

**SEMI-ANNUAL FINANCIAL REPORT (CONSOLIDATED)**  
**For the Fiscal Year Ending March 31, 2008**

November 19, 2007

Company name: The Hachijuni Bank, Ltd. Stock Exchange Listing: Tokyo First Section  
 Code number: 8359 Location of company: Nagano Prefecture, Japan  
 (URL <http://www.82bank.co.jp/>)  
 Representative: (Name) Yoshiyuki Yamaura  
 (Title) President  
 For inquiry: (Name) Hiroshi Nakamura  
 (Title) Executive Officer &  
 General Manager, Planning and Coordination Department  
 (Phone) 026-227-1182  
 Planned filing date of semi-annual financial report: December 21, 2007  
 Planned Date for Start of Dividend Payments: December 10, 2007  
 Trading Account: Yes

(Amounts and ratios presented in this report are rounded down to the nearest unit)

## 1. Consolidated financial highlights for the six months ended September 30, 2007

## (1) Consolidated operating results (percentage change from the corresponding period in the previous year)

	Operating income		Operating profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended 9/30/2007	102,893	7.5	17,815	(5.3)	10,439	(10.3)
For the six months ended 9/30/2006	95,709	5.2	18,814	22.1	11,643	(10.8)
For the fiscal year ended 3/31/2007	208,365	-	39,806	-	23,237	-

	Net income (loss) per share	Net income per share after adjustment of dilutive shares
	Yen	Yen
For the six months ended 9/30/2007	19.84	-
For the six months ended 9/30/2006	22.13	-
For the fiscal year ended 3/31/2007	44.18	-

Reference: Profit (Loss) on investment (equity method): For the six months ended September 30, 2007: - million  
 For the six months ended September 30, 2006: - million For the fiscal year ended March 31, 2007: - million

## (2) Consolidated balance sheet highlights

	Total assets	Net assets	Net assets ratio	Net assets per common share	Risk adjusted capital ratio (BIS standard) Note
	Millions of yen	Millions of yen	%	Yen	%
For the six months ended 9/30/2007	6,186,665	520,820	8.1	962.21	(preliminary) 13.97
For the six months ended 9/30/2006	6,064,088	503,956	8.0	933.71	12.68
For the fiscal year ended 3/31/2007	6,125,283	519,096	8.2	959.29	13.58

Reference: Risk adjusted capital (in millions of yen): September 30, 2007: 506,052 September 30, 2006: 491,091  
 March 31, 2007: 504,658

Note: In accordance with Article 14-2 of the Banking Law of Japan, consolidated risk adjusted capital (BIS/International Standards) is calculated based on the announcement concerning standards to assess capital adequacy in light of assets owned by banks (FAS Announcement No.19, 2006) from the fiscal year ended March 2007. Figures for the semi-annual period ended September 2006 are based on previous standards.

(3) Consolidated cash flows highlights

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financial activities	Cash and cash equivalents at the end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the six months ended 9/30/2007	(41,173)	54,270	(3,046)	100,032
For the six months ended 9/30/2006	(17,851)	(6,402)	(2,343)	82,389
For the fiscal year ended 3/31/2007	(22,596)	7,671	(4,074)	89,985

2. Payment of dividends

	Dividends per share		
	Interim	Year-end	Annual total
	Yen	Yen	Yen
For the fiscal year ended 3/31/2007	3.50	5.00	9.00
For the six months ended 9/30/2007 (Actual)	4.00		9.00
For the fiscal year ending 3/31/2008 (Projected)		5.00	

3. Consolidated earning projections for the fiscal year ending March 2008 (from April 1, 2007 to March 31, 2008)

	Operating income		Operating profit		Net income		Net income per common share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	204,000	( 2.0 )	38,500	( 3.2 )	22,200	( 4.4 )	42.21

4. Other Matters

(1) Significant changes related to subsidiaries during the period (resulting in changes in the scope of consolidation): None

(2) Changes in accounting principles, procedures, or presentation methods (reported in Changes in Significant Matters in the Basis for Preparing Semi-annual Consolidated Statements)

i) Changes in accounting methods: Yes

ii) Changes other than above i) : None

Note: Refer to p.19 "Changes in Significant Matters in the Basis for Preparing Semi-annual Consolidated Financial Statements" for details.

(3) Number of shares outstanding (common stock)

i) Number of shares outstanding at the end of period (including treasury stock):

For the six months ended September 30, 2007: 536,303,411

For the six months ended September 30, 2006: 536,303,411

For the fiscal year ended March 31, 2007: 536,303,411

ii) Treasury stock at the end of period:

For the six months ended September 30, 2007: 10,379,280

For the six months ended September 30, 2006: 10,349,200

For the fiscal year ended March 31, 2007: 10,228,574

Note: Refer to p. 25 "Per Share Information" for the basis for calculation of consolidated net income per share.

(Reference) Highlights of non-consolidated financial results

1. Non-consolidated financial highlights for the six months ended September 30, 2007

(2) Non-consolidated operating results (percentage change from the corresponding period in the previous year)

	Operating income		Operating profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended 9/30/2007	77,169	11.9	16,319	(9.2)	9,772	(11.6)
For the six months ended 9/30/2006	68,948	4.2	17,983	41.4	11,056	(12.2)
For the fiscal year ended 3/31/2007	153,834	-	36,366	-	22,235	-

	Net income (loss) per share
	Yen
For the six months ended 9/30/2007	18.57
For the six months ended 9/30/2006	21.01
For the fiscal year ended 3/31/2007	42.25

(2) Non-consolidated balance sheet highlights

	Total assets	Net assets	Net assets ratio	Net assets per common share	Risk adjusted capital ratio (BIS standard) Note
	Millions of yen	Millions of yen	%	Yen	%
For the six months ended 9/30/2007	6,109,605	486,461	8.1	947.78	(Preliminary) 13.79
For the six months ended 9/30/2006	5,986,024	484,814	8.0	921.37	12.55
For the fiscal year ended 3/31/2007	6,046,318	497,772	8.2	946.20	13.49

Note: Risk adjusted capital (in millions of yen): September 30, 2007: 498,461 September 30, 2006: 484,814  
March 31, 2007: 497,772

Note: In accordance with Article 14-2 of the Banking Law of Japan, Non-consolidated risk adjusted capital (BIS/International Standards) is calculated based on the announcement concerning standards to assess capital adequacy in light of assets owned by banks (FAS Announcement No.19, 2006) from the fiscal year ended March 2007. Figures for the semi-annual period ended September 2006 are based on previous standards.

2. Non-consolidated earning projections for the fiscal year ending March 2008 (from April 1, 2007 to March 31, 2008)

	Operating income		Operating profit		Net income		Net income per common share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	152,000	(1.1)	36,000	(1.0)	21,500	(3.3)	40.88

Explanation and Notes on the appropriate use of earnings projections

The projections above modify the earnings projections released on May 18.

These projections are based on certain estimates which the bank believes are reasonable, based on information available as of the date of this filing; there is the possibility that the actual results may vary significantly due to various factors in the future.

# 1. BUSINESS PERFORMANCE

## 1. Analysis of business performance

### (1) Business Performance for the current period

**The consolidated business results** of the Bank were as follows:

Operating income for the six months ended September 30, 2007 was ¥102,893 million, up ¥7,184 million from the previous corresponding period. Operating expenses were ¥85,078 million, up ¥8,183 million from the previous corresponding period.

Operating profit for the six months ended September 30, 2007 was ¥17,815 million, down ¥998 million from the previous corresponding period. Net income stood at ¥10,439 million, down ¥1,203 million from the same term a year earlier.

**Non-consolidated business results**, which accounts for a major portion of the consolidated results, were as follows:

Operating income increased ¥8,220 million from the same term a year earlier to ¥77,169 million due to increases in “Interest income” such as Interest on loans & discounts and Interest & dividends on securities, and “Other business income”.

Operating expenses increased ¥9,884 million from the same term a year earlier to ¥60,849 million, owing to increase in “funding costs” such as interest on deposits and CDs and in “Other operating expenses”.

As a result, operating profit decreased ¥1,663 million from the same term a year earlier to ¥16,319 million.

Extraordinary gains rose ¥216 million to ¥251 million and extraordinary losses increased ¥443 million to ¥647 million in this semi-annual period.

As a result, net income for the current semi-annual fiscal year stood at ¥9,772 million, down ¥1,284 million from the same period a year earlier.

**Business result by type of business:** The Bank posted operating profits for the banking business of ¥17,196 million, down ¥1,598 million from the same term earlier. Operating profit for the leasing business was up ¥718 million to ¥257 million, and for other businesses was down ¥113 million to ¥365 million. .

### (2) Projections for the current fiscal year

**Projections of consolidated earnings for the fiscal year ending March 31, 2008:** Consolidated operating profit and net income are projected to be ¥38.5 billion and ¥22.2 billion respectively, each down ¥1.3 billion and ¥1.0 billion from the previous year, due to the underperformance of non-consolidated earnings.

**Projections of non-consolidated earnings for the fiscal year ending March 31, 2008:** Non-consolidated operating profit and net income are projected to be ¥36 billion and ¥21.5 billion respectively, each down ¥0.3 billion and ¥0.7 billion from the previous year.

The earnings projections for the current fiscal year released on May 18th, 2007 have been revised as follows:

For non-consolidated earnings: Although projected operating income has been raised due to increases in interest & dividends on securities and gains on sale of bonds, projected operating profit and net income have been lowered by ¥2.5 billion and ¥1.5 billion respectively, since projected credit expenses have also been increased in view of Nagano Prefecture’s economic environment and our customer’s business conditions.

For consolidated earnings: In line with the revise of non-consolidated earnings projections, projected operating profit and net income have been lowered by ¥3.0 billion and ¥1.5 billion respectively.

## 2. Analysis of financial standings

**Results of consolidated main accounts** were as follows:

**Outstanding balance of loans and bills discounted** decreased ¥16.1 billion during the semi-annual period to ¥3,913.1 billion as of September 30, 2007 due to a decline in funds for business use within Nagano prefecture despite increases in consumer loans for individuals and out-of-prefecture funds for business use.

**Outstanding balance of securities** decreased ¥71.4 billion to ¥1,565.3 billion due to decreases in government bonds and corporate bonds. The Bank has carefully monitored market developments in order to achieve stable income from security portfolios.

**Outstanding balance of deposits** increased ¥24.1 billion during the semi-annual period to ¥5,216.2 billion as of September 30, 2007 due mainly to an increase in deposits from business corporations and government funds.

**Results of non-consolidated major accounts are** as follows:

**Outstanding balance of loans and bills discounted** decreased ¥14.8 billion during the period to ¥3,971.5 billion.

**Outstanding balance of securities** decreased ¥72.0 billion during the period to ¥1,552.0 billion.

**Outstanding balance of deposits** increased ¥24.4 billion during the period to ¥5,228.8 billion. The outstanding balance of public bonds including Japanese government bonds for individuals increased ¥17.7 billion during the period to ¥429.6 billion; investment trusts increased ¥23.5 billion during the period to ¥309.4 billion.

**Consolidated cash flows:** Cash flows used in operating activities decreased ¥23,322 million to ¥41,173 million during the period due to an increase in Due from Banks (excluding BoJ) and call loans, despite an increase in deposits and decrease in loans. Cash flows provided by investment activities increased ¥60,673 million to ¥54,270 million during the period due to an increase in proceeds from sales of investment securities despite a decrease in proceeds from the maturity of investment securities. Cash flows used in financing activities decreased ¥703 million to ¥3,046 million due mainly to increase of dividend payments.

As a result, the net increase in cash and cash equivalents increased ¥36,645 million to ¥10,046 million. The outstanding balance of cash and cash equivalents increased ¥17,643 million during the period to ¥100,032 million.

**Risk adjusted capital ratio (BIS standards, preliminary basis)** was 13.97% for the consolidated basis and 13.79 % for the non-consolidated basis. Consolidated and non-consolidated capital ratios rose by 0.39 % and 0.30 % respectively from the fiscal year ended March 31, 2007.

The total consolidated and non-consolidated outstanding balances of **assets under risk management** including loans to customers in bankruptcy and past due loans were ¥200.0 billion and ¥198.2 billion respectively, both up ¥3.9 billion from the fiscal year ended March 31, 2007 due to the deterioration of customers' business conditions.

### 3. Basic policy on profit distribution and dividend payment for the current period

With an aim to enhance the sharing of profit to shareholders, the Bank introduced a policy of performance-linked dividend distribution with an emphasis on earnings results.

#### Basic policy on profit distribution

The Bank has set the target dividend payout ratio at approximately 20 percent against net income of ¥20 billion or lower. If net income exceeds ¥20 billion, a dividend will be added at approximately 30% of the portion of net income exceeding ¥20 billion. (Lower limit of dividend per share: ¥5.0 for the full year)

Based on the foregoing basic policy, the Bank decided to pay an interim dividend for ¥4.0 per share for the current semi-annual fiscal year.

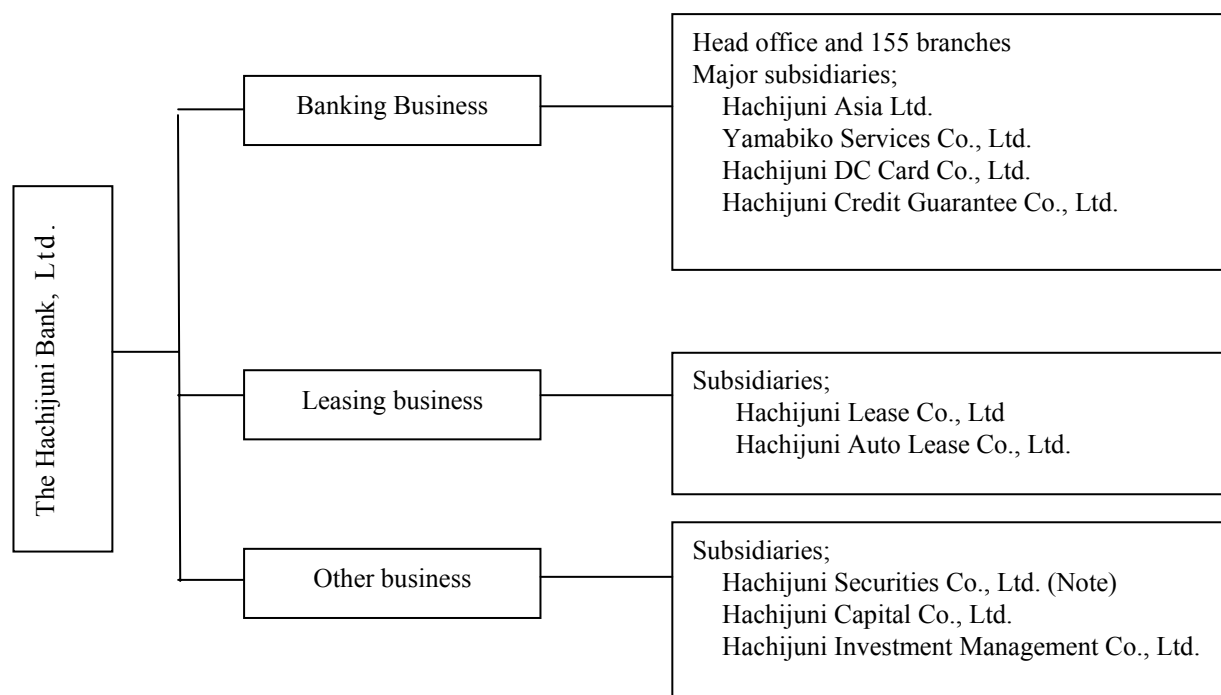
The Bank plans a dividend payment of ¥9.0 per share (interim dividend ¥4, year-end dividend ¥5) for the full fiscal year based on the foregoing basic policy and earnings projections.

## 2. INFORMATION ON THE CORPORATE GROUP

### (1) Contents of business

The banking group (the bank and affiliated companies) consists of Hachijuni Bank, 12 subsidiaries (including one non-consolidated subsidiary). The banking group provides financial services including banking as its primary services, leasing business and other services.

### (2) Systematic diagram of our business (Name of major companies)



Note: The company name has been changed from Alps Securities Co., Ltd. on September 1, 2007.

### (3) Information on affiliated companies None for the current period.

## 3. MANAGEMENT POLICIES

### **(1) Basic management policy**

The Bank aims to become an institution which is able to gain customers' trust by providing convenient "customer-first" services based upon the Bank's management philosophy to "stick to sound and healthy banking thereby contributing to the development of the regional communities".

In the drastically changing environment surrounding financial institutions, the Bank is trying very hard to win the trust from customers, shareholders and people in the regional communities as well as to respond to their expectations in providing financial services, contributing to the development of the regional economy and fulfilling social responsibilities in the communities. In order to achieve this goal, all officers and employees of the Bank make efforts to revolutionize their ideas and actions.

### **(2) Management index target**

Management has formulated the 27th Long-Term Management Plan for the three years from fiscal 2007 through 2009, which started in April. The index targets to be achieved by the plan's final fiscal year ending March 31, 2010 and current progress (results for the current period) are as follows:

Targets to be achieved in fiscal year ending March 31, 2010			Current period results
Profitability	Gross business profit	¥ 110 billion	¥54.8 billion (semi-annual period)
	Core net business profit	¥ 50 billion	¥23.6 billion (semi-annual period)
Efficiency	Rate of G&A expenses to core gross business profit (OHR)	55%	55.7%
	Tier I ROE	7%	5.5%
Soundness	Tier I risk adjusted capital ratio	10%	(preliminary) 9.77%
	Risk adjusted capital ratio	12%	(preliminary) 13.79%

### **(3) The medium- and long-term management strategies (Summary of long-term management plan)**

In the 27th Long-Term Management Plan, the Bank set goals to become a banking group that strives to enhance overall corporate value and ensure continuous growth, such as: responding to the globalization and sophistication of the economy, establishing competitive advantages unique to the Bank, improving management quality including the enhancement of internal control and compliance structures, and creating an organization where staff can work with vitality.

The Bank's vision is to become a Bank **“shining” at the center of Japan**.

The following are the main initiatives included in the long-term management plan:

(A) Business model

- Establishment of a strong business model for individual customers
- Multiple development of measures for small and medium enterprises
- Implementation of strategic ALM, strengthening market management function

(B) Human/organization culture

- Development of a “long-term training plan”
- Formation, maintenance and enhancement of strong brand power

(C) Operational/computer systems

- Realization of easy-to-use clerical services and computer systems for customers and staff

### **(4) Issues to be addressed**

The environment surrounding financial institutions is greatly changing in various aspects, as seen in the legislation of the Financial Instruments and Exchange Law and formation of the Japan Post Bank. Customer needs are also becoming increasingly sophisticated and diverse, such as providing management consulting for companies on enhancing corporate value or personal asset management advice for individual customers and on measures to vitalize the regional economy, in addition to the bank's traditional/core business.

The Bank must also ensure stronger awareness on customer protection and compliance issues in its business management more than ever before.

Included in the management policy for the fiscal year ending March 30, 2008 are: “further penetration into the individual market”, “thorough pursuit of promotion in the corporate market”, “reduction and prevention of troubles and errors in operations”, and “rootage of high-degree compliance consciousness and action”. The Bank will try to establish the business models developed for individual and corporate businesses at an early stage and actively pursue marketing efforts. In addition, the Bank will work to prevent the occurrence of troubles and errors by following its operational risk management guidelines through the PDCA cycle of “plan-do-check-act”. In line with the enforcement of the Financial Instruments and Exchange Law, the Bank will step up its stance of acting on customers' viewpoint. Efforts will be continued for strengthening corporate governance and making appropriate disclosures to improve internal controls and enhance the transparency and credibility of management.

#### 4. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

##### Semi-Annual Consolidated Balance Sheets

(Millions of yen)

	As of Sept. 30, 2006 (A)	As of Sept. 30, 2007 (B)	Inc/Dec (B)-(A)	As of March 31, 2007 (C)	Inc/Dec (B)-(C)
<b>(ASSETS)</b>					
Cash and due from banks	175,589	275,216	99,626	187,995	87,221
Call loan and bills bought	27,522	97,182	69,660	59,132	38,049
Receivable under resale agreement	—	—	—	1,047	(1,047)
Commercial paper and other debt purchased	54,297	64,037	9,740	51,973	12,064
Trading assets	34,968	32,753	(2,215)	40,947	(8,194)
Money held in trust	15,936	13,909	(2,026)	14,016	(106)
Securities	1,657,991	1,565,398	(92,592)	1,636,837	(71,438)
Loans and bills discounted	3,860,111	3,913,135	53,023	3,929,244	(16,109)
Foreign exchange	23,316	29,597	6,281	27,373	2,223
Other assets	82,435	121,307	38,871	92,749	28,558
Tangible fixed assets	118,019	117,076	(942)	117,942	(866)
Intangible fixed assets	12,375	11,781	(594)	12,287	(506)
Deferred tax assets	3,728	4,506	777	4,255	250
Customers' liabilities for acceptances and guarantees	74,994	46,503	(28,491)	48,238	(1,735)
Allowance for credit losses	(76,868)	(105,429)	(28,561)	(98,449)	(6,980)
Allowance for investment losses	(330)	(311)	19	(311)	—
<b>Total assets</b>	<b>6,064,088</b>	<b>6,186,665</b>	<b>122,577</b>	<b>6,125,283</b>	<b>61,382</b>
<b>(LIABILITIES)</b>					
Deposits	5,126,087	5,216,227	90,140	5,192,030	24,197
Negotiable certificate of deposits	37,454	76,957	39,502	71,607	5,350
Call money and bills sold	60,704	29,536	(31,167)	20,736	8,800
Payables under repurchase agreement	—	—	—	1,047	(1,047)
Margin money for bond lending transactions	25,228	30,197	4,968	25,767	4,430
Trading liabilities	9,331	11,094	1,762	9,573	1,521
Borrowed money	36,675	38,209	1,533	37,304	905
Foreign exchanges	2,291	2,271	(19)	996	1,275
Other liabilities	103,258	142,802	39,543	121,817	20,984
Accrued bonuses to directors and corporate auditors	—	—	—	55	(55)
Liability for employee retirement benefit	14,172	13,926	(245)	14,038	(112)
Reserve for Directors' retirement bonus	—	290	290	—	290
Reserve under special laws	46	44	(2)	46	(2)
Deferred tax liabilities	68,300	56,549	(11,750)	61,516	(4,966)
Negative goodwill	1,585	1,233	(352)	1,409	(176)
Acceptances and guarantees	74,994	46,503	(28,491)	48,238	(1,735)
<b>Total liabilities</b>	<b>5,560,132</b>	<b>5,665,845</b>	<b>105,713</b>	<b>5,606,186</b>	<b>59,659</b>

	As of Sept. 30, 2006 (A)	As of Sept. 30, 2007 (B)	Inc/Dec (B)-(A)	As of March 31, 2007 (C)	Inc/Dec (B)-(C)
(NET ASSETS)					
Common stock	52,243	52,243	—	52,243	—
Capital surplus	30,192	30,260	68	30,258	2
Retained earnings	269,604	286,907	17,303	279,361	7,546
Treasury stock	(5,893)	(6,015)	(122)	(5,880)	(134)
Total shareholders' equity	346,147	363,396	17,248	355,982	7,413
Unrealized gains on available-for-sale securities	146,690	144,460	(2,229)	150,790	(6,329)
Deferred gains (losses) on derivatives under hedge accounting	(1,534)	(1,761)	(226)	(1,984)	223
Foreign currency translation adjustments	(211)	(42)	168	(129)	86
Total valuation & translation adjustments	144,944	142,656	(2,288)	148,676	(6,019)
Minority interest	12,864	14,767	1,903	14,438	329
Total net assets	503,956	520,820	16,863	519,096	1,723
Total liabilities and net assets	6,064,088	6,186,665	122,577	6,125,283	61,382

## Semi-Annual Consolidated Statements of Income

(Millions of yen)

Items	For the six months ended 9/30/06(A)	For the six months ended 9/30/07(B)	Inc/Dec. (B)-(A)	For the fiscal year ended 3/31/07(Summary)
Operating income	95,709	102,893	7,184	208,365
Interest income	51,222	58,545	7,323	107,153
Interests on loans and discounts	36,050	40,807	4,757	74,800
Interest & dividends on securities	12,878	13,202	323	26,569
Trust fees	—	—	—	1
Fees and commissions	12,932	13,280	347	26,111
Trading income	470	346	(123)	1,023
Other business income	24,611	26,572	1,960	51,663
Other operating income	6,471	4,148	(2,323)	22,412
Operating expenses	76,894	85,078	8,183	168,559
Interest expenses	7,943	13,376	5,432	19,024
Interest on deposits	3,863	9,940	6,076	10,705
Fees and commissions	2,770	3,013	242	5,542
Other business expenses	22,745	22,666	(79)	45,335
General and administrative expenses	31,319	31,855	535	62,380
Other operating expenses	12,114	14,167	2,053	36,276
Operating profit ( loss )	18,814	17,815	(998)	39,806
Extraordinary gains	36	265	228	414
Extraordinary losses	248	778	529	473
Income(loss) before income taxes and others	18,602	17,302	(1,300)	39,747
Income tax-current	8,743	8,198	(544)	25,479
Income tax-deferred	(1,569)	(1,547)	21	(10,171)
Minority interest (minority loss)	(214)	212	426	1,200
Net income (loss)	11,643	10,439	(1,203)	23,237

## Semi-Annual Consolidated Statements of Changes in Equity

Previous Semi-Annual Period (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Minority interest	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Foreign exchange translation adjustments	Total		
Balance as of March 31, 2006	52,243	29,091	260,278	(7,556)	334,056	149,593		(151)	149,442	13,336	496,835
Changes during semi-annual period											
Dividend from surplus (Note)			(2,230)		(2,230)						(2,230)
Directors' bonuses (Note)			(87)		(87)						(87)
Net Income			11,643		11,643						11,643
Acquisition of treasury stock				(105)	(105)						(105)
Disposal of treasury stock		1		3	4						4
Disposal of treasury stock by stock exchange		1,099		1,765	2,865						2,865
Changes in items other than shareholders' equity during consolidated semi-annual period (net)						(2,903)	(1,534)	(60)	(4,497)	(472)	(4,970)
Total changes during semi-annual period		1,101	9,326	1,663	12,091	(2,903)	(1,534)	(60)	(4,497)	(472)	7,120
Balance as of Sept. 30, 2006	52,243	30,192	269,604	(5,893)	346,147	146,690	(1,534)	(211)	144,944	12,864	503,956

(Note) These are items proposed for income appropriation resolved at the general shareholders' meeting held in June 2006.

Current Semi-Annual Period (from April 1, 2007 to September 30, 2007)

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Minority interest	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Foreign exchange translation adjustments	Total		
Balance as of March 31, 2007	52,243	30,258	279,361	(5,880)	355,982	150,790	(1,984)	(129)	148,676	14,438	519,096
Changes during semi-annual period											
Dividend from surplus (Note)			(2,893)		(2,893)						(2,893)
Net Income			10,439		10,439						10,439
Acquisition of treasury stock				(140)	(140)						(140)
Disposal of treasury stock		2		5	7						7
Changes in items other than shareholders' equity during consolidated semi-annual period (net)						(6,329)	223	86	(6,019)	329	(5,690)
Total changes during semi-annual period		2	7,546	(134)	7,413	(6,329)	223	86	(6,019)	329	1,723
Balance as of Sept. 30, 2007	52,243	30,260	286,907	(6,015)	363,396	144,460	(1,761)	(42)	142,656	14,767	520,820

(Note) These are items proposed for income appropriation resolved at the general shareholders' meeting held in June 2007.

Previous fiscal year (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Minority interest	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Foreign exchange translation adjustments	Total		
Balance as of March 31, 2006	52,243	29,091	260,278	(7,556)	334,056	149,593		(151)	149,442	13,336	496,835
Changes during semi-annual period											
Dividend from surplus (Note)			(2,230)		(2,230)						(2,230)
Directors' bonuses (Note)			(1,837)		(1,837)						(1,837)
Directors' bonuses (Note)			(87)		(87)						(87)
Net Income			23,237		23,237						23,237
Acquisition of treasury stock				(202)	(202)						(202)
Disposal of treasury stock		67		112	179						179
Disposal of treasury stock by stock exchange		1,099		1,765	2,865						2,865
Changes in items other than shareholders' equity during consolidated semi-annual period (net)						1,196	(1,984)	22	(766)	1,101	335
Total changes during semi-annual period		1,167	19,083	1,675	21,925	1,196	(1,984)	22	(766)	1,101	22,261
Balance as of March. 31, 2007	52,243	30,258	279,361	(5,880)	355,982	150,790	(1,984)	(129)	148,676	14,438	519,096

(Note) These are items proposed for income appropriation resolved at the general shareholders' meeting held in June 2006.

## Semi-Annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended 9/30/06(A)	For the six months ended 9/30/07 (B)	Inc/Dec. (B) - (A)	For the fiscal year ended 3/31/07
<b>I Cash flows from operating activities</b>				
Net income (loss) before income taxes and others	18,602	17,302	(1,300)	39,747
Depreciation and amortization	16,943	16,578	(364)	34,001
Impairment loss	12	32	19	53
Amortization of negative goodwill	(176)	(176)	—	(352)
Other extraordinary loss	—	—	—	49
Increase (decrease) in reserve for possible loan losses	5,103	6,977	1,873	26,684
Increase (decrease) in reserve for possible investment losses	(1)	—	1	(21)
Increase (decrease) in accrued bonuses to directors and corporate auditors	—	(55)	(55)	55
Increase (decrease) in liability for employee retirement benefit	(232)	(112)	120	(366)
Increase (decrease) in reserve for directors' retirement bonus	—	290	290	—
Interest income recognized on statement of income	(51,222)	(58,545)	(7,323)	(107,153)
Interest expenses recognized on statement of income	7,943	13,376	5,432	19,024
Net loss (gain) on securities	(1,509)	(2,215)	(706)	(17,665)
Net loss (gain) on money held in trust	595	(346)	(941)	534
Foreign exchange loss (gain)	2	3	1	4
Net loss (gain) on sale of fixed assets	163	(140)	(303)	(21)
Net decrease (increase) in trading assets	1,022	8,194	7,172	(5,261)
Net increase (decrease) in trading liabilities	(4,885)	1,521	6,406	(4,721)
Net decrease (increase) in loans	(82,391)	16,140	98,531	(151,493)
Net increase (decrease) in deposits	(15,616)	24,051	39,668	50,186
Net increase (decrease) in negotiable certificate of deposits	3,123	5,350	2,226	37,276
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	1,121	905	(216)	1,750
Net decrease (increase) in call loans	34,528	(49,066)	(83,595)	4,194
Net increase (decrease) in call money	15,621	7,753	(7,867)	(23,299)
Net decrease (increase) in due from banks excluding from BOJ	(7,085)	(77,174)	(70,088)	(11,893)
Net increase (decrease) in margin money for bond lending transaction	320	4,430	4,109	859
Net decrease (increase) in foreign exchange (assets)	(672)	(2,223)	(1,551)	(4,729)
Net increase (decrease) in foreign exchange (liabilities)	608	1,275	667	(687)
Interest income (cash basis)	50,905	57,997	7,092	107,437
Interest expenses (cash basis)	(7,412)	(11,368)	(3,955)	(17,117)
Others	97	847	750	6,535
Subtotal	(14,490)	(18,397)	(3,906)	(16,390)
Tax and others paid	(3,361)	(22,776)	(19,415)	(6,205)
Net cash provided by (used in) operating activities	(17,851)	(41,173)	(23,322)	(22,596)
<b>II Cash flows from investing activities</b>				
Purchase of investment securities	(189,507)	(178,129)	11,378	(369,812)
Proceeds from sales of investment securities	86,636	189,764	103,128	222,037
Proceeds from the maturity of investment securities	115,822	57,479	(58,343)	189,584
Increase in money held in trust	(2,091)	(2,299)	(208)	(8,687)
Decrease in money held in trust	501	2,752	2,250	9,078
Purchases of fixed assets	(19,135)	(16,509)	2,625	(38,045)
Proceeds from sales of fixed assets	1,331	1,212	(118)	3,476
Proceeds from acquisition of subsidiaries' stocks by exchange	40	—	(40)	40
Net cash provided by (used in) investing activities	(6,402)	54,270	60,673	7,671
<b>III Cash flows from financing activities</b>				
Purchase of treasury stocks	(96)	(140)	(43)	(193)
Proceeds from disposal of treasury stocks	4	7	3	208
Dividends paid	(2,230)	(2,893)	(663)	(4,067)
Dividends paid to minority shareholders	(21)	(21)	—	(21)
Net cash provided by (used in) financing activities	(2,343)	(3,046)	(703)	(4,074)
Effect of exchange rate changes on cash and cash equivalents	(2)	(3)	(1)	(4)
Net increase (decrease) in cash and cash equivalents	(26,599)	10,046	36,645	(19,002)
Cash & cash equivalents at the beginning of term	108,988	89,985	(19,002)	108,988
Cash & cash equivalents at the end of term	82,389	100,032	17,643	89,985

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Items	Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)
1. Scope of consolidation	<p>(1) The number of consolidated subsidiaries: 12 Names of consolidated subsidiaries Hachijuni Business Service Co., Ltd. Hachijuni Staff Service Co., Ltd. Hachijuni Securities Co., Ltd. Hachijuni Asia Ltd. Yamabiko Service Co., Ltd. Hachijuni Lease Co., Ltd. Hachijuni DC Card Co., Ltd. Hachijuni Credit Guarantee Co., Ltd. Hachijuni System Development Co., Ltd. Hachijuni Capital Co., Ltd. Hachijuni Investment Management Co., Ltd. Hachijuni Auto Lease Co., Ltd. Alps Securities Co., Ltd has changed its name to Hachijuni Securities Co., Ltd. during the current semi-annual term.</p> <p>(2) The number of unconsolidated subsidiaries: 12 Name of a main company: Kodama Investment Limited Private Company The total assets, operating income, net income (amount corresponding to the Bank's equity position), retained earnings (amount corresponding to the Bank's equity position), and deferred hedge gains (losses) (amount corresponding to the Bank's equity position) of this unconsolidated subsidiary have not material effect to the extent that they would interfere with the reasonable judgment of the group's financial conditions and business performance. Therefore, it is not included in the consolidated financial statements.</p>
2. Use of the equity method	<p>(1) Unconsolidated subsidiaries accounted for using the equity method: N/A (2) Affiliated companies accounted for using the equity method: N/A (3) Unconsolidated subsidiaries not accounted for using the equity method: 12 Name of a main company: Kodama Investment Limited Private Company Interim net income (amount corresponding to the Bank's equity position), retained earnings (amount corresponding to the Bank's equity position), and deferred hedge gains (losses) (amount corresponding to the Bank's equity position) of this subsidiary has no material effect on the Bank's consolidated statements even though it is not accounted for using equity method. Therefore this subsidiary is excluded from those subject to equity method. (4) Affiliated companies not accounted for using the equity method N/A</p>
3. End of semi-annual term of the consolidated subsidiaries	<p>(1) The semi-annual term end of the consolidated subsidiaries are as follows: June 30: 1 company September 30: 11 companies (2) Consolidation is based on consolidated subsidiaries' financial statements as of each semi-annual term-end. Necessary adjustments have been made for significant transactions carried out in a period between the above subsidiaries' semi-annual term end and consolidated semi-annual term end.</p>

Items	Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)
4. Significant accounting policies	<p>(1) Accounting standards for income/expenses on trading assets and liabilities:  Transactions for “trading purposes” (for purposes of seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from gaps among markets) are included in “Trading assets” and “Trading liabilities” of the semi-annual consolidated balance sheet on a contract date basis, and profits and losses on such trading transactions are recognized in “Trading income” or “Trading expenses” of the semi-annual consolidated statements of income.</p> <p>Securities and monetary claims purchased for trading purposes are stated at market value at the semi-annual fiscal year end. Financial derivatives such as swaps, futures or options are stated at the estimated amount that would be received or paid for settlement if such transactions were terminated at the semi-annual fiscal year end.</p> <p>The amount of the above trading income and expenses stated in the statement of income are the sum of interest received or paid in cash during the current semi-annual period plus (i) in the case of securities and monetary claims purchased; the difference between valuation gains or losses as of the end of the previous fiscal year and those as of the end of the current semi-annual period; or (ii) in the case of financial derivatives; the difference between the amount of gain or loss equivalents as of the end of the previous fiscal year end and the end of the current semi-annual period for settlement if such transactions were terminated at the semi-annual fiscal year end.</p>
	<p>(2) Securities:</p> <p>(i) Bonds held to maturity are stated at amortized cost (straight-line method) determined by the moving-average method. Stocks of unconsolidated subsidiaries not accounted for using the equity method are stated at cost determined by the moving-average method, and other securities with market values are stated at the market value (costs of sales are normally calculated by the moving-average method) at the semi-annual fiscal year end and other non-marketable securities are stated at cost or amortized cost determined by the moving average method. Valuation gains (losses) of other securities are all directly included in Net assets, net of income taxes.</p> <p>(ii) Securities comprising trust assets included in Money held in trust are stated in the same way for those mentioned in the above (2) (i).</p>
	<p>(3) Derivative transactions:  Derivative transactions for purposes other than trading are stated at market value.</p>
	<p>(4) Method of depreciation and amortization</p> <p>(i) Tangible fixed assets  The Bank’s tangible fixed assets are depreciated using the declining-balance method, and the Bank calculated the depreciation cost for the semi-annual term by proportionally allocating the estimated annual cost to the semi-annual term. The estimated useful lives of them are as follows:  Buildings: 3 -50 years  Equipment: 2 - 20 years  For tangible fixed assets held by consolidated subsidiaries, lease assets are depreciated using the straight-line method over the lease term based on the residual value of assets at the end of the lease term, and other tangible fixed assets primarily using the declining-balance method, in which case they calculated the depreciation cost for the semi-annual term by proportionally allocating the estimated annual cost to the semi-annual term.</p> <p>(ii) Intangible fixed assets  Intangible fixed assets are amortized using the straight-line method. Capitalized software for their internal use is amortized using straight-line method over the useful lives as determined by the Bank and its consolidated subsidiaries (5 years).</p>

Items	Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)
	<p>(5) Booking standards for reserve for possible loan losses</p> <p>A reserve for possible loan losses of the Bank is provided as detailed below, pursuant to the predetermined internal rules for charge-off and reserve standards.</p> <p>For claims to debtors that are legally or formally insolvent (that have entered into bankruptcy or special liquidation proceedings, or transactions with banks have been suspended by the rules of clearing houses, etc.) (bankrupt debtors) or claims to debtors that are virtually insolvent (virtually bankrupt debtors), a reserve is provided based on the amount of claims, net of amounts expected to be collected through the disposal of collateral or execution of guarantees. For claims to debtors that are not virtually bankrupt at present but are likely to become bankrupt (debtors under close observation), a reserve is provided for the amount considered to be necessary based on an overall solvency assessment performed for the amount of claims net of amounts expected to be collected through disposal of collateral or execution of guarantees.</p> <p>In case of debtors under close observation and borrowers with restructured loans, if the total loans from the Bank exceed a certain amount, reserves are provided as follows: (i) if future cash flows of the principal and interest to be collected and received can be reasonably estimated, the discounted cash flow method is applied, where the reserve is determined as the difference between the book value and the present value of expected future cash flows discounted by the contractual interest rate before concession for loan conditions were granted, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, the remaining loan periods are individually calculated and the estimated loss amount for a certain future period corresponding to such remaining loan period is provided as a reserve.</p> <p>For claims to other debtors, a reserve is provided based on historical loan loss ratio computed for each loan loss result during a certain period in the past.</p> <p>All claims are being assessed for their quality by business related sections in charge of the claims based on the internal rules for self-assessment of asset quality and the loan administration section, which is independent from such related sections, conducts audits of their assessment, and a reserve is provided based upon such audit results.</p> <p>Reserve amount for consolidated subsidiaries are provided as deemed necessary in accordance with the internal rules for charge-off and reserve standards prescribed by the Bank.</p>
	<p>(6) Reserve for possible investment losses</p> <p>Losses likely incurred in non-marketable securities in the future are estimated and the required amount based on such estimation is provided as a reserve for possible investment losses.</p>
	<p>(7) Reserve for employee retirement benefits</p> <p>Reserve for employee retirement benefits is provided for the payment of employee's retirement benefits based on the estimated amounts of the actuarial retirement benefit obligation and the pension assets as of the current semi-annual period-end. Accounting methods for actuarial differences is as follows:</p> <p>Actuarial differences:</p> <p>Actuarial differences is amortized using the straight-line method over a certain number of years (generally 10 years) within the employee's average remaining service period commencing from the next fiscal year of incurrence (stated as either income or expense in the statement of income).</p>

Items	Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)
	<p>(8) Reserve for directors' retirement bonus Reserve for directors' retirement bonuses, which is provided for future retirement bonus payments to directors, is recognized at the amount accrued for the current semi-annual interim period based on the actuarial projections. (Change in accounting policy): Reserve for director's retirement bonuses had been recognized as an expense upon payment in the past. In accordance with <i>Auditing Treatment relating to Reserve defined under the Special Tax Measurement Law, Reserves defined under the Special Law and Reserve for Directors and Corporate Auditor Retirement Benefits</i> (The Japanese Institute of Certified Public Accountants (JICPA) Auditing and Assurance Practice Committee report No.42, April 13, 2007) effective from fiscal years starting from April 1, 2007 and onwards, the Bank has adopted the report from this semi-annual interim period and recognized past liabilities accrued at the beginning of the period as an extraordinary loss of ¥548 million and ¥50 million accrued for the current period as an operating expense. As a result, operating profit has increased ¥257 million and net income before taxes and other adjustments has decreased ¥290 million compared with the corresponding amounts under the previous method.</p>
	<p>(9) Reserve under Special Law Reserve under special law represents a liability reserve for financial instrument transactions pursuant to Article 46-5, Paragraph 1 of the Financial Instruments and Exchange Law and Article 40 of the Supplementary Provision of the same law in the amount of ¥44 million. The amount recognized is calculated in accordance with provisions specified in Cabinet Office Ordinance No.35, based on Article 40, Paragraph 1 of the aforementioned Supplementary Provision to cover contingent losses related to securities transactions for domestic consolidated companies. Liability reserve for securities transactions, which had been previously recognized under Article 51 of Securities Exchange Law and Cabinet Ordinance No.35 Concerning Securities Business by Financial Institutions, is stated as a liability reserve for financial instrument transactions from the current semi-annual interim period following the enforcement of the Financial Instruments and Exchange Law on September 30, 2007.</p>
	<p>(10) Conversion standard of foreign currency items The Bank's foreign currency denominated assets and liabilities and all accounts of overseas branches, are mainly translated into the yen equivalent at the rate prevailing at the semi-annual fiscal year end. Consolidated subsidiaries' assets and liabilities in foreign currency are translated into the yen equivalent at the exchange rate of their semi-annual fiscal year ends.</p>
	<p>(11) Equipment used under finance lease agreement The Bank's and its domestic subsidiaries' equipment used under finance lease agreements is accounted for as equipment leased under operating leases, except for those leases which transfer the ownership of the leased equipment to the lessee, in which case the equipment is capitalized.</p>

Items	Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)
	<p>(12) Significant hedge accounting method</p> <p>(i) Interest rate risk hedge As for the hedge accounting for interest rate risks arising from financial assets and liabilities, the Bank applies deferred hedge accounting stipulated in the Industry Audit Committee Report No. 24, "Treatment of Accounting and Auditing of Application Standard for Financial Instruments in the Banking Industry" issued by the JICPA. With regard to hedging activities offsetting changes in interest rate, the Bank assesses the effectiveness of such hedge by grouping the hedged items (such as deposits and loans) and the hedging instruments (such as interest swaps) by their maturities. As for hedges to fix cash flows, the Bank assesses the effectiveness of such hedges by verifying correlation of interest fluctuation factors between the hedged items and the hedging instruments.</p> <p>(ii) Foreign exchange risk hedge With respect to hedge accounting for foreign exchange risks arising from foreign-currency denominated financial assets and liabilities, the Bank applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25) The Bank assesses the effectiveness of such hedge by designating currency swap transactions and foreign exchange swap transactions, which are for the purpose of offsetting foreign exchange rate risks involved in these assets and liabilities, as hedging instruments, and by verifying the existence of foreign currency positions of such hedging instruments matching up to the foreign-currency-denominated assets and liabilities, the hedged items.</p> <p>(iii) Transactions between consolidated subsidiaries, etc. With respect to derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts, the Bank manages interest rate swap transactions and currency swap transactions designated as hedging instruments in conformity with the non-arbitrary and strict hedging criteria for mirror transactions with the third parties against these swap transactions stipulated in the Industry Audit Committee Report No.24 and 25. Therefore the Bank reported the gains and losses on these swap transactions in the current earnings or deferred as assets or liabilities without elimination. For a part of assets and liabilities, the Bank applies deferral hedge accounting, or exceptional treatments permitted for interest rate swaps. Domestic consolidated subsidiaries apply exceptional treatments permitted for interest rate swaps.</p>
	<p>(12) Consumption taxes In the accounting treatment of the Bank and its domestic subsidiaries, the National Consumption Tax and the Local Consumption Tax are excluded from the transaction amounts.</p>
	<p>(13) Matters concerning tax effect accounting The amount of taxes paid and corporate tax adjustment incurred during this consolidated semi-annual fiscal term were calculated under the preconditions that deferred profits on property for income tax purpose and special account for advanced depreciation will be provided or reversed under the method of appropriation of retained earnings expected at the fiscal year end book closing.</p>
5. Semi-annual consolidated statement of cash flows	The cash stated in the semi-annual consolidated statement of cash flows are cash and deposits due from the Bank of Japan, which are included in the "Cash and due from banks", an account of the semi-annual consolidated balance sheet.

## CHANGES IN SIGNIFICANT MATTERS IN THE BASIS FOR PREPARING SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)
(Accounting Standards concerning financial instruments): The definition of the scope of securities in <i>Accounting Standards for Financial Instruments</i> (ASBJ Statement No. 10) and in <i>Practical Guidelines on Accounting Standards for Financial Instruments</i> (JICPA Laws and Regulations Committee Report No. 14) were partially revised on June 15, 2007 and on July 4, 2007 respectively, which is applicable from the fiscal year and the semi-annual period ending on or after the enforcement date of the Financial Instruments and Exchange Law. The Bank has adopted the revised standards and guidelines from this semi-annual period.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Semi-annual consolidated balance sheet)

Current semi-annual fiscal term (As of September 30, 2007)
<ol style="list-style-type: none"> <li>1. Shares of and capital investment of unconsolidated subsidiaries for ¥3.0 million and ¥8,363 million respectively were included in Securities.</li> <li>2. The amount of loans to debtors in bankruptcy and past due loans were ¥13,208 million and ¥128,798 million respectively. Loans to debtors in bankruptcy are loans to legally bankrupt debtors as defined in Article 96, paragraph 1, subparagraph 3-(a) to (e) or subparagraph 4 of Enforcement Ordinance for the Corporation Tax Law (Cabinet Ordinance No. 97, 1965) and in loans on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectibility of either principal or interest because they are past due for a considerable period of time or for other reasons (excluding loans written-off, “non-accrual loans”). Past due loans are non-accrual loans other than loans to debtors in bankruptcy and loans for which interest payments are deferred in order to assist the financial recovery of debtors in financial difficulties.</li> <li>3. The amount of loans contractually past due 3 months or more totaled ¥99 million. Loans contractually past due 3 months or more are defined as loans for which principal or interest payment is delinquent for 3 months or more from the next day of the contract payment date. Loans classified as loans to debtors in bankruptcy or past due loans are excluded.</li> <li>4. The amount of restructured loans totaled ¥57,896 million. Such restructured loans are loans on which the Bank granted concession (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount or other settlement favoring debtors) to debtors in financial difficulties to assist them in their financial recovery. Loans to debtors in bankruptcy, past due loans and loans contractually past due 3 months or more are excluded.</li> <li>5. Total amount of the loans to debtors in bankruptcy, past due loans, loans contractually past due 3 months or more and structured loans was ¥200,003 million. The amount reflected in notes 2 to 5 represents the gross receivable amounts prior to reduction for the reserve for possible loan losses.</li> <li>6. Of participation loans, participated loan principal amount treated and presented in the current semi-annual consolidated balance sheet as loans to original debtors in accordance with Report No.3 issued on June 1, 1995 by Accounting System Council of JICPA was ¥72,449 million.</li> <li>7. Bills discounted are treated as financial transactions in accordance with “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (Industry Auditing Committee Report No.24 of the Japanese Institute of Certified Public Accountants). The Bank is entitled to sell or pledge commercial bills discounted and foreign exchange bills bought without restrictions. The total face value was ¥68,487 million.</li> </ol>

Current semi-annual fiscal term  
(As of September 30, 2007)

8. Assets pledged as collaterals were as follows:  
Assets pledged as collateral:  
Cash (other assets): ¥400 million  
Investment securities: ¥235,434 million  
Liabilities related to above pledged assets:  
Deposit: ¥9,560 million  
Call money and bills sold: No outstanding balance as of the current semi-annual fiscal term end  
Margin money for bond lending transactions: ¥30,197 million  
Other than the above-mentioned assets, securities of ¥109,144 million were pledged as collateral for exchange transactions, or instead of margin money for future trading.  
Security deposit included in Other assets was ¥1,137 million.
9. Contracts of overdraft facilities and loan commitment limits are the contract that the Bank lends to the customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts. The unused amount within the limits relating to these contracts total ¥1,304,406 million. The unused amount related to contracts of which original terms expire within one year is ¥1,087,060 million.  
Since many of these commitments expire without being drawn down, the unused amount does not necessarily affect future cash flows of the Bank and its consolidated subsidiaries. Most of these contracts have conditions that allow the Bank and its consolidated subsidiaries to refuse the customers' application for a loan or decrease the contract limits with proper reasons (e.g., changes in financial conditions, deterioration in customers' creditworthiness). At the inception of contracts, the Bank and its consolidated subsidiaries obtain real estate, securities, etc. as collaterals if considered necessary. Subsequently the Bank and its consolidated subsidiaries perform periodic review of the customers' business results based on internal rules and take necessary measures to reconsider conditions in contracts and/or require additional collaterals and guarantees.
10. Accumulated depreciation on tangible fixed assets totals ¥207,394 million.
11. Accumulated advanced depreciation on tangible fixed assets totals ¥8,659 million.  
(Advanced depreciation for this semi-annual term: Nil)
12. Lease contract assets for unexpired lease term of ¥25,383 are pledged as collateral for borrowed money.
13. Liabilities for guarantees on private placement corporate bonds (Article 2, Paragraph 3 of the Financial Instruments and Exchanges Law) included in Securities amounted to ¥28,317 million. The respective amounts of acceptances and guarantees and customer's liabilities for acceptances and guarantees relating to this liabilities for guarantees are netted, in accordance with the revision of the appendix forms of the Banking Law Enforcement Regulations (Ministry of Finance Ordinance No.10, 1982) by the Cabinet Office Ordinance to Amend Part of the Banking Law Enforcement Regulations (Cabinet Office Ordinance No.38, April 17, 2007).  
Acceptances and guarantees and customer's liabilities for acceptances and guarantees on the consolidated balance as of September 30, 2006 would each decrease ¥27,170 million if the said netting were applied.

(Semi-annual consolidated statement of income)

Current semi-annual fiscal term  
(From April 1, 2007 to September 30, 2007)

Transfer to reserve for possible loan losses amounting to ¥12,554 million is included in other operating expenses.

## (Semi-annual consolidated statement of changes in net assets)

Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)						
1. Matters related to types and total number of issued stocks and types and total number of treasury stocks. (Thousands of shares)						
	As of March 31, 2007	Increase	Decrease	As of September 30, 2007	Ref.	
Outstanding stock						
Common stock	536,303	-	-	536,303		
Treasury stock						
Common stock	10,228	159	9	10,379	Note	
(Note) Changes in treasury stock were caused mainly by purchases, sales and exchange of stocks short of trading unit.						
2. Matters related to dividends						
(Resolution)	Type of stock	Total amount (Millions of yen)	Amount per share (Yen)	Record date	Effective date	
General shareholders' meeting held on June 27, 2007	Common stock	2,893	5.50	March 31, 2007	June 28, 2007	
Of dividends of which record date falls within the current semi-annual fiscal term, dividends of which effective date is any day after the end of the current semi-annual fiscal term is as shown below.						
(Resolution)	Type of stock	Total amount (Millions of yen)	Source of dividend	Amount per share (yen)	Record date	Effective date
Board of Directors meeting held on November 19, 2007	Common stock	2,103	Capital surplus	4.00	September 30, 2007	December 10, 2007

## (Semi-annual consolidated statements of cash flows)

Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)	
The reconciliation of the Cash and due from banks in semi-annual consolidated balance sheet to the Cash and cash equivalents at the end of current semi-annual fiscal term is as follows:	
	(Millions of yen)
As of September 30, 2007	
Cash and due from banks	275,216
Due from banks (excluding BOJ)	( 175,184)
Cash and cash equivalents	100,032

## SEGMENT INFORMATION

### 1. Business Segment Information

Previous semi-annual fiscal term (From April 1, 2006 to September 30, 2006)

(Millions of yen)

	Banking business	Leasing business	Other business	Total	(Elimination)	Consolidated
Operating income						
(1) Operating income from customers	71,563	22,811	1,334	95,709	—	95,709
(2) Internal operating income among segments	316	401	35	753	( 753)	—
Total	71,879	23,213	1,369	96,462	( 753)	95,709
Operating expenses	53,084	23,674	891	77,650	( 755)	76,894
Operating profit (loss)	18,795	(460)	478	18,812	1	18,814

Current semi-annual fiscal term (From April 1, 2007 to September 30, 2007)

(Millions of yen)

	Banking business	Leasing business	Other business	Total	(Elimination)	Consolidated
Operating income & profit						
(1) Operating income from customers	79,597	21,985	1,310	102,893	—	102,893
(2) Internal operating income among segments	393	426	37	857	(857)	—
Total	79,991	22,412	1,347	103,751	(857)	102,893
Operating expenses	62,795	22,154	982	85,932	(853)	85,078
Operating profit (loss)	17,196	257	365	17,819	(4)	17,815

Previous fiscal year (From April 1, 2006 to March 31, 2007)

(Millions of yen)

	Banking business	Leasing business	Other business	Total	(Elimination)	Consolidated
Operating income & profit						
(1) Operating income from customers	159,138	46,471	2,755	208,365	—	208,365
(2) Internal operating income among segments	684	819	76	1,580	(1,580)	—
Total	159,822	47,290	2,832	209,945	(1,580)	208,365
Operating expenses	121,784	46,409	1,936	170,130	(1,571)	168,559
Operating profit (loss)	38,038	880	896	39,815	(9)	39,806

Note:

1. Operating income and profit are shown in place of sales and operating profit of ordinary companies.
2. Main lines of businesses in each business are as follows:
  - (1) Banking business..... banking, credit card business
  - (2) Leasing business..... leasing business
  - (3) Other business..... venture capital, investment management business, securities business

### 2. Segment information by geographic area

The domestic shares of both operating income and total assets from the previous and current consolidated semi-annual fiscal term and the previous consolidated fiscal year each exceed 90%. Thus, segment information by geographic area is omitted.

### 3. Operating income from overseas operations

The share of operating income from overseas operations from the previous and current consolidated semi-annual fiscal term and the previous consolidated fiscal year each are under 10%. Thus, operating income from overseas operations is omitted.

## LEASE TRANSACTIONS

Report of lease transactions is omitted, since the need for disclosure in the semi-annual financial report was deemed to be immaterial.

## SECURITIES

\* In addition to "Securities" in the consolidated balance sheet, beneficiary rights to the trust included in "Commercial paper and other debt purchased" are also presented.

### 1. Securities

#### (1) Bonds held-to-maturity with market values

(Millions of yen)

Term Type	Previous semi-annual fiscal term (as of Sept. 30, 2006)			Current semi-annual fiscal term (as of Sept. 30, 2007)			Previous fiscal year (as of Mar. 31, 2007)				
	Book Value	Market Value	Valuation gains (losses)	Book Value	Market Value	Valuation gains (losses)	Book Value	Market Value	Valuation Gains (losses)		
									Gain	Loss	
JGB	5,002	4,977	(25)	4,986	4,959	(26)	5,002	4,976	(26)		26
Others	3,216	3,238	21	369	367	(1)	834	832	(1)	0	2
Foreign Bonds	3,216	3,238	21	369	367	(1)	834	832	(1)	0	2
<b>Total</b>	<b>8,218</b>	<b>8,215</b>	<b>(3)</b>	<b>5,355</b>	<b>5,327</b>	<b>(28)</b>	<b>5,836</b>	<b>5,808</b>	<b>(27)</b>	<b>0</b>	<b>28</b>

Note: 1. Market values are based on the closing market prices at the end of the period.

2. "Gain" and "Loss" represent breakdowns of "Gains (losses) on valuation".

#### (2) Other securities with market values

(Millions of yen)

Term Type	Previous semi-annual fiscal term (as of Sept. 30, 2006)			Current semi-annual fiscal term (as of Sept. 30, 2006)			Previous fiscal year (as of Mar. 31, 2007)				
	Acquisition cost	Book Value	Valuation gains (losses)	Acquisition cost	Book Value	Valuation gains (losses)	Acquisition cost	Book Value	Valuation gains (losses)		
									Gain	Loss	
Stocks	97,736	347,491	249,754	103,808	343,581	239,773	104,269	349,549	245,280	245,696	416
Bonds	955,173	949,388	(5,785)	863,143	860,693	(2,449)	937,334	931,974	(5,359)	2,051	7,411
JGB	607,592	604,053	(3,538)	557,658	556,482	(1,176)	601,090	597,808	(3,281)	1,190	4,471
Municipal bonds	91,378	91,910	531	76,943	77,265	322	83,649	83,926	277	516	238
Corporate bonds	256,203	253,424	(2,778)	228,540	226,945	(1,595)	252,595	250,239	(2,356)	344	2,701
Others	299,377	304,678	5,300	302,505	309,828	7,322	288,225	302,964	14,739	17,070	2,331
Foreign Bonds	271,885	271,995	110	273,538	274,334	796	258,192	260,171	1,979	4,135	2,155
<b>Total</b>	<b>1,352,288</b>	<b>1,601,558</b>	<b>249,270</b>	<b>1,269,456</b>	<b>1,514,102</b>	<b>244,646</b>	<b>1,329,829</b>	<b>1,584,488</b>	<b>254,659</b>	<b>264,818</b>	<b>10,158</b>

Note: 1. Book values are based on the closing market prices at the end of the period.

2. "Gain" and "Loss" represent breakdowns of "Gains (losses) on valuation".

(3) Breakdown and book value of significant non-marketable securities

(Millions of yen)

	Previous semi-annual fiscal term (as of Sept. 30, 2006)	Current semi-annual fiscal term (as of Sept. 30, 2007)	Previous fiscal year (as of Mar. 31, 2007)
Bonds held-to-maturity			
Unlisted corporate bonds	5,889	1,910	3,200
Stock of subsidiaries/other related companies			
Investment	9,290	8,363	9,011
Other securities			
Unlisted securities (excluding OTC)	6,296	6,072	5,954
Unlisted corporate bonds	25,112	28,638	26,396

2. Money held in trust

(1) Money held in trust for the purpose of holding to maturity

None

(2) Other money held in trust (except for trading/held-to-maturity)

(Millions of yen)

Term Type	Previous semi-annual fiscal term (as of Sept. 30, 2006)			Current semi-annual fiscal term (as of Sept. 30, 2007)			Previous fiscal year (as of Mar. 31, 2007)				
	Acquisition cost	Book Value	Valuation gains (losses)	Acquisition cost	Book Value	Valuation gains (losses)	Acquisition cost	Book Value	Valuation gains (losses)		
									Gain	Loss	
Other money held in trust	2,300	2,298	(1)	3,299	3,300	1	3,299	3,298	(1)	1	2

Note: 1. Book values are based on the closing market prices at the end of the end of period.

2. "Gain" and "Loss" represent breakdowns of "Gains (losses) on valuation"

3. Gains on valuation of other securities

Composition of valuation gains of other securities allocated to the semi-annual balance sheet is as follows.

(Millions of yen)

	Previous semi-annual fiscal term (as of Sept. 30, 2006)	Current semi-annual fiscal term (as of Sept. 30, 2007)	Previous fiscal year (as of Mar. 31, 2007)
Valuation gains	249,268	244,648	254,658
Other securities	249,270	244,646	254,659
Other money held in trust	(1)	1	(1)
(+)Deferred tax assets	4,795	3,751	4,084
(-)Deferred tax liabilities	105,079	101,810	105,962
Other valuation gains on other securities (before adjustment of the amount equivalent to equity holding)	148,984	146,588	152,779
(-)Minority interest equivalents	2,294	2,127	1,989
(+)Equivalent amounts to equity holding by parent company in gains on valuation of other securities held by companies accounted for equity method	—	—	—
Valuation gains on other securities	146,690	144,460	150,790

## DERIVATIVE TRANSACTIONS

Report of derivative transactions is omitted, as the need for disclosure in the semi-annual financial report was deemed insignificant.

## STOCK OPTIONS, ETC.

No information applies to this category.

## BUSINESS CONSOLIDATION

No information applies to this category for this semi-annual period.

## PER SHARE INFORMATION

(Yen)

	Previous semi-annual fiscal term (from Apr. 1, 2006 to Sept. 30, 2006)	Current semi-annual fiscal term (from Apr. 1, 2007 to Sept. 30, 2007)	Previous fiscal year (from Apr. 1, 2006 to Mar. 31, 2007)
Net assets per common share	933.71	962.21	959.29
Net income per common share	22.13	19.84	44.18

Notes: 1. Net income per share after adjustment of dilutive shares is not presented because there are no dilutive shares.

2. Net income per share of common stock is based on the following information:

(Millions of yen, Thousands of shares)

	Previous semi-annual fiscal term (from Apr. 1, 2006 to Sept. 30, 2006)	Current semi-annual fiscal term (from Apr. 1, 2007 to Sept. 30, 2007)	Previous fiscal year (from Apr. 1, 2006 to Mar. 31, 2007)
Net income per common share			
Net income	11,643	10,439	23,237
Amount not attributable to common stock	-	-	-
Net income related to common stock	11,643	10,439	23,237
Average outstanding numbers of common stock during the period	525,979	526,002	525,970

3. Net assets per common share are based on the following information:

(Millions of yen, Thousands of shares)

	Previous semi-annual fiscal term (from Apr. 1, 2006 to Sept. 30, 2006)	Current semi-annual fiscal term (from Apr. 1, 2007 to Sept. 30, 2007)	Previous fiscal year (from Apr. 1, 2006 to Mar. 31, 2007)
Total net assets	503,956	520,820	519,096
Deduction from total net assets	12,864	14,767	14,438
Minority interest	12,864	14,767	14,438
Net assets related to common stock at period-end	491,091	506,052	504,658
Number of common shares at (semi-annual) period-end, used to calculate net assets per common share	525,954	525,924	526,074

## MATERIAL SUBSEQUENT EVENTS

No information applies to this category.

## 5. SEMI-ANNUAL FINANCIAL REPORT (NON-CONSOLIDATED)

### Semi-annual Non-consolidated Balance Sheets

(Millions of yen)

Item	As of Sept. 30, 2006 (A)	As of Sept. 30, 2007 (B)	Inc/Dec (B)-(A)	As of Mar. 31, 2007 (Summary) (C)	Inc/Dec (B)-(C)
<b>(Assets)</b>					
Cash & due from banks	172,904	272,837	99,933	185,155	87,682
Call loans	27,522	97,182	69,660	59,132	38,049
Receivables under resale agreement	—	—	—	1,047	(1,047)
Commercial paper & other debt purchased	54,297	64,037	9,740	51,973	12,064
Trading assets	34,968	32,753	(2,215)	40,947	(8,194)
Money held in trust	15,936	13,909	(2,026)	14,016	(106)
Securities	1,643,884	1,552,008	(91,875)	1,624,106	(72,097)
Loans & bills discounted	3,920,865	3,971,560	50,694	3,986,383	(14,823)
Foreign exchanges	23,316	29,597	6,281	27,373	2,223
Other assets	49,016	89,028	40,012	61,176	27,852
Tangible fixed assets	34,932	32,950	(1,982)	33,862	(912)
Intangible fixed assets	3,660	3,664	3	3,767	(103)
Customers' liabilities for acceptances and guarantees	74,994	46,503	(28,491)	48,238	(1,735)
Allowance for credit losses	(70,030)	(96,183)	(26,152)	(90,618)	(5,565)
Allowance for investment losses	(244)	(244)	(0)	(244)	—
<b>Total assets</b>	<b>5,986,024</b>	<b>6,109,605</b>	<b>123,581</b>	<b>6,046,318</b>	<b>63,286</b>
<b>(Liabilities)</b>					
Deposits	5,137,332	5,228,870	91,538	5,204,437	24,433
Negotiable certificate of deposits	38,154	77,657	39,502	72,307	5,350
Call money	60,704	29,536	(31,167)	20,767	8,800
Payables under repurchase agreement	—	—	—	1,047	(1,047)
Margin money for bond lending transactions	25,228	30,197	4,968	25,767	4,430
Trading liabilities	9,331	11,094	1,762	9,573	1,521
Borrowed money	665	434	(231)	555	(120)
Foreign exchanges	2,291	2,271	(19)	996	1,275
Other liabilities	72,846	116,329	43,482	92,032	24,296
Accrued bonuses to directors and corporate auditors	—	—	—	47	(47)
Liability for employee retirement benefit	12,625	12,797	172	12,476	320
Reserve for directors' retirement bonuses	—	233	233	—	233
Deferred tax liabilities	67,034	55,217	(11,816)	60,330	(5,113)
Acceptances & guarantees	74,994	46,503	(28,491)	48,238	(1,735)
<b>Total liabilities</b>	<b>5,501,209</b>	<b>5,611,143</b>	<b>109,934</b>	<b>5,548,545</b>	<b>62,597</b>

(Millions of yen)

Item	As of Sept. 30, 2006 (A)	As of Sept. 30, 2007 (B)	Inc/Dec (B)-(A)	As of Mar. 31, 2007 (Summary) (C)	Inc/Dec (B)-(C)
(Net assets)					
Common stock	52,243	52,243	—	52,243	—
Capital surplus	30,192	30,196	3	30,193	2
Capital reserve	29,609	29,609	—	29,609	—
Other capital surplus	583	586	3	584	2
Retained earnings	263,533	279,749	16,216	272,871	6,878
Legal reserve	47,610	47,610	—	47,610	—
Voluntary reserve	215,923	232,139	16,216	225,260	6,878
Reserve for advanced depreciation of fixed assets	671	765	94	765	—
Special account for advanced depreciation	521	257	(264)	257	—
Reserve for retirement allowance	600	600	—	600	—
Special reserve	193,500	211,000	17,500	193,500	17,500
Retained earnings brought forward	20,629	19,516	(1,113)	30,137	(10,621)
Treasury stocks	(5,786)	(6,015)	(229)	(5,880)	(134)
Total shareholders' equity	340,183	356,173	15,990	349,426	6,746
Unrealized gains on available-for-sale securities	146,166	144,050	(2,115)	150,330	(6,280)
Deferred gains(losses) on derivatives under hedge accounting	(1,534)	(1,761)	(226)	(1,984)	223
Total valuation and translation adjustments	144,631	142,288	(2,342)	148,346	(6,057)
Total net assets	484,814	498,461	13,647	497,772	689
Total liabilities & net assets	5,986,024	6,109,605	123,581	6,046,318	63,286

## Semi-annual Non-consolidated Comparative Statements of Income

(Millions of yen)

Item	For the six months ended 9/30/2006 (A)	For the six months ended 9/30/2007(B)	Inc/Dec (B)-(A)	For the fiscal year ended 3/31/2007 (Summary)
Operating income	68,948	77,169	8,220	153,834
Interest income	50,622	58,111	7,489	106,115
Interest on loans & discounts	35,677	40,619	4,942	74,183
Interest & dividends on securities	12,626	12,945	318	26,109
Trust fees	—	—	—	1
Fees and commissions	10,410	10,872	462	21,127
Trading income	464	343	(120)	1,013
Other business income	1,134	3,954	2,820	4,298
Other operating income	6,316	3,886	(2,429)	21,278
Operating expenses	50,964	60,849	9,884	117,467
Interest expenses	7,771	13,109	5,337	18,607
Interest on deposits	3,883	9,956	6,072	10,729
Fees and commissions	3,111	3,360	249	6,226
Other business expenses	513	2,044	1,530	1,932
General & administrative expenses	29,541	30,016	474	58,223
Other operating expenses	10,025	12,318	2,292	32,476
Operating profit	17,983	16,319	(1,663)	36,366
Extraordinary gains	34	251	216	395
Extraordinary losses	204	647	443	416
Net income (loss) before income taxes and others	17,813	15,923	(1,890)	36,345
Income tax-current	7,564	7,407	(157)	23,245
Income tax-deferred	(807)	(1,256)	(448)	(9,136)
Net income (loss)	11,056	9,772	(1,284)	22,235

## Semi-Annual Non-Consolidated Statements of Changes in Equity

Previous semi-annual fiscal term (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' equity										
	Common stock	Capital surplus			Legal reserve	Retained earnings					Total
		Capital reserve	Other capital surplus	Total		Other retained earnings					
						Reserve for advanced depreciation of fixed assets	Special account for advanced depreciation	Reserve for retirement allowances	Special reserve	Retained earnings brought forward	
Balance at 3/31/2006	52,243	28,509	581	29,091	47,610	627	258	600	170,500	35,021	254,617
Changes during semi-annual period											
Dividend from surplus (Note)										(2,092)	(2,092)
Bonuses to directors (Note)										(47)	(47)
Reserve from income appropriation						44	263		23,000	(23,307)	
Net income										11,056	11,056
Acquisition of treasury stocks											
Disposal of treasury stock			1	1							
Disposal of treasury stocks by stock exchange		1,099		1,099							
Changes in items other than shareholders' equity during consolidated semi-annual period (net)											
Total changes during semi-annual period		1,099	1	1,101		44	263		23,000	(14,391)	8,916
Balance at 9/30/2006	52,243	29,609	583	30,192	47,610	671	521	600	193,500	20,629	263,533

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stocks	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Total	
Balance at 3/31/2006	(7,457)	328,493	148,987		148,987	477,481
Changes during semi-annual period						
Dividend from surplus (Note)		(2,092)				(2,092)
Bonuses to directors (Note)		(47)				(47)
Reserve from income appropriation						
Net income		11,056				11,056
Acquisition of treasury stocks	(96)	(96)				(96)
Disposal of treasury stocks	3	4				4
Disposal of treasury stocks by stock exchange	1,765	2,865				2,865
Changes in items other than shareholders' equity during consolidated semi-annual period (net)			(2,821)	(1,534)	(4,356)	(4,356)
Total changes during semi-annual period	1,671	11,689	(2,821)	(1,534)	(4,356)	7,333
Balance at 9/30/2006	(5,786)	340,183	146,166	(1,534)	144,631	484,814

Note: These are income appropriation items resolved at the general shareholders' meeting in June 2006.

Current semi-annual fiscal term (from April 1, 2007 to September 30, 2007)

(Millions of yen)

	Shareholders' equity										
	Common Stock	Capital surplus			Legal reserve	Retained earnings					Total
		Capital reserve	Other capital surplus	Total		Other retained earnings					
						Reserve for advanced depreciation of fixed assets	Special account for advanced depreciation	Reserve for retirement allowance	Special reserve	Retained earnings brought forward	
Balance at 3/31/2007	52,243	29,609	584	30,193	47,610	765	257	600	193,500	30,137	272,871
Changes in the six months period											
Dividend from surplus (Note)										(2,893)	(2,893)
Reserve from income appropriation (Note)									17,500	(17,500)	
Interim net income										9,772	9,772
Acquisition of treasury stock											
Disposal of treasury stock			2	2							
Changes in items other than shareholders' equity during consolidated semi-annual period (net)											
Total changes during semi-annual period			2	2					17,500	(10,621)	6,878
Balance at 9/30/2007	52,243	29,609	586	30,196	47,610	765	257	600	211,000	19,516	279,749

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stocks	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains(losses) on derivatives under hedge accounting	Total	
Balance at 3/31/2007	(5,880)	349,426	150,330	(1,984)	148,346	497,772
Changes in the six months period						
Dividend from surplus (Note)		(2,893)				(2,893)
Reserve from income appropriation (Note)						
Net income		9,772				9,772
Acquisition of treasury stock	(140)	(140)				(140)
Disposal of treasury stock	5	7				7
Changes in items other than shareholders' equity during consolidated semi-annual period (net)			(6,280)	223	(6,057)	(6,057)
Total changes during semi-annual period	(134)	6,746	(6,280)	223	(6,057)	689
Balance at 9/30/2007	(6,015)	356,173	144,050	(1,761)	142,288	498,461

Note: These are income appropriation items resolved at the general shareholders' meeting in June 2007.

Previous fiscal year (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity										
	Common stock	Capital surplus			Legal reserve	Retained earnings					Total
		Capital reserve	Other capital surplus	Total		Other retained earnings					
						Reserve for advanced depreciation of fixed assets	Special account for advanced depreciation	Reserve for retirement allowance	Special reserve	Retained earnings brought forward	
Balance at 3/31/2006	52,243	28,509	581	29,091	47,610	627	258	600	170,500	35,021	254,617
Changes during fiscal year											
Dividend from surplus (Note)										(2,092)	(2,092)
Dividend from surplus										(1,841)	(1,841)
Bonus to directors (Note)										(47)	(47)
Transfer to reserve for advanced depreciation of fixed assets (Note)						44				(44)	
Transfer to reserve for advanced depreciation of fixed assets						109				(109)	
Reversal of reserve for advanced depreciation of fixed assets						(14)				14	
Transfer to special account for advanced depreciation (Note)							263			(263)	
Transfer to special account for advanced depreciation							257			(257)	
Reversal of special account for advanced depreciation							(521)			521	
Transfer to special reserve (Note)									23,000	(23,000)	
Net income										22,235	22,235
Acquisition of treasury stock											
Disposal of treasury stock			2	2							
Disposal of treasury stock by stock exchange		1,099		1,099							
Changes in items other than shareholders' equity during consolidated semi-annual period (net)											
Total changes during semi-annual period		1,099	2	1,102		138	(1)		23,000	(4,883)	18,253
Balance at 3/31/2007	52,243	29,609	584	30,193	47,610	765	257	600	193,500	30,137	272,871

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stocks	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Total	
Balance as of 3/31/2006	(7,457)	328,493	148,987		148,987	477,481
Changes during semi-annual period						
Dividend from surplus (Note)		(2,092)				(2,092)
Dividend from surplus		(1,841)				(1,841)
Bonus to directors (Note)		(47)				(47)
Transfer to reserve for advanced depreciation of fixed assets						
Transfer to reserve for advanced depreciation of fixed assets						
Reversal of reserve for advanced depreciation of fixed assets						
Transfer to special account for advanced depreciation (Note)						
Transfer to special account for advanced depreciation						
Reversal of special account for advanced depreciation						
Transfer to special reserve (Note)						
Net Income		22,235				22,235
Acquisition of treasury stock	(193)	(193)				(193)
Disposal of treasury stock	5	7				7
Disposal of treasury stock by stock exchange	1,765	2,865				2,865
Changes in items other than shareholders' equity during consolidated semi-annual period (net)			1,343	(1,984)	(641)	(641)
Total changes during semi-annual period	1,576	20,933	1,343	(1,984)	(641)	20,291
Balance as of 3/31/2007	(5,880)	349,426	150,330	(1,984)	148,346	497,772

Note: These are items proposed for income appropriation resolved at the general shareholders' meeting held in June 2006.