

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2009 and 2008

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 Companies Act of Japan, the Japanese Financial Instruments and Exchange Act, and the Japanese Banking Act 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 ¥98.23 to U.S.\$1, the rate of exchange at March 31, 2009 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 2008 consolidated financial statements to conform to the classifications used in 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The accompanying consolidated financial statements for the years ended March 31, 2009 and 2008 include the accounts of the Bank and the 11 and 12 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 five-year period. The Bank has three other non-consolidated subsidiaries, in which investments are not accounted for by equity method, because their net income (the portion corresponding to the Bank’s equity) and retained earnings (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.

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

(Additional information on market value of securities available-for-sale)

The fair value of floating rate Japanese government bonds were previously measured at their market prices. However, after consideration of the recent market environment, a judgement has been made by management that current market prices are not indicative of fair value. At the end of this fiscal year, the fair values of these bonds were determined based on the values reasonably estimated by a broker dealer. The effect of the decision was to increase investment securities by ¥7,086 million (\$72,138 thousand), to decrease deferred tax assets by ¥2,864 million (\$29,165 thousand) and to increase net unrealized gains on available-for-sale securities by ¥4,221 million (\$42,972 thousand) compared to the valuation based on the market price as of March 31, 2009.

As the rationally calculated amounts cannot be estimated by the Bank, those are obtained from a broker dealer.

It is difficult for the Bank to reasonably estimate fair values of the floating rate Japanese government bonds by itself. Accordingly, the Bank employs theoretical floating rate Japanese government bonds prices based on values reasonably estimated by a securities broker for the determination of fair values of the floating rate Japanese government bonds. The simulation model used for the calculation of reasonably estimated fair values and the price decision variables are summarized below.

i. Simulation model

The model enables the calculation of present values of the floating rate Japanese government bonds based on future cash flows. Future cash flows, in turn, are estimated using an interest fluctuation model, which is primarily based on discount rates that are compatible with price movements of the government bonds and dispersion of interest rates that are consistent with the implied volatility of swaptions.

ii. Price decision variables

The principal price decision variables are yields on and prices of Japan's treasury bills, and the government bonds with maturities of 10 years, 20 years, and 30 years. Swaption volatility is calculated on the assumption of maturities from 1 month to 10 years and swap periods ranging from 1 to 10 years.

(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, 2009 and 2008 were ¥23,485 million (\$239,085 thousand) and ¥31,877 million, respectively.

(g) Tangible Fixed Assets (except for lease 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.

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 acts 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 (\$42,189 thousand) at March 31, 2009 and 2008.

(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.

(i) Intangible fixed assets (except for lease assets)

Depreciation for intangible fixed assets is computed under the straight-line method. Development cost for internally used software are capitalized and depreciated under the straight-line method over the estimated useful lives of 5 years.

(j) Lease Assets

Lease assets in "Tangible fixed assets" or "Intangible fixed assets" of the finance leases other than those that were deemed to transfer the ownership of leased property to the lessee is computed under the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the corresponding lease contracts.

(k) 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 ¥26,142 million (\$266,139 thousand), ¥20,596 million as of March 31, 2009 and 2008, 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.

(l) 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.

(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) Accounting for Lease

In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions," and ASBJ Practical Solutions Report No.16, "Practical Solutions for the Accounting standard for Lease Transactions" which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is 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.

i. As Lessee

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were 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 should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Group applied the revised accounting standard effective April 1, 2008. In addition, the Group accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. The effect of this change to consolidated financial statements was nil.

ii. As Lessor

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were 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 should be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee should be recognized as investments in lease.

The Group applied the revised accounting standard effective April 1, 2008. The effect of this change was to decrease total income by ¥1,063 million (\$ 10,822 thousand), total expenses by ¥2,188 million (\$22,283 thousand), and loss before income taxes and minority interests by ¥931 million (\$9,487 thousand), which included a cumulative effect of ¥193 million (\$1,974 thousand) at March 31, 2008. The cumulative effect was included in other expenses in the 2009 consolidated statements of operations.

	Millions of yen	Thousands of U.S. dollars (Note 1)
Income from sales of lease receivables	¥ 701	\$ 7,140
Valuation loss of supplies in lease	(895)	(9,114)
Net loss	¥(193)	\$(1,974)

(s) Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. 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 acts 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 operations are dividends applicable to the respective years including dividends to be paid after the end of the year.

(v) New Accounting Pronouncements

Business Combinations — On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows:

- (1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.

- (2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.
- (3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset Retirement Obligations — On March 31, 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No. 18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21 "Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

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, 2009 and 2008, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Cash and due from banks	¥56,807	¥42,211	\$578,315
Time deposits due from banks	(166)	(1,350)	(1,690)
Other due from banks	(268)	(425)	(2,734)
Cash and cash equivalents	¥56,373	¥40,435	\$573,890

4. INVESTMENT SECURITIES

Investment securities at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Japanese government bonds	¥ 347,268	¥ 351,024	\$ 3,535,260
Japanese local government bonds	157,507	125,934	1,603,453
Japanese corporate bonds	261,438	258,280	2,661,494
Corporate stocks	102,082	156,332	1,039,224
Other securities	245,514	333,559	2,499,385
Total	¥1,113,812	¥1,225,131	\$11,338,818

5. LOANS AND BILLS DISCOUNTED

Loans and bills discounted at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Bills discounted	¥ 23,147	¥ 31,521	\$ 235,646
Loans on bills	159,971	187,934	1,628,539
Loans on deeds	2,094,112	1,952,364	21,318,463
Overdrafts	433,717	379,548	4,415,322
Total	¥2,710,948	¥2,551,368	\$27,597,971

Loans in legal bankruptcy totaled ¥6,148 million (\$62,592 thousand) and ¥1,631 million as of March 31, 2009 and 2008, respectively. Nonaccrual loans totaled ¥40,005 million (\$407,265 thousand) and ¥40,050 million as of March 31, 2009 and 2008, 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 ¥2,355 million (\$23,984 thousand) and ¥1,876 million as of March 31, 2009 and 2008, respectively. Loans classified as loans in legal bankruptcy and past due loans are excluded.

Restructured loans totaled ¥12,234 million (\$124,546 thousand) and ¥38,529 million as of March 31, 2009 and 2008, 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, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Assets:			
Due from foreign correspondents	¥2,608	¥4,184	\$26,553
Foreign bills of exchange purchased	63	90	647
Foreign bills of exchange receivable	631	591	6,432
Total	¥3,303	¥ 4,866	\$33,632
Liabilities:			
Foreign bills of exchange sold	¥ 63	¥ 106	\$ 649
Accrued foreign bills of exchange	5	8	56
Total	¥ 69	¥ 114	\$ 705

7. OTHER ASSETS

Other assets at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Prepaid expenses	¥ 61	¥ 54	\$ 627
Accrued income	5,343	5,569	54,401
Derivatives	9,867	8,867	100,451
Other (Note 10)	38,492	38,705	391,864
Total	¥53,765	¥53,196	\$547,344

8. TANGIBLE FIXED ASSETS

Tangible fixed assets at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Buildings	¥14,577	¥12,900	\$148,397
Land	40,347	41,149	410,740
Construction in progress	459	982	4,678
Other	4,502	17,727	45,831
Total	¥59,885	¥72,759	\$609,646

Accumulated depreciation on tangible fixed assets at March 31, 2009 and 2008 amounted to ¥44,083 million (\$448,782 thousand) and ¥75,017 million, respectively.

9. LONG-LIVED ASSETS

The Group recognized impairment losses for the year ended March 31, 2009 and 2008 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 ¥1,080 million (\$10,999 thousand) and ¥2,010 million for the years ended March 31, 2009 and 2008, 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)
			2009	2008	2009
Shiga Prefecture	Branch offices and other	Land, buildings and equipment	¥ 288	¥ 26	\$ 2,932
Other	Branch offices and other	Land, buildings and equipment	792	1,984	8,066
Total			¥1,080	¥2,010	\$10,999

Impairment losses are included in other expenses (Note 21).

10. ASSETS PLEDGED

Assets pledged as collateral and related liabilities at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Investment securities	¥140,709	¥133,950	\$1,432,445
Other assets (investments in lease)	2,801		28,514

Related liabilities	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Deposits	¥ 12,742	¥ 14,346	\$ 129,722
Call money		6,000	
Payables under securities lending transactions	4,116	24,335	41,911
Borrowed money	3,010		30,642
Other liabilities		60	

In addition, investment securities totaling ¥65,460 million (\$666,400 thousand) and ¥67,225 million at March 31, 2009 and 2008, respectively were pledged as collateral for settlement of exchange and as securities for futures transactions and others.

Other assets (Note 7) include guarantee deposits of ¥921 million (\$9,385 thousand) and ¥925 million at March 31, 2009 and 2008, respectively.

11. OVERDRAFTS AND COMMITMENT LINES

Overdraft 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, 2009 and 2008 amounted to ¥769,249 million (\$7,831,101 thousand) and ¥828,801 million, respectively, and the amounts of unused commitments, whose original contract terms are within one year or unconditionally cancelable at any time, were ¥751,541 million (\$7,650,832 thousand) and ¥812,326 million at March 31, 2009 and 2008, 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 "Act 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 operations. 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, 2009 and 2008, the carrying amount of the land after the above one-time revaluation was more than the market value by ¥16,742 million (\$170,443 thousand) and ¥17,607 million, respectively.

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 Act of Land Revaluation effective March 31, 1998.

13. DEPOSITS

Deposits at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Current deposits	¥ 113,404	¥ 115,916	\$ 1,154,478
Ordinary deposits	1,398,684	1,393,309	14,238,867
Deposits at notice	12,790	14,697	130,208
Time deposits	2,029,130	1,949,502	20,656,931
Other deposits	100,771	121,624	1,025,877
Total	¥3,654,781	¥3,595,050	\$37,206,363

14. BORROWED MONEY

At March 31, 2009 and 2008, the weighted average interest rates applicable to the borrowed money were 1.92% and 1.82%, respectively.

Borrowed money at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Subordinated loans	¥28,000	¥ 8,000	\$285,045
Borrowing from banks and other	17,527	8,305	178,429
Total	¥45,527	¥16,305	\$463,474

Annual maturities of borrowed money at March 31, 2009, were as follows:

Year Ending March 31	Millions of yen	Thousands of U.S. dollars (Note 1)
2010	¥12,083	\$123,015
2011	2,134	21,732
2012	1,750	17,824
2013	1,187	12,083
2014	370	3,772
2015 and thereafter	28,000	285,045
Total	¥45,527	\$463,474

15. OTHER LIABILITIES

Other liabilities at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Accrued income taxes	¥ 582	¥ 9,329	\$ 5,934
Accrued expenses	9,711	8,012	98,868
Unearned income	5,052	4,638	51,439
Derivatives	1,857	1,603	18,909
Other	16,399	36,090	166,947
Total	¥33,604	¥59,675	\$342,100

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," amounting to ¥9,897 million (\$100,753 thousand) and ¥10,341 million as of March 31, 2009 and 2008, were set off because which were relevant to corporate bonds, and the guaranteed bonds were held by the Bank itself.

17. EQUITY

(1) Capital Stock and Capital Surplus

Changes in the number of common shares of the years ended March 31, 2009 and 2008, consisted of the following:

	Thousands
	Common stock Issued number of shares
Year ended March 31, 2009	
Beginning of the year	265,450
Increase	
Decrease	
End of the year	265,450
Year ended March 31, 2008	
Beginning of the year	265,450
Increase	
Decrease	
End of the year	265,450

(2) Companies Act and Banking Act of Japan

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

On and after May 1, 2006, Japanese companies are subject to a new companies act of Japan (the "Companies Act"), 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 Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, 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 Companies Act 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 Companies Act 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 Companies Act requires that an amount equal to 10% (20% for banks pursuant to the Banking Act) 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 Act) of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act 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 Companies Act 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 Companies Act, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The Companies Act 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.

(3) Appropriations of Retained Earnings

On June 25, 2009, the Bank's general stockholders' meeting will approve the payments of cash dividends to stockholders of record at March 31, 2009 of ¥3.00 (\$0.030) per share or a total of ¥792 million (\$8,063 thousand).

18. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Gains on foreign exchange transactions-net	¥ 692	¥ 444	\$ 7,049
Gains on sales of bonds	1,424	5,191	14,504
Other	8,181	8,423	83,286
Total	¥10,298	¥14,059	\$104,840

19. OTHER INCOME

Other income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Gains on sales of securities	¥ 904	¥11,952	\$ 9,204
Recovery of claims previously charged-off	1,300	1,408	13,237
Other	1,184	1,786	12,063
Total	¥3,389	¥15,147	\$34,504

20. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Losses on sales of government bonds	¥ 424	¥ 1,053	\$ 4,316
Losses on redemption of bonds	2,309	886	23,506
Losses on write-down of bonds and other securities	5,458	6,272	55,565
Losses on financial derivatives	1,147	2,913	11,686
Other	6,040	7,937	61,493
Total	¥15,379	¥19,064	\$156,568

21. OTHER EXPENSES

Other expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Provision of allowance for possible loan losses	¥ 8,560	¥11,998	\$ 87,147
Write-off of loans and bills discounted	5,192	3,292	52,862
Losses on impairment of long-lived assets (Note 9)	1,080	2,010	10,999
Valuation loss of investment in stocks	13,577	783	138,220
Net loss on adjustment for changes of accounting standard (Note 2 (r) ii)	193		1,974
Other	3,486	2,539	35,462
Total	¥32,088	¥20,623	\$326,664

22. LEASES

Lessee

The Group leases certain equipment. Total rental expense under the finance leases for the years ended March 31, 2009 and 2008, was ¥7 million (\$76 thousand) and ¥8 million, respectively.

Finance lease transactions which commenced prior to April 1, 2008 are accounted for based on the former accounting standard.

Pro forma Information of leased property such as acquisition cost, accumulated depreciation, obligations, under financial lease, depreciation expense and interest expense under finance leases that do not transfer ownership of the leased property to the lessee on a 'as if capitalized' basis for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen	
	2009	2008
Acquisition cost	¥51	¥60
Accumulated depreciation	(31)	(26)
Net leased property	¥19	¥33

	Thousands of U.S. dollars (Note 1)
	2009
Acquisition cost	\$519
Accumulated depreciation	(321)
Net leased property	\$198

Obligations under finance leases at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Due within one year	¥ 6	¥ 7	\$ 69
Due after one year	12	26	128
Total	¥19	¥33	\$198

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

Lease payments and depreciation expense under finance leases:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Lease payments	¥7	¥8	\$76
Depreciation expense	7	8	76

Lessor

One subsidiary leases certain equipment and other assets.

As stated in Note 2 (r) ii, finance lease transactions other than those of which ownership is fully transferred to the lessee are accounted for in the similar manner to ordinary sales and transactions, effective from the year ended March 31, 2009.

Investments in lease included in other assets on the balance sheets as of March 31, 2009 consisted of the following:

	Millions of yen	Thousands of U.S. dollars (Note 1)
Gross lease receivables	¥15,988	\$162,763
Unguaranteed residual values	781	7,954
Unearned interest income	(4,171)	(42,467)
Investments in lease	¥12,596	\$128,239

Maturities of lease receivables for finance leases that deem to transfer ownership of the leased property to the lessee are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
2010	¥6	\$62
2011	3	39
2012	2	29
2013	1	14
2014	0	0
2015 and thereafter		

Maturities of gross lease receivables related to investments in lease are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
2010	¥4,767	\$48,536
2011	4,162	42,374
2012	3,295	33,553
2013	2,264	23,056
2014	1,097	11,170
2015 and thereafter	400	4,073

With regard to finance lease transactions entered into prior to April 1, 2008, that do not deem to transfer ownership of the property to the lessee, leased investment assets are recognized at the book value of leased assets as of March 31, 2008.

As a result, loss before income taxes and minority interests for the fiscal year ended March 31, 2009 was increased by ¥2,145 million (\$21,841 thousand) more than it would have been if the revised accounting standard was applied retroactively to all the finance lease transactions.

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

	Millions of yen		
	Equipment	Other Assets	Total
Acquisition cost	¥22,528	¥6,098	¥28,627
Accumulated depreciation	(10,105)	(3,021)	(13,127)
Net leased property	¥12,422	¥3,077	¥15,499

Lessor's receivables under finance leases as of March 31, 2008 was as follows:

	Millions of yen 2008
Due within one year	¥ 4,896
Due after one year	11,243
Total	¥16,139

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 2008
Depreciation expense	¥5,216
Interest income	816
Total	¥6,033

The minimum rental commitments under noncancelable operating leases as of March 31, 2009 and 2008, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Due within one year	¥1	¥1	\$15
Due after one year	4	5	41
Total	¥5	¥7	\$57

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, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Projected benefit obligation	¥(40,590)	¥(39,819)	\$(413,220)
Plan assets (fair value)	19,774	23,076	201,306
Unfunded projected benefit obligation	(20,816)	(16,743)	(211,913)
Unrecognized actuarial net loss	11,924	8,861	121,391
Unrecognized prior service cost	(86)	(103)	(883)
Liability for employees' retirement benefits	¥ (8,978)	¥ (7,984)	\$ (91,405)

The components of net periodic benefit costs for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Service cost	¥1,522	¥1,487	\$15,503
Interest cost	795	795	8,094
Expected return on plan assets	(306)	(324)	(3,119)
Amortization of prior service cost	(16)	(16)	(165)
Recognized actuarial net loss	1,952	1,596	19,880
Net periodic retirements benefit costs	¥3,948	¥3,539	\$40,192

Assumptions used for the years ended March 31, 2009 and 2008 were set forth as follows:

	2009	2008
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, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Deferred tax assets:			
Allowance for possible loan losses	¥16,647	¥ 15,635	\$169,471
Liability for employees' retirement benefits	5,970	5,528	60,777
Accrued enterprise tax		701	
Devaluation of stocks and other securities	12,457	7,297	126,816
Depreciation	1,642	953	16,724
Tax loss carryforwards	1,607	72	16,362
Other	3,952	3,256	40,235
Less valuation allowance	(13,335)	(7,676)	(135,759)
Total	¥28,941	¥ 25,769	\$294,628
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	(4,030)	(17,114)	(41,029)
Enterprise tax refundable	(417)		(4,251)
Reserve for advanced depreciation of fixed assets	(208)	(208)	(2,125)
Other	(152)		(7,934)
Total	¥ (4,809)	¥(17,323)	\$ (48,964)
Net deferred tax assets	¥24,131	¥ 8,446	\$245,664

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of operations for the years ended March 31, 2009 and 2008 is as follows:

	2009	2008
Normal effective statutory tax rate	40.4%	40.4%
Permanent differences - income	3.1	(4.3)
Permanent differences - expenses	(0.4)	0.8
Corporate inhabitant tax per capita	(0.4)	0.6
Increase in valuation allowance for deferred tax assets	(32.7)	26.6
IT investment tax credit		(0.6)
Other	1.9	(2.9)
Actual effective tax rate	11.9%	60.6%

25. MARKET VALUE AND OTHER INFORMATION ON SECURITIES

Market value and other information on securities at March 31, 2009 and 2008 were as follows:

Securities

(1) Trading securities

	Millions of yen			
	2009		2008	
	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	¥5,579	¥(128)	¥10,330	¥(541)

	Thousands of U.S. dollars (Note 1)	
	2009	
	Consolidated Balance Sheet Amount	Losses Included in Profit/(Loss) during the Fiscal Year
Trading securities	\$56,795	\$(1,303)

(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									
	2009					2008				
	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	¥ 73,697	¥ 98,701	¥25,004	¥27,074	¥ (2,070)	¥ 92,496	¥ 153,152	¥60,655	¥67,089	¥ (6,434)
Bonds:	753,882	756,063	2,181	4,543	(2,362)	727,934	724,583	(3,350)	3,698	(7,049)
Japanese government bonds	344,919	347,268	2,349	2,646	(296)	356,711	351,024	(5,687)	842	(6,529)
Japanese local government bonds	156,894	157,507	612	789	(177)	124,551	125,934	1,382	1,459	(77)
Japanese corporate bonds	252,068	251,287	(780)	1,107	(1,888)	246,671	247,625	954	1,396	(442)
Other	262,327	247,971	(14,356)	891	(15,248)	343,431	332,236	(11,195)	559	(11,754)
Total	¥1,089,907	¥1,102,736	¥12,829	¥32,509	¥(19,680)	¥1,163,862	¥1,209,972	¥46,109	¥71,347	¥(25,238)

	Thousands of U.S. dollars (Note 1)				
	2009				
	Cost	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
Stocks	\$ 750,253	\$ 1,004,800	\$254,547	\$275,622	\$ (21,075)
Bonds:	7,674,655	7,696,872	22,206	46,255	(24,049)
Japanese government bonds	3,511,342	3,535,260	23,918	26,940	(3,022)
Japanese local government bonds	1,597,217	1,603,453	6,236	8,041	(1,805)
Japanese corporate bonds	2,566,106	2,558,158	(7,947)	11,273	(19,221)
Other	2,670,546	2,524,396	(146,150)	9,078	(155,228)
Total	\$11,095,466	\$11,226,069	\$130,603	\$330,956	\$(200,353)

Notes: 1. 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.

2. For available-for-sale securities with market quotations, in cases where the market value has fallen substantially from the acquisition cost and there is believed to be little likelihood of a recovery to the acquisition cost level, said securities are shown on the balance sheets at market value and the difference between the market value and the acquisition cost is posted as a loss (hereinafter "impairment loss").

Impairment losses for the reporting term amounted to ¥18,975 million (\$193,174 thousand), of which equities accounted for ¥13,517 million (\$137,608 thousand) and others for ¥5,458 million (\$55,565 thousand). The corresponding amounts for the previous term were ¥6,869 million, ¥597 million and ¥6,272 million.

The Bank recognized impairment losses on available-for-sale securities whose market value on the balance sheet date had declined by 50% or more compared with the acquisition cost, and also recognized losses on securities whose market value had declined by 30% or more, taking into consideration price movements of the securities in question, and the business performance and creditworthiness of the companies that issued the said securities.

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

(5) Available-for-sale securities sold

	Millions of yen					
	2009			2008		
	Sales Amount	Gains on Sales	Losses on Sales	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sales securities	¥124,999	¥2,324	¥1,693	¥320,071	¥17,135	¥13

	Thousands of U.S. dollars (Note 1)		
	2009		
	Sales Amount	Gains on sales	Losses on Sales
Available-for-sale securities	\$1,272,514	\$23,660	\$17,239

(6) Securities with no readily available market value

	Consolidated Balance Sheet Amount		
	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Available-for-sale securities:			
Non-listed corporate bonds	¥10,150	¥10,654	\$103,336
Non-listed stocks	3,381	3,180	34,423

(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							
	2009				2008			
	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:	¥76,742	¥310,858	¥324,559	¥54,054	¥129,065	¥342,584	¥210,346	¥ 53,242
Japanese government bonds	36,705	98,954	182,894	28,713	71,026	127,527	125,829	26,641
Japanese local government bonds	12,792	61,186	83,528		11,760	67,148	47,024	
Japanese corporate bonds	27,244	150,717	58,135	25,340	46,278	147,908	37,492	26,600
Other	3,773	129,832	68,417	41,044	10,097	127,173	111,288	46,787
Total	¥80,515	¥440,691	¥392,977	¥95,098	¥139,162	¥469,757	¥321,634	¥100,029

	Thousands of U.S. dollars (Note1)			
	2009			
	1 Year or Less	1 to 5 Years	5 to 10 Years	Over 10 Years
Bonds:	\$781,249	\$3,164,598	\$3,304,075	\$550,284
Japanese government bonds	373,670	1,007,379	1,861,901	292,309
Japanese local government bonds	130,226	622,886	850,340	
Japanese corporate bonds	277,352	1,534,332	591,834	257,975
Other	38,416	1,321,722	696,506	417,838
Total	\$819,665	\$4,486,321	\$4,000,582	\$968,123

Money held in trust

(1) Money held in trust classified as trading

	Millions of yen			
	2009		2008	
	Consolidated Balance Sheet Amount	Gains Included in Profit/(Loss) during the Fiscal Year	Consolidated Balance Sheet Amount	Gains Included in Profit/(Loss) during the Fiscal Year
Money held in trust classified as trading	¥8,488	¥(457)	¥10,858	¥68

	Thousands of U.S. dollars (Note 1)	
	2009	
	Consolidated Balance Sheet Amount	Gains Included in Profit/(Loss) during the Fiscal Year
Money held in trust classified as trading	\$86,410	\$(4,656)

(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									
	2009					2008				
	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
Money held in trust	¥900	¥891	¥(8)		¥(8)	¥1,114	¥1,106	¥(7)		¥(7)

	Thousands of U.S. dollars (Note 1)				
	2009				
	Cost	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
Money held in trust	\$9,162	\$9,077	\$(84)		\$(84)

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)
	2009	2008	2009
Net unrealized gains on investment securities	¥12,829	¥46,109	\$130,603
Other money held in trust	(8)	(7)	(84)
Deferred tax liabilities	(4,030)	(17,114)	(41,029)
Minority interests	(8)	(46)	(84)
Net unrealized gains on available-for-sale securities	¥ 8,782	¥28,940	\$ 89,404

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, 2009 and 2008 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, 2009 and 2008 were as follows:

	Millions of yen							
	2009				2008			
	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:								
Currency swap:	¥265,170	¥233,113	¥8,113	¥8,113	¥259,270	¥235,396	¥7,129	¥7,129
Forward exchange contracts:								
Sold	3,326		(61)	(61)	7,257		400	400
Bought	2,712		108	108	6,598		(288)	(288)
Currency options:								
Sold	21,730	16,843	(881)	119	3,226	1,502	(76)	(5)
Bought	21,730	16,843	881	78	3,226	1,502	76	32
Total			¥8,160	¥8,358			¥7,242	¥7,268

	Thousands of U.S. dollars (Note 1)			
	2009			
	Contractual Value	Contractual Value Due after One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-counter:				
Currency swap:	\$2,699,485	\$2,373,134	\$82,595	\$82,595
Forward exchange contracts:				
Sold	33,866		(624)	(624)
Bought	27,611		1,100	1,100
Currency options:				
Sold	221,216	171,474	(8,977)	1,218
Bought	221,216	171,474	8,977	802
Total			\$83,071	\$85,092

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 operations.

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

The Bank and related party transactions for the years ended March 31, 2009 and 2008 were as follows:

Related party	Category	Description of transactions	Millions of yen		Thousands of U.S. dollars (Note 1)
			2009	2008	2009
			Yoshihisa Fujita	Director or relative	Lending operation loan
Nishikawa Sangyo Co., Ltd.	Companies, majority held by auditor or relative	Lending operation loan	1,310	1,220	13,336
Nishikawa Living Co., Ltd.	Companies, majority held by auditor or relative	Lending operation loan	1,183	1,337	12,046
		Customer's liabilities for acceptances and guarantees	59	80	603

Related party transactions involving consolidated subsidiaries of the Bank for the years ended March 31, 2009 was as follows:

Related party	Category	Description of transactions	Millions of yen	Thousands of U.S. dollars (Note 1)
			2009	2009
Nishikawa Living Co., Ltd.	Companies, majority held by auditor or relative	Receiving lease payments	¥148	\$1,511

28. NET INCOME PER SHARE

Calculation of net income per share ("EPS") for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen	Thousands of Shares	yen	U.S. dollars (Note 1)
	Net Income (loss)	Weighted Average Shares	EPS	
For the year ended March 31, 2009				
Basic EPS				
Net income available to common stockholders	¥(16,218)	264,138	¥(61.40)	\$(0.625)
For the year ended March 31, 2008				
Basic EPS				
Net income available to common stockholders	¥ 3,597	264,318	¥ 13.60	\$ 0.138

29. SEGMENT INFORMATION

i) Business Segment Information

Information about industry segments of the Group as of and for the years ended March 31, 2009 and 2008 are as follows:

a. Operating Income

	Millions of yen					Eliminations/ Corporate	Consolidated
	Banking	Leasing	Other	Total	2009		
Operating income:							
Outside customers	¥ 84,670	¥7,431	¥2,700	¥ 94,802			¥ 94,802
Intersegment income	343	840	2,135	3,319	¥(3,319)		
Total	85,013	8,272	4,836	98,122	(3,319)		94,802
Operating expenses	103,896	7,056	4,277	115,230	(3,354)		111,876
Net operating income (loss)	¥ (18,882)	¥1,215	¥ 559	¥ (17,107)	¥ 34		¥ (17,073)

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

	Millions of yen					Eliminations/ Corporate	Consolidated
	Banking	Leasing	Other	Total	2009		
Total assets	¥4,107,786	¥41,305	¥13,343	¥4,162,435	¥(39,409)		¥4,123,026
Depreciation	5,215	27	27	5,271			5,271
Impairment loss	1,080			1,080			1,080
Capital expenditures	4,375	56	17	4,449			4,449

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 operating income	¥ 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

	Thousands of U.S. dollars (Note 1)					
	2009					
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Operating income:						
Outside customers	\$ 861,959	\$75,656	\$27,496	\$ 965,112		\$ 965,112
Intersegment income	3,492	8,557	21,744	33,794	\$(33,794)	
Total	865,451	84,214	49,240	998,907	(33,794)	965,112
Operating expenses	1,057,681	71,838	43,547	1,173,067	(34,146)	1,138,921
Net operating income (loss)	\$ (192,229)	\$12,376	\$ 5,693	\$ (174,160)	\$ 351	\$ (173,809)

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

	Thousands of U.S. dollars (Note 1)					
	2009					
	Banking	Leasing	Other	Total	Eliminations/ Corporate	Consolidated
Total assets	\$41,818,047	\$420,498	\$135,836	\$42,374,382	\$(401,194)	\$41,973,187
Depreciation	53,096	280	285	53,661		53,661
Impairment loss	10,999			10,999		10,999
Capital expenditures	44,543	578	178	45,300		45,300

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 operations.

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

ii) Segment Information by Geographic Area

Segment information by geographic area is not presented herein for the years ended March 31, 2009 and 2008, 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, 2009 and 2008 are 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.