

February 22, 2008

Summary of Q&As regarding the Company's Disclosure of FY 2007 3rd Quarter
Business Results

Q1: What is the Company's exposure to the so-called "subprime loans" as at the end of December 2007?

A1: The Company's exposure to subprime loans as at the end of December 2007 is JPY 12 billion (as described in the Reference Material to the Summary of Financial Statements for the Three Months ended December 31, 2007; hereinafter the "Reference Material"), which is almost the same amount as the exposure as at the end of the first half of FY2007.

Q2: What is the Company's exposure to the U.S. monolines as at the end of December 2007?

A2: As described in the Reference Material, the notional principal amount of credit default swap held by the Company as protection seller, where an U.S. monocline (meaning U.S. domiciled insurance companies specializing in financial guarantees) was a sole entity, was JPY 3.4 billion. (Please note that the Company's exposure to credit default swap where numbers of corporate entities were referred as reference entities and also one or multiple monolines were contains as reference entities was considered to be nil, because there were sufficient subordinate tranches below the trance the Company has underwritten.)

In addition, the Company has guaranteed JPY 2.7 billion monocline guaranteed notes and invested JPY 13.2 in monoline guaranteed notes. For these guarantees and investments, the Company will only become liable for claim payment or suffer losses if both the "underlying note" and the "monoline that has guaranteed those notes" default.

Q3: What is the state of the Company's underwriting of financial guarantee reinsurances and credit derivatives? Although this has been disclosed in the informational meeting held upon the end of the half-year of FY2007, what changes have occurred since then?

A3: The total financial guarantee reinsurance amounts as at the end of December 2007 are JPY 747.2 billion and the notional principal amount of credit derivatives is JPY 622.5 billion, both of which and their breakdowns are almost the same as the figures the Company has disclosed in its interim informational meeting.

Q4: What is the valuation loss for the credit derivatives as a whole as at the end of December 2007?

A4: The Company estimates that the valuation loss that affects its profit and loss statement based on the drops on the market value from the end of March, 2007 to the end of December 2007 is approximately JPY 6 billion.

Q5: What are the amounts of claim payments (including its reserves) for the financial guarantee reinsurance as a whole?

A5: The Company suffered an extremely low level of claim payments, and was able to collect an amount in excess of that level. Therefore, the insurance amount as at the end of December 2007 is approximately JPY 0.1 billion in receivables, not in payables.

End of Q&As.