|-------------------------------|-------|-------------------------------|
| Risk capital charge | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
| Up to 1.6% | | | | | | |
| Up to 4% | | | | | | |
| Up to 8% | | | | | | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Over 52% | | | | | | |

Deduction from capital

Total

| | As of March 31, 2013 | | | | | (Billions of yen) |
|---------------------|----------------------|-------------------------------|-------------------|-------------------------------|-------|-------------------------------|
| Risk capital charge | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
| Up to 1.6% | | | | | | |
| Up to 4% | | | | | | |
| Up to 8% | | | | | | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Less than 100% | | | | | | |
| 100% | | | | | | |

Total**Amount of required capital by risk capital charge category**

| | As of March 31, 2012 | | | | | (Billions of yen) |
|---------------------|----------------------|-------------------------------|-------------------|-------------------------------|-------|-------------------------------|
| Risk capital charge | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
| Up to 1.6% | | | | | | |
| Up to 4% | | | | | | |
| Up to 8% | | | | | | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Over 52% | | | | | | |

Deduction from capital

Total

| | As of March 31, 2013 | | | | | (Billions of yen) |
|----------------------------|----------------------|------------------------------|-------------------|------------------------------|-------|------------------------------|
| | On-balance sheet | Exposure on resecritizations | Off-balance sheet | Exposure on resecritizations | Total | Exposure on resecritizations |
| Risk capital charge | | | | | | |
| Up to 1.6% | | | | | | |
| Up to 4% | | | | | | |
| Up to 8% | | | | | | |
| Up to 20% | | | | | | |
| Up to 52% | | | | | | |
| Less than 100% | | | | | | |
| 100% | | | | | | |

Total

Table of Contents**Securitization exposure as investor (for calculation of market risk equivalent amounts)****(J) Information of securitization exposure retained or purchased****Exposure by type of underlying asset**

| | (Billions of yen) | | | | | | | |
|------------------------------------------------------|----------------------|----------------------------------|---------------|---------------------------------|-------------|----------------|------------|-------------|
| | As of March 31, 2012 | | | | | | | |
| | Credit cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Others | Total |
| On-balance sheet | 0.7 | 1.4 | 0.4 | 0.6 | 21.7 | 8.8 | 3.2 | 37.1 |
| Exposure on resecuritizations | | | | | | | 0.3 | 0.3 |
| Off-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Total | 0.7 | 1.4 | 0.4 | 0.6 | 21.7 | 8.8 | 3.2 | 37.1 |
| Exposure on resecuritizations | | | | | | | 0.3 | 0.3 |
| Exposure on securitizations deducted from capital | | 1.2 | | 0.5 | 10.0 | 1.1 | 0.3 | 13.3 |
| Exposure whose underlying assets are overseas assets | 0.7 | 0.9 | 0.4 | | 0.0 | 2.6 | 1.0 | 5.9 |

| | (Billions of yen) | | | | | | | |
|-----------------------------------------------------------------------|----------------------|----------------------------------|---------------|---------------------------------|-------------|----------------|------------|-------------|
| | As of March 31, 2013 | | | | | | | |
| | Credit Cards | Residential mortgage loans | Auto loans | Lease payment receivables | Corporate | Real estate | Others | Total |
| On-balance sheet | | 3.8 | 3.5 | | 13.3 | 5.7 | 1.9 | 28.4 |
| Exposure on resecuritizations | | | | | | | 0.2 | 0.2 |
| Off-balance sheet | | | | | | | | |
| Exposure on resecuritizations | | | | | | | | |
| Total | | 3.8 | 3.5 | | 13.3 | 5.7 | 1.9 | 28.4 |
| Exposure on resecuritizations | | | | | | | 0.2 | 0.2 |
| Exposure on securitizations to which a risk weight of 100% is applied | | 3.4 | | | 8.3 | 0.6 | 0.2 | 12.7 |
| Exposure whose underlying assets are overseas assets | | 3.2 | 3.5 | | 0.0 | 3.3 | 0.9 | 11.0 |

Notes:

1. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
2. Credit cards include shopping credit receivables, card loans, etc.
3. The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
4. Exposure on resecuritizations are classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Table of Contents**Exposure by risk capital charge category**

(Billions of yen)

As of March 31, 2012

| Risk capital charge | On-balance sheet | Exposure on securitizations | Off-balance sheet | Exposure on securitizations | Total | Exposure on securitizations |
|------------------------|------------------|-----------------------------|-------------------|-----------------------------|-------------|-----------------------------|
| Up to 1.6% | 6.5 | | | | 6.5 | |
| Up to 4% | 3.1 | | | | 3.1 | |
| Up to 8% | 4.9 | | | | 4.9 | |
| Up to 20% | | | | | | |
| Up to 52% | 9.1 | | | | 9.1 | |
| Over 52% | | | | | | |
| Deduction from capital | 13.3 | 0.3 | | | 13.3 | 0.3 |
| Total | 37.1 | 0.3 | | | 37.1 | 0.3 |

(Billions of yen)

As of March 31, 2013

| Risk capital charge | On-balance sheet | Exposure on securitizations | Off-balance sheet | Exposure on securitizations | Total | Exposure on securitizations |
|---------------------|------------------|-----------------------------|-------------------|-----------------------------|-------------|-----------------------------|
| Up to 1.6% | 5.8 | | | | 5.8 | |
| Up to 4% | 1.9 | | | | 1.9 | |
| Up to 8% | 3.0 | | | | 3.0 | |
| Up to 20% | | | | | | |
| Up to 52% | 4.8 | | | | 4.8 | |
| Less than 100% | | | | | | |
| 100% | 12.7 | 0.2 | | | 12.7 | 0.2 |
| Total | 28.4 | 0.2 | | | 28.4 | 0.2 |

Amount of required capital by risk capital charge category

(Billions of yen)

As of March 31, 2012

| Risk capital charge | On-balance sheet | Exposure on securitizations | Off-balance sheet | Exposure on securitizations | Total | Exposure on securitizations |
|------------------------|------------------|-----------------------------|-------------------|-----------------------------|-------|-----------------------------|
| Up to 1.6% | 0.1 | | | | 0.1 | |
| Up to 4% | 0.1 | | | | 0.1 | |
| Up to 8% | 0.3 | | | | 0.3 | |
| Up to 20% | | | | | | |
| Up to 52% | 2.5 | | | | 2.5 | |
| Over 52% | | | | | | |
| Deduction from capital | 13.3 | 0.3 | | | 13.3 | 0.3 |

Total **16.5** **0.3** **16.5** **0.3**

(Billions of yen)

As of March 31, 2013

| | On-balance sheet | Exposure on resecuritizations | Off-balance sheet | Exposure on resecuritizations | Total | Exposure on resecuritizations |
|----------------------------|---------------------|-------------------------------------|----------------------|-------------------------------------|-------------|-------------------------------------|
| Risk capital charge | | | | | | |
| Up to 1.6% | 0.0 | | | | 0.0 | |
| Up to 4% | 0.0 | | | | 0.0 | |
| Up to 8% | 0.2 | | | | 0.2 | |
| Up to 20% | | | | | | |
| Up to 52% | 1.3 | | | | 1.3 | |
| Less than 100% | | | | | | |
| 100% | 12.7 | 0.2 | | | 12.7 | 0.2 |
| Total | 14.4 | 0.2 | | | 14.4 | 0.2 |

Subject to Comprehensive Risk Measure

| | (Billions of yen) | |
|------------------------------------------------|----------------------|-----------------|
| | As of March 31, 2012 | |
| | Securitization | Resecuritiation |
| Total amount of securitization exposure | | |
| Total amount of required capital | | |

| | (Billions of yen) | |
|------------------------------------------------|----------------------|-----------------|
| | As of March 31, 2013 | |
| | Securitization | Resecuritiation |
| Total amount of securitization exposure | | |
| Total amount of required capital | | |

Table of Contents**n Market risk**

See pages 61 to 68 for information regarding market risk.

n Operational risk

See pages 69 to 71 for information regarding operational risk.

n Equity exposure in banking book**(14) Risk management related to equity exposure in banking book**

With regard to equities in our banking book, we manage default risk through our credit risk management structure and price fluctuation risk through our market risk management structure.

With regard to subsidiaries and related companies in which we invest, we manage their risks on a consolidated basis, and manage them appropriately in accordance with their management classification.

In addition, securities, a part of equity exposure, are valued as follows: Japanese stocks with quoted market prices are valued based on the average quoted market price over the month preceding the consolidated balance sheet date; other securities which have readily determinable fair values are valued at the quoted market price if available, or otherwise based on their reasonable value at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method); and other securities the fair values of which are extremely difficult to determine are stated at acquisition cost or amortized cost and determined by the moving average method.

(15) Status of equity exposure in banking book**(A) Amounts stated in consolidated balance sheet**

| | As of March 31, 2012 | | As of March 31, 2013 | |
|--------------------------------|-----------------------------------------|-------------|-----------------------------------------|-------------|
| | Consolidated balance sheet amount | Fair value | Consolidated balance sheet amount | Fair value |
| Exposure of listed stock, etc. | 2,670.2 | 2,676.8 | 3,020.4 | 3,268.1 |
| Other equity exposure | 457.1 | n.a. | 390.6 | n.a. |
| Total | 3,127.4 | n.a. | 3,411.0 | n.a. |

Notes:

- The above figures include only Japanese and foreign stocks.
- With the introduction of Basel III from the fiscal year ended March 31, 2013, we partially revised the method of counting equity exposure, and we applied the same method in counting the exposure for the fiscal year ended March 31, 2012.

(B) Gains and losses on sales related to equity exposure

| Gains and losses on | For the fiscal year ended March 31, 2012 | | For the fiscal year ended March 31, 2013 | |
|------------------------|------------------------------------------|-----------------|------------------------------------------|-----------------|
| | Gains on sales | Losses on sales | Gains on sales | Losses on sales |
| | | | | |

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| | sales | | | sales | | |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale of equity exposure | 15.6 | 54.9 | 39.3 | 46.6 | 86.2 | 39.5 |

Note: The above figures represent gains and losses on sales of stocks in our consolidated statement of income.

(C) Gains and losses from write-offs related to equity exposure

| | For the fiscal year ended March 31, 2012 | For the fiscal year ended March 31, 2013 |
|--------------------------------------|------------------------------------------|------------------------------------------|
| | Gains and losses from write-offs | Gains and losses from write-offs |
| Write-offs of equity exposure | (49.3) | (125.8) |

(Billions of yen)

Note: The above figures represent gains and losses on devaluation of stocks in our consolidated statement of income.

(D) Unrealized gains and losses recognized in the consolidated balance sheet and not recognized in the consolidated statement of income

| | As of March 31, 2012 | | | As of March 31, 2013 | | |
|------------------------|----------------------|------------------|-------------------|----------------------|------------------|-------------------|
| | Net unrealized gains | Unrealized gains | Unrealized losses | Net unrealized gains | Unrealized gains | Unrealized losses |
| Equity exposure | 177.5 | 480.3 | 302.7 | 755.6 | 889.0 | 133.3 |

(Billions of yen)

Notes:

1. The above figures include only Japanese and foreign stocks.
2. With the introduction of Basel III from the fiscal year ended March 31, 2013, we partially revised the method of counting equity exposure, and we applied the same method in counting the exposure for the fiscal year ended March 31, 2012.

Table of Contents**(E) Unrealized gains and losses not recognized in the consolidated balance sheet or in the consolidated statement of income**

| | As of March 31, 2012 | | | (Billions of yen) As of March 31, 2013 | | |
|------------------------|----------------------|------------------|-------------------|-------------------------------------------|------------------|-------------------|
| | Net | Unrealized gains | Unrealized losses | Net | Unrealized gains | Unrealized losses |
| Equity exposure | 6.6 | 15.7 | 9.1 | 247.6 | 250.0 | 2.3 |

Notes:

1. The above figures include only Japanese and foreign stocks.
2. With the introduction of Basel III from the fiscal year ended March 31, 2013, we partially revised the method of counting equity exposure, and we applied the same method in counting the exposure for the fiscal year ended March 31, 2012.

(F) Equities exposure by portfolio classification

| | (Billions of yen) | |
|---------------------------------------------------|----------------------|----------------------|
| | As of March 31, 2012 | As of March 31, 2013 |
| PD/LGD approach | 964.4 | 1,107.3 |
| Market-based approach (simple risk weight method) | 274.2 | 364.4 |
| Market-based approach (internal models approach) | | |
| Transitional measure applied | 2,118.8 | 2,361.8 |
| Total | 3,357.6 | 3,833.6 |

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n Compensation of directors, corporate auditors and employees

(16) Qualitative disclosure

(A) State of the organizational system relating to compensation of subject directors, corporate auditors and employees of Mizuho group

1. Subject directors, corporate auditors and employees Subject directors and corporate auditors and Subject employees, etc., subject to disclosure as provided for in the FSA Notice (collectively, Subject directors, corporate auditors and employees) are as follows:

(1) Subject directors and corporate auditors

Subject directors and corporate auditors are directors and corporate auditors of Mizuho Financial Group, Inc. (MHFG). Outside directors and outside corporate auditors are excluded.

(2) Subject employees, etc.

Subject employees, etc., are employees of MHFG, and directors, corporate auditors and employees of its major consolidated subsidiaries, other than subject directors and corporate auditors, who are persons who receive large amounts of compensation and materially affect the operation of business or the state of assets of MHFG or its major consolidated subsidiaries, and are therefore subject to disclosure. The above does not include Subject directors or corporate auditors.

(a) Major consolidated subsidiaries

A major consolidated subsidiary is an entity whose total assets as a percentage of consolidated total assets exceeds 2% of a bank holding company or bank or is an overseas local entity that conducts banking business similar to a branch. Specifically, it includes Mizuho Bank, Ltd. (MHBK), Mizuho Corporate Bank, Ltd. (MHCB), Mizuho Corporate Bank (USA), Mizuho Trust & Banking Co., Ltd. (MHTB), Mizuho Securities Co., Ltd. (MHSC), Mizuho Securities USA Inc., and Mizuho International Plc.

(b) Persons who receive large amounts of compensation

A person who receives large amounts of compensation refers to a person who receives compensation that exceeds the base amount from MHFG or its major consolidated subsidiaries. The base amount at MHFG has been set at ¥50 million. Such base amount has been set based on the average amounts of the compensation of directors and corporate auditors of MHFG, MHBK, MHCB and MHTB for the last three fiscal years (excluding persons who resigned or retired during each of such fiscal years), taking into account fluctuations in amounts of compensation over past fiscal years. The preceding base amount has been adopted as the common base in order to unify the selection criteria of persons who receive large amounts of compensation at each of the companies in this paragraph.

(c) Persons who materially affect the operation of business or the state of assets of Mizuho group

A person who materially affects the operation of business or the state of assets of Mizuho group means a person who exerts significant influence on the operation of the business of MHFG or a major consolidated subsidiary through their work in conducting transactions or management, or

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who materially affects the state of assets by incurring losses on transactions. Specifically, it includes executive officers of MHFG and directors, corporate auditors, executive officers, and market department employees of major consolidated subsidiaries.

2. Decisions on compensation of subject directors, corporate auditors, and employees

(1) Decisions on compensation of subject directors, and corporate auditors

The compensation committee, which advises the board of directors of MHFG, is composed of three outside directors and one in-house director (the President & CEO of MHFG). The committee discusses basic policies in determining the compensation of directors and executive officers of MHFG, MHBK, MHCBC, MHTB and MHSC, the compensation system, and the amounts of compensation, and the president & CEO of MHFG reports to the board of directors of MHFG and notifies each of the above companies of the results of the Committee's discussions. Based on the results of discussions by the compensation committee of MHFG, each of the above companies, including MHFG, decides its own policies in determining compensation for directors and executive officers, compensation systems, and amounts of compensation.

The compensation of corporate auditors is decided through discussion among corporate auditors within the scope of the total amount of corporate auditors' compensation decided at our ordinary general meeting of shareholders.

(2) Decisions on compensation of subject employees, etc.

Matters relating to executive officers of MHFG and directors, corporate auditors and executive officers of MHBK, MHCBC, MHTB and MHSC are as set out in *(1) Decisions on compensation of subject directors and corporate auditors*.

The compensation of subject employees, etc., is decided and paid in accordance with the salary and bonus system established by MHFG and the major consolidated subsidiaries. Such system is designed and put into writing by the human resources departments of MHFG and the major consolidated subsidiaries which are independent of departments furthering business. In terms of the compensation of overseas employees, each overseas office or operation determines its own compensation policy based on local laws and regulations as well as employment relationships.

3. Decisions on compensation of employees in risk management departments and compliance departments

The compensation of employees in risk management departments and compliance departments is decided in accordance with the salary and bonus system, and specific payment amounts are conclusively determined in accordance with employee performance evaluations made by the relevant department and the human resources department, independent from departments furthering business. Each employee of the risk management departments and the compliance departments sets their own items for evaluation in the employee performance evaluations, subject to the approval of their superiors. The degree to which the items are fulfilled is evaluated taking into account the degree of the employee's contribution to risk-management and compliance.

4. Total amount of compensation paid to members of the compensation committee and number of meetings held by the compensation committee

| | Number of meetings held | |
|------------------------------------------|-------------------------|------------|
| | April 2012 | March 2013 |
| Compensation committee (holding company) | | 2 |

Note: The total amount of compensation is not set out above as it is not possible to separately calculate the amounts that are paid as consideration for the execution of duties by the compensation committee.

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(B) Evaluating the appropriateness of the design and operation of the system relating to compensation of subject directors, corporate auditors, and employees of Mizuho group

1. Policies relating to compensation

(1) Policies relating to compensation of subject directors and corporate auditors

Mizuho group has been endeavoring to ensure quality and stable revenue and to increase its corporate value while fulfilling our social responsibilities and accomplishing our public mission. In addition, Mizuho group practices its customer first policy, and endeavors to provide customers worldwide with the highest quality financial services at all times, with the aim of becoming the most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia, and Japan.

In determining the compensation for directors and corporate auditors of MHFG, our basic policy is to set an appropriate level based on business performance over the medium to long term, compensation levels of directors and corporate auditors in other companies, including those in the same industry, economic and social conditions, as well as the roles and responsibilities of directors and corporate auditors in contributing to the realization of our previously mentioned objectives.

In addition, we have designed the compensation system with the aim of restraining excessive risk-taking and increasing the consistency of the compensation scale of our directors and corporate auditors with the Mizuho group's goals.

The subjects of these compensation policies are directors and corporate auditors, and the policy for our directors is determined by a resolution of the board of directors of MHFG, while the policy for our corporate auditors is determined by consultation among the corporate auditors of MHFG.

Further, MHFG, MHBK, MHCB, MHTB and MHSC all have the same basic policies as described above.

(2) Policies relating to compensation of subject employees, etc.

The policies relating to compensation for executive officers of MHFG, MHBK, MHCB, MHTB and MHSC are also the same as the policies described in (1) *Policies relating to compensation of subject directors and corporate auditors* above.

Compensation for other employees, etc., is determined in accordance with their duties and responsibilities. Some bonuses that are linked to performance are determined after comprehensively evaluating the employee's contribution to business, including any qualitative contributions to the organization, in a manner that does not place an excessive emphasis on results.

2. The effect of the overall level of compensation, etc., on equity capital

The compensation committee of MHFG receives reports on the amount of compensation paid to directors and executive officers of MHFG, MHBK, MHC B, MHTB and MHSC in the previous fiscal year and confirms that there is no material effect on the Mizuho group's performance or the adequacy of equity capital.

(C) Compatibility between system for compensation of subject directors, corporate auditors, and employees of Mizuho group and risk management and matters relating to linking compensation with performance

There was no compensation linked to business performance paid to any director of MHFG, MHBK, MHC B, MHTB and MHSC in the fiscal year ended March 31, 2013. If there are any decisions regarding the calculation method and payment amounts of performance-linked compensation for executive officers of any of the above companies, we will take into account not only the profits for the period but also the various risks according to each executive officer, including evaluating the business results based on the capital costs and credit costs attributable to the business handled and making adjustments based on other qualitative evaluations.

There is no system of performance-linked compensation for corporate auditors.

In addition, the compensation committee of MHFG receives reports on the compensation system, etc., from MHFG, MHBK, MHC B, MHTB and MHSC as necessary in light of confirming the status of compliance with Japanese and overseas regulations on compensation and provides its opinion to the companies above.

Table of Contents**(17) Quantitative disclosure items****(A) Matters relating to types and total amounts of, and payment method for, compensation of subject directors, corporate auditors, and employees of Mizuho group****Total amount of the compensation, etc., of subject directors, corporate auditors and employees**

(Millions of yen)

For the fiscal year ended March 31, 2013

| | Number of persons | Total amount of compensation | Total amount of fixed compensation | Base compensation | Stock compensation-type stock options | Others |
|--------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|------------------------------------|-------------------|---------------------------------------|------------|
| Subject directors and corporate auditors (excluding outside directors and outside corporate auditors) | 10 | 576 | 576 | 432 | 142 | 1 |
| Subject employees, etc. | 132 | 11,084 | 4,587 | 3,878 | 258 | 451 |
| Overseas employees, etc. | 116 | 9,985 | 3,493 | 2,992 | 50 | 449 |

(Millions of yen)

For the fiscal year ended March 31, 2013

| | Total amount of variable compensation | Base compensation | Bonus | Others | Retirement benefits | Others |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------|--------------|-----------|---------------------|------------|
| Subject directors and corporate auditors (excluding outside directors and outside corporate auditors) | | | | | | |
| Subject employees, etc. | 6,295 | | 6,263 | 31 | | 201 |
| Overseas employees, etc. | 6,291 | | 6,259 | 31 | | 201 |

Notes:

- Amounts of compensation of subject directors and corporate auditors include amounts of compensation received for duties performed as a director or corporate auditor of a major consolidated subsidiary.
- Total amount of fixed compensation includes ¥400 million of deferred compensation that arose during the fiscal year ended March 31, 2013 (subject directors and corporate auditors: ¥142 million; subject employees, etc.: ¥258 million). The amount of fixed compensation deferred prior to the fiscal year ended March 31, 2013 and paid during the fiscal year ended March 31, 2013 was ¥52 million (subject directors and corporate auditors: ¥52 million) and the outstanding amount of deferred fixed compensation as of March 31, 2013 was ¥1,034 million (subject directors and corporate auditors: ¥376 million; subject employees, etc.: ¥657 million).
- Total amount of variable compensation includes ¥1,326 million of deferred compensation that arose during the fiscal year ended March 31, 2013, all of which was for Subject Employees, etc., and could in the future be taken back in the event of poor business results or other detrimental factors. The amount of variable compensation deferred prior to the fiscal year ended March 31, 2013 and paid during the fiscal year ended March 31, 2013 was ¥463 million (subject employees, etc.: ¥463 million) and the outstanding amount of deferred variable compensation as of March 31, 2013 was ¥1,892 million (subject employees, etc.: ¥1,892 million).
- Total amount of compensation for subject employees, etc., includes ¥88 million of allowance for termination and resignation (number of subject persons: 4), multi-year guarantees of bonus of ¥214 million (number of subject persons: 5) and signing bonus of ¥5 million (number of subject persons: 1).

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5. The exercise periods of the stock compensation-type stock options (stock acquisition rights) are as set out below. Under the stock option agreements, exercise of the options is postponed, even during the exercise period, until the time of retirement of the director or employee.

| | Exercise Period |
|---------------------------------------------------------------------------|-----------------------------------------------|
| First Series of Stock Acquisition Rights of Mizuho Financial Group, Inc. | from February 17, 2009 to February 16, 2029 |
| Second Series of Stock Acquisition Rights of Mizuho Financial Group, Inc. | from September 28, 2009 to September 25, 2029 |
| Third Series of Stock Acquisition Rights of Mizuho Financial Group, Inc. | from August 27, 2010 to August 26, 2030 |
| Fourth Series of Stock Acquisition Rights of Mizuho Financial Group, Inc. | from December 9, 2011 to December 8, 2031 |
| Fifth Series of Stock Acquisition Rights of Mizuho Financial Group, Inc. | from September 3, 2012 to August 31, 2032 |

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(B) Other relevant matters relating to our system of compensation for subject directors, corporate auditors and employees of Mizuho group

There are no relevant matters in particular other than those set out in the preceding paragraphs.

On July 1, 2013, a merger between Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. came into effect with Mizuho Corporate Bank as the surviving entity, which was renamed Mizuho Bank upon the merger. Hereinafter, Mizuho Bank refers to the post-merger entity.

Credit Risk Management

We define credit risk as the Mizuho group's exposure to the risk of losses that may be incurred due to a decline in, or total loss of, the value of assets (including off-balance-sheet instruments), as a result of deterioration in obligors' financial position. We have established the methods and structures necessary for grasping and managing credit risk, which has become increasingly complex due to financial deregulation, internationalization and the growing sophistication of transactions. Mizuho Financial Group manages credit risk for the Mizuho group as a whole. More specifically, we have adopted two different but mutually complementary approaches in credit risk management. The first approach is credit management, in which we manage the process for each individual transaction and individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. The second is credit portfolio management, in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risks and respond appropriately.

Credit Risk Management Structure

Credit Risk Management of the Mizuho Group

Our board of directors determines the Mizuho group's key matters pertaining to credit risk management. In addition, the portfolio management committee of Mizuho Financial Group discusses and coordinates the basic policies in connection with credit risk management and matters in connection with overall credit portfolio management and credit risk monitoring for the Mizuho group. Under the control of the Chief Risk Officer of Mizuho Financial Group, the Risk Management Division and the Credit Risk Management Division jointly monitor, analyze and submit suggestions concerning credit risk and formulate and execute plans in connection with basic matters pertaining to credit risk management.

Credit Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

Our principal banking subsidiaries and other core group companies manage their credit risk according to the scale and nature of their exposures in line with basic policies set forth by Mizuho Financial Group. The board of directors of each company determines key matters pertaining to credit risk management. Their respective business policy committees are responsible for discussing and coordinating overall management of their individual credit portfolios and transaction policies towards obligors. The Chief Risk Officer of each principal banking subsidiary and core group company is responsible for matters relating to planning and implementing credit risk management. The credit risk management division of each principal banking subsidiary is responsible for planning and administering credit risk management and conducting credit risk measuring and monitoring, and such division regularly presents reports regarding its risk management situation to Mizuho Financial Group. Each credit division determines policies and approves/disapproves individual transactions in terms of credit review, credit management and collection from customers in accordance with the lines of authority set forth by each principal banking subsidiary. In addition, from the standpoint of internal controls, each of our principal banking subsidiaries has established internal audit divisions that are independent of the business divisions in order to ensure appropriate credit risk management.

Individual Credit Management

Credit codes

The basic code of conduct for all of our officers and employees engaged in the credit business is set forth in our credit code. Seeking to fulfill the bank's public and social role, our basic policy for credit business is determined in light of fundamental principles focusing on public welfare, safety, growth and profitability.

Internal rating system

One of the most important elements of the risk management infrastructure of our principal banking subsidiaries is the use of an internal rating system that consists of credit ratings and pool allocations. Credit ratings consist of obligor ratings which represent the level of credit risk of the obligor, and transaction ratings which represent the possibility of ultimately incurring losses related to each individual claim by taking into consideration the nature of any collateral or guarantee and the seniority of the claim. In principle, obligor ratings apply to all obligors and are subject to regular reviews at least once a year to reflect promptly the fiscal period end financial results of the obligors, as well as special reviews as required whenever a obligor's credit standing changes. This enables our principal banking subsidiaries to monitor both individual obligors and the status of the overall portfolio in a timely fashion. Because we consider obligor ratings to be an initial phase of the self-assessment process regarding the quality of our loans and off-balance-sheet instruments, such obligor ratings are closely linked to the obligor classifications and are an integral part of the process for determining the provision for loan losses and charge-offs in our self-assessment of loans and off-balance-sheet instruments.

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Pool allocations are applied to small claims that are less than a specified amount by pooling customers and claims with similar risk characteristics and assessing and managing the risk for each such pool. We efficiently manage credit risk and credit screening by dispersing a sufficient number of small claims within each pool. We generally review the appropriateness and effectiveness of our approach to obligor ratings and pool allocations once a year in accordance with predetermined procedures.

Self-assessment, provision for loan losses and off-balance-sheet instruments and charge-offs

We conduct self-assessment of assets to ascertain the status of assets both as an integral part of credit risk management and in preparation for appropriate accounting treatment, including provision for loan losses and off-balance-sheet instruments and charge-offs. During the process of self-assessment, obligors are categorized into certain groups taking into consideration their financial condition and their ability to make payments, and credit ratings are assigned to all obligors, in principle, to reflect the extent of their credit risks. The related assets are then categorized into certain classes based on the risk of impairment. This process allows us to identify and control the actual quality of assets and determine the appropriate accounting treatment, including provision for loan losses and off-balance-sheet instruments and charge-offs. Specifically, the credit risk management division of each of our principal subsidiaries is responsible for the overall control of the self-assessment of assets of the respective banking subsidiaries, cooperating with the administrative divisions specified for each type of asset, including loan portfolios and securities, in executing and managing self-assessments.

Credit review

Prevention of new impaired loans through routine credit management is important in maintaining the quality of our overall loan assets. Credit review involves analysis and screening of each potential transaction within the relevant business division. In case the screening exceeds the authority of the division, the credit division at headquarters carries out the review. The credit division has specialist departments for different industries, business sizes and regions, carries out timely and specialized examinations based on the characteristics of the customer and its market, and provides appropriate advice to the business division. In addition, in the case of obligors with low credit ratings and high downside risks, the business division and credit division jointly clarify their credit policy and in appropriate cases assist obligors at an early stage in working towards credit soundness.

Collection and disposal of impaired loans

With respect to collection and disposal of impaired loans, our specialist unit maintains central control and pursues corporate restructuring or collection efforts, as appropriate, toward taking the impaired loans off-balance. Specifically, we believe that supporting the restructuring efforts of corporations is an important role for financial institutions, and we support corporations undergoing restructuring by reviewing business plans, advising on restructuring methods and utilizing corporate restructuring schemes such as divestitures and mergers and acquisitions, taking advantage of our group-wide resources. These efforts have been steadily producing satisfactory results. In addition, we work on final disposal of impaired loans efficiently and swiftly by conducting bulk sales and by utilizing Mizuho Servicing Co., Ltd., our subsidiary that specializes in performing debt collection services for our group companies.

Portfolio Management*Risk Measurement*

We use statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon (Expected Loss) and the maximum loss within a certain confidence interval (credit VaR). The difference between expected loss and credit VaR is measured as the credit risk amount (Unexpected Loss).

In establishing transaction spread guidelines for credit transactions, we aim to ensure an appropriate return from the transaction in light of the level of risk by utilizing credit cost data as a reference. Also, we monitor our credit portfolio from various perspectives and set guidelines noted below so that losses incurred through a hypothetical realization of the full credit VaR would be within the amount of risk capital and loan loss reserves.

Risk Control Methods

We recognize two types of risk arising from allowing unexpected loss to become too large. One type is credit concentration risk, which stems from granting excessive credit to certain individual counterparties or corporate groups. The other type is chain-reaction default risk, which arises from granting excessive credit to certain, areas, industrial sectors and other groupings. We make appropriate management to control these risks in line with our specific guidelines for each. The individual risk management divisions of our principal banking subsidiaries are responsible for

monitoring adherence to these guidelines and reporting to their respective business policy committees.

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Market and Liquidity Risk Management

We define market risk as the risk of losses incurred by the group due to fluctuations in interest rates, stock prices and foreign exchange rates. Our definition includes the risk of losses incurred when it becomes impossible to execute transactions in the market because of market confusion or losses arising from transactions at prices that are significantly less favorable than usual. We define liquidity risk as the risk of losses arising from funding difficulties due to a deterioration in our financial position that makes it difficult for us to raise necessary funds or that forces us to raise funds at significantly higher interest rates than usual. Mizuho Financial Group manages market and liquidity risk for the Mizuho group as a whole.

The following diagram shows our risk management structure:

Market Risk Management Structure

Market Risk Management of the Mizuho Group

Our board of directors determines key matters pertaining to market risk management policies. The ALM & market risk management committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic asset and liability management policies, risk planning and market risk management and proposes responses to emergencies such as sudden market changes. The Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to market risk management planning and operations.

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The Risk Management Division of Mizuho Financial Group is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. The Risk Management Division assesses and manages the overall market risk of the Mizuho group. It also receives reports from our principal banking subsidiaries and other core group companies on their market risk management that enable it to obtain a solid grasp of the risk situation, submitting reports to the chief executive officer on a daily basis and to our board of directors and the executive management committee of Mizuho Financial Group on a regular basis.

To manage market risk, we set limits that correspond to risk capital allocations according to the risk profiles of our principal banking subsidiaries and other core group companies and thereby prevent market risk from exceeding our ability to withstand losses based on our financial strength represented by capital, etc. The amount of risk capital allocated to market risk corresponds to VaR and additional costs that may arise in order to close relevant positions. For trading and banking activities, we set limits for VaR and for losses. For banking activities, we set position limits based on interest rate sensitivity as needed.

These limits are discussed and coordinated by the ALM & market risk management committee, discussed further by the executive management committee, then determined by the chief executive officer. Various factors are taken into account including business strategies, historical limit usage ratios, risk-bearing capacity (profits, total capital and risk management systems), profit targets and the market liquidity of the products involved.

Market Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

Our principal banking subsidiaries, which account for most of the Mizuho group's exposure to market risk, have formulated their basic policies in line with the basic policies determined by Mizuho Financial Group. Their boards of directors determine important matters relating to market risk management while their chief executive officers are responsible for controlling market risk. Their respective business policy committees, including their ALM & market risk management committees, are responsible for overall discussion and coordination of market risk management. Specifically, these committees discuss and coordinate matters relating to basic asset and liability management policies, risk planning and market risk management and propose responses to emergencies such as sudden market changes. The Chief Risk Officer of each subsidiary is responsible for matters pertaining to planning and implementing market risk management. Based on a common Mizuho group risk capital allocation framework, the above-mentioned companies manage market risk by setting limits according to the risk capital allocated to market risk by Mizuho Financial Group.

These companies have established specialized company-wide market risk management divisions to provide integrated monitoring of market risk, submit reports, analyses and proposals, set limits and formulate and implement plans relating to market risk management. The risk management divisions of each company submit reports on the status of market risk management to their respective chief executive officers and top management on a daily basis, and to their board of directors and executive management committee on a regular basis. They also provide regular reports to Mizuho Financial Group. To provide a system of mutual checks and balances in market operations, they have established middle offices specializing in risk management that are independent of their front offices, which engage in market transactions, and their back offices, which are responsible for book entries and settlements. When VaR is not adequate to control risk, the middle offices manage risk using additional risk indices, carry out stress tests and set stop loss limits as needed. They monitor their market liquidity risk for individual financial products in the market while taking turnover and other factors into consideration.

Liquidity Risk Management Structure

Liquidity Risk Management of the Mizuho Group

Our liquidity risk management structure is generally the same as the market risk management structure described above. However, the head of the Financial Control & Accounting Group of Mizuho Financial Group is additionally responsible for matters relating to planning and running cash flow management operations, while the Financial Planning Division is responsible for monitoring and adjusting the cash flow management situation and for planning and implementing cash flow management. Reports on the cash flow situation are submitted to the ALM & market risk management committee, the executive management committee and the chief executive officer.

We measure liquidity risk using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk are discussed and coordinated by the ALM & market risk management committee, discussed further by the executive management committee and determined by the chief executive officer. We have established classifications for the cash flow conditions affecting the group, ranging from normal to cause for concern and critical, and have established procedures for dealing with cases which are deemed to fall into the cause for concern or critical categories. In addition, we have established a plan of operations so that we may respond swiftly in emergency situations that affect our cash flow under which we will consider measures such as a reduction in the amount of investments made, an expansion of funding from financial markets and deposits, the sale of investment securities and borrowings from the central bank.

Table of Contents*Liquidity Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies*

The liquidity risk management structures of Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities are generally the same as the aforementioned market risk management structures, but the senior executives responsible for risk management are responsible for matters pertaining to planning and conducting liquidity risk management, while the senior executives of the asset and liability management and trading units are responsible for matters pertaining to planning and conducting cash flow management.

The methodologies used for ensuring precise control of liquidity risk include the formulation of management indices pertaining to cash flow, such as limits on funds raised in the market. As with Mizuho Financial Group, the above-mentioned companies have established classifications for the cash flow affecting them, ranging from normal to cause for concern and critical, and have established procedures for cases which are deemed to fall into the cause for concern or critical categories.

Each subsidiary has adopted stringent controls that call for the submission of reports on liquidity risk management and cash flow management to the ALM & market risk management committee and other business policy committees, the executive management committee and the chief executive officer of each subsidiary.

Value-at-Risk

We use the value-at-risk (the VaR) method, supplemented with stress testing, as our principal tool to measure market risk. The VaR method measures the maximum possible loss that could be incurred due to market movements within a certain time period (or holding period) and degree of probability (or confidence interval).

Trading Activities

VaR related to our trading activities is based on the following:

variance co-variance model for linear risk and Monte-Carlo simulation for non-linear risk, which are simply aggregated to determine total risk;

confidence interval: one-tailed 99.0%;

holding period of one day; and

historical observation period of one year.

The following tables show the VaR related to our trading activities by risk category for the fiscal years ended March 31, 2011, 2012 and 2013 and as of March 31, 2011, 2012 and 2013:

| Risk category | Fiscal year ended March 31, 2011 | | | As of March 31, 2011 |
|------------------|----------------------------------|---------|---------|-------------------------|
| | Daily average | Maximum | Minimum | |
| Interest rate | ¥ 1.5 | ¥ 2.1 | ¥ 1.1 | ¥ 1.4 |
| Foreign exchange | 1.4 | 2.4 | 0.6 | 1.9 |
| Equities | 1.1 | 1.8 | 0.4 | 1.1 |
| Commodities | 0.0 | 0.3 | 0.0 | 0.1 |
| Total | ¥ 2.9 | ¥ 3.8 | ¥ 2.2 | ¥ 3.6 |

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| Risk category | Fiscal year ended March 31, 2012 | | | As of March 31, 2012 |
|------------------|----------------------------------|---------|---------|-------------------------|
| | Daily average | Maximum | Minimum | |
| | (in billions of yen) | | | |
| Interest rate | ¥ 1.9 | ¥ 2.4 | ¥ 1.4 | ¥ 1.8 |
| Foreign exchange | 1.9 | 2.8 | 0.7 | 1.8 |
| Equities | 1.1 | 1.7 | 0.5 | 0.5 |
| Commodities | 0.0 | 0.1 | 0.0 | 0.0 |
| Total | ¥ 3.8 | ¥ 4.8 | ¥ 2.8 | ¥ 3.0 |

| Risk category | Fiscal year ended March 31, 2013 | | | As of March 31, 2013 |
|---------------|----------------------------------|---------|---------|-------------------------|
| | Daily average | Maximum | Minimum | |
| | (in billions of yen) | | | |
| Interest rate | ¥ 1.6 | ¥ 2.2 | | |