

UNOFFICIAL TRANSLATION

The official press release document is in Japanese.

(Reference) Structured finance in our investment portfolio, and U.S. subprime loans-related exposure

1. Structured Finance in our Investment Portfolio

- ◆ Total structured finance exposure in our investment portfolio as of March 31, 2008, is 87.8bil.JPY
- ◆ We book 0.1bil.JPY impairment losses for global corporate CDOs due to turbulence in the global financial markets. Corporate CDOs consist of 0.7bil.JPY domestic CDOs and 0.1bil.JPY global CDOs
- ◆ In this portfolio total amount of outstanding balance with any U.S. subprime loans-related exposure is 0.7bil.JPY

(As of March 31, 2008, Unit: billions of JPY, USD/JPY=100.20, same conversion rate applied throughout this reference)

Categories		Outstanding Balance	Gains/Losses in FY2007		
			Gains/Losses Charged to P/L	Unrealized Gains/Losses	Total
CDOs	Corporate CDOs *1	0.8	(0.1)	(0.0)	(0.1)
	ABS CDOs *2	-	-	-	-
	CDOs Total	0.8	(0.1)	(0.0)	(0.1)
ABS	RMBS *3				
	U.S. subprime loans related	0.7	-	(0.0)	(0.0)
	Global RMBS (excl. U.S. subprime loans related)	14.6	-	(0.7)	(0.7)
	Domestic RMBS	33.8	-	0.6	0.6
	RMBS Total	49.2	-	(0.1)	(0.1)
	CMBS *4				
	Global CMBS	3.6	-	(0.2)	(0.2)
	Domestic CMBS	27.1	-	(0.0)	(0.0)
	CMBS Total	30.7	-	(0.2)	(0.2)
	Other ABS				
	Global ABS	2.3	-	0.2	0.2
Domestic ABS	0.3	-	(0.0)	(0.0)	
Other ABS Total	2.6	-	0.2	0.2	
ABS Total	82.7	-	(0.1)	(0.1)	
Investment in SIV		-	-	-	-
Leveraged Finance *5 (Domestic only)		4.3	-	-	-
Total		87.8	(0.1)	(0.1)	(0.2)

【Words used for Structured Finance】

*1 Corporate CDOs: CDOs (Collateralized Debt Obligations) where underlying assets are corporate debt such as corporate bonds or credit derivatives

*2 ABS CDOs: CDOs where underlying assets are ABS (Asset Backed Securities)

*3 RMBS: Asset Backed Securities where underlying assets are residential mortgage loans (Excluding RMBS issued by government sponsored enterprises)

*4 CMBS: Asset Backed Securities where underlying assets are commercial mortgage loans

*5 Leveraged Finance: Finance where funding are provided for corporate mergers and acquisitions, mainly based on cash flows of acquired companies

2. Financial Guarantee Insurance Exposure (U.S. Subprime loans-related)

- ◆ Total insured amount with U.S. subprime exposure as of March 31, 2008, is 186.1bil.JPY
- ◆ Loss reserve for this fiscal year is 30.0bil.JPY, caused by financial guarantee insurance with U.S. subprime exposure

<Insured Amount with U.S. subprime exposure>

(Unit: billions of JPY)

	Insured Amount			Losses/ Reserves in FY2007
	Direct Insurance	Treaty Reinsurance	Total	
ABS CDOs	181.0	-	181.0	(30.0)
RMBS	-	5.1	5.1	-
Total	181.0	5.1	186.1	(30.0)

Note: ABS CDOs and RMBS including (even a part thereof) U.S. subprime loans.

Excluding ABS CDO which is booked for loss reserve for FY2007

【Notes】

*1 Facultative reinsurance policies are included under "Direct Insurance"

*2 "Treaty Reinsurance" is a portfolio-based reinsurance where certain parts of policies underwritten by original insurer are ceded automatically to the reinsurer, Sompo Japan, in accordance with the conditions agreed between the original insurer and reinsurer

*3 Financial Guarantee Insurance is not supposed to book mark-to-market unrealized gains/losses as it is an insurance policy