

Deposit Insurance Corporation of Japan



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News Release
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Statement by the Governor

Disposal of preferred stocks of Hokuhoku Financial Group, Inc.

1. Hokuhoku Financial Group, Inc. made a request for the disposal regarding preferred stock subscribed by the Resolution and Collection Corporation (RCC) in accordance with the Law concerning Emergency Measures for Early Strengthening of Financial Functions (“Early Strengthening Law”), through the RCC to Deposit Insurance Corporation of Japan (DICJ).
2. DICJ considered the request based on “Immediate Guideline for Disposal of Preferred Stocks, etc. Acquired through Capital Injection with Public Funds” announced in October, 2005, and found it appropriate to give its approval to the request for the redemption in view of the followings:
 - Soundness of management of the financial institution
 - Avoiding public costs
 - Financial system stability

Therefore, the DICJ approved today the privilege of acquisition claim and disposal which are to be exercised by the RCC as DICJ considered the transaction was in line with the policy of early disposal under the Early Strengthening Law. The details are as follows:

- Outline of preferred stock

Name of stock	Preferred (Type 1)
Amount issued	¥75 billion
Number of shares issued	150,000,000 shares
Issue price	¥500 per share
Value possessed	¥75 billion
Number of shares possessed	150,000,000 shares

- Outline of the disposal

Name of stock	Preferred (Type 1)
Disposed book value	¥35 billion
Number of shares disposed	70,000,000 shares
Disposal price	¥571.65 per share
Total amount of disposal	¥40.0155 billion
Date scheduled for disposal	August 9, 2007

- Outstanding of each preferred stock after disposal

Preferred (Type 1)	Preferred (Type 4)	Total
¥40 billion (¥75 billion)	¥45.03 billion (¥45.03 billion)	¥85.03 billion (¥120.03 billion)

Note: Each bracket shows amount of initial injection.