

● The Great East Japan Earthquake and Measures Taken by the Bank for Reconstruction and Revitalization

Disaster Reconstruction Committee

In response to the massive damage caused by the Great East Japan Earthquake, we set up the “Disaster Reconstruction Committee” headed by the president at the Head Office in May 2011, for the purpose of working to quickly normalize customer transactions and the financial infrastructure, promoting efforts for the further improvement of our financial intermediary function, and contributing to reconstruction and development of regional society and economy.

The Disaster Reconstruction Committee held 15 meetings as of the end of June 2012. The Committee has been assessing the effects of the disaster, dealing with damaged branches for the foreseeable future, and studying policies and other measures related to disaster reconstruction support for the region and for customers.

Reconstruction Support Policy

In December 2011, The 77 Bank formulated its “Reconstruction Support Policy” for the revitalization and development of the regional economy. The policy was written with a view to fulfilling our obligation as a financial institution working with the local region, by providing financial support for reconstruction efforts by the region and customers who suffered massive damage as a result of the Great East Japan Earthquake.

Guided by the “Reconstruction support policy,” all executives and employees of the Bank will work to support the region and its customers, grappling proactively with various challenges in order to restore the Miyagi and Tohoku region with flourishing vitality, abundance, and overflowing kindness.

Reconstruction Support Policy

-To restore the Miyagi and Tohoku region with flourishing vitality, abundance, and overflowing kindness-

1. Fulfill our financial intermediation function

As a financial institution working with the local region, we are striving to meet funding needs related to reconstruction and revitalization efforts. We are working sincerely to resolve the problems of customers who were affected by the disaster through altering lending conditions and resolving double mortgages for customers who are working proactively for rebuilding.

2. Contribute to reconstruction and further development for the region

We will further enhance our consulting and judgment capabilities, and provide swift and optimal solutions to customers with reconstruction needs that were identified through vigorous customer visiting. At the same time, we will participate actively in initiatives for regional rehabilitation and industrial revitalization through enhanced collaboration with the municipal governments that are taking the lead in implementing reconstruction measures in the region. In this way, we will contribute to reconstruction and further development of the region.

Additionally, we will work to improve the branch network and sales platform in an effort to help enhance customer convenience and to fully assist efforts to achieve regional revitalization and rehabilitation through stable provision of financial services.

3. Assist efforts to achieve a disaster prevention-aware, safe and environmentally-friendly society

In light of the massive damage caused by the earthquake, we will pay even closer attention to disaster prevention and mitigation, as well as safety. In addition, we will take measures to bolster the business continuity framework in order to provide continuous financial services in disasters and other emergencies.

Furthermore, we will make long-term and sustainable contributions to the local community through initiatives to enhance energy conservation and environmental friendliness in anticipation of an environmentally-friendly society in the region after reconstruction.

Use of Public Funds

In order to actively and sufficiently fulfill our financial intermediary function for disaster recovery in our base of Miyagi Prefecture, we received ¥20.0 billion in public funds (subordinated loans based on the earthquake-related special provision of the Act on Special Measures for Strengthening Financial Functions) in December 2011. The purpose of the injection of funds was to make full preparations for future growth in risk assets and increases in credit costs, in addition to compensating for capital adequacy that was damaged as a result of the earthquake. As a financial institution working with the local region, we are working in collaboration with the Japanese government to ensure a sufficient supply of funding, and to fulfill our financial intermediary function.