

## Financial Statements for the First Half of Fiscal 2007



Company Name:

Mizuho Trust &amp; Banking Co., Ltd. ("MHTB")

Stock Code Number (Japan):

8404

Stock Exchanges (Japan):

Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)

URL:

http://www.mizuho-tb.co.jp/english/

Representative:

Name: IKEDA, Teruhiko

Filing of Hanki Hokokusho (scheduled):

December 26, 2007

Title: President &amp; CEO

Trading Accounts:

Established

For Inquiry:

Name: HOSOI, Souichi

Title: General Manager, Accounting

Phone: +81-3-3274-9000

(Amounts less than one million yen and one decimal place are rounded down.)

## 1. Financial Highlights for the First Half of Fiscal 2007 (for the six months ended September 30, 2007)

## (1) Consolidated Results of Operations

(%: Changes from corresponding period of previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	¥ million	%	¥ million	%	¥ million	%
1H Fiscal 2007	131,691	2.9	36,314	(9.9)	51,792	116.7
1H Fiscal 2006	127,953	10.3	40,327	15.7	23,896	(8.6)
Fiscal 2006	277,058	—	83,172	—	67,745	—

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	¥	¥
1H Fiscal 2007	10.30	6.00
1H Fiscal 2006	4.75	2.72
Fiscal 2006	12.88	7.77

Reference: Equity in Income from Investments in Affiliates:

1H Fiscal 2007: ¥ 60 million; 1H Fiscal 2006: ¥ 10 million; Fiscal 2006: ¥ 66 million

## (2) Consolidated Financial Conditions

Consolidated Capital Adequacy Ratio (BIS) in 1H Fiscal 2007 is the preliminary figure for immediate release purposes.

	Total Assets	Total Net Assets	Own Capital Ratio (Note1)	Total Net Assets per Share of Common Stock	Consolidated Capital Adequacy Ratio (BIS) (Note2)
	¥ million	¥ million	%	¥	%
1H Fiscal 2007	6,591,982	471,055	7.1	46.13	14.70
1H Fiscal 2006	6,392,618	432,037	6.7	33.67	13.69
Fiscal 2006	6,665,974	515,457	7.6	49.62	15.69

Reference: Own Capital

As of September 30, 2007: ¥ 468,044 million; As of September 30, 2006: ¥ 429,493 million; As of March 31, 2007: ¥ 512,603 million

Note: 1. Own Capital Ratio was calculated as follows: (Total Net Assets - Minority Interests) / Total Assets × 100

2. Consolidated Capital Adequacy Ratio (BIS) was based on the "Standards for Banking to Consider the Adequacy of its Capital Based on Assets and Others pursuant to Article 14-2 of the Banking Law "(Financial Services Agency Ordinance Announcement No. 19, 2006), commencing with Fiscal 2006.

The ratio for 1H Fiscal 2006 was based on the previous standards.

## (3) Conditions of Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the fiscal year
	¥ million	¥ million	¥ million	¥ million
1H Fiscal 2007	309,538	(268,604)	(68,057)	53,993
1H Fiscal 2006	(52,383)	(54,755)	(57,484)	39,799
Fiscal 2006	(87,975)	22,088	(57,500)	81,065

## 2. Cash Dividends for Common Shareholders

(Record Date)	Cash Dividends per Share		
	Interim period-end	Fiscal year-end	Annual
	¥	¥	¥
Fiscal 2006	-	1.00	1.00
Fiscal 2007	-	1.00	1.00
Fiscal 2007 (Estimate)	-		

Note: Please refer to p. 3 for Cash Dividends for Shareholders of Classified Stock, the rights of which are different from those of common stock.

## 3. Earnings Estimates for Fiscal 2007 (for the fiscal year ending March 31, 2008)

(%: Changes from previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income		Net Income per Share of Common Stock
	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal 2007	275,000	(0.7)	84,000	0.9	86,000	26.9	16.57

## 4. Others

### (1) Changes in Significant Subsidiaries during the First Half of Fiscal 2007

(change in specified subsidiaries accompanying change in scope of consolidation): No

### (2) Changes in Accounting Methods and Presentation of Consolidated Financial Statements

(a) Changes due to revisions of accounting standards, etc. : Yes

(b) Changes other than (a) above : Yes

Please refer to:

"Notes 3, 5, 15, 39, 40 and 41" to the consolidated balance sheet for details.

### (3) Outstanding Shares (Common Stock)

(a) Outstanding Shares at Interim Period End, Year End (including Treasury stock)

1H Fiscal 2007 5,024,755,829 shares 1H Fiscal 2006 5,024,755,829 shares Fiscal 2006 5,024,755,829 shares

(b) Outstanding Treasury stock at Interim Period End, Year End

1H Fiscal 2007 735,223 shares 1H Fiscal 2006 641,712 shares Fiscal 2006 691,795 shares

Please refer to Per Share Information for Common Stock on page 24 regarding the shares of calculation basis of the consolidated net income per share of common stock.

## (Reference) Non-Consolidated Financial Statements for the First Half of Fiscal 2007

### 1. Financial Highlights for the First Half of Fiscal 2007 (for the six months ended September 30, 2007)

#### (1) Non-Consolidated Results of Operations

(%: Changes from corresponding period of previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	¥ million	%	¥ million	%	¥ million	%
1H Fiscal 2007	116,333	3.5	34,887	(11.7)	51,400	113.6
1H Fiscal 2006	112,302	14.8	39,527	44.8	24,060	53.8
Fiscal 2006	241,564	—	79,797	—	68,817	—

	Net Income per Share of Common Stock
	¥
1H Fiscal 2007	10.23
1H Fiscal 2006	4.78
Fiscal 2006	13.09

#### (2) Non-Consolidated Financial Conditions

Non-Consolidated Capital Adequacy Ratio (BIS) in 1H Fiscal 2007 is the preliminary figure for immediate release purposes.

	Total Assets	Total Net Assets	Own Capital Ratio (Note1)	Total Net Assets per Share of Common Stock	Non-Consolidated Capital Adequacy Ratio (BIS) (Note2)
	¥ million	¥ million	%	¥	%
1H Fiscal 2007	6,483,723	463,100	7.1	45.14	14.61
1H Fiscal 2006	6,248,396	424,487	6.7	32.68	13.59
Fiscal 2006	6,586,407	508,375	7.7	48.77	15.60

Reference: Own Capital

As of September 30, 2007: ¥463,100 million; As of September 30, 2006: ¥424,487 million; As of March 31, 2007: ¥508,375 million

Notes: 1. Own Capital Ratio was calculated as follows: (Total Net Assets / Total Assets × 100)

2. Non-Consolidated Capital Adequacy Ratio (BIS) was based on the "Standards for Banking to Consider the Adequacy of its Capital Based on Assets and Others pursuant to Article 14-2 of the Banking Law "(Financial Services Agency Ordinance Announcement No. 19, 2006), commencing with Fiscal 2006. The ratio for 1H Fiscal 2006 was based on the previous standards.

### 2. Earnings Estimates for Fiscal 2007 (for the fiscal year ending March 31, 2008)

(%: Changes from previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income		Net Income per Share of Common Stock
	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal 2007	240,000	(0.6)	80,000	0.2	85,000	23.5	16.37

MHTB revises its earnings estimates (consolidated and non-consolidated) for the fiscal year ending March 31, 2008 announced on May 22, 2007. Regarding the contents of the revised earnings estimates, please refer to "Revision of Earnings Estimates for Fiscal 2007" announced on November 14, 2007.

Above estimates are based on information, which is available at this moment, and assumptions of uncertain factors, which may have an influence on future operating results. Actual results may differ materially from these estimates, depending on future events.

### Cash Dividends for Shareholders of Classified Stock

Breakdown of cash dividends per share related to classified stock, the right of which are different from those of common stock are as follows:

(Record Date)	Interim period-end	Fiscal year-end	Annual
	¥	¥	¥
First Series Class 1 Preferred Stock			
Fiscal 2006	-	6.50	6.50
Fiscal 2007	-		6.50
Fiscal 2007 (Estimate)		6.50	
Second Series Class 3 Preferred Stock			
Fiscal 2006	-	1.50	1.50
Fiscal 2007	-		1.50
Fiscal 2007 (Estimate)		1.50	

# 1. CONSOLIDATED RESULTS OF OPERATIONS

## (1) Results of Operations

### *a) Results for the first half of Fiscal 2007*

Consolidated Ordinary Income for the first half of fiscal 2007 was ¥131.6 billion, increasing by ¥3.7 billion from the corresponding period of the previous fiscal year. Consolidated Ordinary Profits were ¥36.3 billion, decreasing by ¥4.0 billion from the corresponding period of the previous fiscal year. Consolidated Net Income was ¥51.7 billion, increasing by ¥27.8 billion from the corresponding period of the previous fiscal year, including Extraordinary Gains amounting to ¥23.6 billion, Tax Expense - Deferred amounting to ¥6.9 billion and others.

Segment results of operations by geographic area are categorized under Japan and other areas. Ordinary Income and Ordinary Profits from Japan were ¥126.9 billion and ¥36.3 billion, respectively. Ordinary Income and Ordinary Profits from other areas (U.S.A. and Europe) were ¥5.3 billion and ¥0.3 billion, respectively.

MHTB and its consolidated subsidiaries are engaged in credit guarantee and other business in addition to trust and banking business. Segment information by types of business, however, has not been presented, as the percentages of those activities are insignificant.

### *b) Estimates for Fiscal 2007 (for the year ending March 31, 2008)*

*Earnings Estimates:* As for earnings estimates for fiscal 2007, MHTB estimates Ordinary Income of ¥275.0 billion, Ordinary Profits of ¥84.0 billion and Net Income of ¥86.0 billion on a consolidated basis, respectively. MHTB also estimates Ordinary Income of ¥240.0 billion, Ordinary Profits of ¥80.0 billion and Net Income of ¥85.0 billion on a non-consolidated basis, respectively.

## (2) Financial Conditions

### *a) Asset, Liabilities, Net Assets and Cash Flows*

*Assets:* Total assets as of September 30, 2007 amounted to ¥6,591.9 billion, decreasing by ¥73.9 billion from the end of the previous fiscal year. Cash and Due from Banks amounted to ¥233.7 billion, decreasing by ¥42.5 billion, Loans and Bills Discounted amounted to ¥3,499.4 billion, decreasing by ¥522.4 billion and Securities amounted to ¥1,956.5 billion, increasing by ¥220.0 billion respectively from the end of the previous fiscal year.

*Liabilities:* Total Liabilities as of September 30, 2007 amounted to ¥6,120.9 billion, decreasing by ¥29.5 billion from the end of the previous fiscal year. Deposits amounted to ¥3,080.0 billion, increasing by ¥184.2 billion, Call Money and Bills Sold amounted to ¥387.4 billion, decreasing by ¥209.9 billion, Guarantee Deposits Received under Securities Lending Transactions amounted to ¥523.0 billion, increasing by ¥29.0 billion, and Borrowed Money amounted to ¥200.2 billion, decreasing by ¥49.9 billion respectively from the end of the previous fiscal year.

*Net Assets:* Net Assets as of September 30, 2007 amounted to ¥471.0 billion.

*Cash Flows:* Cash Flow from Operating Activities was ¥309.5 billion. Cash Flow from Investing Activities was ¥(268.6) billion. Cash Flow from Financing Activities was ¥(68.0) billion. As a result, Cash and Cash Equivalents as of September 30, 2007 was ¥53.9 billion, decreasing by ¥27.0 billion from the end of the previous fiscal year.

***b) Consolidated Capital Adequacy Ratio (Preliminary)***

The Consolidated Capital Adequacy Ratio (Basel 2 BIS Capital Ratio) was 14.70 %. The comparative capital adequacy ratio of the past five years including the first half of fiscal 2007 is as follows:

	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	September 30, 2007
Basel 1	12.76%	13.19%	14.42%	14.44% (Reference)	13.60% (Reference)
Basel 2				15.69%	14.70% (Preliminary)

Note: Since fiscal 2006, the Consolidated Capital Adequacy Ratio is calculated according to Basel 2.

***c) Trust Accounts (Non-Consolidated)***

Total Assets of Trust Accounts amounted to ¥56,725.5 billion, increasing by ¥391.8 billion from the end of the previous fiscal year.

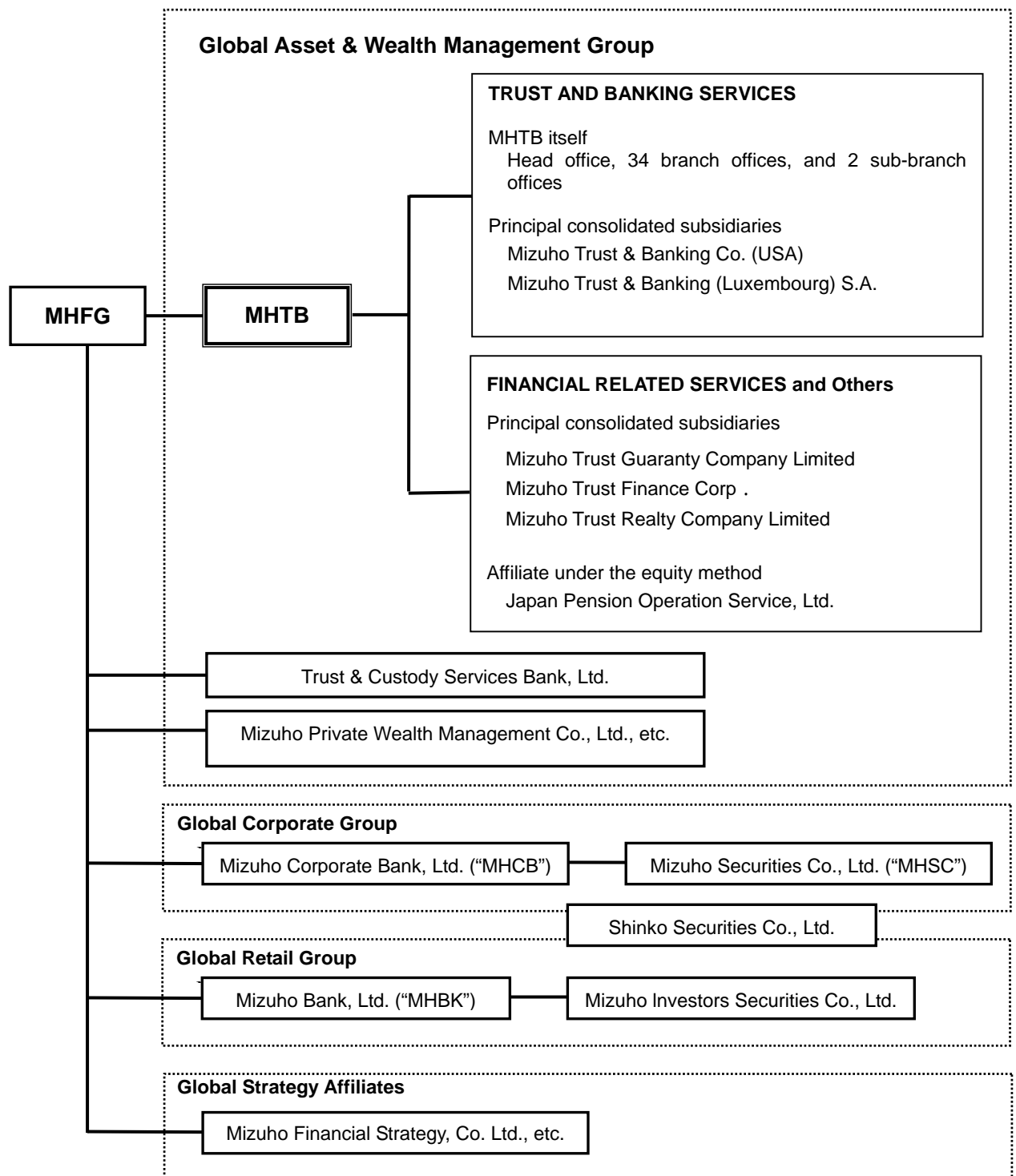
**(3) Policy on Profit Distribution and Dividend Estimates for Fiscal 2007**

MHTB has a basic policy of stable, and regular cash dividend payments given its public profile as a trust banking company, while increasing retained earnings from the viewpoint of a sound financial position.

As for the dividend forecast for fiscal 2007, we estimate a dividend payment of ¥1 per share of common stock taking into consideration the earnings estimates and also estimate the distribution of the dividend on preferred stock as prescribed. There is no plan to distribute the interim dividend.

## 2. ORGANIZATION STRUCTURE OF MHTB GROUP

MHTB Group is composed of Mizuho Trust & Banking Co., Ltd. (“MHTB”), 11 consolidated subsidiaries, and 1 affiliate under the equity method (see below). MHTB Group provides various financial services, principally trust and banking services. The parent company of MHTB is Mizuho Financial Group, Inc. (“MHFG”).



### 3. MANAGEMENT POLICY

#### (1) Principal Management Policy

Mizuho Trust & Banking Co., Ltd. (“MHTB”) pursues its goals of being “the Most Trusted Trust Bank by Customers and Clients” on the basis of the two fundamental management philosophies that form the foundation of its management strategies and decision-making process, “To provide the highest global level of financial services to our customers and clients as a comprehensive service provider and trust banking company of Mizuho Financial Group” and “To be held in high regard by its shareholders and the financial markets as Japan’s leading comprehensive trust banking company”.

#### (2) Management’s Benchmark

MHTB aims to maximize its profits and achieve its goal of becoming “No.1 Trust Bank” in terms of Gross Profits in the Trust & Asset management businesses for Fiscal 2009, making constructive allocations of its management resources mainly to the Trust & Asset management businesses.

#### (3) Management’s Medium/Long-term Targets

Three management strategies are promoted in the mid-term business plan initiated in April 2005 called “Challenge to No.1 Trust Bank”, covering the three fiscal years from 2005; a) creating new trust business, b) increasing the market share of current business, and c) establishing an enhanced internal control system.

#### (4) Issues to be Resolved

For the first half of fiscal 2007, the third fiscal year (the last fiscal year) of its business plan, MHTB showed good results continuing from the previous fiscal year, in which the gross operating profit from Trust & Asset management businesses exceeded ¥ 100 billion, as a result of increasing the market share of current business and launching the new products mainly in Trust & Asset management businesses, for which part, the profit from both Structured finance business (i.e. securitization of the monetary claims) and Asset management business was above the past highest earnings of the first half.

For the second half of the fiscal year, MHTB will achieve the earnings target, will promote greater synergies with other companies of Mizuho Financial Group, and will enhance the stable internal control system, in order to ensure such business bases as elements of the grounds for its next business plan.

MHTB is steadily corresponding to revision and reinforcement of laws such as revised “Trust Law” and “Financial Instruments and Exchange Law”, and is placing an emphasis on developing the new types of trust products newly authorized by revised laws and increasing its value to customers and clients.

MHTB will also make concerted efforts to carry out its missions of improving its profitability and aiming to be “the Most Trusted Trust Bank by Customers and Clients” by a steady and smooth implementation of the strategies promoted in its business plan.

## 4. CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEETS

MIZUHO TRUST & BANKING CO., LTD.

				<i>Millions of yen</i>	
	As of September 30, 2007	As of March 31, 2007	Change	As of September 30, 2006	
<b>Assets</b>					
Cash and Due from Banks	¥ 233,758	¥ 276,325	¥ (42,567)	¥ 224,762	
Call Loans and Bills Purchased	207,889	66,551	141,337	224,910	
Guarantee Deposits Paid under Securities Borrowing Transactions	32,282	—	32,282	—	
Other Debt Purchased	333,820	265,039	68,780	224,092	
Trading Assets	26,423	26,170	252	30,731	
Securities	1,956,573	1,736,523	220,049	1,785,137	
Loans and Bills Discounted	3,499,468	4,021,886	(522,417)	3,639,911	
Foreign Exchange Assets	1,516	307	1,209	376	
Other Assets	203,307	204,536	(1,229)	193,082	
Tangible Fixed Assets	35,949	36,436	(487)	36,241	
Intangible Fixed Assets	25,437	25,092	345	27,751	
Deferred Tax Assets	24,088	17,370	6,717	441	
Customers' Liabilities for Acceptances and Guarantees	38,028	38,891	(863)	39,711	
Reserves for Possible Losses on Loans	(26,555)	(49,152)	22,597	(34,532)	
Reserve for Possible Losses on Investments	(7)	(7)	(0)	—	
<b>Total Assets</b>	<b>¥ 6,591,982</b>	<b>¥ 6,665,974</b>	<b>¥ (73,991)</b>	<b>¥ 6,392,618</b>	
<b>Liabilities</b>					
Deposits	¥ 3,080,044	¥ 2,895,807	¥ 184,236	¥ 2,913,835	
Negotiable Certificates of Deposit	559,300	607,090	(47,790)	497,500	
Call Money and Bills Sold	387,445	597,443	(209,997)	725,372	
Guarantee Deposits Received under Securities Lending Transactions	523,023	493,982	29,040	434,174	
Trading Liabilities	25,066	25,079	(12)	30,101	
Borrowed Money	200,266	250,182	(49,916)	72,899	
Foreign Exchange Liabilities	8	10	(2)	6	
Bonds and Notes	162,200	162,200	—	162,200	
Due to Trust Accounts	1,061,071	996,495	64,575	1,003,866	
Other Liabilities	57,422	57,647	(225)	47,286	
Reserve for Bonus Payments	2,645	2,322	323	2,219	
Reserve for Employee Retirement Benefits	11,042	10,769	273	10,592	
Reserve for Director and Corporate Auditor Retirement Benefits	492	472	19	—	
Reserve for Contingencies in Trust Transactions	11,642	11,670	(28)	12,139	
Reserve for Reimbursement of Deposits	815	—	815	—	
Deferred Tax Liabilities	410	451	(40)	8,674	
Acceptances and Guarantees	38,028	38,891	(863)	39,711	
<b>Total Liabilities</b>	<b>6,120,926</b>	<b>6,150,516</b>	<b>(29,589)</b>	<b>5,960,581</b>	
<b>Net Assets</b>					
Common Stock and Preferred Stock	247,231	247,231	—	247,231	
Capital Surplus	15,373	15,373	—	15,373	
Retained Earnings	90,808	107,063	(16,254)	63,213	
Treasury Stock	(121)	(110)	(10)	(96)	
<b>Total Shareholders' Equity</b>	<b>353,293</b>	<b>369,558</b>	<b>(16,265)</b>	<b>325,723</b>	
Net Unrealized Gains on Other Securities, net of Taxes	113,942	142,109	(28,166)	103,936	
Net Deferred Hedge Gains (Losses), net of Taxes	302	782	(479)	(13)	
Foreign Currency Translation Adjustments	506	153	352	(152)	
<b>Total Valuation and Translation Adjustments</b>	<b>114,751</b>	<b>143,045</b>	<b>(28,294)</b>	<b>103,770</b>	
Minority Interests	3,011	2,854	157	2,544	
<b>Total Net Assets</b>	<b>471,055</b>	<b>515,457</b>	<b>(44,402)</b>	<b>432,037</b>	
<b>Total Liabilities and Net Assets</b>	<b>¥ 6,591,982</b>	<b>¥ 6,665,974</b>	<b>¥ (73,991)</b>	<b>¥ 6,392,618</b>	

Note : Amounts less than one million yen are rounded down.



## CONSOLIDATED STATEMENTS OF INCOME

				<i>Millions of yen</i>
	For the six months ended September 30, 2007	For the six months ended September 30, 2006	Change	For the fiscal year ended March 31, 2007
<b>Ordinary Income</b>	<b>¥ 131,691</b>	<b>¥ 127,953</b>	<b>¥ 3,738</b>	<b>¥ 277,058</b>
Trust Fees	32,468	32,880	(411)	66,134
Interest Income	51,921	39,772	12,149	87,102
<i>Interest on Loans and Bills Discounted</i>	<i>31,079</i>	<i>27,170</i>	<i>3,909</i>	<i>56,279</i>
<i>Interest and Dividends on Securities</i>	<i>15,922</i>	<i>9,827</i>	<i>6,095</i>	<i>24,489</i>
Fee and Commission Income	37,481	39,107	(1,625)	86,337
Trading Income	570	533	37	893
Other Operating Income	3,699	3,854	(155)	6,307
Other Ordinary Income	5,550	11,805	(6,255)	30,283
<b>Ordinary Expenses</b>	<b>95,377</b>	<b>87,625</b>	<b>7,751</b>	<b>193,886</b>
Interest Expenses	25,340	14,337	11,002	33,874
<i>Interest on Deposits</i>	<i>9,170</i>	<i>5,569</i>	<i>3,601</i>	<i>13,415</i>
Fee and Commission Expenses	8,823	8,395	427	15,957
Trading Expenses	—	7	(7)	6
Other Operating Expenses	730	219	510	98
General and Administrative Expenses	52,357	53,071	(714)	107,236
Other Ordinary Expenses	8,125	11,593	(3,468)	36,713
<b>Ordinary Profits</b>	<b>36,314</b>	<b>40,327</b>	<b>(4,013)</b>	<b>83,172</b>
<b>Extraordinary Gains</b>	<b>23,689</b>	<b>511</b>	<b>23,177</b>	<b>1,344</b>
<b>Extraordinary Losses</b>	<b>381</b>	<b>149</b>	<b>231</b>	<b>566</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>59,623</b>	<b>40,689</b>	<b>18,933</b>	<b>83,950</b>
Income Taxes:				
Current	676	867	(191)	1,921
Deferred	6,978	15,831	(8,852)	13,787
<b>Minority Interests in Net Income</b>	<b>175</b>	<b>93</b>	<b>81</b>	<b>496</b>
<b>Net Income</b>	<b>¥ 51,792</b>	<b>¥ 23,896</b>	<b>¥ 27,896</b>	<b>¥ 67,745</b>

Note : Amounts less than one million yen are rounded down.

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended September 30, 2007

	<i>Millions of yen</i>										
	Shareholders' Equity					Valuation and Translation Adjustments					
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Gains, net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
<b>Balance as of March 31, 2007</b>	¥ 247,231	¥ 15,373	¥ 107,063	¥ (110)	¥ 369,558	¥ 142,109	¥ 782	¥ 153	¥ 143,045	¥ 2,854	¥ 515,457
<b>Changes during the period</b>											
Cash Dividends	-	-	(8,047)	-	(8,047)	-	-	-	-	-	(8,047)
Net Income	-	-	51,792	-	51,792	-	-	-	-	-	51,792
Repurchase of Treasury Stock	-	-	-	(60,011)	(60,011)	-	-	-	-	-	(60,011)
Disposition of Treasury Stock	-	0	-	0	1	-	-	-	-	-	1
Cancellation of Treasury Stock	-	(0)	(59,999)	60,000	-	-	-	-	-	-	-
Net Changes in Items other than Shareholders' Equity	-	-	-	-	-	(28,166)	(479)	352	(28,294)	157	(28,136)
<b>Total Changes during the period</b>	-	-	(16,254)	(10)	(16,265)	(28,166)	(479)	352	(28,294)	157	(44,402)
<b>Balance as of September 30, 2007</b>	247,231	15,373	90,808	(121)	353,293	113,942	302	506	114,751	3,011	471,055

For the six months ended September 30, 2006

	<i>Millions of yen</i>										
	Shareholders' Equity					Valuation and Translation Adjustments					
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Losses, net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
<b>Balance as of March 31, 2006</b>	¥ 247,231	¥ 15,377	¥ 80,486	¥ (84)	¥ 343,010	¥ 107,235	-	¥ 83	¥ 107,319	¥ 2,554	¥ 452,884
<b>Changes during the period</b>											
Cash Dividends	-	-	(8,174)	-	(8,174)	-	-	-	-	-	(8,174)
Net Income	-	-	23,896	-	23,896	-	-	-	-	-	23,896
Repurchase of Treasury Stock	-	-	-	(33,012)	(33,012)	-	-	-	-	-	(33,012)
Disposition of Treasury Stock	-	1	-	1	2	-	-	-	-	-	2
Cancellation of Treasury Stock	-	(5)	(32,994)	32,999	-	-	-	-	-	-	-
Net Changes in Items other than Shareholders' Equity	-	-	-	-	-	(3,298)	(13)	(236)	(3,548)	(10)	(3,559)
<b>Total Changes during the period</b>	-	(3)	(17,272)	(11)	(17,287)	(3,298)	(13)	(236)	(3,548)	(10)	(20,847)
<b>Balance as of September 30, 2006</b>	247,231	15,373	63,213	(96)	325,723	103,936	(13)	(152)	103,770	2,544	432,037

For the fiscal year ended March 31, 2007

	<i>Millions of yen</i>										
	Shareholders' Equity					Valuation and Translation Adjustments					
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Gains, net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
<b>Balance as of March 31, 2006</b>	¥ 247,231	¥ 15,377	¥ 80,486	¥ (84)	¥ 343,010	¥ 107,235	-	¥ 83	¥ 107,319	¥ 2,554	¥ 452,884
<b>Changes during the fiscal year</b>											
Cash Dividends	-	-	(8,174)	-	(8,174)	-	-	-	-	-	(8,174)
Net Income	-	-	67,745	-	67,745	-	-	-	-	-	67,745
Repurchase of Treasury Stock	-	-	-	(33,027)	(33,027)	-	-	-	-	-	(33,027)
Disposition of Treasury Stock	-	1	-	2	4	-	-	-	-	-	4
Cancellation of Treasury Stock	-	(5)	(32,994)	32,999	-	-	-	-	-	-	-
Net Changes in Items other than Shareholders' Equity	-	-	-	-	-	34,873	782	69	35,725	299	36,025
<b>Total Changes during the fiscal year</b>	-	(3)	26,577	(25)	26,547	34,873	782	69	35,725	299	62,572
<b>Balance as of March 31, 2007</b>	247,231	15,373	107,063	(110)	369,558	142,109	782	153	143,045	2,854	515,457

Note : Amounts less than one million yen are rounded down.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

MIZUHO TRUST & BANKING CO., LTD.

	Millions of yen		
	For the six months ended September 30, 2007	For the six months ended September 30, 2006	For the fiscal year ended March 31, 2007
	¥	¥	¥
<b>I. Cash Flow from Operating Activities</b>			
Income before Income Taxes and Minority Interests	59,623	40,689	83,950
Depreciation	5,075	7,100	14,845
Loss on Impairment of Fixed Assets	17	—	21
Equity in Income from Investments in Affiliates	(60)	(10)	(66)
Increase (Decrease) in Reserves for Possible Losses on Loans	(22,597)	1,730	16,349
Increase (Decrease) in Reserve for Possible Losses on Investments	0	—	7
Increase (Decrease) in Reserve for Contingencies in Trust Transactions	(28)	129	(340)
Increase (Decrease) in Reserve for Bonus Payments	323	243	346
Increase (Decrease) in Reserve for Employee Retirement Benefits	273	174	351
Increase (Decrease) in Reserve for Director and Corporate Auditor Retirement Benefits	19	—	472
Increase (Decrease) in Reserve for Reimbursement of Deposits	815	—	—
Interest Income – accrual basis	(51,921)	(39,772)	(87,102)
Interest Expense – accrual basis	25,340	14,337	33,874
Losses (Gains) on Securities	(4,136)	(11,502)	(25,388)
Foreign Exchange Losses (Gains) - Net	3,283	(4,668)	(8,013)
Losses (Gains) on Disposition of Fixed Assets	336	149	528
Decrease (Increase) in Trading Assets	(252)	11,012	15,573
Increase (Decrease) in Trading Liabilities	(12)	(15,330)	(20,352)
Decrease (Increase) in Loans and Bills Discounted	522,417	(108,597)	(490,571)
Increase (Decrease) in Deposits	181,554	364,515	344,514
Increase (Decrease) in Negotiable Certificates of Deposit	(47,790)	(80,440)	29,150
Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	(49,916)	50,583	227,867
Decrease (Increase) in Due from Banks (excluding Due from Central Banks)	17,185	(61,535)	(70,716)
Decrease (Increase) in Call Loans and others	(209,947)	(60,201)	57,380
Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions	(32,282)	—	—
Increase (Decrease) in Call Money and others	(209,997)	(335,770)	(463,699)
Increase (Decrease) in Guarantee Deposits Received under Securities Lending Transactions	29,040	264,367	324,176
Decrease (Increase) in Foreign Exchange Assets	(1,209)	3,910	3,979
Increase (Decrease) in Foreign Exchange Liabilities	(2)	0	3
Increase (Decrease) in Due to Trust Accounts	64,575	(120,233)	(127,604)
Interest and Dividends Income – cash basis	53,679	39,537	86,044
Interest Expenses – cash basis	(24,198)	(13,259)	(32,672)
Others	1,620	1,571	1,139
Subtotal	310,830	(51,266)	(85,950)
Cash Paid in Income Taxes	(1,292)	(1,116)	(2,025)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>309,538</b>	<b>(52,383)</b>	<b>(87,975)</b>
<b>II. Cash Flow from Investing Activities</b>			
Payments for Purchase of Securities	(1,001,401)	(791,304)	(1,510,746)
Proceeds from Sale of Securities	583,022	458,098	1,082,771
Proceeds from Redemption of Securities	157,946	284,879	462,279
Payments for Purchase of Tangible Fixed Assets	(1,159)	(578)	(2,379)
Payments for Purchase of Intangible Fixed Assets	(9,882)	(7,237)	(15,341)
Proceeds from Sale of Tangible Fixed Assets	99	0	199
Proceeds from Sale of Intangible Fixed Assets	2,770	1,386	5,306
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(268,604)</b>	<b>(54,755)</b>	<b>22,088</b>
<b>III. Cash Flow from Financing Activities</b>			
Repayments of Subordinated Borrowed Money	—	(1,000)	(1,000)
Proceeds from Issuance of Subordinated Bonds	10,500	—	—
Payments for Redemption of Subordinated Bonds	(10,500)	(15,300)	(15,300)
Cash Dividends Paid	(8,047)	(8,174)	(8,174)
Cash Dividends Paid to Minority Shareholders	—	—	(2)
Payments for Repurchase of Treasury Stock	(60,011)	(33,012)	(33,027)
Proceeds from Sale of Treasury Stock	1	2	4
<b>Net Cash Used in Financing Activities</b>	<b>(68,057)</b>	<b>(57,484)</b>	<b>(57,500)</b>
<b>.Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>52</b>	<b>(22)</b>	<b>8</b>
<b>.Net Decrease in Cash and Cash Equivalents</b>	<b>(27,071)</b>	<b>(164,645)</b>	<b>(123,379)</b>
<b>.Cash and Cash Equivalents at the beginning of the fiscal year</b>	<b>81,065</b>	<b>204,445</b>	<b>204,445</b>
<b>.Cash and Cash Equivalents at the end of the period</b>	<b>¥ 53,993</b>	<b>¥ 39,799</b>	<b>¥ 81,065</b>

Note : Amounts less than one million yen are rounded down.

## **BASIS FOR PRESENTATION AND PRINCIPLES OF CONSOLIDATION**

### **1. Scope of Consolidation**

(a) Number of consolidated subsidiaries: 11

Names of principal companies:

Mizuho Trust Guaranty Company Limited

Mizuho Trust Finance Corp .

Mizuho Trust Realty Company Limited

Mizuho Trust & Banking Co. (USA)

Mizuho Trust & Banking (Luxembourg) S.A.

Tokyo Information Center Co., Ltd. was excluded from the scope of the consolidation as a result of the merger with Mizuho Trust Systems Company Limited.

(b) Number of non-consolidated subsidiaries: Not applicable

### **2. Application of the Equity Method**

(a) Number of affiliates under the equity method: 1

Name of company:

Japan Pension Operation Service, Ltd.

(b) Number of non-consolidated subsidiaries and affiliates not under the equity method: Not applicable

### **3. Balance Sheet Dates of Consolidated Subsidiaries**

(a) Balance sheet dates of consolidated subsidiaries are as follows:

June 30 : 5 companies

September 30 : 6 companies

(b) These consolidated subsidiaries were consolidated based on their financial statements as of and for the interim period ended their respective balance sheet dates.

The necessary adjustments have been made to the interim financial statements for any significant transactions that took place between their respective interim balance sheet dates and the date of the interim consolidated financial statements.

### **4. Amortization of Goodwill**

The entire amount of goodwill is fully amortized in the period of occurrence.

## NOTES TO CONSOLIDATED BALANCE SHEETS

1. Amounts less than one million yen are rounded down.
2. Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices are recognized on a trade date basis and recorded in Trading Assets or Trading Liabilities on the consolidated balance sheet.  
Securities and monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Derivative financial products, such as swaps, futures and option transactions, are stated at their fair values, assuming that such transactions were terminated and settled at the consolidated balance sheet date.
3. Regarding Other Securities, Japanese stocks with a quoted market price are stated at fair value, determined based on the average quoted market price over the month preceding the consolidated balance sheet date, others which have readily determinable fair value are stated at fair value at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method) and securities which do not have readily determinable fair value are stated at acquisition cost or amortized cost as determined by the moving average method. The net unrealized gains on Other Securities are included directly in Net Assets, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method.  
Net Unrealized Gains/Losses on Other Securities, net of Taxes have been receiving greater focus because of the considerable change in the market circumstances these days, and the value of securities deemed as market prices such as those obtained through brokers and financial information providers have been more available. Hence, taking into account the convergence of global accounting standards, if the values deemed as market prices could be obtained by the reasonable estimate, Other Securities formerly measured at acquisition costs as securities without fair value are measured at such values. This change decreases Other Debt Purchased by ¥56 million, Securities by ¥726 million and Net Unrealized Gains on Other Securities, net of Taxes by ¥783 million on the consolidated balance sheet.
4. Derivative transactions (other than transactions for trading purpose) are valued at fair value.
5. Regarding Tangible Fixed Assets, depreciation of buildings is computed by the straight-line method, except in the case of appliances and fittings where the declining-balance method is applied, and that of equipment is computed by the declining-balance method, and the applicable share of estimated annual depreciation cost for the period is recorded based on the following range of useful lives.
 

Buildings	3 years to 50 years
Equipment	2 years to 20 years

With respect to the consolidated subsidiaries, depreciation of Tangible Fixed Assets is computed mainly by the declining-balance method over the estimated useful lives.  
In accordance with the revision of the Corporate Tax Law of 2007, depreciation of the tangible fixed assets acquired on or after April 1, 2007 is computed by the procedure stipulated in the revised law. The effect of this application on the consolidated statement of income is immaterial.  
As for the tangible fixed assets acquired before April 1, 2007 and depreciated to their final depreciable limit, their salvage values are depreciated using the straight-line method in the following five fiscal years. The effect of this application on the consolidated balance sheet is immaterial.
6. The amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for internally used software are capitalized and amortized under the straight-line method over their estimated useful lives (mainly 5 years), as determined by MHTB and its consolidated subsidiaries.
7. Bond issuance costs are expensed as incurred.
8. Assets and Liabilities denominated in foreign currencies are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date.  
Assets and Liabilities denominated in foreign currencies of the consolidated subsidiaries are translated into Japanese Yen primarily at the exchange rates in effect at their respective consolidated balance sheet dates.
9. Reserves for Possible Losses on Loans of MHTB and major domestic consolidated subsidiaries are maintained in accordance with internally established standards for write-offs and provisions.  
For claims extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Corporation Law or other similar laws ("Bankrupt Obligors"), and to obligors that are effectively in similar

conditions (“Substantially Bankrupt Obligors”), reserves are maintained at the amounts of claims net of direct write-offs described below, and expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees. For claims extended to obligors that are not yet legally or formally bankrupt but are likely to be bankrupt (“Intensive Control Obligor”), reserves are maintained at the amounts deemed necessary based on overall solvency analyses of the amounts of claims net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.

For claims extended to Intensive Control Obligors and Obligors with Restructured Loans (defined in Note 27. below) and others, if the exposure to an obligor exceeds a certain specific amount, reserves are provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, under which the reserve is determined as the difference between the book value of the loan and its present value of future cash flows discounted using the contractual interest rate before the loan was classified as a Restructured Loan, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, reserves are provided for the losses estimated for each individual loan.

For claims extended to other obligors, reserves are maintained at rates derived from historical credit loss experience and other factors. Reserve for Possible Losses on Loans to Restructuring Countries is maintained in order to cover possible losses based on analyses of the political and economic climates of the countries.

All claims are assessed by each claims origination department in accordance with the internally established “Self-assessment Standard,” and the results of the assessments are verified and examined by the independent examination department. Reserves for Possible Losses on Loans are provided for on the basis of such verified assessments.

In the case of claims to Bankrupt Obligors and Substantially Bankrupt Obligors, which are collateralized or guaranteed by a third party, the amounts deemed uncollectible (calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims) are written off against the respective claims balances. The total directly written-off amount was ¥35,369 million.

Other consolidated subsidiaries provide the amount necessary to cover the loan losses based upon past experience for general claims and the assessment for each individual loan for other claims.

10. Reserve for Possible Losses on Investments is maintained to provide against possible losses on investments in securities, after taking into consideration the financial condition and other factors concerning the investee company.
11. Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of the interim period, based on the estimated future payments.
12. Reserve for Employee Retirement Benefits (including Prepaid Pension Cost), which is provided for future benefit payments to employees, is recorded as the required amount accrued at the end of the interim period, based on the projected benefit obligation and the estimated plan asset amounts at the end of the fiscal year. Unrecognized actuarial differences are recognized as income or expenses starting from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the current employees (mainly 10 years to 14 years).
13. Reserve for Director and Corporate Auditor Retirement Benefits of MHTB and certain domestic consolidated subsidiaries, which is provided for future retirement benefit payments to directors, corporate auditors, and executive officers, is recognized as the amount accrued for this interim period based on the internally established standards.
14. Reserve for Contingencies in Trust Transactions is maintained to provide against possible losses from contingencies in trust transactions. The balance is a reasonable estimate of possible future losses, on an individual basis, considered to require a reserve.
15. In accordance with the application of “Auditing Treatment relating to Reserve defined under the Special Tax Measurement Law, Reserves defined under the Special Law and Reserve for Directors and Corporate Auditor Retirement Benefits” (The Japanese Institute of Certified Public Accountants (“JICPA”) Auditing and Assurance Practice Committee report No.42, April 13, 2007) effective from the fiscal year 2007, MHTB has adopted the report from this interim period to recognize Reserve for Reimbursement of Deposits for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal. As a result, Ordinary Profits and Income before Income Taxes and Minority Interest both decreased by ¥815 million compared with the corresponding amounts under the previously applied method.

16. Finance leases of MHTB and domestic consolidated subsidiaries that do not involve the transfer of ownership to the lessee are accounted for as operating leases.
17. MHTB applies the deferred method or fair-value method of hedge accounting for the interest rate risk accompanying various monetary assets and liabilities. The portfolio hedge for a large volume of small-value monetary claims and liabilities is accounted for by the method stipulated in “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.24). The effectiveness of hedging activities for the portfolio hedge for a large volume of small-value monetary claims and liabilities is assessed as follows:
  - (i) as for hedging activities to offset market fluctuation risks, the effectiveness is assessed by bracketing both the hedged instruments, such as deposits and loans, and the hedging instruments, such as interest-rate swaps, in the same maturity bucket.
  - (ii) as for hedging activities to fix the cash flows, the effectiveness is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instruments.

The effectiveness of the individual hedge is assessed based on the correlation between the fluctuation in the market or cash flows of the hedged instruments and that of the hedging instrument.

Net Deferred Hedge Gains, net of Taxes recorded on the consolidated balance sheet resulted from the application of the macro-hedge method based on “Tentative Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.15), under which the overall interest rate risks inherent in loans, deposits and others are controlled on a macro-basis using derivatives transactions. These deferred hedge gains/losses are amortized as interest income or interest expenses over the average remaining maturity of the respective hedging instruments.

The unamortized amounts of gross deferred hedge losses and gross deferred hedge gains on the macro-hedges, before net of applicable income taxes, at the end of the interim period were ¥20,304 million and ¥19,985 million, respectively.
18. MHTB applies the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities as stipulated in “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No.25). The effectiveness of the hedge is assessed by confirming both the amount for the foreign currency position of the hedging instruments of currency-swap transactions, exchange swap transactions and similar transactions as the method of hedging the foreign exchange risks of monetary claims and liabilities denominated in foreign currencies and the amounts of the foreign currency position of the hedged monetary claims and liabilities denominated in foreign currency are equivalent.
19. Inter-company interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the consolidated statement of income or deferred under hedge accounting, because these inter-company derivatives are executed according to the criteria for appropriate outside third-party cover operations which are treated as hedge transactions objectively in accordance with JICPA Industry Audit Committee Reports No. 24 and 25.
20. With respect to MHTB and its domestic consolidated subsidiaries, Japanese consumption taxes and local consumption taxes are mainly excluded from the transaction amounts.
21. Monetary claims to directors and corporate auditors of MHTB concerning transactions between the relevant parties amounted to ¥8 million (non-consolidated basis).
22. Investments in non-consolidated subsidiaries and affiliates amounted to ¥505 million (excluding consolidated subsidiaries).
23. Accumulated depreciation of Tangible Fixed Assets amounted to ¥26,689 million.
24. The book value of Tangible Fixed Assets adjusted for gains on sales of replaced assets amounted to ¥1,287 million.
25. Loans and Bills Discounted include Loans to Bankrupt Obligors of ¥1,511 million and Non-Accrual Delinquent Loans of ¥9,472 million.  
 Loans to Bankrupt Obligors are loans, excluding loans written-off, on which delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reason there is no prospect of

collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96 Paragraph 1 No. 3, subsections 1 to 5 or No. 4 of the Corporate Tax Law Enforcement Ordinance (Government Ordinance No. 97, 1965).

Non-Accrual Delinquent Loans represent non-accrual loans other than (i) Loans to Bankrupt Obligors and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the obligors.

26. Balance of Loans Past Due for 3 Months or More: ¥928 million.  
Loans Past Due for 3 Months or More are loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for such payments, and which are not included in Loans to Bankrupt Obligors, or Non-Accrual Delinquent Loans.
27. Balance of Restructured Loans: ¥40,503 million.  
Restructured Loans represent loans on which contracts were amended in favor of obligors (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the obligors. Loans to Bankrupt Obligors, Non-Accrual Delinquent Loans and Loans Past Due for 3 Months or More are not included.
28. Total balance of Loans to Bankrupt Obligors, Non-Accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥52,416 million.  
The amounts given in Notes 25. through 28. are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.
29. In accordance with JICPA Industry Audit Committee Report No. 24, bills discounted are accounted for as financial transactions, although MHTB has rights to sell or pledge these bankers’ acceptance, commercial bills, documentary bills and foreign exchange bills. The principal amount of these bills amounted to ¥2,969 million.
30. The following assets were pledged as collateral:
 

Securities:	¥ 1,065,928 million
Loans and Bills Discounted:	¥ 133,206 million

 The following liabilities were collateralized by the above assets:
 

Deposits:	¥ 1,038 million
Call Money and Bills Sold:	¥ 50,000 million
Guarantee Deposits Received under Securities Lending Transactions:	¥ 491,158 million
Borrowed Money:	¥ 178,000 million

 In addition to the above, the settlement accounts of domestic exchange transactions or derivatives transactions and others were collateralized by Securities amounting to ¥161,352 million.  
None of the assets was pledged as collateral in connection with borrowings by affiliates.  
Other Assets includes margin for futures transactions of ¥2,509 million and guarantee deposits of ¥10,115 million.
31. Borrowed Money includes subordinated borrowed money of ¥20,000 million.
32. Bonds and Notes solely consist of subordinated bonds.
33. Net Assets per share of common stock: ¥46.13
34. The principal amounts of money trusts and loan trusts with guarantees for the repayment of trust principal were ¥967,655 million and ¥117,638 million, respectively.
35. Figures for fair value and unrealized gains/losses on securities are as follows. In addition to “Securities”, negotiable certificates of deposit in “Cash and Due from Banks” and certain items in “Other Debt Purchased” are also included. The same inclusion applies to Note 36.

*Bonds Held-to-Maturity which have readily determinable fair value: Nil*



*Other Securities which have readily determinable fair value:*

	<i>Millions of yen</i>		
	Acquisition Cost	Amount on Consolidated BS	Net Unrealized Gains(Losses)
Japanese Stocks	190,452	367,815	177,362
Japanese Bonds	1,208,364	1,182,536	(25,827)
Japanese Government Bonds	1,108,647	1,083,221	(25,425)
Japanese Local Government Bonds	11,003	10,937	(65)
Japanese Corporate Bonds	88,713	88,377	(336)
Other	479,373	475,978	(3,395)
Total	1,878,190	2,026,331	148,140

Net Unrealized Gains/Losses includes the loss amounted to ¥72 million which was recognized in the consolidated statement of income by application of the fair-value hedge method. As a result, ¥113,939 million of the amount after the deduction of both ¥34,135 million of the equivalent of deferred tax and ¥137 million of the equivalent of the minority interests is included in Net Unrealized Gains on Other Securities, net of Taxes:

Certain Other Securities which have readily determinable fair value are devalued to the fair value, and the difference between the acquisition cost and the fair value is treated as the loss for the interim period (“devaluation”). If the fair value (primarily the closing market price at the consolidated balance sheet date) has significantly deteriorated compared with the acquisition cost (including amortized cost), the fair value is taken as the amount recorded unless it is deemed that there is a possibility of a recovery in the fair value. The amount of devaluation for the interim period was ¥910 million.

The criteria for determining whether a security’s fair value has “significantly deteriorated” are outlined as follows:

Securities whose market price is 50% or less of the acquisition cost.

Securities whose market price exceeds 50% but is 70% or less of the acquisition cost and the quoted price maintain a certain level or lower.

36. Major components of securities not stated at fair value and their amount on the consolidated balance sheet are as follows:

	<i>Millions of yen</i>
	Amount on Consolidated BS
Other Securities	
Unlisted Japanese Stocks	11,392
Non-publicly offered Japanese Corporate Bonds	23,622
Beneficiary Certificates of Trusts	145,884

37. As for Guarantee Deposits Paid under Securities Borrowing Transactions, a portion of securities borrowed with collateral has the right to sell or re-pledge. Among them, the total of securities re-pledged was ¥31,297 million.
38. Overdraft protection on current accounts and contracts for the commitment line for loans are contracts by which MHTB and major domestic consolidated subsidiaries are bound to extend loans up to the prearranged amount, at the request of customers, unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounted to ¥918,622 million. Of this amount, ¥687,220 million relates to contracts in which the original contractual term is one year or less, or which are unconditionally cancelable at any time. Since many of these contracts expire without the rights exercised, the unutilized balance itself does not necessarily affect future cash flows of MHTB and its consolidated subsidiaries. A provision is included in many of these contracts that entitles MHTB and its consolidated subsidiaries to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. MHTB and its consolidated subsidiaries obtain, moreover, real estate or securities as collateral at the time the contract is entered into, if needed, and periodically monitor customers’ business conditions, based on and in accordance with internally established standards, and take measures to control credit risks such as amendments to contracts, if needed.

39. Given that the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (The Accounting Standards Board of Japan (“ASBJ”) Report No.18, May 17, 2006) took effect preliminary from the fiscal year beginning on or before March 31, 2008, MHTB adopted the new standards commencing with this period. The effect of this application on the consolidated statement of income is immaterial.
40. As for tax effect of sales of investment (such as subsidiaries’ stocks) within the Group, MHTB has adopted Paragraph30-2 of “Practical Guidelines for Tax Effects on Consolidated Financial Statements” (JICPA Laws and Regulations Committee Statement No. 6, March 29, 2007) from this interim period. The effect of this application on the consolidated balance sheet is immaterial.
41. The definition of securities in “Accounting Standards for Financial Instruments” (ASBJ Statement No.10) and in “Practical Guidelines on Accounting Standards for Financial Instruments” (JICPA Laws and Regulations Committee Statement No.14) were partially revised on June 15, 2007 and July 4, 2007 respectively, which is applicable from the fiscal year and the interim period ending on or after the enforcement date of the Financial Instruments and Exchange Law. MHTB has adopted the revised standards and guidelines commencing with this interim period.

## NOTES TO CONSOLIDATED STATEMENTS OF INCOME

1. Amounts less than one million yen are rounded down.
2. Net Income per share of common stock for the interim period: ¥10.30
3. Diluted Net Income per share of common stock for the interim period: ¥6.00
4. Income or expenses on trading transactions are recognized on a trade date basis and recorded in Trading Income and Trading Expenses on the consolidated statement of income. Trading Income and Trading Expenses include the interest received and interest paid during the interim period, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the interim period, and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the interim period, assuming they were settled at the end of the interim period.
5. Other Ordinary Expenses includes losses on write offs of loans of ¥507 million and losses on devaluation of stocks and other securities of ¥1,003 million.
6. Extraordinary Gains includes reversal of reserves for possible losses on loans of ¥22,172 million.

## NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

- Amounts less than one million yen are rounded down.
- Types and numbers of outstanding shares are as follows:

	<i>Thousands of Shares</i>				
	As of March 31, 2007	Increase during the period	Decrease during the period	As of September 30, 2007	Remarks
Common stock	5,024,755			5,024,755	
First Series Class 1 Preferred Stock	280,565		48,000	232,565	*1
Second Series Class 3 Preferred Stock	800,000			800,000	
Total	6,105,321		48,000	6,057,321	

\*1. Decrease is due to repurchase and cancellation of treasury stock (First Series Class 1 Preferred Stock, 48,000 thousand shares).

- Types and numbers of treasury stock are as follows:

	<i>Thousands of Shares</i>				
	As of March 31, 2007	Increase during the period	Decrease during the period	As of September 30, 2007	Remarks
Common stock	691	48	4	735	*1
First Series Class 1 Preferred Stock		48,000	48,000		*2
Total	691	48,048	48,004	735	

\*1. Increases are due to repurchase of fractional shares (48 thousand shares), decreases are due to additional purchase of fractional shares (4 thousand shares).

\*2. Increases and decreases are due to repurchase and cancellation of treasury stock (First Series Class 1 Preferred Stock, 48,000 thousand shares).

- Cash dividends distributed by MHTB are as follows (*non-consolidated basis*):  
Cash dividends paid during the six months ended September 30, 2007

Resolution	Types	Cash Dividends (Millions of yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 26, 2007	Common Stock	5,024	1.00	March 31, 2007	
( Ordinary General Meeting of Shareholders )	First Series Class 1 Preferred Stock	1,823	6.50	March 31, 2007	June 27, 2007
	Second Series Class 3 Preferred Stock	1,200	1.50	March 31, 2007	

## NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

1. Amounts less than one million yen are rounded down.
2. For the purpose of the consolidated statement of cash flows, Cash and Cash Equivalents consists of cash and due from the central banks included in “Cash and Due from Banks” on the consolidated balance sheet.
3. Cash and Cash Equivalents on the consolidated statement of cash flows at the end of the period reconciles to Cash and Due from Banks on the consolidated balance sheet as follows:

Cash and Due from Banks	¥ 233,758 million
Time Deposit Placed	¥ (91,811) million
Other Deposit Placed	¥ (87,953) million
Cash and Cash Equivalents	<b>¥ 53,993 million</b>

## SEGMENT INFORMATION

### 1. Segment Information by Type of Business

MHTB and its consolidated subsidiaries are engaged in credit guarantee and related business in addition to trust and banking business. Such segment information, however, has not been presented, as the percentages of those activities are immaterial.

### 2. Segment Information by Geographic Area

For the six months ended September 30, 2007

(Millions of yen)

	Japan	Others	Total	Elimination	Consolidated Total
Ordinary Income:					
(1) From outside customers	126,589	5,102	131,691	-	131,691
(2) Inter-segment	370	291	662	(662)	-
Total	126,960	5,394	132,354	(662)	131,691
Ordinary Expenses	90,658	5,011	95,669	(292)	95,377
Ordinary Profits	36,301	383	36,685	(370)	36,314

Notes:

1. Amounts less than one million yen are rounded down.
2. Geographic analyses of MHTB's and its consolidated subsidiaries' operations are presented based on geographic contiguity, similarities in economic activities, and correlation between business operations. Ordinary Income and Ordinary Profits are presented in lieu of Sales and Operating Profits as is the case for non-financial companies. Ordinary Income, Ordinary Expenses and Ordinary Profits outside Japan are presented in Others (U.S.A. and Europe), as the percentages of those countries and areas are insignificant.

### 3. Ordinary Income from International Operations

For the six months ended September 30, 2007

(Millions of yen)

	Amount
Ordinary Income from International Operations (a)	17,672
Consolidated Ordinary Income (b)	131,691
Ratio of Ordinary Income from International Operations in Consolidated Ordinary Income (a)/(b)	13.4%

Notes:

1. Amounts less than one million yen are rounded down.
2. Ordinary Income from International Operations is presented in lieu of Sales as utilized by for non-financial companies.
3. Ordinary Income from International Operations represents Ordinary Income from foreign currency transactions in Japan, transactions with non-Japanese residents in Japanese yen, transactions in the Japan Offshore Market, other transactions and the total income of the consolidated foreign subsidiaries except for the inter-company transactions.

(Exclusion of Disclosure)

Regarding the notes for Lease transaction and Derivatives, they are excluded in the immediate release by the consideration of the necessarily study. MHTB will disclose that information in "EDINET".

## MARKET VALUE INFORMATION OF SECURITIES

【the First Half of Fiscal 2007 Consolidated】

### 1. Securities

(Notes)

1. In addition to Securities on the consolidated balance sheet, "Securities" includes Negotiable Certificates of Deposit in "Cash and Due from Banks" and certain items in "Other Debt Purchased".
2. Investments in subsidiaries and affiliates which have readily determinable fair value are referred to Notes of the non-consolidated financial statement.

(1) Bonds held-to-maturity which have readily determinable fair value (as of September 30, 2007): Nil

(2) Other Securities which have readily determinable fair value (as of September 30, 2007)

(Millions of yen)

Contents	Acquisition Cost	Amount on Consolidated BS	Net Unrealized Gains (Losses)
Japanese Stocks	190,452	367,815	177,362
Japanese Bonds	1,208,364	1,182,536	(25,827)
Japanese Government Bonds	1,108,647	1,083,221	(25,425)
Japanese Local Government Bonds	11,003	10,937	(65)
Japanese Corporate Bonds	88,713	88,377	(336)
Other	479,373	475,978	(3,395)
Total	1,878,190	2,026,331	148,140

Note 1: Net Unrealized Gains/Losses includes the loss amounted to ¥72 million which was recognized in the consolidated statement of income by application of the fair-value hedge method.

- 2: Japanese Stocks with a quoted market price are stated at fair value, determined based on the average quoted market price over the month preceding the consolidated balance sheet date and others which have readily determinable market price are stated at fair value at the consolidated balance sheet date. Value for judgment of devaluation is based on the quoted market price at the consolidated balance sheet date.

(3) Breakdown of Securities not stated at fair value and amount on Consolidated BS (as of September 30, 2007)

(Millions of yen)

Bonds held-to-maturity	Nil
Other Securities	
Unlisted Japanese Stocks	11,392
Non-publicly offered Japanese Corporate Bonds	23,622
Beneficiary Certificates of Trusts	145,844

### 2. Money Held in Trust

(1) Money held in Trust held-to-maturity (as of September 30, 2007): Nil

(2) Other Money held in Trust (not for investments and holding to maturity) (as of September 30, 2007): Nil

### 3. Net Unrealized Gain/Loss on Other Securities (as of September 30, 2007)

The contents of net unrealized gains on other securities, net of taxes on the consolidated balance sheet is as follows.

(Millions of yen)

Valuation Difference	148,215
Other Securities	148,215
Deferred Tax Liabilities (minus)	34,135
Net Unrealized Gains on Other Securities (Before the adjustment of Minority interests)	114,080
Minority Interests (minus)	137
Net Unrealized Gains on Other Securities, net of Taxes	113,942

Note 1: The loss amounted to ¥72 million which was recognized in the consolidated statement of income by application of the fair-value hedge method is deducted from the valuation difference.

- 2: Translation differences regarding securities which do not have readily determinable fair value, of ¥2 million are included in Other Securities of Valuation Difference.

## PER SHARE INFORMATION FOR COMMON STOCK

【Consolidated】

		1H Fiscal 2007 from April 1, 2007 to September 30, 2007
Net Assets per Share of Common Stock	Yen	46.13
Net Income per Share of Common Stock	Yen	10.30
Diluted Net Income per Share of Common Stock	Yen	6.00

Note 1. The basis of calculation of net assets per share of common stock is as follows:

		1H Fiscal 2007 (as of September 30, 2007)
Total Net Assets	Millions of yen	471,055
Amount Deducted from Net Assets	Millions of yen	239,294
Paid-in Amount of Preferred Stock	Millions of yen	236,282
Minority Interests	Millions of yen	3,011
Net Assets related to Common Stock	Millions of yen	231,761
Number of shares, based on which total net assets per share of common stock was calculated.	Thousands of shares	5,024,020

2. The basis of the calculation of net income per share of common stock and diluted net income per share of common stock is as follows:

		1H Fiscal 2007 from April 1, 2007 to September 30, 2007
Net Income per Share of Common Stock		
Net Income	Millions of yen	51,792
Amount not attributable to Common Stock	Millions of yen	—
Net Income related to Common Stock	Millions of yen	51,792
Average Outstanding Share of Common Stock	Thousands of shares	5,024,045
Diluted Net Income per Share of Common Stock		
Adjustment to Net Income	Millions of yen	—
Increased Number of Share of Common Stock	Thousands of shares	3,607,701
First Series Class 1 Preferred Stock	Thousands of shares	1,669,301
Second Series Class 3 Preferred Stock	Thousands of shares	1,938,400
Description of dilutive securities which were not included in the calculation of Diluted Net Income per Share of Common Stock as they have no dilutive effect.		



## COMPARISON OF STATEMENTS OF TRUST ASSETS AND LIABILITIES

Millions of yen

Statements of Trust Account items	as of September 30, 2007	as of March 31, 2007	Change	as of September 30, 2006
Loans and Bills Discounted	2,373,631	2,295,445	78,186	966,428
Securities	10,643,508	10,470,165	173,342	9,647,000
Beneficiary Rights to the Trusts	29,545,341	29,008,670	536,670	30,424,881
Securities Held in Custody Accounts	698,968	738,358	(39,390)	805,727
Money Claims	6,329,596	6,496,056	(166,459)	6,012,270
Tangible Fixed Assets	5,203,891	4,960,030	243,861	—
Premises and Equipment	—	—	—	4,734,912
Intangible Fixed Assets	132,284	128,157	4,126	—
Surface Rights	—	—	—	12,116
Lease Rights on Lands	—	—	—	89,070
Other Claims	133,293	747,846	(614,553)	132,685
Call Loans	33,534	24,675	8,859	24,632
Due from Banking Account	1,061,071	996,495	64,575	1,003,866
Cash and Due from banks	570,399	467,724	102,675	454,612
<b>Total Assets</b>	<b>56,725,520</b>	<b>56,333,625</b>	<b>391,894</b>	<b>54,308,204</b>
Money Trusts	21,563,639	21,078,709	484,929	20,122,902
Pension Trusts	4,385,372	3,767,015	618,357	4,555,451
Property Formation Benefit Trusts	5,687	5,999	(311)	6,411
Loan Trusts	118,964	173,424	(54,460)	239,985
Investment Trusts	7,564,117	7,068,376	495,740	7,091,727
Money Entrusted Other than Money Trusts	2,993,534	3,127,937	(134,402)	1,831,426
Securities Trusts	4,667,478	5,706,850	(1,039,372)	5,682,623
Money Claim Trusts	6,234,801	6,410,824	(176,023)	5,947,547
Equipment Trusts	321	1,135	(814)	1,320
Land and Fixtures Trusts	445,211	459,864	(14,653)	463,288
Composite Trusts	8,743,191	8,530,397	212,794	8,362,537
Other Trusts	3,200	3,089	110	2,981
<b>Total Liabilities</b>	<b>56,725,520</b>	<b>56,333,625</b>	<b>391,894</b>	<b>54,308,204</b>

Note: 1. Amounts less than one million yen are rounded down.

2. Statements of Trust Account Items are selected based on trust businesses referred to in "Enforcement Regulations for the Law Concerning Concurrent Operations, etc., of Trust Business by Financial Institutions."

The only company to operate trust business is MHTB in MHTB and its consolidated subsidiaries.

## 5. NON-CONSOLIDATED FINANCIAL STATEMENTS

MIZUHO TRUST & BANKING CO., LTD.

### NON-CONSOLIDATED BALANCE SHEETS

	Millions of yen			
	As of September 30, 2007	As of March 31, 2007	Change	As of September 30, 2006
<b>Assets</b>				
Cash and Due from Banks	¥ 166,815	¥ 225,832	¥ (59,016)	¥ 113,122
Call Loans	200,000	60,000	140,000	215,000
Guarantee Deposits Paid under Securities Borrowing Transactions	32,282	—	32,282	—
Other Debt Purchased	333,820	265,039	68,780	224,092
Trading Assets	26,423	26,170	252	30,731
Securities	1,939,013	1,719,550	219,462	1,768,918
Loans and Bills Discounted	3,502,837	4,026,203	(523,365)	3,646,161
Foreign Exchange Assets	1,516	307	1,209	376
Other Assets	192,005	192,993	(987)	183,206
Tangible Fixed Assets	32,396	32,781	(384)	32,642
Intangible Fixed Assets	17,777	17,227	549	17,115
Deferred Tax Assets	25,700	18,804	6,896	—
Customers' Liabilities for Acceptances and Guarantees	37,620	48,460	(10,839)	49,236
Reserves for Possible Losses on Loans	(24,481)	(46,957)	22,476	(32,207)
Reserve for Possible Losses on Investments	(7)	(7)	(0)	—
<b>Total Assets</b>	<b>¥ 6,483,723</b>	<b>¥ 6,586,407</b>	<b>¥ (102,683)</b>	<b>¥ 6,248,396</b>
<b>Liabilities</b>				
Deposits	¥ 2,985,278	¥ 2,821,861	¥ 163,417	¥ 2,779,120
Negotiable Certificates of Deposit	564,300	611,890	(47,590)	502,100
Call Money	387,445	597,443	(209,997)	725,372
Guarantee Deposits Received under Securities Lending Transactions	523,023	493,982	29,040	434,174
Trading Liabilities	25,066	25,079	(12)	30,101
Borrowed Money	198,016	257,932	(59,916)	80,649
Foreign Exchange Liabilities	12	15	(2)	11
Bonds and Notes	162,200	152,200	10,000	152,200
Due to Trust Accounts	1,061,071	996,495	64,575	1,003,866
Other Liabilities	51,355	48,849	2,506	35,018
Reserve for Bonus Payments	1,877	1,505	372	1,570
Reserve for Employee Retirement Benefits	10,572	10,323	248	10,159
Reserve for Director and Corporate Auditor Retirement Benefits	323	322	0	—
Reserve for Contingencies in Trust Transactions	11,642	11,670	(28)	12,139
Reserve for Reimbursement of Deposits	815	—	815	—
Deferred Tax Liabilities	—	—	—	8,187
Acceptances and Guarantees	37,620	48,460	(10,839)	49,236
<b>Total Liabilities</b>	<b>6,020,623</b>	<b>6,078,031</b>	<b>(57,408)</b>	<b>5,823,908</b>
<b>Net Assets</b>				
Common Stock and Preferred Stock	247,231	247,231	—	247,231
Capital Surplus	15,367	15,367	—	15,367
Capital Surplus Reserve	15,367	15,367	—	15,367
Retained Earnings	86,640	103,287	(16,647)	58,530
Earned Surplus Reserve	6,514	4,904	1,609	4,904
Other Retained Earnings	80,126	98,383	(18,256)	53,625
Earnings Surplus Brought Forward	80,126	98,383	(18,256)	53,625
Treasury Stock	(121)	(110)	(10)	(96)
<b>Total Shareholders' Equity</b>	<b>349,118</b>	<b>365,776</b>	<b>(16,657)</b>	<b>321,032</b>
Net Unrealized Gains on Other Securities, net of Taxes	113,678	141,816	(28,137)	103,468
Net Deferred Hedge Gains (Losses), net of Taxes	302	782	(479)	(13)
<b>Total Valuation and Translation Adjustments</b>	<b>113,981</b>	<b>142,599</b>	<b>(28,617)</b>	<b>103,454</b>
<b>Total Net Assets</b>	<b>463,100</b>	<b>508,375</b>	<b>(45,275)</b>	<b>424,487</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 6,483,723</b>	<b>¥ 6,586,407</b>	<b>¥ (102,683)</b>	<b>¥ 6,248,396</b>

Note : Amounts less than one million yen are rounded down.

## NON-CONSOLIDATED STATEMENTS OF INCOME

	<i>Millions of yen</i>			
	For the six months ended September 30, 2007	For the six months ended September 30, 2006	Change	For the fiscal year ended March 31, 2007
<b>Ordinary Income</b>	¥ 116,333	¥ 112,302	¥ 4,031	¥ 241,564
Trust Fees	32,468	32,880	(411)	66,134
Interest Income	50,148	37,972	12,176	83,278
<i>Interest on Loans and Bills Discounted</i>	30,825	26,881	3,943	55,793
<i>Interest and Dividends on Securities</i>	15,559	9,761	5,797	23,756
Fee and Commission Income	25,997	28,541	(2,543)	63,154
Trading Income	570	533	37	893
Other Operating Income	3,626	3,788	(161)	6,144
Other Ordinary Income	3,522	8,586	(5,064)	21,959
<b>Ordinary Expenses</b>	81,446	72,774	8,671	161,766
Interest Expenses	23,909	12,733	11,175	31,085
<i>Interest on Deposits</i>	7,760	4,053	3,706	10,552
Fee and Commission Expenses	7,969	7,669	299	14,545
Trading Expenses	—	7	(7)	6
Other Operating Expenses	742	258	483	98
General and Administrative Expenses	45,816	46,221	(405)	91,833
Other Ordinary Expenses	3,008	5,883	(2,874)	24,197
<b>Ordinary Profits</b>	34,887	39,527	(4,640)	79,797
<b>Extraordinary Gains</b>	23,708	511	23,196	1,344
<b>Extraordinary Losses</b>	350	147	202	555
<b>Income before Income Taxes</b>	58,245	39,891	18,354	80,586
Income Taxes:				
Current	9	22	(12)	25
Deferred	6,836	15,808	(8,972)	11,743
<b>Net Income</b>	¥ 51,400	¥ 24,060	¥ 27,339	¥ 68,817

Note : Amounts less than one million yen are rounded down.

## NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended September 30, 2007

Millions of yen

	Shareholders' Equity								Valuation and Translation Adjustments			Total Net Assets	
	Common Stock and Preferred Stock	Capital Surplus			Retained Earnings			Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Gains, net of Taxes		Total Valuation and Translation Adjustments
		Capital Surplus Reserve	Other Capital Surplus	Total Capital Surplus	Earned Surplus Reserve	Other Retained Earnings	Total Retained Earnings						
						Earned Surplus Brought Forward							
Balance as of March 31, 2007	¥247,231	¥15,367	—	¥15,367	¥4,904	¥98,383	¥103,287	(¥110)	¥365,776	¥141,816	¥782	¥142,599	¥508,375
Changes during the period													
Cash Dividends	—	—	—	—	1,609	(9,657)	(8,047)	—	(8,047)	—	—	—	(8,047)
Net Income	—	—	—	—	—	51,400	51,400	—	51,400	—	—	—	51,400
Repurchase of Treasury Stock	—	—	—	—	—	—	—	(60,011)	(60,011)	—	—	—	(60,011)
Disposition of Treasury Stock	—	—	0	0	—	—	—	0	1	—	—	—	1
Cancellation of Treasury Stock	—	—	(0)	(0)	—	(59,999)	(59,999)	60,000	—	—	—	—	—
Net Changes in Items other than Shareholders' Equity	—	—	—	—	—	—	—	—	—	(28,137)	(479)	(28,617)	(28,617)
Total Changes during the period	—	—	—	—	1,609	(18,256)	(16,647)	(10)	(16,657)	(28,137)	(479)	(28,617)	(45,275)
Balance as of September 30, 2007	247,231	15,367	—	15,367	6,514	80,126	86,640	(121)	349,118	113,678	302	113,981	463,100

For the six months ended September 30, 2006

Millions of yen

	Shareholders' Equity								Valuation and Translation Adjustments			Total Net Assets	
	Common Stock and Preferred Stock	Capital Surplus			Retained Earnings			Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Losses, net of Taxes		Total Valuation and Translation Adjustments
		Capital Surplus Reserve	Other Capital Surplus	Total Capital Surplus	Earned Surplus Reserve	Other Retained Earnings	Total Retained Earnings						
						Earned Surplus Brought Forward							
Balance as of March 31, 2006	¥247,231	¥15,367	¥3	¥15,371	¥3,269	¥72,368	¥75,638	(¥84)	¥338,156	¥106,573	—	¥106,573	¥444,729
Changes during the period													
Cash Dividends	—	—	—	—	1,634	(9,808)	(8,174)	—	(8,174)	—	—	—	(8,174)
Net Income	—	—	—	—	—	24,060	24,060	—	24,060	—	—	—	24,060
Repurchase of Treasury Stock	—	—	—	—	—	—	—	(33,012)	(33,012)	—	—	—	(33,012)
Disposition of Treasury Stock	—	—	1	1	—	—	—	1	2	—	—	—	2
Cancellation of Treasury Stock	—	—	(5)	(5)	—	(32,994)	(32,994)	32,999	—	—	—	—	—
Net Changes in Items other than Shareholders' Equity	—	—	—	—	—	—	—	—	—	(3,105)	(13)	(3,118)	(3,118)
Total Changes during the period	—	—	(3)	(3)	1,634	(18,742)	(17,107)	(11)	(17,123)	(3,105)	(13)	(3,118)	(20,242)
Balance as of September 30, 2006	247,231	15,367	—	15,367	4,904	53,625	58,530	(96)	321,032	103,468	(13)	103,454	424,487

For the fiscal year ended March 31, 2007

Millions of yen

	Shareholders' Equity								Valuation and Translation Adjustments				Total Net Assets
	Common Stock and Preferred Stock	Capital Surplus			Retained Earnings			Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Gains, net of Taxes	Total Valuation and Translation Adjustments	
		Capital Surplus Reserve	Other Capital Surplus	Total Capital Surplus	Earned Surplus Reserve	Other Retained Earnings	Total Retained Earnings						
						Earned Surplus Brought Forward							
Balance as of March 31, 2006	¥247,231	¥15,367	¥3	¥15,371	¥3,269	¥72,368	¥75,638	(¥84)	¥338,156	¥106,573	—	¥106,573	¥444,729
Changes during the fiscal year													
Cash Dividends	—	—	—	—	1,634	(9,808)	(8,174)	—	(8,174)	—	—	—	(8,174)
Net Income	—	—	—	—	—	68,817	68,817	—	68,817	—	—	—	68,817
Repurchase of Treasury Stock	—	—	—	—	—	—	—	(33,027)	(33,027)	—	—	—	(33,027)
Disposition of Treasury Stock	—	—	1	1	—	—	—	2	4	—	—	—	4
Cancellation of Treasury Stock	—	—	(5)	(5)	—	(32,994)	(32,994)	32,999	—	—	—	—	—
Net Changes in Items other than Shareholders' Equity	—	—	—	—	—	—	—	—	—	35,243	782	36,025	36,025
Total Changes during the fiscal year	—	—	(3)	(3)	1,634	26,014	27,649	(25)	27,619	35,243	782	36,025	63,645
Balance as of March 31, 2007	247,231	15,367	—	15,367	4,904	98,383	103,287	(110)	365,776	141,816	782	142,599	508,375

Note : Amounts less than one million yen are rounded down.

## NOTES TO NON-CONSOLIDATED BALANCE SHEET

1. Amounts less than one million yen are rounded down.
2. Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices are recognized on a trade date basis and recorded in Trading Assets or Trading Liabilities on the balance sheet.  
Securities and monetary claims held for trading purposes are stated at fair value at the balance sheet date. Derivative financial products, such as swaps, futures transactions and option transactions, are stated at their fair values, assuming that such transactions were terminated and settled at the balance sheet date.
3. Investments in the consolidated subsidiaries and affiliates, which are not under the equity method, are stated at acquisition cost determined by the moving average method. Regarding Other Securities, Japanese stocks with a quoted market price are stated at fair value, determined based on the average quoted market price over the month preceding the balance sheet date, others which have readily determinable fair value are stated at fair value at the balance sheet date (cost of securities sold is calculated primarily by the moving average method) and securities which do not have readily determinable fair value are stated at acquisition cost or amortized cost determined by the moving average method. The net unrealized gains on Other Securities are included directly in Net Assets, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method.  
Net Unrealized Gains/Losses on Other Securities, net of Taxes have been receiving greater focus because of the considerable change in the market circumstances these days, and the value of securities deemed as market prices such as those obtained through brokers and financial information vendors have been more available. Hence, taking into account the convergence of global accounting standards, if the values deemed as market prices could be obtained by the reasonable estimate, Other Securities formerly measured at acquisition costs as securities without fair value are measured at such values. This change decreases Other Debt Purchased by ¥56 million, Securities by ¥726 million and Net Unrealized Gains on Other Securities, net of Taxes by ¥783 million on the balance sheet.
4. Derivative transactions (other than transactions categorized as trading purpose) are valued at fair value.
5. Regarding Tangible Fixed Assets, Depreciation of buildings is computed by the straight-line method, except in the case of appliances and fittings where the declining-balance method is applied, and that of equipment is computed by the declining-balance method, and applicable share of estimated annual depreciation costs for the period is recorded based on the following range of useful lives.
 

Buildings	3 years to 50 years
Equipment	2 years to 20 years

 In accordance with the revision of the Corporate Tax Law of 2007, depreciation of the tangible fixed assets acquired on or after April 1, 2007 is computed by the procedure stipulated in the revised law. The effect of this application on the statement of income is immaterial.  
As for tangible fixed assets acquired before April 1, 2007 and depreciated to their final depreciable limit, their salvage values are depreciated using the straight-line method in the following five fiscal years. The effect of this application on the balance sheet is immaterial.
6. The amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for internally used software are capitalized and amortized using the straight-line method over their estimated useful lives of 5 years determined by MHTB.
7. Bond issuance costs are expensed as incurred.
8. Assets and Liabilities denominated in foreign currencies are translated into Japanese yen primarily at the exchange rates in effect at the balance sheet date, with the exception of investments in subsidiaries, which are translated at historical exchange rates.
9. Reserves for Possible Losses on Loans are maintained in accordance with internally established standards for write-offs and provisions.  
For claims extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws ("Bankrupt Obligors"), and to obligors that are effectively in similar conditions ("Substantially Bankrupt Obligors"), reserves are maintained at the amounts of claims net of direct write-offs described below, and expected amounts recoverable from the disposition of collateral and the

amounts recoverable under guarantees. For claims extended to obligors that are not yet legally or formally bankrupt but are likely to be bankrupt (“Intensive Control Obligor”), reserves are maintained at the amounts deemed necessary based on overall solvency analyses of the amounts of claims net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.

For claims extended to Intensive Control Obligor and Obligor with Restructured Loans (defined in Note 27 below) and others, if the exposure to an obligor exceeds a certain specific amount, reserves are provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, under which the reserve is determined as the difference between the book value of the loan and its present value of future cash flows discounted by the contractual interest rate before the loan was classified as a Restructured Loan, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, reserves are provided for the losses estimated for each individual loan.

For claims extended to other obligors, reserves are maintained at rates derived from historical credit loss experience and others.

Reserve for Possible Losses on Loans to Restructuring Countries is maintained in order to cover possible losses based on analyses of the political and economic climates of the countries.

All claims are assessed by each claims origination department in accordance with the internally established “Self-assessment Standard”, and the results of the assessments are verified and examined by the independent examination department. Reserves for Possible Losses on Loans are provided for on the basis of such verified assessments.

In the case of claims to Bankrupt Obligor and Substantially Bankrupt Obligor, which are collateralized or guaranteed by a third party, the amounts deemed uncollectible (calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims) are written off against the respective claims balances. The total directly written-off amount was ¥33,452 million.

10. Reserve for Possible Losses on Investments is maintained to provide against possible losses on investments in securities, after taking into consideration the financial condition and other factors concerning the investee company.
11. Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of the interim period, based on the estimated future payments.
12. Reserve for Employee Retirement Benefits (including Prepaid Pension Cost), which is provided for future benefit payments to employees, is recorded as the required amount accrued at the end of the interim period, based on the projected benefits obligation and the estimated plan asset amounts at the end of fiscal year. Unrecognized actuarial differences are recognized as income or expense starting from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the current employees (10 years to 14 years).
13. Reserve for Director and Corporate Auditor Retirement Benefits of MHTB and certain domestic consolidated subsidiaries, which is provided for future retirement benefit payments to directors, corporate auditors, and executive officers, is recognized as the amount accrued for this interim period based on internally established standards.
14. Reserve for Contingencies in Trust Transactions is maintained to provide against possible losses from contingencies in trust transactions. The balance is a reasonable estimate of possible future losses, on an individual basis, considered to require a reserve.
15. In accordance with “Auditing Treatment relating to Reserve defined under the Special Tax Measurement Law, Reserves defined under the Special Law and Reserve for Directors and Corporate Auditor Retirement Benefits” (The Japanese Institute of Certified Public Accountants (“JICPA”) Auditing and Assurance Practice Committee report No.42, April 13, 2007) effective from the fiscal 2007, MHTB has adopted the report from this interim period to recognize Reserve for Reimbursement of Deposits for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal. As a result, Ordinary Profits and Income before Income Taxes both decreased by ¥815 million compared with the corresponding amounts under the previously applied method.
16. Finance leases of MHTB that do not involve the transfer of ownership to the lessee are accounted for as operating leases.

17. MHTB applies the deferred method or fair-value method of hedge accounting for the interest rate risk accompanying various monetary assets and liabilities.  
The portfolio hedge for a large volume of small-value monetary claims and liabilities is accounted for by the method stipulated in the in “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.24). The effectiveness of hedging activities for the portfolio hedge for a large volume of small-value monetary claims and liabilities is assessed as follows:
- (i) as for hedging activities to offset market fluctuation risks, the effectiveness is assessed by bracketing both the hedged instruments, such as deposits and loans, and the hedging instruments, such as interest rate swaps, in the same maturity bucket.
  - (ii) as for hedging activities to fix the cash flows, the effectiveness is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.
- The effectiveness of the individual hedge is assessed based on the correlation between the fluctuation in the market or cash flows of the hedged instruments and that of the hedging instruments.  
Net Deferred Hedge Gains (Losses), net of Taxes recorded on the balance sheet resulted from the application of the macro-hedge method based on “Tentative Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.15), under which the overall interest rate risks inherent in loans, deposits and others are controlled on a macro-basis using derivatives transactions. These deferred hedge gains/losses are amortized as interest income or interest expenses over the average remaining maturity of the respective hedging instruments.  
The unamortized amounts of gross deferred hedge losses and gross deferred hedge gains on the macro-hedges, before net of applicable income taxes, at the end of the fiscal year were ¥20,304 million and ¥19,985million, respectively.
18. MHTB applies the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities as stipulated in “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No.25). The effectiveness of the hedge is assessed by confirming both the amount for the foreign currency position of the hedging instruments of currency-swap transactions, exchange swap transactions and similar transactions as the method of hedging the foreign exchange risks of monetary claims and liabilities denominated in foreign currencies and the amounts of the foreign currency position of the hedged monetary claims and liabilities denominated in foreign currency are equivalent.
19. Inter-company interest rate swaps, currency swaps and similar derivatives between trading account and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the statement of income or deferred under hedge accounting, because these inter-company derivatives are executed according to the criteria for appropriate outside third-party cover operations which are treated as hedge transactions objectively in accordance with JICPA Industry Audit Committee Reports No. 24 and 25.
20. Japanese consumption taxes and local consumption taxes are excluded from the transaction amounts. Amounts of nondeductible consumption taxes related to Tangible Fixed Assets are included in expenses.
21. Monetary claims to directors and corporate auditors of MHTB concerning transactions between the relevant parties amounted to ¥8 million.
22. Investments in subsidiaries and affiliates amounted to ¥13,100 million.
23. Accumulated depreciation of Tangible Fixed Assets amounted to ¥24,229 million.
24. The book value of Tangible Fixed Assets adjusted for gains on sales of replaced assets amounted to ¥1,287 million.
25. Loans and Bills Discounted include Loans to Bankrupt Obligors of ¥1,400 million and Non-Accrual Delinquent Loans of ¥8,830 million.  
Loans to Bankrupt Obligors are loans, excluding loans written-off, on which delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reason there is no prospect of collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96 Paragraph 1 No. 3, subsections 1 to 5 or No. 4 of the Corporate Tax Law Enforcement Ordinance (Government Ordinance No. 97, 1965).  
Non-Accrual Delinquent Loans represent non-accrual loans other than (i) Loans to Bankrupt Obligors and (ii)

loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the obligors.

26. Balance of Loans Past Due for 3 Months or More: ¥928 million.  
Loans Past Due for 3 Months or More are loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for such payments, and which are not included in Loans to Bankrupt Obligor, or Non-Accrual Delinquent Loans.
27. Balance of Restructured Loans: ¥40,503 million.  
Restructured Loans represent loans on which contracts were amended in favor of obligors (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the obligors. Loans to Bankrupt Obligor, Non-Accrual Delinquent Loans and Loans Past Due for 3 Months or More are not included.
28. Total balance of Loans to Bankrupt Obligor, Non-Accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥51,663 million. The amounts given in the Notes 25. through 28. are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.
29. In accordance with JICPA Industry Audit Committee Report No. 24, bills discounted are accounted for as financial transactions, although MHTB has rights to sell or pledge these bankers' acceptance, commercial bills, documentary bills and foreign exchange bills. The principal amount of these bills amounted to ¥2,969 million.
30. Breakdown of assets pledged as collateral.  
The following assets were pledged as collateral:
 

Securities:	¥1,065,928 million
Loans and Bills Discounted:	¥133,206 million

 The following liabilities were collateralized by the above assets:
 

Deposits:	¥1,038 million
Call Money:	¥50,000 million
Guarantee Deposits Received under Securities Lending Transactions:	¥491,158 million
Borrowed Money:	¥178,000 million

 In addition to the above, the settlement accounts of domestic exchange transactions or derivatives transactions and others were collateralized by Securities amounting to ¥132,082 million.  
None of the assets was pledged as collateral in connection with borrowings by subsidiaries or affiliates.  
Other Assets includes margins for futures transactions of ¥2,509 million and guarantee deposits of ¥7,465 million.
31. Borrowed Money includes subordinated borrowed money of ¥20,000 million.
32. Bonds and Notes solely consist of subordinated bonds.
33. Net Assets per share of common stock: ¥45.14
34. The principal amounts of money trusts and loan trusts with guarantees for the repayment of trust principal were ¥967,655million and ¥117,638 million, respectively.
35. Figures for fair value and unrealized gains/losses on securities are as follows. In addition to "Securities", negotiable certificate of deposit in "Cash and Due from Banks" and certain items in "Other Debt Purchased" are also included. The same inclusion applies to Note 36.

*Bonds Held-to-Maturity which have readily determinable fair value:* Nil

*Investments in subsidiaries and affiliates which have readily determinable fair value:* Nil



*Other Securities which have readily determinable fair value:*

	<i>Millions of yen</i>		
	Acquisition Cost	Amount on BS	Net Unrealized Gains(Losses)
Japanese Stocks	190,404	367,075	176,670
Japanese Bonds	1,208,364	1,182,536	(25,827)
Japanese Government Bonds	1,108,647	1,083,221	(25,425)
Japanese Local Government Bonds	11,003	10,937	(65)
Japanese Corporate Bonds	88,713	88,377	(336)
Other	450,056	446,661	(3,395)
Total	1,848,826	1,996,274	147,448

Net Unrealized Gains/Losses includes the loss amounted to ¥72 million which is recognized in the statement of income by application of the fair-value hedge method. As a result, ¥113,676 million of the amount after the deduction of ¥33,844 million of the equivalent of deferred tax is included in Net Unrealized Gains on Other Securities, net of Taxes.

Certain Other Securities which have readily determinable fair value are devalued to the fair value and the difference between the acquisition cost and the fair value is treated as the loss for the fiscal year (“devaluation”). If the fair value (primarily the closing market price at the balance sheet date) has significantly deteriorated compared with the acquisition cost (including amortized cost), the fair value is taken as the amount recorded unless it is deemed that there is a possibility of a recovery in the fair value. The amount of devaluation for the fiscal year was ¥910 million.

The criteria for determining whether a security’s fair value has “significantly deteriorated” are outlined as follows:

Securities whose market price is 50% or less of the acquisition cost

Securities whose market price exceeds 50% but is 70% or less of the acquisition cost and the quoted price maintain a certain level or lower.

36. Major components of securities not stated at fair value and their amount on the balance sheet are as follows:

<i>Details</i>	<i>Millions of yen</i>
	Amount on BS
<u>Investments in subsidiaries and affiliate</u>	
Subsidiaries	12,350
Affiliate	750
<u>Other Securities</u>	
Unlisted Japanese Stocks	11,302
Non-publicly offered Japanese Corporate Bonds	23,622
Beneficiary Certificates of Trusts	145,844

37. As for Guarantee Deposits Paid under Securities Borrowing Transactions, a portion of securities borrowed with collateral has the right to sell or re-pledge. Among them, the total of securities re-pledged was ¥31,297 million.
38. Overdraft protection on current accounts and contracts for the commitment line for loans are contracts by which MHTB is bound to extend loans up to the prearranged amount, at the request of customers, unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounted to ¥932,604 million. Of this amount, ¥701,203 million relates to contracts in which the original contractual term is one year or less, or which are unconditionally cancelable at any time.
- Since many of these contracts expire without the rights exercised, the unutilized balance itself does not necessarily affect future cash flows of MHTB. A provision is included in many of these contracts that entitles MHTB to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. MHTB obtains, moreover, real estate or securities as collateral at the time the contract is entered into, if needed, and periodically monitor customers’ business conditions, based on and in accordance with internally established standards, and take measures to control credit risks such as amendments to contracts, if needed.

## 39. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities are as follows:

Deferred Tax Assets	
<i>Reserves for Possible Losses on Loans</i>	<i>¥6,101 million</i>
<i>Devaluation of Securities</i>	<i>¥60,482 million</i>
<i>Unrealized Losses on Other Securities</i>	<i>¥6,506 million</i>
<i>Reserve for Employee Retirement Benefits</i>	<i>¥7,194 million</i>
<i>Tax Losses Carried Forwards</i>	<i>¥142,753 million</i>
<i>Other</i>	<i>¥19,372 million</i>
Sub Total of Deferred Tax Assets	<u>¥242,411 million</u>
<i>Valuation Allowance</i>	<u>¥(172,427)million</u>
Total Deferred Tax Assets	<u>¥69,984 million</u>
Deferred Tax Liabilities	
<i>Unrealized Gains on Other Securities</i>	<i>¥(36,896)million</i>
<i>Gains from Establishment of Retirement Benefits Trust</i>	<i>¥(6,255)million</i>
<i>Net Deferred Hedge Gains</i>	<i>¥(206)million</i>
<i>Other</i>	<i>¥(925)million</i>
Total Deferred Tax Liabilities	<u>¥(44,283)million</u>
Net Amount of Deferred Tax Assets	<u>¥25,700 million</u>

40. The definition of securities in Accounting Standards for Financial Instruments (The Accounting Standards Board of Japan No.10) and that in Practical Guidelines on Accounting Standards for Financial Instruments (JICPA Laws and Regulations Committee Statement No.14) were partially revised on June 15, 2007 and July 4, 2007 respectively, which is applicable from the fiscal year and the interim period ending on or after the enforcement date of the Financial Instruments and Exchange Law. MHTB has adopted the revised standards and guidelines commencing with this interim period.

## NOTES TO NON-CONSOLIDATED STATEMENT OF INCOME

1. Amounts less than one million yen are rounded down.
2. Net Income per share of common stock for the interim period: ¥10.23
3. Diluted Net Income per share of common stock for the interim period: ¥5.95
4. Income or expenses on trading transactions are recognized on a trade date basis and recorded in Trading Income and Trading Expenses on the statement of income. Trading Income and Trading Expenses include the interest received and interest paid during the interim period, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the interim period, and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the interim period, assuming they were settled at the end of the interim period.
5. Other Ordinary Expenses includes losses on write offs of loans of ¥507 million and losses on devaluation of stocks and other securities of ¥1,003 million.
6. Extraordinary Gains includes reversal of reserves for possible losses on loans of ¥22,191 million.

## NOTES TO NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. Amounts less than one million yen are rounded down.

2. Types and numbers of treasury stock are as follows:

	<i>Thousands of shares</i>				
	As of March 31, 2007	Increase during the period	Decrease during the period	As of September 30, 2007	Remarks
Common stock	691	48	4	735	*1
First Series Class 1 Preferred Stock		48,000	48,000		*2
Total	691	48,048	48,004	735	

\*1. Increases are due to repurchase of fractional shares (48 thousand shares), decreases are due to additional purchase of fractional shares (4 thousand shares).

\*2. Increases and decreases are due to repurchase and cancellation of treasury stock (First Series Class 1 Preferred Stock, 48,000 thousand shares).

## MARKET VALUE INFORMATION OF SECURITIES

【the First Half of Fiscal 2007 Non-Consolidated】

### 1. Securities

(Notes) In addition to Securities on the balance sheet, "Securities" includes Negotiable Certificates of Deposit in "Cash and Due from Banks" and certain items in "Other Debt Purchased".

- (1) Bonds held-to-maturity which have readily determinable fair value (as of September 30, 2007): Nil  
 (2) Investments in subsidiaries and affiliates which have readily determinable fair value (as of September 30, 2007): Nil  
 (3) Other Securities which have readily determinable fair value (as of September 30, 2007)

(Millions of yen)

Contents	Acquisition Cost	Amount on BS	Net Unrealized Gains (Losses)
Japanese Stocks	190,404	367,075	176,670
Japanese Bonds	1,208,364	1,182,536	(25,827)
Japanese Government Bonds	1,108,647	1,083,221	(25,425)
Japanese Local Government Bonds	11,003	10,937	(65)
Japanese Corporate Bonds	88,713	88,377	(336)
Other	450,056	446,661	(3,395)
Total	1,848,826	1,996,274	147,448

Note 1: Net Unrealized Gains/Losses includes the loss amounted to ¥72 million which was recognized in the statement of income by application of the fair-value hedge method.

2: Japanese Stocks with a quoted market price are stated at fair value, determined based on the average quoted market price over the month preceding the balance sheet date and others which have readily determinable market price are stated at fair value at the balance sheet date. Value for judgment of devaluation is based on the quoted market price at the balance sheet date.

- (4) Breakdown of Securities not stated at fair value and amount on BS (as of September 30, 2007)

(Millions of yen)

Bonds held-to-maturity	Nil
Investments in subsidiaries and affiliates	
Subsidiaries	12,350
Affiliates	750
Other Securities	
Unlisted Japanese Stocks	11,302
Non-publicly offered Japanese Corporate Bonds	23,622
Beneficiary Certificates of Trusts	145,844

### 2. Money Held in Trust

- (1) Money held in Trust held-to-maturity (as of September 30, 2007): Nil  
 (2) Other Money held in Trust (not for investments and holding to maturity) (as of September 30, 2007): Nil

### 3. Net Unrealized Gain/Loss on Other Securities (as of September 30, 2007)

The contents of net unrealized gains on other securities, net of taxes on the balance sheet is as follows.

(Millions of yen)

Valuation Difference	147,523
Other Securities	147,523
Deferred Tax Liabilities (minus)	33,844
Net Unrealized Gains on Other Securities, net of Taxes	113,678

Note 1: The loss amounted to ¥72 million which was recognized in the statement of income by application of the fair-value hedge method is deducted from the valuation difference.

2: Translation differences regarding securities which do not have readily determinable fair value, of ¥2 million are included in Other Securities of Valuation Difference.

## PER SHARE INFORMATION FOR COMMON STOCK

[Non-Consolidated]

		1H Fiscal 2007 from April 1, 2007 to September 30, 2007
Net Assets per Share of Common Stock	Yen	45.14
Net Income per Share of Common Stock	Yen	10.23
Diluted Net Income per Share of Common Stock	Yen	5.95

Note 1. The basis of calculation of net assets per share of common stock is as follows:

		1H Fiscal 2007 (as of September 30, 2007)
Total Net Assets	Millions of yen	463,100
Amount Deducted from Net Assets	Millions of yen	236,282
Paid-in Amount of Preferred Stock	Millions of yen	236,282
Net Assets related to Common Stock	Millions of yen	226,817
Number of shares, based on which total net assets per share of common stock was calculated.	Thousands of shares	5,024,020

2. The basis of the calculation of net income per share of common stock and diluted net income share of common stock is as follows:

		1H Fiscal 2007 from April 1, 2007 to September 30, 2007
Net Income per Share of Common Stock		
Net Income	Millions of yen	51,400
Amount not attributable to Common Stock	Millions of yen	—
Net Income related to Common Stock	Millions of yen	51,400
Average Outstanding Share of Common Stock	Thousands of shares	5,024,045
Diluted Net Income per Share of Common Stock		
Adjustment to Net Income	Millions of yen	—
Increased Number of Share of Common Stock	Thousands of shares	3,607,701
First Series Class 1 Preferred Stock	Thousands of shares	1,669,301
Second Series Class 3 Preferred Stock	Thousands of shares	1,938,400
Description of dilutive securities which were not included in the calculation of Diluted Net Income per Share of Common Stock as they have no dilutive effect.		

## STATEMENT OF TRUST ASSETS AND LIABILITIES

As of September 30, 2007

(Millions of yen)			
Assets	Amount	Liabilities	Amount
Loans and Bills Discounted	2,373,631	Money Trusts	21,563,639
Securities	10,643,508	Pension Trusts	4,385,372
Beneficiary Rights to the Trusts	29,545,341	Property Formation Benefit Trusts	5,687
Securities held in Custody Accounts	698,968	Loan Trusts	118,964
Money Claims	6,329,596	Investment Trusts	7,564,117
Tangible Fixed Assets	5,203,891	Money Entrusted Other than Money Trusts	2,993,534
Intangible Fixed Assets	132,284	Securities Trusts	4,667,478
Other Claims	133,293	Money Claim Trusts	6,234,801
Call Loans	33,534	Equipment Trusts	321
Due from Banking Account	1,061,071	Land and Fixtures Trusts	445,211
Cash and Due from Banks	570,399	Composite Trusts	8,743,191
		Other Trusts	3,200
Total	56,725,520	Total	56,725,520

Note:

1. Amounts less than one million yen are rounded down.
2. The statement is exclusive of the Trusts that is difficult to value monetarily.
3. Beneficiary Rights to the Trusts include entrusted Trusts for asset maintenance of ¥ 28,606,524 million.
4. Joint trust assets under the management of other companies ¥ 3,007,927 million.  
There is no "Trust assets under the service-shared co-trusteeship" in "Joint trust assets under the management of other companies."
5. Loans and bills discounted among Money Trusts with the contracts of principal indemnification amounted to ¥ 46,061 million.  
Of this amount, balance of non-accrual delinquent loans is ¥ 7,314 million.

(Reference) Breakdown of Accounts of Money Trusts and Loan Trusts with the contracts of principal indemnification  
(including Trusts entrusted for asset management) are as follows.

## Money Trusts (Millions of yen)

Assets	Amount	Liabilities	Amount
Loans and Bills Discounted	46,061	Principal	967,655
Securities	93,256	Reserve	141
Others	829,003	Others	524
Total	968,321	Total	968,321

Note: Amounts less than one million yen are rounded down.

## Loan Trusts (Millions of yen)

Assets	Amount	Liabilities	Amount
Loans and Bills Discounted	—	Principal	117,638
Securities	—	Reserve	817
Others	118,978	Others	522
Total	118,978	Total	118,978

Note: Amounts less than one million yen are rounded down.

## COMPARISON OF BALANCES OF PRINCIPAL ITEMS

(Millions of yen)

Items	1H Fiscal 2007 as of September 30, 2007	Fiscal 2006 as of March 31, 2007	Change	1H Fiscal 2006 as of September 30, 2006	Change from September 30, 2006
Total Amount of Funds	29,623,242	28,458,900	1,164,342	28,205,971	1,417,271
Deposits	2,985,278	2,821,861	163,417	2,779,120	206,158
Negotiable Certificates of Deposit	564,300	611,890	(47,590)	502,100	62,200
Money Trusts	21,563,639	21,078,709	484,929	20,122,902	1,440,737
Pension Trusts	4,385,372	3,767,015	618,357	4,555,451	(170,079)
Property Formation Benefit Trusts	5,687	5,999	(311)	6,411	(723)
Loan Trusts	118,964	173,424	(54,460)	239,985	(121,021)
Loans and Bills Discounted	5,876,469	6,321,648	(445,178)	4,612,589	1,263,880
of Banking account	3,502,837	4,026,203	(523,365)	3,646,161	(143,323)
of Trust accounts	2,373,631	2,295,445	78,186	966,428	1,407,203
Securities for Investments	12,582,521	12,189,716	392,805	11,415,918	1,166,603
of Banking account	1,939,013	1,719,550	219,462	1,768,918	170,094
of Trust accounts	10,643,508	10,470,165	173,342	9,647,000	996,508

Note: Amounts less than on million yen are rounded down.



# **SELECTED FINANCIAL INFORMATION**

For the First Half of Fiscal 2007



**Mizuho Trust & Banking Co., Ltd.**

# CONTENTS

## Notes:

"CON": Consolidated figures of Mizuho Trust & Banking Co., Ltd. ("MHTB")

"NON": Non-consolidated figures of MHTB

"NON<MHTB and MHAC>": Aggregated figures of MHTB including past figures for its former financial subsidiary for corporate revitalization

\* MHTB merged with its own financial subsidiary for corporate revitalization as of October 1, 2005.

## I. FINANCIAL DATA FOR THE FIRST HALF OF FISCAL 2007

		Pages
1. Income Analysis	NON	..... 1
	CON	..... 2
2. Interest Margins	NON	..... 3
3. Net Gains / Losses on Securities	NON	..... 3
4. Unrealized Gains / Losses on Securities	N • C	..... 4
5. Projected Redemption Amounts of Other Securities	NON	..... 6
6. Overview of Derivative Transactions Qualifying for Hedge Accounting	NON	..... 6
7. Employee Retirement Benefits		
(1) Projected Benefit Obligations	N • C	..... 7
(2) Expenses related to Employee Retirement Benefits	N • C	..... 7
8. Capital Adequacy Ratio (Basel 2)	N • C	..... 8

## II. REVIEW OF CREDITS

		Pages
1. Status of Non-Accrual, Past Due & Restructured Loans	NON	..... 10
	CON	..... 11
2. Status of Reserves for Possible Losses on Loans	N • C	..... 12
3. Reserve Ratios for Non-Accrual, Past Due & Restructured Loans	N • C	..... 12
4. Status of Disclosed Claims under the Financial Reconstruction Law ("FRL")	NON	..... 13
	CON	..... 14
5. Coverage on Disclosed Claims under the FRL		
(1) Disclosed Claims under the FRL and Coverage Amount	NON	..... 15
(2) Coverage Ratio	NON	..... 16
6. Claims Classified by Self-Assessment	N • C	..... 17
7. Overview of Non-Performing Loans ("NPLs")	NON	..... 18
8. Results of Removal of NPLs from the Balance Sheet		
(1) Outstanding Balance of Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk (under the FRL)	NON	<MHTB & MHAC> ..... 19
(2) Progress in Removal of NPLs from the Balance Sheet (Accumulated Removal Amount and Removal Ratio)	NON	<MHTB & MHAC> ..... 19
(3) Breakdown of Reasons for Removal of NPLs from the Balance Sheet	NON	<MHTB & MHAC> ..... 20
(4) Breakdown of Amount Which Was in the Process of Being Removed from the Balance Sheet	NON	<MHTB & MHAC> ..... 20
9. Status of Loans by Industry		
(1) Outstanding Balances of Loans by Industry	NON	..... 21
(2) Non-Accrual, Past Due & Restructured Loans and Disclosed Claims under the FRL by Industry	NON	..... 21
(3) Balance of Housing and Consumer Loans	NON	..... 22
(4) Loans to Both Small and Medium-Sized Enterprises and Individual Customers	NON	..... 22
10. Status of Loans by Nationality of Borrowers		
(1) Balance of Loans for Restructuring Countries	NON	..... 22
(2) Balance of Loans for Asia	NON	..... 23
(3) Balance of Loans for Central and South America	NON	..... 23

## III. DEFERRED TAXES

		Pages
1. Change in Deferred Tax Assets, etc.	N • C	..... 24
2. Estimation of Deferred Tax Assets, etc.	NON	..... 25
(1) Estimate of Future Taxable Income	NON	..... 26
(2) Breakdown of Deferred Tax Assets	NON	..... 26

## IV. OTHER

		Pages
1. Breakdown of Deposits (Domestic Offices)	NON	..... 27
2. Number of Directors and Employees	NON	..... 27
3. Number of Branches and Offices	NON	..... 27
4. Earnings Estimates for Fiscal 2007 (Ending March 31, 2008)	N • C	..... 28

NON : Non-Consolidated   CON : Consolidated

MHTB revises its earnings estimates (consolidated and non-consolidated) for the fiscal year ending March 31, 2008 announced on May 22, 2007. Regarding the contents of the revised earnings estimates, please refer to "Revision of Earnings Estimates for Fiscal 2007" announced on November 14, 2007.

Above estimates are based on information, which is available at this moment, and assumptions of uncertain factors, which may have an influence on future operating results. Actual results may differ materially from these estimates, depending on future events.

## I. FINANCIAL DATA FOR THE FIRST HALF OF FISCAL 2007

## 1. Income Analysis

[ Non-Consolidated ]

(Millions of yen)

		First Half of Fiscal 2007		First Half of Fiscal 2006
			Change	
1	Gross Profits	80,190	(2,855)	83,046
2	<i>Gross Profits without Credit Costs for Trust Accounts</i>	<i>80,190</i>	<i>(2,855)</i>	<i>83,046</i>
3	Net Interest Income	26,239	1,000	25,238
4	Net Trust Fees	32,468	(411)	32,880
5	Trust Fees without Credit Costs for Trust Accounts	32,468	(411)	32,880
6	Trust Fees for Loan Trust and Jointly Operated Designated Money Trust	2,887	(1,557)	4,445
7	Credit Costs for Trust Accounts (minus) A	-	-	-
8	Losses on Write-offs of Loans	-	-	-
9	Others	-	-	-
10	Net Fee and Commission Income	18,028	(2,843)	20,871
11	Net Trading Income	570	44	525
12	Net Other Operating Income	2,884	(645)	3,530
13	General and Administrative Expenses(Excluding Non-Recurring Losses) (minus)	43,910	(141)	44,052
14	Personnel Expenses	14,461	(567)	15,029
15	Non-Personnel Expenses	27,910	399	27,510
16	Miscellaneous Taxes	1,538	26	1,512
17	Provision for General Reserve for Possible Losses on Loans (minus) B	-	(3,603)	3,603
18	Net Business Profits	36,280	889	35,390
19	Net Gains (Losses) related to Bonds	2,912	(827)	3,740
20	Net Business Profits(Before Provision for General Reserve for Possible Losses on Loans)(*1)	36,280	(2,713)	38,994
21	Excluding Net Gains (Losses) related to Bonds	33,367	(1,885)	35,253
22	Net Non-recurring Gains (Losses)	(1,392)	(5,529)	4,137
23	Net Gains related to Stocks and Other Securities	1,303	(6,024)	7,327
24	Expenses related to Portfolio Problems for Banking Account (minus) C	511	(706)	1,218
25	Other	(2,184)	(212)	(1,972)
26	Ordinary Profits	34,887	(4,640)	39,527
27	Net Extraordinary Gains (Losses)	23,357	22,994	363
28	Net Losses on Disposition of Fixed Assets	(305)	(157)	(147)
29	Loss on Impairment of Fixed Assets	(17)	(17)	-
30	Profits for Recovery of Loans Written-off	1,461	949	511
31	Reversal of Reserves for Possible Losses on Loans D	22,191	22,191	-
32	Reversal of Reserve for Contingencies in Trust Transactions E	28	28	-
33	Income before Income Taxes	58,245	18,354	39,891
34	Income Taxes - Current (minus)	9	(12)	22
35	Income Taxes - Deferred (minus)	6,836	(8,972)	15,808
36	Net Income	51,400	27,339	24,060
37	Credit-related Costs A+B+C-D-E	(21,708)	(26,529)	4,821
38	Ordinary Income	116,333	4,031	112,302

(Reference) Breakdown of Credit-related Costs

39	Provision for (Reversal of) General Reserve for Possible Losses on Loans	(951)	(4,554)	3,603
40	Losses on Write-offs of Loans	507	(2,492)	2,999
41	Provision for (Reversal of) Specific Reserve for Possible Losses on Loans	(21,062)	(19,254)	(1,808)
42	Provision for (Reversal of) Reserve for Possible Losses on Loans to Restructuring Countries	(177)	(75)	(101)
43	Provision for (Reversal of) Reserve for Contingencies in Trust Transactions	(28)	(157)	129
44	Other Costs related to Portfolio Problems	4	4	-
45	Total	(21,708)	(26,529)	4,821

\*1 Net Business Profits (Before Provision for General Reserve for Possible Losses on Loans) = Net Business Profits + Credit Costs for Trust Accounts  
+ Provision for General Reserve for Possible Losses on Loans

[ Consolidated ]

(Millions of yen)

		First Half of Fiscal 2007	Change	First Half of Fiscal 2006
1	Consolidated Gross Profits	91,247	(1,940)	93,187
2	Net Interest Income	26,580	1,146	25,434
3	Net Trust Fees	32,468	(411)	32,880
4	<i>Credit Costs for Trust Accounts</i> (minus) A	—	—	—
5	Net Fee and Commission Income	28,658	(2,052)	30,711
6	Net Trading Income	570	44	525
7	Net Other Operating Income	2,968	(665)	3,634
8	General and Administrative Expenses (minus)	52,357	(714)	53,071
9	Expenses related to Portfolio Problems for Banking Account (minus) B	511	(4,797)	5,309
10	Net Gains related to Stocks and Other Securities	1,303	(6,453)	7,757
11	Equity in Income from Investment in Affiliates	60	50	10
12	Other	(3,427)	(1,181)	(2,246)
13	Net Ordinary Profits	36,314	(4,013)	40,327
14	Net Extraordinary Gains (Losses)	23,308	22,946	362
15	<i>Reversal of Reserves for Possible Losses on Loans</i> C	22,172	22,172	—
16	<i>Reversal of Reserve for Contingencies in Trust Transactions</i> D	28	28	—
17	Income before Income Taxes and Minority Interests	59,623	18,933	40,689
18	Income Taxes - Current (minus)	676	(191)	867
19	Income Taxes - Deferred (minus)	6,978	(8,852)	15,831
20	Minority Interests in Net Income (minus)	175	81	93
21	Net Income	51,792	27,896	23,896
* Consolidated Gross Profits = (Interest Income - Interest Expenses) + Net Trust Fees + (Fee and Commission Income - Fee and Commission Expenses) + (Trading Income - Trading Expenses) + (Other Operating Income - Other Operating Expenses)				
22	Credit-related Costs A+B-C-D	(21,689)	(26,998)	5,309
23	Consolidated Ordinary Income	131,691	3,738	127,953

## 2. Interest Margins

[ Non-Consolidated ]

3 Domestic Accounts \*

( % )

		First Half of Fiscal 2007	Change	First Half of Fiscal 2006
1	Return on Interest-Earning Assets (A)	1.41	0.13	1.27
2	Return on Loans and Bills Discounted	1.55	0.03	1.51
3	Return on Securities	1.20	0.11	1.09
4	Cost of Funding (B)	0.56	0.27	0.28
5	Cost of Deposits and Others	0.48	0.24	0.24
6	Net Interest Margin (A) - (B)	0.84	(0.14)	0.99

\* "3 Domestic Accounts" = banking account (domestic operations) + trust accounts with guarantees for the repayment of trust principal (loan trusts and jointly operated designated money trust)

(Reference) Banking account (domestic operations)

( % )

		First Half of Fiscal 2007	Change	First Half of Fiscal 2006
7	Return on Interest-Earning Assets (A)	1.40	0.13	1.27
8	Return on Loans and Bills Discounted	1.54	0.02	1.51
9	Return on Securities	1.15	0.16	0.99
10	Cost of Funding (B)	0.62	0.26	0.35
11	Cost of Deposits and Others	0.52	0.23	0.28
12	Net Interest Margin (A) - (B)	0.78	(0.13)	0.92

## 3. Net Gains / Losses on Securities

[ Non-Consolidated ]

(Millions of yen)

		First Half of Fiscal 2007	Change	First Half of Fiscal 2006
13	Net Gains (Losses) related to Bonds	2,912	(827)	3,740
14	Gains on Sales and Others	3,527	(245)	3,772
15	Losses on Sales and Others (minus)	707	672	34
16	Devaluation (minus)	23	23	0
17	Provision for Reserve for Possible Losses on Investments (minus)	-	-	-
18	Gains (Losses) on Derivatives other than for Trading or Hedging (related to bonds)	115	113	2

\* "Gains on Sales and Others" includes gains on redemption. "Losses on Sales and Others" includes losses on redemption.

(Millions of yen)

		First Half of Fiscal 2007	Change	First Half of Fiscal 2006
19	Net Gains related to Stocks and Others	1,303	(6,024)	7,327
20	Gains on Sales	2,315	(5,420)	7,735
21	Losses on Sales (minus)	8	(2)	10
22	Devaluation (minus)	1,003	605	397
23	Provision for Reserve for Possible Losses on Investments (minus)	0	0	-
24	Gains (Losses) on Derivatives other than for Trading or Hedging (related to stocks)	-	-	-

#### 4. Unrealized Gains / Losses on Securities

Securities which have readily determinable fair value.

[ Non-Consolidated ]

(Millions of yen)

		As of September 30, 2007				As of March 31, 2007				As of September 30, 2006			
		Amount on B/S				Amount on B/S				Amount on B/S			
		Book Value (=Fair Value)	Unrealized Gains (Losses)			Book Value (=Fair Value)	Unrealized Gains (Losses)			Book Value (=Fair Value)	Unrealized Gains (Losses)		
			Gains	Losses			Gains	Losses			Gains	Losses	
1	Other Securities	1,996,274	147,448	180,240	32,792	1,571,627	189,063	221,608	32,544	1,609,947	174,187	202,537	28,350
2	Japanese Stocks	367,075	176,670	178,839	2,168	409,482	218,937	220,244	1,306	394,742	201,343	201,946	603
3	Japanese Bonds	1,182,536	(25,827)	153	25,981	915,473	(26,362)	56	26,418	904,723	(23,783)	99	23,883
4	Japanese Government Bonds	1,083,221	(25,425)	50	25,476	842,502	(25,873)	0	25,873	812,858	(23,106)	18	23,125
5	Other	446,661	(3,395)	1,247	4,642	246,671	(3,512)	1,307	4,819	310,481	(3,371)	491	3,863

- \* In addition to "Securities" on the (interim) balance sheets, NCD in "Cash and Due from Banks" and certain items in "Other Debt Purchased" are also included.
- \* Fair value of Japanese Stocks with a quoted market price is determined based on the average quoted market price over the month preceding the balance sheet date.  
Fair value of securities other than Japanese Stocks with a quoted market price is determined at the quoted market price if available, or other reasonable value at the balance sheet date.
- \* The book values of Other Securities which have readily determinable fair value are stated at fair value, so the Unrealized Gains / Losses indicate the difference between book value on the (interim) balance sheet and the acquisition cost.
- \* Unrealized Gains/Losses includes the loss amounted to ¥(72) million, which was recognized in the statement of income for September 30, 2007 by application of the fair-value hedge method.  
As a result, the base amounts to be recorded directly to Net Assets after tax adjustment as of September 30, 2007, March 31, 2007 and September 30, 2006 are ¥147,520 million, ¥189,063 million and ¥174,187 million, respectively.
- \* Net Unrealized Gains (Losses) on Other Securities, net of Taxes (recorded directly to Net Assets after tax adjustment, excluding the amount recognized in the statement of income by application of the fair-value hedge method, including translation differences regarding securities) which do not have readily determinable fair value as of September 30, 2007, March 31, 2007 and September 30, 2006 are ¥113,678 million, ¥141,816 million and ¥103,468 million, respectively.
- \* Balance of Bonds held-to-maturity and Securities in subsidiaries and affiliates which have readily determinable fair value is nil.

[ Consolidated ]

(Millions of yen)

		As of September 30, 2007				As of March 31, 2007				As of September 30, 2006			
		Amount on Consolidated B/S				Amount on Consolidated B/S				Amount on Consolidated B/S			
		Book Value (=Fair Value)	Unrealized Gains (Losses)			Book Value (=Fair Value)	Unrealized Gains (Losses)			Book Value (=Fair Value)	Unrealized Gains (Losses)		
			Gains	Losses			Gains	Losses			Gains	Losses	
6	Other Securities	2,026,331	148,140	180,932	32,792	1,601,161	189,831	222,376	32,544	1,638,782	175,417	203,768	28,350
7	Japanese Stocks	367,815	177,362	179,531	2,168	410,298	219,705	221,011	1,306	396,074	202,573	203,176	603
8	Japanese Bonds	1,182,536	(25,827)	153	25,981	915,473	(26,362)	56	26,418	904,723	(23,783)	99	23,883
9	Japanese Government Bonds	1,083,221	(25,425)	50	25,476	842,502	(25,873)	0	25,873	812,858	(23,106)	18	23,125
10	Other	475,978	(3,395)	1,247	4,642	275,389	(3,512)	1,307	4,819	337,983	(3,371)	491	3,863

- \* In addition to "Securities" on the (interim) consolidated balance sheets, NCD in "Cash and Due from Banks" and certain items in "Other Debt Purchased" are also included.
- \* Fair value of Japanese Stocks with a quoted market price is determined based on the average quoted market price over the month preceding the consolidated balance sheet date.  
Fair value of securities other than Japanese Stocks with a quoted market price is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.
- \* The book values of Other Securities which have readily determinable fair value are stated at fair value, so the Unrealized Gains / Losses indicate the difference between book value on the (interim) consolidated balance sheet and the acquisition cost.
- \* Unrealized Gains/Losses includes the loss amounted to ¥(72) million, which was recognized in the consolidated statement of income for September 30, 2007 by application of the fair-value hedge method. As a result, the base amounts to be recorded directly to Net Assets after tax adjustment as of September 30, 2007, March 31, 2007 and September 30, 2006 are ¥148,212 million, ¥189,831 million and ¥175,417 million, respectively.
- \* Unrealized Gains (Losses) on Other Securities, net of Taxes (recorded directly to Net Assets after tax adjustment, excluding the amount recognized in the statement of income by application of the fair-value hedge method, including translation differences regarding securities) which do not have readily determinable fair value as of September 30, 2007, March 31, 2007 and September 30, 2006 are ¥113,942 million, ¥142,109 million and ¥103,936 million, respectively.
- \* Balance of Bonds held-to-maturity which have readily determinable fair value is nil.

[ Reference ]

Unrealized Gains / Losses on Other Securities

(the base amount to be recorded directly to Net Assets after tax and other necessary adjustments)

For certain Other Securities (which have readily determinable fair value), Unrealized Gains (Losses) were recognized in the statement of income by application of the fair-value hedge method. They were excluded from Unrealized Gains (Losses) on Other Securities. These adjusted Unrealized Gains (Losses) were the base amount, which was to be recorded directly to Net Assets after tax and other necessary adjustments.

The base amount was as follows:

[ Non-Consolidated ]

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
		Unrealized Gains (Losses)			Unrealized Gains (Losses)	Unrealized Gains (Losses)
			Change from March 31, 2007	Change from September 30, 2006		
1	Other Securities	147,520	(41,542)	(26,666)	189,063	174,187
2	Japanese Stocks	176,670	(42,266)	(24,672)	218,937	201,343
3	Japanese Bonds	(25,754)	607	(1,970)	(26,362)	(23,783)
4	Japanese Government Bonds	(25,352)	520	(2,246)	(25,873)	(23,106)
5	Other	(3,395)	116	(23)	(3,512)	(3,371)

[ Consolidated ]

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
		Unrealized Gains (Losses)			Unrealized Gains (Losses)	Unrealized Gains (Losses)
			Change from March 31, 2007	Change from September 30, 2006		
6	Other Securities	148,212	(41,618)	(27,204)	189,831	175,417
7	Japanese Stocks	177,362	(42,342)	(25,210)	219,705	202,573
8	Japanese Bonds	(25,754)	607	(1,970)	(26,362)	(23,783)
9	Japanese Government Bonds	(25,352)	520	(2,246)	(25,873)	(23,106)
10	Other	(3,395)	116	(23)	(3,512)	(3,371)

**5. Projected Redemption Amounts of Other Securities**

[ Non-Consolidated ]

The redemption schedule by term for Other Securities with maturities is as follows:

(Billions of yen)

		As of September 30, 2007					As of March 31, 2007					As of September 30, 2006				
		Within 1 year	1 year - 5 years	5 years - 10 years	Over 10 years		Within 1 year	1 year - 5 years	5 years - 10 years	Over 10 years		Within 1 year	1 year - 5 years	5 years - 10 years	Over 10 years	
1	Other Securities	234.9	725.7	509.9	253.5	1,724.2	54.5	463.7	428.4	266.0	1,212.8	115.2	515.5	375.1	286.0	1,292.0
2	Japanese Bonds Total	208.5	414.4	372.7	210.3	1,206.1	48.4	383.8	284.5	266.0	982.8	96.3	283.2	295.3	286.0	961.0
3	Japanese Government Bonds	180.1	352.6	354.5	195.8	1,083.2	0.0	317.4	266.3	258.7	842.5	49.9	202.4	274.3	286.0	812.8
4	Japanese Local Government Bonds	2.3	4.9	3.5	—	10.9	1.5	6.6	3.5	—	11.7	0.5	8.0	4.0	—	12.6
5	Japanese Corporate Bonds	25.9	56.8	14.6	14.5	111.9	46.8	59.8	14.5	7.3	128.6	45.8	72.7	16.9	—	135.5
6	Other	26.4	311.2	137.1	43.1	518.0	6.1	79.8	143.9	—	229.9	18.8	232.2	79.8	—	330.9

**6. Overview of Derivative Transactions Qualifying for Hedge Accounting**

[ Non-Consolidated ]

Notional Amount of Interest Rate Swaps (qualifying for Hedge Accounting) by Remaining Contractual Term

(Billions of yen)

		As of September 30, 2007				As of March 31, 2007				As of September 30, 2006			
		Within 1 year	1 year - 5 years	Over 5 years		Within 1 year	1 year - 5 years	Over 5 years		Within 1 year	1 year - 5 years	Over 5 years	
7	Receive Fixed / Pay Float	-	145.0	155.0	300.0	20.0	145.0	150.0	315.0	50.0	165.0	140.0	355.0
8	Receive Float / Pay Fixed	60.0	220.0	-	280.0	70.0	110.0	50.0	230.0	30.0	165.0	50.0	245.0
9	Receive Float / Pay Float	-	-	-	-	-	-	-	-	-	-	-	-
10	Receive Fixed / Pay Fixed	-	-	-	-	-	-	-	-	-	-	-	-
11	Total	60.0	365.0	155.0	580.0	90.0	255.0	200.0	545.0	80.0	330.0	190.0	600.0

(Reference)

Deferred Hedge Gains / Losses of Derivative Transactions Qualifying for Hedge Accounting

(Billions of yen)

	As of September 30, 2007			As of March 31, 2007			As of September 30, 2006		
	Deferred Hedge Gains	Deferred Hedge Losses	Net Deferred Hedge Gains (Losses)	Deferred Hedge Gains	Deferred Hedge Losses	Net Deferred Hedge Gains (Losses)	Deferred Hedge Gains	Deferred Hedge Losses	Net Deferred Hedge Gains (Losses)
12	48.3	47.8	0.5	51.5	50.2	1.3	54.7	54.7	(0.0)

Note: The above figures reflect all derivative transactions subject to hedge accounting.



## 7. Employee Retirement Benefits

[ Non-Consolidated ]

### (1) Projected Benefit Obligations

(Millions of yen)

		As of September 30, 2007	Change	As of September 30, 2006
1	Projected Benefit Obligations (at the beginning of the fiscal year) (A)	121,736	4,872	116,864
2	Discount Rate%	2.5	-	2.5
3	Fair Value of Plan Assets (at the beginning of the fiscal year) (B)	156,150	10,169	145,980
4	Unrecognized Net Obligations (C)	6,098	(4,049)	10,148
5	Unrecognized Actuarial Differences (at the beginning of the fiscal year)	6,098	(4,049)	10,148
6	Amount amortized during the first half of fiscal 2007	1,692	(30)	1,722
7	Prepaid Pension Cost (at the beginning of the fiscal year) (D)	50,836	1,563	49,273
8	Reserve for Employee Retirement Benefits (at the beginning of the fiscal year) (A)-(B)-(C)+(D)	10,323	315	10,007

### (2) Expenses related to Employee Retirement Benefits

(Millions of yen)

		First Half of Fiscal 2007	Change	First Half of Fiscal 2006
9	Service Cost	1,054	26	1,027
10	Interest Cost	1,521	60	1,460
11	Expected Return on Plan Assets	(4,256)	(1,556)	(2,700)
12	Amortization of Unrecognized Actuarial Differences	1,692	(30)	1,722
13	Other	116	(4)	120
14	Total	128	(1,502)	1,631

[Consolidated]

(Millions of yen)

		As of September 30, 2007	Change	As of September 30, 2006
15	Projected Benefit Obligations (at the beginning of the fiscal year) (A)	123,793	4,928	118,865
16	Fair Value of Plan Assets (at the beginning of the fiscal year) (B)	158,850	10,355	148,494
17	Unrecognized Net Obligations (C)	5,644	(4,311)	9,956
18	Unrecognized Actuarial Differences (at the beginning of the fiscal year)	5,644	(4,311)	9,956
19	Amount amortized during the first half of fiscal 2007	1,665	(80)	1,745
20	Prepaid Pension Cost (at the beginning of the fiscal year) (D)	51,470	1,468	50,002
21	Reserve for Employee Retirement Benefits (at the beginning of the fiscal year) (A)-(B)-(C)+(D)	10,769	351	10,417
22	Expenses Related to Employee Retirement Benefits	299	(1,599)	1,898

## 8. Capital Adequacy Ratio (Basel 2)

[Consolidated]

(Billions of yen)

		As of September 30, 2007		As of March 31, 2007
		(Preliminary)	Change	
1	(1) Capital Adequacy Ratio (%)	14.70	(0.99)	15.69
2	Tier1 Capital Ratio (%)	8.58	(0.38)	8.96
3	(2) Tier1	352.5	(7.2)	359.8
4	Common Stock and Preferred Stock	247.2	—	247.2
5	Capital Surplus	15.3	—	15.3
6	Retained Earnings	90.8	(16.2)	107.0
7	Treasury Stock (minus)	0.1	0.0	0.1
8	Dividends (estimate), etc. (minus)	—	(8.0)	8.0
9	Unrealized Losses on Other Securities (minus)	—	—	—
10	Foreign Currency Translation Adjustments	0.5	0.3	0.1
11	Minority Interests in Consolidated Subsidiaries	2.8	0.1	2.6
12	Preferred Stock Issued by Overseas SPCs	—	—	—
13	Other (minus)	4.1	(0.3)	4.5
14	(3) Tier 2 (included as Qualifying Capital)	252.8	(18.7)	271.6
15	45% of Unrealized Gains on Other Securities	66.6	(18.7)	85.3
16	45% of Revaluation Reserve for Land	—	—	—
17	General Reserve for Possible Losses on Loans	4.0	(0.0)	4.1
18	Debt Capital	182.2	—	182.2
19	Perpetual Subordinated Debt and other Debt Capital	42.7	—	42.7
20	Subordinated Debt and Redeemable Preferred Stock	139.5	—	139.5
21	Other	—	—	—
22	(4) Deductions for Total Risk-based Capital	1.4	(0.0)	1.4
23	(5) Total Risk-based Capital (2) + (3) - (4)	604.0	(26.0)	630.0
24	(6) Risk-weighted Assets	4,107.0	91.8	4,015.2
25	Assets Exposed to Credit Risk	3,206.6	42.4	3,164.1
26	On-balance Sheet Items	3,026.8	56.7	2,970.0
27	Off-balance Sheet Items	179.7	(14.3)	194.0
28	Market Risk Equivalent Assets	22.1	(6.0)	28.2
29	Operational Risk Equivalent Assets	343.9	11.3	332.5
30	Adjustment resulting from Capital Floor Difference	534.3	44.0	490.2

[Non-consolidated]

(Billions of yen)

		As of September 30, 2007		As of March 31, 2007
		(Preliminary)	Change	
31	(1) Capital Adequacy Ratio (%)	14.61	(0.99)	15.60
32	Tier1 Capital Ratio (%)	8.48	(0.39)	8.87
33	(2) Tier1	344.9	(8.2)	353.2
34	(3) Tier2 (included as Qualifying Capital)	250.3	(18.7)	269.0
35	(4) Deductions for Total Risk-based Capital	0.9	(0.0)	0.9
36	(5) Total Risk-based Capital (2) + (3) - (4)	594.3	(26.9)	621.3
37	(6) Risk-weighted Assets	4,067.6	86.6	3,980.9

**(Reference) Capital Adequacy Ratio (Basel 1)**

【Consolidated】

(Billions of yen)

	As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
	(Preliminary)	Change from March 31, 2007	Change from September 30, 2006		
1 (1) Capital Adequacy Ratio (%)	13.60	(0.84)	(0.09)	14.44	13.69
2 Tier1 Capital Ratio (%)	7.74	(0.30)	0.48	8.04	7.26
3 (2) Tier1	356.6	(7.6)	28.8	364.3	327.8
4 (3) Tier2 (included as Qualifying Capital)	271.3	(19.7)	(20.3)	291.0	291.7
5 (4) Deductions for Total Risk-based Capital	1.3	0.0	0.0	1.3	1.3
6 (5) Total Risk-based Capital (2) + (3) - (4)	626.6	(27.4)	8.3	654.0	618.2
7 (6) Risk-weighted Assets	4,606.1	79.0	91.9	4,527.0	4,514.2

【Non-consolidated】

(Billions of yen)

	As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
	(Preliminary)	Change from March 31, 2007	Change from September 30, 2006		
8 (1) Capital Adequacy Ratio (%)	13.49	(0.85)	(0.10)	14.34	13.59
9 Tier1 Capital Ratio (%)	7.61	(0.32)	0.46	7.93	7.15
10 (2) Tier1	349.1	(8.6)	28.0	357.7	321.0
11 (3) Tier2 (included as Qualifying Capital)	270.1	(19.6)	(19.7)	289.7	289.8
12 (4) Deductions for Total Risk-based Capital	0.8	(0.0)	(0.0)	0.9	0.9
13 (5) Total Risk-based Capital (2) + (3) - (4)	618.3	(28.2)	8.4	646.5	609.9
14 (6) Risk-weighted Assets	4,582.3	74.6	96.6	4,507.7	4,485.7

## II. REVIEW OF CREDITS

### 1. Status of Non-Accrual, Past Due & Restructured Loans

The figures below are presented net of partial direct write-offs.

Treatment of accrued interest is based on the results of the self-assessment of assets.

(All loans to obligors classified in the self-assessment of assets as Bankrupt Obligor, Substantially Bankrupt Obligor, and Intensive Control Obligor are categorized as non-accrual loans.)

[ Non-Consolidated ]

#### Banking Account

(Millions of yen, %)

Banking Account		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
				Change from March 31, 2007		Change from September 30, 2006					
			%		%		%		%		%
1	Loans to Bankrupt Obligor	1,400	0.03	(1,035)	(0.02)	(1,239)	(0.03)	2,435	0.06	2,639	0.07
2	Non-Accrual Delinquent Loans	8,830	0.25	(34,502)	(0.82)	(308)	0.00	43,332	1.07	9,139	0.25
3	Loans Past Due for 3 Months or More	928	0.02	460	0.01	(253)	(0.00)	468	0.01	1,181	0.03
4	Restructured Loans	40,503	1.15	(20,932)	(0.36)	(25,086)	(0.64)	61,436	1.52	65,590	1.79
5	Total	51,663	1.47	(56,009)	(1.19)	(26,886)	(0.67)	107,672	2.67	78,550	2.15
6	Total Loans	3,502,837	100.00	(523,365)	—	(143,323)	—	4,026,203	100.00	3,646,161	100.00
7	Amount of Partial Direct Write-offs	33,133		(5,972)		(12,553)		39,106		45,687	

#### Trust Accounts

(Millions of yen, %)

Trust Accounts		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
				Change from March 31, 2007		Change from September 30, 2006					
			%		%		%		%		%
8	Loans to Bankrupt Obligor	—	—	—	—	—	—	—	—	—	—
9	Non-Accrual Delinquent Loans	7,314	15.87	(394)	1.29	494	5.53	7,708	14.58	6,819	10.34
10	Loans Past Due for 3 Months or More	—	—	(121)	(0.22)	(123)	(0.18)	121	0.22	123	0.18
11	Restructured Loans	—	—	—	—	(35)	(0.05)	—	—	35	0.05
12	Total	7,314	15.87	(515)	1.06	335	5.28	7,829	14.80	6,978	10.59
13	Total Loans	46,061	100.00	(6,808)	—	(19,832)	—	52,869	100.00	65,894	100.00

#### Banking Account + Trust Accounts

(Millions of yen, %)

		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
		Change from March 31, 2007		Change from September 30, 2006							
			%		%		%		%		%
14	Loans to Bankrupt Obligor	1,400	0.03	(1,035)	(0.02)	(1,239)	(0.03)	2,435	0.05	2,639	0.07
15	Non-Accrual Delinquent Loans	16,145	0.45	(34,896)	(0.79)	186	0.02	51,041	1.25	15,958	0.42
16	Loans Past Due for 3 Months or More	928	0.02	338	0.01	(376)	(0.00)	589	0.01	1,305	0.03
17	Restructured Loans	40,503	1.14	(20,932)	(0.36)	(25,121)	(0.62)	61,436	1.50	65,625	1.76
18	Total	58,977	1.66	(56,524)	(1.16)	(26,551)	(0.64)	115,502	2.83	85,528	2.30
19	Total Loans	3,548,899	100.00	(530,173)	—	(163,156)	—	4,079,073	100.00	3,712,056	100.00

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

## [ Consolidated ]

## Banking Account

(Millions of yen, %)

		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
			%	Change from March 31, 2007		Change from September 30, 2006			%		%
					%		%				%
1	Loans to Bankrupt Obligors	1,511	0.04	(1,126)	(0.02)	(1,275)	(0.03)	2,638	0.06	2,787	0.07
2	Non-Accrual Delinquent Loans	9,472	0.27	(34,737)	(0.82)	(551)	(0.00)	44,209	1.09	10,023	0.27
3	Loans Past Due for 3 Months or More	928	0.02	460	0.01	(253)	(0.00)	468	0.01	1,181	0.03
4	Restructured Loans	40,503	1.15	(20,932)	(0.37)	(25,086)	(0.64)	61,436	1.52	65,590	1.80
5	Total	52,416	1.49	(56,335)	(1.20)	(27,167)	(0.68)	108,752	2.70	79,583	2.18
6	Total Loans	3,499,468	100.00	(522,417)	—	(140,442)	—	4,021,886	100.00	3,639,911	100.00
7	Amount of Partial Direct Write-offs	35,047		(5,933)		(13,057)		40,980		48,105	

## Banking Account + Trust Accounts

(Millions of yen, %)

		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
				Change from March 31, 2007		Change from September 30, 2006					
			%		%		%		%		%
8	Loans to Bankrupt Obligors	1,511	0.04	(1,126)	(0.02)	(1,275)	(0.03)	2,638	0.06	2,787	0.07
9	Non-Accrual Delinquent Loans	16,786	0.47	(35,131)	(0.80)	(56)	0.01	51,917	1.27	16,843	0.45
10	Loans Past Due for 3 Months or More	928	0.02	338	0.01	(376)	(0.00)	589	0.01	1,305	0.03
11	Restructured Loans	40,503	1.14	(20,932)	(0.36)	(25,121)	(0.62)	61,436	1.50	65,625	1.77
12	Total	59,730	1.68	(56,851)	(1.17)	(26,831)	(0.65)	116,582	2.86	86,562	2.33
13	Total Loans	3,545,530	100.00	(529,225)	—	(160,275)	—	4,074,756	100.00	3,705,806	100.00

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

## 2. Status of Reserves for Possible Losses on Loans

### Banking Account

[ Non-Consolidated ]

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
1	Reserves for Possible Losses on Loans	24,481	(22,476)	(7,726)	46,957	32,207
2	General Reserve for Possible Losses on Loans	21,535	(951)	(7,711)	22,486	29,246
3	Specific Reserve for Possible Losses on Loans	2,946	(21,343)	261	24,289	2,684
4	Reserve for Possible Losses on Loans to Restructuring Countries	0	(181)	(276)	181	276

Above figures are presented net of partial direct write-offs, the amounts of which are indicated in the table below.

5	Amount of Partial Direct Write-offs	33,452	(5,972)	(14,073)	39,425	47,526
---	-------------------------------------	--------	---------	----------	--------	--------

[ Consolidated ]

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
6	Reserves for Possible Losses on Loans	26,555	(22,597)	(7,977)	49,152	34,532
7	General Reserve for Possible Losses on Loans	22,470	(993)	(8,113)	23,463	30,583
8	Specific Reserve for Possible Losses on Loans	4,084	(21,422)	411	25,507	3,672
9	Reserve for Possible Losses on Loans to Restructuring Countries	0	(181)	(276)	181	276

10	Amount of Partial Direct Write-offs	35,369	(5,936)	(14,576)	41,305	49,946
----	-------------------------------------	--------	---------	----------	--------	--------

( Reference: Trust Accounts)

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
11	Special Reserve Fund (Loan Trusts)	817	(318)	(786)	1,136	1,604
12	Reserve for Possible Loan Losses (Money Trust)	141	(22)	(61)	164	203
13	Total	959	(341)	(848)	1,300	1,807

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

## 3. Reserve Ratios for Non-Accrual, Past Due & Restructured Loans

### Banking Account

[ Non-Consolidated ]

( % )

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
14	Reserve Ratios After Partial Direct Write-offs of Category IV Loans	47.38	3.77	6.38	43.61	41.00

[ Consolidated ]

( % )

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
15	Reserve Ratios After Partial Direct Write-offs of Category IV Loans	50.66	5.46	7.26	45.19	43.39

#### 4. Status of Disclosed Claims under the Financial Reconstruction Law ("FRL")

[ Non-Consolidated ]

## Banking Account

(Millions of yen ,%)

		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
			%	Change from March 31, 2007	%	Change from September 30, 2006	%		%		%
1	Claims against Bankrupt and Substantially Bankrupt Obligors	29,950	0.82	(606)	0.09	25,100	0.69	30,556	0.73	4,849	0.12
2	Claims with Collection Risk	8,878	0.24	(34,602)	(0.80)	(20,365)	(0.53)	43,481	1.04	29,244	0.77
3	Claims for Special Attention	41,562	1.14	(20,516)	(0.34)	(25,467)	(0.62)	62,079	1.49	67,030	1.77
4	Sub-total	80,391	2.22	(55,725)	(1.05)	(20,732)	(0.46)	136,117	3.27	101,124	2.68
5	Normal Claims	3,537,724	97.77	(479,095)	1.05	(131,423)	0.46	4,016,819	96.72	3,669,147	97.31
6	Total	3,618,115	100.00	(534,821)	—	(152,156)	—	4,152,937	100.00	3,770,271	100.00
7	Amount of Partial Direct Write-offs	33,314		(5,973)		(14,073)		39,287		47,388	

## Trust Accounts

(Millions of yen ,%)

		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
			%	Change from March 31, 2007	%	Change from September 30, 2006	%		%		%
8	Claims against Bankrupt and Substantially Bankrupt Obligors	—	—	—	—	—	—	—	—	—	—
9	Claims with Collection Risk	7,314	15.87	(394)	1.29	494	5.53	7,708	14.58	6,819	10.34
10	Claims for Special Attention	—	—	(121)	(0.22)	(159)	(0.24)	121	0.22	159	0.24
11	Sub-total	7,314	15.87	(515)	1.06	335	5.28	7,829	14.80	6,978	10.59
12	Normal Claims	38,747	84.12	(6,292)	(1.06)	(20,168)	(5.28)	45,039	85.19	58,915	89.40
13	Total	46,061	100.00	(6,808)	—	(19,832)	—	52,869	100.00	65,894	100.00

## Banking Account + Trust Accounts

(Millions of yen ,%)

		As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
			%	Change from March 31, 2007	%	Change from September 30, 2006	%		%		%
14	Claims against Bankrupt and Substantially Bankrupt Obligors	29,950	0.81	(606)	0.09	25,100	0.69	30,556	0.72	4,849	0.12
15	Claims with Collection Risk	16,192	0.44	(34,997)	(0.77)	(19,870)	(0.49)	51,190	1.21	36,063	0.94
16	Claims for Special Attention	41,562	1.13	(20,637)	(0.34)	(25,626)	(0.61)	62,200	1.47	67,189	1.75
17	Sub-total	87,705	2.39	(56,241)	(1.02)	(20,396)	(0.42)	143,947	3.42	108,102	2.81
18	Normal Claims	3,576,471	97.60	(485,388)	1.02	(151,591)	0.42	4,061,859	96.57	3,728,063	97.18
19	Total	3,664,177	100.00	(541,629)	—	(171,988)	—	4,205,806	100.00	3,836,166	100.00

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

[ Consolidated ]

## Banking Account

(Millions of yen ,%)

	As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
		%	Change from March 31, 2007	%	Change from September 30, 2006	%		%		%
1 Claims against Bankrupt and Substantially Bankrupt Obligors	30,712	0.84	(940)	0.08	24,803	0.69	31,652	0.76	5,908	0.15
2 Claims with Collection Risk	8,878	0.24	(34,602)	(0.80)	(20,365)	(0.53)	43,481	1.05	29,244	0.77
3 Claims for Special Attention	41,562	1.14	(20,516)	(0.35)	(25,467)	(0.63)	62,079	1.49	67,030	1.78
4 Sub-total	81,153	2.24	(56,059)	(1.07)	(21,029)	(0.47)	137,212	3.31	102,183	2.72
5 Normal Claims	3,534,009	97.75	(467,844)	1.07	(118,330)	0.47	4,001,854	96.68	3,652,340	97.27
6 Total	3,615,163	100.00	(523,904)	—	(139,360)	—	4,139,067	100.00	3,754,523	100.00

7 Amount of Partial Direct Write-offs	35,231	(5,936)	(14,576)	41,167	49,808
---------------------------------------	--------	---------	----------	--------	--------

## Banking Account + Trust Accounts

(Millions of yen ,%)

	As of September 30, 2007						As of March 31, 2007		As of September 30, 2006	
		%	Change from March 31, 2007	%	Change from September 30, 2006	%		%		%
8 Claims against Bankrupt and Substantially Bankrupt Obligors	30,712	0.83	(940)	0.08	24,803	0.68	31,652	0.75	5,908	0.15
9 Claims with Collection Risk	16,192	0.44	(34,997)	(0.77)	(19,870)	(0.50)	51,190	1.22	36,063	0.94
10 Claims for Special Attention	41,562	1.13	(20,637)	(0.34)	(25,626)	(0.62)	62,200	1.48	67,189	1.75
11 Sub-total	88,467	2.41	(56,574)	(1.04)	(20,694)	(0.44)	145,042	3.46	109,162	2.85
12 Normal Claims	3,572,757	97.58	(474,137)	1.04	(138,498)	0.44	4,046,894	96.53	3,711,256	97.14
13 Total	3,661,224	100.00	(530,712)	—	(159,193)	—	4,191,937	100.00	3,820,418	100.00

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.



## 5. Coverage on Disclosed Claims under the FRL

【 Non-Consolidated 】

### (1) Disclosed Claims under the FRL and Coverage Amount

Banking Account

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
1	Claims against Bankrupt and Substantially Bankrupt Obligors	29,950	(606)	25,100	30,556	4,849
2	<i>Collateral, Guarantees, and equivalent</i>	18,434	(362)	14,031	18,797	4,403
3	<i>Reserve for Possible Losses on Loans</i>	11,515	(244)	11,068	11,759	446
4	Claims with Collection Risk	8,878	(34,602)	(20,365)	43,481	29,244
5	<i>Collateral, Guarantees, and equivalent</i>	5,031	(3,745)	(9,699)	8,777	14,731
6	<i>Reserve for Possible Losses on Loans</i>	2,556	(21,334)	(11,124)	23,891	13,680
7	Claims for Special Attention	41,562	(20,516)	(25,467)	62,079	67,030
8	<i>Collateral, Guarantees, and equivalent</i>	8,679	(24,266)	(26,225)	32,945	34,904
9	<i>Reserve for Possible Losses on Loans</i>	12,676	1,258	(1,933)	11,417	14,610
10	Total	80,391	(55,725)	(20,732)	136,117	101,124
11	<i>Collateral, Guarantees, and equivalent</i>	32,146	(28,374)	(21,893)	60,520	54,039
12	<i>Reserve for Possible Losses on Loans</i>	26,747	(20,320)	(1,989)	47,068	28,737

\* The collateralized amounts by "Collateral, Guarantees, and equivalent" for "Claims for Special Attention" are calculated at the coverage ratio.

\* Reserve for Possible Losses on Loans = Specific Reserve for Possible Losses on Loans + General Reserve for Possible Losses on Loans (excluding "Normal Claims" and "Claims against Watch Obligors excluding Claims for Special Attention").

Trust Accounts

(Millions of yen)

13	Claims against Bankrupt and Substantially Bankrupt Obligors	-	-	-	-	-
14	<i>Collateral, Guarantees, and equivalent</i>	-	-	-	-	-
15	Claims with Collection Risk	7,314	(394)	494	7,708	6,819
16	<i>Collateral, Guarantees, and equivalent</i>	7,314	(394)	494	7,708	6,819
17	Claims for Special Attention	-	(121)	(159)	121	159
18	<i>Collateral, Guarantees, and equivalent</i>	-	(121)	(123)	121	123
19	Total	7,314	(515)	335	7,829	6,978
20	<i>Collateral, Guarantees, and equivalent</i>	7,314	(515)	371	7,829	6,942

\* Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

\* The collateralized amounts by "Collateral, Guarantees, and equivalent" for "Claims for Special Attention" are calculated at the collateralized ratio.

\* Special Reserves are provided in Trust Accounts ( As of September 30, 2007: ¥959 million, As of March 31, 2007: ¥1,300 million, As of September 30, 2006: ¥1,807 million)

Banking Account + Trust Accounts

(Millions of yen)

21	Claims against Bankrupt and Substantially Bankrupt Obligors	29,950	(606)	25,100	30,556	4,849
22	<i>Collateral, Guarantees, and equivalent</i>	18,434	(362)	14,031	18,797	4,403
23	<i>Reserve for Possible Losses on Loans</i>	11,515	(244)	11,068	11,759	446
24	Claims with Collection Risk	16,192	(34,997)	(19,870)	51,190	36,063
25	<i>Collateral, Guarantees, and equivalent</i>	12,346	(4,139)	(9,205)	16,485	21,551
26	<i>Reserve for Possible Losses on Loans</i>	2,556	(21,334)	(11,124)	23,891	13,680
27	Claims for Special Attention	41,562	(20,637)	(25,626)	62,200	67,189
28	<i>Collateral, Guarantees, and equivalent</i>	8,679	(24,387)	(26,348)	33,067	35,028
29	<i>Reserve for Possible Losses on Loans</i>	12,676	1,258	(1,933)	11,417	14,610
30	Total	87,705	(56,241)	(20,396)	143,947	108,102
31	<i>Collateral, Guarantees, and equivalent</i>	39,460	(28,889)	(21,521)	68,350	60,982
32	<i>Reserve for Possible Losses on Loans</i>	26,747	(20,320)	(1,989)	47,068	28,737

**(2) Coverage Ratio**

## Banking Account

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
1	Coverage Amount	58,894	(48,694)	(23,882)	107,588	82,777
2	Collateral, Guarantees, and equivalent	32,146	(28,374)	(21,893)	60,520	54,039
3	Reserves for Possible Losses on Loans	26,747	(20,320)	(1,989)	47,068	28,737

\* Reserves for Possible Losses on Loans = Specific Reserve for Possible Losses on Loans + General Reserve for Possible Losses on Loans (excluding "Normal Claims" and "Claims against Watch Obligors excluding Claims for Special Attention").

(%)

4	Coverage Ratio <After partial write-offs>	73.2	(5.7)	(8.5)	79.0	81.8
5	Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	-	-	100.0	100.0
6	Claims with Collection Risk	85.4	10.3	(11.6)	75.1	97.1
7	Claims for Special Attention	51.3	(20.0)	(22.4)	71.4	73.8
8	Claims against Special Attention Obligors	52.2	(20.4)	(22.7)	72.6	74.9

## Reserve Ratio against Non-Collateralized Claims

(%)

9	Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	-	-	100.0	100.0
10	Claims with Collection Risk	66.4	(2.3)	(27.8)	68.8	94.2
11	Claims for Special Attention	38.5	(0.6)	(6.9)	39.1	45.4
12	Claims against Special Attention Obligors	38.7	(1.5)	(7.8)	40.2	46.5

## (Reference) Reserve Ratio

(%)

13	Claims for Special Attention Obligors	30.20	11.76	8.38	18.43	21.82
14	Claims against Watch Obligors excluding Claims for Special Attention Obligors	4.16	(0.43)	0.95	4.60	3.21
15	Claims for Normal Obligors	0.08	(0.00)	(0.13)	0.09	0.21

## Trust Accounts

(Millions of yen)

16	Coverage Amount	7,314	(515)	371	7,829	6,942
17	Collateral, Guarantees, and equivalent	7,314	(515)	371	7,829	6,942

(%)

18	Coverage Ratio	100.0	-	0.5	100.0	99.4
19	Claims against Bankrupt and Substantially Bankrupt Obligors	-	-	-	-	-
20	Claims with Collection Risk	100.0	-	-	100.0	100.0
21	Claims for Special Attention	-	(100.0)	(77.5)	100.0	77.5
22	Claims against Special Attention Obligors	-	(100.0)	(77.5)	100.0	77.5

## Banking Account + Trust Accounts

(Millions of yen)

23	Coverage Amount	66,208	(49,210)	(23,511)	115,418	89,719
24	Collateral, Guarantees, and equivalent	39,460	(28,889)	(21,521)	68,350	60,982
25	Reserves for Possible Losses on Loans	26,747	(20,320)	(1,989)	47,068	28,737

\* Reserves for Possible Losses on Loans = Specific Reserve for Possible Losses on Loans + General Reserve for Possible Losses on Loans (excluding "Normal Claims" and "Claims against Watch Obligors excluding Claims for Special Attention").

(%)

26	Coverage Ratio <After partial write-offs>	75.4	(4.6)	(7.5)	80.1	82.9
27	Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	-	-	100.0	100.0
28	Claims with Collection Risk	92.0	13.1	(5.6)	78.8	97.6
29	Claims for Special Attention	51.3	(20.1)	(22.4)	71.5	73.8
30	Claims against Special Attention Obligors	52.2	(20.4)	(22.7)	72.7	74.9

## 6. Claims Classified by Self-Assessment

[ Non-Consolidated ]

Banking Account

(Billions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
1	Total Claims (*1)	3,618.1	(534.8)	(152.1)	4,152.9	3,770.2
2	Non-Category	3,451.5	(493.8)	(82.9)	3,945.4	3,534.5
3	Sub-total (*2)	166.5	(40.9)	(69.2)	207.5	235.7
4	Category	165.2	(31.4)	(69.6)	196.6	234.8
5	Category	1.2	(9.5)	0.4	10.8	0.8
6	Category	-	-	-	-	-
7	Amount of Partial Direct Write-offs	33.3	(5.9)	(14.0)	39.2	47.3

Trust Accounts

(Billions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
8	Total Claims (*1)	46.0	(6.8)	(19.8)	52.8	65.8
9	Non-Category	45.9	(6.7)	(19.7)	52.7	65.7
10	Sub-total	0.0	(0.0)	(0.1)	0.1	0.1
11	Category	0.0	(0.0)	(0.1)	0.1	0.1
12	Category	-	-	-	-	-
13	Category	-	-	-	-	-

Banking Account + Trust Accounts

(Billions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
14	Total Claims (*1)	3,664.1	(541.6)	(171.9)	4,205.8	3,836.1
15	Non-Category	3,497.5	(500.5)	(102.6)	3,998.1	3,600.2
16	Sub-total (*2)	166.6	(41.0)	(69.3)	207.6	235.9
17	Category	165.3	(31.5)	(69.7)	196.8	235.0
18	Category	1.2	(9.5)	0.4	10.8	0.8
19	Category	-	-	-	-	-

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

[Consolidated ]

Banking Account

(Billions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
20	Total Claims (*1)	3,615.1	(523.9)	(139.3)	4,139.0	3,754.5
21	Non-Category	3,448.7	(482.9)	(69.8)	3,931.6	3,518.5
22	Sub-total (*2)	166.4	(40.9)	(69.4)	207.3	235.9
23	Category	164.8	(31.3)	(69.9)	196.2	234.8
24	Category	1.6	(9.5)	0.5	11.1	1.1
25	Category	-	-	-	-	-
26	Amount of Partial Direct Write-offs	35.2	(5.9)	(14.5)	41.1	49.8

\*1 Total claims denotes loans, securities lending, guarantees, trade finances, foreign exchanges, accrued interests, and various kinds of accrual and suspense accounts which are accounted for claims.

\*2 Category and are the amounts after deduction of Specific Reserve for Possible Losses on Loans.

## 7. Overview of Non-Performing Loans ("NPLs")

[ Non-Consolidated ]

<Banking Account + Trust Accounts, After Partial Direct Write-offs>

SELF-ASSESSMENT					Disclosed Claims under the Financial Reconstruction Law	(Millions of yen)
Obligor	Categorization	Non-Categorization	Category	Category		
Bankrupt Obligors 1,400	28,399	Covered by Collateral, Guarantee, or Reserve, etc.	1,550	Covered by Collateral, or Guarantee, etc.	Direct Write-offs & Reserve 100%	Direct Write-offs & Reserve 100%
Substantially Bankrupt Obligors 28,549						
					Amounts for reserves recorded under Non-Categorization	Amounts for reserves recorded under Non-Categorization
Intensive Control Obligors 16,192	9,875	Covered by Collateral, Guarantee, or Reserve, etc.	5,026	Covered by Collateral, or Guarantee, etc.	1,290	
					Direct Write-offs & Reserve 66.45%	
					Amounts for reserves recorded under Non-Categorization	
Watch Obligors	Special Attention Obligors 42,507 (*1)	22,210	Covered by Collateral, Guarantee, or Reserve, etc.	20,296	Claims against Bankrupt and Substantially Bankrupt Obligors 29,950	Coverage Ratio 100%
	Other Watch Obligors					
Normal Obligors					Claims with Collection Risk 16,192	Coverage Ratio 92.0%
					Claims for Special Attention 41,562	Coverage Ratio: 51.3% (*2)
					Total Coverage Ratio 75.4%	
					Reserve Ratios against Total Claims (Banking Account) Other Watch Obligors: 4.16% Normal Obligors: 0.08%	
Total 3,664,177					Total 87,705	Total 58,977

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

\*1 Claims against Special Attention Obligors includes all claims, not limited to claims for Special Attention Obligors.

\*2 The collateralized amount by "Collateral, Guarantee, or Reserve, etc." for "Claims for Special Attention" is calculated using the ratio of the collateralized claims against Special Attention Obligors.

\*3 The difference between total Non-Accrual, Past Due & Restructuring Loans and total Disclosed Claims under the FRL represents the amount of claims other than loans included in Disclosed Claims under the FRL.

**8. Results of Removal of NPLs from the Balance Sheet**

[ Non-Consolidated ] (including past figures for its former revitalization subsidiary)

&lt; Banking Account + Trust Account &gt;

**(1) Outstanding Balance of Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk  
(under the FRL)**

(Billions of yen)

		Before September 30, 2004	As of March 31, 2005	As of September 30, 2005	As of March 31, 2006	As of September 30, 2006	As of March 31, 2007	As of September 30, 2007	Change from March 31, 2007
1	Claims against Bankrupt and Substantially Bankrupt Obligors	180.9	7.7	3.3	2.1	2.0	1.6	1.5	(0.0)
2	Claims with Collection Risk	405.5	4.4	1.7	1.2	1.0	0.8	0.7	(0.0)
3	Amount Categorized as above up to September 30, 2004	586.4	12.1	5.0	3.3	3.1	2.4	2.3	(0.1)
4	of which the amount in the process of being removed from the balance sheet	14.2	7.7	3.3	2.1	2.0	1.6	1.5	(0.0)
5	Claims against Bankrupt and Substantially Bankrupt Obligors		10.1	0.6	1.2	1.0	0.0	0.0	0.0
6	Claims with Collection Risk		53.4	38.9	2.1	0.1	0.1	—	(0.1)
7	Amount Newly Categorized as above during the Second Half of Fiscal 2004		63.6	39.5	3.3	1.1	0.1	0.0	(0.1)
8	of which the amount in the process of being removed from the balance sheet		1.6	0.5	1.2	1.0	0.0	0.0	0.0
9	Claims against Bankrupt and Substantially Bankrupt Obligors			0.7	0.0	0.0	0.0	0.0	—
10	Claims with Collection Risk			4.0	1.4	1.3	1.1	1.0	(0.0)
11	Amount Newly Categorized as above during the First Half of Fiscal 2005			4.7	1.5	1.3	1.1	1.0	(0.0)
12	of which the amount in the process of being removed from the balance sheet			0.7	0.0	0.0	0.0	0.0	—
13	Claims against Bankrupt and Substantially Bankrupt Obligors				0.0	0.0	0.0	0.0	0.0
14	Claims with Collection Risk				5.4	2.6	1.7	1.1	(0.5)
15	Amount Newly Categorized as above during the Second Half of Fiscal 2005				5.5	2.6	1.7	1.1	(0.5)
16	of which the amount in the process of being removed from the balance sheet				0.0	0.0	0.0	0.0	0.0
17	Claims against Bankrupt and Substantially Bankrupt Obligors					1.6	28.6	27.7	(0.8)
18	Claims with Collection Risk					30.9	7.8	6.4	(1.4)
19	Amount Newly Categorized as above during the First Half of Fiscal 2006					32.6	36.4	34.2	(2.2)
20	of which the amount in the process of being removed from the balance sheet					0.0	1.0	0.1	(0.8)
21	Claims against Bankrupt and Substantially Bankrupt Obligors						0.2	0.3	0.0
22	Claims with Collection Risk						39.5	3.8	(35.6)
23	Amount Newly Categorized as above during the Second Half of Fiscal 2006						39.8	4.1	(35.6)
24	of which the amount in the process of being removed from the balance sheet						0.2	0.3	0.0
25	Claims against Bankrupt and Substantially Bankrupt Obligors								(0.8)
26	Claims with Collection Risk								(37.9)
27	Amount Newly Categorized as above during the First Half of Fiscal 2007								(38.7)
28	Claims against Bankrupt and Substantially Bankrupt Obligors							0.2	0.2
29	Claims with Collection Risk							2.9	2.9
30	Amount Newly Categorized as above during the First Half of Fiscal 2007							3.1	3.1
31	of which the amount in the process of being removed from the balance sheet							0.2	0.2
32	Claims against Bankrupt and Substantially Bankrupt Obligors	180.9	17.9	4.6	3.5	4.8	30.5	29.9	(0.6)
33	Claims with Collection Risk	405.5	57.8	44.7	10.3	36.0	51.1	16.1	(34.9)
34	Total	586.4	75.8	49.4	13.9	40.9	81.7	46.1	(35.6)
35	of which the amount in the process of being removed from the balance sheet	14.2	9.4	4.6	3.5	3.2	2.9	2.3	(0.6)

\*Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

**(2) Progress in Removal of NPLs from the Balance Sheet (Accumulated Removal Amount and Removal Ratio)**

(Billions of yen / %)

		Amount Newly Categorized	Balance as of September 30, 2007	Accumulated Removal Amount	Accumulated Removal Ratio (%)	Modified Accumulated Removal Ratio (%) *
36	Categorized before September 30, 2004	586.4	2.3	584.0	99.6	99.8
37	Newly Categorized during the Second Half of Fiscal 2004	63.6	0.0	63.6	99.9	100.0
38	Newly Categorized during the First Half of Fiscal 2005	4.7	1.0	3.7	78.7	78.8
39	Newly Categorized during the Second Half of Fiscal 2005	5.5	1.1	4.4	79.0	79.8
40	Newly Categorized during the First Half of Fiscal 2006	32.6	34.2	(1.6)	(4.9)	(4.4)
41	Newly Categorized during the Second Half of Fiscal 2006	39.8	4.1	35.6	89.5	90.3
42	Newly Categorized during the First Half of Fiscal 2007	3.1	3.1			
43	Total	736.0	46.1	689.9		

\* Modified accumulated removal ratios are based on the accumulated removal amount including the amount which was in the process of being removed from the balance sheet.

## (3) Breakdown of Reasons for Removal of NPLs from the Balance Sheet during the First Half of Fiscal 2007

(Billions of yen)

		Newly Categorized up to the First Half of Fiscal 2004	In the Second Half of Fiscal 2004	In the First Half of Fiscal 2005	In the Second Half of Fiscal 2005	In the First Half of Fiscal 2006	In the Second Half of Fiscal 2006	Amount Removed from B/S in the First Half of Fiscal 2007
1	Liquidation (minus)	-	-	-	-	-	-	-
2	Restructuring (minus)	5.2	-	-	-	-	-	5.2
3	Improvement in Business Performance due to Restructuring (minus)	0.0	-	-	0.0	0.0	0.0	0.0
4	Loan Sales (minus)	-	-	-	-	0.2	-	0.2
5	Direct Write-off (minus)	(5.2)	0.0	-	0.2	0.0	-	(4.9)
6	Other (minus)	0.1	0.0	0.0	0.2	2.0	35.6	38.1
7	Debt Recovery (minus)	0.0	0.0	0.0	0.0	1.0	0.2	1.5
8	Improvement in Business Performance (minus)	0.0	0.0	0.0	0.2	0.9	35.4	36.6
9	Total (minus)	0.1	0.1	0.0	0.5	2.2	35.6	38.7

## (Reference) Breakdown of Accumulated Amount Removed from the Balance Sheet

(Billions of yen)

		Up to the Second Half of Fiscal 2004	In the First Half of Fiscal 2005	In the Second Half of Fiscal 2005	In the First Half of Fiscal 2006	In the Second Half of Fiscal 2006	In the First Half of Fiscal 2007	Accumulated Removed Amount from the Second Half of Fiscal 2000
10	Liquidation (minus)	190.0	8.1	0.2	0.0	0.3	-	198.8
11	Restructuring (minus)	52.1	0.4	1.2	1.5	3.1	5.2	63.8
12	Improvement in Business Performance due to Restructuring (minus)	20.8	0.5	1.1	0.0	1.0	0.0	23.6
13	Loan Sales (minus)	277.3	12.5	6.9	-	5.7	0.2	302.7
14	Direct Write-off (minus)	(264.0)	(13.2)	(2.8)	(1.5)	(7.8)	(4.9)	(294.3)
15	Other (minus)	297.8	22.7	34.3	5.5	(3.4)	38.1	395.2
16	Debt Recovery (minus)		16.8	23.6	2.8	(3.7)	1.5	
17	Improvement in Business Performance (minus)		5.8	10.6	2.7	0.3	36.6	
18	Total (minus)	574.2	31.2	41.0	5.6	(1.0)	38.7	689.9

From the Second Half of Fiscal 2000 to the Second Half of Fiscal 2004.

## (4) Breakdown of Amount Which Was in the Process of Being Removed from the Balance Sheet

(Billions of yen)

		Up to the First Half of Fiscal 2004	In the Second Half of Fiscal 2004	In the First Half of Fiscal 2005	In the Second Half of Fiscal 2005	In the First Half of Fiscal 2006	In the Second Half of Fiscal 2006	In the First Half of Fiscal 2007
19	Legal Liquidation (minus)	1.2	-	-	-	-	0.0	0.0
20	Proceedings Similar to Legal Liquidation (minus)	-	-	-	-	-	-	-
21	Corporate Division (minus)	-	-	-	-	-	-	-
22	Partial Direct Write-Offs of Small Claims on Small/Medium Size Companies (minus)	0.3	0.0	0.0	0.0	0.1	0.2	0.1
23	Creation of Trust with RCC (minus)	-	-	-	-	-	-	-
24	Total (minus)	1.5	0.0	0.0	0.0	0.1	0.3	0.2

## 9. Status of Loans by Industry

### (1) Outstanding Balance of Loans by Industry

[ Non-Consolidated ]

(Billions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
		Outstanding Balance	Change from March 31, 2007	Change from September 30, 2006		
1	Domestic Total (excluding Loans Booked Offshore)	5,861.8	(453.4)	1,253.1	6,315.3	4,608.7
2	Manufacturing	467.6	50.3	58.4	417.3	409.2
3	Agriculture	-	-	-	-	-
4	Forestry	-	-	-	-	-
5	Fishery	-	-	-	-	-
6	Mining	6.2	(0.0)	(0.3)	6.3	6.6
7	Construction	144.6	20.6	27.1	123.9	117.4
8	Utilities	94.7	(1.0)	(8.6)	95.7	103.4
9	Communication	1,338.7	(46.3)	1,310.1	1,385.0	28.5
10	Transportation	184.5	(18.7)	(29.4)	203.3	214.0
11	Wholesale & Retail	221.6	(6.9)	(5.0)	228.5	226.6
12	Finance & Insurance	623.2	111.3	77.0	511.8	546.2
13	Real Estate	868.1	15.3	(1.9)	852.8	870.0
14	Service Industries	332.5	56.7	64.6	275.8	267.8
15	Local Government	38.4	(0.5)	(5.8)	39.0	44.2
16	Governments	100.0	(600.0)	(200.0)	700.0	300.0
17	Other	1,441.1	(34.2)	(33.1)	1,475.4	1,474.3
18	Loans Booked Offshore	14.5	8.2	10.7	6.3	3.8
19	Governments	1.5	(0.0)	(0.1)	1.6	1.7
20	Financial Institutions	-	-	-	-	-
21	Other	12.9	8.3	10.8	4.6	2.1
22	Total	5,876.4	(445.1)	1,263.8	6,321.6	4,612.5

\* Amounts of outstanding balance are aggregated figures of banking and trust accounts.

### (2) Non-Accrual, Past Due & Restructured Loans and Disclosed Claims under the FRL by Industry

[ Non-Consolidated ]

(Billions of yen)

		As of September 30, 2007		As of March 31, 2007		As of September 30, 2006	
		Non-Accrual, Past Due & Restructured Loans	Disclosed Claims under the FRL	Non-Accrual, Past Due & Restructured Loans	Disclosed Claims under the FRL	Non-Accrual, Past Due & Restructured Loans	Disclosed Claims under the FRL
23	Domestic Total (excluding Loans Booked Offshore)	58.9	87.7	113.8	142.2	83.9	106.5
24	Manufacturing	1.8	2.5	2.0	2.8	0.7	0.7
25	Agriculture	-	-	-	-	-	-
26	Forestry	-	-	-	-	-	-
27	Fishery	-	-	-	-	-	-
28	Mining	-	-	-	-	-	-
29	Construction	0.1	0.1	1.2	1.2	0.8	0.8
30	Utilities	-	-	-	-	-	-
31	Communication	-	-	-	-	-	-
32	Transportation	2.3	2.3	44.7	44.7	47.1	47.1
33	Wholesale & Retail	1.4	1.4	1.4	1.4	1.9	1.9
34	Finance & Insurance	31.5	31.5	34.7	34.7	-	-
35	Real Estate	5.9	5.9	8.0	8.0	10.7	10.7
36	Service Industries	2.8	2.8	8.2	8.2	9.6	9.6
37	Local Government	3.8	31.5	3.9	31.4	3.0	25.5
38	Governments	-	-	-	-	-	-
39	Other	8.8	9.2	9.2	9.3	9.7	9.8
40	Loans Booked Offshore	-	-	1.6	1.6	1.5	1.5
41	Governments	-	-	1.6	1.6	-	-
42	Financial Institutions	-	-	-	-	-	-
43	Other	-	-	-	-	1.5	1.5
44	Total	58.9	87.7	115.5	143.9	85.5	108.1
45	Amount of Partial Direct Write-Offs	33.1	33.3	39.1	39.2	45.6	47.3

\* Amounts of outstanding balance are aggregated figures of banking and trust accounts with guarantees for the repayment of trust principal.

**(3) Balance of Individual Customer Loans**

[ Non-Consolidated ]

(Billions of yen)

		As of September 30, 2007		As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006	
1	Individual Customer Loans	1,412.8	(39.8)	(50.7)	1,452.6
2	Housing Loans	270.0	(5.5)	(8.8)	275.5
3	Other	1,142.7	(34.3)	(41.8)	1,177.0

\* Amounts are aggregated figures of banking and trust accounts.

**(4) Loans to Small and Medium-Sized Enterprises ("SMEs") and Individual Customers**

[ Non-Consolidated ]

(Billions of yen, %)

		As of September 30, 2007		As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006	
4	Loans to SMEs and Individual Customers	2,644.0	(33.0)	(167.4)	2,677.1
5	Ratio to Total Balance of Loans	45.1	2.7	(15.8)	42.3

\* Amounts are aggregated figures of banking and trust accounts.

\* Amounts do not include loans booked Offshore.

\* The definition of 'Small and Medium-Sized Enterprises' is as follows:

Companies of which the capital is ¥300 million or below ( ¥100 million or below for the wholesale industry, and ¥50 million or below for the retail and service industries), or enterprises with full-time employees of 300 or below. (100 or below for the wholesale industry, 50 or below for the retail industry, and 100 or below for the service industry).

**10. Status of Loans by Region****(1) Balance of Loans for Restructuring Countries**

[ Non-Consolidated ]

(Millions of yen, number of countries)

		As of September 30, 2007		As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006	
6	Loan amount	0	(1,693)	(2,263)	1,694
7	Number of Restructuring Countries	2	(1)	(1)	3



**(2) Balance of Loans for Asia**

[ Non-Consolidated ]

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
1	China	-	-	-	-	-
2	Hong Kong	-	-	-	-	-
3	Indonesia	1,587	(441)	(1,183)	2,028	2,770
4	South Korea	-	-	(0)	-	0
5	Thailand	-	-	-	-	-
6	Malaysia	198	(57)	(366)	255	565
7	Singapore	196	(31)	(62)	227	258
8	Philippine	5,771	5,771	5,770	-	0
9	Other	-	-	(55)	-	55
10	Total	7,753	5,241	4,101	2,511	3,651

\* Includes both Japanese and Non-Japanese obligors (Non-Japanese obligors are classified as final obligor country.)

**(Non-Accrual, Past Due & Restructured Loans)**

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
11	China	-	-	-	-	-
12	Hong Kong	-	-	-	-	-
13	Indonesia	-	(1,685)	(537)	1,685	537
14	South Korea	-	-	(0)	-	0
15	Thailand	-	-	-	-	-
16	Malaysia	-	-	(256)	-	256
17	Singapore	-	-	-	-	-
18	Philippine	-	-	-	-	-
19	Other	-	-	-	-	-
20	Total	-	(1,685)	(794)	1,685	794

\* Includes both Japanese and Non-Japanese obligors (Non-Japanese obligors are classified as final obligor country.)

**(3) Balance of Loans for Central and South America**

[ Non-Consolidated ]

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
21	Panama	3,859	(3,573)	(193)	7,432	4,052
22	Other	1	(0)	(0)	1	1
23	Total	3,860	(3,573)	(193)	7,434	4,054

\* Includes both Japanese and Non-Japanese obligors (Non-Japanese obligors are classified as final obligor country.)

**(Non-Accrual, Past Due & Restructured Loans)**

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
24	Panama	-	-	-	-	-
25	Other	1	(0)	(0)	1	1
26	Total	1	(0)	(0)	1	1

\* Includes both Japanese and Non-Japanese obligors (Non-Japanese obligors are classified as final obligor country.)

### III. DEFERRED TAXES

#### 1. Change in Deferred Tax Assets, etc.

[ Non-Consolidated ]

(Billions of yen)

	As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
		Change from March 31, 2007	Change from September 30, 2006		
1 Total Deferred Tax Assets (A)	242.4	(19.0)	(31.7)	261.4	274.2
2 Total Deferred Tax Liabilities (B)	(44.2)	9.2	32.6	(53.5)	(76.9)
3 (A) + (B)	198.1	(9.7)	0.9	207.8	197.2
4 Valuation Allowance	(172.4)	16.6	32.9	(189.0)	(205.4)
5 Net Deferred Tax Assets (C)	25.7	6.8	33.8	18.8	(8.1)

(Reference)

6 Tier 1 (D)	344.9	(8.2)	23.9	353.2	321.0
7 (C)/(D) (%)	7.4	2.1	10.0	5.3	(2.5)

The figure of Tier 1 is based on Basel 2 from March 31, 2007. Tier 1 as of September 30, 2007 is the preliminary figure.

[ Consolidated ]

(Billions of yen)

	As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
		Change from March 31, 2007	Change from September 30, 2006		
8 Net Deferred Tax Assets (A)	23.6	6.7	31.9	16.9	(8.2)

(Reference)

9 Tier 1 (B)	352.5	(7.2)	24.6	359.8	327.8
10 (A)/(B) (%)	6.7	2.0	9.2	4.7	(2.5)

The figure of Tier 1 is based on Basel 2 from March 31, 2007. Tier 1 as of September 30, 2007 is the preliminary figure.

## 2. Estimation of Deferred Tax Assets, etc.

[ Non-Consolidated ]

### Calculation Policy

Recoverability of Deferred Tax Assets is basically assessed based on future taxable income derived from future profitability, considering that MHTB's fundamental profitability enabled itself consistently to report an appropriate level of Net Business Profits in previous periods. MHTB's tax losses carry-forwards and future deductible temporary differences in the past resulted from nonrecurring special causes, e.g. losses from extraordinary and significant waiver of claims due to the crash of the bubble economy, acceleration of disposal of NPLs and stock holdings in accordance with government policy to stabilize promptly the financial system under the long deflationary depression, and the restructuring of businesses to meet the severe management environment. Since MHTB could have reported positive taxable income every year if the losses from these special factors were excluded, the conditions under the provisory clause of 5. (1) of "Audit Guideline for Considering Recoverability of Deferred Tax Assets" (JICPA Audit Committee Report No.66) have been fulfilled. Period for future taxable income considered in the assessment is five years.

(Reference) Past results of taxable income (tax loss)

(Billions of yen)	
First Half of Fiscal 2007 (estimate)	36.0
Fiscal 2006	83.1
Fiscal 2005	24.9
Fiscal 2004	44.8
Fiscal 2003	66.7
Fiscal 2002	(195.0)

(Notes)

- Figures are taxable income (tax loss) amounts per the final corporation tax returns before deducting tax losses carried forward from prior years. Subsequent amendments have not been reflected.
- Figures for the First Half of Fiscal 2007 are estimates of taxable income before deducting tax losses carried forward from prior years.
- Above figures are those before deducting losses due to nonrecurring special reasons stipulated in Section 5. of JICPA Audit Committee Report No.66. If these nonrecurring factors are excluded, positive taxable income would have been recorded in each term.
- Figures for the periods before the Corporate Split and Merger are those of the legally surviving bank.

**Estimation for Calculating Deferred Tax Assets:**

(Billions of yen)

**(1) Estimate of Future Taxable Income**

(Reference)

		Total amount for five years (from October 1, 2007 to September 30, 2012)	First Half of Fiscal 2007
1	Gross Profits	699.5	80.1
2	General and Administrative Expenses (minus)	438.7	43.9
3	Net Business Profits (Before Provision for (Reversal of) General Reserve for Possible Losses on Loans)	260.8	36.2
4	Credit-related Costs (minus)	43.3	(21.7)
5	Income before Income Taxes	167.3	58.2
6	Tax Adjustments (*1)	5.0	
7	Taxable Income before Current Temporary Differences (A) (*2)	172.3	
8	Statutory tax rate (B)	40.6%	
9	Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences (C) = (A) × (B)	69.9	

Equal to Line 27

\*1. Tax Adjustments are estimated future book-tax differences under the provisions of the corporation tax law and others.

\*2. Taxable Income before Current Temporary Differences is an estimate of taxable income before reversal of temporary differences as of September 30, 2007.

(Billions of yen)

**(2) Breakdown of Deferred Tax Assets**

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
10	Reserves for Possible Losses on Loans	6.1	(7.5)	(2.9)	13.6	9.0
11	Devaluation of securities	60.4	0.9	(3.1)	59.5	63.6
12	Unrealized Losses on Other Securities	6.5	2.8	6.5	3.6	-
13	Reserve for Employee Retirement Benefits	7.1	(0.7)	(0.7)	7.9	7.9
14	Net Deferred Hedge Losses (D)	-	-	(0.0)	-	0.0
15	Tax Losses Carried Forward	142.7	(14.3)	(32.1)	157.0	174.9
16	Other	19.3	(0.2)	0.7	19.6	18.5
17	Total Deferred Tax Assets (E)	242.4	(19.0)	(31.7)	261.4	274.2
18	Valuation Allowance (F)	(172.4)	16.6	32.9	(189.0)	(205.4)
19	Subtotal (E) + (F)	69.9	(2.3)	1.1	72.3	68.7
20	Amount related to Retirement Benefits Accounting	(6.2)	-	-	(6.2)	(6.2)
21	Unrealized Profits related to Lease Transactions	-	-	-	-	-
22	Unrealized Gains on Other Securities (G)	(36.8)	8.4	33.8	(45.3)	(70.7)
23	Net Deferred Hedge Gains (H)	(0.2)	0.3	(0.2)	(0.5)	-
24	Other	(0.9)	0.5	(0.9)	(1.4)	-
25	Total Deferred Tax Liabilities (I)	(44.2)	9.2	32.6	(53.5)	(76.9)
26	Net Deferred Tax Assets (Liabilities) (E) + (F) + (I)	25.7	6.8	33.8	18.8	(8.1)
27	Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences = (C)	69.9	2.9	7.4	67.0	62.5
28	Unrealized Gains on Other Securities = (G)	(36.8)	8.4	33.8	(45.3)	(70.7)
29	Net Deferred Hedge Losses = (D)	-	-	(0.0)	-	0.0
30	Net Deferred Hedge Gains = (H)	(0.2)	0.3	(0.2)	(0.5)	-
31	Others (including Deferred Tax Assets corresponding to Remaining Taxable Income before Current Temporary Differences and others)	(7.1)	(4.8)	(7.1)	(2.3)	(0.0)

## &lt; Explanation &gt;

Future taxable income was estimated using a more conservative assumption than that used in the Business Plan and Others. Details of the respective estimated five-year totals are as follows. Gross Profits: ¥ 699.5 billion, General and Administrative Expenses: ¥ 438.7 billion, Net Business Profits (Before Provision for General Reserve for Possible Losses on Loans): ¥ 260.8 billion, Income before Income Taxes (including credit-related costs, etc.): ¥ 167.3 billion and Income before Current Temporary Differences: ¥ 172.3 billion.

On the other hand, Deferred Tax Assets which are tax deductible in the future, such as Reserves for Possible Losses on Loans, Tax Losses Carried Forward and others amounted to ¥ 242.4 billion. However considering temporary differences which are not expected to be reversed in the next five years, Valuation Allowance of ¥ (172.4) billion was provided, therefore after offsetting Deferred Tax Liabilities of ¥ (44.2) billion, ¥ 25.7 billion of net Deferred Tax Assets was recorded on the balance sheet.

## IV. OTHER

### 1. Breakdown of Deposits (Domestic Offices)

[ Non-Consolidated ]

(Millions of yen)

		As of September 30, 2007			As of March 31, 2007	As of September 30, 2006
			Change from March 31, 2007	Change from September 30, 2006		
1	Deposits (Balance)	2,975,770	165,094	203,649	2,810,675	2,772,120
2	Current	584,678	(4,529)	19,140	589,207	565,537
3	Individual Deposits	358,379	(14,358)	25,849	372,737	332,529
4	Corporate Deposits	222,928	11,672	(3,842)	211,255	226,770
5	Financial/Government Institutions	3,370	(1,844)	(2,866)	5,214	6,236
6	Fixed	2,362,418	169,620	200,565	2,192,798	2,161,853
7	Individual Deposits	1,462,657	38,144	(22,726)	1,424,512	1,485,384
8	Corporate Deposits	481,122	18,600	65,762	462,521	415,359
9	Financial/Government Institutions	418,638	112,874	157,529	305,764	261,109

\* Above figures do not include deposits booked offshore.

### 2 Number of Directors and Employees

[ Non-Consolidated ]

( Full )

		As of September 30, 2007	As of March 31, 2007	As of September 30, 2006
10	Members of the Board of Directors and Auditors	11	11	11
11	Executive Officers	19	18	18
12	Employees (*1)	3,007	2,801	2,860

\*1 The number of Employees is as same as in the Hanki Hokokusho.

### 3 Number of Branches and Offices

[ Non-Consolidated ]

( Full )

		As of September 30, 2007	As of March 31, 2007	As of September 30, 2006
13	Head Office and Domestic Branches	35	35	37
14	Domestic Sub-Branches	2	2	1
15	Overseas Branches	-	-	-
16	Overseas Representative Offices	1	1	1

#### 4. Earnings Estimates for Fiscal 2007 (Ending March 31, 2008)

[ Non-Consolidated ]

(Billions of yen)

		Revised Estimates	Estimates at the beginning of fiscal year (announced on May 22)	Change
1	Gross Profits without Credit Costs for Trust Accounts	173.0	174.0	(1.0)
2	<i>Trust and Asset management business</i>	109.0	109.0	—
3	<i>Banking business</i>	64.0	65.0	(1.0)
4	General and Administrative Expenses (minus)	87.0	88.0	(1.0)
5	Net Business Profits (Before Provision for (Reversal of) General Reserve for Possible Losses on Loans)	86.0	86.0	—
6	Ordinary Profits	80.0	80.0	—
7	Net Income	85.0	65.0	20.0
8	Credit-related Cost (minus)	(17.0)	5.0	(22.0)

[ Consolidated ]

(Billions of yen)

		Revised Estimates	Estimates at the beginning of fiscal year (announced on May 22)	Change
9	Ordinary Profits	84.0	83.5	0.5
10	Net Income	86.0	65.0	21.0