

Financial Data (Non-Consolidated)

Six Months Ended March 31, 2009

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Trends in Principal Financial Indicators (Non-Consolidated)

Fiscal period ended	Billions of yen					
	March 31, 2009	September 30, 2008	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Total Operating Income	110.4	105.4	209.4	192.2	186.1	189.4
(Loss) Income before Income Taxes and Others	(6.2)	(4.3)	17.2	28.2	28.5	15.3
Net (Loss) Income	(3.7)	2.8	21.8	14.2	12.8	9.2
Capital	218.6	522.4	522.7	522.7	519.7	517.2
(Total Number of Shares Issued in Thousands of Units)	(2,186,531)	(—)	(—)	(—)	(—)	(—)
(Total Subscription in Thousands of Units)	(—)	(5,224,202)	(5,227,650)	(5,227,650)	(5,197,650)	(5,172,650)
Total Capital Funds	681.3	690.0	694.8	678.6	664.7	652.8
Total Assets	10,881.9	10,538.1	10,722.9	10,996.8	11,495.4	11,584.8
Outstanding Deposits	3,112.5	2,722.1	2,655.0	2,539.9	2,420.0	2,390.0
Outstanding Debentures	6,405.7	6,620.5	6,821.9	7,228.9	7,832.6	7,811.2
Outstanding Loans	9,161.2	8,932.1	9,114.9	9,355.2	9,427.6	9,588.8
Balance of Investment Securities	1,560.9	1,473.5	1,463.4	1,532.0	1,770.7	1,610.3
Net Assets per Share (Yen)	128.84	—	—	—	—	—
Dividends per Share	Common stock (non-government portion) 1.50 yen (government portion) 0.50 yen	—	—	—	—	—
Dividend per Cooperative Subscription Unit (Yen)	—	1.50	3.00	3.00	3.00	3.00
Net (Loss) Income per Share (Yen)	(1.70)	—	—	—	—	—
Net Income per Share (Diluted) (Yen)	—	—	—	—	—	—
Capital Ratio (%)	6.26	—	—	—	—	—
Non-consolidated Capital Ratio (uniform international standards) (%)	8.92	8.94	8.80	8.31	8.01	7.78
Return on Equity (%)	(1.08)	—	—	—	—	—
Price Earnings Ratio	—	—	—	—	—	—
Dividend Payment Ratio (%)	—	61.41	16.10	24.10	26.19	35.27
Number of Employees (Persons)	3,907	3,996	3,836	3,850	3,878	3,898
[Average Number of Temporary Employees]	[612]	[599]	[588]	[586]	[580]	[576]

Notes: 1. National and local consumption taxes are accounted for with the tax exclusion method.

2. "Net Assets per Share," "Net (Loss) Income per Share" and "Net Income per Share (Diluted)" (hereafter collectively referred to as "Per Share Data") are calculated based on the "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan Statement No. 2) and the "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).

3. Turning to Net Income per Share (diluted), the Shoko Chukin Bank recorded a Net Loss per Share for the fiscal period under review. The figure for Net Income per Share (diluted) is not disclosed because there were no shares with a dilutive effect.

4. Dividends per Share are classified and recorded as two separate types of common stock, namely the government portion and non-government portion. With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Limited Act. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Limited Act. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Limited Act is 1:3 (one-third).

5. The Capital Ratio is calculated as follows: Total Net Assets as of the fiscal period-end / Total Assets as of the fiscal period-end x 100.

6. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed.

7. The Non-consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.

8. The figure for Dividend Payout Ratio is not disclosed because the Shoko Chukin Bank reported a net loss for the fiscal period under review.

9. The Shoko Chukin Bank changed its status to a joint-stock company on October 1, 2008 in accordance with provisions outlined under the Shoko Chukin Bank Limited Act. As a result, the Bank's 80th fiscal account settlement period ended March 31, 2009 is the six-month period from October 1, 2008 to March 31, 2009.

10. The number of employees is the number of people employed (excluding workers on loan).

Historically, the number of workers on loan was included in the number of employees reported by the Shoko Chukin Bank. In order to maintain consistency with the Bank's Securities Report, the number of employees recorded excludes workers on loan effective from the fiscal period ended March 31, 2009.

Non-Consolidated Balance Sheet

The Shoko Chukin Bank, Ltd. As of March 31, 2009

	Millions of yen	Millions of U.S. dollars
	2009	2009
ASSETS		
Cash and Due from Banks	¥ 93,013	\$ 946
Cash	25,429	258
Due from Banks	67,583	688
Call Loans	4,205	42
Monetary Claims Purchased	31,752	323
Trading Assets	19,393	197
Trading Securities	129	1
Trading-related Financial Derivative Transactions	19,264	196
Investment Securities	1,560,935	15,890
Government Bonds	954,756	9,719
Local Government Bonds	75,014	763
Corporate Bonds	475,840	4,844
Stocks	25,029	254
Other Securities	30,294	308
Loans	9,161,235	93,263
Bills Discounted	402,215	4,094
Loans on Notes	671,936	6,840
Loans on Deeds	6,702,421	68,231
Overdrafts	1,384,662	14,096
Foreign Exchange	7,006	71
Due from Foreign Banks	3,719	37
Foreign Exchange Bills Purchased	804	8
Foreign Exchange Bills Receivable	2,482	25
Other Assets	32,300	328
Settlements Receivable	2	0
Prepaid Expenses	119	1
Accrued Income	6,997	71
Financial Derivative Transactions	2,082	21
Other Assets	23,098	235
Tangible Fixed Assets	43,737	445
Buildings	16,052	163
Land	24,283	247
Leased Assets	2,253	22
Construction in Progress	2	0
Other Tangible Fixed Assets	1,145	11
Intangible Fixed Assets	6,816	69
Software	5,478	55
Other Intangible Fixed Assets	1,337	13
Deferred Income Taxes	82,505	839
Customers' Liabilities for Acceptances and Guarantees	74,089	754
Customers' Liabilities for Acceptances and Guarantees	70,568	718
Customers' Liabilities for Guaranteeing Agency Loans	3,520	35
Reserve for Possible Loan Losses	(235,015)	(2,392)
Total Assets	¥10,881,977	\$110,780

	Millions of yen	Millions of U.S. dollars
	2009	2009
LIABILITIES		
Deposits	¥ 3,112,571	\$ 31,686
Current Deposits	477,010	4,856
Ordinary Deposits	681,757	6,940
Deposits at Notice	97,172	989
Time Deposits	1,788,750	18,209
Other Deposits	67,880	691
Negotiable Certificates of Deposit	49,760	506
Shoko Chukin Bank Debentures	6,405,711	65,211
Shoko Chukin Bank Debentures Issued	6,405,711	65,211
Call Money	4,207	42
Trading Liabilities	13,771	140
Trading-related Financial Derivatives	13,771	140
Borrowed Money	249,862	2,543
Borrowings	249,862	2,543
Foreign Exchange	28	0
Due to Foreign Banks (their accounts)	0	0
Borrowings from Foreign Banks	2	0
Foreign Exchange Bills Sold	22	0
Foreign Exchange Bills Payable	3	0
Other Liabilities	262,919	2,676
Settlements Payable	0	0
Corporate Taxes Payable	508	5
Accrued Expenses	22,651	230
Unearned Income	17,239	175
Deposits by Employees	7,655	77
Financial Derivative Transactions	334	3
Lease Obligations	2,302	23
Debenture Principal Payable	208,937	2,127
Other Liabilities	3,289	33
Reserve for Bonuses	4,370	44
Reserve for Retirement Benefit	19,873	202
Reserve for Retirement Benefits for Directors	15	0
Reserve for Losses on Refund for Dormant Bonds	3,471	35
Acceptances and Guarantees	74,089	754
Acceptances and Guarantees	70,568	718
Guarantees for Agency Loans	3,520	35
Total Liabilities	10,200,652	103,844
NET ASSETS		
Capital	218,653	2,225
Special Reserve under the Shoko Chukin Bank Law	400,811	4,080
Capital Surplus	0	0
Other Capital Surplus	0	0
Retained Earnings	66,135	673
Earnings Reserve	13,865	141
Other Retained Earnings	52,270	532
Reserve for Particular Purposes	51,470	523
Retained Earnings Brought Forward	799	8
Treasury Stock	(945)	(9)
Total Shareholders' Equity	684,654	6,969
Unrealized Gains on Securities	(3,759)	(38)
Deferred Hedge Losses	429	4
Total Valuation and Translation Adjustments	(3,329)	(33)
Total Net Assets	681,324	6,936
Total Liabilities and Net Assets	¥10,881,977	\$ 110,780

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the six months ended March 31, 2009

	Millions of yen	Millions of U.S. dollars
	2009	2009
Operating Income	¥ 110,448	\$ 1,124
Interest Income	93,302	949
Interest on Loans	83,950	854
Interest and Dividends on Securities	7,746	78
Interest on Call Loans	75	0
Interest on Bills Purchased	1	0
Interest on Deposits	88	0
Other Interest Income	1,439	14
Fees and Commissions	5,221	53
Domestic and Foreign Exchange Commissions	821	8
Other Fees and Commissions	4,399	44
Trading Revenue	2,425	24
Trading Securities Revenue	2	0
Revenue from Trading-related Financial Derivatives	2,423	24
Other Operating Income	5,153	52
Revenue from Foreign Exchange Trading	410	4
Revenue from Sales of Government and Other Bonds	4,742	48
Other Income	4,345	44
Revenue from Sales of Stocks and Other Securities	131	1
Other Income	4,213	42
Operating Expenses	116,739	1,188
Interest Expense	34,637	352
Interest on Deposits	4,366	44
Interest on Negotiable Certificates of Deposit	98	0
Interest on Debentures	29,149	296
Interest on Call Money	123	1
Interest on Resale Agreements	33	0
Interest on Loan Transactions	31	0
Interest on Borrowed Money	729	7
Other Interest Expenses	105	1
Fees and Commissions	350	3
Domestic and Foreign Exchange Commissions	175	1
Other Fees and Commissions	175	1
Trading Expenses	2	0
Expenses on Securities and Derivatives related to Trading Transactions	2	0
Other Operating Expenses	962	9
Losses on Sales of Government and Other Bonds	533	5
Amortization of Debenture Issue Expenses	58	0
Financial Derivatives Expenses	245	2
Other Operating Expenses	124	1
General and Administrative Expenses	39,220	399
Other Expenses	41,566	423
Provision for Possible Loan Losses	37,535	382
Write-off of Loans	319	3
Loss on Sales of Stocks and Other Securities	32	0
Write-off of Stocks	596	6
Other Expenses	3,082	31
Loss before Income Taxes and Other	(6,290)	(64)

	Millions of yen	Millions of U.S. dollars
	2009	2009
Other Gains	¥ 413	\$ 4
Gains on Disposal of Fixed Assets	355	3
Collection of Written-off Claims	57	0
Other Losses	93	0
Losses on Disposal of Fixed Assets	93	0
Loss before Income Taxes	(5,969)	(60)
Provision for Income Taxes	137	1
Adjustment for Income Taxes	(2,390)	(24)
Total Income Taxes	(2,252)	(22)
Net Loss	¥ (3,717)	\$ (37)

Non-Consolidated Statement of Changes in Net Assets

The Shoko Chukin Bank, Ltd. For the six months ended March 31, 2009

	Millions of yen	Millions of U.S. dollars
	2009	2009
Shareholders' Equity:		
Capital:		
Balance at the End of the Previous Period	¥522,420	\$ 5,318
Changes during the Period		
Transfer to Special Reserve from Capital	(303,767)	(3,092)
Total Changes during the Period	(303,767)	(3,092)
Balance at the End of the Period	218,653	2,225
Special Reserve:		
Balance at the End of the Previous Period	—	—
Changes during the Period		
Transfer to Special Reserve from Capital	303,767	3,092
Transfer to Special Reserve from Earnings Reserve	18,845	191
Transfer to Special Reserve from Reserve for Particular Purposes	78,198	796
Total Changes during the Period	400,811	4,080
Balance at the End of the Period	400,811	4,080
Capital Surplus:		
Other Capital Surplus:		
Balance at the End of the Previous Period	—	—
Changes during the Period		
Disposition of Treasury Stock	0	0
Total Changes during the Period	0	0
Balance at the End of the Period	0	0
Total Capital Surplus:		
Balance at the End of the Previous Period	—	—
Changes during the Period		
Disposition of Treasury Stock	0	0
Total Changes during the Period	0	0
Balance at the End of the Period	0	0
Retained Earnings:		
Earnings Reserve:		
Balance at the End of the Previous Period	32,410	329
Changes during the Period		
Transfer to Special Reserve from Earnings Reserve	(18,845)	(191)
Dividends from Surplus	300	3
Total Changes during the Period	(18,545)	(188)
Balance at the End of the Period	13,865	141
Other Retained Earnings:		
Reserve for Particular Purposes:		
Balance at the End of the Previous Period	129,269	1,315
Changes during the Period		
Transfer to Special Reserve from Reserve for Particular Purposes	(78,198)	(796)
Provision of Reserve for Particular Purposes	400	4
Total Changes during the Period	(77,798)	(791)
Balance at the End of the Period	51,470	523
Retained Earnings Brought Forward:		
Balance at the End of the Previous Period	6,977	71
Changes during the Period		
Dividends from Surplus	(2,060)	(20)
Provision of Reserve for Particular Purposes	(400)	(4)
Net Loss	(3,717)	(37)
Total Changes during the Period	(6,178)	(62)
Balance at the End of the Period	799	8
Total Retained Earnings:		
Balance at the End of the Previous Period	168,657	1,716
Changes during the Period		
Transfer to Special Reserve from Earnings Reserve	(18,845)	(191)
Transfer to Special Reserve from Reserve for Particular Purposes	(78,198)	(796)
Dividends from Surplus	(1,760)	(17)
Provision of Reserve for Particular Purposes	—	—
Net Loss	(3,717)	(37)
Total Changes during the Period	(102,521)	(1,043)
Balance at the End of the Period	66,135	673

	Millions of yen	Millions of U.S. dollars
	2009	2009
Treasury Stock:		
Balance at the End of the Previous Period	¥ —	\$ —
Changes during the Period		
Acquisition of Treasury Stock	(945)	(9)
Disposition of Treasury Stock	0	0
Total Changes during the Period	(945)	(9)
Balance at the End of the Period	(945)	(9)
Total Shareholders' Equity:		
Balance at the End of the Previous Period	691,077	7,035
Changes during the Period		
Transfer to Special Reserve from Capital	—	—
Transfer to Special Reserve from Earnings Reserve	—	—
Transfer to Special Reserve from Reserve for Particular Purposes	—	—
Dividends from Surplus	(1,760)	(17)
Net Loss	(3,717)	(37)
Acquisition of Treasury Stock	(945)	(9)
Disposition of Treasury Stock	0	0
Total Changes during the Period	(6,423)	(65)
Balance at the End of the Period	684,654	6,969
Valuation and Translation Adjustments:		
Unrealized Gains on Securities:		
Balance at the End of the Previous Period	(1,530)	(15)
Changes during the Period		
Net Changes of Items Other Than Shareholders' Equity	(2,228)	(22)
Total Changes during the Period	(2,228)	(22)
Balance at the End of the Period	(3,759)	(38)
Deferred Hedge Losses:		
Balance at the End of the Previous Period	525	5
Changes during the Period		
Net Changes of Items Other Than Shareholders' Equity	(96)	0
Total Changes during the Period	(96)	0
Balance at the End of the Period	429	4
Total Valuation and Translation Adjustments:		
Balance at the End of the Previous Period	(1,004)	(10)
Changes during the Period		
Net Changes of Items Other Than Shareholders' Equity	(2,325)	(23)
Total Changes during the Period	(2,325)	(23)
Balance at the End of the Period	(3,329)	(33)
Total Net Assets:		
Balance at the End of the Previous Period	690,073	7,025
Changes during the Period		
Dividends from Surplus	(1,760)	(17)
Net Loss	(3,717)	(37)
Acquisition of Treasury Stock	(945)	(9)
Disposition of Treasury Stock	0	0
Net Changes of Items Other Than Shareholders' Equity	(2,325)	(23)
Total Changes during the Period	(8,748)	(89)
Balance at the End of the Period	¥ 681,324	\$ 6,936

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 Limited 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 ¥98.23=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2009, 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis for valuation of Trading Assets/Liabilities and calculation of Revenue/Expenses

Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of securities 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, while gains and losses from the said transactions are shown in the Statements of Operations as Trading Revenue or Trading Expenses.

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.

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

2. Basis and methods for valuation of securities

The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are amortized using the moving average cost method (straight-line method), whereas subsidiaries' stocks and affiliates' stocks are valued using the moving average, cost method. Stocks for which market values are available are valued at the average market price during the month before this fiscal period end. Marketable securities with market values other than stocks are valued using the mark-to-market method based on market prices at the fiscal period 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.

Unrealized Gains on Securities are all directly incorporated into Net Assets.

3. Basis and methods for valuation of derivative transactions

Derivative transactions other than Trading Transactions are stated using the mark-to-market method.

4. Amortization of fixed assets

(1) Tangible Fixed Assets (excluding Leased Assets)

Tangible Fixed Assets are subject to declining balance depreciation.

Expected useful lives for major items are as follows:

Buildings: 2 to 65 years

Other Tangible Fixed Assets: 2 to 20 years

(2) Intangible Fixed Assets (excluding Leased Assets)

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).

(3) Leased Assets

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.

5. Treatment of Deferred Assets

Debenture Issue Expenses are charged to expenses as they are incurred.

6. Currency translation into yen for assets and liabilities denominated in foreign currencies

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.

7. Accounting standard for reserves

(1) Reserve for Possible Loan Losses

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 Self-Assessment of Assets and Audits on Write-Offs and Reserves for Possible Loan Losses 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 deducting the estimated amounts to be collected through disposal of collateral and execution of guarantees.

Reserve for Loans to Debtors at Risk of bankruptcy/ 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.

- (2) Reserve for Bonuses
The Reserve for Bonuses is set up for the payment of employees' bonuses and appropriates an amount for this fiscal period out of the amount of bonuses estimated to be paid to employees.
 - (3) Reserve for Retirement Benefit
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 period. 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 period when the actuarial difference was incurred. This amortization starts from the next fiscal period.
 - (4) Reserve for Retirement Benefits for Directors
The Reserve for Retirement Benefits for Directors is set up for the payment of directors' retirement benefits. It represents amounts that have accrued through the end of this fiscal period out of the retirement benefit amount estimated to be paid to directors.
 - (5) Reserve for Losses on Refund for Dormant Bonds
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.
8. Hedge accounting
- (1) Currency risk hedging
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 "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in 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.

- (2) Internal transactions
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 the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24). For this reason, revenue and expenses arising from said interest rate swap transactions have been recognized as gains/losses without being eliminated.

The special treatment for deferred hedge or interest rate swaps is applied to certain assets and liabilities.

9. Accounting for consumption taxes
National and local consumption taxes are accounted for with the tax exclusion method.

ADDITIONAL INFORMATION

- (1) Accompanying privatization on October 1, 2008, a transfer was made from capital and retained earnings to special reserve pursuant to Article 5 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act. As a result, capital decreased ¥303,767 million and retained earnings decreased ¥97,043 million while special reserve increased ¥400,811 million. Special reserve, which are set up by the Shoko Chukin Bank Limited Act, have the following characteristics.

Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Limited Act, in the calculation of the amount of surplus, the amount of special reserve shall be included in the total amount of capital and reserves.

Pursuant to the provisions of Article 44, Paragraph 1 of the Shoko Chukin Bank Limited Act, the amount of special reserve may be reduced when the total amount of capital reserve and earnings reserve becomes zero in the event a deficit is compensated. When the amount of the surplus comes to exceed zero following the reduction of the special reserve, the amount of special reserve must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Shoko Chukin Bank Limited Act.

Pursuant to the provisions of Article 45 of the Shoko Chukin Bank Limited Act, when the state of the capital adequacy and the soundness of other finances have improved and when it is deemed that the financial soundness have been secured, all or a portion of the amount of special reserve may, pursuant to a resolution of the general meeting of shareholders, be paid to the national treasury.

When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of special reserve shall be paid to the national treasury pursuant to the provisions of Article 46 of the Shoko Chukin Bank Limited Act.

- (2) The “Act on the Partial Revision of the Shoko Chukin Bank Limited Act to Seek the Smooth Provision of Capital to Small and Medium Sized Businesses” (hereinafter referred to as “Revision Act”) was passed in the 171st Diet session on June 12, 2009.
- a. (Crisis Response Reserves)
In the Shoko Chukin Bank Limited Act following revision, crisis response reserves have the following characteristics. In the 2009 supplementary budget, ¥150,000 million was appropriated in order to fund crisis response reserves.
- Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Limited Act following revision, in the calculation of the amount of surplus, the amount of crisis response reserves shall be included in the total amount of capital and reserves.
- Pursuant to the provisions of Article 44, Paragraph 1 of the Shoko Chukin Bank Limited Act following revision, the amount of crisis response reserves may be reduced when the total amount of special reserve becomes zero in the event a deficit is compensated. When the amount of the surplus comes to exceed zero following the reduction of the crisis response reserves, the amount of crisis response reserves must be increased pursuant to the provisions of Article 44, Paragraph 4 of the Shoko Chukin Bank Limited Act following revision. The increase in the amount of the crisis response reserves shall, pursuant to the provisions of Article 44, Paragraph 5 of the Shoko Chukin Bank Limited Act following revision, be undertaken prior to the increase in the amount of the special reserve.
- Pursuant to the provisions of Article 45 of the Shoko Chukin Bank Limited Act following revision, when the Shoko Chukin Bank deems that it has sufficiently secured the necessary financial foundation for the smooth implementation of crisis response operations, an amount of money equivalent to all or a portion of the amount of crisis response reserves may, pursuant to a resolution of the general meeting of shareholders, paid to the national treasury.
- When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of crisis response reserves shall be paid to the national treasury pursuant to the provisions of Article 46 of the Shoko Chukin Bank Limited Act following revision.
- b. (Revision of the Supplementary Provisions of the Shoko Chukin Bank Limited Act)
Pursuant to the Revision Act, the principal details of the revisions of the Supplementary Provisions of the Shoko Chukin Bank Limited Act are as follows:
- Pursuant to Article 1-2 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act following revision, during the period up to March 31, 2012 the Bank may, when it is deemed necessary for the smooth implementation of crisis response operations, receive funds from the government as crisis response reserves within the scope of the amount of money stipulated in the budget.

Pursuant to Article 2 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act following revision, the time limit for the complete disposal of shares of the Shoko Chukin Bank held by the government shall be between roughly five to seven years calculated from April 1, 2012.

- c. (Article 3 of the Supplementary Provisions of the Revision Act)

Article 3 of the Supplementary Provisions of the Revision Act reads as follows:

Article 3

1. The government, aiming to March 31, 2012, shall take into consideration the state of equity investments in the Shoko Chukin Bank pursuant to the provisions of Article 1-2, Paragraph 2 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act following revision pursuant to the provisions of Article 1, the state of the implementation of crisis response operations (meaning the crisis response operations pursuant to Article 2, Paragraph 5 of the Japan Finance Corporation Law (Law No. 57 of 2007); the same shall apply hereafter) by the Shoko Chukin Bank, the financial foundation of the Shoko Chukin Bank, the financial strength of the small and medium sized business associations who are shareholders and its constituent members, changes in socioeconomic circumstances, etc. and shall deliberate the state of the crisis response operations by the Shoko Chukin Bank, the state of the disposal of the shares of the Shoko Chukin Bank held by the government, and the state of the government's involvement in the Shoko Chukin Bank, and the government shall, based on the results of these investigations, take necessary measures when it deems such measures are required.
2. Until the implementation of the measures under the preceding paragraph, the government shall not dispose of shares of the Shoko Chukin Bank held by it notwithstanding the provisions of Article 6, Paragraph 2 of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006) following revision pursuant to the following Article, and the provisions of Article 2, Paragraph 1 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act following revisions pursuant to the provisions of Article 1.

BALANCE SHEETS

1. Total investment in affiliated companies, including shares of affiliated companies, was ¥4,670 million.
2. In Loans, loans to bankrupt companies total ¥136,004 million and overdue loans total ¥196,854 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.

- Loans overdue by three months or longer total ¥5,083 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.

- Rescheduled loans total ¥4 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.

- The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and re-scheduled loans is ¥337,946 million.

The amounts of loans stated in Notes 2 through 5 are the numbers before the deduction of possible loan loss allowance.

- Bills discounted are handled as financial transactions in accordance with “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (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 ¥403,019 million.

- Assets provided as collateral are as follows.

Assets provided as collateral:

Securities ¥238,298 million

Liabilities corresponding to collateral assets:

Deposits ¥6,279 million

Borrowings ¥115,334 million

In addition to the above amounts, securities worth ¥175,486 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 ¥3,224 million of Other Assets.

- 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 ¥751,505 million. Of these, ¥712,523 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.

- Accumulated depreciation of tangible fixed assets is ¥55,728 million.
- Advanced depreciation of tangible fixed assets is ¥18,596 million.
(Advanced depreciation for this fiscal period is nil)
- Borrowings include loans payable under subordination covenant totaling ¥46,000 million.
- 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 Act, Article 2, paragraph 3) amounted to ¥250,014 million.

STATEMENTS OF CHANGES IN NET ASSETS

Number and type of treasury stock

(Thousand shares)					
	Number of Shares at the End of the Previous Fiscal Period	Increase	Decrease	Number of Shares as of March 31, 2009	Remarks
Treasury Stock					
Common Stock	—	9,449	8	9,441	(Note)
Total	—	9,449	8	9,441	

(Note) The increase was the result of the purchase of 9,385,000 treasury stock from subsidiaries and the acquisition of 64,000 shares in response to request for the purchase of fractional unit shares. The decrease was the result of the sale of fractional unit shares in response to requests.

(REFERENCE)
Non-Consolidated Balance Sheets

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

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

Millions of yen

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

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

Millions of yen

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

(REFERENCE)

Non-Consolidated Statements of Appropriation of Earned Surplus

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

Millions of yen

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

Capital Account Details (Non-Consolidated)

PRINCIPAL SHAREHOLDERS

Common Stock

Shareholder Name	Number of Stocks Held (Thousand shares)	Percentage of Total Common Stock Issued and Outstanding (%)
The Minister of Finance	1,016,000	46.5
BOT LEASE CO., LTD.	5,300	0.2
OSAKA SEMBA FASHION CO-OPERATIVE ASSOCIATION	4,600	0.2
Osaka Medical Cooperative Association	4,409	0.2
Kantoh Automobile Insurance Cooperative for Truck Transport Companies	4,303	0.2
Tokyo Camera Ryutsu Kyodokumiai	3,633	0.2
Kyodokumiai Hiroshima Sogo Oroshi Center	3,150	0.1
Japan Silk & Rayon Weavers' Association	3,110	0.1
Tokyo Mokuzai Tonya Kyoudou Kumiai	3,084	0.1
Miyagiken Shoko Shinko Kyodo Kumiai	3,034	0.1
Total	1,050,625	48.0

Notes: 1. As of March 31, 2009.

2. In addition to the principal shareholder information presented in the preceding chart, the Shoko Chukin Bank holds 9,441 thousand shares of treasury stock, representing 0.4% of total common stock issued and outstanding.

CAPITAL RATIO

(¥100 million, %)

		(as of March 31, 2009)	(as of September 30, 2008)	(as of March 31, 2008)
Core Capital (Tier 1 Capital)	(A)	6,786	6,877	6,885
	Capital	2,186	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	638	637	610
	Subordinated Borrowings	460	410	410
	Total	1,098	1,047	1,038
	Amount Counted as Capital	(B) 1,098	1,047	1,038
Deductions	(C)	0	—	—
Total Capital	(A) + (B) – (C) (D)	7,883	7,925	7,924
	Credit Risk-weighted Assets			
	Assets Stated on the Balance Sheet	83,948	84,385	85,758
	Off-balance Sheet Items	1,681	1,515	1,411
Risk-weighted Assets	Total	85,629	85,901	87,169
	Risk-weighted Assets for Operational Risk, Divided by 8%	2,662	2,732	2,792
	Total	(E) 88,292	88,633	89,962
Capital Ratio (%)	(D)/(E)	8.92	8.94	8.80

Total Capital:

The capital ratio has been stable at around 8.92%.

The Bank's Capital Ratio:

- The Bank's capital ratio is computed according to the formula stipulated in notices of the Financial Services Agency, 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.
- 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 is exempted from the Prompt Corrective Action stipulated under the Banking Act and other regulations.

Profit and Loss Details (Non-Consolidated)

SUMMARY OF INCOME				(¥100 million)
Fiscal period ended	March 31, 2009	September 30, 2008	March 31, 2008	
Gross Operating Profit	701	618	1,409	
Provision for the General Reserve for Possible Loan Losses	0	27	(18)	
General and Administrative Expenses (Excluding Nonrecurring Items)	381	366	724	
Operating Profit	319	224	703	
Operating Profit before Deduction of Provision for the General Reserve for Possible Loan Losses	319	251	685	
Nonrecurring Profit and Loss (Including Nonrecurring Expenses)	(382)	(267)	(531)	
(Loss) Income before Income Taxes and Others	(62)	(43)	172	
Other Gains and Losses	3	(1)	(34)	
Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax	1	7	3	
Adjustment of Income Taxes	(23)	(81)	(84)	
Net (Loss) Income	(37)	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	March 31, 2009			September 30, 2008			March 31, 2008			
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total	
Net Interest Income	578	8	586	593	9	603	1,281	16	1,297	
Fees and Commissions	46	2	48	45	1	47	91	3	95	
Trading Revenue	12	11	24	8	15	23	16	10	26	
Other Operating Income	45	(3)	41	8	(64)	(55)	(4)	(5)	(9)	
Gross Operating Profit	682	18	701	656	(38)	618	1,384	25	1,409	
Gross Operating Profit Ratio (%)	1.32	2.30	1.35	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.

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

Details of Operations (Non-Consolidated)

BALANCE OF LOANS										(¥100 million)
Fiscal period ended	March 31, 2009			September 30, 2008			March 31, 2008			
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total	
Fiscal Period-end Balance	Loans on Deeds	66,310	713	67,024	62,247	613	62,861	61,661	551	62,212
	Loans on Notes	6,529	189	6,719	7,305	178	7,483	8,782	187	8,970
	Overdraft	13,842	4	13,846	14,263	4	14,267	14,750	7	14,758
	Bills Discounted	4,022	—	4,022	4,709	—	4,709	5,208	—	5,208
	Total	90,705	907	91,612	88,525	796	89,321	90,403	746	91,149
Average Balance	Loans on Deeds	62,827	650	63,478	60,876	566	61,442	61,489	548	62,038
	Loans on Notes	6,819	162	6,981	7,941	177	8,119	9,108	145	9,253
	Overdraft	13,325	4	13,329	13,676	5	13,682	13,665	10	13,676
	Bills Discounted	4,333	—	4,333	4,699	—	4,699	4,962	—	4,962
	Total	87,305	817	88,122	87,193	749	87,943	89,226	704	89,931

Note: The average balance of foreign currency loans with domestic branches stated in the International column is calculated by the monthly current method.

BREAKDOWN OF LOAN BALANCE BY INDUSTRY				(¥100 million, %)
	(as of March 31, 2009)	(as of September 30, 2008)	(as of March 31, 2008)	
Manufacturing	32,044 (35.0)	30,353 (34.0)	30,708 (33.7)	
Machinery and Metal Product Manufacturing	16,868 (18.4)	15,611 (17.5)	15,679 (17.2)	
Agriculture, Forestry and Fishery	163 (0.2)	153 (0.2)	153 (0.2)	
Mining	118 (0.1)	124 (0.1)	129 (0.1)	
Construction	2,342 (2.6)	2,311 (2.6)	2,705 (3.0)	
Wholesale and Retail	27,755 (30.3)	27,470 (30.8)	27,938 (30.7)	
Finance and Insurance	940 (1.0)	1,006 (1.1)	1,035 (1.1)	
Real Estate	5,204 (5.7)	5,390 (6.0)	5,654 (6.2)	
Transport and Communication	11,258 (12.3)	11,049 (12.4)	11,089 (12.2)	
Electricity, Gas, Water and Heat Supply	250 (0.3)	255 (0.3)	270 (0.3)	
Services	11,421 (12.5)	11,104 (12.4)	11,360 (12.4)	
Others	113 (0.0)	102 (0.1)	103 (0.1)	
Total	91,612	89,321	91,149	

Note: The figures in parentheses represent percentages of the total.

PROBLEM LOANS

(¥100 million, %)

		(as of March 31, 2009)	(as of September 30, 2008)	(as of March 31, 2008)
Loans to Bankrupt Companies	(A)	1,360	1,034	846
(Loans to Companies that May Fall into Bankruptcy other than Category IV Loans)	(B)	500	322	229
Overdue Loans	(C)	1,968	2,307	2,401
(Overdue Loans other than Category IV Loans)	(D)	1,632	1,868	1,994
Loans Overdue for 3 Months or Longer	(E)	50	144	40
Rescheduled Loans	(F)	0	961	978
Total Problem Loans	(G) = (A) + (C) + (E) + (F)	3,379	4,448	4,267
Category IV Loans in Loans to Bankrupt Companies	(H)	859	712	617
Category IV Loans in Overdue Loans	(I)	336	439	407
Problem Loans other than Category IV Loans	(J) = (B) + (D) + (E) + (F)	2,184	3,297	3,243
Loans other than Category IV Loans	(K)	90,493	88,255	90,216
Percentage of Loans (%)	(J)/(K)	2.4	3.7	3.6

Notes: 1. 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 interest or principal payments have been long overdue or for other reasons), 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).

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

3. Loans Overdue for 3 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. The loans that are classified as loans to bankrupt companies and overdue loans are excluded.

4. Rescheduled Loans are loans other than in Loans to Bankrupt Companies, Overdue Loans or Loans Overdue for 3 Months or Longer for which the terms have been eased to support the financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interests payments, postponement of interest or principal repayments and abandonment of claims.

5. Category IV Loans are those that are classified as unrecoverable based on our self-assessment of assets. The full amount of these loans is included in the Reserve for Possible Loan Losses.

6. Problem Loans other than Category IV Loans equal the amount of problem loans minus the amount of the loans defined in Note 5. (The amount of Category IV Loans deducted from Problem Loan balances at the end of the fiscal period ended March 31, 2009 was ¥119.5 billion out of the Provision for Possible Loan Losses of ¥171.1 billion, at the end of the fiscal period ended September 30, 2008 was ¥115.1 billion out of the Provision for Possible Loan Losses of ¥167.8 billion and at the end of the fiscal period ended March 31, 2008 was ¥102.4 billion out of the Provision for Possible Loan Losses of ¥160.3 billion.)

* Loans for which accrued interest is not shown in the accounts: loans to bankrupt companies 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).