

## Summary of Consolidated Interim Financial Results

### (September 30, 2004/Unaudited)

November 25, 2004

Resona Holdings, Inc.

## 1. Financial Highlights (April 1, 2004 - September 30, 2004)

## (1) Consolidated Operating Results

	Ordinary income		Ordinary profit (loss)		Net income (loss)	
	<i>Million yen</i>	%	<i>Million yen</i>	%	<i>Million yen</i>	%
September 30, 2004	526,560	(14.6)	248,527	-	210,847	-
September 30, 2003	616,425	(3.6)	(1,235,821)	-	(1,769,641)	-
March 31, 2004	1,138,199	(9.6)	(1,111,877)	-	(1,663,964)	-

	Net income (loss) per share	Net income per share (potential equity adjusted)
	<i>Yen</i>	<i>Yen</i>
September 30, 2004	18.53	8.62
September 30, 2003	(247.61)	-
March 31, 2004	(181.05)	-

Note: (1) Equity in earnings (loss) of affiliated companies:

September 30, 2004: 312 million yen

September 30, 2003: (843) million yen

March 31, 2004: 360 million yen

(2) Average number of common stock issued (consolidated):

September 30, 2004: 11,372,769,108 shares

September 30, 2003: 7,146,687,122 shares

March 31, 2004: 9,190,570,824 shares

(3) There were no changes in accounting policies.

(4) Percentages in ordinary income, ordinary profit (loss) and net income (loss) show the changes from the previous interim period.

## (2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	Consolidated capital adequacy ratio (Japanese domestic standard)
	<i>Million yen</i>	<i>Million yen</i>	%	<i>Yen</i>	%
September 30, 2004	38,909,539	1,014,990	2.6	(133.90)	8.84 (*)
September 30, 2003	39,944,814	642,083	1.6	(170.30)	6.27
March 31, 2004	39,841,837	813,055	2.0	(151.65)	7.74

(\*) Preliminary figure

Note: Issued number of common stock (consolidated):

September 30, 2004: 11,372,623,431 shares

September 30, 2003: 11,133,909,612 shares

March 31, 2004: 11,372,800,852 shares

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>
September 30, 2004	(364,576)	(539,073)	18,952	1,798,926
September 30, 2003	(1,623,110)	290,107	1,914,390	2,932,127
March 31, 2004	(762,333)	(817,162)	1,912,702	2,683,520

## (4) Principles of consolidation and application of equity method

Number of consolidated subsidiaries: 39

Number of non-consolidated subsidiaries that applied the equity method: None

Number of affiliated companies that applied the equity method: 4

## (5) Change in consolidation and application of equity method

Number of consolidated subsidiaries added: None

Number of consolidated subsidiaries excluded: 10

Number of affiliated companies that applied the equity method, added: None

Number of affiliated companies that applied the equity method, excluded: None

## 2. Forecast of Fiscal Year's Performance (April 1, 2004 - March 31, 2005)

	Ordinary income	Ordinary profit (loss)	Net income (loss)
	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>
FY 2004 (Full Year)	950,000	370,000	275,000

(Reference) Forecasted net income (loss) per share (full year)

22.42 yen

## Appendixes

## Average and Issued Number of Preferred Stock (Consolidated)

	Six months ended September 30, 2004		Six months ended September 30, 2003	
	Average number of preferred stock (consolidated)	Issued number of preferred stock (consolidated)	Average number of preferred stock (consolidated)	Issued number of preferred stock (consolidated)
	shares	shares	shares	shares
Class A, No.1 Preferred Stock	5,970,000	5,970,000	5,970,000	5,970,000
Class B, No.1 Preferred Stock	680,000,000	680,000,000	680,000,000	680,000,000
Class C, No.1 Preferred Stock	120,000,000	120,000,000	120,000,000	120,000,000
Class D, No.1 Preferred Stock	151,245	146,000	339,934	338,000
Class E, No.1 Preferred Stock	240,000,000	240,000,000	240,000,000	240,000,000
Class F, No.1 Preferred Stock	80,000,000	80,000,000	80,000,000	80,000,000
Class one, No.1 Preferred Stock	2,750,000,000	2,750,000,000	826,502,732	2,750,000,000
Class two, No.1 Preferred Stock	2,817,807,861	2,817,807,861	846,882,144	2,817,807,861
Class three, No.1 Preferred Stock	2,750,000,000	2,750,000,000	826,502,732	2,750,000,000
	Year ended March 31, 2004			
	Average number of preferred stock (consolidated)	Issued number of preferred stock (consolidated)		
	shares	shares		
Class A, No.1 Preferred Stock	5,970,000	5,970,000		
Class B, No.1 Preferred Stock	680,000,000	680,000,000		
Class C, No.1 Preferred Stock	120,000,000	120,000,000		
Class D, No.1 Preferred Stock	295,382	156,000		
Class E, No.1 Preferred Stock	240,000,000	240,000,000		
Class F, No.1 Preferred Stock	80,000,000	80,000,000		
Class one, No.1 Preferred Stock	1,788,251,366	2,750,000,000		
Class two, No.1 Preferred Stock	1,832,345,002	2,817,807,861		
Class three, No.1 Preferred Stock	1,788,251,366	2,750,000,000		

Note: Treasury stock and parent's stock owned by subsidiaries are excluded.

(Reference)

**Formulas for computing ratios for the interim period September 30, 2004**

Net Income (loss) per Share:

$$\frac{\text{Net income (loss) on common Stock}}{\text{Average number of shares of common stock during the term (consolidated)}}$$

Shareholders' Equity per Share:

$$\frac{\text{Total shareholders' equity at term end} - \text{Issued number of shares of preferred stock} \times \text{Amount per share}}{\text{Issued number of shares of common stock at term end (consolidated)}}$$

**Formulas for computing ratios for the year ending March 31, 2005**

Net Income (loss) per Share (Fiscal 2004 Forecast)

$$\frac{\text{Net income (loss) on common stock}}{\text{Issued number of shares of common stock at term end (consolidated)}}$$

## Consolidated Interim Balance Sheets

(Millions of yen)

Items	Sep 30, 2004 (A)	Sep 30, 2003 (B)	Difference (A) - (B)	Mar 31, 2004 (C)	Difference (A) - (C)
<b>Assets</b>					
Cash and due from banks	¥1,979,925	¥ 3,076,145	¥ (1,096,219)	¥ 2,835,040	¥ (855,114)
Call loans and bills bought	222,660	154,581	68,079	268,150	(45,490)
Deposits paid for bonds borrowing transactions	36,940	7,576	29,363	12,280	24,660
Monetary claims bought	62,105	4,106	57,999	8,339	53,766
Trading assets	627,187	610,203	16,984	556,829	70,358
Money held in trust	70,500	51,025	19,474	70,500	-
Securities	8,193,590	6,393,581	1,800,008	7,636,189	557,400
Loans and bills discounted	25,407,110	27,036,254	(1,629,144)	26,002,922	(595,812)
Foreign exchange assets	95,616	116,276	(20,660)	105,938	(10,322)
Other assets	700,966	1,052,255	(351,288)	871,329	(170,362)
Premises and equipment	474,150	771,969	(297,819)	490,600	(16,450)
Deferred tax assets	54,147	96,765	(42,617)	52,913	1,233
Customers' liabilities for acceptances and guarantees	1,781,713	2,128,735	(347,021)	1,965,212	(183,498)
Reserve for possible loan losses	(780,474)	(1,539,590)	759,115	(1,020,536)	240,062
Reserve for possible losses on investments	(16,600)	(15,070)	(1,530)	(13,871)	(2,729)
<b>Total assets</b>	<b>¥ 38,909,539</b>	<b>¥ 39,944,814</b>	<b>¥ (1,035,275)</b>	<b>¥ 39,841,837</b>	<b>¥ (932,298)</b>
<b>Liabilities</b>					
Deposits	¥ 31,694,956	¥ 32,601,049	¥ (906,092)	¥32,552,004	¥ (857,048)
Negotiable certificates of deposit	995,259	510,896	484,363	792,966	202,293
Call money and bills sold	648,596	763,666	(115,070)	918,143	(269,546)
Bills sold under repurchase agreement	326,990	304,479	22,511	323,085	3,904
Deposits received for bonds lending transactions	174,470	236,429	(61,959)	69,896	104,574
Trading liabilities	31,476	38,842	(7,365)	45,517	(14,040)
Borrowed money	500,013	705,885	(205,872)	578,327	(78,314)
Foreign exchange liabilities	7,262	7,489	(227)	7,519	(257)
Bonds	433,968	363,991	69,977	363,159	70,809
Due to trust account	434,932	352,271	82,661	403,849	31,083
Other liabilities	526,312	715,443	(189,130)	641,449	(115,136)
Reserve for employees' retirement benefits	6,949	23,341	(16,391)	9,138	(2,188)
Reserve for possible losses on loans sold	-	5,976	(5,976)	-	-
Reserve for specific borrowers under support	1,130	82,932	(81,801)	1,925	(794)
Reserve for possible losses on business restructuring	753	104,102	(103,348)	13,232	(12,478)
Other reserve	0	157	(157)	327	(327)
Deferred tax liabilities	162	649	(486)	314	(151)
Deferred tax liabilities on land revaluation	44,886	52,999	(8,113)	45,088	(201)
Consolidation differences	807	1,275	(468)	975	(167)
Acceptances and guarantees	1,781,713	2,128,735	(347,021)	1,965,212	(183,498)
<b>Total liabilities</b>	<b>¥ 37,610,645</b>	<b>¥ 39,000,616</b>	<b>¥ (1,389,970)</b>	<b>¥38,732,132</b>	<b>¥ (1,121,486)</b>

## Consolidated Interim Balance Sheets (Continued)

*(Millions of yen)*

Items	Sep 30, 2004 (A)	Sep 30, 2003 (B)	Difference (A) - (B)	Mar 31, 2004 (C)	Difference (A) - (C)
<b>Minority interests</b>					
Minority interests in consolidated subsidiaries	¥ 283,902	¥ 302,114	¥ (18,212)	¥296,649	¥ (12,746)
<b>Shareholders' equity</b>					
Capital	327,201	1,288,473	(961,272)	1,288,473	(961,272)
Capital surplus	263,813	1,020,000	(756,186)	1,026,439	(762,625)
Earned surplus (deficit)	229,166	(1,825,543)	2,054,710	(1,707,754)	1,936,921
Revaluation reserve for land, net of taxes	65,617	78,025	(12,408)	65,912	(295)
Net unrealized gains/(losses) on other securities, net of taxes	131,756	104,356	27,399	142,275	(10,518)
Foreign currency translation adjustments, net of taxes	(2,311)	(1,207)	(1,103)	(2,089)	(221)
Treasury stock	(253)	(22,021)	21,767	(200)	(53)
<b>Total shareholders' equity</b>	1,014,990	642,083	372,906	813,055	201,934
<b>Total liabilities, minority interests and shareholders' equity</b>	¥ 38,909,539	¥ 39,944,814	¥ (1,035,275)	¥ 39,841,837	¥ (932,298)

## Consolidated Interim Statements of Operations

(Millions of yen)

Items	Interim 2004 From Apr 1, 2004 To Sep 30, 2004 (A)	Interim 2003 From Apr 1, 2003 To Sep 30, 2003 (B)	Difference (A) - (B)	FY 2003 From Apr 1, 2003 To Mar 31, 2004
<b>Ordinary income</b>	¥ 526,560	¥ 616,425	¥ (89,865)	¥ 1,138,199
Interest income	304,568	320,633	(16,065)	632,453
(Interest on loans and bills discounted)	268,357	290,015	(21,657)	572,636
(Interest and dividends on securities)	28,378	25,600	2,777	49,614
Trust fees	14,395	12,933	1,462	32,763
Fees and commissions	78,182	84,942	(6,760)	184,330
Trading income	7,776	12,471	(4,694)	24,957
Other operating income	32,778	66,169	(33,391)	78,410
Other ordinary income	88,860	119,276	(30,416)	185,282
<b>Ordinary expenses</b>	278,033	1,852,247	(1,574,214)	2,250,076
Interest expenses	29,757	37,025	(7,268)	71,177
(Interest on deposits)	16,822	19,663	(2,841)	38,909
Fees and commissions	26,825	25,639	1,185	64,433
Trading expenses	4	0	3	20
Other operating expenses	14,050	38,661	(24,611)	42,217
General and administrative expenses	177,604	277,817	(100,212)	510,085
Other ordinary expenses	29,792	1,473,102	(1,443,310)	1,562,142
<b>Ordinary profit (loss)</b>	248,527	(1,235,821)	1,484,348	(1,111,877)
<b>Extraordinary profits</b>	18,939	30,022	(11,082)	34,959
<b>Extraordinary losses</b>	46,027	204,005	(157,978)	217,027
<b>Income (Loss) before income taxes and minority interests</b>	221,439	(1,409,805)	1,631,244	(1,293,944)
<b>Income taxes – current</b>	3,481	4,422	(941)	7,985
<b>Income taxes – deferred</b>	5,041	354,518	(349,477)	357,956
<b>Minority interests in net income</b>	2,069	895	1,173	4,077
<b>Net income (loss)</b>	¥ 210,847	¥ (1,769,641)	¥ 1,980,489	¥ (1,663,964)

## Consolidated Interim Statements of Surplus

(Millions of yen)

Items	Interim 2004 From Apr 1, 2004 To Sep 30, 2004	Interim 2003 From Apr 1, 2003 To Sep 30, 2003	FY 2003 From Apr 1, 2003 To Mar 31, 2004
<b>Capital Surplus</b>			
Balance at beginning of the year	¥ 1,026,439	¥ 322,713	¥ 322,713
Increase:	40,002	1,020,000	1,026,439
Increase in capital surplus due to increase of capital	-	980,000	980,000
Transfer from capital to cover deficit	40,000	40,000	40,000
Profits on sales of treasury stock	2	0	6,439
Decrease:	802,628	322,713	322,713
Transfer of capital surplus to cover deficit	802,628	322,713	322,713
Balance at end of the period	¥263,813	¥ 1,020,000	¥1,026,439
<b>Earned Surplus (deficit)</b>			
Balance at beginning of the year	¥ (1,707,754)	¥ (754,826)	¥ (754,826)
Increase:	1,937,018	698,924	711,288
Net income	210,847	-	-
Transfer from capital to cover deficit	921,272	372,025	372,025
Transfer from capital surplus to cover deficit	802,628	322,713	322,713
Reduction in the number of consolidated subsidiaries	1,975	-	435
Merger of consolidated subsidiaries	-	-	3
Reversal of revaluation reserve for land	294	4,185	16,110
Decrease:	96	1,769,641	1,664,216
Net loss	-	1,769,641	1,663,964
Reduction in the number of subsidiaries	96	-	252
Balance at end of the period	¥ 229,166	¥ (1,825,543)	¥ (1,707,754)

&lt;Note&gt; Amounts of less than one million yen have been rounded down.

## Consolidated Interim Statements of Cash Flows

(Millions of yen)

Items	Interim 2004 From Apr 1, 2004 To Sep 30, 2004 (A)	Interim 2003 From Apr 1, 2003 To Sep 30, 2003 (B)	Difference (A) - (B)	FY 2003 From Apr 1, 2003 To Mar 31, 2004
<b>Cash flows from operating activities</b>				
Income (loss) before income taxes and minority interests	¥ 221,439	¥ (1,409,805)	¥ 1,631,244	¥ (1,293,944)
Depreciation of premises and equipment	10,261	52,526	(42,265)	74,409
Impairment losses on fixed assets	603	-	603	27,976
Amortization of consolidation differences	(166)	3,453	(3,619)	2,849
Equity in net (gains)/losses from investments in affiliated companies	(312)	843	(1,156)	(360)
Increase in reserve for possible loan losses	(239,059)	738,277	(977,336)	239,243
Increase in reserve for possible losses on investments	2,729	15,070	(12,340)	14,107
Increase in reserve for possible losses on loans sold	-	(4,139)	4,139	(10,115)
Increase in reserve for specific borrowers under support	(794)	82,932	(83,726)	1,925
Increase in reserve for possible losses on business restructuring	(12,478)	104,102	(116,581)	13,232
Increase in reserve for employees' bonuses	-	(8,112)	8,112	(8,112)
Increase in reserve for employees' retirement benefits	(2,007)	10,713	(12,720)	(1,314)
Interest income	(304,568)	(320,633)	16,065	(632,453)
Interest expenses	29,757	37,025	(7,268)	71,177
Net (gains)/losses on securities	(53,978)	(60,569)	6,591	(87,269)
Net (gains)/losses on money held in trust	(8)	(396)	387	(406)
Net foreign exchange (gains)/losses	22,075	7,898	14,177	13,094
Net (gains)/losses on sales of premises and equipment	(1,451)	8,176	(9,627)	14,631
Net (increase)/decrease in trading assets	(114,913)	(98,571)	(16,342)	(44,099)
Net increase/(decrease) in trading liabilities	(30,035)	12,949	(42,985)	21,313
Net (increase)/decrease in loans and bills discounted	593,108	2,134,331	(1,541,222)	3,076,797
Net increase/(decrease) in deposits	(857,048)	(2,280,943)	1,423,895	(2,329,987)
Net increase/(decrease) in negotiable certificates of deposit	202,293	82,229	120,063	364,299
Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)	(72,132)	12,226	(84,358)	152,311
Net (increase)/decrease in due from banks (excluding those deposited at BOJ)	(40,973)	(49,552)	8,578	(65,031)
Net (increase)/decrease in call loans and other	(8,275)	(33,879)	25,603	(151,682)
Net (increase)/decrease in deposits paid for bonds borrowing transactions	(32,289)	(1,227)	(31,061)	(5,931)
Net increase/(decrease) in call money and other	(265,641)	(1,252,942)	987,300	(1,079,859)
Net increase/(decrease) in commercial paper	-	(6,000)	6,000	(6,000)
Net increase/(decrease) in deposits received for bonds lending transactions	104,574	204,466	(99,891)	37,932
Net (increase)/decrease in foreign exchange assets	10,322	65,196	(54,873)	75,534
Net increase/(decrease) in foreign exchange liabilities	(257)	(176)	(80)	(146)
Net increase/(decrease) on issuance and repayment of bonds	50,000	-	50,000	-
Net increase/(decrease) in due to trust account	31,083	84,671	(53,587)	136,248
Interest receipts	316,873	328,872	(11,999)	637,858
Interest payments	(31,790)	(37,768)	5,978	(74,936)
Other	115,362	(32,369)	147,731	69,493
subtotal	(357,697)	(1,611,125)	1,253,427	(747,210)
Income taxes paid	(6,879)	(11,985)	5,105	(15,123)
<b>Net cash used in operating activities</b>	<b>¥ (364,576)</b>	<b>¥ (1,623,110)</b>	<b>¥ 1,258,533</b>	<b>¥ (762,333)</b>



## Consolidated Interim Statements of Cash Flows (continued)

(Millions of yen)

Items	Interim 2004 From Apr 1, 2004 To Sep 30, 2004 (A)	Interim 2003 From Apr 1, 2003 To Sep 30, 2003 (B)	Difference (A) - (B)	FY 2003 From Apr 1, 2003 To Mar 31, 2004
<b>Cash flows from investing activities</b>				
Purchases of securities	¥ (7,201,624)	¥ (7,475,235)	¥ 273,610	¥ (11,791,089)
Proceeds from sales of securities	5,761,853	7,459,700	(1,697,846)	10,282,205
Proceeds from maturity of securities	869,382	327,454	541,927	728,814
Payments associated with increase in money held in trust	-	(61,986)	61,986	(81,486)
Proceeds from decrease in money held in trust	-	81,409	(81,409)	81,842
Purchases of premises and equipment	(5,246)	(51,336)	46,089	(99,173)
Proceeds from sales of premises and equipment	7,809	10,102	(2,292)	52,737
Payments for purchase of equity investments in subsidiaries	-	-	-	(173)
Proceeds from sales of equity investments in subsidiaries	28,752	-	28,752	9,160
<b>Net cash provided by (used in) investing activities</b>	<b>(539,073)</b>	<b>290,107</b>	<b>(829,181)</b>	<b>(817,162)</b>
<b>Cash flows from financing activities</b>				
Proceeds from subordinated borrowed money	5,000	-	5,000	-
Repayment of subordinated borrowed money	(5,000)	(27,000)	22,000	(57,000)
Proceeds from issuance of subordinated bonds	20,000	-	20,000	-
Repayment of subordinated bonds	-	(16,200)	16,200	(16,200)
Proceeds from issuance of stocks	-	1,960,000	(1,960,000)	1,960,000
Proceeds from issuance of common stock to minority shareholders	1,100	-	1,100	-
Dividends paid to minority shareholders	(2,088)	(2,380)	291	(2,333)
Payments related to acquisition of treasury stock	(64)	(31)	(33)	(84)
Proceeds from sales of treasury stock	5	1	3	28,320
<b>Net cash provided by (used in) financing activities</b>	<b>18,952</b>	<b>1,914,390</b>	<b>(1,895,438)</b>	<b>1,912,702</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>114</b>	<b>226</b>	<b>(111)</b>	<b>(198)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(884,583)</b>	<b>581,614</b>	<b>(1,466,197)</b>	<b>333,007</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>2,683,520</b>	<b>2,350,512</b>	<b>333,007</b>	<b>2,350,512</b>
<b>Increase in cash and cash equivalents due to merger of subsidiaries</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>Decrease in cash and equivalents due to be exclusion of subsidiaries from consolidation</b>	<b>(10)</b>	<b>-</b>	<b>(10)</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>	<b>¥ 1,798,926</b>	<b>¥ 2,932,127</b>	<b>¥ (1,133,200)</b>	<b>¥ 2,683,520</b>

## Preparation Policies for the Consolidated Interim Financial Statements

### 1. Consolidated subsidiaries

#### (1) Consolidated subsidiaries: 39

The principal consolidated subsidiaries: Resona Bank, Ltd.  
Saitama Resona Bank, Ltd.  
The Kinki Osaka Bank, Ltd.  
The Nara Bank, Ltd.  
The Resona Trust & Banking Co., Ltd.

Daiwa Credit Management Co., Ltd., Resona Video & Culture Inc, Daiwa Business Service Co., Ltd., Daiwagin Operation Business Co., Ltd., and Asahi Bank Business Service Co., Ltd., all of them are consolidated subsidiaries, merged and changed its name to Resona Business Service Co., Ltd.

Daiwagin Card Co., Ltd., Osaka Card Service Co., Ltd., and Asahi Card Co., Ltd., all of them are consolidated subsidiaries, merged and changed its name to Resona Card Co., Ltd.

Cosmo Securities Co., Ltd., Tsuyama Securities Co., Ltd., Cosmo Enterprise Co., Ltd., and Asahi Bank Building Maintenance Co., Ltd. were excluded from the consolidated subsidiaries due to disposal.

#### (2) Non-consolidated subsidiaries:

The principal non-consolidated subsidiary: Asahi Servicos e Representacoes Ltda.

Non-consolidated subsidiaries were immaterial with respect to assets, ordinary income, net income/loss (based on owned interest) and earned surplus (based on the owned interest), etc. They were excluded from the consolidation as reasonable judgement on the group's financial conditions and operating results can still be expected even if they were not consolidated.

### 2. Affiliated companies applicable for the equity method

#### (1) Affiliates that applied the equity method: 4

The principal affiliated companies: Japan Trustee Services Bank, Ltd.

#### (2) Non-consolidated subsidiaries and affiliated companies not applied the equity method

The principal affiliated companies not applied the equity method:

Asahi Servicos e Representacoes Ltda.

The affiliates not applied the equity method were not material to the consolidated interim financial statements with respect to net income/loss (based on owned interest) and earned surplus (based on owned interest) etc. and accordingly, the equity method is not applied to them.

3. Interim balance sheet dates of consolidated subsidiaries

(1) Interim balance sheet dates of the consolidated subsidiaries were as follows:

End of June:	7
End of September:	32

(2) All subsidiaries have been consolidated based on their accounts at their respective interim balance sheet date. Appropriate adjustments have been made for significant transactions during the period from the respective interim balance sheet date of the above subsidiaries to the date of the Parent's interim balance sheet date.

Notes to consolidated interim balance sheets:

1. Amounts of less than one million yen have been rounded down.
2. Transactions whose purpose is to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies between interest rates, currency exchange rates, share prices or other indices (hereinafter referred to as “transactions for trading purposes”) on different markets are included in “Trading assets” or “Trading liabilities” in the consolidated interim balance sheets on a trade-date basis.  
 “Trading assets” and “Trading liabilities” in the case of securities and monetary claims etc. are stated at market value as of the consolidated interim balance sheet date and, in the case of derivatives including swaps, futures, options etc. at the close-out value calculated assuming the transaction is close-out on the consolidated interim balance sheet date.
3. Bonds held to maturity are stated at amortized cost (straight-line method) by the moving average method.  
 Investments in the unconsolidated subsidiaries and affiliates for which the equity method of accounting are not applied are stated at cost determined by the moving average method.  
 Equity securities included in other securities with market value are stated at fair value, based on the average market price in the last month for the year. Other securities, except equity securities, with market value are stated at their respective market value and the cost of sales of such securities is determined by the moving average method. Other securities without market value are stated at cost determined by the moving average method or at their respective amortized cost.  
  
 Net unrealized gain/loss of other securities is included as a component of shareholders’ equity.
4. Securities held as assets in individually managed money trusts, whose principal objective is portfolio management, are stated at market value.
5. Derivative transactions (excluding “transactions for trading purposes”) are stated at market value.
6. Depreciation is calculated mainly by the straight-line method for buildings and by the declining-balance method for equipment. Then it is charged to operations, and is allocated the estimated annual depreciation costs through the year. The useful lives adopted for major premises and equipment are as follows:
  - Buildings: 2 ~ 50 years
  - Equipment: 2 ~ 20 years
7. Softwares used by the Company and the consolidated subsidiaries are amortized by the straight-line method, based on an estimated useful lives (mainly 5 years), which are determined by the Company and the consolidated subsidiaries.
8. Stock issuance costs and bonds issuance costs are all recognized as expenses when incurred.
9. Foreign-currency-denominated assets and liabilities of domestic consolidated banking subsidiaries (the “Banks”) are translated into yen, primarily at the exchange rates on the consolidated interim balance sheet date except the stocks of affiliated companies which are translated into yen at the exchange rate on the acquisition date.

Foreign-currency-denominated assets and liabilities of the other consolidated subsidiaries are translated into yen at the exchange rate on the respective interim balance sheet date.

10. The principal consolidated subsidiaries have made provisions for reserve for possible loan losses as follows:

For loans to insolvent customers who are undergoing bankruptcy or special liquidation, etc. (hereinafter, “borrowers under bankruptcy proceedings”) or who are in a similar financial condition, although not yet in bankruptcy (hereinafter “borrowers substantially in bankruptcy”), the reserve for possible loan losses is provided at the full amount of the book value of such loans after deducting the amount of direct write-offs (as defined below) and excluding the amounts deemed collectible from the disposal of the collateral and the guarantees that are deemed recoverable.

For loans to customers not presently in the above circumstances, but in a high probability of becoming insolvent (hereinafter, “customers with high probability of becoming insolvent”) or loans to customers with a rescheduled or reconditioned plan (“restructured loans” described in Note 27 below), which exceeds a certain threshold, the Discounted Cash Flows Method (the “DCF Method”) was applied to provide the allowance for doubtful accounts, if cash flows on collection of principals of interests can be reasonably estimated. Under the DCF Method, reserve for possible loan losses is provided as the difference between future cash flows discounted by the original interest rate and carrying value of the loan.

For loans to customers with high probability of becoming insolvent and whose future cash flows cannot be reasonably estimated, the reserve for possible loan losses is provided at the estimated un-recoverable amounts determined based on a valuation of the collateral, recovery from the guarantees and the customer’s overall financial condition.

For other loans, the reserve for possible loan losses is calculated based on the loss rates derived from the historical loss experience for a certain period and others.

The allowance for loans to specific foreign borrowers is provided based on the amount of expected losses determined considering the political and economic situation of their respective countries.

The Credit Review Office, which is independent from the operating divisions, examines the operating divisions’ asset quality reviews of each loan for collectibility in accordance with self-assessment standards. The provision for possible loan losses is based on the results of these reviews.

Regarding the loans with collateral or guarantees, etc. to the borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy, the unrecoverable amount of loans is directly written-off from loan balances. The estimated unrecoverable amount is determined considering a valuation of the collateral and guarantees and is ¥883,389million.

Other consolidated subsidiaries mainly provide the reserve for possible loan losses at amounts deemed necessary judged by the past write-off experience ratios for general loans and individually determined uncollectible amounts for specific loans, such as those to borrowers under bankruptcy proceedings.

11. The reserve for possible losses on investments in securities is provided for possible losses from

investments in securities, considering the financial conditions and others of the issuer of the issuer of such securities.

12. Consolidated subsidiaries provide a reserve for severance benefits to prepare for future employees' retirement benefits payments at the amount attributable to the current interim period based on the estimated project benefits obligation and plan assets at the end of this fiscal year.

All past service cost is charged to accrued fiscal year.

The actuarial differences are charged to operations in the next fiscal year by the straight-line method over a certain period (10 ~ 15 years) within the average remaining years of the eligible employees.

13. The reserve for specific borrowers under support is provided based on the amount considered necessary, taking into account the reasonably estimated cost to support the specified borrowers.

This reserve is that under Article 43 of the Commercial Code Enforcement Regulation.

14. The reserve for possible losses on business restructuring is provided based on an amount considered reasonable, taking into account estimated expenses and losses arising from the disposal of information systems due to renewing and the integration of branch offices for the structural reorganization of assets and profit during the intensive revitalization period.

This reserve is that under Article 43 of the Commercial Code Enforcement Regulation.

15. Noncancelable lease transactions of the domestic consolidated subsidiaries are accounted for as operating leases regardless of whether such leases are classified as operating leases or finance leases except for lease agreements that stipulate the transfer of ownership of the leased property to the lessee, and are accounted for as finance leases.

16. Certain consolidated banking subsidiaries apply the deferred hedge accounting to hedges of interest risk associated with their financial assets and liabilities in accordance with the "Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No. 24). In assessment of effectiveness of fair value hedge, the hedged instruments such as loans and deposits and hedging instruments such as interest swaps are specified as a group with similar remaining term.

In assessing effectiveness of cashflow hedge the correlation of the interest sensitivities of the hedged instruments and the hedging instruments are examined.

Deferred hedge gains/losses recorded on the interim consolidated balance sheet based on previous macro-hedge approach, under which derivatives are designated to hedge net interest risk of numerous financial assets and liabilities, such as loans and deposits, in accordance with the "Accounting and Auditing Present Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee, Report No. 15), are amortized over years as interest income and expenses based on the remaining term and the notional amount of hedging instruments starting from April 1, 2004.

Deferred hedge gains and losses base on the macro-hedge approach at the interim consolidated balance sheet date were ¥47,301 million and ¥32,588 million, respectively.

17. Certain consolidated banking subsidiaries apply the deferred hedge accounting to hedge of the foreign currency risk associated with their foreign-currency-dominated financial assets and

liabilities in accordance with the “Treatment in Accounting and Auditing Concerning the Accounting Treatment of Foreign Currency Transactions in the Banking Industry” (JICPA Industry Audit Committee Report No.25).

Assessment of the effectiveness of these hedge transactions is conducted by confirming whether notional amount of hedging currency swaps, foreign exchange swaps, etc. is corresponding to hedged foreign-currency-denominated receivables or payables.

In addition, in application of the deferred hedge accounting or the fair value hedge accounting to hedges of foreign exchange risk of foreign-currency-denominated securities other than bonds, at the inception of each hedge, the hedge effectiveness is assessed by confirming whether the foreign currency payable amount of hedging spot or forward exchange contracts exceed the acquisition costs of the hedged foreign-currency-denominated securities.

18. Because internal interest swaps, currency swaps, and other derivatives transactions specified as hedging instruments are strictly processed based the appropriate market pricing and covered by corresponding external transactions as required by the JICPA Industry Audit Committee, Report No. 24 and No. 25, gains and losses on these internal derivative transactions within consolidated banking subsidiaries (the “Banks ” ) or with their trading accounts, are not eliminated, and are recognized as profit or deferred.

The hedging of certain assets and liabilities are accounted for by the deferred hedge accounting, fair value hedge accounting and the special treatment of interest rate swaps.

19. The Company and domestic consolidated subsidiaries mainly account for consumption tax and local consumption tax with the tax-exclusion method.
20. Reserve for contingent liabilities from the securities transactions: ¥0 million

This reserve is provided in accordance with Article 51 and Article 65-2-7 of the Securities and Exchange Law and Article 32 of Cabinet Ordinance relating to securities business of financial institutions.

21. Accumulated depreciation of premises and equipment: ¥225,849 million.
22. Basis adjustment for tax purposes to the acquisition costs of premises and equipment:  
¥64,380 million.
23. Loans to borrowers in legal bankruptcy amounted to ¥33,518 million, and past due loans amounted to ¥751,198 million.

Loans to borrowers in legal bankruptcy are loans for which payment of principals or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as nonaccrual loans) and also certain specific condition stated in the Implementation Ordinances for the Corporation Tax Law (Government Ordinance No. 97, 1965), Items i through v in Article 96, Section 1, Part 3 or the circumstances stated in Part 4 of the same article exists.

Past due loans are nonaccrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers

24. Loans past due 3 months or more amounted to ¥28,945 million.

Loans past due 3 months or more are loans on which payment of principal or interest is overdue for 3 months or more from the contract payment date. These loans do not include “loans to borrowers in legal bankruptcy” and “past due loans.”

25. Restructured loans amounted to ¥487,428 million.

Restructured loans are those which consolidated subsidiaries have provided special terms and conditions including reduction of the interest rates, reschedule of the interest and principal payments, or waiver of claims on the borrowers, all of which are more favorable to the borrowers than the corresponding terms in the original loan agreements. These loans do not include “loans to borrowers in legal bankruptcy”, “past due loans” and “loans past due 3 months or more.”

26. Loans to borrowers in legal bankruptcy, past due loans, loans past due 3 months or more and restructured loans amounted to ¥1,301,091 million in the aggregate.

The amounts presented in Notes 23 to 26 are stated before the deduction of the reserve for possible loan losses.

27. Bills discounted are recorded as lending/borrowing transactions in accordance with the JICPA Industry Audit Committee, Report No.24. Consolidated banking subsidiaries have a right to sell or collateralize such bills at their discretion. The total face value of bank acceptance bills, commercial bills and documentary bills obtained as a result of discounting and foreign exchange purchased was ¥403,370 million.

28. Assets pledged as collateral were as follows:

• Trading assets	¥326,987 million
• Securities	¥4,029,819 million
• Loans and bills discounted	¥363,102 million

Liabilities corresponding to the assets pledged were as collateral:

• Deposits	¥50,663 million
• Call money and bills sold	¥366,800 million
• Bills sold under repurchase agreement	¥326,990million
• Deposits received for bonds lending transaction	¥174,470 million
• Borrowed money	¥8,527 million
• Other liabilities	¥622 million

Other than the above, “Cash and due from banks”, “Securities” and “Other assets”, in the amount of ¥1,171 million, ¥763,828 million and ¥21,162 million, respectively, were pledged as collateral for settlement of foreign exchange, derivatives transactions or for futures and others.

“Premises and equipment” include the guarantee deposit of ¥42,514 million.

“Other assets “ include the deposits for future transactions in the amount of ¥900 million.

29. Net of deferred realized and unrealized gains or losses on hedging derivatives is included in



“Other liabilities”. Gross deferred hedge gains and losses are amounted to ¥52,059 million and ¥37,258 million, respectively.

30. Certain consolidated domestic subsidiaries revalued land used for business purposes based on the Law Concerning Land Revaluation (Law 34, announced on March 31, 1998). “Deferred tax liabilities on land revaluation” is recorded in liabilities and “revaluation reserve for land, net of taxes” is recorded in shareholders’ equity.

Revaluation date: March 31, 1998

The revaluation method as stated in Article 3-3 of the Law Concerning Land Revaluation is as follows:

The value of land is based on the official notice prices stated in the Law of Public Notice of Land Prices (assessed date, January 1, 1998) as stipulated in Article 2-1 of the Ordinance for the Law Concerning Land Revaluation (Government Ordinance No.119, announced on March 31, 1998) after making reasonable adjustments for the location and quality of the sites.

31. Borrowed money include subordinated borrowed money of ¥427,000 million that are subordinated to other debt in repayment.
32. Bonds include subordinated bonds of ¥315,268 million.
33. The principal amount of trust with the principal indemnification agreement is ¥543,913 million.
34. Net assets (deficiency in assets) per share: (133.90) yen
35. The market value, and the net unrealized gains/losses on securities and others investments are presented below. These investments include negotiable certificates of deposit in “Cash and due from banks”, trading securities, commercial paper and short-term bonds in “Trading assets”, commercial paper in “Monetary claims bought” as well as “Securities”. Information applies through Note 38 is with respect to such investments.

Securities held for trading purposes:

Consolidated interim balance sheet amount	¥571,450 million
Net unrealized gain reported in consolidated interim statement of operations	¥ 57 million

## Marketable bonds held to maturity:

	Consolidated Interim balance sheet amount	Market value	Unrealized gain/(loss)	Gain	Loss
	<i>(Millions of yen)</i>				
National government bonds	¥9	¥9	¥(0)	¥-	¥0
Local government bonds	46,192	46,220	28	189	160
Corporate bond	500	503	3	3	-
Other	1,899	1,909	10	38	27
Total	<u>¥ 48,601</u>	<u>¥ 48,643</u>	<u>¥ 41</u>	<u>¥ 230</u>	<u>¥ 188</u>

## Other securities with market values:

	Acquisition costs	Consolidated Interim balance sheet amount	Unrealized gain/(loss)	Gain	Loss
	<i>(Millions of yen)</i>				
Stocks	¥ 572,645	¥ 786,410	¥ 213,764	¥ 224,654	¥ 10,890
Bonds	6,113,332	6,120,197	6,865	10,911	4,045
National government bonds	5,036,952	5,041,540	4,588	7,049	2,461
Local government bonds	227,828	227,649	(178)	1,095	1,273
Corporate bonds	848,551	851,007	2,455	2,766	310
Other	551,672	556,306	4,634	9,477	4,842
Total	<u>¥ 7,237,650</u>	<u>¥ 7,462,915</u>	<u>¥ 225,264</u>	<u>¥ 245,043</u>	<u>¥ 19,778</u>

Reconciliation of net unrealized gains (losses) in the above table and that reported in the consolidated balance sheets is as follows:

Unrealized gain		¥ 225,264 million
Fair-value hedge gain charged to operations	minus	2,042
Deferred tax liabilities	minus	90,467
Minority interests based on owned interest	minus	986
Parent company's portion of unrealized gains of affiliates	plus	(11)
		<u>¥ 131,756 million</u>

## 36. Other securities that were sold during the interim period:

Sold	Gain	Loss
<i>(Millions of yen)</i>		
¥5,761,853	¥57,982	¥16,410

37. The major components of other securities whose market value was not available and their respective consolidated interim balance sheet amounts:

Bonds held to maturity:

Unlisted domestic bonds ¥ 7,959 million

Other securities:

Unlisted domestic bonds ¥447,255 million

Unlisted stocks  
(excluding over-the-counter securities) ¥214,955 million

Unlisted foreign bonds ¥19,615 million

38. Redemption schedules for other securities with maturities and bonds held to maturity:

	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
	<i>(Millions of yen)</i>			
Bonds	¥ 1,615,196	¥ 4,161,562	¥ 308,645	¥ 536,711
National government bonds	1,369,527	2,997,085	145,837	529,100
Local government bonds	3,601	159,650	110,589	-
Corporate bonds	242,067	1,004,826	52,218	7,610
Other	3,253	193,911	79,695	120,114
Total	<u>¥ 1,618,450</u>	<u>¥ 4,355,474</u>	<u>¥ 388,340</u>	<u>¥ 656,825</u>

39. A breakdown of money held in trust and reflected in the consolidated interim balance sheet is as follows:

There was no money held in trust for held to maturity and training purposes.

There was no other money held in trust with market value.

Other money held in trust without market value is stated at the acquisition cost of ¥70,500 million.

40. Stock lent under consumption agreements in the amount of ¥10,866 million is included in “Securities”.

Securities borrowed with cash collateral included ¥36,606 million of securities collateralized, and ¥304 million of securities held by the Company existed at the end of the interim period was not disposed of.

41. Overdrafts and loans commitment agreement is an agreement under which the Banks extend loans to customers up to the certain amount at the request of customer unless the customer violates the conditions of the agreement.

Unused balances of such agreements are amounted to ¥8,919,920 million. The amounts of the agreements expiring within a year or agreements cancelable at any time without penalty totaled ¥8,867,039 million.

The unused commitment does not necessarily impact on the future cash flows of consolidated

subsidiaries because most of these agreements will be terminated without used. In addition, most agreements contain provisions, which allow consolidated subsidiaries to refuse making loans or decrease the limit, if there are any reasons such as changes in the financial condition, the credit management policies or for other reasons.

When extending loans to customers, consolidated subsidiaries request collateral such as premises or securities if necessary. After entering into the agreement, consolidated subsidiaries periodically check the financial condition of the customers based on its internal rules and, if necessary, take certain measures from credit risk management perspectives.

## Notes to consolidated interim statements of operations:

1. Amounts of less than one million yen have been rounded down.
2. Net income per share: 18.53 yen
3. Net income per share as adjusted for potential shares: 8.62 yen
4. Profit and loss on transactions for trading purposes are included in “Trading income” or “Trading expenses” in the consolidated interim statements of operations on a trade-date basis.

Trading income and trading expenses include amounts of interest received or paid during the period, plus the amount of the difference between the profits or losses on the valuation of securities, monetary claims, etc. as of the end of the preceding year and those as of the end of the current interim period and the profits or losses as if the settlement has been made at the end of the preceding year and those at the end of the current interim period for derivatives.

5. “Other ordinary income” include:

- Gains on sales of stocks and other securities ¥ 50,960 million
- Gains on dormant customers’ deposit accounts which have been inactive for a specific period of time ¥ 24,676 million

Certain domestic banking subsidiaries maintain dormant customers’ deposit accounts which have been inactive for a specific period of time separately from normal customers’ deposits. Although, in the prior fiscal years, the specific period had been set at 10 years, effective this interim term, the period has been changed to 5 years in order to prevent from irregular or illegal use of deposit accounts.

6. “Other ordinary expenses” include:

- Losses on sales of stocks and other securities ¥ 5,877 million
- Write-off of loans ¥ 3,779 million
- Losses on devaluation of stocks and other securities ¥ 2,921 million
- Losses on abandon of claims ¥ 2,901 million
- Provision for reserve for possible losses on investments ¥ 2,775 million

7. “Extraordinary profits” include:

- Reversal of reserve for possible loan losses ¥ 13,567 million

8. “Extraordinary losses” include:

- Losses on termination of partial employees’ retirement benefits plan due to the amendment of overall pension plan ¥ 43,456 million

9. With the enactment of “Revision of Law regarding Regional Taxation, etc.” (Law No.9 of March 2003) on March 31, 2003, certain basis of the enterprise taxes imposed on banks was changed effective the consolidated fiscal year beginning April 1, 2004 to “added value” and “amount of capital and others”. As a result, effective current interim period, domestic banking

subsidiaries, certain domestic trust banking subsidiaries and certain domestic subsidiaries included the enterprise taxes based on “added value” and “amount of capital and others” in “General and Administrative Expenses” on the interim consolidated statement of operations, in accordance with “Practical Treatment of Presentation of External Standards Taxation portion of Enterprise Taxes on the Statement of Operations” (the Accounting Standards Board of Japan (the "ASBJ") Report of Practical Issues No. 12).

## Notes to consolidated interim statements of cash flows:

1. Amounts of less than one million yen have been rounded down.
2. In the consolidated interim statements of cash flows, cash represents cash and due from The Bank of Japan in “Cash and due from banks” in the consolidated interim balance sheets.
3. Reconciliation between cash and cash equivalents and cash and due from banks in the consolidated balance sheet as of September 30, 2004 was as follows:

	<i>(Millions of yen)</i>
Cash and due from banks	¥1,979,925
Due from banks other than The Bank of Japan	(180,999)
Cash and cash equivalents	<u>¥ 1,798,926</u>
Cash and cash equivalents:	¥1,798,926

## Segment Information

### 1. Business Segment Information

Interim 2004 (for the period from April 1, 2004 to September 30, 2004)

Since the ordinary income, ordinary profit and employed assets of "Banking and Trust Banking" segment is more than 90 % of all the other segments combined, business segment information for Interim 2004 is not shown here.

Interim 2003 (for the period from April 1, 2003 to September 30, 2003)

(Millions of yen)

	Banking and Trust Banking	Securities	Other financial service	Total	Elimination & General corporate	Consolidated
I . Ordinary income and Ordinary Profit						
Ordinary income						
(1) Ordinary income to outside customers	530,723	9,727	75,974	616,425	-	616,425
(2) Inter-segment ordinary income	5,206	35	5,353	10,595	(10,595)	-
Total	535,929	9,763	81,327	627,020	(10,595)	616,425
Ordinary expenses	1,724,950	8,375	226,194	1,959,520	(107,272)	1,852,247
Ordinary profit (loss)	(1,189,020)	1,387	(144,866)	(1,332,499)	96,677	(1,235,821)

<Notes>

- Major operational segments are as follows.
  - Banking and Trust Banking: Banking business, Trust Banking business, Loan guarantee service and Banking system engineering
  - Securities: Securities
  - Other financial service: Credit card administration, General leasing, Financing and Venture capital
- Ordinary income and ordinary profit are shown in lieu of sales and operating profit of business enterprises.



FY 2003 (for the period from April 1, 2003 to March 31, 2004)

(Millions of yen)

	Banking and Trust Banking	Securities	Other financial service	Total	Elimination & General corporate	Consolidated
I. Ordinary income and Ordinary Profit						
Ordinary income						
(1) Ordinary income to outside customers	1,021,087	19,908	97,203	1,138,199	-	1,138,199
(2) Inter-segment ordinary income	8,000	82	7,773	15,856	(15,856)	-
Total	1,029,088	19,990	104,977	1,154,055	(15,856)	1,138,199
Ordinary expenses	2,103,475	16,385	233,731	2,353,593	(103,516)	2,250,076
Ordinary profit (loss)	(1,074,387)	3,604	(128,754)	(1,199,537)	87,659	(1,111,877)
II. Assets, Depreciation, Impairment losses and Capital expenditure						
Assets	39,716,732	138,941	474,346	40,330,019	(488,181)	39,841,837
Depreciation	42,900	459	31,049	74,409	-	74,409
Impairment losses	27,976	-	0	27,976	-	27,976
Capital expenditure	104,953	445	26,070	131,469	-	131,469

&lt;Notes&gt;

1. Major operational segments are as follows.

(1) Banking and Trust Banking: Banking business, Trust Banking business, Loan guarantee service and Banking system engineering

(2) Securities: Securities

(3) Other financial service: Credit card administration, General leasing, Financing and Venture capital

2. Ordinary income and ordinary profit are shown in lieu of sales and operating profit of business enterprises.

3. Capital Expenditure includes the investments related to computer systems and other related equipment.

4. Accounting standards for impairment of fixed assets, "Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" (August 8, 2002) issued by Business Accounting Deliberation Council and Financial Accounting Standards Implementation Guidance No.6 "Implementation Guidance on Accounting Standard for Impairment of Fixed Assets" issued by the Accounting Standards Board of Japan (October 31, 2003), permit early adoption of these standards to the financial statements for the year ending March 31, 2004 or after and therefore the Company adopted these standards in this fiscal year.

As a result of this change, "Impairment losses" of Banking and Trust Banking segment, and Other financial service segment are reported in the amount of ¥27,976 million and ¥0 million, respectively. There is no impact on ordinary loss by this change.

5. In prior years, domestic consolidated banking subsidiaries (the "Banks") had adopted the transitional treatment of the "Treatment in Accounting and Auditing Concerning the Accounting Treatment of Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee, Report No. 25) regarding the accounting for foreign currency transactions. However, effective this period, the Banks have applied hedge accounting for "currency swap transactions" "foreign exchange swap transactions" etc., according to the principle treatment in Report No. 25, which is carried out to hedge risks of borrowing and lending in different currencies by swapping the borrowing currency for the lending currency. Currency translation differences relating to other future foreign currency exchange transactions, etc. are stated at the gross amount in accordance with the JICPA Industry Audit Committee, Report No. 25, but were previously stated at the net amount.

As a result of this change, "Assets" of Banking and Trust Banking segment increased ¥15,026 million, compared to the corresponding amounts under the previous method. There is no impact on ordinary loss from this change.

6. The transition difference of the accounting change in retirement benefits of certain consolidated banking subsidiaries was formerly amortized over mainly 10 years. However, due to decreases in the number of employees and salaries, the components of retirement benefits obligations were changed significantly from those at the time of initial application of the accounting and the amount of the transition difference at this interim consolidated balance sheet date did not represent substance of the obligations. Accordingly, the unrecognized transition difference at the accounting change was charged to

operations in this interim period. As a result, “Assets” and “Ordinary loss” of Banking and Trust Banking segment decreased ¥51,754 million and ¥4,697 million, respectively.

## **2. Geographical Segment Information**

Interim 2004 (for the period from April 1, 2004 to September 30, 2004)

Since the ordinary income and employed assets of "Japan" segment is more than 90 % of all the other segments combined, geographical segment information for Interim 2004 is not shown here. Such disclosures have been omitted in the prior interim period (for the period from April 1, 2003 to September 30, 2003) and prior fiscal year (for the period from April 1, 2003 to March 31, 2004) also.

## **3. Overseas ordinary income**

Interim 2004 (for the period from April 1, 2004 to September 30, 2004)

Since overseas ordinary income of the Company and consolidated subsidiaries is less than 10% of the total, overseas ordinary income for Interim 2004 is not shown here.

Such disclosures have been omitted in the prior interim period (for the period from April 1, 2003 to September 30, 2003) and prior fiscal year (for the period from April 1, 2003 to March 31, 2004) also.

## Market Value of Securities and Money Held in Trust

### 1. Securities

“Securities” in the consolidated (interim) balance sheet, negotiable certificates of deposit in “Cash and due from banks”, commercial paper in “Monetary claims bought”, trading securities, negotiable certificates of deposit, commercial paper and short-term bonds in “Trading assets” were as follows:

(As of September 30, 2003)

#### (1) Securities Held for Trading Purposes *(Millions of yen)*

	As of September 30, 2003	
	Consolidated interim balance sheet amount	Unrealized gain (net) included in profits and losses
Securities held for trading purposes	557,620	71

#### (2) Marketable bonds held to maturity *(Millions of yen)*

	As of September 30, 2003				
	Consolidated interim balance sheet amount <b>X</b>	Market Value <b>Y</b>	Unrealized Gains/Losses <b>Y-X</b>	Unrealized Gains/Losses	
				Gain	Loss
National government bonds	9	9	0	0	-
Corporate bonds	500	492	(7)	-	7
Other	1,898	1,870	(28)	21	49
Total	2,408	2,372	(36)	21	57

Note: Market values are based on the market prices, etc. on September 30, 2003.

#### (3) Investment securities in subsidiaries and affiliates with market value ( non-consolidated )

None

#### (4) Other securities for which market values can be calculated *(Millions of yen)*

	As of September 30, 2003				
	Acquisition costs <b>X</b>	Consolidated interim balance sheet amount <b>Y</b>	Unrealized Gains/Losses <b>Y-X</b>	Unrealized Gains/Losses	
				Gain	Loss
Stocks	911,462	1,111,053	199,591	221,138	21,547
Bonds	4,443,207	4,417,745	(25,462)	8,692	34,154
National government bonds	3,655,921	3,630,501	(25,419)	4,344	29,764
Local government bonds	200,276	199,632	(643)	2,161	2,804
Corporate bonds	587,009	587,611	601	2,186	1,584
Other	290,768	292,479	1,710	6,510	4,800
Total	5,645,439	5,821,278	175,839	236,341	60,501

Notes: 1. Market values of stocks are based on the average market prices of the last one-month of the six months ended September 30, 2003.

2. Market values of others are based on the market prices, etc. on September 30, 2003.

#### (5) No held-to-maturity bonds were sold during the period.

(6) Other securities that were sold during the six months ended September 30, 2003

*(Millions of yen)*

	Interim 2003		
	Sold	Gain	Loss
Other securities	7,457,033	104,450	43,914

(7) The major components of securities with which market value was not available and their respective consolidated interim balance sheet amounts

*(Millions of yen)*

	As of September 30, 2003
Bonds held to maturity	
Unlisted domestic bonds	7,064
Negotiable certificates of deposit	4,754
Other securities	
Unlisted domestic bonds	310,015
Unlisted stocks (except over-the-counter securities)	176,621
Unlisted foreign bonds	20,957

(8) Securities of which the purpose to hold were changed

None

(9) Projected redemption amounts for other securities with maturities and bonds held to maturity.

*(Millions of yen)*

	As of September 30, 2003			
	1 Year or Less	1 to 5 Years	5 to 10 Years	Over 10 years
Bonds	452,493	3,805,890	353,388	123,732
National government bonds	251,183	3,016,411	240,597	122,488
Local government bonds	104	116,351	83,176	-
Corporate bonds	201,205	673,127	29,613	1,244
Other	48,110	106,570	1,303	29,428
Total	500,604	3,912,461	354,691	153,161

(As of March 31, 2004)

(1) Securities Held for Trading Purposes *(Millions of yen)*

	As of March 31, 2004	
	Consolidated balance sheet amount	Unrealized gain (net) included in profits and losses
Securities held for trading purposes	502,295	70

(2) Marketable bonds held to maturity *(Millions of yen)*

	As of March 31, 2004				
	Consolidated balance sheet amount <b>X</b>	Market Value <b>Y</b>	Unrealized Gains/Losses <b>Y-X</b>	Unrealized Gains/Losses	
				Gain	Loss
National government bonds	9	9	(0)	-	0
Local government bonds	26,360	26,037	(322)	-	322
Corporate bonds	500	500	0	0	-
Other	1,898	1,879	(19)	32	52
Total	28,769	28,427	(341)	32	374

Note: Market values are based on the market prices, etc. on March 31, 2004.

## (3) Investment securities in subsidiaries and affiliates with market value ( non-consolidated )

None

(4) Other securities for which market values can be calculated *(Millions of yen)*

	As of March 31, 2004				
	Acquisition costs <b>X</b>	Consolidated balance sheet amount <b>Y</b>	Unrealized Gains/Losses <b>Y-X</b>	Unrealized Gains/Losses	
				Gain	Loss
Stocks	630,128	861,722	231,593	241,017	9,423
Bonds	5,663,827	5,661,984	(1,842)	13,218	15,061
National government bonds	4,499,356	4,495,643	(3,712)	8,291	12,004
Local government bonds	258,352	258,541	188	2,287	2,098
Corporate bonds	906,117	907,799	1,681	2,639	957
Other	420,823	432,401	11,577	13,839	2,262
Total	6,714,779	6,956,108	241,328	268,075	26,746

Notes: 1. Market values of stocks are based on the average market prices of the last one-month of the year ended March 31, 2004.

2. Market values of others are based on the market prices, etc. on March 31, 2004.

## (5) No held-to-maturity bonds were sold during the period.

(6) Other securities that were sold during the year ended March 31, 2004 *(Millions of yen)*

	FY 2003		
	Sold	Gain	Loss
Other securities	10,282,205	156,004	70,342

(7) The major components of securities with which market value was not available and their respective consolidated balance sheet amounts *(Millions of yen)*

	As of March 31, 2004
Bonds held to maturity	
Unlisted domestic bonds	7,729
Negotiable certificates of deposit	4,561
Other securities	
Unlisted domestic bonds	370,544
Unlisted stocks (except over-the-counter securities)	229,121
Unlisted foreign bonds	20,759

(8) Securities of which the purpose to hold were changed  
None

(9) Projected redemption amounts for other securities with maturities and bonds held to maturity. *(Millions of yen)*

	As of March 31, 2004			
	1 Year or Less	1 to 5 Years	5 to 10 Years	Over 10 years
Bonds	932,997	4,353,019	434,744	346,368
National government bonds	691,109	3,166,935	301,784	335,823
Local government bonds	4,338	191,880	88,682	-
Corporate bonds	237,549	994,202	44,277	10,544
Other	9,122	240,996	9,825	39,903
Total	942,119	4,594,015	444,569	386,271

2. Money held in trust

(As of September 30, 2003)

(1) Money held in trust for investment purposes

None

(2) Held-to-maturity money held in trust

None

(3) Other money held in trust (excluding investment purposes or held-to-maturity)

There was no other money held in trust with market value.

Other money held in trust without market value is stated at the acquisition cost of ¥51,025 million.

(As of March 31, 2004)

(1) Money held in trust for investment purposes

None

(2) Held-to-maturity money held in trust

None

(3) Other money held in trust (excluding investment purposes or held-to-maturity)

There was no other money held in trust with market value.

Other money held in trust without market value is stated at the acquisition cost of ¥70,500 million.

## 3. Net unrealized gains (losses) of other securities (Valuation differences)

(As of September 30, 2003)

*(Millions of yen)*

	As of September 30, 2003
Unrealized gains (losses) (Market value - Balance sheet amount)	175,839
Other securities	175,839
Other money held in trust	-
Amount equivalent to fair-value hedge gains charged to operations	(772)
Amount equivalent to deferred tax liabilities	70,942
Amount equivalent to unrealized gain (net) of other securities (before adjustment of amount equivalent to interest)	105,669
Amount equivalent to minority interests	1,396
Amount equivalent to the parent company's share of the amount of unrealized differences related to other securities owned by the companies that apply the equity method	84
Net unrealized gains (losses) of other securities	104,356

(As of March 31, 2004)

*(Millions of yen)*

	As of March 31, 2004
Unrealized gains (losses) (Market value - Balance sheet amount)	241,328
Other securities	241,328
Other money held in trust	-
Amount equivalent to fair-value hedge gains charged to operations	321
Amount equivalent to deferred tax liabilities	97,703
Amount equivalent to unrealized gain (net) of other securities (before adjustment of amount equivalent to interest)	143,303
Amount equivalent to minority interests	1,021
Amount equivalent to the parent company's share of the amount of unrealized differences related to other securities owned by the companies that apply the equity method	(7)
Net unrealized gains (losses) of other securities	142,275



Statement of Trust Assets and Liabilities  
(As of September 30, 2004)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	¥ 218,564	Money trusts	¥ 10,324,555
Securities	4,145,835	Pension trusts	4,794,393
Trust beneficiary certificate	20,459,043	Asset formation benefit trusts	1,940
Securities held in custody account	28	Securities investment trusts	9,341,588
Monetary claims	526,854	Pecuniary trusts other than	114,911
Premises and equipment	329,850	money trusts	
Land lease rights	1,857	Securities trusts	273,649
Other claims	11,819	Monetary claims trusts	545,396
Due from banking account	434,932	Real estates trusts	201,403
Cash and due from banks	31,176	Land leases trusts	4,949
		Composite trusts	557,175
Total assets	¥ 26,159,963	Total liabilities	¥ 26,159,963

(Notes)

1. Amounts of less than one million yen have been rounded down.
2. The trust that were re-entrusted for operations were excluded.
3. Trust beneficiary certificates worth of ¥ 20,456,027million were re-entrusted for asset administration purpose.
4. Co-managed trust funds under other trust bank's administration amounted to ¥3,910,142million.
5. Loans and bills discounted that were funded by the JOMT account funds, where the Bank guarantees the principal, amounted to ¥213,451million included the following:

(Million of Yen)

Loans to borrowers in legal bankruptcy	¥ 425
Past-due loans	4,233
Loans past due 3 months or more	419
Restructured loans	6,418
Total	¥ 11,496

The trust in the principal indemnification agreement  
(including the trust that were re-entrusted for operations )

(As of September 30, 2004)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	¥ 213,451	Principal	¥ 543,913
Securities	30,973	Special loan loss reserve	646
Other	299,913	Other	(221)
Total assets	¥ 544,337	Total liabilities	¥ 544,337

## (Reference Sheet)

## Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

	Sep 30, 2004 (A)	Sep 30, 2003 (B)	Difference (A)-(B)	Mar 31, 2004 (C)	Difference (A)-(C)
<b>Assets</b>					
Loans and bills discounted	¥ 218,564	¥ 287,447	¥ (68,882)	¥ 235,055	¥ (16,491)
Securities	4,145,835	2,870,613	1,275,221	3,450,013	695,822
Trust beneficiary certificate	20,459,043	19,937,258	521,785	20,633,616	(174,572)
Securities held in custody account	28	28	(0)	28	(0)
Monetary claims	526,854	489,406	37,447	585,963	(59,109)
Premises and equipment	329,850	280,625	49,224	365,527	(35,676)
Land lease rights	1,857	1,977	(119)	1,977	(119)
Other claims	11,819	4,805	7,013	13,743	(1,923)
Due from banking account	434,932	352,271	82,661	403,849	31,083
Cash and due from banks	31,176	21,123	10,052	30,090	1,085
Total assets	¥ 26,159,963	¥ 24,245,559	¥ 1,914,404	¥ 25,719,866	¥ 440,097
Co-managed trust funds under other trust bank's administration	¥ 3,910,142	¥ 5,241,511	¥ (1,331,369)	¥ 4,744,373	¥ (834,231)

	Sep 30, 2004 (A)	Sep 30, 2003 (B)	Difference (A)-(B)	Mar31, 2004 (C)	Difference (A)-(C)
<b>Liabilities</b>					
Money trusts	¥ 10,324,555	¥ 8,818,738	¥ 1,505,817	¥ 9,495,175	¥ 829,380
Pension trusts	4,794,393	5,165,242	(370,848)	5,355,689	(561,296)
Asset formation benefit trusts	1,940	2,213	(273)	2,115	(174)
Securities investment trusts	9,341,588	8,448,563	893,025	9,000,857	340,730
Pecuniary trusts other than money trusts	114,911	383,919	(269,008)	235,731	(120,820)
Securities trusts	273,649	222,680	50,969	218,960	54,688
Monetary claims trusts	545,396	400,933	144,462	607,066	(61,670)
Real estate trusts	201,403	232,054	(30,651)	218,654	(17,251)
Land lease trusts	4,949	4,935	14	4,919	30
Composite trusts	557,175	566,277	(9,102)	580,695	(23,520)
Total liabilities	¥ 26,159,963	¥ 24,245,559	¥ 1,914,404	¥ 25,719,866	¥ 440,097

(Note) Amounts of less than one million yen have been rounded down.