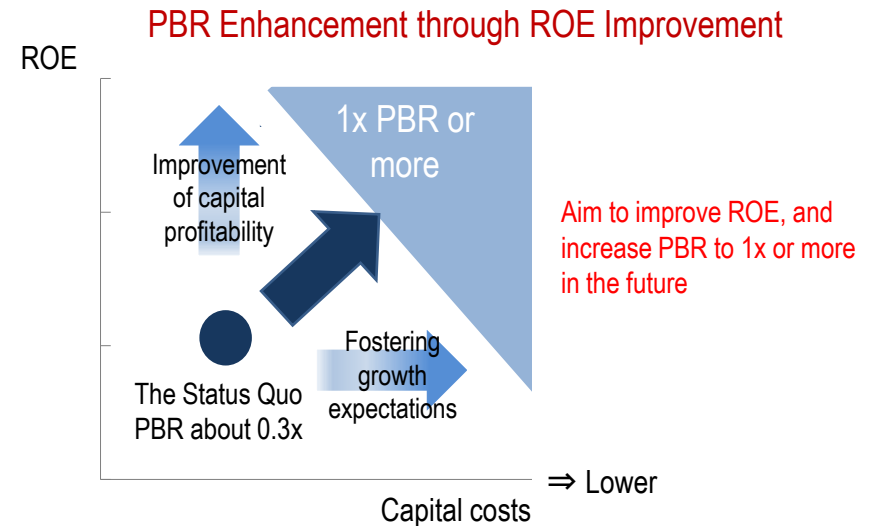
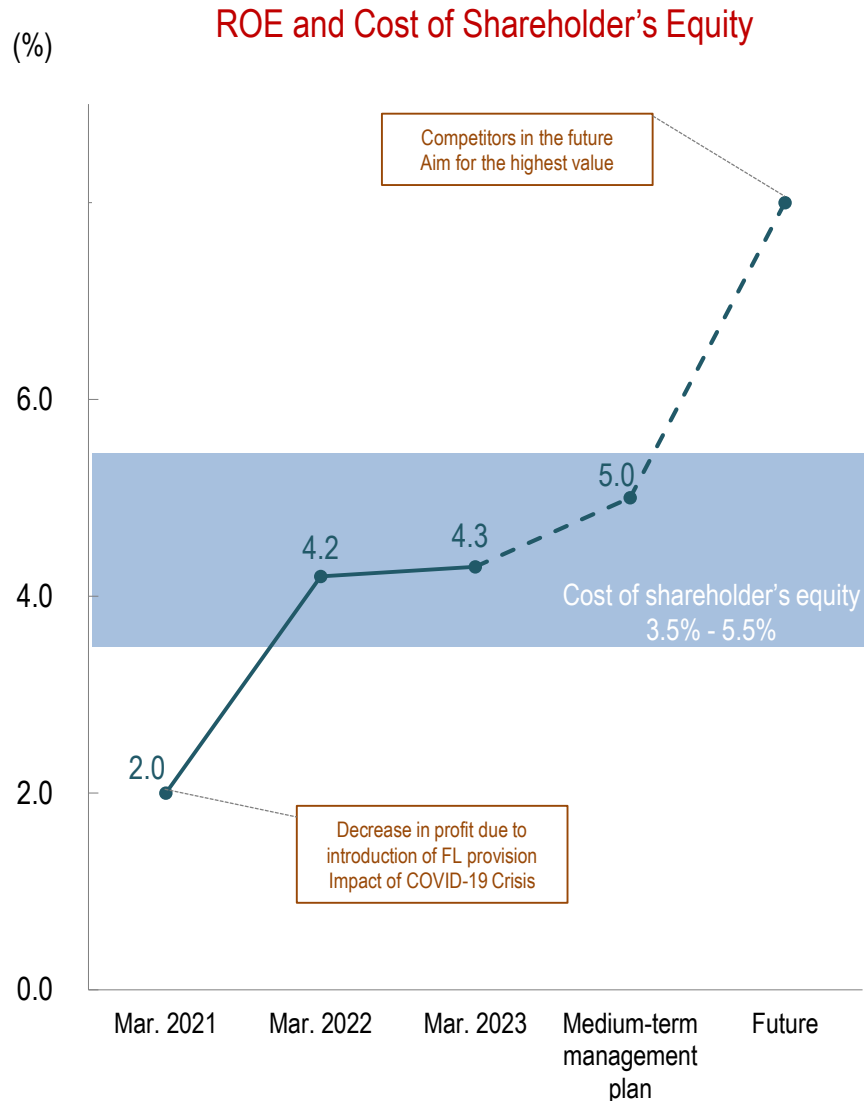


We recognize that ROE is basically in line with capital cost.

With ROE that is exceeding the cost of shareholder's equity in mind, we continuously strive to enhance PBR.



## About the Cost of Shareholder's Equity

- Calculate the cost of shareholder's equity using CAPM. Since it varies depending on the timing and premises of the calculation, our Bank considers it as a range.  

$$\text{CAPM} = \text{Risk-free rate} + \text{our Bank's beta value} \times \text{Equity risk premium}$$
  - Indicators used in calculations
    - Risk-free rate : Yield of 10-year government bonds
    - Bank's beta value : For TOPIX
    - Equity risk premium : Expected profit rate on overall listed Japanese stocks
  - Indicator term
    - Bank's beta value : Average remaining life of the overall assets under management or 5 years
    - Equity risk premium : Base date calculated from the Bank listed on the first section market or 50 years
- Note: A number of years with high sensitivity is used in both calculations.