The Aichi Bank, Ltd.

Consolidated Financial Statements

March 31, 2006 and 2005

Report of Independent Auditors

To the Board of Directors and Stockholders of
The Aichi Bank, Ltd.

We have audited the accompanying consolidated balance sheets of The Aichi Bank, Ltd. and its subsidiaries (the "Group") as of March 31, 2006 and 2005, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2006 and 2005, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As disclosed in Note 2(p), effective for the year ended March 31, 2006, the Group has adopted a new accounting standard for impairment of fixed assets.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

ChuoAoyama PricewaterhouseCoopers

ChuoAoyama PricewaterhouseCoopers
Nagoya, Japan
June 29, 2006

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Assets				
Cash and due from banks	¥ 52,506	¥ 165,568	$ 446,978	$ 1,409,455
Call loans and bills purchased	57,389	6,225	488,543	53,000
Trading securities (Note 3)	20,192	527	171,898	4,488
Investment securities (Notes 3 and 7)	860,157	760,520	7,322,361	6,474,168
Reserve for possible losses on investments	(108)	(101)	(925)	(862)
Loans and bills discounted (Note 4)	1,467,087	1,440,866	12,489,039	12,265,822
Foreign exchanges (Note 5)	2,382	1,641	20,278	13,971
Other assets	21,523	20,550	183,227	174,943
Premises and equipment (Note 6)	52,396	53,552	446,040	455,879
Deferred tax assets (Note 15)	361	379	3,078	3,233
Goodwill	21	69	187	593
Customers' liabilities for acceptances and guarantees (Note 11)	56,276	60,936	479,071	518,742
Reserve for possible loan losses	(11,731)	(16,087)	(99,866)	(136,950)
	¥ 2,578,455	¥ 2,494,649	$ 21,949,909	$ 21,236,482

The accompanying Notes are an integral part of these Consolidated Financial Statements.

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Liabilities, Minority Interests and Stockholders' Equity				
Liabilities:				
Deposits (Note 8)	¥ 2,214,709	¥ 2,182,091	$ 18,853,405	$ 18,575,736
Call money	-	107	-	914
Security deposits received relating to lending transactions	66,405	47,948	565,297	408,173
Borrowings (Note 9)	11,615	12,650	98,876	107,690
Foreign exchanges (Note 5)	388	501	3,307	4,271
Other liabilities	10,088	10,475	85,883	89,173
Reserve for employee bonuses	651	645	5,549	5,492
Reserve for employee retirement benefits (Note 10)	2,660	2,635	22,651	22,434
Deferred tax liabilities (Note 15)	27,043	13,978	230,214	118,995
Deferred tax liabilities for revaluation (Note 6)	6,941	5,836	59,090	49,682
Acceptances and guarantees (Note 11)	56,276	60,936	479,071	518,742
Total liabilities	2,396,780	2,337,805	20,403,343	19,901,302
Minority interests in subsidiaries	2,603	2,417	22,161	20,584
Stockholders' equity (Note 12):				
Common stock, no par value - Authorized:28,000,000 common shares; Issued: 10,943,240 shares in 2006 and 2005	18,000	18,000	153,231	153,231
Capital surplus	13,836	13,834	117,791	117,772
Retained earnings	87,550	81,303	745,302	692,117
Land revaluation increment (Note 6)	7,627	8,553	64,932	72,813
Net unrealized gains on available-for-sale securities (Note 3)	52,520	33,065	447,099	281,481
Less, treasury stock, at cost - 54,579 shares in 2006 and 44,559 shares in 2005	(464)	(331)	(3,950)	(2,818)
Total stockholders' equity	179,071	154,425	1,524,405	1,314,596
	¥ 2,578,455	¥ 2,494,649	$ 21,949,909	$ 21,236,482

The accompanying Notes are an integral part of these Consolidated Financial Statements.

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Income
For the Years Ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Income:				
Interest and dividend income:				
Interest on loans and bills discounted and purchased	¥ 25,204	¥ 27,062	$ 214,563	$ 230,382
Interest on and dividends from securities	11,157	9,842	94,982	83,786
Other interest and dividend income	80	91	682	780
Total interest income	36,442	36,996	310,227	314,948
Fees and commissions	15,609	15,486	132,881	131,831
Other operating income	1,503	376	12,803	3,205
Other income	4,160	900	35,421	7,670
Total income (Note 16)	57,716	53,760	491,332	457,654
Expenses:				
Interest expenses:				
Interest on deposits	715	576	6,094	4,909
Interest on borrowings	159	208	1,361	1,773
Other interest expenses	31	28	266	246
Total interest expenses	906	813	7,721	6,928
Fees and commissions	9,629	9,366	81,976	79,735
Other operating expenses	1,624	165	13,828	1,411
General and administrative expenses	26,730	26,762	227,552	227,821
Provision for possible loan losses	-	1,527	-	13,000
Other expenses	2,509	3,343	21,365	28,464
Total expenses (Note 16)	41,401	41,979	352,442	357,359
Income before income taxes and minority interests	16,315	11,781	138,890	100,295
Income taxes (Note 15)	9,159	4,571	77,970	38,919
Less, minority interests in net income of subsidiaries	174	181	1,482	1,544
Net income	¥ 6,982	¥ 7,028	$ 59,438	$ 59,832

	Yen		U.S. Dollars	
Per share:				
Net income	¥ 638.29	¥ 641.91	$ 5.43	$ 5.46
Cash dividends	60.00	55.00	0.51	0.47

The accompanying Notes are an integral part of these Consolidated Financial Statements.

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Stockholders' Equity
For the Years Ended March 31, 2006 and 2005

	Number of common shares issued	Common stock	Capital surplus	Retained earnings	Land revaluation increment	Net unrealized gains on available-for-sale securities	Treasury stock
		Millions of Yen					
Balance at March 31, 2004	10,943,240	¥ 18,000	¥ 13,834	¥ 74,585	¥ 8,763	¥ 26,975	¥ (225)
Net income	-	-	-	7,028	-	-	-
Cash dividends	-	-	-	(546)	-	-	-
Bonuses to directors and statutory auditors	-	-	-	(18)		-	-
Reversal of land revaluation increment	-	-	-	209	(209)	-	-
Increase in retained earnings due to change of financial period of subsidiary	-	-	-	43	-	-	-
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes	-	-	-	-	-	6,089	-
Fractional shares acquired, net	-	-	0	-	-	-	(105)
Balance at March 31, 2005	10,943,240	18,000	13,834	81,303	8,553	33,065	(331)
Net income	-	-	-	6,982	-	-	-
Cash dividends	-	-	-	(600)	-	-	-
Bonuses to directors and statutory auditors	-	-	-	(27)	-	-	-
Reversal of land revaluation increment	-	-	-	(106)	106	-	-
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes	-	-	-	-	-	19,455	-
Adjustments for applicable income taxes	-	-	-	-	(1,032)	-	-
Fractional shares acquired, net	-	-	2	-	-	-	(133)
Balance at March 31, 2006	10,943,240	¥ 18,000	¥ 13,836	¥ 87,550	¥ 7,627	¥ 52,520	¥ (464)
		Thousands of U.S. Dollars					
Balance at March 31, 2004		$ 153,231	$ 117,768	$ 634,936	$ 74,600	$ 229,639	$ (1,916)
Net income		-	-	59,832	-	-	-
Cash dividends		-	-	(4,649)	-	-	-
Bonuses to directors and statutory auditors		-	-	(155)	-	-	-
Reversal of land revaluation increment		-	-	1,787	(1,787)	-	-
Increase in retained earnings due to change of financial period of subsidiary		-	-	366	-	-	-
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes		-	-	-	-	51,842	-
Fractional shares acquired, net		-	4	-	-	-	(902)
Balance at March 31, 2005		153,231	117,772	692,117	72,813	281,481	(2,818)
Net income		-	-	59,438	-	-	-
Cash dividends		-	-	(5,108)	-	-	-
Bonuses to directors and statutory auditors		-	-	(237)	-	-	-
Reversal of land revaluation increment		-	-	(908)	908	-	-
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes		-	-	-	-	165,618	-
Adjustments for applicable income taxes		-	-	-	(8,789)	-	-
Fractional shares acquired, net		-	19	-	-	-	(1,132)
Balance at March 31, 2006		$ 153,231	$ 117,791	$ 745,302	$ 64,932	$ 447,099	$ (3,950)

The accompanying Notes are an integral part of these Consolidated Financial Statements.

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 16,315	¥ 11,781	$ 138,890	$ 100,295
Adjustments for:				
Depreciation	6,762	7,198	57,569	61,281
Decrease in reserve for possible loan losses	(4,356)	(2,161)	(37,084)	(18,399)
Interest and dividend income	(36,442)	(36,996)	(310,227)	(314,948)
Interest expenses	906	813	7,721	6,928
Increase in trading securities	(19,665)	(233)	(167,410)	(1,987)
Increase in loans and bills discounted	(26,221)	(38,074)	(223,217)	(324,120)
Increase in call loans and bills purchased	(51,163)	(4,441)	(435,543)	(37,811)
Increase in deposits	32,617	80,668	277,669	686,712
Increase in security deposits received relating to lending transactions	18,457	20,576	157,124	175,165
Interest income received	36,653	37,425	312,025	318,599
Interest expenses paid	(920)	(820)	(7,835)	(6,984)
Other, net	(10,277)	(7,530)	(87,489)	(64,102)
Sub-total	(37,332)	68,206	(317,807)	580,629
Income taxes paid	(3,013)	(5,090)	(25,655)	(43,331)
Net cash (used in) provided by operating activities	(40,346)	63,116	(343,462)	537,298
Cash flows from investing activities:				
Purchases of securities	(285,228)	(220,997)	(2,428,099)	(1,881,306)
Proceeds from sales or maturities of securities	218,562	155,624	1,860,581	1,324,804
Purchases of premises and equipment	(6,057)	(7,503)	(51,566)	(63,878)
Proceeds from sales of premises and equipment	417	783	3,557	6,673
Net cash used in investing activities	(72,305)	(72,092)	(615,527)	(613,707)
Cash flows from financing activities:				
Dividends paid	(602)	(547)	(5,125)	(4,660)
Other, net	(133)	(107)	(1,132)	(918)
Net cash used in financing activities	(735)	(655)	(6,257)	(5,578)
Net decrease in cash and cash equivalents	(113,387)	(9,630)	(965,246)	(81,987)
Cash and cash equivalents at beginning of year	163,028	172,659	1,387,829	1,469,816
Cash and cash equivalents at end of year	¥ 49,640	¥ 163,028	$ 422,583	$ 1,387,829

The accompanying Notes are an integral part of these Consolidated Financial Statements.

1. Basis of Financial Statements

(a) Basis of presentation

The consolidated financial statements of The Aichi Bank, Ltd. (the "Bank") and its subsidiaries (collectively the “Group”) have been prepared in accordance with the provisions set forth in the Commercial Code of Japan, the Securities and Exchange Law of Japan and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. These consolidated financial statements are compiled from the original consolidated financial statements in Japanese prepared by the Bank as required by the Securities and Exchange Law of Japan and submitted to the Director of Kanto Finance Bureau in Japan.

The accompanying consolidated financial statements are expressed in millions of Japanese yen and have been rounded down. As a result, the sum of each yen amount appearing in the consolidated financial statements and the notes thereto may not be equal to the sum of the individual account balances.

(b) U.S. dollar amounts

The Group maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the arithmetic results of translating consolidated financial statements and notes thereto represent the converted U.S. dollar amounts from Japanese yen amounts, on the basis of ¥ 117.47 to $1, the exchange rate prevailing on March 31, 2006. The inclusion of such dollar amounts is solely for the convenience of readers and is not intended to imply that Japanese yen assets and liabilities have been or could be readily converted, realized or settled in U.S. dollars at the given or at any other rates.

(c) Reclassification

Certain comparative figures have been reclassified to conform to the current year’s presentations.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

The consolidated financial statements included the accounts of the Bank and all of its subsidiaries. The Bank had four subsidiaries primarily engaged in provision of a wide range of financial services to customers and no affiliates based on the self-judgment of the Bank for its subsidiary as an enterprise that is controlled by the Bank rather than that is owned for a majority voting interest at March 31, 2006 and 2005, respectively. All intercompany transactions and accounts have been eliminated. The difference between the cost of investments in subsidiaries and the underlying equity in their net assets adjusted based on the fair value at the time of acquisition is deferred as goodwill and amortized over five years using the straight-line method.

Until the year ended March 31, 2004, as one of the subsidiaries had its fiscal year-end at December 31, three months earlier than the fiscal year-end of the Bank and other subsidiaries, the Bank had consolidated such subsidiary’s financial statements as of its year-end. As that subsidiary had changed its fiscal year-end from December 31 to March 31 during the year ended March 31, 2005, the accompanying consolidated statements of stockholders’ equity for the year ended March 31, 2005 included the effect for the change of the fiscal year-end as increase in retained earnings due to change of financial period of subsidiary

(b) Cash and Cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consisted of cash and demand deposits from The Bank of Japan as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Cash and due from banks	¥ 52,506	¥ 165,568	$ 446,978	$ 1,409,455
Less, due from banks other than the Bank of Japan	(2,865)	(2,540)	(24,395)	(21,626)
Cash and cash equivalents	¥ 49,640	¥ 163,028	$ 422,583	$ 1,387,829

(c) Trading securities

Trading securities are stated at fair value at the end of the fiscal years. Related gain or losses, both realized and unrealized, are included in the consolidated statements of income. Accrued interests on trading securities are included in other assets.

(d) Investment securities

Debt securities for which the Group has both positive intent and ability to hold to maturity are classified as held-to-maturity securities, and are stated at amortized cost. Marketable securities, other than those classified as held-to-maturity or trading, are carried at fair value at the balance sheet dates. Net unrealized gain or losses on these securities, net of tax, are reported as a separate item in the stockholders' equity. Non-marketable securities classified as available-for-sale securities are stated at moving average cost or amortized cost. Carrying values of individual investment securities are reduced, if necessary, through write-downs to reflect other-than-temporary impairment in values. Gain and losses on the disposal of investment securities are principally computed using the moving average method. Accrued interests on securities are included in other assets. Funds entrusted to trust banks for securities (included in "Money held in trust") of the Group are stated at fair value.

Until the year ended March 31, 2004, the Group's equity interests in the limited liability partnerships (LLPs), and those in voluntary partnership under the Civil Code and silent partnership under the Commercial Code characteristics of which are similar to those of LLPs had been included in "Other assets" and the Group's interests in income and expenses of those partnerships had been included in "Other income" and "Other expenses". However, from the year ended March 31, 2005, these equity interests have been included in "Investment securities" as they fell under the definition of securities under the Securities and Exchange Law by the "Partial Revision of Securities and Exchange Law" (Law No.97 dated June 9, 2004) and the Group's interests in income and expenses of those partnerships have been included in "Interest on and dividends from securities" of "Interest income".

(e) Derivatives

Derivatives are recorded at fair value, if hedge accounting is not applied, and gain or losses on derivatives are recognized in the consolidated statements of income. As the Bank's subsidiaries apply the special treatment of hedge accounting as permitted under the accounting standard for financial instruments, interest rate swaps which are qualified as hedging instruments are accounted for on an accrual basis, and are recorded net of interest expenses generated from borrowings as hedged items, if certain conditions are met.

(f) Reserve for possible losses on investments

Reserve for possible losses on investments is provided to absorb the future loss that may occur relating to the investments in debt securities issued by the borrowers having least financial performance based on the internal rules of the Bank.

(g) Loans and bills discounted, and reserve for possible loan losses

Loans and bills discounted are stated at the amount of unpaid principal. Unearned interest and discount are recorded as liabilities and recognized as income over the contract terms of the loans or bills.

A reserve for possible loan losses of the Bank is established to cover future credit losses in accordance with the internal rules for self-assessment of assets quality**.** Loans written off are charged either to reserve for possible loan losses and/or current income. Recoveries of loans written off are recorded as other income. Reserve for possible loan losses is made based on the Bank's internal rules in accordance with the Report No. 4 of Ad Hoc Committee for Audits of Banks "Practical Guideline for Evaluation of Internal Control Over Valuation of Assets and Audits of Write-off of Bad Loans and Allowance for Doubtful Loans of Banks and Similar Financial Institutions" issued by the Japanese Institute of Certified Public Accountants ("JICPA"). For claims to borrowers that are legally or substantially bankrupt, a reserve has been provided based on the amounts of the claims net of the amounts expected to be collected through the disposal of collateral or the execution of guarantees. For claims to borrowers who are likely to become bankrupt, a reserve has been provided based on an overall solvency assessment of the amounts from the claims net of the amounts expected to be collected through the disposal of collateral or the execution of guarantees. For claims to borrowers except for those as mentioned above, a reserve has been provided based on the historical loss experience of the Bank for certain past period. All claims are being assessed by the Bank's operating divisions based on the Bank's internal rules for the self-assessment of assets quality. The inspection division, which is independent from the operating divisions, conducts audits of these assessments. The reserves described above are determined based on the audit results.

Reserve for the possible loan losses of the subsidiaries is made for the aggregate amounts of estimated credit losses based on the individual financial review approach for doubtful or troubled receivables and a general reserve is provided for based on the historical loss experience for other receivables.

(h) Premises and equipment, and depreciation

Premises and equipment of the Bank are stated at cost, less accumulated depreciation. Depreciation is computed using declining-balance method over the following estimated useful lives of the assets, except that the buildings acquired on and after April 1, 1998 have been depreciated using the straight-line method.

Buildings	8 years to 50 years
Equipment and furniture	3 years to 20 years

Premises and equipment of the subsidiaries are principally depreciated by the straight-line method over the estimated useful lives of the premises and equipment.

(i) Leases

In cases of finance leases under which ownership of leased properties is not transferred to lessees during the term of leases, the leased properties of the Group as a lessee are not capitalized and the relating rental and lease expenses are charged to income as incurred.

The subsidiary which is engaged in leasing business as a lessor accounts for all the lease contracts, including finance leases, using the accounting treatments similar to operating leases as permitted by the accounting principles generally accepted in Japan.

(j) Foreign currency translation

Assets and liabilities denominated in foreign currencies of the Bank are principally translated into Japanese yen at the exchange rates prevailing at the balance sheet dates. Income and expenses are translated at the exchange rates at transaction dates. Gains or losses resulting from foreign currency translation are included in the consolidated statements of income.

Assets and liabilities denominated in foreign currencies of the subsidiaries are translated into Japanese yen at the exchange rates prevailing at the balance sheet dates.

(k) Employee retirement benefits

Employees who terminate their service with the Group are entitled to retirement benefits generally determined with reference to the current basic salaries, years of service and conditions under which the termination occurs.

In accordance with the accounting standard for employee retirement benefits, the Group principally recognizes the retirement benefits including pension costs and related liabilities based on the actuarial present value of the projected benefit obligation using an actuarial appraisal approach and the pension plan assets available for benefits at the respective fiscal year-ends. Unrecognized prior service cost is charged to income in the year in which it occurs. Unrecognized actuarial differences such as changes in the projected benefit obligation or pension plan assets resulting from the experience which is different from assumptions and from changes in assumptions are amortized on a straight-line basis principally over thirteen to fourteen years as a certain period within the remaining years of service of employees from the next fiscal year after the year the differences occur.

Effective from the year ended March 31, 2006, the Group adopted “Amendment of Accounting Standard for Retirement Benefits” (Accounting Standard Board Statement No.3) and “Implementation Guidance for Amendment of Accounting Standard for Retirement Benefits” (Accounting Standard Implementation Guidance No.7) issued by the Accounting Standard Board of Japan (“ASBJ”) on March 16, 2005. As a result, the Group has amortized unrecognized pension plan assets, which are the excess of fair values of pension plan assets over benefit obligations as a result of occurrence of unrecognized actuarial gains or pension plan amendments and are not permitted to be recognized as income under the previous accounting standard, as unrecognized actuarial differences. Therefore, prepaid pension plan increased by ¥110 million ($943 thousand) at March 31, 2006 and income before income taxes and minority interests increased by ¥110 million ($943 thousand) for the year ended March 31, 2006.

(l) Reserve for employee bonuses

Reserve for employee bonuses is provided based on the estimated amounts of future payments attributable to the respective fiscal years.

(m) Income taxes

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforward. Deferred tax assets and liabilities are measured using the enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

With the promulgation of “The Law for Partial Amendments to Local Tax Law” (Law No.9) on March 31, 2003, a portion of taxation basis of enterprise taxes was changed (pro forma standard taxation basis introduced), and “added value component” and “capital component” were newly added to the taxation basis from the fiscal years beginning on April 1, 2004. As a result, the Bank includes the portion of enterprise tax amounts calculated based on “added value component” and “capital component” in “General and administrative expenses” on the consolidated statements of income pursuant to “Practical Treatment for Presentation of Pro Forma Standard Taxation Portion of Enterprise Tax on Corporation in the Statement of Income” (ASBJ, Practice Report No.12.)

(n) Appropriation of retained earnings

Cash dividends and bonuses to directors and statutory auditors are recorded in the fiscal year when a proposed appropriation of retained earnings is approved by the Board of Directors and/or stockholders. Bonuses paid to directors and statutory auditors are recorded as a part of the appropriation of retained earnings, instead of being charged to income, as permitted by the Japanese accounting standard.

(o) Per share data

Net income per share is computed by dividing income available to common stockholders by the weighted-average number of shares of common stock outstanding during the respective years.

Cash dividends per share shown in the accompanying consolidated statements of income represent dividends declared by the Bank as applicable to the respective years.

(p) Adoption of new accounting standard for impairment of fixed assets

On August 9, 2002, the Business Accounting Council of Japan issued "Accounting Standard for Impairment of Fixed Assets", which is effective for the fiscal years beginning on and after April 1, 2005, with earlier adoption permitted. ASBJ issued related practical guidance on October 31, 2003. The Group has adopted this new accounting standard and related practical guidance effective for the year ended March 31, 2006. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of the asset’s net selling price and value in use. Fixed assets include land, buildings and other forms of property as well as intangible assets and are to be grouped at the lowest level for which there are identifiable cash flows from other groups of assets. For the purpose of recognition and measurement of an impairment loss, fixed assets are grouped into cash-generating units, such as operating business branches, other than idle or unused property. Recoverable amounts of the assets were measured based on value in use calculated using discounted future cash flows at interest rate principally of 4.5% or net selling prices primarily for appraisal valuations net of estimated costs of disposal. As a result, for the year ended March 31, 2006, the Group recognized impairment loss for the property of 4 business branches and 9 idle properties as follows:

	Land	Buildings and structures	Other property	Total
	Millions of Yen			
Operating assets:				
Aichi Prefecture	¥ -	¥ 17	¥ 20	¥ 37
Other	24	29	48	102
Idle assets:				
Aichi Prefecture	78	36	2	117
Other	5	-	-	5
Total	¥ 108	¥ 83	¥ 70	¥ 262
	Thousands of U.S. Dollars			
Operating assets:				
Aichi Prefecture	$ -	$ 146	$ 172	$ 318
Other	210	255	410	875
Idle assets:				
Aichi Prefecture	670	310	20	1,000
Other	44	-	-	44
Total	$ 924	$ 711	$ 602	$ 2,237

Accumulated impairment losses have been directly deducted from the applicable assets.

3. Trading Securities and Investment Securities

At March 31, 2006 and 2005, trading securities consist of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Japanese government bonds	¥ 20,171	¥ 519	$ 171,718	$ 4,420
Local government bonds	21	8	180	68
	¥ 20,192	¥ 527	$ 171,898	$ 4,488

At March 31, 2006 and 2005, investment securities consist of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Japanese government bonds	¥ 257,582	¥ 261,052	$ 2,192,747	$ 2,222,289
Local government bonds	29,884	25,153	254,405	214,126
Bonds and debentures	230,762	206,137	1,964,439	1,754,808
Equity securities	146,969	95,193	1,251,122	810,365
Other	194,958	172,983	1,659,648	1,472,580
	¥ 860,157	¥ 760,520	$ 7,322,361	$ 6,474,168

Securities are classified as trading, held-to-maturity or available-for-sale, the classification determines the respective accounting methods as stipulated by the accounting standard for financial instruments. At March 31, 2006 and 2005, the carrying values of trading securities and the related net unrealized losses or gains included in the consolidated statements of income are as follows:

	Millions of Yen				Thousands of U.S. Dollars			
	2006		2005		2006		2005	
	Carrying value	Unrealized losses	Carrying value	Unrealized gains	Carrying value	Unrealized losses	Carrying value	Unrealized gains
Trading securities	¥ 20,192	¥ (8)	¥ 527	¥ 0	$ 171,898	$ (72)	$ 4,488	$ 8

At March 31, 2006 and 2005, gross unrealized gain and losses for marketable held-to-maturity securities are summarized as follows:

	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
	Millions of Yen			
Held-to-maturity debt securities with fair value at March 31, 2006:				
Local government bonds	¥ 334	¥ 7	¥ -	¥ 341
Bonds and debentures	11,623	252	(2)	11,874
	¥ 11,957	¥ 260	¥ (2)	¥ 12,215
Held-to-maturity debt securities with fair value at March 31, 2005:				
Local government bonds	¥ 395	¥ 17	¥ -	¥ 413
Bonds and debentures	13,367	650	(0)	14,016
	¥ 13,763	¥ 667	¥ (0)	¥ 14,430

	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
	Thousands of U.S. Dollars			
Held-to-maturity debt securities with fair value at March 31,2006:				
Local government bonds	$ 2,844	$ 63	$ -	$ 2,907
Bonds and debentures	98,951	2,152	(20)	101,083
	$ 101,795	$ 2,215	$ (20)	$ 103,990
Held-to-maturity debt securities with fair value at March 31,2005:				
Local government bonds	$ 3,368	$ 148	$ -	$ 3,516
Bonds and debentures	113,794	5,536	(6)	119,324
	$ 117,162	$ 5,684	$ (6)	$ 122,840

At March 31, 2006 and 2005, gross unrealized gains and losses for marketable available-for-sale securities are summarized as follows:

	Costs	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of Yen			
Available-for-sale securities with fair value at March 31, 2006:				
Japanese government bonds	¥ 259,755	¥ 2,100	¥ (4,274)	¥ 257,582
Local government bonds	29,869	165	(483)	29,550
Bonds and debentures	205,923	475	(2,673)	203,724
Equity securities	56,061	88,643	(213)	144,491
Other	194,552	3,962	(3,557)	194,958
	¥ 746,162	¥ 95,348	¥ (11,202)	¥ 830,308
Available-for-sale securities with fair value at March 31, 2005:				
Japanese government bonds	¥ 253,288	¥ 7,763	¥ (0)	¥ 261,052
Local government bonds	24,118	640	(2)	24,757
Bonds and debentures	176,977	2,578	(11)	179,543
Equity securities	52,237	40,959	(520)	92,676
Other	168,736	4,692	(445)	172,983
	¥ 675,358	¥ 56,635	¥ (979)	¥ 731,014

	Thousands of U.S. Dollars			
Available-for-sale securities with fair value at March 31, 2006:				
Japanese government bonds	$ 2,211,248	$ 17,883	$ (36,384)	$ 2,192,747
Local government bonds	254,270	1,409	(4,118)	251,561
Bonds and debentures	1,752,990	4,044	(22,763)	1,734,271
Equity securities	477,238	754,607	(1,813)	1,230,032
Other	1,656,193	33,736	(30,284)	1,659,645
	$ 6,351,939	$ 811,680	$ (95,362)	$ 7,068,257
Available-for-sale securities with fair value at March 31, 2005:				
Japanese government bonds	$ 2,156,199	$ 66,091	$ (1)	$ 2,222,289
Local government bonds	205,319	5,457	(18)	210,758
Bonds and debentures	1,506,574	21,947	(98)	1,528,423
Equity securities	444,685	348,683	(4,430)	788,938
Other	1,436,422	39,946	(3,791)	1,472,577
	$ 5,749,199	$ 482,124	$ (8,338)	$ 6,222,985

During the years ended March 31, 2006 and 2005, the Group recorded a loss on the write-down of marketable available-for-sale securities due to other-than-temporary impairments in value amounting to ¥71 million ($609 thousand) and ¥251 million ($2,145 thousand), respectively.

At March 31, 2006 and 2005, net unrealized gains on available-for-sale securities, net of applicable income taxes and minority interests, recorded in a separate component of stockholders' equity on the consolidated balance sheets are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Unrealized gains	¥ 84,145	¥ 55,655	$ 716,318	$ 473,786
Less, applicable income taxes	(31,593)	(22,573)	(268,949)	(192,168)
Less, minority interests portion	(31)	(16)	(270)	(137)
Net unrealized gains in stockholders' equity	¥ 52,520	¥ 33,065	$ 447,099	$ 281,481

During the years ended March 31, 2006 and 2005, the Group sold available-for-sale securities and recorded gains of ¥4,310 million ($36,698 thousand) and ¥384 million ($3,271 thousand), respectively, and losses of ¥1,482 million ($12,621 thousand) and ¥169 million ($1,444 thousand), respectively, on the consolidated statements of income.

Expected maturities of debt securities classified as held-to-maturity and available-for-sale at March 31, 2006 and 2005 are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Due in one year or less	¥ 51,425	¥ 87,516	$ 437,777	$ 745,012
Due after one year through five years	384,780	304,796	3,275,564	2,594,672
Due after five years through ten years	177,814	188,155	1,513,704	1,601,730
Due after ten years	93,076	77,828	792,346	662,535
	¥ 707,097	¥ 658,295	$ 6,019,391	$ 5,603,949

4. Loans and Bills Discounted

At March 31, 2006 and 2005, loans and bills discounted consist of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Bills discounted	¥ 52,233	¥ 58,947	$ 444,651	$ 501,806
Loans on bills	120,151	132,852	1,022,823	1,130,952
Loans on deeds	1,095,210	1,055,791	9,323,323	8,987,751
Overdrafts	199,492	193,274	1,698,242	1,645,313
	¥ 1,467,087	¥ 1,440,866	$ 12,489,039	$ 12,265,822

Claims to borrowers in bankruptcy and past due loans amounted to ¥48,603 million ($413,755 thousand) and ¥62,611 million ($532,997 thousand) at March 31, 2006 and 2005, respectively and are included in loans and bills discounted. Loans are generally placed on non-accrual status when substantial doubt is judged to exist as to the ultimate collectibility of either principal or interest if they are past due for a certain period or for other reasons. Claims to borrowers in bankruptcy represent non-accrual loans, after the charge-off of claims deemed uncollectible, to borrowers who are legally bankrupt, which are defined in Article 96, Paragraph 1, Subparagraph 3 and 4 of Enforcement Ordinance for the Corporation Tax Law of Japan. Past due loans are non-accrual loans other than claims to borrowers in bankruptcy and loans of which interest payment is deferred in order to assist the financial recovery of borrowers in financial difficulties.

At March 31, 2006 and 2005, delinquent loans for which the payment of principal and/or interest is contractually past due three months or more, excluding non-accrual loans, amounted to ¥443 million ($3,775 thousand) and ¥154 million ($1,318 thousand), respectively.

At March 31, 2006 and 2005, "restructured loans" of which the Bank has restructured the terms such as a reduction of the original interest rate, forbearance of interest and/or principal payments, and an extension of maturity date in order to support borrowers in their financial recovery or restructuring, excluding "claims to borrowers in bankruptcy", "past due loans" and "delinquent loans contractually past due three months or more" disclosed above, amounted to ¥6,947 million ($59,145 thousand) and ¥7,972 million ($67,865 thousand), respectively.

Total non-performing assets net of charge-off of claims deemed uncollectible, which consisted of "claims to borrowers in bankruptcy", "past due loans", "delinquent loans contractually past due three months or more" and "restructured loans", aggregated ¥55,994 million ($476,675 thousand) and ¥70,738 million ($602,180 thousand) at March 31, 2006 and 2005, respectively.

5. Foreign Exchange

At March 31, 2006 and 2005, foreign exchange consists of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Assets:				
Due from banks	¥ 992	¥ 437	$ 8,453	$ 3,722
Foreign bills of exchange purchased	408	479	3,479	4,084
Foreign bills of exchange receivable	980	724	8,346	6,165
	¥ 2,382	¥ 1,641	$ 20,278	$ 13,971

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Liabilities:				
Due to banks	¥ 0	¥ 0	$ 4	$ 1
Foreign bills of exchange sold	266	442	2,267	3,763
Foreign bills of exchange payable	121	59	1,036	507
	¥ 388	¥ 501	$ 3,307	$ 4,271

6. Premises and Equipment

At March 31, 2006 and 2005, premises and equipment consist of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Land	¥ 25,587	¥ 25,719	$ 217,820	$ 218,944
Buildings and structures	20,138	19,685	171,433	167,577
Equipment and furniture	10,967	10,831	93,360	92,203
Property held for leases	49,863	50,981	424,476	433,998
Construction in progress	7	1	61	11
	106,562	107,218	907,150	912,733
Less, accumulated depreciation	(55,761)	(55,274)	(474,685)	(470,544)
	50,801	51,943	432,465	442,189
Software held for leases	1,053	1,076	8,967	9,161
Lease deposits	541	532	4,608	4,529
	¥ 52,396	¥ 53,552	$ 446,040	$ 455,879

As permitted by the accounting principles and practices generally accepted in Japan, deferred capital gains on sales on real property have been deducted from the original acquisition cost of property newly acquired for the replacement purposes in the same line of business as the property sold by the Company. At March 31, 2006 and 2005, respectively, the amount of ¥2,333 million ($19,867 thousand) was directly reduced from the acquisition cost of land.

The Bank elected the one-time revaluation to revalue land used for the banking business effective on March 31, 1998, reflecting appropriate adjustments for land shape and other factors, based on the appraisal values issued by the Japanese National Tax Agency under the Law Concerning Revaluation of Land (the “Law”). According to the Law, the amount equivalent to the tax effect on the excess of sound reassessed values over the original book values is stated as deferred tax liabilities for revaluation account, and the rest of such excess, net of the tax effect, is disclosed as a land revaluation account and included in stockholders’ Equity on the consolidated balance sheets. At March 31, 2006 and 2005, the differences in the carrying values of land used for the banking business after reassessment over the current market value as of March 31,2006 and March 31,2005 amounted to ¥8,630 million ($73,471 thousand) and ¥9,268 million ($78,902 thousand), respectively.

7. Pledged Assets

At March 31, 2006 and 2005, investment securities totaling ¥65,923 million ($561,192 thousand) and ¥47,907 million ($407,829 thousand), respectively, are pledged as collateral for security deposits received relating to lending transactions of ¥66,405 million ($565,297 thousand) and ¥47,948 million ($408,173 thousand).

At March 31, 2006 and 2005, investment securities totaling ¥38,815 million ($330,431 thousand) and ¥51,899 million ($441,807 thousand), respectively, are pledged as collateral for the settlement of exchange, derivative and other transactions.

At March 31, 2006, minimum lease commitments to be received totaling ¥6,770 million ($57,636 thousand) is pledged as collateral for borrowing of ¥4,750 million ($40,436 thousand).

8. Deposits

At March 31, 2006 and 2005, deposits consist of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Demand deposits	¥ 1,149,494	¥ 1,073,800	$ 9,785,429	$ 9,141,063
Time deposits	1,019,030	1,053,385	8,674,816	8,967,276
Other	39,404	51,225	335,443	436,070
Sub-total	2,207,929	2,178,411	18,795,688	18,544,409
Negotiable certificates of deposit	6,780	3,680	57,717	31,327
	¥ 2,214,709	¥ 2,182,091	$ 18,853,405	$ 18,575,736

9. Borrowings

At March 31, 2006, the annual maturities of borrowings, which are due through February 2011 with an average interest rate of 1.23% per annum, are as follows:

Years ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2007	¥ 4,796	$ 40,827
2008	3,381	28,782
2009	2,138	18,200
2010	925	7,874
2011	375	3,193
	¥ 11,615	$ 98,876

10. Employee Retirement Benefits

The Group has qualified pension plans and lump-sum retirement benefit plans, which substantially cover all employees.

The reserve for employee retirement benefits as of March 31, 2006 and 2005 are analyzed as follows:

	Millions of Yen		Thousands of U.S Dollars	
	2006	2005	2006	2005
Projected benefit obligation	¥ 19,942	¥ 20,174	$ 169,765	$ 171,739
Less, fair value of pension plan assets at end of year	(27,029)	(21,564)	(230,098)	(183,577)
Projected benefit obligation in excess of pension plan assets	(7,087)	(1,390)	(60,333)	(11,838)
Unrecognized pension plan assets	-	1,551	-	13,204
Less, unrecognized actuarial differences (loss)	(637)	(7,435)	(5,430)	(63,300)
	(7,725)	(7,275)	(65,763)	(61,934)
Prepaid pension cost	10,386	9,910	88,414	84,368
Balance of reserve for employee retirement benefits recognized on the consolidated balance sheets	¥ 2,660	¥ 2,635	$ 22,651	$ 22,434

Note: The projected benefit obligation of certain subsidiaries is calculated using the simplified calculation method as permitted by the accounting standard for employee retirement benefits.

Net periodic retirement benefit expenses for the years ended March 31, 2006 and 2005 are as follows:

	Millions of Yen		Thousands of U.S Dollars	
	2006	2005	2006	2005
Components of net periodic retirement benefit expenses:				
Service cost	¥ 556	¥ 568	$ 4,739	$ 4,843
Interest cost	403	418	3,435	3,561
Expected return on pension plan assets	(391)	(322)	(3,330)	(2,747)
Amortization of actuarial differences	599	851	5,105	7,252
Other	29	53	249	454
Net periodic retirement benefit expenses	¥ 1,197	¥ 1,569	$ 10,198	$ 13,363

Major assumptions used in the calculation of the above information for the years ended March 31, 2006 and 2005 are as follows:

	2006	2005
Method attributing the projected benefits to periods of services	Straight-line method	Straight-line method
Discount rate	2.0%	2.0%
Expected rate of return on pension plan assets	2.5%	2.5%
Amortization of actuarial differences	13~14 years	13~14 years
Amortization of prior service cost	-	1 year

11. Acceptances and Guarantees

The Bank provides guarantees for liabilities of its customers for payments of loans from other financial institutions. A contra account, "Customers' liabilities for acceptances and guarantees", is classified as an asset in the consolidated balance sheets, indicating the Bank's right of indemnity from customers

12. Stockholders' Equity

The Bank is authorized to issue 28 million shares of no par value common stock at March 31, 2006. In addition, though the Bank is authorized to issue 2 million shares of no par value preferred stock, no preferred stock was issued at March 31, 2006.

At March 31, 2006 and 2005, capital surplus principally consists of additional paid-in capital. Included in the retained earnings represented the legal reserve of the Bank ¥5,392 million ($45,909 thousand) at March 31, 2006 and 2005, respectively. The Japanese Banking Law provides that an amount equivalent to at least 20% of the cash payments as appropriations of retained earnings shall be appropriated as the legal reserve until the total amount of additional paid-in capital and such reserve equals capital of common stocks. The legal reserve is not available for distributions as dividends, but may be used to reduce a deficit or may be transferred to capital of common stocks by proper actions of the Board of Directors and/or stockholders.

The stockholders of the Bank approved the following appropriations of retained earnings at its annual general meeting on June 29, 2006:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends	¥ 381	$ 3,248
Bonuses to directors and statutory auditors	28	245

13. Commitments

(a) Loan commitments

Contracts of overdraft facilities and loan commitment limits are the agreement to allow customers to extend overdrafts or loans up to the prescribed limits in response to customers' application of loans as long as there is no violation against any condition in the contracts. At March 31, 2006 and 2005, the unused amount within the limits relating to these contracts which expire within one year or are revocable by the Bank at any time without any conditions aggregated ¥404,492 million ($3,443,365 thousand) and ¥408,708 million ($3,479,260 thousand), respectively.

Since many of these commitments expire without being drawn down, the unused amount does not necessarily represent a future cash flow. Most of these contracts have conditions that the Bank can refuse customers' application of loans or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of the contracts, the Bank obtains real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank performs periodic review of the customers' business performance in accordance with the Bank's internal rules and takes necessary measures to reconsider conditions in contracts and/or requires additional collateral and guarantees to prevent credit losses.

(b) Lease commitments

The Group has entered into various lease agreements as a lessee principally for land for office space, which are cancelable with a few months' advance notice. In addition, a subsidiary engaged in leasing business entered into various long-term non-cancelable lease agreements with third parties as a lessor, which were categorized as financing leases. At March 31, 2006 and 2005, the aggregate future minimum lease commitments to be received for such noncancelable finance leases, excluding the ones under which ownership of leased properties is recognized to be transferred to lessees, were as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Due within one year	¥ 4,918	¥ 5,124	$ 41,871	$ 43,625
Due after one year	11,316	11,746	96,335	99,993
	¥ 16,235	¥ 16,870	$ 138,206	$ 143,618

14. Derivative Instruments

The Bank has entered into various derivative transactions in the normal course of business to meet the needs of its customers and for risk management and asset-liability management purposes of the Bank. These derivatives involve, in various degrees, credit and market risks. The Bank is exposed to credit loss in the event of non-performance by the other parties. However, the Bank does not expect non-performance by counterparties.

The Bank adopted the accounting standard for financial instruments. At March 31, 2006 and 2005, derivative instruments which are traded on the over-the-counter market and stated at fair value and recognized for valuation gains and losses in the consolidated statement of income, other than those to which hedge accounting is applied, are summarized as follows:

	Notional principal or contract amounts	Fair value	Valuation gains/(losses)
	Millions of Yen		
Foreign exchange forward contracts:			
March 31, 2006	¥ 15,090	¥ (141)	¥ (141)
March 31, 2005	7,613	(81)	(81)
	Thousands of U.S. Dollars		
Foreign exchange forward contracts:			
March 31, 2006	$ 128,463	$ (1,205)	$ (1,205)
March 31, 2005	64,815	(698)	(698)

Note: Fair value is based on the discounted cash flow method.

15. Income taxes

Income taxes for the years ended March 31, 2006 and 2005 consist of the following:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Income taxes:				
Current	¥ 5,022	¥ 2,881	$ 42,757	$ 24,530
Deferred	4,136	1,690	35,213	14,389
	¥ 9,159	¥ 4,571	$ 77,970	$ 38,919

The tax effects of temporary differences that give rise to a significant portion of deferred tax assets and liabilities at March 31, 2006 and 2005 are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Deferred tax assets:				
Reserve for possible loan losses	¥ 3,510	¥ 4,888	$ 29,886	$ 41,615
Reserve for employee retirement benefits	2,186	2,250	18,614	19,160
Investment securities	3,184	3,558	27,106	30,295
Other	3,148	2,542	26,807	21,640
	12,030	13,239	102,413	112,710
Less, valuation allowance	(2,849)	-	(24,254)	-
	9,181	13,239	78,159	112,710
Deferred tax liabilities:				
Unrealized gains on available-for-sale securities	31,593	22,573	268,949	192,168
Deferred gains on sale of property	228	223	1,947	1,905
Gains on transfer of investment securities for trusts for retirement benefit plan	4,040	4,040	34,399	34,399
	35,862	26,838	305,295	228,472
Net deferred tax (liabilities)	¥ (26,681)	¥ (13,598)	$ (227,136)	$ (115,762)

At March 31, 2006 and 2005, deferred tax assets and liabilities reported on the accompanying consolidated balance sheets are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2006	2005	2006	2005
Deferred tax assets	¥ 361	¥ 379	$ 3,078	$ 3,233
Deferred tax liabilities	27,043	13,978	230,214	118,995

In assessing the realizability of deferred tax assets, management of the Group considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of the future taxable income during the periods in which those temporary differences become deductible. At March 31, 2006, a valuation allowance was provided to reduce the deferred tax assets to the extent that the management believes that the amount of the deferred tax assets is expected to be realizable.

A reconciliation of the Japanese statutory effective tax rate and the actual effective income tax rate on pre-tax income reflected in the accompanying consolidated statements of income for the year ended March 31, 2006 was as follows:

	Percentage of pre-tax income
Japanese statutory effective tax rate	40.55%
Increase (decrease) due to:	
Permanently non-deductible expenses	0.35
Tax exempt income	(1.82)
Change in valuation allowance	17.46
Other	(0.41)
Actual effective income tax rate	56.13%

The reconciliation for the year ended March 31, 2005 is not disclosed as such difference was not material.

16. Segment Information

A summary of information classified by lines of business of the Group for the years ended March 31, 2006 and 2005 is as follows:

	Bank	Leasing	Other	Total	Elimination	Consolidated
				Millions of Yen		
For the year 2006:						
Ordinary income:						
External customers	¥ 48,877	¥ 8,240	¥ 5	¥ 57,123	¥ -	¥ 57,123
Inter-segment	65	263	107	435	(435)	-
	48,942	8,503	112	57,559	(435)	57,123
Ordinary expenses	33,247	8,134	92	41,475	(433)	41,041
Ordinary profit	¥ 15,695	¥ 368	¥ 20	¥ 16,084	¥ (2)	¥ 16,082
Special income (expenses), net						233
Income before income taxes and minority interests						¥ 16,315
Identifiable assets	¥ 2,561,797	¥ 21,898	¥ 123	¥ 2,583,820	¥ (5,364)	¥ 2,578,455
Depreciation	1,256	5,505	1	6,762	-	6,762
Impairment loss on fixed assets	262	-	-	262	-	262
Capital expenditures	1,099	4,939	-	6,038	-	6,038
For the year 2005:						
Ordinary income:						
External customers	¥ 45,198	¥ 8,315	¥ 8	¥ 53,522	¥ -	¥ 53,522
Inter-segment	65	278	117	461	(461)	-
	45,264	8,593	126	53,983	(461)	53,522
Ordinary expenses	33,743	8,191	97	42,032	(459)	41,573
Ordinary profit	¥ 11,520	¥ 401	¥ 28	¥ 11,950	¥ (1)	¥ 11,949
Special income (expenses), net						(167)
Income before income taxes and minority interests						¥ 11,781
Identifiable assets	¥ 2,477,352	¥ 22,699	¥ 109	¥ 2,500,162	¥ (5,512)	¥ 2,494,649
Depreciation	1,383	5,813	1	7,198	-	7,198
Capital expenditures	1,577	5,468	-	7,045	-	7,045
				Thousands of U.S. Dollars		
For the year 2006:						
Ordinary income:						
External customers	$ 416,089	$ 70,147	$ 44	$ 486,280	$ -	$ 486,280
Inter-segment	553	2,241	917	3,711	(3,711)	-
	416,642	72,388	961	489,991	(3,711)	486,280
Ordinary expenses	283,033	69,248	788	353,069	(3,692)	349,377
Ordinary profit	$ 133,609	$ 3,140	$ 173	$ 136,922	$ (19)	$ 136,903
Special income (expenses), net						1,987
Income before income taxes and minority interests						$ 138,890
Identifiable assets	$ 21,808,103	$ 186,421	$ 1,054	$ 21,995,578	$ (45,669)	$ 21,949,909
Depreciation	10,693	46,865	11	57,569	-	57,569
Impairment loss on fixed assets	2,237	-	-	2,237	-	2,237
Capital expenditures	9,356	42,052	-	51,408	-	51,408
For the year 2005:						
Ordinary income:						
External customers	$ 384,767	$ 70,785	$ 75	$ 455,627	$ -	$ 455,627
Inter-segment	558	2,369	998	3,925	(3,925)	-
	385,325	73,154	1,073	459,552	(3,925)	455,627
Ordinary expenses	287,255	69,733	829	357,817	(3,910)	353,907
Ordinary profit	$ 98,070	$ 3,421	$ 244	$ 101,735	$ (15)	$ 101,720
Special income (expenses), net						(1,425)
Income before income taxes and minority interests						$ 100,295
Identifiable assets	$ 21,089,239	$ 193,237	$ 932	$ 21,283,408	$ (46,926)	$ 21,236,482
Depreciation	11,779	49,488	14	61,281	-	61,281
Capital expenditures	13,426	46,553	-	59,979	-	59,979

Information of geographic segment and overseas sales is not shown, as the Bank has no subsidiaries outside Japan and overseas sales are immaterial to be disclosed.

Notes: (1) "Ordinary income" represents total income less certain special income included in other income in the accompanying consolidated statements of income. "Ordinary expenses" represents total expenses less certain special expenses included in other expenses. "Ordinary profit" represents ordinary income less ordinary expenses.

(2) "Other" business segment includes information technology management operations.

(3) As disclosed in Note 2(k), effective from the year ended March 31, 2006, the Group adopted "Amendment of Accounting Standard for Retirement Benefits" and "Implementation Guidance of Amendment of Accounting Standard for Retirement Benefits." As a result, income before income taxes and minority interests for Bank segment increased by ¥110 million ($943 thousand) for the year ended March 31, 2006, as compared with the previous accounting method.