



NEWS RELEASE

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R&I Becomes an ECAI Eligible for Basel II

In relation to the New Capital Adequacy Framework (Basel II) which will be applied to financial institutions from fiscal year 2007, the Financial Services Agency (FSA) announced on March 30, the External Credit Assessment Institution (ECAI), which provides ratings that can be used as the criteria for weighing credit risks of asset portfolio. R&I has been placed as one of the eligible ECAIs.

FSA has approved R&I qualifies FSA's six eligible criteria - these are objectivity, independence, transparency, disclosure, resources and credibility.

Upon calculating risk weight of holding assets, financial institutions may use solicited ratings from eligible ECAIs for each type of claims. Among the ratings R&I discloses as of the end of March 2007, R&I marks "op" to all unsolicited ratings with exception to some of non-residential sovereign-related ratings.

R&I updates new rating results as well as the list of Issuer Ratings on the web site. Apart from this, R&I's rating information is made available through "R&I Quarterly on Bonds & Ratings," a fee-based internet service "Credit Express" and "Bond Rating Data Base" which R&I delivers rating database through e-mail every day.

R&I favorably evaluates the FSA's decision as a rule to develop use of credit ratings. Accordingly, R&I will not only manage ratings adequately, but will also disclose precisely and actively rating information such as R&I's actual default ratio and rating transition matrices, as a rating agency that assists rating users such as financial institution and investors in valuing credit risks adequately.

Rating and Investment Information, Inc. Nihonbashi 1-chome Bldg., 1-4-1, Nihonbashi, Chuo-ku, Tokyo 103-0027, Japan
Corporate Planning Division TEL.03-3276-3419 FAX.03-3276-3420 <http://www.r-i.co.jp>

Ratings are statements of R&I's opinion shown in certain symbols regarding an Issuer's general capacity (credit quality) to repay its financial obligation and individual debts (bonds and loans, etc.) and it is not a statement of recommendations to buy, hold, or sell any securities. Information has been obtained by R&I from sources believed to be reliable, however, its accuracy, adequacy, or completeness is not guaranteed. Therefore, R&I is not responsible for any errors or omissions or the result obtained from the use of the rating. As a general rule, R&I provides the rating services for a rating fee paid by the Issuer.

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