

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2008 and 2007

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared based on the accounts maintained by THE SHIGA BANK, LTD. (“the Bank”) and its subsidiaries (together “the Group”) in accordance with the provisions set forth in the Corporate Law of Japan, the Japanese Financial Instruments and Exchange Law, and the Japanese Banking Law and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements submitted to the Director of Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

Amounts in yen of respective accounts included in the

accompanying consolidated financial statements and notes thereto are stated in millions of yen by discarding fractional amounts less than ¥1 million. Therefore, total or subtotal amounts do not necessarily tie in with the aggregation of such account balances.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥100.19 to U.S.\$1, the rate of exchange at March 31, 2008 has been used in translation. The inclusion of such amounts are not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this rate or any other rates.

Certain reclassifications have been made in the 2007 consolidated financial statements to conform to the classifications used in 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The accompanying consolidated financial statements for the years ended March 31, 2008 and 2007 include the accounts of the Bank and the 12 and 15 consolidated subsidiaries, respectively.

The consolidated subsidiaries’ fiscal period is also from April 1 to March 31.

Assets and liabilities of the consolidated subsidiaries at the time of investment are all valued at fair value. The goodwill or negative goodwill is amortized evenly over a 5-year period. The Bank has three other subsidiaries, however, these subsidiaries were excluded from the scope of consolidation using the equity method because their net income (the portion corresponding to the Bank’s equity), retained earnings (as above), and deferred hedge gains and losses (as above) have no material impact on the Bank’s financial position or business performance. All significant intercompany transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

(b) Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents are defined as cash and due from the Bank of Japan.

(c) Trading securities

Trading securities held by the Bank are stated at market value at the fiscal year-end (cost of sales, in principle, is computed by the moving-average method).

(d) Investment Securities

i. Marketable securities held for trading purposes are stated at market value (cost of sales, in principle, is computed by the moving-average method).

Securities held to maturity are stated at amortized cost (straight-line method) using the moving-average method. Securities available for sale for which current value can be estimated are stated at market value at fiscal year-end. Securities available for sale of which current value cannot be estimated are stated at cost or amortized cost using the moving-average method. Valuation gains/losses on

securities available for sale are included in net assets, net of income taxes (cost of sales, in principle, is computed by the moving-average method).

ii. Marketable securities included in money held in trust by the Bank are treated as trust assets and are stated at market value at fiscal year-end. Marketable securities included in money held in trust by consolidated subsidiaries are treated as trust assets and are stated using the same methods described in (i) above.

iii. Beneficiary rights included in ‘call loans and bills bought’ are stated using the same methods described in (i) above.

(e) Derivatives and Hedging Activities

Under the Accounting Standards for Financial Instruments, derivatives are stated at fair value unless derivatives are used for hedging purposes.

i. Interest rate risk hedge

The Bank applies deferred hedge accounting to hedge transactions against interest rate risk arising from financial assets and liabilities. The Bank assesses the effectiveness of the hedges in offsetting the fluctuations of fair value caused by changes in interest rates by grouping the hedged items, such as deposits and loans, and the hedging instruments, such as interest rate swaps, by their maturity. As to cash flow fixing hedges, the Bank assesses their effectiveness by verifying the correlation between the hedged items and the hedging instruments.

ii. Currency exchange risk hedge

As for the hedge accounting method applied to hedging transactions against currency exchange risk arising from assets and liabilities in foreign currencies, the Bank applies deferred hedge accounting stipulated in ‘Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry’ (JICPA Industry Audit Committee Report No.25).

The Bank assesses the effectiveness of exchange swaps executed for reducing the risk of changes in currency exchange rates with fund swap transactions by verifying that there exist foreign currency positions of the hedging

instruments corresponding to the foreign currency monetary claims and debts to be hedged.

Fund swap transactions are foreign exchange transactions that are contracted for the purpose of lending or borrowing funds in different currencies. These transactions consist of spot foreign exchange either bought or sold and forward foreign exchange either bought or sold.

In addition to these hedge accounting methods, the Bank uses exceptional treatments permitted for interest rate swaps for part of its assets.

(f) Bills Discounted

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24, "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry." The Bank has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face values at March 31, 2008 and 2007 were ¥31,877 million (\$318,169 thousand) and ¥36,704 million, respectively.

(g) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation for buildings and equipment of the Bank is computed using the declining-balance method at rate principally based on the estimated useful lives of the assets. However, buildings purchased on or after April 1, 1998, excluding fittings and equipment, are depreciated using the straight-line method.

The range of useful lives is principally from 3 to 50 years for buildings and from 3 to 20 years for equipment.

Tangible fixed assets acquired on and after April 1, 2007 are depreciated by the declining-balance method in accordance with the revised corporate tax law, which was effective for fiscal years beginning on and after April 1, 2007.

The effect of this treatment was to decrease income before income taxes and minority interests for the year ended March 31, 2008 by ¥536 million (\$5,350 thousand).

Depreciation of tangible fixed assets owned by subsidiaries is computed principally using the declining-balance method over the estimated useful lives of the assets.

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired or by providing special reserve in the equity section. The Bank adopted the former treatment and reduced the cost of the assets acquired by ¥4,144 million (\$41,363 thousand) and ¥4,144 million at March 31, 2008 and 2007, respectively.

(h) Long-lived Assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to

result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

Accumulated impairment loss is directly deducted from the respective fixed assets.

Additionally, the effect of adoption of such accounting standard on segment information is described in Note 9.

(i) Software

Software costs for internal use are capitalized (presented as other assets) and amortized by the straight-line method over the estimated useful life of 5 years.

(j) Allowance for Possible Loan Losses

Allowance for possible loan losses and other credits of the Bank is provided as detailed below, pursuant to internal rules for write-offs and an allowance.

For debtors who are legally bankrupt (bankrupt, under special liquidation, or subject to legal bankruptcy proceedings) or virtually bankrupt (in a similar situation), an allowance is provided based on the amount of claims, after the write-off stated below, net of amounts expected to be collected through disposal of collateral or execution of guarantees. For loans to debtors who are likely to go bankrupt, an allowance is provided for the amount considered to be necessary based on an overall solvency assessment performed for the amount of such loans, net of amounts deemed collectible through disposal of collateral or execution of guarantees. For other loans, an allowance is provided based on historical loan loss experience over a certain period of time.

All loans are assessed by the branches and the operating divisions based on the Bank's internal rules for self-assessment of assets. The Asset Assessment Division, which is independent from the branches and the operating divisions, subsequently conducts audits of their assessments, and an allowance is provided based on audit results.

For collateralized or guaranteed claims to debtors who are legally bankrupt or virtually bankrupt, the amount deemed unrecoverable, that is the amount of claims exceeding the estimated value of collateral or guarantees, has been written off and amounted to ¥20,596 million (U.S.\$ 205,572 thousand), ¥21,332 million as of March 31, 2008 and 2007, respectively.

Allowance for possible loan losses and other credits of the Bank's consolidated subsidiaries is provided based on historical loan loss experience in addition to amounts deemed necessary based on estimation of the collectibility of specific claims.

(k) Allowance for Possible Losses on Investment Securities

Allowance for possible losses on investment securities is provided for possible future losses on securities based on self-assessment by the Bank.

(l) Accrued Bonuses to Directors and Corporate Auditors
Accrued bonuses to directors and corporate auditors attributable to the fiscal year are recorded as expenses.

(m) Liability for Employees' Retirement Benefits

The Bank has a contributory funded pension plan and an unfunded lump-sum severance payment plan. They may

grant additional benefits in cases where certain requirements are met when employees retire. In addition, the Bank contributed some of its marketable equity securities to employee retirement benefit trusts.

The Bank provides for the liability for employees' retirement benefits based on projected benefit obligations and plan assets at the balance sheet date. Subsidiaries provide for the liability for employees' severance payments based on amounts which would be required to be paid if all eligible employees voluntarily terminated their employment at the balance sheet date.

(n) Liability for Retirement of Directors and Corporate Auditors

Liability for retirement of directors and corporate auditors are provided at the amount required if all of them retired at fiscal year-end, calculated based on the internal rules of the Group.

(o) Liability for Reimbursement of Deposits

Liability for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursement experience.

(p) Allowance for Repayment of Excess Interest

Allowance for repayment of excess interest is provided at the estimated amount based on payment experience, required to refund upon customers' claims.

(q) Foreign Currency Transactions

Receivables and payables in foreign currencies and foreign branch accounts are translated into Japanese yen principally at the rates prevailing at the balance sheet dates.

(r) Lease transactions

Equipment used under finance lease agreements is accounted for as equipment leased under normal operating leases, except for leases in which the ownership of leased equipment is transferred to the lessee.

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

(s) Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the

carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(t) Appropriations of Retained Earnings

Consolidated Statements of Net Assets reflect the appropriation resolved by the Shareholders' Meeting when duly resolved and paid.

(u) Per Share Information

Basic net income per share is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share is not disclosed because no dilutive securities are outstanding.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

(v) New Accounting Pronouncements

Lease Accounting —

On March 30, 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the existing accounting standard for lease transactions issued on June 17, 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Lessee

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions shall be capitalized recognizing lease assets and lease obligations in the balance sheet.

Lessor

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be treated as sale, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if sold" information is disclosed in the note to the lessor's financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee shall be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee shall be recognized as investments in lease.

3. CASH AND CASH EQUIVALENTS

The reconciliation of "Cash and cash equivalents" and "Cash and due from banks" in the consolidated balance sheets at March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Cash and due from banks	¥42,211	¥50,322	\$421,313
Time deposits due from banks	(1,350)	(1,472)	(13,481)
Other due from banks	(425)	(429)	(4,245)
Cash and cash equivalents	¥40,435	¥48,420	\$403,587

4. INVESTMENT SECURITIES

Investment securities at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Japanese government bonds	¥ 351,024	¥ 399,568	\$ 3,503,586
Japanese local government bonds	125,934	126,027	1,256,953
Japanese corporate bonds	258,280	235,383	2,577,902
Corporate stocks	156,332	209,433	1,560,364
Other securities	333,559	384,608	3,329,272
Total	¥1,225,131	¥1,355,021	\$12,228,080

5. LOANS AND BILLS DISCOUNTED

Loans and bills discounted at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Bills discounted	¥ 31,521	¥ 36,262	\$ 314,616
Loans on bills	187,934	191,064	1,875,782
Loans on deeds	1,952,364	1,893,463	19,486,615
Overdrafts	379,548	352,674	3,788,285
Total	¥2,551,368	¥2,473,464	\$25,465,299

Loans in legal bankruptcy totaled ¥1,631 million (\$16,285 thousand) and ¥2,015 million as of March 31, 2008 and 2007, respectively. Nonaccrual loans totaled ¥40,050 million (\$399,743 thousand) and ¥22,785 million as of March 31, 2008 and 2007, respectively. Loans in legal bankruptcy are loans in which the interest accrual is discontinued (excluding the portion recognized as bad debts), based on management's judgement as to the collectibility of principal or interest resulting from the delay in payments of interest or principal for a considerable period of time and other factors. Nonaccrual loans are loans in which the interest accrual is discontinued, other than loans in legal bankruptcy and loans granting deferral of interest payment to the debtors in financial difficulties to assist them in their recovery.

Accruing loans contractually past due three months or

more as to principal or interest payments totaled ¥1,876 million (\$18,729 thousand) and ¥1,646 million as of March 31, 2008 and 2007, respectively. Loans classified as loans in legal bankruptcy and past due loans are excluded.

Restructured loans totaled ¥38,529 million (\$384,561 thousand) and ¥34,613 million as of March 31, 2008 and 2007, respectively. Such restructured loans are loans on which creditors grant concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, waiver of the face amount, or other concessive measures) to the debtors to assist them to recover from the financial difficulties and eventually be able to pay creditors. Loans classified as loans in legal bankruptcy, nonaccrual loans and accruing contractually past due three months or more are excluded.

6. FOREIGN EXCHANGES

Foreign exchange assets and liabilities at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Assets:			
Due from foreign correspondents	¥4,184	¥6,423	\$41,766
Foreign bills of exchange purchased	90	102	908
Foreign bills of exchange receivable	591	1,934	5,902
Total	¥4,866	¥8,460	\$48,577
Liabilities:			
Foreign bills of exchange sold	¥ 106	¥ 58	\$ 1,060
Accrued foreign bills of exchange	8	4	80
Total	¥ 114	¥ 63	\$ 1,141

7. OTHER ASSETS

Other assets at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Prepaid expenses	¥ 54	¥ 118	\$ 541
Accrued income	5,569	6,549	55,584
Derivatives	8,867	803	88,508
Other (Note 10)	38,705	14,635	386,318
Total	¥53,196	¥22,106	\$530,952

8. TANGIBLE FIXED ASSETS

Tangible fixed assets at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Buildings	¥12,900	¥10,407	\$128,759
Land	41,149	43,307	410,718
Construction in progress	982	3,563	9,804
Other	17,727	18,975	176,936
Total	¥72,759	¥76,255	\$726,218

Accumulated depreciation on tangible fixed assets at March 31, 2008 and 2007 amounted to ¥75,017 million (\$748,748 thousand) and ¥74,176 million, respectively.

9. LONG-LIVED ASSETS

The Group recognized impairment losses for the year ended March 31, 2008 and 2007 as follows:

The Bank groups assets by branch, which are the minimum unit for management accounting. Subsidiaries group their assets by unit, which periodically manages profit and loss. The Bank wrote down the carrying amounts to the recoverable amounts, and recognized impairment losses of ¥2,010 million (\$20,065 thousand) and ¥3,313 million for the year ended March 31, 2008 and 2007, respectively, since the carrying amounts of the assets held by the above branches and other exceeded the sum of the undiscounted future cash flows. The recoverable amounts of these assets were measured at their net realizable selling prices, which were determined by quotations from real estate appraisal information, less estimated costs to dispose.

Location	Description	Classification	Impairment Losses		
			Millions of yen		Thousands of U.S. dollars (Note 1)
			2008	2007	2008
Shiga Prefecture	Branch offices and other	Buildings and equipments	¥ 26	¥1,137	\$ 261
Other	Branch offices and other	Land, buildings and equipments	1,984	2,176	19,803
Total			¥2,010	¥3,313	\$20,065

10. ASSETS PLEDGED

Assets pledged as collateral and related liabilities at March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Investment securities	¥133,950	¥142,361	\$1,336,960
Related liabilities			
Deposits	¥14,346	¥ 8,227	\$143,190
Call money	6,000		59,886
Payables under securities lending transactions	24,335	38,114	242,896
Other liabilities	60	60	598

In addition, investment securities totaling ¥67,225 million (\$670,976 thousand) and ¥61,541 million at March 31, 2008 and 2007, respectively were pledged as collateral for settlement of exchange and as securities for futures transactions

and others.

Other assets (see Note 7) include guarantee deposits of ¥925 million (\$9,240 thousand) and ¥924 million at March 31, 2008 and 2007, respectively.

11. COMMITMENT LINE

Loan agreements and commitment line agreements are agreements that oblige the Bank to lend funds up to a certain limit agreed in advance. The Bank makes the loans upon the request of an obligor to draw down funds under such loan agreements as long as there is no breach of the various terms and conditions stipulated in the relevant loan agreements. The unused commitment balance relating to these loan agreements at March 31, 2008 and 2007 amounted to ¥828,801 million (\$8,272,300 thousand) and ¥836,571 million, respectively, and the amounts of unused commitments, whose original contract terms are within one year or unconditionally cancelable at any time, were ¥812,326 million (\$8,107,860 thousand) and ¥819,587 million at March 31, 2008 and 2007, respectively. In many cases, the term of the agreement runs its course without the

loan ever being drawn down. Therefore, the unused loan commitment will not necessarily affect future cash flow. Conditions are included in certain loan agreements which allow the Bank to decline the request for a loan draw down or to reduce the agreed limit amount where there is due cause to do so, such as when there is a change in financial conditions or when it is necessary to do so in order to protect the Bank's credit. The Bank takes various measures to protect its credit. Such measures include having the obligor pledge collateral to the Bank in the form of real estate, securities, etc. on signing the loan agreements or, in accordance with the Bank's established internal procedures, confirming the obligor's financial condition etc. at regular intervals.

12. LAND REVALUATION

Under the "Law of Land Revaluation," promulgated on March 31, 1998 (final revised on May 30, 2003), the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2002. The resulting land revaluation surplus represented unrealized appreciation of land and was stated, net of income taxes, as a component of equity. There was no effect on consolidated statement of income. Continuous

readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation surplus account and related deferred tax liabilities. At March 31, 2008, the carrying amount of the land after the above one-time revaluation was less than the market value by ¥17,607 million (\$175,745 thousand).

Method of revaluation

The fair values were determined by applying appropriate adjustments for land shape and analysis on the appraisal

specified in Article 2-4 of the Enforcement Ordinance of the Law of Land Revaluation effective March 31, 1998.

13. DEPOSITS

Deposits at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Current deposits	¥ 115,916	¥ 145,813	\$ 1,156,962
Ordinary deposits	1,393,309	1,438,403	13,906,674
Deposits at notice	14,697	35,633	146,696
Time deposits	1,949,502	1,847,673	19,458,051
Other deposits	121,624	118,277	1,213,939
Total	¥3,595,050	¥3,585,802	\$35,882,324

14. BORROWED MONEY

At March 31, 2008 and 2007, the weighted average interest rates applicable to the borrowed money were 1.82% and 1.92%, respectively.

Borrowed money at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Subordinated loans	¥ 8,000	¥14,000	\$ 79,848
Borrowing from banks and other	8,305	7,552	82,901
Total	¥16,305	¥21,552	\$162,749

Annual maturities of borrowed money at March 31, 2008, were as follows:

Year Ending March 31	Millions of yen	Thousands of U.S. dollars (Note 1)
2009	¥ 3,928	\$ 39,213
2010	1,523	15,209
2011	1,374	13,721
2012	990	9,890
2013	427	4,261
2014 and thereafter	8,060	80,453
Total	¥16,305	\$162,749

15. OTHER LIABILITIES

Other liabilities at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Accrued income taxes	¥ 9,329	¥ 5,446	\$ 93,122
Accrued expenses	8,012	5,625	79,975
Unearned income	4,638	2,637	46,296
Derivatives	1,603	6,645	16,002
Other	36,090	24,023	360,222
Total	¥59,675	¥44,377	\$595,618

16. ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees," is shown as an asset representing the Bank's right of indemnity from the applicants.

The amounts "Acceptances and guarantees" and "Customers' liabilities for acceptances and guarantees," were set off ¥35,150 million, because which were relevant to corporate bonds, and the guaranteed bonds were held by the Bank itself.

17. EQUITY

Through May 1, 2006, Japanese banks were subject to the Commercial Code of Japan (the "Code") and the Banking Law of Japan (the "Banking Law").

On and after May 1, 2006, Japanese companies are subject to a new corporate law of Japan (the "Corporate Law"), which reformed and replaced the Code with various revisions that are, for the most part, applicable to events or transactions which occur on or after May 1, 2006 and for the

fiscal years ending on or after May 1, 2006. The significant changes in the Corporate Law that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the

Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria.

The Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Corporate Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Corporate Law requires that an amount equal to 10% (20% for banks pursuant to the Banking Law) of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a

component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% (100% for banks pursuant to the Banking Law) of the common stock. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights
The Corporate Law also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The Corporate Law also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

18. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Gains on foreign exchange transactions (-net)	¥ 444	¥ 407	\$ 4,438
Gains on sales of bonds	5,191	1,580	51,816
Other	8,423	10,040	84,071
Total	¥14,059	¥12,029	\$140,327

19. OTHER INCOME

Other income for the years ended March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Gains on sales of securities	¥11,952	¥2,677	\$119,298
Recovery of claims previously charged-off	1,408	1,139	14,054
Other	1,786	2,976	17,833
Total	¥15,147	¥6,793	\$151,186

20. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Losses on sales of government bonds	¥ 1,053	¥ 1,630	\$ 10,518
Losses on redemption of bonds	886	186	8,846
Losses on write-down of bonds and other securities	6,272		62,609
Losses on financial derivatives	2,913	3,784	29,082
Other	7,937	9,005	79,225
Total	¥19,064	¥14,606	\$190,283

21. OTHER EXPENSES

Other expenses for the years ended March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Provision of allowance for possible loan losses	¥11,998	¥ 1,909	\$119,755
Write-off of loans and bills discounted	3,292	3,343	32,857
Losses on impairment of fixed assets	2,010	3,313	20,065
Other	3,322	2,048	33,163
Total	¥20,623	¥10,616	\$205,842

22. LEASES

Lessee

The Group leases certain equipment. Total rental expenses under the finance leases for the years ended March 31, 2008 and 2007, were ¥8 million (\$86 thousand) and ¥6 million, respectively.

Pro forma Information of leased property such as acquisition cost, accumulated depreciation, obligations under finance lease, depreciation expense and interest expense for finance leases that do not transfer ownership of the leased property to the lessee on an 'as if capitalized' basis for the years ended March 31, 2008 and 2007 was as follows:

	Millions of yen					
	2008			2007		
	Equipment	Other Assets	Total	Equipment	Other Assets	Total
Acquisition cost	¥60		¥60	¥55		¥55
Accumulated depreciation	(26)		(26)	(17)		(17)
Net leased property	¥33		¥33	¥37		¥37

	Thousands of U.S. dollars (Note 1)		
	2008		
	Equipment	Other Assets	Total
Acquisition cost	\$601		\$601
Accumulated depreciation	(266)		(266)
Net leased property	\$335		\$335

Obligations under finance leases at March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Due within one year	¥ 7	¥ 6	\$ 75
Due after one year	26	30	260
Total	¥33	¥37	\$335

The amounts of acquisition cost and obligations include the imputed interest expense portion.

Depreciation expense and interest expense under finance leases:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Depreciation expense	¥ 8	¥ 6	\$ 86
Interest expense	8	6	86
Total	¥17	¥12	\$173

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, is computed by the straight-line method.

Lessor

One subsidiary leases certain equipment and other assets.

Lease receipts under finance leases amounted to ¥6,236 million (\$62,242 thousand) and ¥6,178 million respectively, for the years ended March 31, 2008 and 2007.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, lessor's receivables under finance lease, depreciation expense and interest income for finance leases for the years ended March 31, 2008 and 2007 was as follows:

	Millions of yen					
	2008			2007		
	Equipment	Other Assets	Total	Equipment	Other Assets	Total
Acquisition cost	¥22,528	¥6,098	¥28,627	¥22,025	¥5,982	¥28,009
Accumulated depreciation	(10,105)	(3,021)	(13,127)	(9,972)	(2,849)	(12,821)
Net leased property	¥12,422	¥3,077	¥15,499	¥12,053	¥3,133	¥15,187

	Thousands of U.S. dollars (Note 1)		
	2008		
	Equipment	Other Assets	Total
Acquisition cost	\$224,854	\$60,873	\$285,727
Accumulated depreciation	(100,864)	(30,160)	(131,025)
Net leased property	\$123,989	\$30,712	\$154,702

Lessor's receivables under finance leases as of March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Due within one year	¥ 4,896	¥ 4,698	\$ 48,876
Due after one year	11,243	11,064	112,216
Total	¥16,139	¥15,762	\$161,093

The imputed interest income portion which is computed using the interest method is excluded from the above lessor's receivables under finance leases.

Depreciation expense and interest income under finance leases:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Depreciation expense	¥5,216	¥5,196	\$52,069
Interest income	816	798	8,149
Total	¥6,033	¥5,994	\$60,219

The minimum rental commitments under noncancelable operating leases as of March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Due within one year	¥1		\$15
Due after one year	5		55
Total	¥7		\$71

23. EMPLOYEES' RETIREMENT BENEFITS

The Bank has a contributory funded pension plan and an unfunded lump-sum severance payment plan. Subsidiaries have unfunded lump-sum severance payment plans.

The liability for employees' retirement benefits at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Projected benefit obligation	¥(39,819)	¥(39,857)	\$(397,441)
Plan assets (fair value)	23,076	26,234	230,323
Unfunded projected benefit obligation	(16,743)	(13,622)	(167,118)
Unrecognized actuarial net loss	8,861	6,895	88,451
Unrecognized prior service cost	(103)	(119)	(1,028)
Liability for employees' retirement benefits	¥ (7,984)	¥ (6,846)	\$ (79,695)

The components of net periodic benefit costs for the years ended March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Service cost	¥1,487	¥1,521	\$14,850
Interest cost	795	793	7,943
Expected return on plan assets	(324)	(327)	(3,241)
Amortization of prior service cost	(16)	(16)	(162)
Recognized actuarial net loss	1,596	1,601	15,935
Net periodic retirements benefit costs	¥3,539	¥3,572	\$35,325

Assumptions used for the years ended March 31, 2008 and 2007 were set forth as follows:

	2008	2007
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	2.0%	2.0%
Amortization period of prior service cost	10 years	10 years
Recognition period of actuarial gain or loss	10 years	10 years

24. INCOME TAXES

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Deferred tax assets:			
Allowance for possible loan losses	¥ 15,635	¥ 12,078	\$ 156,055
Liability for employees' retirement benefits	5,528	5,029	55,177
Accrued enterprise tax	701	373	7,006
Devaluation of stocks and other securities	7,297	4,118	72,841
Depreciation	953	1,074	9,513
Tax loss carryforwards	72		721
Other	3,256	5,271	32,505
Less valuation allowance	(7,676)	(7,805)	(76,617)
Total	¥ 25,769	¥ 20,139	\$ 257,203
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	(17,114)	(34,320)	(170,817)
Other	(208)	(246)	(2,084)
Total	¥ (17,323)	¥ (34,567)	\$ (172,902)
Net deferred tax assets (liabilities)	¥ 8,446	¥ (14,428)	\$ 84,301

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the year ended March 31, 2008 is as follows:

	2008
Normal effective statutory tax rate	40.4%
Permanent differences - expenses	(4.3)
Permanent differences - income	0.8
Corporate inhabitant tax per capita	0.6
Decrease in deferred tax assets at fiscal year end	26.6
IT investment tax credit	(0.6)
Other	(2.9)
Actual effective tax rate	60.6%

For the year ended March 31, 2007, description is omitted as the difference between the normal statutory tax rates and effective tax rates was less than 5% of the normal statutory tax rates.

25. MARKET VALUE AND OTHER INFORMATION ON SECURITIES

Market value and other information on securities at March 31, 2008 and 2007 were as follows:

Securities

(1) Trading securities

	Millions of yen			
	2008		2007	
	Consolidated Balance Sheet Amount	Losses Included in Profit/Loss during the Fiscal Year	Consolidated Balance Sheet Amount	Losses Included in Profit/Loss during the Fiscal Year
Trading securities	¥10,330	¥(541)	¥17,326	¥(394)

Thousands of U.S. dollars (Note 1)

	2008	
	Consolidated Balance Sheet Amount	Losses Included in Profit/Loss during the Fiscal Year
	Trading securities	\$103,111

(2) No bonds classified as held-to-maturity securities that have market value were held by the Group.

(3) Available-for-sale securities that have market value

	Millions of yen									
	2008					2007				
	Cost	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses	Cost	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
Stocks	¥ 92,496	¥ 153,152	¥60,655	¥67,089	¥ 6,434	¥ 97,755	¥ 205,917	¥108,162	¥108,602	¥ 439
Bonds:	727,934	724,583	(3,350)	3,698	7,049	757,418	750,035	(7,382)	1,424	8,806
Japanese government bonds	356,711	351,024	(5,687)	842	6,529	405,791	399,568	(6,223)	262	6,485
Japanese local government bonds	124,551	125,934	1,382	1,459	77	126,643	126,027	(615)	360	975
Japanese corporate bonds	246,671	247,625	954	1,396	442	224,982	224,439	(543)	801	1,345
Other	343,431	332,236	(11,195)	559	11,754	385,945	377,273	(8,672)	741	9,413
Total	¥1,163,862	¥1,209,972	¥46,109	¥71,347	¥25,238	¥1,241,119	¥1,333,227	¥ 92,107	¥110,767	¥18,659

Thousands of U.S. dollars (Note 1)

	2008				
	Cost	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
	Stocks	\$ 923,215	\$ 1,528,615	\$605,400	\$669,627
Bonds:	7,265,537	7,232,097	(33,444)	36,917	70,357
Japanese government Bonds	3,560,350	3,503,586	(56,764)	8,408	65,172
Japanese local government bonds	1,243,154	1,256,953	13,798	14,569	770
Japanese corporate bonds	2,462,032	2,471,557	9,524	13,940	4,415
Other	3,427,801	3,316,062	(111,738)	5,581	117,319
Total	\$11,616,554	\$12,076,775	\$460,221	\$712,126	\$251,905

Note: Market value is calculated by using the market prices at the fiscal year end for bonds and other except that of stocks which is calculated by average market prices for previous month of the fiscal year end.

(4) Bonds classified as held-to-maturity were not sold.

(5) Available-for-sale securities sold

	Millions of yen					
	2008			2007		
	Sales Amount	Gains on Sales	Losses on Sales	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sales securities	¥320,071	¥17,135	¥13	¥246,612	¥4,249	¥1,265

	Thousands of U.S. dollars (Note 1)		
	2008		
	Sales Amount	Gains on sales	Losses on Sales
Available-for-sale securities	\$3,194,644	\$171,027	\$135

(6) Securities with no readily available market value

	Consolidated Balance Sheet Amount		
	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Available-for-sale securities:			
Non-listed corporate bonds	¥10,654	¥10,943	\$106,345
Non-listed stocks	3,180	3,515	31,749

(7) The classification of securities has not been changed.

(8) Redemption schedule on available-for-sale securities that have maturities and bonds classified as held-to-maturity was as follows:

	Millions of yen							
	2008				2007			
	1 Year or Less	1 to 5 Years	5 to 10 Years	Over 10 Years	1 Year or Less	1 to 5 Years	5 to 10 Years	Over 10 Years
Bonds:	¥129,065	¥342,584	¥210,346	¥ 53,242	¥91,478	¥360,342	¥247,859	¥ 61,299
Japanese government bonds	71,026	127,527	125,829	26,641	47,431	160,417	150,387	41,331
Japanese local government bonds	11,760	67,148	47,024		8,777	48,729	68,520	
Japanese corporate bonds	46,278	147,908	37,492	26,600	35,269	151,195	28,951	19,967
Other	10,097	127,173	111,288	46,787	1,089	120,416	154,089	46,515
Total	¥139,162	¥469,757	¥321,634	¥100,029	¥92,567	¥480,759	¥401,948	¥107,814

	Thousands of U.S. dollars (Note1)			
	2008			
	1 Year or Less	1 to 5 Years	5 to 10 Years	Over 10 Years
Bonds:	\$1,288,204	\$3,419,349	\$2,099,472	\$531,416
Japanese government bonds	708,915	1,272,852	1,255,905	265,912
Japanese local government bonds	117,384	670,213	469,355	
Japanese corporate bonds	461,904	1,476,284	374,210	265,503
Other	100,783	1,269,321	1,110,778	466,984
Total	\$1,388,987	\$4,688,671	\$3,210,250	\$998,401

Money held in trust

(1) Money held in trust classified as trading

	Millions of yen			
	2008		2007	
	Consolidated Balance Sheet Amount	Gains Included in Profit/Loss during the Fiscal Year	Consolidated Balance Sheet Amount	Gains (Losses) Included in Profit/Loss during the Fiscal Year
Money held in trust classified as trading	¥10,858	¥68	¥10,993	

	Thousands of U.S. dollars (Note 1)	
	2008	
	Consolidated Balance Sheet Amount	Gains Included in Profit/Loss during the Fiscal Year
Money held in trust classified as trading	\$108,383	\$680

(2) No money held in trust was classified as held-to-maturity.

(3) Other money held in trust (other than money held in trust for trading purposes and money in trust held to maturity)

	Millions of yen									
	2008					2007				
	Cost	Consolidated Balance Sheet Amount	Net Unrealized Losses	Unrealized Gains	Unrealized Losses	Cost	Consolidated Balance Sheet Amount	Net Unrealized Losses	Unrealized Gains	Unrealized Losses
Money held in trust	¥1,114	¥1,106	¥(7)		¥7	¥3,013	¥3,005	¥(7)		¥7

	Thousands of U.S. dollars (Note 1)				
	2008				
	Cost	Consolidated Balance Sheet Amount	Net Unrealized Losses	Unrealized Gains	Unrealized Losses
Money held in trust	\$11,120	\$11,042	\$(78)		\$78

Net Unrealized Gains/Losses on Available-for-sale Securities

Available-for-sale securities were valued at market and net unrealized gains/losses on valuation were as follows:

	Consolidated Balance Sheet Amount		
	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Net unrealized gains on investment securities	¥46,109	¥92,107	\$460,221
Other money held in trust	(7)	(7)	(78)
Deferred tax liabilities	(17,114)	(34,320)	(170,817)
Minority interests	(46)	(143)	(463)
Net unrealized gains on available-for-sale securities	28,940	57,635	288,861

26. MARKET VALUE INFORMATION ON DERIVATIVE TRANSACTIONS

Derivatives are subject to market risk, which is the possibility that a loss may result from fluctuations in market conditions, and credit risk, which is the possibility that a loss may result from a counterparty's failure to perform according to the terms and conditions of the contract.

Since most of the Bank's derivative transactions are conducted to hedge underlying business exposures, market gain or risk in the derivative instruments is expected to be offset by an opposite movement in the value of hedged assets or liabilities. These figures are the measures used in the calculation of risk-based capital ratios under the Japanese capital ratio guidelines. The Bank adopts the current exposure method stipulated by the guidelines in calculating the amount.

As a risk control system for derivatives, the Bank has established a risk management division that operates independently from divisions executing derivative transactions. Derivative transactions entered into by the Bank have been made in accordance with internal policies, which regulate the authorization and credit limit amounts. In addition, positions and related gains or losses from derivatives are reported to management on a daily basis for monitoring and evaluation purposes.

The contract amounts of forward exchange contracts and option agreements do not necessarily measure the Bank's exposure to credit or market risk.

(1) Interest-rate-related transactions

Interest-rate-related transactions as of March 31, 2008 and 2007 are excluded from disclosure because all the interest-rate-related transactions entered into by the Bank qualified for hedge-accounting.

(2) Currency-related transactions

Market value information on revalued currency-related derivatives as of March 31, 2008 and 2007 were as follows:

	Millions of yen							
	2008				2007			
	Contractual Value	Contractual Value Due after One Year	Fair Value	Net Unrealized Gains (Losses)	Contractual Value	Contractual Value Due after One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-counter:	¥259,270	¥235,396	¥7,129	¥7,129	¥203,858	¥164,213	¥(5,670)	¥(5,670)
Forward exchange contracts:								
Sold	7,257		400	400	5,647		(14)	(14)
Bought	6,598		(288)	(288)	5,368		63	63
Currency options:								
Sold	3,226	1,502	(76)	(5)	1,895		(1)	(1)
Bought	3,226	1,502	76	32	1,895		5	5
Total			¥7,242	¥7,268			¥(5,617)	¥(5,617)

	Thousands of U.S. dollars (Note 1)			
	2008			
	Contractual Value	Contractual Value Due after One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-counter:	\$2,587,788	\$2,349,502	\$71,164	\$71,164
Forward exchange contracts:				
Sold	72,436		3,998	3,998
Bought	65,856		(2,878)	(2,878)
Currency options:				
Sold	32,204	15,000	(766)	(57)
Bought	32,204	15,000	766	319
Total			\$72,284	\$72,546

Notes: 1. The above transactions were revalued at the end of each of the years and the related gain and loss are reflected in the accompanying consolidated statements of income.

2. Derivative transactions under hedge accounting, transactions reflected in financial assets and liabilities denominated in currencies and recognized in the consolidated balance sheets, or transactions denominated in foreign currencies which have been eliminated in the consolidation have been excluded from the above table.

- (3) Stock-related transactions are not performed.
(4) Bond-related transactions are not performed.
(5) Financial product-related transactions are not performed.
(6) Credit derivative transactions are not performed.

27. RELATED PARTY TRANSACTIONS

Related party transactions for the years ended March 31, 2008 and 2007 were as follows:

Related party	Category	Description of transactions	Millions of yen		Thousands of U.S. dollars (Note 1)
			2008	2007	2008
Yoshihisa Fujita	Director or relative	Lending operation loan	¥ 30		\$ 307
Nishikawa Sangyo Co., Ltd.	Companies, majority held by director or relative	Lending operation loan	1,220	¥ 1,145	12,176
Nishikawa Living Co., Ltd.	Companies, majority held by director or relative	Lending operation loan	1,337	1,459	13,354
		Customer's liabilities for acceptances and guarantees	80	178	803
Chiyoiko Yamakage	Director or relative	Lending operation loan		186	

28. NET INCOME PER SHARE

Calculation of net income per share ("EPS") for the years ended March 31, 2008 and 2007 is as follows:

	Millions of yen	Thousands of Shares	yen	U.S. dollars (Note 1)
	Net Income	Weighted Average Shares	EPS	
For the year ended March 31, 2008				
Basic EPS				
Net income available to common stockholders	¥3,597	264,318	¥13.60	\$0.135
For the year ended March 31, 2007				
Basic EPS				
Net income available to common stockholders	¥8,839	264,514	¥33.41	

29. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

On June 26, 2008, the Bank's general stockholders' meeting approved the payments of cash dividends to stockholders of record at March 31, 2008 of ¥3 (\$0.029) per share or a total of ¥792 million (\$7,912 thousand).

30. SEGMENT INFORMATION

i) Business Segment Information

Information about industry segments of the Group as of and for the years ended March 31, 2008 and 2007 is as follows:

a. Operating Income

Millions of yen						
2008						
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Operating income:						
Outside customers	¥104,008	¥8,141	¥2,701	¥114,850		¥114,850
Intersegment income	395	839	2,083	3,318	¥(3,318)	
Total	104,403	8,980	4,785	118,168	(3,318)	114,850
Operating expenses	94,281	8,656	4,242	107,181	(3,212)	103,969
Net income for computation	¥ 10,121	¥ 323	¥ 542	¥ 10,987	¥ (105)	¥ 10,881

b. Total Assets, Depreciation, Impairment Loss and Capital Expenditures

Millions of yen						
2008						
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Total assets	¥4,098,457	¥41,665	¥13,173	¥4,153,296	¥(38,186)	¥4,115,109
Depreciation	4,010	5,660	30	9,701		9,701
Impairment loss	2,010			2,010		2,010
Capital expenditures	5,390	5,952	11	11,354		11,354

a. Operating Income

Millions of yen						
2007						
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Operating income:						
Outside customers	¥84,283	¥ 9,718	¥2,633	¥96,635		¥96,635
Intersegment income	475	482	2,053	3,011	¥(3,011)	
Total	84,758	10,201	4,687	99,646	(3,011)	96,635
Operating expenses	69,813	9,606	4,141	83,561	(2,988)	80,573
Net income for computation	¥14,945	¥ 594	¥ 545	¥16,084	¥ (23)	¥16,061

b. Total Assets, Depreciation, Impairment Loss and Capital Expenditures

Millions of yen						
2007						
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Total assets	¥4,163,923	¥42,451	¥11,846	¥4,218,222	¥(38,886)	¥4,179,335
Depreciation	3,684	5,157	26	8,868		8,868
Impairment loss	3,313			3,313		3,313
Capital expenditures	8,763	7,199	35	15,998		15,998

a. Operating Income

Thousands of U.S. dollars (Note 1)						
2008						
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Operating income:						
Outside customers	\$1,038,112	\$81,255	\$26,961	\$1,146,330		\$1,146,330
Intersegment income	3,942	8,377	20,797	33,117	\$(33,117)	
Total	1,042,055	89,633	47,759	1,179,448	(33,117)	1,146,330
Operating expenses	941,031	86,403	42,347	1,069,782	(32,060)	1,037,722
Net income for computation	\$ 101,024	\$ 3,229	\$ 5,412	\$ 109,666	\$ (1,057)	\$ 108,608

b. Total Assets, Depreciation, Impairment Loss and Capital Expenditures

Thousands of U.S. dollars (Note 1)						
2008						
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Total assets	\$40,906,848	\$415,861	\$131,489	\$41,454,200	\$(381,144)	\$41,073,055
Depreciation	40,028	56,496	308	96,833		96,833
Impairment loss	20,065			20,065		20,065
Capital expenditures	53,804	59,408	116	113,329		113,329

Notes: 1. "Other" consists of other banking related activities such as credit guarantee, venture capital and entrusted account.

2. Operating income means total income less certain special income included in other income in the accompanying consolidated statements of income.

3. Operating expenses mean total expenses less certain special expenses included in other expenses in the accompanying consolidated statements of income.

ii) Segment Information by Geographic Area

Segment information by geographic area is not presented herein for the years ended March 31, 2008 and 2007, as such information is permitted not to be disclosed if domestic share of both total income and total assets exceeds 90%.

iii) Operating Income from International Operations

Disclosure of operating income arising from international operations for the years ended March 31, 2008 and 2007 is not presented herein, as such information is permitted not to be disclosed if operating income arising from international operations is less than 10% of consolidated operating income.