

The Shoko Chukin Bank, Ltd.

Financial Data

Six Months Ended September 30, 2008

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Trends in Principal Financial Indicators

Fiscal period ended	Billions of yen				
	September 30, 2008	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Total Operating Income	105.4	209.4	192.2	186.1	189.4
Income before Income Taxes and Others	(4.3)	17.2	28.2	28.5	15.3
Net Income	2.8	21.8	14.2	12.8	9.2
Capital (Total Subscription in Thousands of Units)	522.4 (5,224,202)	522.7 (5,227,650)	522.7 (5,227,650)	519.7 (5,197,650)	517.2 (5,172,650)
Total Capital Funds	690.0	694.8	678.6	664.7	652.8
Total Assets	10,538.1	10,722.9	10,996.8	11,495.4	11,584.8
Outstanding Deposits	2,722.1	2,655.0	2,539.9	2,420.0	2,390.0
Outstanding Debentures	6,620.5	6,821.9	7,228.9	7,832.6	7,811.2
Outstanding Loans	8,932.1	9,114.9	9,355.2	9,427.6	9,588.8
Balance of Investment Securities	1,473.5	1,463.4	1,532.0	1,770.7	1,610.3
Capital Ratio (%)	8.94	8.80	8.31	8.01	7.78
Dividend per Cooperative Subscription Unit (Yen)	1.50	3.00	3.00	3.00	3.00
Dividend Payment Ratio (%)	61.41	16.10	24.10	26.19	35.27
Number of Employees (Persons)	4,369	4,240	4,320	4,424	4,480

Note: Reserve for Possible Loan Losses is deducted as a single amount at the end of the Assets section of the Balance Sheets.
The fiscal period ended September 2008 covers the six-month period from April 1 to September 30, 2008.
The number of employees in the fiscal period ended September 30, 2007, was 4,377.

Balance Sheets

The Shoko Chukin Bank, Ltd. As of September 30 and March 31, 2008

	Millions of yen		Millions of U.S. dollars
	September 30, 2008	March 31, 2008	September 30, 2008
ASSETS			
Loans	¥ 8,932,141	¥ 9,114,977	\$ 86,242
Loans on Deeds	6,286,145	6,221,262	60,694
Loans on Notes	748,338	897,016	7,225
Overdrafts	1,426,741	1,475,817	13,775
Bills Discounted	470,916	520,881	4,546
Foreign Exchange	8,015	7,243	77
Foreign Exchange Bills Purchased	1,154	1,010	11
Foreign Exchange Bills Receivable	2,599	2,118	25
Due from Foreign Banks	4,261	4,114	41
Investment Securities	1,473,510	1,463,473	14,227
Government Bonds	920,683	924,830	8,889
Local Government Bonds	54,003	37,065	521
Corporate Bonds	428,859	410,496	4,140
Stocks	22,543	23,559	217
Other Securities	47,420	67,520	457
Trading Assets	11,962	13,580	115
Trading Securities	154	99	1
Trading-related Financial Derivative Transactions	11,808	13,480	114
Monetary Claims Purchased	36,361	37,549	351
Call Loans	3,733	15,429	36
Cash and Due from Banks	69,566	74,118	671
Cash	29,188	31,276	281
Due from Banks	40,377	42,842	389
Other Assets	30,919	29,196	298
Settlements Receivable	10	3	0
Prepaid Expenses	10	19	0
Accrued Income	6,797	6,549	65
Financial Derivative Transactions	1,048	2,057	10
Other Assets	23,052	20,566	222
Tangible Fixed Assets	44,087	41,940	425
Buildings	16,152	16,514	155
Land	24,303	24,303	234
Leased Assets	2,575	—	24
Other Tangible Fixed Assets	1,056	1,122	10
Intangible Fixed Assets	6,578	6,491	63
Software	5,272	5,535	50
Other Intangible Fixed Assets	1,306	956	12
Deferred Income Taxes	78,526	68,486	758
Customers' Liabilities for Acceptances and Guarantees	74,317	71,867	717
Customers' Liabilities for Acceptances and Guarantees	70,845	68,230	684
Customers' Liabilities for Guaranteeing Agency Loans	3,471	3,636	33
Reserve for Possible Loan Losses	(231,613)	(221,404)	(2,236)
Total Assets	¥10,538,108	¥10,722,950	\$101,748

Pursuant to Article 39-2 of the Shoko Chukin Bank Act, and Articles 27-6 and 27-7 of the Shoko Chukin Bank Act Enforcement Regulations, the list of property, balance sheets, statements of income, business report, statement of appropriation of earned surplus and supplementary schedules have been prepared by the Shoko Chukin Bank, Ltd. From the year ended March 31, 2005, these financial statements (limited to the accounting sections included therein) have been audited and certified by an independent auditor.

	Millions of yen		Millions of U.S. dollars
	September 30, 2008	March 31, 2008	September 30, 2008
LIABILITIES			
Shoko Chukin Bank Debentures	¥ 6,620,506	¥ 6,821,949	\$ 63,923
Shoko Chukin Bank Debentures Issued	6,620,506	6,821,949	63,923
Deposits	2,722,127	2,655,067	26,282
Time Deposits	1,472,929	1,424,987	14,221
Deposits at Notice	49,256	59,399	475
Ordinary Deposits	631,214	639,251	6,094
Current Deposits	436,445	449,636	4,214
Government Deposits	63,243	18,186	610
Other Deposits	69,037	63,605	666
Negotiable Certificates of Deposit	4,764	9,917	45
Borrowed Money	68,869	67,719	664
Borrowings	68,869	67,719	664
Trading Liabilities	6,925	9,108	66
Trading-related Financial Derivatives	6,925	9,108	66
Payables under Securities Lending Transactions	4,298	—	41
Call Money	35,242	24,547	340
Payables under Repurchase Agreements	—	39,896	—
Foreign Exchange	204	75	1
Foreign Exchange Bills Sold	52	12	0
Borrowings from Foreign Banks	151	62	1
Other Liabilities	282,672	299,365	2,729
Settlements Payable	1	0	0
Accrued Expenses	21,380	18,533	206
Corporate Taxes Payable	752	300	7
Unearned Income	17,617	18,361	170
Deposits by Employees	7,778	7,821	75
Financial Derivative Transactions	838	1,170	8
Lease Obligations	2,589	—	24
Debenture Principal Payable	228,600	249,680	2,207
Other Liabilities	3,113	3,497	30
Reserve for Bonuses	4,430	4,520	42
Reserve for Retirement Benefit	19,999	20,285	193
Reserve for Retirement Benefits for Directors	—	92	—
Reserve for Losses on Refund for Dormant Bonds	3,678	3,684	35
Acceptances and Guarantees	74,317	71,867	717
Acceptances and Guarantees	70,845	68,230	684
Guarantees for Agency Loans	3,471	3,636	33
Total Liabilities	9,848,035	10,028,097	
NET ASSETS			
Capital	522,420	522,765	5,044
Government Subscription	405,367	405,367	3,913
Cooperative Subscription	117,053	117,397	1,130
Retained Earnings	168,657	169,312	1,628
Earnings Reserve	32,410	30,210	312
Other Retained Earnings	136,247	139,101	1,315
General Reserves	129,269	113,633	1,248
Reserve for Particular Purposes	129,269	113,169	1,248
Reserve for Retirement Allowance Funds	—	464	—
Unappropriated Earnings	6,977	25,467	67
Total Capital Subscribers' Funds	691,077	692,077	6,672
Unrealized Gains on Securities	(1,530)	2,776	(14)
Deferred Hedge Losses	525	(0)	5
Total Valuation and Translation Adjustments	(1,004)	2,775	(9)
Total Net Assets	690,073	694,852	6,662
Total Liabilities and Net Assets	¥10,538,108	¥10,722,950	\$101,748

Statements of Income

The Shoko Chukin Bank, Ltd. For the six months ended September 30, 2008 and year ended March 31, 2008

Fiscal period ended	Millions of yen		Millions of U.S. dollars
	September 30, 2008	March 31, 2008	September 30, 2008
Operating Income	¥105,411	¥209,411	\$1,017
Interest Income	94,407	191,373	911
Interest on Loans	84,426	170,170	815
Interest and Dividends on Securities	8,155	16,844	78
Interest on Bills Purchased	3	5	0
Interest on Call Loans	194	884	1
Interest on Resale Agreements	—	5	—
Interest on Deposits	169	282	1
Other Interest Income	1,458	3,180	14
Fees and Commissions	5,088	10,227	49
Domestic and Foreign Exchange Commissions	855	1,760	8
Other Fees and Commissions	4,232	8,466	40
Trading Revenue	2,333	2,645	22
Trading Securities Revenue	0	2	0
Revenue from Trading-related Financial Derivatives	2,333	2,539	22
Other Trading Revenue	—	102	—
Other Operating Income	2,221	1,818	21
Revenue from Foreign Exchange Trading	528	876	5
Revenue from Sales of Government and Other Bonds	1,693	930	16
Revenue from Financial Derivatives	—	11	—
Other Income	1,359	3,347	13
Revenue from Sales of Stocks and Other Securities	9	180	0
Other Income	1,349	3,166	13
Operating Expenses	109,741	192,158	1,059
Interest Expense	34,094	61,616	329
Interest on Debentures	28,022	47,954	270
Interest on Deposits	5,069	11,181	48
Interest on Negotiable Certificates of Deposit	92	568	0
Interest on Short-term Debentures	—	45	—
Interest on Borrowed Money	503	742	4
Interest on Loan Transactions	80	95	0
Interest on Call Money	246	775	2
Interest on Resale Agreements	35	106	0
Interest on Interest Swap Transactions	1	37	0
Other Interest Expenses	42	108	0
Fees and Commissions	309	676	2
Domestic and Foreign Exchange Commissions	187	380	1
Other Fees and Commissions	121	296	1
Trading Expenses	2	6	0
Expenses on Securities and Derivatives related to Trading Transactions	2	6	0
Other Operating Expenses	7,800	2,795	75
Amortization of Debenture Issue Expenses	46	89	0
Losses on Sales of Government and Other Bonds	7,328	2,579	70
Financial Derivatives Expenses	228	—	—
Other Operating Expenses	196	125	1
General and Administrative Expenses	37,523	73,577	362

Fiscal period ended	Millions of yen		Millions of U.S. dollars
	September 30, 2008	March 31, 2008	September 30, 2008
Other Expenses	¥30,010	¥53,487	\$289
Provision for Possible Loan Losses	28,301	42,379	273
Write-off of Loans	8	1,295	0
Loss on Sales of Stocks and Other Securities	4	788	0
Write-off of Stocks	496	253	4
Other Expenses	1,199	8,770	11
(Loss) Income before Income Taxes and Other	(4,330)	17,252	(41)
Other Gains	101	325	0
Gains on Disposal of Fixed Assets	2	73	0
Collection of Written-off Claims	99	251	0
Other Losses	264	3,729	2
Losses on Disposal of Fixed Assets	264	181	2
Impairment Loss on Fixed Assets	—	7	—
Other Losses	—	3,541	—
(Loss) Income before Income Taxes	(4,493)	13,848	(43)
Provision for Income Taxes	739	379	7
Adjustment for Income Taxes	(8,100)	(8,410)	(78)
Net Income	2,867	21,878	27
Earnings Carried Forward from the Beginning of the Year	4,110	3,589	39
Unappropriated Earnings at the End of the Year	¥ 6,977	¥25,467	\$ 67

Statements of Appropriation of Earned Surplus

The Shoko Chukin Bank, Ltd. As of September 30 and March 31, 2008

	Millions of yen		Millions of U.S. dollars
	September 30, 2008	March 31, 2008	September 30, 2008
Unappropriated Earnings at the End of the Year	¥ 6,977	¥25,467	\$67
Earnings Liquidated from Voluntary Reserves	—	464	—
Earnings Liquidated from Retirement Allowance Fund	—	464	—
Total	6,977	25,932	67
Will be appropriated as follows:			
Appropriations	2,460	21,821	23
Earnings Reserve	300	2,200	2
Reserve for Particular Purposes	400	16,100	3
Dividends on Cooperative Subscription	1,760	3,521	16
Unappropriated Earnings to the Next Year	¥ 4,516	¥ 4,110	\$43

All U.S. dollar figures are translated from Japanese yen amounts for convenience only, at the rate of ¥103.57=US\$1, the prevailing rate of exchange as of September 30, 2008.

Basis of presentation

The accompanying financial statements of the Shoko Chukin Bank, Ltd. (the "Bank") have been prepared in accordance with the provisions set forth in the Shoko Chukin Bank Act and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The financial statements are not intended to present the financial position and the result of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are presented solely for the convenience of readers. The exchange rate of ¥103.57=U.S.\$1.00, the approximate rate of exchange prevailing as of September 30, 2008, has been used for translation purposes. The presentation of such amounts is not intended to imply that Japanese yen amounts have been or could have been readily translated, realized or settled in U.S. dollars at that rate or any other rate.

The yen figures disclosed in the financial statements are expressed in millions of yen and have been rounded down.

BALANCE SHEETS

1. All amounts expressed in the statements have been rounded down to the nearest million yen.
2. Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of financial instruments and other indicators or differentials, etc., between markets (hereinafter referred to as "Trading Transactions") are shown in the balance sheet as "Trading Assets" or "Trading Liabilities" based on values at the time of contract.
Trading assets and trading liabilities are valued at market prices on the balance sheet date for securities and monetary claims, etc., and at deemed settlement prices on the balance sheet date for derivative products such as swaps, futures and options.
3. The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are valued using the moving average, amortized cost method. Stocks for which market values are available are valued at the average market price during the month before the fiscal year end. Marketable securities with market values other than stocks are valued using the mark-to-market method based on market prices at the fiscal year end (cost of sales are primarily calculated with the moving average method). Marketable securities for which market values are not available are valued using either the cost method or the amortized cost method on the basis of a moving average. Valuation differences between the market value and the book value for all marketable securities are directly incorporated into capital. Unrealized Gains on Securities are all directly incorporated into Net Assets.
4. Derivative transactions other than trading transactions are stated using the mark-to-market method.
5. Tangible fixed assets (excluding Leased Assets) are subject to declining balance depreciation.
6. Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized using

the straight-line method over its estimated useful life determined by the Bank (principally 5 years).

7. Leased Assets, presented within Tangible Fixed Assets, relating to finance lease transactions that do not involve transfer of ownership are depreciated under the straight-line method, with zero residual value, over the lease term.

Finance lease transactions that do not involve transfer of ownership were previously accounted for using the same method as for operating leases. However, Accounting Standard for Lease Transactions (Accounting Standards Board of Japan (ASBJ) Statement No. 13, March 30, 2007) and Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, March 30, 2007) became effective from fiscal years beginning on or after April 1, 2008. Accordingly, the Bank has applied this accounting standard and application guidance from the fiscal period under review.

Finance lease transactions that commenced before April 1, 2008, and do not involve transfer of ownership are accounted for as leased assets acquired on the first day of the fiscal period under review. The acquisition price of these assets is recorded as the balance of prepaid lease fees as of March 31, 2008.

Owing to this change, compared with the previous accounting method, Leased Assets presented within Tangible Fixed Assets increased ¥2,575 million and Lease Obligations presented within Other Liabilities increased ¥2,589 million. The adoption of the new standard did not have a material impact on income.

8. Treatment of deferred assets on debenture issues: Debenture issue expenses are charged to income as they are incurred.
9. Assets and liabilities denominated in foreign currencies and the accounts of the Bank's overseas branches are principally translated into yen at the exchange rates prevailing as of the balance sheet date.
10. The Reserve for Possible Loan Losses is calculated in accordance with the predetermined standards for write-offs and reserve provisions as follows.

Normal loans and the loans that require special attention are defined in "Operational Guidelines for Verification of Internal Control for Self-Assessment of Assets in Banks and Other Financial Institutions" (JICPA Bank Auditing Special Committee Report No. 4). They are classified into certain categories, and reserve provisions are made on the basis of default rates over a specific period for each category.

Amounts reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees. Amounts reserved for loans to debtors that are legally or virtually bankrupt are determined to be the balance remaining after the expected amount to be collected through disposal of collateral or execution of guarantees.

Reserve for Loans to Debtors with Restructured Loans is provided based on the discounted cash flow (DCF) method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the DCF method, the

reserve is calculated as the difference between the book value of the loan and the present value of its expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

All loan assets have been assessed by the business departments and audited by the Credit Examination Division, which is independent from the business departments, to comply with the standard for self-assessment of assets. The amount of the reserve is determined based on the results of this audit.

11. The Reserve for Bonuses is set up to provide for the payment of bonuses to employees and appropriates an amount for the current period out of the amount of bonuses estimated to be paid to employees.
12. The Reserve for Retirement Benefit is set up for the payment of employees' retirement benefits. It represents the required amount calculated from estimated retirement benefit obligations and estimated pension assets at the end of this fiscal year. Unrecognized actuarial difference is amortized as follows:

Unrecognized actuarial difference: By the straight-line method over the number of years that does not exceed the average remaining service years (14 years) of employees at each fiscal year when the actuarial difference was incurred. This amortization starts from the next fiscal year.
13. Reserves for Losses on Refunds for Dormant Bonds are recorded for bonds that are no longer recognized as liabilities in an amount equivalent to the estimated losses arising from future demands for refunds.
14. Deferred hedging is used for hedge accounting against interest rate risk arising from financial assets and liabilities. In the preceding period, a macro hedge accounting method that uses derivative transactions to control aggregate interest rate risk arising from loans, deposits and other financial assets and liabilities was adopted under the "Accounting and Auditing Treatment of the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No. 15 — hereinafter referred to as such) as a transitional measure, but from the current period treatment has been based on the principal provisions of said report.

Of the gains and losses from deferred hedging shown in the balance sheet at the end of the period, those that were formerly based on macro hedges have been allocated as financing costs over a period of six years from April 1, 2003 according to the average remaining period of the hedge instruments designated as macro hedges.
15. Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated assets and liabilities, as stipulated in the "Accounting and Auditing Treatment of Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25). Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.

16. Interest rate swap transactions designated as hedges for those derivatives transactions that are internal transactions between special transaction accounts and other accounts (or between internal departments) were executed in conformity with external cover transaction standards for which strict hedge operations that eliminate arbitrary decision-making were recognized as possible under JICPA Industry Audit Committee Report No. 24. For this reason, earnings and expenses arising from said interest rate swap transactions have been recognized as gains and losses without being eliminated.

The deferral method or the special accrual method has been used for certain assets and liabilities.

17. National and local consumption taxes are accounted for with the tax exclusion method.
18. Accumulated depreciation of tangible fixed assets is ¥55,225 million.
19. Advanced depreciation of tangible fixed assets is ¥18,596 million.
20. In Loans, loans to bankrupt companies total ¥103,476 million and overdue loans total ¥230,770 million.

Loans to bankrupt companies are loans for which accrued interest is not shown in the accounts based on the assumption that principal or interest is likely to be unrecoverable because the interest or principal payments have been long overdue or for other reasons (excluding loans that have been written off, and hereinafter referred to as "loans for which accrued interest is not shown in the accounts"), where the loans in question are affected by the circumstances defined in Article 96, Clause 1, Numbers 3a–e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).

Overdue loans are loans for which accrued interest is not shown in the accounts, excluding loans to bankrupt companies, and loans for which the interest payments have been rescheduled to support financial restructuring of the borrowers.

21. Loans overdue by three months or longer total ¥14,452 million.

Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract. Loans that are classified as loans to bankrupt companies or overdue loans are excluded.
22. Rescheduled loans total ¥96,183 million. Rescheduled loans are loans for which the terms have been eased to support financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims, and exclude loans to bankrupt companies or overdue loans and loans overdue by three months or longer.
23. The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and rescheduled loans is ¥444,883 million.

The amounts of loans stated in Notes 20 through 23 are the numbers before the deduction of possible loan loss allowance.

24. Bills Discounted are handled as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. Accordingly the Bank has the right to freely

sell or use as collateral any accepted bank acceptance bills, trade bills, documentary bills or foreign exchange it has purchased, the aggregate face value of which is ¥472,070 million.

25. Assets provided as collateral are as follows.

Assets provided as collateral:

Securities	¥256,000 million
Liabilities corresponding to collateral assets:	
Deposits	¥ 8,107 million
Borrowings	¥ 6,524 million
Payables under Securities Lending Transactions	¥ 4,298 million

In addition to the above amounts, securities worth ¥209,774 million have been provided as collateral for foreign currency settlements and foreign currency-yen settlements, etc., or substituted for futures margin money, etc.

Guarantees and deposits account for ¥3,328 million of Other Assets.

26. Borrowings include loans payable under subordination covenant totaling ¥41,000 million.

27. Within Corporate Bonds, presented as a sub-item of Investment Securities, the Bank's guarantee liabilities relating to privately-offered corporate bonds (Financial Instruments and Exchange Law, Article 2, paragraph 3) amounted to ¥261,258 million.

28. Net assets per capital subscription unit amounted to ¥132.09.

29. Details of fair value and unrealized gains and losses on securities are as follows. In addition to Government Bonds, Local Government Bonds, Corporate Bonds, Stocks, and Other Securities, these items also include Trading Securities and Trust Beneficiary Rights as a subset of Monetary Claims Purchased. This pertains through Note 32.

Trading securities (As of September 30, 2008)

Book value	¥154 million
Recognized valuation differences in this fiscal period	(¥ 0 million)

Bonds to be held to maturity with market values (As of September 30, 2008)

Millions of yen

	Book Value	Fair Value	Valuation Differences	Valuation Gains Therein	Valuation Losses Therein
Government Bonds	212,058	212,581	523	724	201
Corporate Bonds	7,858	7,820	(37)	—	37
Others	4,146	4,098	(47)	—	47
Total	224,062	224,501	438	724	286

Notes: 1. Market value is based on closing market values, etc., at the fiscal period end.

2. "Valuation differences" are broken down into "valuation gains therein" and "valuation losses therein."

Other securities with market values (As of September 30, 2008)

Millions of yen

	Acquisition Cost	Book Value	Valuation Differences	Valuation Gains Therein	Valuation Losses Therein
Stocks	12,782	15,326	2,543	3,571	1,027
Bonds	919,610	919,912	301	810	508
Government Bonds	708,222	708,625	403	548	145
Local Government Bonds	54,044	54,003	(41)	45	87
Corporate Bonds	157,343	157,283	(59)	216	275
Others	47,361	41,940	(5,421)	14	5,436
Total	979,754	977,178	(2,575)	4,396	6,972

Notes: 1. The value of stocks posted in the balance sheets were calculated based on the average market values in the final month of the fiscal period. The value for other items was based on market values at the end of the fiscal period.

2. "Valuation differences" are broken down into "valuation gains therein" and "valuation losses therein."

30. Other marketable securities disposed of during the period are as follows. (For the period ended September 30, 2008)

The amount disposed of	¥321,228 million
The profit from disposal	¥ 1,702 million
The loss from disposal	¥ 7,332 million

31. Major securities without market value and their book value (As of September 30, 2008)

Items	Book Value
Securities	
Unlisted stocks	¥ 7,217 million
Bonds	¥263,718 million
Other securities	¥ 18,444 million

32. Following are the expected amounts to be redeemed in respect to marketable securities whose maturity dates are set, and bonds to be held to maturity. (As of September 30, 2008)

	Millions of yen			
	1 Year or Less	5 Years or Less but More than 1 Year	10 Years or Less but More than 5 Years	More than 10 Years
Bonds	582,674	814,699	6,173	—
Government Bonds	505,545	415,137	—	—
Local Government Bonds	8,083	45,920	—	—
Corporate Bonds	69,045	353,641	6,173	—
Others	24,132	14,287	15,802	8,973
Total	606,806	828,987	21,975	8,973

33. Overdraft contracts and commitment line contracts on loans are the agreements under which the Bank grants a loan up to a designated credit limit when the customer requests, unless there is breach of the conditions stipulated in the contract. The outstanding credit facility ready for claims under such agreements is ¥793,957 million. Of these, ¥752,047 million worth have an original contract duration of one year or less (or can be dissolved without condition at any point in time).

Most of these contracts are terminated before the amount of the credit facility determined in the agreements is fully utilized, so the outstanding credit facility itself does not always affect the Bank's future cash flows. Most of these agreements have provisions that allow the Bank to cancel the customers' claim and/or to reduce the credit limit for appropriate reasons such as changes in financial situation and protection of credit standing.

Moreover when necessary the Bank requires customers to provide property or securities as collateral when signing the contract. After the Bank enters into the agreement, it periodically (every half-year) checks customers' business condition in accordance with internally established procedures, reviews the conditions of the agreement if necessary, and takes measures to protect the Bank's assets.

34. The breakdown of deferred tax assets and deferred tax liabilities by cause of accrual is as follows.

Deferred tax assets	Millions of yen
Accrued provisions for doubtful accounts	70,365
Accrued retirement benefit costs	6,280
Other	10,787
Subtotal—deferred tax assets	87,433
Valuation allowance	(8,547)
Total deferred tax assets	78,885
Deferred tax liabilities	
Deferred Gains or Losses on Hedges	359
Total deferred tax liabilities	359
Net deferred tax assets	78,526

35. For the fiscal period under review, the mandated effective tax rate used to calculate the Bank's deferred tax assets and deferred tax liabilities was changed from 40.40%, which was used in the previous fiscal period, to 40.60%.

As a result of this change in the mandated effective tax rate, Net Deferred Tax Assets increased ¥385 million and Adjustment for Income Taxes decreased by the same amount in the fiscal period under review.

STATEMENTS OF INCOME

1. All amounts expressed in the statements have been rounded down to the nearest million yen.
2. Net income per capital unit is ¥0.54.
3. The Bank shows gains and losses on transactions undertaken for the purposes of trading transactions in the Statements of Income as Trading Revenue or Trading Expenses.

In the Statements of Income, Trading Revenue and Trading Expenses are arrived at by adding to interest received and paid and other items during the year, amounts equivalent to the changes in valuation between the ends of the previous and current years for securities and monetary claims, etc., and amounts equivalent to changes in deemed settlements between the ends of the previous and current years for derivatives.

Statements of Cash Flows

The Shoko Chukin Bank, Ltd. For the six months ended September 30, 2008 and year ended March 31, 2008

Fiscal period ended	Millions of yen		Millions of U.S. dollars
	September 30, 2008	March 31, 2008	September 30, 2008
1. Cash Flows from Operating Activities			
Income before Income Taxes	¥ (4,493)	¥ 13,848	\$ (43)
Depreciation	2,508	3,644	24
Impairment Loss on Fixed Assets	—	7	—
Increase (Decrease) in Reserve for Possible Loan Losses	10,208	(25,617)	98
Increase (Decrease) in Reserve for Retirement Benefits	(286)	(737)	(2)
Increase (Decrease) in Reserve for Employee Bonuses	(90)	(130)	(0)
Increase (Decrease) in Reserve for Retirement Benefits for Directors	(92)	92	(0)
Increase (Decrease) in Reserve for Losses on Refund for Dormant Bonds	(6)	3,684	(0)
Income from Fund Management	(94,407)	(191,373)	(911)
Expenses for Fund Procurement	34,094	61,616	329
Losses Relating to Securities	6,323	2,636	61
Foreign Exchange Gain (Loss)	(195)	(176)	(1)
Losses on Disposal of Fixed Assets	262	108	2
Net (Increase) Decrease in Trading Assets	1,618	(4,704)	15
Net Increase (Decrease) in Trading Liabilities	(2,183)	4,019	(21)
Net (Increase) Decrease in Loans	182,836	240,293	1,765
Net Increase (Decrease) in Debentures	(201,442)	(407,016)	(1,944)
Net Increase (Decrease) in Deposits	67,059	115,153	647
Net Increase (Decrease) in Negotiable Certificates of Deposit	(5,153)	(2,743)	(49)
Net Increase (Decrease) in Borrowed Money excluding Subordinated Debt	1,150	5,904	11
Net (Increase) Decrease in Call Loans, etc.	12,883	3,387	124
Net Increase (Decrease) in Call Money, etc.	(29,201)	13,594	(281)
Net Decrease in Payables under Securities Lending Transactions	4,298	—	41
Net (Increase) Decrease in Due from Banks Other than the Central Bank	(80)	(6,714)	(0)
Net (Increase) Decrease in Foreign Currencies (Assets)	(772)	(462)	(7)
Net Increase (Decrease) in Foreign Currencies (Liabilities)	129	15	1
Income from Fund Operations	94,223	197,065	909
Expenditures for Fund Procurement	(31,612)	(57,105)	(305)
Others	(24,554)	(31,365)	(237)
Subtotal	23,021	(63,077)	222
Income Taxes	(247)	(990)	(2)
Net Cash Provided by (Used in) Operating Activities	22,774	(64,068)	219
2. Cash Flows from Investing Activities			
Payments for Purchases of Securities	(2,143,775)	(3,863,891)	(20,698)
Proceeds from Sales of Securities	321,228	378,522	3,101
Proceeds from Redemption of Securities	1,800,618	3,529,751	17,385
Payments for Acquisitions of Tangible Fixed Assets	(427)	(841)	(4)
Payments for Acquisitions of Intangible Fixed Assets	(1,186)	(2,713)	(11)
Proceeds from Sales of Tangible Fixed Assets	2	208	0
Net Cash (Used in) Provided by Investing Activities	(23,541)	41,036	(227)
3. Cash Flows from Financing Activities			
Proceeds from Increase in Capital Contribution	(344)	—	(3)
Dividends Paid	(3,521)	(3,438)	(33)
Proceeds from Issuance of Subordinated Debt	—	21,000	—
Net Cash (Used in) Provided by Financing Activities	(3,866)	17,561	(37)
4. Translation Differences of Cash and Cash Equivalents	—	—	—
5. Increase (Decrease) in Cash and Cash Equivalents	(4,633)	(5,470)	(44)
6. Cash and Cash Equivalents at the Beginning of the Year	34,389	39,860	332
7. Cash and Cash Equivalents at the End of the Year	¥ 29,756	¥ 34,389	\$ 287

Notes: 1. The scope of funds in the Statement of Cash Flows is deposits and money deposited with the Central Bank in "Cash and Due from Banks" in the Balance Sheet.

2. Cash and Cash Equivalents at the Beginning of the Year and the amounts of items stated in the Balance Sheet are reconciled as follows:

As of September 30, 2008

Cash and Due from Banks	¥ 69,566 million
Due from Banks other than the Central Bank	(¥ 39,810 million)
	¥ 29,756 million

As of March 31, 2008

Cash and Due from Banks	¥74,118 million
Due from Banks other than the Central Bank	(¥39,729 million)
	¥34,389 million

Capital Account Details

CAPITAL RATIO		(¥100 million, %)	
		(as of September 30, 2008)	(as of March 31, 2008)
Core Capital (Tier 1 Capital)	(A)	6,877	6,885
	Capital	5,224	5,227
	45% of Marketable Securities' Balance Sheet Value Minus Book Value	—	18
Supplementary Capital (Tier 2 Capital)	General Reserve for Possible Loan Losses	637	610
	Subordinated Borrowings	410	410
	Total	1,047	1,038
	Amount Counted as Capital	(B) 1,047	1,038
Deductions	Intentional Holdings of Other Financial Institutions' Capital	(C) —	—
Total Capital	(A) + (B) – (C)	(D) 7,925	7,924
	Credit Risk-weighted Assets		
	Assets Stated on the Balance Sheet	84,385	85,758
	Off-balance Sheet Items	1,515	1,411
Risk-weighted Assets	Total	85,901	87,169
	Risk-weighted Assets for Operational Risk, Divided by 8%	2,732	2,792
	Total	(E) 88,633	89,962
Capital Ratio (%)	(D)/(E)	8.94	8.80

Total Capital:

Total capital remained at a level materially unchanged compared with March 31, 2008.

The Bank's Capital Ratio:

1. The Bank's capital ratio is computed according to the formula stipulated in notices of the Ministry of Finance and the Ministry of Economy, Trade and Industry. Credit Risk-weighted Assets and Risk-weighted Assets for Operational Risk are each calculated according to standard methods and basic methods stipulated in said notice.
2. The Bank receives special treatment in terms of the application of BIS international capital adequacy guidelines for financial institutions and is exempt from the Prompt Corrective Action specified under the Banking Law, etc., owing to its special status as a government-affiliated financial institution.
3. The Bank is exempt from reevaluating land under the Land Properties Revaluation Act and land is valued at the original purchase price. Supplementary Capital in the above calculation of the Bank's Capital Ratio does not include gains on land revaluation.
4. Following the Bank's change of status to a joint-stock company on October 1, 2008, the Bank is required to calculate its capital adequacy ratio in accordance with notifications from the Financial Services Agency, Ministry of Finance and Ministry of Economy, Trade and Industry. Under the Shoko Chukin Bank Limited Act, the Bank's objective is to conduct business necessary to facilitate financing for SMEs. Owing to this special characteristic, the Bank remains exempted from the Prompt Corrective Action stipulated under the Banking Law and other regulations.

Profit and Loss Details

SUMMARY OF INCOME

(¥100 million)

Fiscal period ended	September 30, 2008	March 31, 2008
Gross Operating Profit	618	1,409
Provision for the General Reserve for Possible Loan Losses	27	(18)
General and Administrative Expenses (Excluding Nonrecurring Items)	366	724
Operating Profit	224	703
Operating Profit before Deduction of Provision for the General Reserve for Possible Loan Losses	251	685
Nonrecurring Profit and Loss (Including Nonrecurring Expenses)	(267)	(531)
Income before Income Taxes and Others	(43)	172
Other Gains and Losses	(1)	(34)
Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax	7	3
Adjustment of Income Taxes	(81)	(84)
Net Income	28	218

Notes: Operating Profit is income generated by the Bank's primary businesses and is calculated using the following formula:
 Operating Profit = Gross Operating Profit – (Provision for the General Reserve for Possible Loan Losses + General and Administrative Expenses (Excluding Nonrecurring Items))

GROSS OPERATING PROFIT

(¥100 million, %)

Fiscal period ended	September 30, 2008			March 31, 2008		
	Domestic	International	Total	Domestic	International	Total
Net Interest Income	593	9	603	1,281	16	1,297
Fees and Commissions	45	1	47	91	3	95
Trading Revenue	8	15	23	16	10	26
Other Operating Income	8	(64)	(55)	(4)	(5)	(9)
Gross Operating Profit	656	(38)	618	1,384	25	1,409
Gross Operating Profit Ratio (%)	1.26	(3.93)	1.17	1.30	1.19	1.30

Notes: 1. Domestic departments handle transactions in yen with Japanese residents through the domestic branches. International departments handle transactions with non-residents in Japan, foreign currency transactions and transactions made on special international financial accounts (transactions in the Tokyo Offshore Market) through the domestic branches and those operated through the New York branch.

2. Gross Operating Profit Ratio = $\frac{\text{Gross Operating Profit}}{\text{Average Balance of Interest Earning Assets}} \times 100$

ASSET PORTFOLIO ACCOUNTS, FUND RAISING ACCOUNTS, INTEREST AND YIELD

(¥100 million, %)

Fiscal period ended		September 30, 2008			March 31, 2008		
		Domestic	International	Total	Domestic	International	Total
Asset Portfolio Accounts	Average Balance	103,907	1,933	104,846	106,118	2,092	107,405
	Interest Income	923	24	944	1,841	77	1,913
	Yield (%)	1.77	2.51	1.79	1.73	3.70	1.77
Fund Raising Accounts	Average Balance	93,891	1,933	94,830	95,865	2,092	97,151
	Interest Income	329	14	340	559	61	616
	Yield (%)	0.70	1.53	0.71	0.58	2.93	0.63

Note: The average balance of yen funds invested from the domestic department to the international department was ¥80.6 billion in the fiscal period ended March 31, 2008 and ¥99.4 billion in the fiscal period ended September 30, 2008, and the income from those investments was ¥0.5 billion in the fiscal period ended March 31, 2008 and ¥0.3 billion in the fiscal period ended September 30, 2008.

ANALYSIS OF INTEREST INCOME AND EXPENSE

(¥100 million)

Fiscal period ended		September 30, 2008		
		Domestic	International	Total
Interest Income	Change Due to Balance	(60)	(1)	(63)
	Change Due to Interest Rate	220	(1)	217
	Net Change	159	(3)	154
Interest Expense	Change Due to Balance	(12)	(1)	(15)
	Change Due to Interest Rate	239	(3)	234
	Net Change	226	(4)	219

Note: The change due to both the changes in balance and interest rates is included in Change Due to Interest Rate. The fiscal period ended September 30, 2008, covers a six-month period.

Since the fiscal period ended March 31, 2008, and the fiscal period ended September 30, 2008 (six months) cover periods of differing length, the Bank has not carried out an analysis similar to the one above.

FEES AND COMMISSIONS

(¥100 million)

Fiscal period ended		September 30, 2008			March 31, 2008		
		Domestic	International	Total	Domestic	International	Total
Fee and Commission Income		48	2	50	96	5	102
Fee and Commission Expense		2	0	3	5	1	6

TRADING TRANSACTIONS

(¥100 million)

Fiscal period ended	September 30, 2008			March 31, 2008		
	Domestic	International	Total	Domestic	International	Total
Trading Revenue and Expenditures	8	15	23	16	10	26
Revenue and Expenditures from Trading Marketable Securities	0	—	0	0	—	0
Revenue and Expenditures from Trading Marketable Securities	(0)	—	(0)	(0)	—	(0)
Revenue and Expenditures from Trading-related Financial Derivatives Transactions	8	15	23	15	10	25
Other Trading Revenue	—	—	—	1	—	1

Notes: 1. Income and expense are netted for each item in the domestic and international departments.

2. Revenue and Expenditures from Financial Derivatives Transactions were denominated in yen in domestic departments and in foreign currencies in international departments.

DETAILS OF OTHER OPERATING AND EXPENSES

(¥100 million)

Fiscal period ended	September 30, 2008			March 31, 2008		
	Domestic	International	Total	Domestic	International	Total
Revenue and Expenditures from Foreign Exchange Trading	—	5	5	—	8	8
Revenue and Expenditures from Government and Other Bonds	11	(67)	(56)	(2)	(14)	(16)
Revenue and Expenditures from Financial Derivatives	(0)	(2)	(2)	(0)	0	0
Others	(2)	—	(2)	(2)	—	(2)
Total	8	(64)	(55)	(4)	(5)	(9)

Note: Revenue and Expenditures from Financial Derivatives were denominated in yen in domestic departments and in foreign currencies in international departments.

GENERAL AND ADMINISTRATIVE EXPENSES

(¥100 million)

Fiscal period ended	September 30, 2008	March 31, 2008
Salaries	164	330
Welfare Expenses	2	6
Depreciation	25	36
Rent & Lease Expenses for Land, Buildings and Equipment	24	61
Taxes and Duties	13	19
Others	144	280
Total	375	735

PROVISIONAL EXPENSES

(¥100 million)

Fiscal period ended	September 30, 2008	March 31, 2008
Total Provision of Bad Debt	(263)	(533)
Write-offs of Loans	(0)	(12)
Provision for Individual Possible Loan Losses	(255)	(441)
Disposal Losses of Claims	(7)	(78)
Others	(4)	1
Total	(267)	(531)

Note: Disposal losses of claims are shown after the deduction of draw down of reserves for individual possible loan losses.

RETURN ON EQUITY AND ASSETS

(%)

Fiscal period ended	September 30, 2008	March 31, 2008
Ratio of Recurring Profit to Total Assets	(0.08)	0.15
Ratio of Recurring Profit to Capital Funds	(1.27)	2.58
Ratio of Net Income to Total Assets	0.05	0.20
Ratio of Net Income to Capital Funds	0.84	3.27

Notes: 1. Ratio of Recurring Profit to Total Assets = $\frac{\text{Recurring Profit}}{\text{Average Balance of Total Assets (excluding Guarantee Contra Accounts)}} \times 100$

2. Ratio of Recurring Profit to Net Assets (Capital Funds) = $\frac{\text{Recurring Profit}}{\text{Average Balance of Net Assets}} \times 100$

MARGIN

(%)

Fiscal period ended	September 30, 2008			March 31, 2008		
	Domestic	International	Total	Domestic	International	Total
Yield	1.77	2.51	1.79	1.73	3.70	1.77
Cost of Funds Raised	1.46	2.48	1.48	1.31	3.80	1.37
Total Margin	0.31	0.02	0.30	0.41	(0.10)	0.40

Notes 1. Yield = $\frac{\text{Interest Income}}{\text{Average Balance of Funds Invested}} \times 100$

2. Cost of Funds Raised = $\frac{(\text{Interest Expense} + \text{General and Administrative Expense})}{\text{Average Balance of Funds Raised}} \times 100$

3. Total Margin = Yield – Cost of Funds Raised