

November 20, 2006

## For Immediate Release:

## Consolidated Financial Statements for the First Half of Fiscal 2006

Company name: **Mizuho Trust & Banking Co., Ltd. ("MHTB")**  
 Stock code number: 8404  
 Stock Exchanges: Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)  
 URL: <http://www.mizuho-tb.co.jp/english/>  
 Address: 2-1 Yaesu 1-chome, Chuo-ku, Tokyo 103-8670, Japan  
 Representative: Name: IKEDA, Teruhiko  
 Title: President & CEO  
 For inquiry: Name: MATSUSHITA, Osamu  
 Title: Deputy General Manager, Corporate Planning Dept.  
 Phone: 03-3274-9008  
 Meeting of the Board of Directors for Financial Results: November 20, 2006  
 Trading Accounts: Established  
 Parent Company: Mizuho Financial Group, Inc.  
 Parent Company's Ratio to Total Voting Rights: 70.0%  
 U.S. GAAP: Not Applied



## 1. Financial Highlights for the First Half of Fiscal 2006 (for the six months ended September 30, 2006)

## (1) Consolidated Results of Operations

Amounts less than one million yen rounded down.

|             | Ordinary Income |      | Ordinary Profits |      | Net Income |       |
|-------------|-----------------|------|------------------|------|------------|-------|
|             | ¥ million       | %    | ¥ million        | %    | ¥ million  | %     |
| 1H F2006    | 127,953         | 10.3 | 40,327           | 15.7 | 23,896     | (8.7) |
| 1H F2005    | 115,989         | 7.9  | 34,844           | 57.8 | 26,163     | 141.9 |
| Fiscal 2005 | 257,400         |      | 72,270           |      | 42,773     |       |

|             | Net Income per Share of Common Stock | Diluted Net Income per Share of Common Stock |
|-------------|--------------------------------------|--|
|             | ¥                                    | ¥  |
| 1H F2006    | 4.76                                 | 2.73   |
| 1H F2005    | 5.21                                 | 2.98   |
| Fiscal 2005 | 7.89                                 | 4.87   |

Notes: 1. Equity in Income from Investments in Affiliates: 1H F2006 ¥10 million, 1H F2005 ¥(98) million, Fiscal 2005 ¥(349) million

2. Average outstanding shares of common stock and preferred stock (consolidated basis):

|             | Common Stock         | Preferred Stock<br>(1 <sup>st</sup> Series Class 1) | Preferred Stock<br>(2 <sup>nd</sup> Series Class 3) |
|-------------|----------------------|---|---|
| 1H F2006    | 5,024,134,635 Shares | 293,840,391 Shares                                  | 800,000,000 Shares                                  |
| 1H F2005    | 5,024,178,043 Shares | 300,000,000 Shares                                  | 800,000,000 Shares                                  |
| Fiscal 2005 | 5,024,154,383 Shares | 300,000,000 Shares                                  | 800,000,000 Shares                                  |

3. Change in accounting method: Yes

Pursuant to revision and other steps regarding accounting standards upon the enforcement of the Company Law.

Please refer to Note34-35 on the consolidated balance sheet for details

4. Percentage figures in Ordinary Income, Ordinary Profit and Net Income represent changes in the respective accounts compared with the corresponding period of the previous fiscal year.

## (2) Consolidated Financial Conditions

|             | Total Assets | Total Net Assets | Shareholders' Equity Ratio | Total Net Assets<br>per Share of Common Stock | Consolidated Capital<br>Adequacy Ratio (BIS) |
|-------------|--------------|------------------|----------------------------|---|--|
|             | ¥ million    | ¥ million        | %                          | ¥   | %  |
| 1H F2006    | 6,392,618    | 432,037          | 6.7                        | 33.68   | 13.69 *                                      |
| 1H F2005    | 6,134,122    | 400,548          | 6.5                        | 25.98   | 13.83  |
| Fiscal 2005 | 6,302,531    | 450,330          | 7.1                        | 35.27   | 14.42  |

\*Preliminary

Note: 1. Outstanding shares of common stock and preferred stock (consolidated basis):

|                           | Common Stock         | Preferred Stock<br>(1 <sup>st</sup> Series Class 1) | Preferred Stock<br>(2 <sup>nd</sup> Series Class 3) |
|---------------------------|----------------------|---|---|
| As of September 30, 2006: | 5,024,114,117 Shares | 280,565,372 Shares                                  | 800,000,000 Shares                                  |
| As of September 30, 2005: | 5,024,154,380 Shares | 300,000,000 Shares                                  | 800,000,000 Shares                                  |
| As of March 31, 2006:     | 5,024,148,726 Shares | 300,000,000 Shares                                  | 800,000,000 Shares                                  |

2. Figures for 1H F2006 were based on the "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No.5, December 9, 2005) and Figures for 1H F2005 and for Fiscal 2005 were based on the previously applied accounting standards.

3. The Consolidated Capital Adequacy Ratio (BIS) was based on the "Standards for Capital Adequacy Ratio Pursuant to Article 14-2 of the Banking Law" (Ministry of Finance Ordinance Announcement No. 55, 1993).

## (3) Conditions of Consolidated Cash Flows

|             | Cash Flows from<br>Operating Activities | Cash Flows from<br>Investing Activities | Cash Flows from<br>Financing Activities | Cash & Cash Equivalents<br>at the end of term / fiscal year |
|-------------|---|---|---|---|
|             | ¥ million                               | ¥ million                               | ¥ million                               | ¥ million   |
| 1H F2006    | (52,383)                                | (54,755)                                | (57,484)                                | 39,799  |
| 1H F2005    | (38,935)                                | (217,319)                               | (81,140)                                | 205,840   |
| Fiscal 2005 | (257,697)                               | (16,150)                                | (65,043)                                | 204,445   |

## (4) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries: 13

Number of non-consolidated subsidiaries accounted for by the equity method: -

Number of affiliates under the equity method: 1

## (5) Change in Scope of Consolidation and Application of the Equity Method

(Consolidation) Newly consolidated: -, Excluded: -

(Equity Method) Newly applied: -, Excluded: -

**2. Consolidated Earnings Estimates for Fiscal 2006 (for the fiscal year ending March 31, 2007)**

|             | Ordinary Income | Ordinary Profits | Net Income |
|-------------|-----------------|------------------|------------|
|             | ¥ million       | ¥ million        | ¥ million  |
| Fiscal 2006 | 260,000         | 78,000           | 56,000     |

Reference: Net Income per Share of Common Stock (Fiscal 2006 estimate) : ¥ 10.54

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

**Reference****Formulae for indices - Financial Highlights for the First Half of Fiscal 2006**

## Net Income per Share of Common Stock

$$\frac{\text{Net Income} - \text{Amount not attributable to common shareholders}}{\text{Average outstanding shares of common stock (Consolidated) (during the period)}}$$

## Diluted Net Income per Share of Common Stock

$$\frac{\text{Net Income} - \text{Amount not attributable to common shareholders} + \text{Adjustments to Net Income}}{\text{Average outstanding shares of common stock (Consolidated) (during the period) + Increasing shares of common stock for dilutive securities}}$$

## Shareholders' Equity Ratio

$$\frac{\text{Total Net Assets (period-end)} - \text{Minority Interests (period-end)}}{\text{Total Assets (period-end)}} \times 100$$

## Total Net Assets per Share of Common Stock

$$\frac{\text{Total Net Assets (period-end)} - \text{Amount not attributable to common shareholders}}{\text{Outstanding shares of common stock (Consolidated) (period-end)}}$$

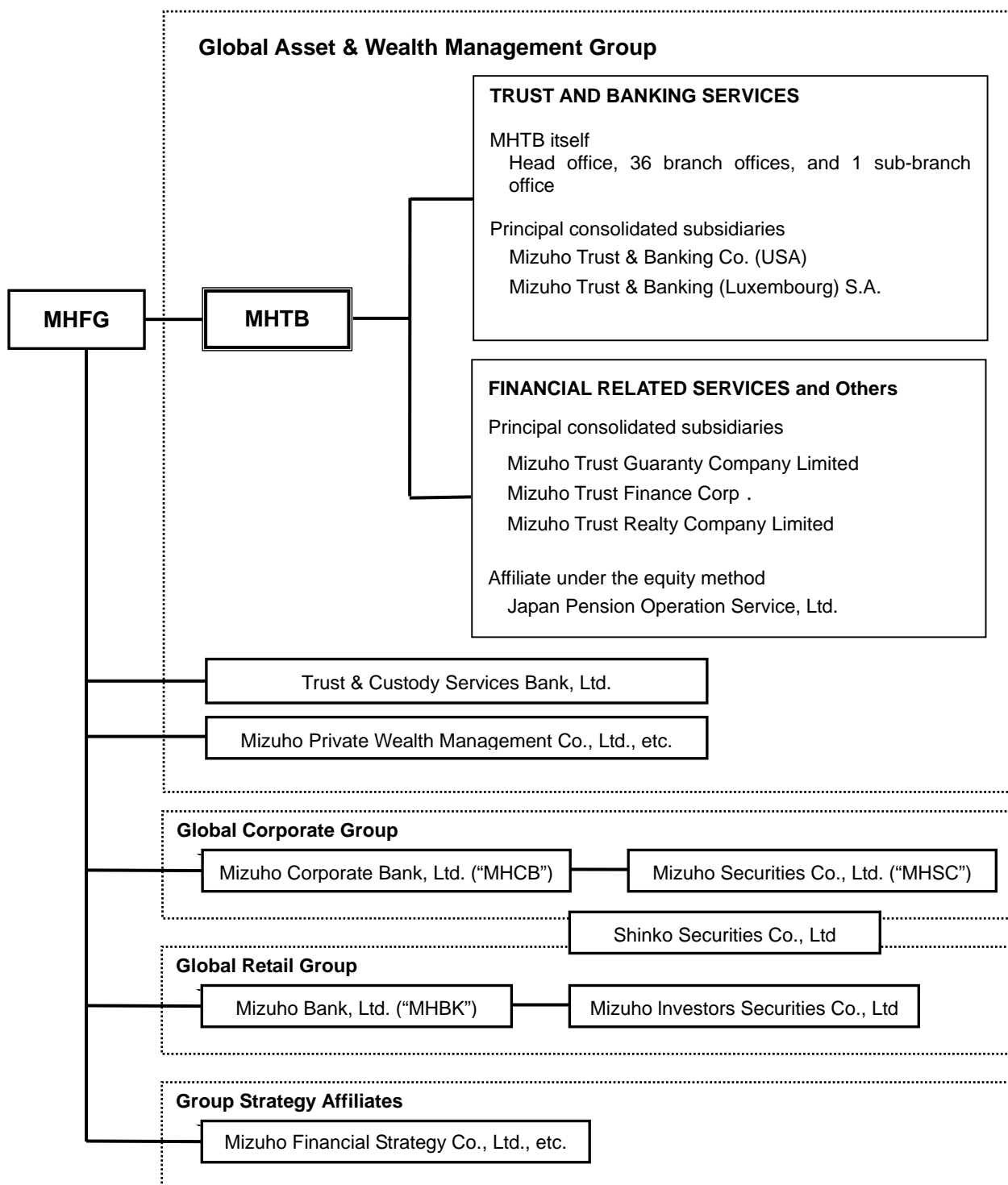
**Formula for Index – Consolidated Earnings Estimates for Fiscal 2006**

## Net Income per Share of Common Stock (Fiscal 2006 estimate)

$$\frac{\text{Net Income (estimate)} - \text{Amount not attributable to common shareholders (estimate)}}{\text{Outstanding shares of common stock (Consolidated) (period-end)}}$$

## 1. ORGANIZATION STRUCTURE OF MHTB GROUP

MHTB Group is composed of Mizuho Trust & Banking Co., Ltd. (“MHTB”), 13 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”).



## **2. 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) Policy on Profit Distribution**

MHTB has a basic policy of stable, 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.

### **(3) 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.

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

3 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 a stabler internal control system for aggressive operations.

### **(5) Issues to be Resolved**

For the first half of fiscal 2006, the second fiscal year of its business plan, MHTB showed good results, focusing on increasing the market share of its current business and advancing new types of business. Over the second half of fiscal 2006, MHTB will establish much stabler internal control system and achieve its earnings targets for this fiscal year through a high commitment to success, keeping up the good business performance in the first half.

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.

**(6) Relation to Parent Company, etc.***a) Corporate Name of Parent Company, etc.*

| Name                         | Relationship   | Ratio of Voting Rights of Parent Company etc. | Names of Exchanges in which Stocks Issued by Parent Company etc. are Listed                   |
|------------------------------|----------------|---|---|
| Mizuho Financial Group, Inc. | Parent Company | 69.95%<br>(0.24% *Note)                       | Tokyo Stock Exchange, Inc. First Section<br>Osaka Securities Exchange Co., Ltd, First Section |

(Note) In “Ratio of Voting Rights of Parent Company etc.”, the figure in brackets is the ratio of the indirect holding of Voting Rights of MHFG and is included in the figure above.

*b) Position of MHTB in the Corporate Group of MHFG, and Relationship between MHFG and Other Listed Companies**i) Position of MHTB in the Corporate Group of MHFG, and Relationship of Business, Personnel and Capital with MHFG and Other Listed Companies*

MHTB is characterized as the core member company of the Global Asset & Wealth Management Group in the Mizuho group (“the Group”), whose financial holding company is MHFG, and as an exclusive full-line trust banking company of the Group, MHTB provides top-level products and services on a global scale.

It is particularly vital for MHTB to strengthen synergetic cooperation with other companies of the Group, principally MHBK and MHCB, and to expand its lineup of services promoted by the two banks through a trust franchise system. MHTB will continue to maximize the synergies among Group companies and the corporate value of the Group as well as its own profits.

Five of the seven directors of MHTB are from MHBK and MHCB.

As for the business relationship between MHTB and other companies of the Group, see the chart on the page 3.

*ii) Restrictions, Risks and Merits from Belonging to the Corporate Group of MHFG and its Other Companies, Influences from Business, Personnel and Capital Relationship with MHFG and Other Companies of the Group on Corporate Management and Business Activities*

MHTB has established a structure which enables it to provide the highest level of financial services to its customers and clients, due to MHFG’s support in management and promotion of synergies with other companies of the Group.

MHFG owns approximately 70% of MHTB’s voting rights, and accordingly the management policies of MHFG have the potential to influence the decisions of MHTB management.

*iii) Measures and Policies to Ensure Proper Independence from MHFG under such situations as those stated above*

MHTB is characterized as an exclusive provider of a full line-up of financial services as the trust banking company of the Global Asset & Wealth Management Group in the Group. Its role is to provide top-level products and services on a global scale through property management services in such areas as private banking, real-estate, securitization, pensions, asset management and stock transfer agency business, among others.

To be more independent from MHFG in its business activities, MHTB initiated its own mid-term business plan called “Challenge to No.1 Trust Bank”. It is promoting the “creation of new trust business” as one of

its management strategies, while continuing to identify the needs of its customers and clients which it intends to satisfy by developing new products and services that draw on MHTB's unique business knowledge and experience.

*iv) Status of MHTB in Securing the Proper Independence from MHFG, etc.*

As stated above, MHTB's situation poses no risk of its business actions being hindered as the business of MHTB is definitely separated from MHFG and other companies of the Group. Moreover, the proper independence from MHFG is ensured since its directors and corporate auditors do not double as directors and corporate auditors of MHFG, and MHTB's status ensures the independence of its decision-making process.

*c) Transactions with Parent Company*

There is no significant transaction to note.

### 3. CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

#### (1) Results of Operations

##### *a) Outline of Results*

Consolidated Ordinary Income for the first half of fiscal 2006 was ¥127.9 billion, increasing by ¥11.9 billion from the same period the year before. Consolidated Ordinary Profits were ¥40.3 billion, increasing by ¥5.4 billion from the same period the year before. Consolidated Net Income was ¥23.8 billion decreasing by ¥2.2 billion from the same period the year before, including Extraordinary Profits amounting to ¥ 0.5 billion, Extraordinary Loss amounting to ¥ 0.1 billion, Tax Expenses – Deferred amounting to ¥15.8 billion and others.

##### *b) Segment Information*

Segments of operations by geographic area are Japan, America and Europe. Ordinary Income and Ordinary Profits in Japan were ¥123.4 billion and ¥40.1 billion, respectively. Ordinary Income and Ordinary Profits for the other areas (U.S.A and Europe) were ¥ 5.2 billion and ¥0.6 billion, respectively.

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

##### *c) Estimates for Fiscal 2006 (for the year ending March 31, 2007)*

*Earnings Estimates:* As for earnings estimates for fiscal 2006, MHTB estimates Ordinary Income of ¥ 260.0 billion, Ordinary Profit of ¥ 78.0 billion and Net Income of ¥ 56.0 billion on a consolidated basis, respectively. MHTB also estimates Ordinary Income of ¥ 230.0 billion, Ordinary Profit of ¥ 75.0 billion and Net Income of ¥ 55.0 billion on a non-consolidated basis, respectively.

*Dividend Payment Estimates:* MHTB estimates payment of ¥ 1.00 of annual dividends per share on common stock taking into consideration the earnings estimates for fiscal 2006. MHTB also estimates payment of dividends on preferred stocks as prescribed.

#### (2) Financial Conditions

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

*Assets:* Consolidated total assets as of September 30, 2006 amounted to ¥ 6,392.6 billion, increasing by ¥ 90.0 billion from the end of the previous fiscal year. Cash and Due from Banks amounted to ¥224.7 billion decreasing by ¥103.9 billion, Loans and Bills Discounted amounted to ¥ 3,639.9 billion increasing by ¥ 108.5 billion, and Securities amounted to ¥ 1,785.1 billion increasing by ¥ 54.8 billion respectively from the end of the previous fiscal year.

*Liabilities:* Total Liabilities as of September 30, 2006 amounted to ¥ 5,960.5 billion, increasing by ¥ 110.9 billion from the end of the previous fiscal year. Deposits amounted to ¥2,913.8 billion, increasing by ¥363.0

billion, and Call Money and Bills Sold amounted to ¥725.3 billion, decreasing by ¥335.7 billion, respectively from the end of the previous fiscal year.

*Net Assets:* Net Assets as of September 30, 2006 amounted to ¥ 432.0 billion. Accounting changes were introduced effective the first half of this fiscal 2006. But former “Shareholder’s Equity” as of September 30, 2006 calculated for convenient comparison using the former accounting method, decreased by ¥ 20.8 billion. This was primarily due to decrease in Retained Earnings caused by cancellation of Treasury Stock.

\* As for the accounting changes described above, please refer to Note 34 on page 14.

***b) Cash Flows***

Cash Flow from Operating Activities was ¥ (52.3) billion. Cash Flow from Investing Activities was ¥ (54.7) billion. Cash Flow from Financing Activities was ¥ (57.4) billion.

As a result, Cash and Cash Equivalents as of September 30, 2006 was ¥ 39.7 billion, decreasing by ¥164.6 billion, from the previous fiscal year.

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

Consolidated Capital Adequacy Ratio (BIS Capital Ratio) decreased by 0.73% from the end of the previous fiscal year to 13.69%.

| March 31, 2003 | March 31, 2004 | March 31, 2005 | March 31, 2006 | September 30, 2006   |
|----------------|----------------|----------------|----------------|----------------------|
| 11.23%         | 12.76%         | 13.19%         | 14.42%         | 13.69% (Preliminary) |

***d) Trust Accounts***

Total Assets of Trust Accounts amounted to ¥ 54,308.2 billion, increasing by ¥ 2,798.9 billion from the end of the previous fiscal year.



# CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2006

|   |                                |                            |                      | <i>Millions of yen</i>         |  |
|---|--------------------------------|----------------------------|----------------------|--------------------------------|--|
|   | As of<br>September<br>30, 2006 | As of<br>March 31,<br>2006 | Change               | As of<br>September<br>30, 2005 |  |
| <b>Assets</b>   |                                |                            |                      |                                |  |
| Cash and Due from Banks   | ¥ 224,762                      | ¥ 328,686                  | ¥ (103,924)          | ¥ 345,371                      |  |
| Call Loans and Bills Purchased  | 224,910                        | 137,495                    | 87,415               | 150,620                        |  |
| Other Debt Purchased  | 224,092                        | 251,430                    | (27,338)             | 152,403                        |  |
| Trading Assets  | 30,731                         | 41,744                     | (11,012)             | 26,884                         |  |
| Securities  | 1,785,137                      | 1,730,262                  | 54,874               | 1,874,077                      |  |
| Loans and Bills Discounted  | 3,639,911                      | 3,531,314                  | 108,596              | 3,277,879                      |  |
| Foreign Exchange Assets   | 376                            | 4,287                      | (3,910)              | 331                            |  |
| Other Assets  | 193,082                        | 210,551                    | (17,468)             | 219,201                        |  |
| Tangible Fixed Assets   | 36,241                         | -                          | 36,241               | -                              |  |
| Intangible Fixed Assets   | 27,751                         | -                          | 27,751               | -                              |  |
| Premises and Equipment  | -                              | 47,680                     | (47,680)             | 47,562                         |  |
| Deferred Tax Assets   | 441                            | 6,158                      | (5,716)              | 38,992                         |  |
| Customers' Liabilities for Acceptances and Guarantees                 | 39,711                         | 45,723                     | (6,011)              | 48,135                         |  |
| Reserves for Possible Losses on Loans                                 | (34,532)                       | (32,802)                   | (1,730)              | (47,337)                       |  |
| <b>Total Assets</b>   | <b>¥ 6,392,618</b>             | <b>¥ 6,302,531</b>         | <b>¥ 90,086</b>      | <b>¥ 6,134,122</b>             |  |
| <b>Liabilities</b>  |                                |                            |                      |                                |  |
| Deposits  | ¥ 2,913,835                    | ¥ 2,550,759                | ¥ 363,076            | ¥ 2,435,189                    |  |
| Negotiable Certificates of Deposit                                    | 497,500                        | 577,940                    | (80,440)             | 562,230                        |  |
| Call Money and Bills Sold   | 725,372                        | 1,061,143                  | (335,770)            | 810,869                        |  |
| Guarantee Deposits Received under Securities Lending Transactions     | 434,174                        | 169,806                    | 264,367              | 242,712                        |  |
| Trading Liabilities   | 30,101                         | 45,431                     | (15,330)             | 31,201                         |  |
| Borrowed Money  | 72,899                         | 23,315                     | 49,583               | 3,331                          |  |
| Foreign Exchange Liabilities  | 6                              | 6                          | 0                    | 6                              |  |
| Bonds and Notes   | 162,200                        | 177,500                    | (15,300)             | 181,400                        |  |
| Due to Trust Accounts   | 1,003,866                      | 1,124,099                  | (120,233)            | 1,351,929                      |  |
| Other Liabilities   | 47,286                         | 48,598                     | (1,311)              | 52,460                         |  |
| Reserve for Bonus Payments  | 2,219                          | 1,976                      | 243                  | 1,933                          |  |
| Reserve for Employee Retirement Benefits                              | 10,592                         | 10,417                     | 174                  | 9,408                          |  |
| Reserve for Contingencies in Trust Transactions                       | 12,139                         | 12,010                     | 129                  | -                              |  |
| Deferred Tax Liabilities  | 8,674                          | 918                        | 7,755                | 875                            |  |
| Acceptances and Guarantees  | 39,711                         | 45,723                     | (6,011)              | 48,135                         |  |
| <b>Total Liabilities</b>  | <b>5,960,581</b>               | <b>5,849,647</b>           | <b>110,934</b>       | <b>5,731,685</b>               |  |
| <b>Net Assets</b>   |                                |                            |                      |                                |  |
| Common Stock and Preferred Stock                                      | 247,231                        | -                          | 247,231              | -                              |  |
| Capital Surplus   | 15,373                         | -                          | 15,373               | -                              |  |
| Retained Earnings   | 63,213                         | -                          | 63,213               | -                              |  |
| Treasury Stock  | (96)                           | -                          | (96)                 | -                              |  |
| <b>Total Shareholders' Equity</b>                                     | <b>325,723</b>                 | <b>-</b>                   | <b>325,723</b>       | <b>-</b>                       |  |
| Net Unrealized Gains on Other Securities, net of Taxes                | 103,936                        | -                          | 103,936              | -                              |  |
| Net Deferred Hedge Losses, net of Taxes                               | (13)                           | -                          | (13)                 | -                              |  |
| Foreign Currency Translation Adjustments                              | (152)                          | -                          | (152)                | -                              |  |
| <b>Total Valuation and Translation Adjustments</b>                    | <b>103,770</b>                 | <b>-</b>                   | <b>103,770</b>       | <b>-</b>                       |  |
| Minority Interests  | 2,544                          | -                          | 2,544                | -                              |  |
| <b>Total Net Assets</b>   | <b>432,037</b>                 | <b>-</b>                   | <b>432,037</b>       | <b>-</b>                       |  |
| <b>Total Liabilities and Net Assets</b>                               | <b>¥ 6,392,618</b>             | <b>¥ -</b>                 | <b>¥ 6,392,618</b>   | <b>¥ -</b>                     |  |
| <b>Minority Interests</b>   |                                |                            |                      |                                |  |
| Minority Interests  | -                              | 2,554                      | (2,554)              | 1,889                          |  |
| <b>Shareholders' Equity</b>   |                                |                            |                      |                                |  |
| Common Stock and Preferred Stock                                      | -                              | 247,231                    | (247,231)            | 247,231                        |  |
| Capital Surplus   | -                              | 15,377                     | (15,377)             | 12,215                         |  |
| Retained Earnings   | -                              | 80,486                     | (80,486)             | 67,030                         |  |
| Net Unrealized Gains on Other Securities, net of Taxes                | -                              | 107,235                    | (107,235)            | 74,670                         |  |
| Foreign Currency Translation Adjustments                              | -                              | 83                         | (83)                 | (529)                          |  |
| Treasury Stock  | -                              | (84)                       | 84                   | (71)                           |  |
| <b>Total Shareholders' Equity</b>                                     | <b>-</b>                       | <b>450,330</b>             | <b>(450,330)</b>     | <b>400,548</b>                 |  |
| <b>Total Liabilities, Minority Interests and Shareholders' Equity</b> | <b>¥ -</b>                     | <b>¥ 6,302,531</b>         | <b>¥ (6,302,531)</b> | <b>¥ 6,134,122</b>             |  |

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

## NOTES TO 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 consolidated balance sheet.  
Securities and other short-term credit instruments held for trading purposes are stated at fair value at the consolidated balance sheet date. Derivative financial products, such as swaps, forward contracts 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 and determined by the moving average method. The net unrealized gains on Other Securities are included directly in Net Assets, net of applicable income taxes.
4. Derivative transactions (other than transactions for trading purpose) are valued at fair value.
5. Regarding Tangible Fixed Assets, depreciation of building is computed mainly 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 mainly by the declining-balance method with 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.

6. Development costs for internally-used software are capitalized and amortized under the straight-line method over their estimated useful lives (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 primarily at the exchange rates in effect at their respective 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 credit extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Commercial Code 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 disposal of collateral and the amounts recoverable under guarantees. For credit 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 disposal of collateral and the amounts recoverable under guarantees.  
For credit extended to Intensive Control Obligors and Obligors with Restructured Loans (defined in Note 23. 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 credit extended to other obligors, reserves are maintained at rates derived from historical credit loss experience and other factors. Reserves for Possible Losses on Loans to Restructuring Countries are maintained in order to cover possible losses based on analyses of the political and economic climates of the countries.

All credit is assessed by each credit 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 loans 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 loan balances. The total directly written-off amounts were ¥ 49,946 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 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.
11. Reserve for Employee Retirement Benefits (including Prepaid Pension Cost), which is provided for future pension 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 difference 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 (primarily 10 years to 14 years).
12. Reserves for Contingencies in Trust Transactions are 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.
13. 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.
14. MHTB applies the deferred method of hedge accounting for the interest rate risk accompanying various monetary assets and liabilities, which is 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 is assessed as follows:
  - (i) as for hedging activities to offset the market fluctuation risks, the effectiveness is assessed by bracketing both the hedging instruments, such as interest-rate swaps, and the hedged instruments, such as deposits and loans, 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.

Deferred hedge gains/losses 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 ¥ 27,451 million and ¥ 26,542 million, respectively.
15. 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 assets and liabilities denominated in foreign currencies and the amounts for the foreign currency position of the hedged monetary assets and liabilities denominated in foreign currency are equivalent.
16. 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 income statement 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.

17. With respect to MHTB and its domestic consolidated subsidiaries, Japanese consumption taxes and local consumption taxes are mainly excluded from the transaction amounts.
18. Investments in non-consolidated subsidiaries and affiliates amounted to ¥ 389 million (excluding consolidated subsidiaries).
19. Accumulated depreciation of Tangible Fixed Assets amounted to ¥ 27,175 million.
20. The book value of Tangible Fixed Assets adjusted for gains on sales of replaced assets amounted to ¥ 1,318 million.
21. Loans and Bills Discounted include Loans to Bankrupt Obligors of ¥ 2,787 million and Non-Accrual Delinquent Loans of ¥ 10,023 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 borrowers.
22. Balance of Loans Past Due for 3 Months or More: ¥ 1,181 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.
23. Balance of Restructured Loans: ¥ 65,590 million.  
Restructured Loans represent loans on which contracts were amended in favor of borrowers (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 borrowers. Loans to Bankrupt Borrowers, Non-accrual Delinquent Loans and Loans Past Due for 3 Months or More are not included.
24. Total balance of Loans to Bankrupt Obligors, Non-accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥ 79,583 million.  
The amounts given in Notes 21. through 24. are gross amounts before deduction of amounts for the Reserve for Possible Losses on Loans.
25. 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 certain bankers' acceptance, commercial bills, documentary bills and foreign exchange bills. The principal amount of these bills amounted to ¥3,210 million.
26. The following assets were pledged as collateral:
 

|  |                   |
|--|-------------------|
| Securities:  | ¥ 947,334 million |
| Loans and Bills Discounted:  | ¥ 417,130 million |
| The following liabilities were collateralized by the above assets: |                   |
| Deposits:  | ¥ 15,884 million  |
| Call Money and Bills Sold:   | ¥ 120,000 million |
| Guarantee Deposits Received under Securities Lending Transactions: | ¥ 434,174 million |
| Borrowed Money:  | ¥ 50,600 million  |

In addition to the above, the settlement accounts of domestic exchange transactions or derivatives transactions and others were collateralized by Securities amounting to ¥ 174,684 million and the unutilized other liabilities were collateralized by Securities amounting to ¥ 0 million.  
None of the assets has been pledged as collateral in connection with borrowings by affiliates.  
Other Assets includes margin for futures transactions of ¥ 2,503 million and guarantee deposits of ¥ 10,196 million.
27. Borrowed Money includes subordinated borrowed money of ¥ 20,000 million.

28. Bonds and Notes solely consists of subordinated bonds.
29. Net Asset per share of common stock: ¥33.67  
 “Guidance for Accounting Standards for Net Earning per Share” (ASBJ Guidance No.4, September 25, 2002) revised on January 31, 2006 took effect as of the interim period that ended upon or after the enforcement of the Company Law. Accordingly, MHTB has applied the above guidance starting this period, and included “Deferred Hedge Gains/Losses, net of Taxes” for calculation of net assets per share. The effect of this application on Net Asset per share is immaterial.
30. The principal amounts indemnified for money trusts and loan trusts with contracts guaranteeing the principal indemnification were ¥ 995,139 million and ¥ 238,490 million, respectively.
31. Figures for fair value and unrealized gains (losses) on securities are as follows.

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

*Other Securities which have readily determinable fair value:*

|  | Acquisition<br>Cost | Amount on<br>Consolidated BS | Millions of yen<br>Net Unrealized<br>Gains (Losses) |
|--|---------------------|------------------------------|---|
| Japanese Stocks                        | 193,501             | 396,074                      | 202,573   |
| Japanese Bonds                         | 928,507             | 904,723                      | (23,783)  |
| <i>Japanese Government Bonds</i>       | 835,964             | 812,858                      | (23,106)  |
| <i>Japanese Local Government Bonds</i> | 12,765              | 12,677                       | (88)  |
| <i>Japanese Corporate Bonds</i>        | 79,776              | 79,187                       | (588)   |
| Other                                  | 341,355             | 337,983                      | (3,371)   |
| Total                                  | 1,463,364           | 1,638,782                    | 175,417   |

The following amounts are included in Net Unrealized Gains on Other Securities, net of Taxes:

|   |                   |
|---|-------------------|
| Net Unrealized Gains:   | ¥ 175,417 million |
| Less: Deferred Tax Liabilities:   | (71,236) million  |
| Less: Amount corresponding to Minority Interests:                             | ( 245) million    |
| Amount included in Net Unrealized Gains<br>on Other Securities, net of Taxes: | ¥103,935 million  |

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 ¥189 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 maintains a certain level or lower.

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

| Details                                | Millions of yen<br>Amount on<br>Consolidated BS |
|--|---|
| <u>Other Securities</u>                |   |
| Unlisted Stocks                        | ¥ 17,936  |
| Unlisted Japanese Bonds                | 56,348  |
| Beneficial Certificates of Loan Trusts | 5,000   |
| Unlisted Foreign Securities            | ¥ 58,213  |

33. 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 ¥ 968,989 million. Of this amount, ¥ 780,949 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 condition, based on and in accordance with established internal procedures, and take measures to control credit risks such as amendments to contracts, if needed.

34. The appendix forms of "Banking Law Enforcement Regulations" (Ministry of Finance Ordinance No. 10, 1982) have been revised by the "Cabinet Office Ordinance to Amend Part of Detailed Enforcement Regulations on Mutual Loan Business Law and Banking Law" (Cabinet Office Ordinance No. 60, April 28, 2006), following the application of "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5, December 9, 2005) and "Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8, December 9, 2005) effective from the interim period ending on or after the enforcement date of the Company Law. In accordance with the application of the revised "Banking Law Enforcement Regulations" commencing with the fiscal year beginning on or after April 1, 2006, presentation of account items has been changed as follows:
  - (1) Former "Shareholders' Equity" is presented as "Net Assets" and classified into "Shareholders' Equity," "Valuation and Translation Adjustments" and "Minority Interests." The amount corresponding to former "Shareholders' Equity" as of the end of this period was ¥ 429,507 million.
  - (2) The net realized and unrealized gains (losses) from hedging instruments formerly included in Other Assets as deferred hedge losses are presented as "Deferred Hedge Losses, net of Taxes" included in Valuation and Translation Adjustments, net of applicable income taxes.
  - (3) "Minority Interests" formerly listed after Liabilities is included in Net Assets.
  - (4) Former "Premises and Equipment" is classified into "Tangible Fixed Assets," "Intangible Fixed Assets" and "Other Assets."
  - (5) Software and other items formerly included in "Other Assets" is included in "Intangible Fixed Assets."
35. "Accounting Standards for Treasury Shares and Appropriation of Legal Reserve" (ASBJ Statement No. 1, February 21, 2002) and "Guidance on Accounting Standards for Treasury Shares and Appropriation of Legal Reserve" (ASBJ Guidance No. 2, February 21, 2002) were partially revised as of December 27, 2005 and August 11, 2006. Given that the revisions apply to procedures stipulated by the Company Law, MHTB has applied the above standards and guidance commencing with this period. The effect of this application on the consolidated balance sheet is immaterial.

**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006**

*Millions of yen*

|  | For the six<br>months ended<br>September 30,<br>2006 | For the six<br>months ended<br>September 30,<br>2005 | Change           | For the fiscal year<br>ended March 31,<br>2006 |
|--|--|--|------------------|--|
| <b>Ordinary Income</b>                                   | <b>¥ 127,953</b>                                     | <b>¥ 115,989</b>                                     | <b>¥ 11,963</b>  | <b>¥ 257,400</b>                               |
| Trust Fees   | 32,880   | 33,680   | (799)            | 77,948   |
| Interest Income  | 39,772   | 36,753   | 3,019            | 75,724   |
| <i>Interest on Loans and Bills Discounted</i>            | 27,170   | 26,883   | 286              | 52,865   |
| <i>Interest and Dividends on Securities</i>              | 9,827  | 8,392  | 1,434            | 19,881   |
| Fee and Commission Income                                | 39,107   | 35,020   | 4,086            | 81,855   |
| Trading Income   | 533  | 664  | (130)            | 1,005  |
| Other Operating Income                                   | 3,854  | 2,695  | 1,159            | 3,125  |
| Other Ordinary Income                                    | 11,805   | 7,176  | 4,629            | 17,740   |
| <b>Ordinary Expenses</b>                                 | <b>87,625</b>  | <b>81,145</b>  | <b>6,480</b>     | <b>185,129</b>                                 |
| Interest Expenses  | 14,337   | 14,802   | (465)            | 29,576   |
| <i>Interest on Deposits</i>                              | 5,569  | 3,843  | 1,726            | 7,284  |
| Fee and Commission Expenses                              | 8,395  | 8,061  | 334              | 18,881   |
| Trading Expenses   | 7  | 0  | 7                | 3  |
| Other Operating Expenses                                 | 219  | 43   | 176              | 5,425  |
| General and Administrative Expenses                      | 53,071   | 48,485   | 4,586            | 96,909   |
| Other Ordinary Expenses                                  | 11,593   | 9,751  | 1,841            | 34,334   |
| <b>Ordinary Profits</b>                                  | <b>40,327</b>  | <b>34,844</b>  | <b>5,483</b>     | <b>72,270</b>                                  |
| <b>Extraordinary Gains</b>                               | <b>511</b>   | <b>5,062</b>   | <b>(4,550)</b>   | <b>15,491</b>                                  |
| <b>Extraordinary Losses</b>                              | <b>149</b>   | <b>2,304</b>   | <b>(2,155)</b>   | <b>21,635</b>                                  |
| <b>Income before Income Taxes and Minority Interests</b> | <b>40,689</b>  | <b>37,602</b>  | <b>3,087</b>     | <b>66,126</b>                                  |
| Income Taxes:  |  |  |                  |  |
| Current  | 867  | 807  | 60               | 1,757  |
| Deferred   | 15,831   | 10,477   | 5,353            | 20,955   |
| <b>Minority Interests in Net Income</b>                  | <b>93</b>  | <b>153</b>   | <b>(59)</b>      | <b>639</b>                                     |
| <b>Net Income</b>  | <b>¥ 23,896</b>                                      | <b>¥ 26,163</b>                                      | <b>¥ (2,267)</b> | <b>¥ 42,773</b>                                |

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

## NOTES TO CONSOLIDATED STATEMENT OF INCOME

1. Amounts less than one million yen are rounded down.
2. Net Income per share of Common Stock: ¥ 4.75
3. Diluted Net Income per Share of Common Stock: ¥ 2.72
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 Income includes Gains on Sales of Stocks and Other Securities of ¥ 8,165 million.
6. Other Expenses include Losses on Write-offs of Loans of ¥ 3,138 million, Provision for Possible Losses on Loans of ¥2,050 million and Losses on Devaluation of Stocks of ¥ 397 million.



# CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006

Millions of yen

|   | Shareholders' Equity                      |                    |                      |                   |                                  | Valuation and Translation Adjustments                                 |   |   |   |                       |                     |
|---|---|--------------------|----------------------|-------------------|----------------------------------|---|---|---|---|-----------------------|---------------------|
|   | Common<br>Stock and<br>Preferred<br>Stock | Capital<br>Surplus | Retained<br>Earnings | Treasury<br>Stock | Total<br>Shareholders'<br>Equity | Net<br>Unrealized<br>Gains on<br>Other<br>Securities,<br>net of Taxes | Net<br>Deferred<br>Hedge<br>Losses,<br>net of Taxes | Foreign<br>Currency<br>Translation<br>Adjustments | Total<br>Valuation<br>and<br>Translation<br>Adjustments | Minority<br>Interests | Total Net<br>Assets |
| <b>Balance as of March 31, 2006</b>                     | <b>¥ 247,231</b>                          | <b>¥ 15,377</b>    | <b>¥ 80,486</b>      | <b>¥ (84)</b>     | <b>¥ 343,010</b>                 | <b>¥ 107,235</b>  | <b>-</b>  | <b>¥ 83</b>                                       | <b>¥ 107,319</b>  | <b>¥ 2,554</b>        | <b>¥ 452,884</b>    |
| <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<br>Shareholders' Equity | -   | -                  | -                    | -                 | -                                | (3,298)   | (13)  | (236)   | (3,548)   | (10)                  | (3,559)             |
| <b>Total Changes during the period</b>                  | <b>-</b>                                  | <b>(3)</b>         | <b>(17,272)</b>      | <b>(11)</b>       | <b>(17,287)</b>                  | <b>(3,298)</b>  | <b>(13)</b>   | <b>(236)</b>                                      | <b>(3,548)</b>  | <b>(10)</b>           | <b>(20,847)</b>     |
| <b>Balance as of September 30, 2006</b>                 | <b>247,231</b>                            | <b>15,373</b>      | <b>63,213</b>        | <b>(96)</b>       | <b>325,723</b>                   | <b>103,936</b>  | <b>(13)</b>   | <b>(152)</b>                                      | <b>103,770</b>  | <b>2,544</b>          | <b>432,037</b>      |

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

## NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. Amounts less than one million yen are rounded down.
2. Appropriation of Retained Earnings approved at the ordinary general meeting of shareholders in June 2006.
3. Types and number of outstanding shares and of treasury stock are as follows:

|   | As of March<br>31, 2006 | Increase<br>during the<br>period | Decrease<br>during the<br>period | Thousand of Shares<br>As of<br>September 30,<br>2006 | Remarks |
|---|-------------------------|----------------------------------|----------------------------------|--|---------|
| Outstanding shares                      |                         |                                  |                                  |  |         |
| Common stock                            | 5,024,755               |                                  |                                  | 5,024,755  |         |
| First Series Class I<br>Preferred Stock | 300,000                 |                                  | 19,434                           | 280,565  | *1      |
| Second Series Class<br>Preferred Stock  | 800,000                 |                                  |                                  | 800,000  |         |
| Total                                   | 6,124,755               |                                  | 19,434                           | 6,105,321  |         |
| Treasury stock                          |                         |                                  |                                  |  |         |
| Common stock                            | 607                     | 43                               | 8                                | 641  | *2      |
| First Series Class I<br>Preferred Stock |                         | 19,434                           | 19,434                           |  | *1      |
| Total                                   | 607                     | 19,477                           | 19,443                           | 641  |         |

- \*1. Increases and decreases are due to repurchase and cancellation of treasury stock (First Series Class I Preferred Stock).
- \*2. Increases are due to repurchase of fractional shares (43 thousand shares), decreases are due to additional purchase of fractional shares (8 thousand shares).

4. Cash dividends distributed by MHTB are as follows (*non-consolidated basis*):

| Resolution                                     | Types                                  | Cash<br>Dividends<br>(Millions of yen) | Cash<br>Dividends<br>per Share<br>(Yen) | Record<br>Date    | Effective<br>Date |
|--|--|--|---|-------------------|-------------------|
| June 27,<br>2006                               | Common Stock                           | 5,024                                  | 1.00                                    | March 31,<br>2006 |                   |
| Ordinary<br>General Meeting<br>of Shareholders | First Series Class<br>Preferred Stock  | 1,950                                  | 6.50                                    | March 31,<br>2006 | June 27,<br>2006  |
|  | Second Series Class<br>Preferred Stock | 1,200                                  | 1.50                                    | March 31,<br>2006 |                   |

5. “Accounting Standards for Statement of Changes in Net Assets” (ASBJ Statement No. 6, December 27, 2005) and “Guidance on Accounting Standards for Statement of Changes in Net Assets” (ASBJ Guidance No. 9, December 27, 2005) took effect as of the interim period ending on or after the enforcement date of the Company Law. Thus, the standards and guidance were adopted commencing with this period, with the “Consolidated Statement of Changes in Net Assets” newly prepared instead of the former “Consolidated Statement of Capital Surplus and Retained Earnings.”

## CONSOLIDATED STATEMENTS OF CAPITAL SURPLUS AND RETAINED EARNINGS

(Millions of yen)

| Statement of Capital Surplus and Retained Earnings Items | First Half of Fiscal 2005 | Fiscal 2005 |
|--|---------------------------|-------------|
| <b>Capital Surplus</b>                                   |                           |             |
| Balance at the beginning of the term                     | 12,215                    | 12,215      |
| Increase   | 0                         | 3,162       |
| Gains on Sale of Treasury Stock                          | 0                         | 7           |
| Increase related to Merger                               | -                         | 3,154       |
| Balance at the end of the term                           | 12,215                    | 15,377      |
| <b>Retained Earnings</b>                                 |                           |             |
| Balance at the beginning of the term                     | 49,041                    | 49,041      |
| Increase   | 26,163                    | 42,773      |
| Net Income   | 26,163                    | 42,773      |
| Decrease   | 8,174                     | 11,328      |
| Dividends  | 8,174                     | 8,174       |
| Decrease related to Merger                               | -                         | 3,154       |
| Balance at the end of the term                           | 67,030                    | 80,486      |

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006**
*Millions of yen*

|  | For the six months<br>ended September<br>30, 2006 | For the six months<br>ended September<br>30, 2005 | For the fiscal year<br>ended March 31,<br>2006 |
|--|---|---|--|
| <b>.Cash Flow from Operating Activities</b>  |   |   |  |
| Income before Income Taxes and Minority Interests  | 40,689  | 37,602  | 66,126   |
| Depreciation   | 7,100   | 4,318   | 13,731   |
| Loss on Impairment of Fixed Assets   | —   | 1,713   | 2,129  |
| Equity in Income from Investments in Affiliates  | (10)  | 98  | 349  |
| Increase (Decrease) in Reserves for Possible Losses on Loans                             | 1,730   | (3,633)   | (18,168)                                       |
| Increase (Decrease) in Reserve for Contingencies in Trust Transactions                   | 129   | —   | 12,010   |
| Increase (Decrease) in Reserves for Bonus Payments                                       | 243   | 146   | 189  |
| Increase (Decrease) in Reserves for Employee Retirement Benefits                         | 174   | 483   | 1,492  |
| Interest Income – accrual basis  | (39,772)  | (36,753)  | (75,724)                                       |
| Interest Expense – accrual basis   | 14,337  | 14,802  | 29,576   |
| Losses(Gains) on Securities  | (11,502)  | (3,958)   | (4,894)  |
| Foreign Exchange Losses (Gains) - Net  | (4,668)   | (11,030)  | (21,099)                                       |
| Losses (Gains) on Disposition of Fixed Assets  | 149   | —   | —  |
| Losses (Gains) on Disposal of Premises and Equipment                                     | —   | (551)   | (418)  |
| Decrease (Increase) in Trading Assets  | 11,012  | 7,165   | (7,694)  |
| Increase (Decrease) in Trading Liabilities   | (15,330)  | (9,180)   | 5,050  |
| Decrease (Increase) in Loans and Bills Discounted  | (108,597)   | 15,523  | (237,911)                                      |
| Increase (Decrease) in Deposits  | 364,515   | (423,141)   | (314,859)                                      |
| Increase (Decrease) in Negotiable Certificates of Deposit                                | (80,440)  | 43,510  | 59,220   |
| Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)            | 50,583  | (29)  | (45)   |
| Decrease (Increase) in Due from Banks (excluding Due from Central Banks)                 | (61,535)  | 32,582  | 53,232   |
| Decrease (Increase) in Call Loans etc  | (60,201)  | (89,234)  | (174,839)                                      |
| Increase (Decrease) in Call Money and others   | (335,770)   | 130,499   | 380,772  |
| Increase (Decrease) in Guarantee Deposits Received under Securities Lending Transactions | 264,367   | 28,006  | (44,899)                                       |
| Decrease (Increase) in Foreign Exchange Assets   | 3,910   | 1,034   | (2,920)  |
| Increase (Decrease) in Foreign Exchange Liabilities                                      | 0   | 0   | 0  |
| Increase (Decrease) in Due to Trust Account  | (120,233)   | 202,608   | (25,220)                                       |
| Interest and Dividends Income – cash basis   | 39,537  | 37,400  | 78,164   |
| Interest Expenses – cash basis   | (13,259)  | (18,253)  | (33,186)                                       |
| Others   | 1,571   | (135)   | 3,914  |
| <b>Subtotal</b>  | <b>(51,266)</b>                                   | <b>(38,405)</b>                                   | <b>(255,922)</b>                               |
| Cash Paid in Income Taxes  | (1,116)   | (529)   | (1,775)  |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                               | <b>(52,383)</b>                                   | <b>(38,935)</b>                                   | <b>(257,697)</b>                               |
| <b>.Cash Flow from Investing Activities</b>  |   |   |  |
| Payments for Purchase of Securities  | (791,304)   | (1,061,394)                                       | (1,715,362)                                    |
| Proceeds from Sales of Securities  | 458,098   | 609,214   | 959,069  |
| Proceeds from Redemption of Securities   | 284,879   | 238,173   | 751,514  |
| Payments for Purchase of Tangible Assets   | (578)   | —   | —  |
| Payments for Purchase of Intangible Assets   | (7,237)   | —   | —  |
| Payments for Purchase of Premises and Equipment  | —   | (7,397)   | (18,820)                                       |
| Proceeds from Sales of Tangible Assets   | 0   | —   | —  |
| Proceeds from Sale of Intangible Assets  | 1,386   | —   | —  |
| Proceeds from Sales of Premises and Equipment  | —   | 4,085   | 7,447  |
| <b>Net Cash Provided by (Used in) Investing Activities</b>                               | <b>(54,755)</b>                                   | <b>(217,319)</b>                                  | <b>(16,150)</b>                                |
| <b>. Cash Flows from Financing Activities</b>  |   |   |  |
| Proceeds from Subordinated Borrowed Money  | —   | —   | 20,000   |
| Repayments of Subordinated Borrowed Money  | (1,000)   | (3,000)   | (3,000)  |
| Proceeds from Issuance of Subordinated Bonds   | —   | 6,000   | 75,500   |
| Payments for Redemption of Subordinated Bonds  | (15,300)  | (7,800)   | (81,200)                                       |
| Repayment to Minority Interests  | —   | (67,862)  | (67,862)                                       |
| Cash Dividends Paid  | (8,174)   | (8,174)   | (8,174)  |
| Cash Dividends Paid to Minority Interests  | —   | (304)   | (307)  |
| Payments for Repurchase of Treasury Stock  | (33,012)  | —   | —  |
| Proceeds from Sale of Treasury Stock   | 2   | —   | —  |
| <b>Net Cash Provided by (Used in) Financing Activities</b>                               | <b>(57,484)</b>                                   | <b>(81,140)</b>                                   | <b>(65,043)</b>                                |
| <b>.Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>                     | <b>(22)</b>                                       | <b>87</b>   | <b>188</b>                                     |
| <b>.Net Increase (Decrease) in Cash and Cash Equivalents</b>                             | <b>(164,645)</b>                                  | <b>(337,308)</b>                                  | <b>(338,703)</b>                               |
| <b>.Cash and Cash Equivalents at the beginning of the fiscal year</b>                    | <b>204,445</b>                                    | <b>543,148</b>                                    | <b>543,148</b>                                 |
| <b>. Cash and Cash Equivalents at the end of the period</b>                              | <b>39,799</b>                                     | <b>205,840</b>                                    | <b>204,445</b>                                 |

## NOTES TO CONSOLIDATED STATEMENT 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 consist of cash and deposits with the Central Banks included in “Cash and Due from Banks” on the Consolidated Balance Sheet.
3. Cash and cash equivalents at the balance sheet date were reconciled to Cash and Due from Banks on the Consolidated Balance Sheet as follows:
 

|                           |                         |
|---------------------------|-------------------------|
| Cash and Due from Banks   | ¥ 224,762 million       |
| Time Deposit Placed       | ¥ (63,966 million)      |
| Other Deposits Placed     | ¥ (120,996 million)     |
| Cash and cash equivalents | <b>¥ 39,799 million</b> |
4. The appendix forms of the “Banking Law Enforcement Regulations” (Ministry of Finance Ordinance No. 10, 1982) have been revised by the “Cabinet Office Ordinance to Amend Part of Detailed Enforcement Regulations on Mutual Loan Business Law and Banking Law” (Cabinet Office Ordinance No. 60, April 28, 2006). In accordance with the application of the revised regulations commencing with the fiscal year beginning on or after April 1, 2006, the presentation of the consolidated statement of cash flows has been changed as follows:
  - (1) Former “Losses (Gains) on Disposition of Premises and Equipment” is presented as “Losses (Gains) on Disposition of Fixed Assets” following the new classification of former “Premises and Equipment” on the consolidated balance sheet into “Tangible Fixed Assets,” “Intangible Fixed Assets” and others.
  - (2) “Payments for Purchase of Premises and Equipment” is presented as “Payments for Purchase of Tangible Fixed Assets” and others, and “Proceeds from Sale of Premises and Equipment” is presented as “Proceeds from Sale of Tangible Fixed Assets” and others.

## BASIS FOR PRESENTATION AND PRINCIPLES OF CONSOLIDATION

### 1. Scope of Consolidation

(a) Number of consolidated subsidiaries: 13

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.

(b) Number of Non-consolidated subsidiaries: Not Applicable

### 2. Application of the Equity Method

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

Names of principal companies:

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: 6 companies

September 30: 7 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.

## 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 insignificant.

## 2. Segment Information by Geographic Area

For the six months ended September 30, 2006

(Millions of yen)

|                        | Japan   | Other | Total   | Elimination | Consolidated Results |
|------------------------|---------|-------|---------|-------------|----------------------|
| Ordinary Income :      |         |       |         |             |                      |
| From outside customers | 123,036 | 4,916 | 127,953 | -           | 127,953              |
| Inter-segment          | 459     | 337   | 796     | (796)       | -                    |
| Total                  | 123,496 | 5,254 | 128,750 | (796)       | 127,953              |
| Ordinary Expenses      | 83,326  | 4,636 | 87,963  | (337)       | 87,625               |
| Ordinary Profits       | 40,169  | 617   | 40,787  | (459)       | 40,327               |

For the six months ended September 30, 2005

(Millions of yen)

|                        | Japan   | Other | Total   | Elimination | Consolidated Results |
|------------------------|---------|-------|---------|-------------|----------------------|
| Ordinary Income :      |         |       |         |             |                      |
| From outside customers | 111,745 | 4,244 | 115,989 | -           | 115,989              |
| Inter-segment          | 1       | 647   | 648     | (648)       | -                    |
| Total                  | 111,746 | 4,891 | 116,638 | (648)       | 115,989              |
| Ordinary Expenses      | 77,265  | 4,528 | 81,793  | (648)       | 81,145               |
| Ordinary Profits       | 34,481  | 363   | 34,844  | -           | 34,844               |

For the fiscal year ended March 31, 2006

(Millions of yen)

|                        | Japan   | Other | Total   | Elimination | Consolidated Results |
|------------------------|---------|-------|---------|-------------|----------------------|
| Ordinary Income :      |         |       |         |             |                      |
| From outside customers | 248,658 | 8,742 | 257,400 | -           | 257,400              |
| Inter-segment          | 1       | 1,218 | 1,219   | (1,219)     | -                    |
| Total                  | 248,659 | 9,960 | 258,620 | (1,219)     | 257,400              |
| Ordinary Expenses      | 176,921 | 9,427 | 186,349 | (1,219)     | 185,129              |
| Ordinary Profits       | 71,738  | 532   | 72,270  | -           | 72,270               |

Notes:

1. Amounts less than one million yen are rounded down.
2. Geographic analyses of MHTB's and its consolidated subsidiaries' and entities' operations are presented based on geographic contiguity, similarities in economic activities and relation of 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 Other, as the percentages of those countries and areas are insignificant.

## 3. Ordinary Income from International Operations

(Millions of yen)

| Period                                      | Ordinary Income from International Operations (a) | Consolidated Ordinary Income (b) | (a)/(b) |
|---|---|----------------------------------|---------|
| For the six months ended September 30, 2006 | 9,566   | 127,953                          | 7.4%    |
| For the six months ended September 30, 2005 | 9,634   | 115,989                          | 8.3%    |
| For the fiscal year ended March 31, 2006    | 21,433  | 257,400                          | 8.3%    |

Notes:

1. Amounts less than one million yen are rounded down.
2. Ordinary Income from International Operations is presented in lieu of Sales as is the case for non-financial companies.
3. Ordinary Income from International Operations represents Ordinary Income from foreign currency transactions in Japan, trade bills in Japanese Yen, transactions with non-Japanese residents in Japanese Yen, transactions in Japan Offshore Market and the total income of the consolidated foreign subsidiaries. Geographic analyses of Ordinary Income from International Operations are not presented as no such information is available.

## MANUFACTURING, ORDER-BOOK AND RETAIL SITUATION

There is no information on “Manufacturing, order-book and retail situation.”



## MARKET VALUE INFORMATION OF SECURITIES

[First Half of Fiscal 2006 Consolidated]

### 1. Securities

(Notes)

1. In addition to Securities on the consolidated balance sheet, Negotiable Certificates of Deposits in Cash and Due from Banks is included.
2. Investment in subsidiaries and affiliated companies which have readily determinable fair value, mentioned in Notes to the non-consolidated balance sheet, are included in (4) below.

(1) Securities held to maturity which have readily determinable fair value: Nil

(2) Other Securities which have readily determinable fair value

(Millions of yen)

|                                 | As of September 30, 2006 |                           |                               |
|---------------------------------|--------------------------|---------------------------|-------------------------------|
|                                 | Acquisition Cost         | Amount on Consolidated BS | Net Unrealized Gains (Losses) |
| Japanese Stocks                 | 193,501                  | 396,074                   | 202,573                       |
| Japanese Bonds                  | 928,507                  | 904,723                   | (23,783)                      |
| Japanese Government Bonds       | 835,964                  | 812,858                   | (23,106)                      |
| Japanese Local Government Bonds | 12,765                   | 12,677                    | (88)                          |
| Japanese Corporate Bonds        | 79,776                   | 79,187                    | (588)                         |
| Others                          | 341,355                  | 337,983                   | (3,371)                       |
| <b>TOTAL</b>                    | <b>1,463,364</b>         | <b>1,638,782</b>          | <b>175,417</b>                |

(Note)

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 market price are stated at fair value at the balance sheet date. Value for judgment of devaluation is based on a quoted market price at the balance sheet date.

(3) Major components of securities not stated at fair value and their amount on the balance sheet

(Millions of yen)

|  | As of September 30, 2006 |
|--|--------------------------|
| Securities held to maturity            | Nil                      |
| Other securities                       |                          |
| Unlisted Japanese Stocks               | 17,936                   |
| Unlisted Japanese Bonds                | 56,348                   |
| Unlisted Foreign Securities            | 58,213                   |
| Beneficial Certificates of Loan Trusts | 5,000                    |

(4) Investments in subsidiaries and affiliates which have readily determinable fair value [NON-CONSOLIDATED]: Nil

### 2. Money Held in Trust

(1) Money Held in Trust held to maturity: Nil

(2) Other Money Held in Trust (not for investments and holding to maturity): Nil

### 3. Net unrealized gain/loss on Other Securities

(Millions of yen)

|   | As of September 30, 2006 |
|---|--------------------------|
| Net unrealized Gains on Other Securities  | 175,419                  |
| Other Securities  | 175,419                  |
| Deferred Tax Liabilities  | (71,237)                 |
| Net unrealized Gains on Other Securities (before adjustment of Minority Interest) | 104,182                  |
| Minority Interest   | (245)                    |
| Net unrealized Gains on Other Securities  | 103,936                  |

(Note)

Translation differences regarding securities, which do not have readily determinable fair value, of ¥1 million are included in Other Securities of Net unrealized Gains on Other Securities.

## MARKET VALUE INFORMATION OF SECURITIES

[First Half of Fiscal 2005 and Fiscal 2005 Consolidated]

**1. Securities**

(Notes)

1. In addition to Securities on the consolidated balance sheet, Negotiable Certificates of Deposits in Cash and Due from Banks is included.
2. Investment in subsidiaries and affiliated companies which have readily determinable fair value, mentioned in Notes to the non-consolidated balance sheet, are included in (4) below.

(1) Securities held to maturity which have readily determinable fair value: Nil

(2) Other Securities which have readily determinable fair value

(Millions of yen)

|                                 | As of September 30, 2005 |                           |                               | As of March 31, 2006 |                           |                               |
|---------------------------------|--------------------------|---------------------------|-------------------------------|----------------------|---------------------------|-------------------------------|
|                                 | Acquisition Cost         | Amount on Consolidated BS | Net Unrealized Gains (Losses) | Acquisition Cost     | Amount on Consolidated BS | Net Unrealized Gains (Losses) |
| Japanese Stocks                 | 195,764                  | 335,319                   | 139,555                       | 194,668              | 413,092                   | 218,424                       |
| Japanese Bonds                  | 1,000,920                | 992,596                   | (8,324)                       | 1,032,058            | 998,184                   | (33,874)                      |
| Japanese Government Bonds       | 907,491                  | 899,082                   | (8,408)                       | 933,369              | 900,282                   | (33,086)                      |
| Japanese Local Government Bonds | 11,191                   | 11,386                    | 195                           | 13,116               | 13,058                    | (57)                          |
| Japanese Corporate Bonds        | 82,237                   | 82,126                    | (110)                         | 85,572               | 84,843                    | (729)                         |
| Others                          | 290,228                  | 285,013                   | (5,215)                       | 166,004              | 162,610                   | (3,393)                       |
| <b>TOTAL</b>                    | <b>1,486,913</b>         | <b>1,612,929</b>          | <b>126,015</b>                | <b>1,392,731</b>     | <b>1,573,887</b>          | <b>181,155</b>                |

(Note)

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 market price are stated at fair value at the balance sheet date. Value for judgment of devaluation is based on a quoted market price at the balance sheet date.

(3) Major components of securities not stated at fair value and their amount on the balance sheet

(Millions of yen)

|  | As of September 30, 2005 | As of March 31, 2006 |
|--|--------------------------|----------------------|
| Securities held to maturity            | Nil                      | Nil                  |
| Other securities                       |                          |                      |
| Unlisted Japanese Stocks               | 25,931                   | 23,817               |
| Unlisted Japanese Bonds                | 43,304                   | 53,560               |
| Unlisted Foreign Securities            | 102,235                  | 66,548               |
| Beneficial Certificates of Loan Trusts | 85,854                   | 6,887                |

(4) Investments in subsidiaries and affiliates which have readily determinable fair value [NON-CONSOLIDATED]: Nil

**2. Money Held in Trust**

(1) Money Held in Trust held to maturity: Nil

(2) Other Money Held in Trust (not for investments and holding to maturity): Nil

**3. Net unrealized gain/loss on Other Securities**

(Millions of yen)

|   | As of September 30, 2005 | As of March 31, 2006 |
|---|--------------------------|----------------------|
| Net unrealized Gains on Other Securities  | 126,015                  | 181,156              |
| Other Securities  | 126,015                  | 181,156              |
| Deferred Tax Liabilities  | (51,174)                 | (73,573)             |
| Net unrealized Gains on Other Securities (before adjustment of Minority Interest) | 74,841                   | 107,582              |
| Minority Interest   | (170)                    | (347)                |
| Net unrealized Gains on Other Securities  | 74,670                   | 107,235              |

(Note)

Translation differences regarding securities, which do not have readily determinable fair value, of ¥0 million are included in Other Securities of Net unrealized Gains on Other Securities both as of September 30, 2005 and March 31, 2006.

## MARKET VALUE INFORMATION OF SECURITIES OF LOAN TRUSTS

[First Half of Fiscal 2006 Consolidated]: Nil

[First Half of Fiscal 2005 and Fiscal 2005 Consolidated]: Nil

## COMPARISON OF STATEMENTS OF TRUST ASSETS AND LIABILITIES

(Millions of yen)

| Statements of Trust Account Items       | September 30,<br>2006<br>(A) | March 31, 2006<br>(B) | Change           | September 30,<br>2005 |
|---|------------------------------|-----------------------|------------------|-----------------------|
| Loans and Bills Discounted              | 966,428                      | 1,002,883             | (36,455)         | 941,636               |
| Securities                              | 9,647,000                    | 8,128,796             | 1,518,203        | 7,335,892             |
| Beneficiary Rights to the Trust         | 30,424,881                   | 28,079,057            | 2,345,823        | 26,482,540            |
| Securities Held in Custody Accounts     | 805,727                      | 843,807               | (38,079)         | 504,185               |
| Securities Lent                         | -                            | 60,005                | (60,005)         | 61,082                |
| Money Claims                            | 6,012,270                    | 5,901,688             | 110,581          | 5,357,105             |
| Premises and Equipment                  | 4,734,912                    | 4,332,372             | 402,540          | 3,678,093             |
| Surface Rights                          | 12,116                       | 9,152                 | 2,963            | 9,152                 |
| Lease Rights on Lands                   | 89,070                       | 111,794               | (22,723)         | 102,663               |
| Other Claims                            | 132,685                      | 1,452,952             | (1,320,266)      | 86,890                |
| Call Loans                              | 24,632                       | 27,461                | (2,829)          | 19,781                |
| Due from Banking Account                | 1,003,866                    | 1,124,099             | (120,233)        | 1,351,929             |
| Cash and Due from Banks                 | 454,612                      | 435,203               | 19,408           | 402,466               |
| <b>Total Assets</b>                     | <b>54,308,204</b>            | <b>51,509,274</b>     | <b>2,798,929</b> | <b>46,333,418</b>     |
| Money Trusts                            | 20,122,902                   | 18,429,450            | 1,693,451        | 16,470,355            |
| Pension Trusts                          | 4,555,451                    | 3,964,776             | 590,675          | 4,418,275             |
| Property Formation Benefit Trusts       | 6,411                        | 6,298                 | 113              | 6,779                 |
| Loan Trusts                             | 239,985                      | 343,048               | (103,062)        | 529,108               |
| Investment Trusts                       | 7,091,727                    | 6,852,718             | 239,008          | 6,539,330             |
| Money Entrusted Other than Money Trusts | 1,831,426                    | 1,891,763             | (60,336)         | 1,737,123             |
| Securities Trust                        | 5,682,623                    | 5,682,235             | 388              | 3,718,086             |
| Money Claim Trust                       | 5,947,547                    | 5,933,031             | 14,516           | 5,281,351             |
| Equipment Trust                         | 1,320                        | 1,528                 | (207)            | 1,727                 |
| Land and Fixtures Trust                 | 463,288                      | 472,806               | (9,518)          | 475,804               |
| Composite Trusts                        | 8,362,537                    | 7,928,636             | 433,901          | 7,152,901             |
| Other Trusts                            | 2,981                        | 2,980                 | 1                | 2,575                 |
| <b>Total Liabilities</b>                | <b>54,308,204</b>            | <b>51,509,274</b>     | <b>2,798,929</b> | <b>46,333,418</b>     |

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

2. Statements of Trust Account Items are selected based on the trust businesses referred in "Enforcement Regulations for the Law Concerning Concurrent Operations, etc., of Trust Business by Financial Institutions". A company which operates these trust business is only MHTB in MHTB and its consolidated subsidiaries.

For Immediate Release:

November 20, 2006

## Non-Consolidated Financial Statements for the First Half of Fiscal 2006

Company name: **Mizuho Trust & Banking Co., Ltd. ("MHTB")**  
 Stock code number: 8404  
 Stock Exchanges: Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)  
 URL: <http://www.mizuho-tb.co.jp/english/>  
 Address: 2-1 Yaesu 1-chome, Chuo-ku, Tokyo 103-8670, Japan  
 Representative: Name: IKEDA, Teruhiko  
 Title: President & CEO  
 For inquiry: Name: MATSUSHITA, Osamu  
 Title: Deputy General Manager, Corporate Planning Dept.  
 Phone: 03-3274-9008  
 Meeting of the Board of Directors for Financial Results: November 20, 2006  
 Dividend Payment Schedule: -  
 Special Round Lot: Applied (1unit: 1,000 shares)



## 1. Financial Highlights for the First Half of Fiscal 2006 (for six months ended September 30, 2006)

## (1) Results of Operations

Amounts less than one million yen rounded down.

|             | Ordinary Income |      | Ordinary Profits |      | Net Income |      | Net Income per Share of Common Stock |
|-------------|-----------------|------|------------------|------|------------|------|--------------------------------------|
|             | ¥ million       | %    | ¥ million        | %    | ¥ million  | %    | ¥                                    |
| 1H F2006    | 112,302         | 14.8 | 39,527           | 44.8 | 24,060     | 53.8 | 4.79                                 |
| 1H F2005    | 97,810          | 6.1  | 27,290           | 5.1  | 15,643     | 0.8  | 3.11                                 |
| Fiscal 2005 | 223,289         |      | 67,193           |      | 31,027     |      | 5.55                                 |

Notes: 1. Average outstanding shares of common stock and preferred stock:

|             | Common Stock         | Preferred Stock (1 <sup>st</sup> Series Class 1) | Preferred Stock (2 <sup>nd</sup> Series Class 3) |
|-------------|----------------------|--|--|
| 1H F2006    | 5,024,134,635 Shares | 293,840,391 Shares                               | 800,000,000 Shares                               |
| 1H F2005    | 5,024,225,239 Shares | 300,000,000 Shares                               | 800,000,000 Shares                               |
| Fiscal 2005 | 5,024,197,948 Shares | 300,000,000 Shares                               | 800,000,000 Shares                               |

2. Change in accounting method: Yes

Pursuant to revision and other steps regarding accounting standards upon the enforcement of the Company Law. Please refer to Note35-36 on the non-consolidated balance sheet for details.

3. Percentage figures in Ordinary Income, Ordinary Profit and Net Income represent changes in the respective accounts compared with the corresponding period of the previous fiscal year.

## (2) Financial Conditions

|             | Total Assets | Total Net Assets | Shareholders' Equity Ratio | Total Net Assets per Share of Common Stock | Capital Adequacy Ratio (BIS) |
|-------------|--------------|------------------|----------------------------|--|------------------------------|
|             | ¥ million    | ¥ million        | %                          | ¥  | %                            |
| 1H F2006    | 6,248,396    | 424,487          | 6.8                        | 32.68                                      | 13.59 *                      |
| 1H F2005    | 6,161,923    | 393,026          | 6.4                        | 24.49                                      | 13.52                        |
| Fiscal 2005 | 6,241,779    | 444,729          | 7.1                        | 34.15                                      | 14.29                        |

\*Preliminary

Notes: 1. Outstanding shares of common stock and preferred stock:

|                           | Common Stock         | Preferred Stock (1 <sup>st</sup> Series Class 1) | Preferred Stock (2 <sup>nd</sup> Series Class 3) |
|---------------------------|----------------------|--|--|
| As of September 30, 2006: | 5,024,114,117 Shares | 280,565,372 Shares                               | 800,000,000 Shares                               |
| As of September 30, 2005: | 5,024,201,576 Shares | 300,000,000 Shares                               | 800,000,000 Shares                               |
| As of March 31, 2006:     | 5,024,148,726 Shares | 300,000,000 Shares                               | 800,000,000 Shares                               |

2. Outstanding shares of treasury stock: As of September 30, 2006: 641,712 shares  
As of March 31, 2006: 607,103 shares  
As of September 30, 2005: 554,253 shares

3. Figures for 1H F2006 were based on the "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No.5, December 9, 2005) and Figures for 1H F2005 and for Fiscal 2005 were based on the previously applied accounting standards.

4. The Capital Adequacy Ratio (BIS) was based on the "Standards for Consolidated Capital Adequacy Ratio Pursuant to Article 14-2 of the Banking Law" (Ministry of Finance Ordinance Announcement No. 55, 1993)

## 2. Earnings Estimates for Fiscal 2006 (for the fiscal year ending March 31, 2007)

|             | Ordinary Income | Ordinary Profits | Net Income |
|-------------|-----------------|------------------|------------|
|             | ¥ million       | ¥ million        | ¥ million  |
| Fiscal 2006 | 230,000         | 75,000           | 55,000     |

Reference: Net income per share of common stock (Fiscal 2006 estimate): ¥10.35

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.

## 3. Dividends Declared for Shareholders

| Cash Dividends            | Cash dividends per share of common stock (¥) |          |              |
|---------------------------|--|----------|--------------|
|                           | Interim                                      | Year-End | For The Year |
| Fiscal 2005               | 0.00   | 1.00     | 1.00         |
| Fiscal 2006 (performance) | 0.00   | -        | 1.00         |
| Fiscal 2006 (estimate)    | -  | 1.00     |              |

**Dividends Declared for Common and Preferred Shareholders**

|                              |                                      | Dividends per share of common stock and preferred stock (¥) |          |   |
|------------------------------|--------------------------------------|---|----------|---|
|                              |                                      | Interim   | Year-End | For The Year                            |
| Fiscal 2005                  | Common Stock                         | 0.00  | 1.00     | 1.00                                    |
|                              | Preferred Stock (1st Series Class 1) | 0.00  | 6.50     | 6.50                                    |
|                              | Preferred Stock (2nd Series Class 3) | 0.00  | 1.50     | 1.50                                    |
| Fiscal 2006<br>(performance) | Common Stock                         | 0.00  | -        | Common Stock                            |
|                              | Preferred Stock (1st Series Class 1) | 0.00  | -        | 1.00                                    |
|                              | Preferred Stock (2nd Series Class 3) | 0.00  | -        | Preferred Stock<br>(1st Series Class 1) |
| Fiscal 2006<br>(estimate)    | Common Stock                         | -   | 1.00     | 6.50                                    |
|                              | Preferred Stock (1st Series Class 1) | -   | 6.50     | Preferred Stock (2nd<br>Series Class 3) |
|                              | Preferred Stock (2nd Series Class 3) | -   | 1.50     | 1.50                                    |

**Reference****Formulae for indices - Financial Highlights for the First Half of Fiscal 2006**

Net Income per Share of Common Stock

$$\frac{\text{Net Income} - \text{Amount not attributable to common shareholders}}{\text{Average outstanding shares of common stocks (during the period)}}$$

Shareholders' Equity Ratio

$$\frac{\text{Total Net Assets (period-end)}}{\text{Total Assets (period-end)}} \times 100$$

Total Net Assets per Share of Common Stock

$$\frac{\text{Total Net Assets (period-end)} - \text{Amount not attributable to common shareholders}}{\text{Outstanding shares of common stock (period-end)}}$$

**Formula for Index – Earnings Estimates for Fiscal 2006**

Net Income per Share of Common Stock (Fiscal 2006 estimate)

$$\frac{\text{Net Income (estimate)} - \text{Amount not attributable to common shareholders (estimate)}}{\text{Outstanding shares of common stock (period-end)}}$$

# NON-CONSOLIDATED BALANCE SHEETS

## SEPTEMBER 30, 2006

|   |                                |                            |                  | Millions of yen                |
|---|--------------------------------|----------------------------|------------------|--------------------------------|
|   | As of<br>September<br>30, 2006 | As of<br>March 31,<br>2006 | Change           | As of<br>September<br>30, 2005 |
| <b>Assets</b>   |                                |                            |                  |                                |
| Cash and Due from Banks   | ¥ 113,122                      | ¥ 293,321                  | ¥ (180,198)      | ¥ 305,201                      |
| Call Loans  | 215,000                        | 70,000                     | 145,000          | 140,000                        |
| Bills Purchased   | -                              | 62,300                     | (62,300)         | -                              |
| Other Debt Purchased  | 224,092                        | 251,430                    | (27,338)         | 152,403                        |
| Trading Assets  | 30,731                         | 41,744                     | (11,012)         | 26,884                         |
| Securities  | 1,768,918                      | 1,715,086                  | 53,832           | 1,945,197                      |
| Loans and Bills Discounted  | 3,646,161                      | 3,532,645                  | 113,516          | 3,263,683                      |
| Foreign Exchange Assets   | 376                            | 4,287                      | (3,910)          | 331                            |
| Other Assets  | 183,206                        | 193,822                    | (10,616)         | 169,841                        |
| Tangible Fixed Assets   | 32,642                         | -                          | 32,642           | -                              |
| Intangible Fixed Assets   | 17,115                         | -                          | 17,115           | -                              |
| Premises and Equipment  | -                              | 40,988                     | (40,988)         | 40,971                         |
| Deferred Tax Assets   | -                              | 5,488                      | (5,488)          | 38,723                         |
| Customers' Liabilities for Acceptances and Guarantees             | 49,236                         | 61,191                     | (11,955)         | 118,835                        |
| Reserves for Possible Losses on Loans                             | (32,207)                       | (30,527)                   | (1,679)          | (40,151)                       |
| <b>Total Assets</b>   | <b>¥ 6,248,396</b>             | <b>¥ 6,241,779</b>         | <b>¥ 6,616</b>   | <b>¥ 6,161,923</b>             |
| <b>Liabilities</b>  |                                |                            |                  |                                |
| Deposits  | ¥ 2,779,120                    | ¥ 2,492,641                | ¥ 286,479        | ¥ 2,415,424                    |
| Negotiable Certificates of Deposit                                | 502,100                        | 582,840                    | (80,740)         | 566,930                        |
| Call Money  | 725,372                        | 661,543                    | 63,829           | 678,269                        |
| Guarantee Deposits Received under Securities Lending Transactions | 434,174                        | 169,806                    | 264,367          | 242,712                        |
| Bills Sold  | -                              | 399,600                    | (399,600)        | 132,600                        |
| Trading Liabilities   | 30,101                         | 45,431                     | (15,330)         | 31,201                         |
| Borrowed Money  | 80,649                         | 37,065                     | 43,583           | 72,381                         |
| Foreign Exchange Liabilities                                      | 11                             | 11                         | 0                | 8                              |
| Bonds and Notes   | 152,200                        | 161,500                    | (9,300)          | 110,100                        |
| Due to Trust Accounts   | 1,003,866                      | 1,124,099                  | (120,233)        | 1,351,929                      |
| Other Liabilities   | 35,018                         | 37,954                     | (2,936)          | 38,054                         |
| Reserve for Bonus Payments  | 1,570                          | 1,345                      | 224              | 1,431                          |
| Reserve for Employee Retirement Benefits                          | 10,159                         | 10,007                     | 152              | 9,017                          |
| Reserve for Contingencies in Trust Transactions                   | 12,139                         | 12,010                     | 129              | -                              |
| Deferred Tax Liabilities  | 8,187                          | -                          | 8,187            | -                              |
| Acceptances and Guarantees  | 49,236                         | 61,191                     | (11,955)         | 118,835                        |
| <b>Total Liabilities</b>  | <b>5,823,908</b>               | <b>5,797,049</b>           | <b>26,858</b>    | <b>5,768,897</b>               |
| <b>Net Assets</b>   |                                |                            |                  |                                |
| Common Stock and Preferred Stock                                  | 247,231                        | -                          | 247,231          | -                              |
| Capital Surplus   | 15,367                         | -                          | 15,367           | -                              |
| Capital Reserve   | 15,367                         | -                          | 15,367           | -                              |
| Retained Earnings   | 58,530                         | -                          | 58,530           | -                              |
| Earned Surplus Reserve  | 4,904                          | -                          | 4,904            | -                              |
| Other Retained Earnings   | 53,625                         | -                          | 53,625           | -                              |
| Retained Earnings Brought Forward                                 | 53,625                         | -                          | 53,625           | -                              |
| Treasury Stock  | (96)                           | -                          | (96)             | -                              |
| <b>Total Shareholders' Equity</b>                                 | <b>321,032</b>                 | <b>-</b>                   | <b>321,032</b>   | <b>-</b>                       |
| Net Unrealized Gains on Other Securities, net of Taxes            | 103,468                        | -                          | 103,468          | -                              |
| Net Deferred Hedge Losses, net of Taxes                           | (13)                           | -                          | (13)             | -                              |
| <b>Total Valuation and Translation Adjustments</b>                | <b>103,454</b>                 | <b>-</b>                   | <b>103,454</b>   | <b>-</b>                       |
| <b>Total Net Assets</b>   | <b>424,487</b>                 | <b>-</b>                   | <b>424,487</b>   | <b>-</b>                       |
| <b>Shareholders' Equity</b>                                       |                                |                            |                  |                                |
| Common Stock and Preferred Stock                                  | -                              | 247,231                    | (247,231)        | 247,231                        |
| Capital Surplus   | -                              | 15,371                     | (15,371)         | 12,215                         |
| Capital Reserve   | -                              | 15,367                     | (15,367)         | 12,212                         |
| Other Capital Surplus   | -                              | 3                          | (3)              | 2                              |
| Retained Earnings   | -                              | 75,638                     | (75,638)         | 60,255                         |
| Appropriated Reserve  | -                              | 3,269                      | (3,269)          | 3,269                          |
| Unappropriated Retained Earnings                                  | -                              | 72,368                     | (72,368)         | 56,985                         |
| Net Unrealized Gains on Other Securities, net of Taxes            | -                              | 106,573                    | (106,573)        | 73,388                         |
| Treasury Stock  | -                              | (84)                       | 84               | (65)                           |
| <b>Total Shareholders' Equity</b>                                 | <b>-</b>                       | <b>444,729</b>             | <b>(444,729)</b> | <b>393,026</b>                 |
| <b>Total Liabilities and Net Assets (Shareholders' Equity)</b>    | <b>¥ 6,248,396</b>             | <b>¥ 6,241,779</b>         | <b>¥ 6,616</b>   | <b>¥ 6,161,923</b>             |

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 other short-term credit instruments held for trading purposes are stated at fair value at the balance sheet date. Derivative financial products, such as swaps, forward contracts 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 and determined by the moving average method. The net unrealized gains on Other Securities are included directly in Net Assets, net of applicable income taxes.
4. Derivative transactions (other than transactions categorized as trading purpose) are valued at fair value.
5. Regarding Tangible Fixed Assets, Depreciation of building is computed mainly 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 mainly by the declining-balance method with the following range of useful lives.
 

|           |                     |
|-----------|---------------------|
| Buildings | 3 years to 50 years |
| Equipment | 2 years to 20 years |
6. Development costs for software internally-used 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 credit extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Commercial Code 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 disposal of collateral and the amounts recoverable under guarantees. For credit 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 disposal of collateral and the amounts recoverable under guarantees.  
For credit extended to Intensive Control Obligors and Obligors with Restructured Loans (defined in Note 23. 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 credit extended to other obligors, reserves are maintained at rates derived from historical credit loss experience and others.  
Reserves for Possible Losses on Loans to Restructuring Countries are maintained in order to cover possible losses based on analyses of the political and economic climates of the countries.  
All credit is assessed by each credit 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 loans 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 loan balances. The total directly written-off amounts were ¥47,526 million.

10. Reserve for Bonus Payments, which is provided for future bonus payments to employees, is booked at the amount accrued at the end of the interim period, based on the estimated future payments.
11. Reserve for Employee Retirement Benefit  
Reserve for Employee Retirement Benefits, which is provided for future pension 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 difference 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 (primarily 10 years to 14 years).
12. Reserves for Contingencies in Trust Transactions  
Reserves for Contingencies in Trust Transactions are 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.
13. Finance leases of MHTB that do not involve the transfer of ownership to the lessee are accounted for as operating leases.
14. MHTB applies the deferred method of hedge accounting for the interest rate risk accompanying various monetary assets and liabilities, which is 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 the hedge is assessed as follows:
  - (i) as for hedging activities to offset the market fluctuation risks, the effectiveness is assessed by bracketing both the hedging instruments, such as interest-rate swaps, and the hedged instruments, such as deposits and loans, 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.Deferred hedge gains/losses 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 interim period are ¥27,451 million and ¥26,542 million, respectively.
15. 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 assets and liabilities denominated in foreign currencies and the amounts for the foreign currency position of the hedged monetary assets and liabilities denominated in foreign currency are equivalent.
16. 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 income statement 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.

17. 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.
18. Investments in subsidiaries and affiliates amounted to ¥13,100 million.
19. Accumulated depreciation of Tangible Fixed Assets amounted to ¥ 25,110 million.
20. The book value of Tangible Fixed Assets adjusted for gains on sales of replaced assets amounted to ¥1,318 million.
21. Loans and Bills Discounted include Loans to Bankrupt Obligors of ¥2,639 million and Non-Accrual Delinquent Loans of ¥9,139 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.
22. Balance of Loans Past Due for 3 Months or More: ¥ 1,181 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.
23. Balance of Restructured Loans: ¥ 65,590 million.  
Restructured Loans represent loans on which contracts were amended in favor of borrowers (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 borrowers. Loans to Bankrupt Obligors, Non-accrual Delinquent Loans and Loans Past Due for 3 Months or More are not included.
24. Total balance of Loans to Bankrupt Obligors, Non-accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥ 78,550 million. The amounts given in the Notes 21. through 24. are gross amounts before deduction of amounts for the Reserve for Possible Losses on Loans.
25. 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 certain bankers' acceptance, commercial bills, documentary bills and foreign exchange bills. The principal amount of these bills amounted to ¥3,210 million.
26. Breakdown of assets pledged as collateral.  
The following assets were pledged as collateral:
 

|                             |                   |
|-----------------------------|-------------------|
| Securities:                 | ¥ 947,334 million |
| Loans and Bills Discounted: | ¥ 417,130 million |

 The following liabilities were collateralized by the above assets:
 

|   |                   |
|---|-------------------|
| Deposits:   | ¥ 15,884 million  |
| Call Money:   | ¥ 120,000 million |
| Guarantee Deposit Received under Securities Lending Transactions: | ¥ 434,174 million |
| Borrowed Money:   | ¥ 50,600 million  |

In addition to the above, the settlement accounts of domestic exchange transactions or derivatives transactions and others were collateralized by Securities amounting to ¥ 147,216 million and the unutilized other liabilities were collateralized by Securities amounting to ¥ 0 million.

None of the assets has been pledged as collateral in connection with borrowed money by subsidiaries or affiliates.

Other Assets includes margin for futures transactions of ¥ 2,503 million and guarantee deposits of ¥ 7,476 million.

27. Borrowed Money includes subordinated borrowed money of ¥ 30,000 million.
28. Bonds and Notes solely consist of subordinated bonds.
29. Net asset per share: ¥32.68  
 “Guidance for Accounting Standards for Net Earning per Share” (ASBJ Guidance No.4, September 25, 2002) revised on January 31, 2006 took effect as of the interim period that ended upon or after the enforcement of the Company Law. Accordingly, MHTB has applied the above guidance starting this period, and included “Deferred Hedge Gains/Losses, net of Taxes” for calculation of net assets per share. The effect of this application on Net Asset per share is immaterial.
30. The principal amounts indemnified for money trusts and loan trusts with contracts guaranteeing the principal indemnification were ¥ 995,139 million and ¥ 238,490 million, respectively.
31. Figures for fair value and unrealized gains (losses) on securities are as follows

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

*Investment in Subsidiaries and Affiliates which have readily determinable fair value:* Nil

*Other Securities which have readily determinable fair value:*

|  | Acquisition<br>Cost | Amount on<br>Consolidated BS | Net Unrealized<br>Gains (Losses) |
|--|---------------------|------------------------------|----------------------------------|
| Japanese Stocks                        | ¥ 193,399           | ¥ 394,742                    | ¥ 201,343                        |
| Japanese Bonds                         | 928,507             | 904,723                      | (23,783)                         |
| <i>Japanese Government Bonds</i>       | 835,964             | 812,858                      | (23,106)                         |
| <i>Japanese Local Government Bonds</i> | 12,765              | 12,677                       | (88)                             |
| <i>Japanese Corporate Bonds</i>        | 79,776              | 79,187                       | (588)                            |
| Other                                  | 313,853             | 310,481                      | (3,371)                          |
| Total                                  | ¥ 1,435,759         | ¥ 1,609,947                  | ¥ 174,187                        |

The following amounts are included in Net Unrealized Gains on Other Securities, net of Taxes:

|   |                   |
|---|-------------------|
| Net Unrealized Gains:   | ¥ 174,187 million |
| Amount corresponding to Deferred Tax Liabilities (-):                         | ¥ 70,720 million  |
| Amount included in Net Unrealized Gains<br>on Other Securities, net of Taxes: | ¥ 103,467 million |

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 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 ¥189 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 maintains a certain level or lower.

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

Millions of yen

| Details   | Amount on<br>Non-Consolidated BS |
|---|----------------------------------|
| <u>Investments in subsidiaries and affiliates</u> |                                  |
| Investment in subsidiaries                        | ¥ 12,350                         |
| Investment in affiliates                          | 750                              |
| <u>Other Securities</u>                           |                                  |
| Unlisted Stocks                                   | 17,845                           |
| Unlisted Japanese Bonds                           | 56,348                           |
| Beneficial Certificate of Loan Trust              | 5,000                            |
| Unlisted Foreign Securities                       | ¥ 58,213                         |

33. 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 ¥985,285 million. Of this amount, ¥ 797,245 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 condition, based on and in accordance with established procedures, and take measures to control credit risks such as amendments to contracts, if needed.

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

|   |                           |
|---|---------------------------|
| <b>Deferred Tax Assets</b>                        |                           |
| <i>Reserves for Possible Losses on Loans</i>      | ¥ 9,049 Million           |
| <i>Devaluation of securities</i>                  | ¥ 63,670 Million          |
| <i>Reserve for Employee Retirement Benefits</i>   | ¥ 7,947 Million           |
| <i>Tax Loss Carried Forward</i>                   | ¥ 174,928 Million         |
| <i>Net Deferred Hedge Losses</i>                  | ¥ 9 Million               |
| <i>Other</i>                                      | ¥ 18,594 Million          |
| <b>Sub Total of Deferred Tax Assets</b>           | <b>¥ 274,200 Million</b>  |
| <i>Valuation Allowance</i>                        | ¥ (205,412) Million       |
| <b>Total of Deferred Tax Assets</b>               | <b>¥ 68,788 Million</b>   |
| <b>Deferred Tax Liabilities</b>                   |                           |
| <i>Net Unrealized Gains on Other Securities</i>   | ¥ (70,720) Million        |
| <i>Gains from Retirement Benefits Trust</i>       | ¥ (6,255) Million         |
| <b>Total of Deferred Tax Liabilities</b>          | <b>¥ (76,976) Million</b> |
| <b>Net of Deferred Tax Assets and Liabilities</b> | <b>¥ (8,187) Million</b>  |

35. The appendix forms of "Banking Law Enforcement Regulations" (Ministry of Finance Ordinance No. 10, 1982) have been revised by the "Cabinet Office Ordinance to Amend Part of Detailed Enforcement Regulations on Mutual Loan Business Law and Banking Law" (Cabinet Office Ordinance No. 60, April 28, 2006), following the application of "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5, December 9, 2005) and "Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8, December 9, 2005) effective from the interim period ending on or after the enforcement date of the Company Law. In accordance with the application of the revised "Banking Law Enforcement Regulations" commencing with the fiscal year beginning on or after April 1, 2006, presentation of account items has been changed as follows:

- (1) Former "Shareholders' Equity" is presented as "Net Assets" and classified into "Shareholders' Equity," "Valuation and Translation Adjustments" and "Minority Interests." The amount corresponding to former "Shareholders' Equity" as of the end of this period was ¥424,501 million.
- (2) "Unappropriated Retained Earnings at the end of Year" formerly listed in "Retained Earnings" is presented as "Earned Surplus Brought Forward" of "Other Retained Earnings" in "Retained Earnings".
- (3) The net realized and unrealized gains (losses) from hedging instruments formerly included in Other Assets as deferred hedge losses are presented as "Deferred Hedge Losses, net of Taxes" included in Valuation and Translation Adjustments, net of applicable income taxes.
- (4) Former "Premises and Equipment" is classified into "Tangible Fixed Assets," "Intangible Fixed

Assets” and “Other Assets.”

- (5) Software and other items formerly included in “Other Assets” is included in “Intangible Fixed Assets.”
36. “ Accounting Standards for Treasury Shares and Appropriation of Legal Reserve” (ASBJ Statement No. 1, February 21, 2002) and “Guidance on Accounting Standards for Treasury Shares and Appropriation of Legal Reserve” (ASBJ Guidance No. 2, February 21, 2002) were partially revised as of December 27, 2005 and August 11, 2006. Given that the revisions apply to procedures stipulated by the Company Law, MHTB has applied the above standards and guidance commencing with this period. The effect of this application on the balance sheet is immaterial.

**NON-CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006**

|   |  |  |              | <i>Millions of yen</i>                         |
|---|--|--|--------------|--|
|   | For the six<br>months ended<br>September 30,<br>2006 | For the six<br>months ended<br>September 30,<br>2005 | Change       | For the fiscal<br>year ended<br>March 31, 2006 |
| <b>Ordinary Income</b>                        | ¥ <b>112,302</b>                                     | ¥ 97,810   | ¥ 14,491     | ¥ 223,289                                      |
| Trust Fees                                    | <b>32,880</b>  | 33,680   | (799)        | 77,948   |
| Interest Income                               | <b>37,972</b>  | 34,470   | 3,501        | 72,507   |
| <i>Interest on Loans and Bills Discounted</i> | <i>26,881</i>  | <i>26,134</i>  | <i>747</i>   | <i>52,237</i>                                  |
| <i>Interest and Dividends on Securities</i>   | <i>9,761</i>   | <i>7,727</i>   | <i>2,033</i> | <i>18,782</i>                                  |
| Fee and Commission Income                     | <b>28,541</b>  | 24,561   | 3,979        | 59,740   |
| Trading Income                                | <b>533</b>   | 664  | (130)        | 1,005  |
| Other Operating Income                        | <b>3,788</b>   | 2,735  | 1,052        | 3,159  |
| Other Ordinary Income                         | <b>8,586</b>   | 1,698  | 6,888        | 8,927  |
| <b>Ordinary Expenses</b>                      | <b>72,774</b>  | 70,520   | 2,253        | 156,095  |
| Interest Expenses                             | <b>12,733</b>  | 13,866   | (1,132)      | 27,883   |
| <i>Interest on Deposits</i>                   | <i>4,053</i>   | <i>2,991</i>   | <i>1,062</i> | <i>5,735</i>                                   |
| Fee and Commission Expenses                   | <b>7,669</b>   | 8,702  | (1,032)      | 17,219   |
| Trading Expenses                              | <b>7</b>   | 0  | 7            | 3  |
| Other Operating Expenses                      | <b>258</b>   | 43   | 215          | 5,425  |
| General and Administrative Expenses           | <b>46,221</b>  | 40,476   | 5,745        | 83,968   |
| Other Ordinary Expenses                       | <b>5,883</b>   | 7,431  | (1,548)      | 21,594   |
| <b>Ordinary Profits</b>                       | <b>39,527</b>  | 27,290   | 12,237       | 67,193   |
| <b>Extraordinary Gains</b>                    | <b>511</b>   | 1,339  | (828)        | 7,612  |
| <b>Extraordinary Losses</b>                   | <b>147</b>   | 2,301  | (2,153)      | 22,518   |
| <b>Income before Income Taxes</b>             | <b>39,891</b>  | 26,328   | 13,562       | 52,288   |
| Income Taxes:                                 |  |  |              |  |
| Current                                       | <b>22</b>  | 14   | 7            | 39   |
| Deferred                                      | <b>15,808</b>  | 10,669   | 5,138        | 21,222   |
| <b>Net Income</b>                             | ¥ <b>24,060</b>                                      | ¥ 15,643   | ¥ 8,416      | ¥ 31,027                                       |

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

## 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: ¥4.78
3. Diluted Net Income per Share of Common Stock: ¥2.74
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 represent the interest received/paid during the fiscal year plus (1) the gains or losses resulting from any change in the value of securities and monetary claims in the fiscal year, and (2) the gains or losses resulting from any change in the value of derivative financial instruments in the interim fiscal term, assuming that they were settled at the term end.
5. Other Income includes Gains on Sales of Stocks and Other Securities of ¥ 7,735 million.
6. Other Expenses includes Write-off of Loans of ¥ 3,000 Million, Provision for Reserve for Possible Losses on Loans of ¥ 1,692 Million and Devaluation of Stocks of ¥ 397 million.

# NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

## 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 Reserve | Other Capital Surplus | Total Capital Surplus | Earned Surplus Reserve | Other Retained Earnings           | Total Retained Earnings |                |                                       |  |   |   |                  |
|  |                                  |                 |                       |                       |                        | Retained Earnings 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          |

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



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

1. Amounts less than one million yen are rounded down.
2. Appropriation of Retained Earnings approved at the ordinary general meeting of shareholders in June 2006.
3. Types and number of outstanding shares and of treasury stock are as follows:

|   | As of March<br>31, 2006 | Increase<br>during the<br>period | Decrease<br>during the<br>period | <i>Thousand of Shares</i><br>As of<br>September 30,<br>2006 | Remarks |
|---|-------------------------|----------------------------------|----------------------------------|---|---------|
| Treasury stock                          |                         |                                  |                                  |   |         |
| Common stock                            | 607                     | 43                               | 8                                | 641   | *1      |
| First Series Class I<br>Preferred Stock | —                       | 19,434                           | 19,434                           | —   | *2      |
| Total                                   | 607                     | 19,477                           | 19,443                           | 641   |         |

\*1. Increases are due to repurchase of fractional shares (43 thousand shares), decreases are due to additional purchase of fractional shares (8 thousand shares).

\*2. Increases and decreases are due to repurchase and cancellation of treasury stock (First Series Class I Preferred Stock, 19,434 thousand shares).

4. “Accounting Standards for Statement of Changes in Net Assets” (ASBJ Statement No. 6, December 27, 2005) and “Guidance on Accounting Standards for Statement of Changes in Net Assets” (ASBJ Guidance No. 9, December 27, 2005) took effect as of the interim period ending on or after the enforcement date of the Company Law. Thus, the standards and guidance were adopted commencing with this period, with the “Consolidated Statement of Changes in Net Assets” newly prepared instead of the former “Consolidated Statement of Capital Surplus and Retained Earnings.”

## **BASIS FOR PRESENTATION (NON-CONSOLIDATED)**

Please refer to Notes to Balance Sheet and Statement of Income, respectively.

# STATEMENT OF TRUST ASSETS AND LIABILITIES AS OF SEPTEMBER 30, 2006

(Millions of yen)

| Assets                              | Amount              | Liabilities                             | Amount              |
|-------------------------------------|---------------------|---|---------------------|
| Loans and Bills Discounted          | ¥ 966,428           | Money Trusts                            | ¥ 20,122,902        |
| Securities                          | 9,647,000           | Pension Trusts                          | 4,555,451           |
| Beneficiary Rights to the Trust     | 30,424,881          | Property Formation Benefit Trusts       | 6,411               |
| Securities Held in Custody Accounts | 805,727             | Loan Trusts                             | 239,985             |
| Money Claims                        | 6,012,270           | Investment Trusts                       | 7,091,727           |
| Premises and Equipment              | 4,734,912           | Money Entrusted Other than Money Trusts | 1,831,426           |
| Surface Rights                      | 12,116              | Securities Trust                        | 5,682,623           |
| Lease Rights on Lands               | 89,070              | Money Claim Trust                       | 5,947,547           |
| Other Claims                        | 132,685             | Equipment Trust                         | 1,320               |
| Call Loans                          | 24,632              | Land and Fixtures Trust                 | 463,288             |
| Due from Banking Account            | 1,003,866           | Composite Trusts                        | 8,362,537           |
| Cash and Due from Banks             | 454,612             | Other Trusts                            | 2,981               |
| <b>Total</b>                        | <b>¥ 54,308,204</b> | <b>Total</b>                            | <b>¥ 54,308,204</b> |

## Notes to Statement of Trust Assets and Liabilities

- Amounts less than one million yen are rounded down.
- Beneficiary Rights to the Trust include Trusts entrusted for asset maintenance of ¥ 29,455,541 million.
- Joint trust assets under the management of other companies ¥ 3,253,354 million.  
Of the joint trust assets under the management of other companies mentioned above, the balance does not include the trust assets which were entrusted under the Service-Shared Co-Trusteeship.
- Loans and bills discounted among Money Trusts with guarantees for the repayment of trust principal amounted to ¥ 65,894 million. Of this amount,
  - (1) Balance of Non-Accrual Delinquent Loans: ¥ 6,819 million.
  - (2) Balance of Loans Past Due for 3 Months or More: ¥ 123 million.
  - (3) Balance of Restructured Loans: ¥ 35 million.
  - (4) Total balance of Non-Accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥ 6,978 million.

(Reference) Breakdowns of Accounts of Money Trusts and Loan Trusts with with guarantees for the repayment of trust principal (including Trusts entrusted for asset management) are as follows.

## Money Trusts (Millions of yen)

| Assets                     | Amount           | Liabilities  | Amount           |
|----------------------------|------------------|--------------|------------------|
| Loans and Bills Discounted | ¥ 65,894         | Principal    | ¥ 995,139        |
| Securities                 | 61,185           | Principal    | 203              |
| Others                     | 868,642          | Others       | 379              |
| <b>Total</b>               | <b>¥ 995,722</b> | <b>Total</b> | <b>¥ 995,722</b> |

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

## Loan Trusts (Millions of yen)

| Assets                     | Amount           | Liabilities  | Amount           |
|----------------------------|------------------|--------------|------------------|
| Loans and Bills Discounted | —                | Principal    | ¥ 238,490        |
| Securities                 | —                | Principal    | 1,604            |
| Others                     | ¥ 240,650        | Others       | 555              |
| <b>Total</b>               | <b>¥ 240,650</b> | <b>Total</b> | <b>¥ 240,650</b> |

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

## COMPARISON OF BALANCES OF PRINCIPAL ITEMS

(Millions of yen)

| Items                             | September 30,<br>2006<br>(A) | March 31,<br>2006<br>(B) | Change<br>(A)-(B) | September 30,<br>2005<br>(C) | Change<br>(A)-(C) |
|-----------------------------------|------------------------------|--------------------------|-------------------|------------------------------|-------------------|
| Total Amount of Funds             | 28,205,971                   | 25,819,054               | 2,386,916         | 24,406,874                   | 3,799,097         |
| Deposits                          | 2,779,120                    | 2,492,641                | 286,479           | 2,415,424                    | 363,695           |
| Negotiable Certificate of Deposit | 502,100                      | 582,840                  | (80,740)          | 566,930                      | (64,830)          |
| Money Trust                       | 20,122,902                   | 18,429,450               | 1,693,451         | 16,470,355                   | 3,652,546         |
| Pension Trusts                    | 4,555,451                    | 3,964,776                | 590,675           | 4,418,275                    | 137,176           |
| Property Formation Benefit Trusts | 6,411                        | 6,298                    | 113               | 6,779                        | (368)             |
| Loan Trusts                       | 239,985                      | 343,048                  | (103,062)         | 529,108                      | (289,123)         |
| Loans and Bills Discounted        | 4,612,589                    | 4,535,528                | 77,060            | 4,205,320                    | 407,269           |
| <i>of Banking Account</i>         | 3,646,161                    | 3,532,645                | 113,516           | 3,263,683                    | 382,477           |
| <i>of Trust Accounts</i>          | 966,428                      | 1,002,883                | (36,455)          | 941,636                      | 24,791            |
| Securities for Investments        | 11,415,918                   | 9,843,882                | 1,572,035         | 9,281,089                    | 2,134,828         |
| <i>of Banking Account</i>         | 1,768,918                    | 1,715,086                | 53,832            | 1,945,197                    | (176,279)         |
| <i>of Trust Accounts</i>          | 9,647,000                    | 8,128,796                | 1,518,203         | 7,335,892                    | 2,311,108         |

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

# **SELECTED FINANCIAL INFORMATION**

For the First Half of Fiscal 2006



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

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**Notes:**

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

"NON (B)": Non-consolidated figures of MHTB

"NON (B) <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.

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| 3. Net Gains / Losses on Securities  | NON   | <MHTB and MHAC> | 3            |
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## I. FINANCIAL DATA FOR THE FIRST HALF OF FISCAL 2006

## 1. Income Analysis

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

(Millions of yen)

|   |   | First Half of Fiscal 2006 |         | First Half of Fiscal 2005 |
|---|---|---------------------------|---------|---------------------------|
|   |   |                           | Change  |                           |
| 1   | Gross Profits   | 83,046                    | 8,442   | 74,603                    |
| 2   | Gross Profits without Credit Costs for Trust Accounts   | 83,046                    | 7,838   | 75,207                    |
| 3   | Net Interest Income   | 25,238                    | 3,531   | 21,706                    |
| 4   | Net Trust Fees  | 32,880                    | (799)   | 33,680                    |
| 5   | Trust Fees without Credit Costs for Trust Accounts  | 32,880                    | (1,403) | 34,283                    |
| 6   | Trust Fees for Loan Trust and Jointly Operated Designated Money Trust                         | 4,445                     | (2,167) | 6,612                     |
| 7   | Credit Costs for Trust Accounts (minus) A   | -                         | (603)   | 603                       |
| 8   | Losses on Write-offs of Loans   | -                         | (592)   | 592                       |
| 9   | Others  | -                         | (11)    | 11                        |
| 10  | Net Fees and Commission Income  | 20,871                    | 5,010   | 15,860                    |
| 11  | Net Trading Income  | 525                       | (137)   | 663                       |
| 12  | Net Other Operating Income  | 3,530                     | 837     | 2,692                     |
| 13  | General and Administrative Expenses (Excluding Non-Recurring Losses ) (minus)                 | 44,052                    | 6,566   | 37,485                    |
| 14  | Personnel Expenses  | 15,029                    | 355     | 14,673                    |
| 15  | Non-Personnel Expenses  | 27,510                    | 6,040   | 21,469                    |
| 16  | Miscellaneous Taxes   | 1,512                     | 170     | 1,342                     |
| 17  | Provision for General Reserve for Possible Losses on Loans (minus) B                          | 3,603                     | (2,565) | 6,168                     |
| 18  | Net Business Profits  | 35,390                    | 4,441   | 30,949                    |
| 19  | Net Gains related to Bonds  | 3,740                     | 1,224   | 2,515                     |
| 20  | Net Business Profits (Before Provision for General Reserve for Possible Losses on Loans) (*1) | 38,994                    | 1,271   | 37,722                    |
| 21  | Excluding Net Gains Related to Bonds  | 35,253                    | 47      | 35,206                    |
| 22  | Net Non-recurring Gains (Losses)  | 4,137                     | 5,314   | (1,177)                   |
| 23  | Net Gains related to Stocks and Other Securities  | 7,327                     | 5,273   | 2,054                     |
| 24  | Expenses related to Portfolio Problems for Banking Account (minus) C                          | 1,218                     | 1,009   | 209                       |
| 25  | Other   | (1,972)                   | 1,049   | (3,022)                   |
| 26  | Ordinary Profits  | 39,527                    | 9,755   | 29,772                    |
| 27  | Net Extraordinary Gains (Losses)  | 363                       | (6,431) | 6,794                     |
| 28  | Net Gains (Losses) on Disposition of Fixed Assets   | (147)                     | (702)   | 554                       |
| 29  | Loss on Impairment of Fixed Assets  | -                         | 1,713   | (1,713)                   |
| 30  | Profits for Recovery of Loans Written-offs  | 511                       | (3,407) | 3,919                     |
| 31  | Reversal of Reserves for Possible Losses on Loans D   | -                         | (4,034) | 4,034                     |
| 32  | Income before Income Taxes  | 39,891                    | 3,324   | 36,567                    |
| 33  | Income Taxes - Current (minus)  | 22                        | 5       | 16                        |
| 34  | Income Taxes - Deferred (minus)   | 15,808                    | 5,138   | 10,669                    |
| 35  | Net Income  | 24,060                    | (1,819) | 25,880                    |
| 36  | Credit-related Costs A+B+C-D  | 4,821                     | 1,873   | 2,947                     |
| 37  | Ordinary Income   | 112,302                   | 11,636  | 100,665                   |
| (Reference) Breakdown of Credit-related Costs |   |                           |         |                           |
| 38  | Credit Costs for Trust Accounts   | -                         | (603)   | 603                       |
| 39  | Provision for (Reversal of) General Reserve for Possible Losses on Loans                      | 3,603                     | 1,949   | 1,653                     |
| 40  | Losses on Write-offs of Loans   | 2,999                     | 2,072   | 926                       |
| 41  | Provision for (Reversal of) Specific Reserve for Possible Losses on Loans                     | (1,808)                   | (1,418) | (390)                     |
| 42  | Other Losses on Sales of Loans  | -                         | (173)   | 173                       |
| 43  | Provision for (Reversal of) Reserve for Possible Losses on Loans to Restructuring Countries   | (101)                     | (82)    | (19)                      |
| 44  | Reserve for Contingencies in Trust Transactions   | 129                       | 129     | -                         |
| 45  | Total   | 4,821                     | 1,873   | 2,947                     |

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

[ Consolidated ]

(Millions of yen)

|  |  | First Half of Fiscal<br>2006 | Change  | First Half of Fiscal<br>2005 |
|--|--|------------------------------|---------|------------------------------|
| 1  | Consolidated Gross Profits   | 93,187                       | 7,281   | 85,905                       |
| 2  | Net Interest Income  | 25,434                       | 3,484   | 21,950                       |
| 3  | Net Trust Fees   | 32,880                       | (799)   | 33,680                       |
| 4  | <i>Credit Costs for Trust Accounts</i> (minus) A                     | -                            | (603)   | 603                          |
| 5  | Net Fees and Commission Income                                       | 30,711                       | 3,752   | 26,959                       |
| 6  | Net Trading Income   | 525                          | (137)   | 663                          |
| 7  | Net Other Operating Income   | 3,634                        | 982     | 2,652                        |
| 8  | General and Administrative Expenses (minus)                          | 53,071                       | 4,586   | 48,485                       |
| 9  | Expenses related to Portfolio Problems for Banking Account (minus) B | 5,309                        | 2,920   | 2,388                        |
| 10   | Net Gains related to Stocks and Other Securities                     | 7,757                        | 5,702   | 2,054                        |
| 11   | Equity in Income from Investment in Affiliates                       | 10                           | 109     | (98)                         |
| 12   | Other  | (2,246)                      | (103)   | (2,142)                      |
| 13   | Net Ordinary Profits   | 40,327                       | 5,483   | 34,844                       |
| 14   | Net Extraordinary Gains (Losses)                                     | 362                          | (2,395) | 2,757                        |
| 15   | Income before Income Taxes and Minority Interests                    | 40,689                       | 3,087   | 37,602                       |
| 16   | Income Taxes - Current (minus)                                       | 867                          | 60      | 807                          |
| 17   | Income Taxes - Deferred (minus)                                      | 15,831                       | 5,353   | 10,477                       |
| 18   | Minority Interests in Net Income (minus)                             | 93                           | (59)    | 153                          |
| 19   | Net Income   | 23,896                       | (2,267) | 26,163                       |
| * Consolidated Gross Profits = (Interest Income - Interest Expenses) + Net Trust Fees + (Fee and Commission Income - Fee and Commission Expenses)<br>+ (Trading Income - Trading Expenses) + (Other Operating Income - Other Operating Expenses) |  |                              |         |                              |
| 20   | Credit-related Costs A + B   | 5,309                        | 2,316   | 2,992                        |
| 21   | Consolidated Ordinary Income   | 127,953                      | 11,963  | 115,989                      |



## 2. Interest Margin

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

3 Domestic Accounts \*

( % )

|   |                                       | First Half of Fiscal<br>2006 | Change | First Half of Fiscal<br>2005 |
|---|---------------------------------------|------------------------------|--------|------------------------------|
|   |                                       |                              |        |                              |
| 1 | Return on Interest-Earning Assets (A) | 1.27                         | 0.02   | 1.25                         |
| 2 | Return on Loans and Bills Discounted  | 1.51                         | (0.11) | 1.63                         |
| 3 | Return on Securities                  | 1.09                         | 0.42   | 0.67                         |
| 4 | Cost of Funding (B)                   | 0.28                         | 0.01   | 0.27                         |
| 5 | Cost of Deposits and Others           | 0.24                         | 0.07   | 0.16                         |
| 6 | Net Interest Margin (A) - (B)         | 0.99                         | 0.01   | 0.98                         |

\* "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<br>2006 | Change | First Half of Fiscal<br>2005 |
|----|---------------------------------------|------------------------------|--------|------------------------------|
|    |                                       |                              |        |                              |
| 7  | Return on Interest-Earning Assets (A) | 1.27                         | 0.04   | 1.23                         |
| 8  | Return on Loans and Bills Discounted  | 1.51                         | (0.09) | 1.61                         |
| 9  | Return on Securities                  | 0.99                         | 0.33   | 0.65                         |
| 10 | Cost of Funding (B)                   | 0.35                         | (0.01) | 0.37                         |
| 11 | Cost of Deposits and Others           | 0.28                         | 0.08   | 0.20                         |
| 12 | Net Interest Margin (A) - (B)         | 0.92                         | 0.06   | 0.85                         |

## 3. Net Gains / Losses on Securities

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

(Millions of yen)

|    |   | First Half of Fiscal<br>2006 | Change | First Half of Fiscal<br>2005 |
|----|---|------------------------------|--------|------------------------------|
|    |   |                              |        |                              |
| 13 | Net Gains (Losses) Related to Bonds                                     | 3,740                        | 1,224  | 2,515                        |
| 14 | Gains on Sales and Others   | 3,772                        | 1,825  | 1,947                        |
| 15 | Losses on Sales and Others  | (34)                         | (1)    | (33)                         |
| 16 | Devaluation   | (0)                          | 9      | (9)                          |
| 17 | Provision for Reserve for Possible Losses on Investments                | -                            | -      | -                            |
| 18 | Gains (Losses) on Derivatives other than for Trading (related to bonds) | 2                            | (609)  | 611                          |

\* "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<br>2006 | Change | First Half of Fiscal<br>2005 |
|----|--|------------------------------|--------|------------------------------|
|    |  |                              |        |                              |
| 19 | Net Gains Related to Stocks and Others                                   | 7,327                        | 5,273  | 2,054                        |
| 20 | Gains on Sales   | 7,735                        | 5,195  | 2,540                        |
| 21 | Losses on Sales  | (10)                         | 1      | (11)                         |
| 22 | Devaluation  | (397)                        | 76     | (474)                        |
| 23 | Provision for Reserve for Possible Losses on Investments (Note)          | -                            | -      | -                            |
| 24 | Gains (Losses) on Derivatives other than for Trading (related to stocks) | -                            | -      | -                            |

## 4. Unrealized Gains / Losses on Securities

### (1) Valuation Basis of Securities

|                                       |   |
|---------------------------------------|---|
| Trading Securities                    | Mark-to-market basis (Valuation Gains / Losses on Trading Securities are recognized.) |
| Held to Maturity Bonds                | Amortized Cost Basis  |
| Stocks in Subsidiaries and Affiliates | Cost Basis  |
| Other Securities Available for Sale   | Mark-to-market basis (Valuation Gains/Losses) are booked directly in Net Assets.)     |

### (2) Unrealized Gains / Losses, etc. (Securities which have readily determinable fair value)

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

(Millions of yen)

|   |                           | As of September 30, 2006    |                           |         |        | As of March 31, 2006        |                           |         |        | As of September 30, 2005    |                           |         |        |
|---|---------------------------|-----------------------------|---------------------------|---------|--------|-----------------------------|---------------------------|---------|--------|-----------------------------|---------------------------|---------|--------|
|   |                           | Amount on B/S               |                           |         |        | Amount on B/S               |                           |         |        | Amount on B/S               |                           |         |        |
|   |                           | Book Value<br>(=Fair Value) | Unrealized Gains (Losses) |         |        | Book Value<br>(=Fair Value) | Unrealized Gains (Losses) |         |        | Book Value<br>(=Fair Value) | Unrealized Gains (Losses) |         |        |
|   |                           |                             |                           | Gains   | Losses |                             |                           | Gains   | Losses |                             |                           | Gains   | Losses |
| 1 | Other Securities          | 1,609,947                   | 174,187                   | 202,537 | 28,350 | 1,546,082                   | 179,416                   | 218,268 | 38,852 | 1,584,013                   | 125,158                   | 140,654 | 15,495 |
| 2 | Japanese Stocks           | 394,742                     | 201,343                   | 201,946 | 603    | 411,191                     | 216,684                   | 216,850 | 165    | 334,301                     | 138,698                   | 139,646 | 947    |
| 3 | Japanese Bonds            | 904,723                     | (23,783)                  | 99      | 23,883 | 998,184                     | (33,874)                  | 172     | 34,046 | 992,596                     | (8,324)                   | 371     | 8,695  |
| 4 | Japanese Government Bonds | 812,858                     | (23,106)                  | 18      | 23,125 | 900,282                     | (33,086)                  | 0       | 33,086 | 899,082                     | (8,408)                   | 0       | 8,409  |
| 5 | Other                     | 310,481                     | (3,371)                   | 491     | 3,863  | 136,707                     | (3,393)                   | 1,246   | 4,640  | 257,115                     | (5,215)                   | 636     | 5,851  |

\* In addition to "Securities" on the (interim) balance sheets, NCD in "Cash and Due from Banks", CP in "Other Debt Purchased" and others 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) on Other Securities, net of Taxes (recorded directly to Net Assets after tax, excluding the amount recognized in the statement of income by applying the fair-value hedge method, including translation differences regarding securities, which do not have readily determinable fair value) on "Other Securities" are as follows.

|                    |                 |                    |
|--------------------|-----------------|--------------------|
| September 30, 2006 | March 31, 2006  | September 30, 2005 |
| 103,468 million    | 106,573 million | 74,344 million     |

\* Balance of Securities 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, 2006    |                           |         |        | As of March 31, 2006        |                           |         |        | As of September 30, 2005    |                           |         |        |
|----|---------------------------|-----------------------------|---------------------------|---------|--------|-----------------------------|---------------------------|---------|--------|-----------------------------|---------------------------|---------|--------|
|    |                           | Amount on B/S               |                           |         |        | Amount on B/S               |                           |         |        | Amount on B/S               |                           |         |        |
|    |                           | Book Value<br>(=Fair Value) | Unrealized Gains (Losses) |         |        | Book Value<br>(=Fair Value) | Unrealized Gains (Losses) |         |        | Book Value<br>(=Fair Value) | Unrealized Gains (Losses) |         |        |
|    |                           |                             |                           | Gains   | Losses |                             |                           | Gains   | Losses |                             |                           | Gains   | Losses |
| 6  | Other Securities          | 1,638,782                   | 175,417                   | 203,768 | 28,350 | 1,573,887                   | 181,155                   | 220,008 | 38,852 | 1,612,929                   | 126,015                   | 141,510 | 15,495 |
| 7  | Japanese Stocks           | 396,074                     | 202,573                   | 203,176 | 603    | 413,092                     | 218,424                   | 218,589 | 165    | 335,319                     | 139,555                   | 140,503 | 947    |
| 8  | Japanese Bonds            | 904,723                     | (23,783)                  | 99      | 23,883 | 998,184                     | (33,874)                  | 172     | 34,046 | 992,596                     | (8,324)                   | 371     | 8,695  |
| 9  | Japanese Government Bonds | 812,858                     | (23,106)                  | 18      | 23,125 | 900,282                     | (33,086)                  | 0       | 33,086 | 899,082                     | (8,408)                   | 0       | 8,409  |
| 10 | Other                     | 337,983                     | (3,371)                   | 491     | 3,863  | 162,610                     | (3,393)                   | 1,246   | 4,640  | 285,013                     | (5,215)                   | 636     | 5,851  |

\* In addition to "Securities" on the (interim) consolidated balance sheets, NCD in "Cash and Due from Banks" and CP in "Other Debt Purchased" and others 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 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) on Other Securities, net of Taxes (recorded directly to Net Assets after tax, excluding the amount recognized in the statement of income by applying the fair-value hedge method, including translation differences regarding securities, which do not have readily determinable fair value) on "Other Securities" are as follows.

|                    |                 |                    |
|--------------------|-----------------|--------------------|
| September 30, 2006 | March 31, 2006  | September 30, 2005 |
| 103,936 million    | 107,235 million | 74,670 million     |

\* Balance of Securities held-to-maturity which have readily determinable fair value is nil.

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

[ Non-Consolidated ]

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

(Billions of yen)

|   |                                 | As of September 30, 2006 |             |                    |               |         | As of March 31, 2006 |             |                    |               |         | As of September 30, 2005 |             |                    |               |         |
|---|---------------------------------|--------------------------|-------------|--------------------|---------------|---------|----------------------|-------------|--------------------|---------------|---------|--------------------------|-------------|--------------------|---------------|---------|
|   |                                 | Within 1 year            | 1 - 5 years | 5 years - 10 years | Over 10 years |         | Within 1 year        | 1 - 5 years | 5 years - 10 years | Over 10 years |         | Within 1 year            | 1 - 5 years | 5 years - 10 years | Over 10 years |         |
| 1 | Other Securities                | 115.2                    | 515.5       | 375.1              | 286.0         | 1,292.0 | 240.1                | 383.3       | 303.0              | 309.6         | 1,236.2 | 465.3                    | 480.7       | 170.0              | 353.1         | 1,469.1 |
| 2 | Japanese Bonds Total            | 96.3                     | 283.2       | 295.3              | 286.0         | 961.0   | 227.6                | 297.7       | 216.6              | 309.6         | 1,051.7 | 273.6                    | 302.6       | 106.5              | 353.1         | 1,035.9 |
| 3 | Japanese Government Bonds       | 49.9                     | 202.4       | 274.3              | 286.0         | 812.8   | 199.9                | 198.3       | 192.3              | 309.6         | 900.2   | 259.9                    | 191.4       | 94.5               | 353.1         | 899.0   |
| 4 | Japanese Local Government Bonds | 0.5                      | 8.0         | 4.0                | -             | 12.6    | 0.4                  | 8.3         | 4.3                | -             | 13.0    | 0.1                      | 8.3         | 2.8                | -             | 11.3    |
| 5 | Japanese Corporate Bonds        | 45.8                     | 72.7        | 16.9               | -             | 135.5   | 27.2                 | 91.1        | 20.0               | -             | 138.4   | 13.4                     | 102.8       | 9.1                | -             | 125.4   |
| 6 | Other                           | 18.8                     | 232.2       | 79.8               | -             | 330.9   | 12.5                 | 85.5        | 86.3               | -             | 184.4   | 191.7                    | 178.0       | 63.5               | -             | 433.2   |

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

[ Non-Consolidated ]

Notional Amount of Interest Rate Swaps (qualifying for Hedge Accounting) by Remaining Cont: (Billions of yen)

(Billions of yen)

|    |                           | As of September 30, 2006 |             |              |       | As of March 31, 2006 |             |              |       | As of September 30, 2005 |             |              |       |
|----|---------------------------|--------------------------|-------------|--------------|-------|----------------------|-------------|--------------|-------|--------------------------|-------------|--------------|-------|
|    |                           | Within 1 year            | 1 - 5 years | Over 5 years |       | Within 1 year        | 1 - 5 years | Over 5 years |       | Within 1 year            | 1 - 5 years | Over 5 years |       |
| 7  | Receive Fixed / Pay Float | 50.0                     | 165.0       | 140.0        | 355.0 | 98.0                 | 50.0        | 60.0         | 208.0 | 108.0                    | 245.0       | 5.0          | 358.0 |
| 8  | Receive Float / Pay Fixed | 30.0                     | 165.0       | 50.0         | 245.0 | -                    | 250.0       | 65.0         | 315.0 | 1.2                      | 60.0        | 75.0         | 136.2 |
| 9  | Receive Float / Pay Float | -                        | -           | -            | -     | -                    | -           | -            | -     | -                        | -           | -            | -     |
| 10 | Receive Fixed / Pay Fixed | -                        | -           | -            | -     | -                    | -           | -            | -     | -                        | -           | -            | -     |
| 11 | Total                     | 80.0                     | 330.0       | 190.0        | 600.0 | 98.0                 | 300.0       | 125.0        | 523.0 | 109.2                    | 305.0       | 80.0         | 494.2 |

(Reference)

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

(Billions of yen)

|    | As of September 30, 2006 |                       |                                   | As of March 31, 2006 |                       |                                   | As of September 30, 2005 |                       |                                   |
|----|--------------------------|-----------------------|-----------------------------------|----------------------|-----------------------|-----------------------------------|--------------------------|-----------------------|-----------------------------------|
|    | 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 | 54.7                     | 54.7                  | (0.0)                             | 49.9                 | 54.3                  | (4.4)                             | 46.4                     | 50.9                  | (4.5)                             |

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

## 7. Employee Retirement Benefits

[ Non-Consolidated ]

### (1) Projected Benefit Obligation

(Millions of yen)

|   |  | As of<br>September 30,<br>2006 | Change   | As of<br>September 30,<br>2005 |
|---|--|--------------------------------|----------|--------------------------------|
|   |  |                                |          |                                |
| 1 | Projected Benefit Obligation (at the beginning of the fiscal year) (A)                         | 116,864                        | 659      | 116,205                        |
| 2 | Discount Rate%   | 2.5                            | -        | 2.5                            |
| 3 | Fair Value of Plan Assets (at the beginning of the fiscal year) (B)                            | 145,980                        | 25,982   | 119,998                        |
| 4 | Unrecognized Net Obligation (C)  | 10,148                         | (28,436) | 38,584                         |
| 5 | Unrecognized Actuarial Differences (at the beginning of the fiscal year)                       | 10,148                         | (28,436) | 38,584                         |
| 6 | Amount amortized (accumulated) during the period   | 1,722                          | (1,441)  | 3,164                          |
| 7 | Prepaid Pension Cost (at the beginning of the fiscal year) (D)                                 | 49,273                         | (1,660)  | 50,933                         |
| 8 | Reserve for Employee Retirement Benefits (at the beginning of the fiscal year) (A)-(B)-(C)+(D) | 10,007                         | 1,452    | 8,555                          |

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

(Millions of yen)

|    |   | First Half of<br>Fiscal 2006 | Change  | First Half of Fiscal<br>2005 |
|----|---|------------------------------|---------|------------------------------|
|    |   |                              |         |                              |
| 9  | Service Cost  | 1,027                        | 115     | 911                          |
| 10 | Interest Cost   | 1,460                        | 8       | 1,452                        |
| 11 | Expected Return on Plan Assets                                    | (2,700)                      | (540)   | (2,159)                      |
| 12 | Amortization (Accumulation) of Unrecognized Actuarial Differences | 1,722                        | (1,441) | 3,164                        |
| 13 | Others  | 120                          | 92      | 27                           |
| 14 | Total   | 1,631                        | (1,765) | 3,396                        |

[ Consolidated ]

(Millions of yen)

|    |  | As of<br>September 30,<br>2006 | Change   | As of<br>September 30,<br>2005 |
|----|--|--------------------------------|----------|--------------------------------|
|    |  |                                |          |                                |
| 15 | Projected Benefit Obligation (at the beginning of the fiscal year) (A)                         | 118,865                        | 305      | 118,559                        |
| 16 | Fair Value of Plan Assets (at the beginning of the fiscal year) (B)                            | 148,494                        | 26,598   | 121,895                        |
| 17 | Unrecognized Net Obligation (C)  | 9,956                          | (29,548) | 39,504                         |
| 18 | Unrecognized Actuarial Differences (at the beginning of the fiscal year)                       | 9,956                          | (29,548) | 39,504                         |
| 19 | Amount amortized (accumulated) during the period   | 1,745                          | (1,458)  | 3,203                          |
| 20 | Prepaid Pension Cost (at the beginning of the fiscal year) (D)                                 | 50,002                         | (1,763)  | 51,765                         |
| 21 | Reserve for Employee Retirement Benefits (at the beginning of the fiscal year) (A)-(B)-(C)+(D) | 10,417                         | 1,492    | 8,925                          |
| 22 | Expenses Related to Employee Retirement Benefits   | 1,898                          | (1,758)  | 3,657                          |

**8. Capital Adequacy Ratio (BIS Capital Ratio)**

[Consolidated]

(% , Billions of yen)

|    |   | As of September 30, 2006 |                               |                                      | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|---|--------------------------|-------------------------------|--------------------------------------|----------------------------|--------------------------------|
|    |   | (Preliminary)            | Change from<br>March 31, 2006 | Change from<br>September 30,<br>2005 |                            |                                |
| 1  | (1) Capital Adequacy Ratio (%)                            | 13.69                    | (0.73)                        | (0.14)                               | 14.42                      | 13.83                          |
| 2  | Tier Capital Ratio (%)                                    | 7.26                     | (0.30)                        | (0.41)                               | 7.56                       | 7.67                           |
| 3  | (2) Tier Capital  | 327.8                    | (9.2)                         | 0.2                                  | 337.1                      | 327.5                          |
| 4  | Common Stock and Preferred Stock                          | 247.2                    | -                             | -                                    | 247.2                      | 247.2                          |
| 5  | Capital Surplus   | 15.3                     | (0.0)                         | 3.1                                  | 15.3                       | 12.2                           |
| 6  | Retained Earnings   | 63.2                     | (9.0)                         | (3.8)                                | 72.3                       | 67.0                           |
| 7  | Minority Interests in Consolidated Subsidiaries           | 2.2                      | 0.0                           | 0.5                                  | 2.2                        | 1.7                            |
| 8  | Preferred Stock Issued by Overseas SPCs                   | -                        | -                             | -                                    | -                          | -                              |
| 9  | Unrealized Losses on Other Securities                     | -                        | -                             | -                                    | -                          | -                              |
| 10 | Treasury Stock (minus)                                    | 0.0                      | 0.0                           | 0.0                                  | 0.0                        | 0.0                            |
| 11 | Foreign Currency Translation Adjustments                  | (0.1)                    | (0.2)                         | 0.3                                  | 0.0                        | (0.5)                          |
| 12 | Business Right Equivalent (minus)                         | -                        | (0.0)                         | (0.0)                                | 0.0                        | 0.0                            |
| 13 | Goodwill Equivalent (minus)                               | -                        | -                             | -                                    | -                          | -                              |
| 14 | Intangible Fixed Assets due to Business Combination, etc. | -                        | -                             | -                                    | -                          | -                              |
| 15 | Consolidation Differences Equivalent (minus)              | -                        | -                             | -                                    | -                          | -                              |
| 16 | Deduction of Deferred Tax Assets (minus)                  | -                        | -                             | -                                    | -                          | -                              |
| 17 | (3) Tier Capital (included as Qualifying Capital)         | 291.7                    | (15.1)                        | 27.3                                 | 306.8                      | 264.3                          |
| 18 | 45% of Unrealized Gains on Securities                     | 78.9                     | (2.5)                         | 22.2                                 | 81.5                       | 56.7                           |
| 19 | 45% of Revaluation Reserve for Land, net of Taxes         | -                        | -                             | -                                    | -                          | -                              |
| 20 | General Reserve for Possible Losses on Loans              | 30.5                     | 3.7                           | 5.3                                  | 26.8                       | 25.2                           |
| 21 | Debt Capital  | 182.2                    | (16.3)                        | (0.2)                                | 198.5                      | 182.4                          |
| 22 | Perpetual Subordinated Debt and other Debt Capital        | 42.7                     | -                             | -                                    | 42.7                       | 42.7                           |
| 23 | Subordinated Debt and Redeemable Preferred Stock          | 139.5                    | (16.3)                        | (0.2)                                | 155.8                      | 139.7                          |
| 24 | (4) Deductions for Total Risk-based Capital               | 1.3                      | (0.1)                         | (0.3)                                | 1.4                        | 1.6                            |
| 25 | (5) Total Risk-based Capital (2) + (3) - (4)              | 618.2                    | (24.2)                        | 27.9                                 | 642.5                      | 590.3                          |
| 26 | (6) Risk-weighted Assets                                  | 4,514.2                  | 59.8                          | 246.7                                | 4,454.3                    | 4,267.4                        |
| 27 | On-balance Sheet Items                                    | 4,285.6                  | 62.0                          | 250.8                                | 4,223.6                    | 4,034.8                        |
| 28 | Off-balance Sheet Items                                   | 209.1                    | (11.5)                        | (0.6)                                | 220.7                      | 209.7                          |
| 29 | Market Risk Equivalent Assets                             | 19.4                     | 9.3                           | (3.4)                                | 10.0                       | 22.8                           |

[Non-Consolidated]

(% , Billions of yen)

|    |   | As of September 30, 2006 |                               |                                      | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|---|--------------------------|-------------------------------|--------------------------------------|----------------------------|--------------------------------|
|    |   | (Preliminary)            | Change from<br>March 31, 2006 | Change from<br>September 30,<br>2005 |                            |                                |
| 30 | (1) Capital Adequacy Ratio (%)                | 13.59                    | (0.70)                        | 0.07                                 | 14.29                      | 13.52                          |
| 31 | Tier Capital Ratio (%)                        | 7.15                     | (0.29)                        | (0.30)                               | 7.44                       | 7.45                           |
| 32 | (2) Tier Capital                              | 321.0                    | (8.9)                         | 1.3                                  | 329.9                      | 319.6                          |
| 33 | (3) Tier Capital (Amount included in Capital) | 289.8                    | (15.0)                        | 28.4                                 | 304.8                      | 261.3                          |
| 34 | 45% of Unrealized Gains on Securities         | 78.3                     | (2.3)                         | 22.7                                 | 80.7                       | 55.5                           |
| 35 | Debt Capital                                  | 182.2                    | (16.3)                        | (0.2)                                | 198.5                      | 182.4                          |
| 36 | (4) Deductions for Total Risk-based Capital   | 0.9                      | (0.1)                         | (0.0)                                | 1.0                        | 0.9                            |
| 37 | (5) Total Risk-based Capital (2) + (3) - (4)  | 609.9                    | (23.8)                        | 29.9                                 | 633.7                      | 580.0                          |
| 38 | (6) Risk-weighted Assets                      | 4,485.7                  | 52.1                          | 196.5                                | 4,433.6                    | 4,289.2                        |

## II. REVIEW OF CREDITS

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

The figures below are presented net of partial direct write-offs of Category IV loans

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 ] (including past figures for its former revitalization subsidiary )

#### Banking Account<sup>1</sup>

(Millions of yen ,%)

| Banking Accounts |                                     | As of September 30, 2006 |        |                            |        |                                |        | As of March 31, 2006 |        | As of September 30, 2005 |        |
|------------------|-------------------------------------|--------------------------|--------|----------------------------|--------|--------------------------------|--------|----------------------|--------|--------------------------|--------|
|                  |                                     |                          | %      | Change from March 31, 2006 |        | Change from September 30, 2005 |        |                      | %      |                          | %      |
|                  |                                     |                          |        |                            | %      |                                | %      |                      |        |                          |        |
| 1                | Loans to Bankrupt Obligor           | 2,639                    | 0.07   | 940                        | 0.02   | (380)                          | (0.01) | 1,698                | 0.04   | 3,019                    | 0.09   |
| 2                | Non-Accrual Delinquent Loans        | 9,139                    | 0.25   | (2,703)                    | (0.08) | (37,381)                       | (1.15) | 11,842               | 0.33   | 46,520                   | 1.40   |
| 3                | Loans Past Due for 3 Months or More | 1,181                    | 0.03   | 850                        | 0.02   | 623                            | 0.01   | 330                  | 0.00   | 558                      | 0.01   |
| 4                | Restructured Loans                  | 65,590                   | 1.79   | (2,006)                    | (0.11) | 34,666                         | 0.86   | 67,597               | 1.91   | 30,923                   | 0.93   |
| 5                | Total                               | 78,550                   | 2.15   | (2,918)                    | (0.15) | (2,471)                        | (0.28) | 81,468               | 2.30   | 81,021                   | 2.43   |
| 6                | Total Loans                         | 3,646,161                | 100.00 | 113,516                    | -      | 324,823                        | -      | 3,532,645            | 100.00 | 3,321,338                | 100.00 |
| 7                | Amount of Partial Direct Write-offs | 45,687                   |        | (1,832)                    |        | (5,026)                        |        | 47,519               |        | 50,713                   |        |

#### Trust Accounts

(Millions of yen ,%)

|    |                                     | As of September 30, 2006 |        |                               |       |                                      |        | As of<br>March 31,2006 |        | As of<br>September 30, 2005 |        |
|----|-------------------------------------|--------------------------|--------|-------------------------------|-------|--------------------------------------|--------|------------------------|--------|-----------------------------|--------|
|    |                                     |                          |        | Change from<br>March 31, 2006 |       | Change from<br>September 30,<br>2005 |        |                        |        |                             |        |
|    |                                     |                          | %      |                               | %     |                                      | %      |                        | %      |                             | %      |
| 8  | Loans to Bankrupt Obligor           | -                        | -      | -                             | -     | (2)                                  | (0.00) | -                      | -      | 2                           | 0.00   |
| 9  | Non-Accrual Delinquent Loans        | 6,819                    | 10.34  | 6,819                         | 10.34 | 6,815                                | 10.34  | -                      | -      | 4                           | 0.00   |
| 10 | Loans Past Due for 3 Months or More | 123                      | 0.18   | 123                           | 0.18  | 123                                  | 0.18   | -                      | -      | -                           | -      |
| 11 | Restructured Loans                  | 35                       | 0.05   | (3)                           | 0.01  | (3,817)                              | (3.51) | 39                     | 0.03   | 3,853                       | 3.57   |
| 12 | Total                               | 6,978                    | 10.59  | 6,939                         | 10.55 | 3,118                                | 7.01   | 39                     | 0.03   | 3,860                       | 3.57   |
|    |                                     |                          |        |                               |       |                                      |        |                        |        |                             |        |
| 13 | Total Loans                         | 65,894                   | 100.00 | (32,489)                      | -     | (41,946)                             | -      | 98,383                 | 100.00 | 107,841                     | 100.00 |

#### Banking Account + Trust Accounts

(Millions of yen ,%)

|    |                                     | As of September 30, 2006 |        |                               |        |                                      |        | As of<br>March 31,2006 |        | As of<br>September 30, 2005 |        |
|----|-------------------------------------|--------------------------|--------|-------------------------------|--------|--------------------------------------|--------|------------------------|--------|-----------------------------|--------|
|    |                                     |                          |        | Change from<br>March 31, 2006 |        | Change from<br>September 30,<br>2005 |        |                        |        |                             |        |
|    |                                     |                          | %      |                               | %      |                                      | %      |                        | %      |                             | %      |
| 14 | Loans to Bankrupt Obligor           | 2,639                    | 0.07   | 940                           | 0.02   | (382)                                | (0.01) | 1,698                  | 0.04   | 3,022                       | 0.08   |
| 15 | Non-Accrual Delinquent Loans        | 15,958                   | 0.42   | 4,115                         | 0.10   | (30,565)                             | (0.92) | 11,842                 | 0.32   | 46,524                      | 1.35   |
| 16 | Loans Past Due for 3 Months or More | 1,305                    | 0.03   | 974                           | 0.02   | 746                                  | 0.01   | 330                    | 0.00   | 558                         | 0.01   |
| 17 | Restructured Loans                  | 65,625                   | 1.76   | (2,010)                       | (0.09) | 30,849                               | 0.75   | 67,636                 | 1.86   | 34,776                      | 1.01   |
| 18 | Total                               | 85,528                   | 2.30   | 4,020                         | 0.05   | 647                                  | (0.17) | 81,508                 | 2.24   | 84,881                      | 2.47   |
| 19 | Total Loans                         | 3,712,056                | 100.00 | 81,026                        | -      | 282,876                              | -      | 3,631,029              | 100.00 | 3,429,179                   | 100.00 |

<sup>1</sup>Trust accounts denotes trust accounts with guarantees for the repayment of trust principal.

## 【 Consolidated 】

## Banking Account

(Millions of yen ,%)

|   |                                     | As of September 30, 2006 |        |                               |        |                                      |        | As of<br>March 31,2006 |        | As of<br>September 30, 2005 |        |
|---|-------------------------------------|--------------------------|--------|-------------------------------|--------|--------------------------------------|--------|------------------------|--------|-----------------------------|--------|
|   |                                     |                          |        | Change from<br>March 31, 2006 |        | Change from<br>September 30,<br>2005 |        |                        |        |                             |        |
|   |                                     |                          | %      |                               | %      |                                      | %      |                        | %      |                             | %      |
| 1 | Loans to Bankrupt Obligors          | 2,787                    | 0.07   | 982                           | 0.02   | (450)                                | (0.02) | 1,805                  | 0.05   | 3,238                       | 0.09   |
| 2 | Non-Accrual Delinquent Loans        | 10,023                   | 0.27   | (2,659)                       | (0.08) | (37,473)                             | (1.17) | 12,683                 | 0.35   | 47,497                      | 1.44   |
| 3 | Loans Past Due for 3 Months or More | 1,181                    | 0.03   | 850                           | 0.02   | 623                                  | 0.01   | 330                    | 0.00   | 558                         | 0.01   |
| 4 | Restructured Loans                  | 65,590                   | 1.80   | (2,006)                       | (0.11) | 34,666                               | 0.85   | 67,597                 | 1.91   | 30,923                      | 0.94   |
| 5 | Total                               | 79,583                   | 2.18   | (2,833)                       | (0.14) | (2,633)                              | (0.32) | 82,417                 | 2.33   | 82,217                      | 2.50   |
|   |                                     |                          |        |                               |        |                                      |        |                        |        |                             |        |
| 6 | Total Loans                         | 3,639,911                | 100.00 | 108,596                       | -      | 362,031                              | -      | 3,531,314              | 100.00 | 3,277,879                   | 100.00 |
|   |                                     |                          |        |                               |        |                                      |        |                        |        |                             |        |
| 7 | Amount of Partial Direct Write-offs | 48,105                   |        | (1,665)                       |        | (5,244)                              |        | 49,770                 |        | 53,349                      |        |

## Banking Account + Trust Accounts

(Millions of yen ,%)

|    |                                     | As of September 30, 2006 |        |                               |        |                                      |        | As of<br>March 31,2006 |        | As of<br>September 30, 2005 |        |
|----|-------------------------------------|--------------------------|--------|-------------------------------|--------|--------------------------------------|--------|------------------------|--------|-----------------------------|--------|
|    |                                     |                          |        | Change from<br>March 31, 2006 |        | Change from<br>September 30,<br>2005 |        |                        |        |                             |        |
|    |                                     |                          | %      |                               | %      |                                      | %      |                        | %      |                             | %      |
| 8  | Loans to Bankrupt Obligors          | 2,787                    | 0.07   | 982                           | 0.02   | (453)                                | (0.02) | 1,805                  | 0.04   | 3,240                       | 0.09   |
| 9  | Non-Accrual Delinquent Loans        | 16,843                   | 0.45   | 4,159                         | 0.10   | (30,658)                             | (0.94) | 12,683                 | 0.34   | 47,501                      | 1.40   |
| 10 | Loans Past Due for 3 Months or More | 1,305                    | 0.03   | 974                           | 0.02   | 746                                  | 0.01   | 330                    | 0.00   | 558                         | 0.01   |
| 11 | Restructured Loans                  | 65,625                   | 1.77   | (2,010)                       | (0.09) | 30,849                               | 0.74   | 67,636                 | 1.86   | 34,776                      | 1.02   |
| 12 | Total                               | 86,562                   | 2.33   | 4,105                         | 0.06   | 484                                  | (0.20) | 82,456                 | 2.27   | 86,077                      | 2.54   |
|    |                                     |                          |        |                               |        |                                      |        |                        |        |                             |        |
| 13 | Total Loans                         | 3,705,806                | 100.00 | 76,107                        | -      | 320,084                              | -      | 3,629,698              | 100.00 | 3,385,721                   | 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 ] (including past figures for its former revitalization subsidiary )

(Millions of yen)

|   |   | As of September 30, 2006 |                               |                                   | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|---|---|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|   |   |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 |                            |                                |
| 1 | Reserves for Possible Losses on Loans                           | 32,207                   | 1,679                         | (12,963)                          | 30,527                     | 45,171                         |
| 2 | General Reserve for Possible Losses on Loans                    | 29,246                   | 3,603                         | 5,076                             | 25,643                     | 24,169                         |
| 3 | Specific Reserve for Possible Losses on Loans                   | 2,684                    | (1,822)                       | (17,799)                          | 4,507                      | 20,484                         |
| 4 | Reserve for Possible Losses on Loans to Restructuring Countries | 276                      | (100)                         | (241)                             | 376                        | 517                            |

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 | 47,526 | (1,841) | (5,196) | 49,368 | 52,722 |
|---|-------------------------------------|--------|---------|---------|--------|--------|

[ Consolidated ]

(Millions of yen)

|   |   | As of September 30, 2006 |                               |                                   | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|---|---|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|   |   |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 |                            |                                |
| 6 | Reserves for Possible Losses on Loans                           | 34,532                   | 1,730                         | (12,804)                          | 32,802                     | 47,337                         |
| 7 | General Reserve for Possible Losses on Loans                    | 30,583                   | 3,736                         | 5,335                             | 26,847                     | 25,247                         |
| 8 | Specific Reserve for Possible Losses on Loans                   | 3,672                    | (1,905)                       | (17,899)                          | 5,578                      | 21,572                         |
| 9 | Reserve for Possible Losses on Loans to Restructuring Countries | 276                      | (100)                         | (241)                             | 376                        | 517                            |

|    |                                     |        |         |         |        |        |
|----|-------------------------------------|--------|---------|---------|--------|--------|
| 10 | Amount of Partial Direct Write-offs | 49,946 | (1,672) | (5,416) | 51,619 | 55,362 |
|----|-------------------------------------|--------|---------|---------|--------|--------|

( Reference ~ Trust Accounts ~ )

(Millions of yen)

|    |  | As of September 30, 2006 |                               |                                   | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|--|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|    |  |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 |                            |                                |
| 11 | Special Reserve Fund (Loan Trusts)             | 1,604                    | (1,373)                       | (1,830)                           | 2,977                      | 3,434                          |
| 12 | Reserve for Possible Loan Losses (Money Trust) | 203                      | (110)                         | (145)                             | 313                        | 348                            |
| 13 | Total  | 1,807                    | (1,483)                       | (1,975)                           | 3,291                      | 3,783                          |

\*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 ] (including past figures for its former revitalization subsidiary )

( % )

|    |   | As of September 30, 2006 |                               |                                   | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|---|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|    |   |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 |                            |                                |
| 14 | Reserve Ratios After Partial Direct Write-offs of Category IV Loans | 41.00                    | 3.53                          | (14.75)                           | 37.47                      | 55.75                          |

[ Consolidated ]

( % )

|    |   | As of September 30, 2006 |                               |                                   | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|---|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|    |   |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 |                            |                                |
| 15 | Reserve Ratios After Partial Direct Write-offs of Category IV Loans | 43.39                    | 3.59                          | (14.18)                           | 39.80                      | 57.57                          |



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

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

##### Banking Account

(Millions of yen ,%)

|   |   | As of September 30, 2006 |        |                            |        |                                |        | As of March 31, 2006 |        | As of September 30, 2005 |        |
|---|---|--------------------------|--------|----------------------------|--------|--------------------------------|--------|----------------------|--------|--------------------------|--------|
|   |   |                          | %      | Change from March 31, 2006 | %      | Change from September 30, 2005 | %      |                      | %      |                          | %      |
| 1 | Claims against Bankrupt and Substantially Bankrupt Obligors | 4,849                    | 0.12   | 1,269                      | 0.03   | 197                            | (0.00) | 3,580                | 0.09   | 4,652                    | 0.13   |
| 2 | Claims with Collection Risk                                 | 29,244                   | 0.77   | 18,897                     | 0.49   | (15,501)                       | (0.50) | 10,346               | 0.28   | 44,745                   | 1.27   |
| 3 | Claims for Special Attention                                | 67,030                   | 1.77   | (1,251)                    | (0.09) | 35,313                         | 0.87   | 68,282               | 1.87   | 31,717                   | 0.90   |
| 4 | Sub-total   | 101,124                  | 2.68   | 18,915                     | 0.42   | 20,008                         | 0.36   | 82,208               | 2.25   | 81,115                   | 2.32   |
| 5 | Normal Claims   | 3,669,147                | 97.31  | 104,524                    | (0.42) | 254,387                        | (0.36) | 3,564,623            | 97.74  | 3,414,760                | 97.67  |
| 6 | Total   | 3,770,271                | 100.00 | 123,439                    | -      | 274,395                        | -      | 3,646,832            | 100.00 | 3,495,876                | 100.00 |
|   |   |                          |        |                            |        |                                |        |                      |        |                          |        |
| 7 | Amount of Partial Direct Write-offs                         | 47,388                   |        | (1,842)                    |        | (5,195)                        |        | 49,230               |        | 52,583                   |        |

##### Trust Accounts

(Millions of yen ,%)

|    |   | As of September 30, 2006 |        |                            |         |                                |        | As of March 31, 2006 |        | As of September 30, 2005 |        |
|----|---|--------------------------|--------|----------------------------|---------|--------------------------------|--------|----------------------|--------|--------------------------|--------|
|    |   |                          | %      | Change from March 31, 2006 | %       | Change from September 30, 2005 | %      |                      | %      |                          | %      |
| 8  | Claims against Bankrupt and Substantially Bankrupt Obligors | -                        | -      | -                          | -       | (2)                            | (0.00) | -                    | -      | 2                        | 0.00   |
| 9  | Claims with Collection Risk                                 | 6,819                    | 10.34  | 6,819                      | 10.34   | 6,815                          | 10.34  | -                    | -      | 4                        | 0.00   |
| 10 | Claims for Special Attention                                | 159                      | 0.24   | 120                        | 0.20    | (3,694)                        | (3.33) | 39                   | 0.03   | 3,853                    | 3.57   |
| 11 | Sub-total   | 6,978                    | 10.59  | 6,939                      | 10.55   | 3,118                          | 7.01   | 39                   | 0.03   | 3,860                    | 3.57   |
| 12 | Normal Claims   | 58,915                   | 89.40  | (39,428)                   | (10.55) | (45,065)                       | (7.01) | 98,344               | 99.96  | 103,981                  | 96.42  |
| 13 | Total   | 65,894                   | 100.00 | (32,489)                   | -       | (41,946)                       | -      | 98,383               | 100.00 | 107,841                  | 100.00 |

##### Banking Account + Trust Accounts

(Millions of yen ,%)

|    |   | As of September 30, 2006 |        |                            |        |                                |        | As of March 31, 2006 |        | As of September 30, 2005 |        |
|----|---|--------------------------|--------|----------------------------|--------|--------------------------------|--------|----------------------|--------|--------------------------|--------|
|    |   |                          | %      | Change from March 31, 2006 | %      | Change from September 30, 2005 | %      |                      | %      |                          | %      |
| 14 | Claims against Bankrupt and Substantially Bankrupt Obligors | 4,849                    | 0.12   | 1,269                      | 0.03   | 194                            | (0.00) | 3,580                | 0.09   | 4,655                    | 0.12   |
| 15 | Claims with Collection Risk                                 | 36,063                   | 0.94   | 25,717                     | 0.66   | (8,686)                        | (0.30) | 10,346               | 0.27   | 44,749                   | 1.24   |
| 16 | Claims for Special Attention                                | 67,189                   | 1.75   | (1,131)                    | (0.07) | 31,619                         | 0.76   | 68,321               | 1.82   | 35,570                   | 0.98   |
| 17 | Sub-total   | 108,102                  | 2.81   | 25,854                     | 0.62   | 23,127                         | 0.45   | 82,248               | 2.19   | 84,975                   | 2.35   |
| 18 | Normal Claims   | 3,728,063                | 97.18  | 65,095                     | (0.62) | 209,321                        | (0.45) | 3,662,967            | 97.80  | 3,518,741                | 97.64  |
| 19 | Total   | 3,836,166                | 100.00 | 90,950                     | -      | 232,449                        | -      | 3,745,215            | 100.00 | 3,603,717                | 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, 2006 |        |                               |        |                                      |        | As of<br>March 31,<br>2006 |        | As of<br>September 30,<br>2005 |        |
|---|---|--------------------------|--------|-------------------------------|--------|--------------------------------------|--------|----------------------------|--------|--------------------------------|--------|
|   |   |                          | %      | Change from<br>March 31, 2006 | %      | Change from<br>September 30,<br>2005 | %      |                            |        |                                |        |
| 1 | Claims against Bankrupt and<br>Substantially<br>Bankrupt Obligors | 5,908                    | 0.15   | 1,364                         | 0.03   | 38                                   | (0.01) | 4,544                      | 0.12   | 5,870                          | 0.17   |
| 2 | Claims with Collection Risk                                       | 29,244                   | 0.77   | 18,897                        | 0.49   | (15,502)                             | (0.54) | 10,346                     | 0.28   | 44,746                         | 1.32   |
| 3 | Claims for Special Attention                                      | 67,030                   | 1.78   | (1,251)                       | (0.09) | 35,313                               | 0.84   | 68,282                     | 1.88   | 31,717                         | 0.93   |
| 4 | Sub-total   | 102,183                  | 2.72   | 19,010                        | 0.43   | 19,849                               | 0.28   | 83,172                     | 2.29   | 82,333                         | 2.43   |
| 5 | Normal Claims   | 3,652,340                | 97.27  | 105,465                       | (0.43) | 352,935                              | (0.28) | 3,546,875                  | 97.70  | 3,299,405                      | 97.56  |
| 6 | Total   | 3,754,523                | 100.00 | 124,475                       | -      | 372,784                              | -      | 3,630,048                  | 100.00 | 3,381,739                      | 100.00 |

|   |                                     |        |         |         |        |        |
|---|-------------------------------------|--------|---------|---------|--------|--------|
| 7 | Amount of Partial Direct Write-offs | 49,808 | (1,673) | (5,415) | 51,481 | 55,223 |
|---|-------------------------------------|--------|---------|---------|--------|--------|

## Banking Account + Trust Accounts

(Millions of yen ,%)

|    |   | As of September 30, 2006 |        |                            |        |                                |        | As of March 31, 2006 |        | As of September 30, 2005 |        |
|----|---|--------------------------|--------|----------------------------|--------|--------------------------------|--------|----------------------|--------|--------------------------|--------|
|    |   |                          | %      | Change from March 31, 2006 | %      | Change from September 30, 2005 | %      |                      |        |                          |        |
| 8  | Claims against Bankrupt and Substantially Bankrupt Obligors | 5,908                    | 0.15   | 1,364                      | 0.03   | 35                             | (0.01) | 4,544                | 0.12   | 5,873                    | 0.16   |
| 9  | Claims with Collection Risk                                 | 36,063                   | 0.94   | 25,717                     | 0.66   | (8,686)                        | (0.33) | 10,346               | 0.27   | 44,750                   | 1.28   |
| 10 | Claims for Special Attention                                | 67,189                   | 1.75   | (1,131)                    | (0.07) | 31,619                         | 0.73   | 68,321               | 1.83   | 35,570                   | 1.01   |
| 11 | Sub-total   | 109,162                  | 2.85   | 25,949                     | 0.62   | 22,968                         | 0.38   | 83,212               | 2.23   | 86,194                   | 2.47   |
| 12 | Normal Claims   | 3,711,256                | 97.14  | 66,036                     | (0.62) | 307,869                        | (0.38) | 3,645,219            | 97.76  | 3,403,386                | 97.52  |
| 13 | Total   | 3,820,418                | 100.00 | 91,986                     | -      | 330,837                        | -      | 3,728,431            | 100.00 | 3,489,580                | 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 】 (including past figures for its former revitalization subsidiary )

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

#### Banking Account

(Millions of yen)

|    |   | As of September 30, 2006 |                               |                                   | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|---|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|    |   |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 |                            |                                |
| 1  | Claims against Bankrupt and Substantially Bankrupt Obligors | 4,849                    | 1,269                         | 197                               | 3,580                      | 4,652                          |
| 2  | <i>Collateral, Guarantees, and equivalent</i>               | 4,403                    | 1,286                         | 41                                | 3,116                      | 4,361                          |
| 3  | <i>Reserve for Possible Losses</i>                          | 446                      | (16)                          | 155                               | 463                        | 290                            |
| 4  | Claims with Collection Risk                                 | 29,244                   | 18,897                        | (15,501)                          | 10,346                     | 44,745                         |
| 5  | <i>Collateral, Guarantees, and equivalent</i>               | 14,731                   | 9,691                         | (2,792)                           | 5,039                      | 17,524                         |
| 6  | <i>Reserve for Possible Losses</i>                          | 13,680                   | 9,636                         | (6,512)                           | 4,044                      | 20,193                         |
| 7  | Claims for Special Attention                                | 67,030                   | (1,251)                       | 35,313                            | 68,282                     | 31,717                         |
| 8  | <i>Collateral, Guarantees, and equivalent</i>               | 34,904                   | (1,163)                       | 23,964                            | 36,068                     | 10,940                         |
| 9  | <i>Reserve for Possible Losses</i>                          | 14,610                   | 1,509                         | 7,897                             | 13,100                     | 6,713                          |
| 10 | Total   | 101,124                  | 18,915                        | 20,008                            | 82,208                     | 81,115                         |
| 11 | <i>Collateral, Guarantees, and equivalent</i>               | 54,039                   | 9,814                         | 21,212                            | 44,225                     | 32,826                         |
| 12 | <i>Reserve for Possible Losses</i>                          | 28,737                   | 11,129                        | 1,540                             | 17,608                     | 27,197                         |

\* The collateralized amounts by "Collateral, Guarantee, 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 | -     | -     | (2)     | -  | 2     |
| 14 | <i>Collateral, Guarantees, and equivalent</i>               | -     | -     | (2)     | -  | 2     |
| 15 | Claims with Collection Risk                                 | 6,819 | 6,819 | 6,815   | -  | 4     |
| 16 | <i>Collateral, Guarantees, and equivalent</i>               | 6,819 | 6,819 | 6,815   | -  | 4     |
| 17 | Claims for Special Attention                                | 159   | 120   | (3,694) | 39 | 3,853 |
| 18 | <i>Collateral, Guarantees, and equivalent</i>               | 123   | 123   | (1,821) | -  | 1,945 |
| 19 | Total   | 6,978 | 6,939 | 3,118   | 39 | 3,860 |
| 20 | <i>Collateral, Guarantees, and equivalent</i>               | 6,942 | 6,942 | 4,990   | -  | 1,952 |

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

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

\* Special Reserves are provided in Trust Accounts ( As of September 30, 2006: ¥1,807 million, As of March 31, 2006: ¥3,291 million, As of September 30, 2005: ¥3,783 million)

#### Banking Account + Trust Accounts

(Millions of yen)

|    |   |         |         |         |        |        |
|----|---|---------|---------|---------|--------|--------|
| 21 | Claims against Bankrupt and Substantially Bankrupt Obligors | 4,849   | 1,269   | 194     | 3,580  | 4,655  |
| 22 | <i>Collateral, Guarantees, and equivalent</i>               | 4,403   | 1,286   | 38      | 3,116  | 4,364  |
| 23 | <i>Reserve for Possible Losses</i>                          | 446     | (16)    | 155     | 463    | 290    |
| 24 | Claims with Collection Risk                                 | 36,063  | 25,717  | (8,686) | 10,346 | 44,749 |
| 25 | <i>Collateral, Guarantees, and equivalent</i>               | 21,551  | 16,511  | 4,022   | 5,039  | 17,528 |
| 26 | <i>Reserve for Possible Losses</i>                          | 13,680  | 9,636   | (6,512) | 4,044  | 20,193 |
| 27 | Claims for Special Attention                                | 67,189  | (1,131) | 31,619  | 68,321 | 35,570 |
| 28 | <i>Collateral, Guarantees, and equivalent</i>               | 35,028  | (1,040) | 22,142  | 36,068 | 12,885 |
| 29 | <i>Reserve for Possible Losses</i>                          | 14,610  | 1,509   | 7,897   | 13,100 | 6,713  |
| 30 | Total   | 108,102 | 25,854  | 23,127  | 82,248 | 84,975 |
| 31 | <i>Collateral, Guarantees, and equivalent</i>               | 60,982  | 16,757  | 26,203  | 44,225 | 34,778 |
| 32 | <i>Reserve for Possible Losses</i>                          | 28,737  | 11,129  | 1,540   | 17,608 | 27,197 |

**(2) Coverage Ratio**

## Banking Account

(Millions of yen)

|   |  | As of September 30, 2006 |                               |                                   | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|---|--|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|   |  |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 |                            |                                |
| 1 | Coverage Amount                        | 82,777                   | 20,943                        | 22,753                            | 61,833                     | 60,023                         |
| 2 | Collateral, Guarantees, and equivalent | 54,039                   | 9,814                         | 21,212                            | 44,225                     | 32,826                         |
| 3 | Reserves for Possible Losses on Loans  | 28,737                   | 11,129                        | 1,540                             | 17,608                     | 27,197                         |

\* 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").

|   |   |       |     |      |       |       |     |
|---|---|-------|-----|------|-------|-------|-----|
|   |   |       |     |      |       |       | (%) |
| 4 | Coverage Ratio <After partial write-offs>                   | 81.8  | 6.6 | 7.8  | 75.2  | 73.9  |     |
| 5 | Claims against Bankrupt and Substantially Bankrupt Obligors | 100.0 | -   | -    | 100.0 | 100.0 |     |
| 6 | Claims with Collection Risk                                 | 97.1  | 9.3 | 12.8 | 87.7  | 84.2  |     |
| 7 | Claims for Special Attention                                | 73.8  | 1.8 | 18.2 | 72.0  | 55.6  |     |
| 8 | Claims against Special Attention Obligors                   | 74.9  | 1.6 | 16.5 | 73.2  | 58.4  |     |

## Reserve Ratio against Uncovered Portion

(%)

|    |   |       |      |      |       |       |  |
|----|---|-------|------|------|-------|-------|--|
| 9  | Claims against Bankrupt and Substantially Bankrupt Obligors | 100.0 | -    | -    | 100.0 | 100.0 |  |
| 10 | Claims with Collection Risk                                 | 94.2  | 18.0 | 20.0 | 76.2  | 74.1  |  |
| 11 | Claims for Special Attention                                | 45.4  | 4.8  | 13.1 | 40.6  | 32.3  |  |
| 12 | Claims against Special Attention Obligors                   | 46.5  | 4.5  | 11.9 | 42.0  | 34.6  |  |

## (Reference) Reserve Ratio

(%)

|    |   |       |        |        |       |       |  |
|----|---|-------|--------|--------|-------|-------|--|
| 13 | Claims for Special Attention Obligors   | 21.82 | 2.43   | (0.25) | 19.39 | 22.07 |  |
| 14 | Claims against Watch Obligors excluding Claims for Special Attention Obligors | 3.21  | (0.78) | (1.29) | 3.99  | 4.50  |  |
| 15 | Claims for Normal Obligors  | 0.21  | 0.00   | 0.00   | 0.21  | 0.21  |  |

## Trust Accounts

(Millions of yen)

|    |                                       |       |       |       |   |       |  |
|----|---------------------------------------|-------|-------|-------|---|-------|--|
| 16 | Coverage Amount                       | 6,942 | 6,942 | 4,990 | - | 1,952 |  |
| 17 | Collateral, Guarantee, and equivalent | 6,942 | 6,942 | 4,990 | - | 1,952 |  |

|    |   |       |       |         |      |       |     |
|----|---|-------|-------|---------|------|-------|-----|
|    |   |       |       |         |      |       | (%) |
| 18 | Coverage Ratio  | 99.4  | 99.4  | 48.9    | -    | 50.5  |     |
| 19 | Claims against Bankrupt and Substantially Bankrupt Obligors | -     | -     | (100.0) | -    | 100.0 |     |
| 20 | Claims with Collection Risk                                 | 100.0 | 100.0 | -       | -    | 100.0 |     |
| 21 | Claims for Special Attention                                | 77.5  | 77.5  | 27.0    | -    | 50.4  |     |
| 22 | Claims against Special Attention Obligors                   | 77.5  | 38.1  | 27.0    | 39.3 | 50.4  |     |

## Banking Account + Trust Accounts

(Millions of yen)

|    |                                       |        |        |        |        |        |  |
|----|---------------------------------------|--------|--------|--------|--------|--------|--|
| 23 | Coverage Amount                       | 89,719 | 27,886 | 27,744 | 61,833 | 61,975 |  |
| 24 | Collateral, Guarantee, and equivalent | 60,982 | 16,757 | 26,203 | 44,225 | 34,778 |  |
| 25 | Reserves for Possible Losses on Loans | 28,737 | 11,129 | 1,540  | 17,608 | 27,197 |  |

\* 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").

|    |   |       |     |      |       |       |     |
|----|---|-------|-----|------|-------|-------|-----|
|    |   |       |     |      |       |       | (%) |
| 26 | Coverage Ratio <After partial write-offs>                   | 82.9  | 7.8 | 10.0 | 75.1  | 72.9  |     |
| 27 | Claims against Bankrupt and Substantially Bankrupt Obligors | 100.0 | -   | -    | 100.0 | 100.0 |     |
| 28 | Claims with Collection Risk                                 | 97.6  | 9.8 | 13.3 | 87.7  | 84.2  |     |
| 29 | Claims for Special Attention                                | 73.8  | 1.9 | 18.7 | 71.9  | 55.0  |     |
| 30 | Claims against Special Attention Obligors                   | 74.9  | 1.7 | 17.0 | 73.2  | 57.9  |     |

## 6. Claims Classified by Self-Assessment

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

### Banking Account

(Billions of yen)

|   |                                     | As of September 30,2006 |                              |                                  | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|---|-------------------------------------|-------------------------|------------------------------|----------------------------------|----------------------------|--------------------------------|
|   |                                     |                         | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                            |                                |
| 1 | Total Claims (*1)                   | 3,770.2                 | 123.4                        | 274.3                            | 3,646.8                    | 3,495.8                        |
| 2 | Non-Category                        | 3,534.5                 | 46.6                         | 232.0                            | 3,487.8                    | 3,302.4                        |
| 3 | Sub-total (*2)                      | 235.7                   | 76.7                         | 42.3                             | 158.9                      | 193.4                          |
| 4 | Category                            | 234.8                   | 77.2                         | 48.5                             | 157.6                      | 186.3                          |
| 5 | Category                            | 0.8                     | (0.4)                        | (6.1)                            | 1.2                        | 7.0                            |
| 6 | Category                            | -                       | -                            | -                                | -                          | -                              |
| 7 | Amount of Partial Direct Write-offs | 47.3                    | (1.8)                        | (5.1)                            | 49.2                       | 52.5                           |

### Trust Accounts

(Billions of yen)

|    |                    | As of September 30,2006 |                              |                                  | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|--------------------|-------------------------|------------------------------|----------------------------------|----------------------------|--------------------------------|
|    |                    |                         | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                            |                                |
| 8  | Total Claims (*1)  | 65.8                    | (32.4)                       | (41.9)                           | 98.3                       | 107.8                          |
| 9  | Non-Categorization | 65.7                    | (31.7)                       | (10.6)                           | 97.4                       | 76.3                           |
| 10 | Sub-total          | 0.1                     | (0.7)                        | (31.2)                           | 0.9                        | 31.4                           |
| 11 | Category           | 0.1                     | (0.7)                        | (31.2)                           | 0.9                        | 31.4                           |
| 12 | Category           | -                       | -                            | -                                | -                          | -                              |
| 13 | Category           | -                       | -                            | -                                | -                          | -                              |

### Banking Account + Trust Accounts

(Billions of yen)

|    |                    | As of September 30,2006 |                              |                                  | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|--------------------|-------------------------|------------------------------|----------------------------------|----------------------------|--------------------------------|
|    |                    |                         | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                            |                                |
| 14 | Total Claims (*1)  | 3,836.1                 | 90.9                         | 232.4                            | 3,745.2                    | 3,603.7                        |
| 15 | Non-Categorization | 3,600.2                 | 14.9                         | 221.4                            | 3,585.2                    | 3,378.8                        |
| 16 | Sub-total (*2)     | 235.9                   | 76.0                         | 11.0                             | 159.9                      | 224.8                          |
| 17 | Category           | 235.0                   | 76.4                         | 17.2                             | 158.6                      | 217.8                          |
| 18 | Category           | 0.8                     | (0.4)                        | (6.1)                            | 1.2                        | 7.0                            |
| 19 | Category           | -                       | -                            | -                                | -                          | -                              |

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

[Consolidated ]

### Banking Account

(Billions of yen)

|    |                                     | As of September 30,2006 |                              |                                  | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|-------------------------------------|-------------------------|------------------------------|----------------------------------|----------------------------|--------------------------------|
|    |                                     |                         | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                            |                                |
| 20 | Total Claims (*1)                   | 3,754.5                 | 124.4                        | 372.7                            | 3,630.0                    | 3,381.7                        |
| 21 | Non-Categorization                  | 3,518.5                 | 47.5                         | 330.0                            | 3,471.0                    | 3,188.5                        |
| 22 | Sub-total (*2)                      | 235.9                   | 76.9                         | 42.7                             | 159.0                      | 193.1                          |
| 23 | Category                            | 234.8                   | 77.4                         | 48.9                             | 157.4                      | 185.8                          |
| 24 | Category                            | 1.1                     | (0.4)                        | (6.1)                            | 1.5                        | 7.2                            |
| 25 | Category                            | -                       | -                            | -                                | -                          | -                              |
| 26 | Amount of Partial Direct Write-offs | 49.8                    | (1.6)                        | (5.4)                            | 51.4                       | 55.2                           |

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

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

## 7. Overview of Disclosure of Problem Loans

[ Non-Consolidated ]

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

| SELF-ASSESSMENT                             |   |   |   |   | Disclosed Claims<br>under the Financial<br>Reconstruction Law                 | (Millions of yen)                               |
|---|---|---|---|---|---|---|
| Obligor \ Categorization                    | Non-Category  | Category  | Category  | Category  |   |   |
| Bankrupt Obligors<br>2,657                  | 560   | 4,289   | Direct Write-offs<br>& Reserve<br>100%                              | Direct Write-offs<br>& Reserve<br>100%                              | Claims against<br>Bankrupt and<br>Substantially<br>Bankrupt Obligors<br>4,849 | Loans to<br>Bankrupt<br>Obligors<br>2,639       |
| Substantially<br>Bankrupt Obligors<br>2,192 | Covered by<br>Collateral,<br>Guarantee, or<br>Reserve, etc. | Covered by<br>Collateral, or<br>Guarantee, etc. | Amounts for<br>reserves<br>recorded under<br>Non-<br>Categorization | Amounts for<br>reserves<br>recorded under<br>Non-<br>Categorization |   |   |
| Intensive Control<br>Obligors<br>36,063     | 31,819  | 3,413   | 831   |   | Claims with<br>Collection Risk<br>36,063                                      | Non-Accrual<br>Delinquent<br>Loans<br>15,958    |
|   | Covered by<br>Collateral,<br>Guarantee, or<br>Reserve, etc. | Covered by<br>Collateral, or<br>Guarantee, etc. | Direct Write-offs<br>& Reserve<br>94.2%                             |   |   |   |
|   |   |   | Amounts for<br>reserves<br>recorded under<br>Non-<br>Categorization |   | Coverage Ratio<br>97.6%   | 22,574 (*3)                                     |
| Watch Obligors                              | Special<br>Attention<br>Obligors<br>79,256<br>(*1)          | 59,436  |   |   | Claims for Special<br>Attention<br>67,189                                     | Loans Past Due for 3<br>Months or More<br>1,305 |
|   | Other<br>Watch<br>Obligors                                  | 19,820  |   |   |   |   |
|   |   |   |   |   | Coverage Ratio:<br>73.8%<br>(*2)  | Restructured<br>Loans<br>65,625                 |
| Normal<br>Obligors                          |   |   |   |   | Total Coverage<br>Ratio<br>82.9%  |   |
|   |   |   |   |   |   |   |
| Total<br>3,836,166                          |   |   |   |   | Total<br>108,102  | Total<br>85,528                                 |

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

\*1 Claims against Special Attention Obligors include all claims, not limited to loans, against 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 to Special Attention Obligors.

\*3 The difference between total Non-Accrual, Past Due & Restructuring Loans and total Disclosed Claims under the FRL is 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 Accounts &gt;

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

(Billions of yen)

|    |  | Before<br>September 30,<br>2003 | As of<br>March 31,<br>2004 | As of<br>September 30,<br>2004 | As of<br>March 31,<br>2005 | As of<br>September 30,<br>2005 | As of<br>March 31,<br>2006 | As of September 30, 2006 | Change from<br>March 31, 2006 |
|----|--|---------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------|-------------------------------|
| 1  | Claims against Bankrupt and Substantially Bankrupt Obligors                          | 171.6                           | 11.6                       | 12.9                           | 4.5                        | 2.8                            | 2.1                        | 2.0                      | (0.0)                         |
| 2  | Claims with Collection Risk  | 384.3                           | 17.3                       | 8.6                            | 3.2                        | 1                              | 0.7                        | 0.7                      | (0.0)                         |
| 3  | Amount Categorized as above before September 30, 2003                                | 555.9                           | 28.9                       | 21.6                           | 7.8                        | 3.8                            | 2.8                        | 2.7                      | (0.1)                         |
| 4  | of which the amount which was in the process of being removed from the balance sheet | 4.9                             | 12.5                       | 11.9                           | 4.5                        | 2.8                            | 2.1                        | 2.0                      | (0.0)                         |
| 5  | Claims against Bankrupt and Substantially Bankrupt Obligors                          |                                 | 8.8                        | 6.1                            | 2.7                        | 0.1                            | 0.0                        | -                        | (0.0)                         |
| 6  | Claims with Collection Risk  |                                 | 15.1                       | 0.5                            | 0.1                        | 0.1                            | 0.0                        | 0.0                      | (0.0)                         |
| 7  | Amount Newly Categorized as above during the Second Half of Fiscal 2003              |                                 | 23.9                       | 6.6                            | 2.9                        | 0.2                            | 0.0                        | 0.0                      | (0.0)                         |
| 8  | of which the amount which was in the process of being removed from the balance sheet |                                 | 8.8                        | 6.0                            | 2.7                        | 0.1                            | 0.0                        | -                        | (0.0)                         |
| 9  | Claims against Bankrupt and Substantially Bankrupt Obligors                          |                                 |                            | 0.5                            | 0.4                        | 0.3                            | 0.0                        | -                        | (0.0)                         |
| 10 | Claims with Collection Risk  |                                 |                            | 6                              | 0.9                        | 0.5                            | 0.3                        | 0.2                      | (0.1)                         |
| 11 | Amount Newly Categorized as above during the First Half of Fiscal 2004               |                                 |                            | 6.5                            | 1.3                        | 0.9                            | 0.4                        | 0.2                      | (0.1)                         |
| 12 | of which the amount which was in the process of being removed from the balance sheet |                                 |                            | 0.5                            | 0.4                        | 0.3                            | 0.0                        | -                        | (0.0)                         |
| 13 | Claims against Bankrupt and Substantially Bankrupt Obligors                          |                                 |                            |                                | 10.1                       | 0.6                            | 1.2                        | 1.0                      | (0.1)                         |
| 14 | Claims with Collection Risk  |                                 |                            |                                | 53.4                       | 38.9                           | 2.1                        | 0.1                      | (2.0)                         |
| 15 | Amount Newly Categorized as above during the Second Half of Fiscal 2004              |                                 |                            |                                | 63.6                       | 39.5                           | 3.3                        | 1.1                      | (2.2)                         |
| 16 | of which the amount which was in the process of being removed from the balance sheet |                                 |                            |                                | 1.6                        | 0.5                            | 1.2                        | 1.0                      | (0.1)                         |
| 17 | Claims against Bankrupt and Substantially Bankrupt Obligors                          |                                 |                            |                                |                            | 0.7                            | 0.0                        | 0.0                      | (0.0)                         |
| 18 | Claims with Collection Risk  |                                 |                            |                                |                            | 4.0                            | 1.4                        | 1.3                      | (0.1)                         |
| 19 | Amount Newly Categorized as above during the First Half of Fiscal 2005               |                                 |                            |                                |                            | 4.7                            | 1.5                        | 1.3                      | (0.1)                         |
| 20 | of which the amount which was in the process of being removed from the balance sheet |                                 |                            |                                |                            | 0.7                            | 0.0                        | 0.0                      | (0.0)                         |
| 21 | Claims against Bankrupt and Substantially Bankrupt Obligors                          |                                 |                            |                                |                            |                                | 0.0                        | 0.0                      | (0.0)                         |
| 22 | Claims with Collection Risk  |                                 |                            |                                |                            |                                | 5.4                        | 2.6                      | (2.8)                         |
| 23 | Amount Newly Categorized as above during the Second Half of Fiscal 2005              |                                 |                            |                                |                            |                                | 5.5                        | 2.6                      | (2.9)                         |
| 24 | of which the amount which was in the process of being removed from the balance sheet |                                 |                            |                                |                            |                                | 0.0                        | 0.0                      | (0.0)                         |
| 25 | Claims against Bankrupt and Substantially Bankrupt Obligors                          |                                 |                            |                                |                            |                                |                            |                          | (0.4)                         |
| 26 | Claims with Collection Risk  |                                 |                            |                                |                            |                                |                            |                          | (5.2)                         |
| 27 | Amount removed from the balance sheet during the First Half of Fiscal 2006           |                                 |                            |                                |                            |                                |                            |                          | (5.6)                         |
| 28 | Claims against Bankrupt and Substantially Bankrupt Obligors                          |                                 |                            |                                |                            |                                |                            | 1.6                      | 1.6                           |
| 29 | Claims with Collection Risk  |                                 |                            |                                |                            |                                |                            | 30.9                     | 30.9                          |
| 30 | Amount Newly Categorized as above during the First Half of Fiscal 2006               |                                 |                            |                                |                            |                                |                            | 32.6                     | 32.6                          |
| 31 | of which the amount which was in the process of being removed from the balance sheet |                                 |                            |                                |                            |                                |                            | 0.0                      | 0.0                           |
| 32 | Claims against Bankrupt and Substantially Bankrupt Obligors                          | 171.6                           | 20.4                       | 19.6                           | 17.9                       | 4.6                            | 3.5                        | 4.8                      | 1.2                           |
| 33 | Claims with Collection Risk  | 384.3                           | 32.4                       | 15.2                           | 57.8                       | 44.7                           | 10.3                       | 36.0                     | 25.7                          |
| 34 | Total  | 555.9                           | 52.9                       | 34.8                           | 75.8                       | 49.4                           | 13.9                       | 40.9                     | 26.9                          |
| 35 | of which the amount which was in the process of being removed from the balance sheet | 4.9                             | 21.3                       | 18.4                           | 9.4                        | 4.6                            | 3.5                        | 3.2                      | (0.3)                         |

\*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, %)

| (Billions of yen, %) |   |                                |  |                                  |                                     |   |
|----------------------|---|--------------------------------|--|----------------------------------|-------------------------------------|---|
|                      |   | Amount<br>Newly<br>Categorized | Balance as of<br>September 30,<br>2006 | Accumulated<br>Removal<br>Amount | Accumulated<br>Removal<br>Ratio (%) | Modified<br>Accumulated<br>Removal<br>Ratio (%) * |
| 36                   | Categorized before Sept 30, 2003                        | 555.9                          | 2.7                                    | 553.2                            | 99.4                                | 99.8  |
| 37                   | Newly Categorized during the Second Half of Fiscal 2003 | 23.9                           | 0.0                                    | 23.8                             | 99.7                                | 99.7  |
| 38                   | Newly Categorized during the First Half of Fiscal 2004  | 6.5                            | 0.2                                    | 6.2                              | 96.2                                | 96.2  |
| 39                   | Newly Categorized during the Second Half of Fiscal 2004 | 63.6                           | 1.1                                    | 62.4                             | 98.1                                | 99.8  |
| 40                   | Newly Categorized during the First Half of Fiscal 2005  | 4.7                            | 1.3                                    | 3.4                              | 71.3                                | 71.5  |
| 41                   | Newly Categorized during the Second Half of Fiscal 2005 | 5.5                            | 2.6                                    | 2.9                              | 52.5                                | 53.0  |
| 42                   | Newly Categorized during the First Half of Fiscal 2006  | 32.6                           | 32.6                                   |                                  |                                     |   |
| 43                   | Total   | 693.0                          | 40.9                                   | 652.1                            |                                     |   |

\* 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 2006

(Billions of yen)

|   | Accumulated<br>as of Sept. 30,<br>2003 | In the Second Half<br>of Fiscal 2003 | In the First Half<br>of Fiscal 2004 | In the Second<br>Half of Fiscal<br>2004 | In the First Half<br>of Fiscal 2005 | In the Second<br>Half of Fiscal<br>2005 | Amount Removed<br>from B/S<br>in the First Half<br>of Fiscal 2006 |
|---|--|--------------------------------------|-------------------------------------|---|-------------------------------------|---|---|
| 1 Liquidation   | -                                      | -                                    | -                                   | -                                       | -                                   | (0.0)                                   | (0.0)   |
| 2 Restructuring   | (1.5)                                  | -                                    | -                                   | -                                       | -                                   | -                                       | (1.5)   |
| 3 Improvement in Business Performance due to<br>Restructuring | -                                      | (0.0)                                | (0.0)                               | -                                       | (0.0)                               | -                                       | (0.0)   |
| 4 Loan Sales  | -                                      | -                                    | -                                   | -                                       | -                                   | -                                       | -   |
| 5 Direct Write-off  | 1.5                                    | -                                    | (0.0)                               | -                                       | -                                   | -                                       | 1.5   |
| 6 Other   | (0.0)                                  | (0.0)                                | (0.1)                               | (2.2)                                   | (0.1)                               | (2.9)                                   | (5.5)   |
| 7 Debt Recovery   | (0.0)                                  | (0.0)                                | (0.0)                               | (2.2)                                   | (0.0)                               | (0.3)                                   | (2.8)   |
| 8 Improvement in Business Performance                         | (0.0)                                  | (0.0)                                | (0.0)                               | (0.0)                                   | (0.0)                               | (2.5)                                   | (2.7)   |
| 9 Total   | (0.1)                                  | (0.0)                                | (0.1)                               | (2.2)                                   | (0.1)                               | (2.9)                                   | (5.6)   |

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

(Billions of yen)

|  | Up to the Second<br>Half of Fiscal<br>2003 * | In the First Half<br>of Fiscal 2004 | In the Second<br>Half of Fiscal<br>2004 | In the First Half<br>of Fiscal 2005 | In the Second<br>Half of Fiscal<br>2005 | In the First Half<br>of Fiscal 2006 | Accumulated<br>Removed Amount<br>from the Second Half<br>of Fiscal 2006 |
|--|--|-------------------------------------|---|-------------------------------------|---|-------------------------------------|---|
| 10 Liquidation   | (158.4)                                      | (12.8)                              | (18.7)                                  | (8.1)                               | (0.2)                                   | (0.0)                               | (198.4)   |
| 11 Restructuring   | (48.8)                                       | (1.3)                               | (1.9)                                   | (0.4)                               | (1.2)                                   | (1.5)                               | (55.4)  |
| 12 Improvement in Business Performance due to<br>Restructuring | (20.6)                                       | (0.1)                               | (0.0)                                   | (0.5)                               | (1.1)                                   | (0.0)                               | (22.6)  |
| 13 Securitization  | (258.3)                                      | (6.2)                               | (12.7)                                  | (12.5)                              | (6.9)                                   | -                                   | (296.8)   |
| 14 Direct Write-off  | 226.5  | 15.4                                | 22.0                                    | 13.2                                | 2.8                                     | 1.5                                 | 281.6   |
| 15 Other   | (267.2)                                      | (19.4)                              | (11.1)                                  | (22.7)                              | (34.3)                                  | (5.5)                               | (360.4)   |
| 16 Debt Recovery   |  | (8.9)                               | (10.4)                                  | (16.8)                              | (23.6)                                  | (2.8)                               |   |
| 17 Improvement in Business Performance                         |  | (10.5)                              | (0.6)                                   | (5.8)                               | (10.6)                                  | (2.7)                               |   |
| 18 Total   | (527.0)                                      | (24.5)                              | (22.6)                                  | (31.2)                              | (41.0)                                  | (5.6)                               | (652.1)   |

\* From the Second Half of Fiscal 2000 to the Second Half of Fiscal 2003.

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

(Billions of yen)

|  | Accumulated<br>as of<br>September 30,<br>2003 | In the Second Half<br>of Fiscal 2003 | In the First Half<br>of Fiscal 2004 | In the Second<br>Half of Fiscal<br>2004 | In the First Half<br>of Fiscal 2005 | In the Second<br>Half of Fiscal<br>2005 | In the First Half of<br>Fiscal 2006 |
|--|---|--------------------------------------|-------------------------------------|---|-------------------------------------|---|-------------------------------------|
| 19 Legal Liquidation   | (1.5)   | -                                    | -                                   | (0.9)                                   | -                                   | (0.0)                                   | (0.0)                               |
| 20 Proceedings Similar to Legal Liquidation  | -   | -                                    | -                                   | -                                       | -                                   | -                                       | -                                   |
| 21 Corporate Division  | -   | -                                    | -                                   | -                                       | -                                   | -                                       | -                                   |
| 22 Partial Direct Write-Offs of Small Amount of Claims to<br>Small/Medium Size Companies | (0.4)   | -                                    | -                                   | (0.0)                                   | (0.0)                               | (0.0)                                   | (0.0)                               |
| 23 Creation of Trust with RCC  | -   | -                                    | -                                   | -                                       | -                                   | -                                       | -                                   |
| 24 Total   | (2.0)   | -                                    | -                                   | (1.0)                                   | (0.0)                               | (0.0)                                   | (0.0)                               |

## 9. Principal Amounts of NPLs Sold

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

(Billions of yen)

|                                   | First Half of<br>Fiscal 2006 | Change from during<br>the First Half of<br>Fiscal, 2005 | Fiscal 2005 | First Half of<br>Fiscal 2005 |
|-----------------------------------|------------------------------|---|-------------|------------------------------|
| 25 Principal Amounts of NPLs Sold | 1.0                          | (11.7)  | 19.8        | 12.8                         |
| 26 To RCC                         | -                            | -   | -           | -                            |
| 27 To Others                      | 1.0                          | (11.7)  | 19.8        | 12.8                         |

## 10. Debt Forgiveness

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

(Number of cases, Billions of yen)

|                                     | First Half of<br>Fiscal 2006 | Change from<br>First Half of<br>Fiscal 2005 | Fiscal 2005 | First Half of<br>Fiscal 2005 |
|-------------------------------------|------------------------------|---|-------------|------------------------------|
| 28 Number of Debt Forgiveness Cases | 1                            | -   | 4           | 1                            |
| 29 Book Value                       | 0.0                          | (0.4)                                       | 1.0         | 0.4                          |

\* The above figures do not include debt forgiveness following legal bankruptcy procedures.



## 11. Status of Loans by Industry

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

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

(Billions of yen)

|   | As of September 30, 2006 |                               |                                      | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|---|--------------------------|-------------------------------|--------------------------------------|----------------------------|--------------------------------|
|   | Outstanding<br>Loans     | Change from<br>March 31, 2006 | Change from<br>September 30,<br>2005 |                            |                                |
| 1 Domestic Total<br>(excluding Loans Booked Offshore) | 4,608.7                  | 77.9                          | 351.7                                | 4,530.8                    | 4,257.0                        |
| 2 Manufacturing                                       | 409.2                    | 13.2                          | 45.3                                 | 395.9                      | 363.9                          |
| 3 Agriculture   | -                        | -                             | -                                    | -                          | -                              |
| 4 Forestry  | -                        | -                             | -                                    | -                          | -                              |
| 5 Fishery   | -                        | -                             | (8.0)                                | -                          | 8.0                            |
| 6 Mining  | 6.6                      | 0.0                           | (1.2)                                | 6.6                        | 7.9                            |
| 7 Construction  | 117.4                    | (3.5)                         | (14.7)                               | 120.9                      | 132.1                          |
| 8 Utilities   | 103.4                    | (1.5)                         | (27.0)                               | 105.0                      | 130.5                          |
| 9 Communication                                       | 28.5                     | 9.9                           | (30.6)                               | 18.5                       | 59.2                           |
| 10 Transportation                                     | 214.0                    | (5.1)                         | (4.8)                                | 219.1                      | 218.8                          |
| 11 Wholesale & Retail                                 | 226.6                    | 13.2                          | 29.6                                 | 213.4                      | 197.0                          |
| 12 Finance & Insurance                                | 546.2                    | 15.6                          | 43.3                                 | 530.5                      | 502.8                          |
| 13 Real Estate  | 870.0                    | (75.4)                        | (14.8)                               | 945.5                      | 884.8                          |
| 14 Service Industries                                 | 267.8                    | 20.0                          | 11.9                                 | 247.8                      | 255.9                          |
| 15 Local Government                                   | 44.2                     | (22.6)                        | (12.3)                               | 66.8                       | 56.5                           |
| 16 Governments  | 300.0                    | 100.0                         | 300.0                                | 200.0                      | -                              |
| 17 Others   | 1,474.3                  | 14.0                          | 35.2                                 | 1,460.2                    | 1,439.0                        |
| 18 Loans Booked Offshore                              | 3.8                      | (0.8)                         | (2.0)                                | 4.6                        | 5.9                            |
| 19 Governments  | 1.7                      | (0.0)                         | (1.1)                                | 1.7                        | 2.8                            |
| 20 Financial Institutions                             | -                        | -                             | -                                    | -                          | -                              |
| 21 Other  | 2.1                      | (0.8)                         | (0.9)                                | 2.9                        | 3.0                            |
| 22 Total  | 4,612.5                  | 77.0                          | 349.6                                | 4,535.5                    | 4,262.9                        |

\* Amounts of outstanding loans 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 ] (including past figures for its former revitalization subsidiary )

(Billions of yen)

|  | As of September 30, 2006                         |                                   | As of March 31, 2006                             |                                   | As of September 30, 2005                         |                                   |
|--|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|
|  | Non-Accrual, Past<br>Due & Restructured<br>Loans | Disclosed Claims<br>under the FRL | Non-Accrual, Past<br>Due & Restructured<br>Loans | Disclosed Claims<br>under the FRL | Non-Accrual, Past<br>Due & Restructured<br>Loans | Disclosed Claims<br>under the FRL |
| 22 Domestic Total<br>(excluding Loans Booked Offshore) | 83.9   | 106.5                             | 79.9   | 80.6                              | 83.3   | 83.4                              |
| 23 Manufacturing                                       | 0.7  | 0.7                               | 4.5  | 5.2                               | 5.9  | 5.9                               |
| 24 Agriculture   | -  | -                                 | -  | -                                 | -  | -                                 |
| 25 Forestry  | -  | -                                 | -  | -                                 | -  | -                                 |
| 26 Fishery   | -  | -                                 | -  | -                                 | -  | -                                 |
| 27 Mining  | -  | -                                 | -  | -                                 | -  | -                                 |
| 28 Construction  | 0.8  | 0.8                               | 0.8  | 0.8                               | 2.1  | 2.2                               |
| 29 Utilities   | -  | -                                 | -  | -                                 | -  | -                                 |
| 30 Communication                                       | -  | -                                 | -  | -                                 | 0.1  | 0.1                               |
| 31 Transportation                                      | 47.1   | 47.1                              | 49.3   | 49.3                              | 27.8   | 27.8                              |
| 32 Wholesale & Retail                                  | 1.9  | 1.9                               | 0.6  | 0.6                               | 1.8  | 1.8                               |
| 33 Finance & Insurance                                 | -  | -                                 | -  | -                                 | 0.2  | 0.2                               |
| 34 Real Estate   | 10.7   | 10.7                              | 11.3   | 11.3                              | 10.0   | 10.0                              |
| 35 Service Industries                                  | 9.6  | 9.6                               | 8.1  | 8.1                               | 26.9   | 26.9                              |
| 36 Local Government                                    | 3.0  | 25.5                              | -  | -                                 | -  | -                                 |
| 37 Others  | 9.7  | 9.8                               | 5.0  | 5.0                               | 8.2  | 8.2                               |
| 38 Loans Booked Offshore                               | 1.5  | 1.5                               | 1.5  | 1.5                               | 1.5  | 1.5                               |
| 39 Governments   | -  | -                                 | -  | -                                 | -  | -                                 |
| 40 Financial Institutions                              | -  | -                                 | -  | -                                 | -  | -                                 |
| 41 Others  | 1.5  | 1.5                               | 1.5  | 1.5                               | 1.5  | 1.5                               |
| 42 Total   | 85.5   | 108.1                             | 81.5   | 82.2                              | 84.8   | 84.9                              |
| 43 Amount of Partial Direct Write-Offs                 | 45.6   | 47.3                              | 47.5   | 49.2                              | 50.7   | 52.5                              |

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

**(3) Balance of Housing and Consumer Loans**

[ Non-Consolidated ]

(Billions of yen)

|   |                            | As of September 30, 2006 |                              | As of<br>March 31,<br>2006       | As of<br>September 30,<br>2005 |
|---|----------------------------|--------------------------|------------------------------|----------------------------------|--------------------------------|
|   |                            |                          | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                                |
| 1 | Housing and Consumer Loans | 1,463.5                  | 15.9                         | 50.4                             | 1,413.1                        |
| 2 | Housing Loans              | 278.9                    | (8.6)                        | (10.0)                           | 288.9                          |
| 3 | Other Consumer Loans       | 1,184.6                  | 24.6                         | 60.4                             | 1,124.1                        |

\* Above figures are aggregated banking and trust account amounts.

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

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

(Billions of yen, %)

|   |   | As of September 30, 2006 |                              | As of<br>March 31,<br>2006       | As of<br>September 30,<br>2005 |
|---|---|--------------------------|------------------------------|----------------------------------|--------------------------------|
|   |   |                          | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                                |
| 4 | Loans to Both SMEs and Individual Customers | 2,811.5                  | 20.5                         | 242.9                            | 2,568.5                        |
| 5 | Ratio to Total Balance of Loans             | 61.0                     | (0.5)                        | 0.6                              | 60.3                           |

\* Above figures are aggregated banking and trust account amounts.

\* Above figures do not include offshore loans.

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

Companies of which the capital is 300 million yen or below (100 million yen or below for the wholesale industry, and 50 million yen 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).

**12. Status of Loans by Nationality of Borrowers****(1) Balance of Loans for Restructured Countries**

[ Non-Consolidated ]

(Millions of yen, number of countries)

|   |                                   | As of September 30, 2006 |                              | As of<br>March 31,<br>2006       | As of<br>September 30,<br>2005 |
|---|-----------------------------------|--------------------------|------------------------------|----------------------------------|--------------------------------|
|   |                                   |                          | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                                |
| 6 | Loan amount                       | 2,264                    | (824)                        | (2,119)                          | 4,383                          |
| 7 | Number of Restructuring Countries | 3                        | -                            | -                                | 3                              |

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

[ Non-Consolidated ]

(Millions of yen)

|   |             | As of September 30, 2006 |                        |                            | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|---|-------------|--------------------------|------------------------|----------------------------|----------------------------|--------------------------------|
|   |             |                          | Change from<br>31,2006 | March<br>September 30,2005 |                            |                                |
| 1 | China       | -                        | -                      | -                          | -                          | -                              |
| 2 | Hong Kong   | -                        | -                      | -                          | -                          | -                              |
| 3 | Indonesia   | 2,770                    | (921)                  | (2,305)                    | 3,691                      | 5,075                          |
| 4 | South Korea | 0                        | (2)                    | (4)                        | 3                          | 5                              |
| 5 | Thailand    | -                        | -                      | -                          | -                          | -                              |
| 6 | Malaysia    | 565                      | (50)                   | (69)                       | 616                        | 634                            |
| 7 | Singapore   | 258                      | (31)                   | (62)                       | 289                        | 320                            |
| 8 | Others      | 56                       | (56)                   | (107)                      | 112                        | 164                            |
| 9 | Total       | 3,651                    | (1,061)                | (2,549)                    | 4,713                      | 6,201                          |

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

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

(Millions of yen)

|    |             | As of September 30, 2006 |                        |                            | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|-------------|--------------------------|------------------------|----------------------------|----------------------------|--------------------------------|
|    |             |                          | Change from<br>31,2006 | March<br>September 30,2005 |                            |                                |
| 10 | China       | -                        | -                      | -                          | -                          | -                              |
| 11 | Hong Kong   | -                        | -                      | -                          | -                          | -                              |
| 12 | Indonesia   | 537                      | (45)                   | (50)                       | 583                        | 587                            |
| 13 | South Korea | 0                        | (2)                    | (4)                        | 3                          | 5                              |
| 14 | Thailand    | -                        | -                      | -                          | -                          | -                              |
| 15 | Malaysia    | 256                      | 0                      | 10                         | 255                        | 246                            |
| 16 | Singapore   | -                        | -                      | -                          | -                          | -                              |
| 17 | Others      | -                        | -                      | -                          | -                          | -                              |
| 18 | Total       | 794                      | (47)                   | (45)                       | 842                        | 840                            |

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

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

[ Non-Consolidated ]

(Millions of yen)

|    |        | As of September 30, 2006 |                        |                            | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|--------|--------------------------|------------------------|----------------------------|----------------------------|--------------------------------|
|    |        |                          | Change from<br>31,2006 | March<br>September 30,2005 |                            |                                |
| 19 | Panama | 4,052                    | (372)                  | 2,927                      | 4,424                      | 1,124                          |
| 20 | Others | 1                        | (7)                    | (11)                       | 9                          | 12                             |
| 21 | Total  | 4,054                    | (379)                  | 2,916                      | 4,434                      | 1,137                          |

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

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

(Millions of yen)

|    |        | As of September 30, 2006 |                        |                            | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|--------|--------------------------|------------------------|----------------------------|----------------------------|--------------------------------|
|    |        |                          | Change from<br>31,2006 | March<br>September 30,2005 |                            |                                |
| 22 | Panama | -                        | -                      | -                          | -                          | -                              |
| 23 | Others | 1                        | (0)                    | (0)                        | 1                          | 2                              |
| 24 | Total  | 1                        | (0)                    | (0)                        | 1                          | 2                              |

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

### III. DEFERRED TAXES

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

[ Non-Consolidated ]

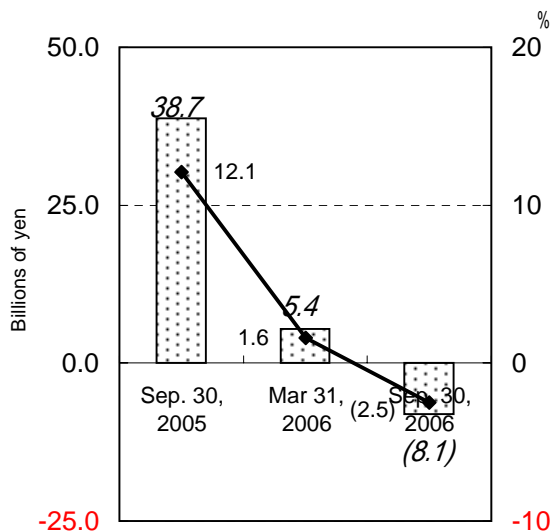
|             |                                    | As of September 30, 2006 |                               |                                   | Billions of yen            |                                |
|-------------|------------------------------------|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|             |                                    |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
| 1           | Total Deferred Tax Assets (A)      | 274.2                    | (16.2)                        | (26.8)                            | 290.4                      | 301.0                          |
| 2           | Total Deferred Tax Liabilities (B) | (76.9)                   | 2.1                           | (20.5)                            | (79.0)                     | (56.4)                         |
| 3           | (A) + (B)                          | 197.2                    | (14.1)                        | (47.3)                            | 211.3                      | 244.5                          |
| 4           | Valuation Allowance                | (205.4)                  | 0.4                           | 0.4                               | (205.8)                    | (205.8)                        |
| 5           | Net Deferred Tax Assets (C)        | (8.1)                    | (13.6)                        | (46.9)                            | 5.4                        | 38.7                           |
| (Reference) |                                    |                          |                               |                                   |                            |                                |
| 6           | Tier (D)                           | 321.0                    | (8.9)                         | 1.3                               | 329.9                      | 319.6                          |
| 7           | (C)/(D) (%)                        | (2.5)                    | (4.2)                         | (14.6)                            | 1.6                        | 12.1                           |

[ Consolidated ]

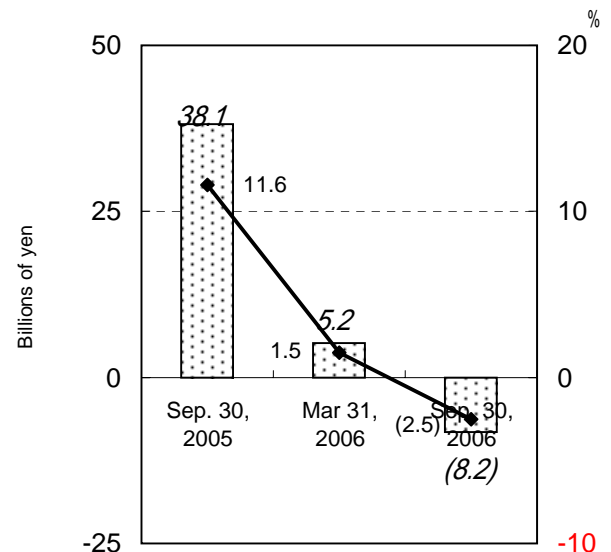
|             |                             | As of September 30, 2006 |                               |                                   | Billions of yen            |                                |
|-------------|-----------------------------|--------------------------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|
|             |                             |                          | Change from<br>March 31, 2006 | Change from<br>September 30, 2005 | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
| 8           | Net Deferred Tax Assets (A) | (8.2)                    | (13.4)                        | (46.3)                            | 5.2                        | 38.1                           |
| (Reference) |                             |                          |                               |                                   |                            |                                |
| 9           | Tier (B)                    | 327.8                    | (9.2)                         | 0.2                               | 337.1                      | 327.5                          |
| 10          | (A)/(B) (%)                 | (2.5)                    | (4.0)                         | (14.1)                            | 1.5                        | 11.6                           |

#### Changes of Deferred Tax Assets

Non-Consolidated



Consolidated



Net Deferred Tax Assets

Net Deferred Tax Assets to Tier I Ratio

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

[ Non-Consolidated ]

### (1) 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 to report consistently an appropriate level of Net Business Profits in previous periods. MHTB's loss 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 (loss)

(Billions of yen)

|                                      |         |
|--------------------------------------|---------|
| First Half of Fiscal 2006 (estimate) | 40.0    |
| Fiscal 2005                          | 24.9    |
| Fiscal 2004                          | 44.8    |
| Fiscal 2003                          | 66.7    |
| Fiscal 2002                          | (195.0) |
| Fiscal 2001                          | (185.6) |

(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 2006 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.

## (2) Estimation for Calculating Deferred Tax Assets

(Billions of yen)

## a) Estimate of future taxable income

(Reference)

|   |  | Total amount for five years<br>(from October 1, 2006 to September 30, 2011) | First Half of Fiscal 2006 |
|---|--|---|---------------------------|
| 1 | Gross Profits without Credit Costs for Trust Accounts  | 709.4   | 83.0                      |
| 2 | General and Administrative Expenses  | 468.4   | 44.0                      |
| 3 | Net Business Profits (Before Provision for General Reserve for Possible Losses on Loans)                 | 241.0   | 38.9                      |
| 4 | Credit-related Costs   | 42.4  | 4.8                       |
| 5 | Income before Income Taxes   | 152.2   | 39.8                      |
| 6 | Tax Adjustments (*1)   | 1.8   |                           |
| 7 | Taxable Income before Current Temporary Differences (A) (*2)   | 154.0   |                           |
| 8 | Effective tax rates (B)  | 40.6%   |                           |
| 9 | Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences (C) = (A) × (B) | 62.5  | Equal to Line 26          |

\*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, 2006.

(Billions of yen)

## b) Breakdown of Deferred Tax Assets

|    | As of September 30, 2006   | Change from March 31, 2006 | Change from September 30, 2005 | As of March 31, 2006 | As of September 30, 2005 |
|----|--|----------------------------|--------------------------------|----------------------|--------------------------|
| 10 | Reserves for Possible Losses on Loans  | 9.0                        | (0.5)                          | 9.5                  | 14.3                     |
| 11 | Devaluation of securities  | 63.6                       | (0.4)                          | 64.1                 | 99.3                     |
| 12 | Net Unrealized Losses on Other Securities  | -                          | -                              | -                    | -                        |
| 13 | Reserve for Employee Retirement Benefits   | 7.9                        | (0.1)                          | 8.1                  | 7.2                      |
| 14 | Net Deferred Hedge Losses (D)  | 0.0                        | 0.0                            | -                    | -                        |
| 15 | Tax Losses Carried Forward   | 174.9                      | (16.8)                         | 191.7                | 174.6                    |
| 16 | Other  | 18.5                       | 1.6                            | 16.9                 | 5.4                      |
| 17 | Total Deferred Tax Assets (E)  | 274.2                      | (16.2)                         | 290.4                | 301.0                    |
| 18 | Valuation Allowance (F)  | (205.4)                    | 0.4                            | (205.8)              | (205.8)                  |
| 19 | Subtotal (E) + (F)   | 68.7                       | (15.7)                         | 84.5                 | 95.1                     |
| 20 | Amount related to Retirement Benefits Accounting   | (6.2)                      | -                              | (6.2)                | (6.2)                    |
| 21 | Unrealized Profits related to Lease Transactions   | -                          | -                              | -                    | -                        |
| 22 | Net Unrealized Gains on Other Securities (G)   | (70.7)                     | 2.1                            | (72.8)               | (50.1)                   |
| 23 | Other  | -                          | -                              | -                    | -                        |
| 24 | Total Deferred Tax Liabilities (H)   | (76.9)                     | 2.1                            | (79.0)               | (56.4)                   |
| 25 | Net Deferred Tax Assets (Liabilities)(E) + (F) + (H)   | (8.1)                      | (13.6)                         | 5.4                  | 38.7                     |
| 26 | Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences = (C)                                   | 62.5                       | (74.8)                         | 137.3                | 134.9                    |
| 27 | Net Unrealized Gains on Other securities = (G)   | (70.7)                     | 2.1                            | (72.8)               | (50.1)                   |
| 28 | Net Deferred Hedge Losses = (D)  | 0.0                        | 0.0                            | -                    | -                        |
| 29 | Others (including Deferred Tax Assets corresponding to Remaining Taxable Income before Current Temporary Differences and others) | ( 0.0)                     | 59.0                           | (59.0)               | (46.0)                   |

## &lt; Explanation &gt;

Future taxable income was estimated using a more conservative assumption than that used in the Midterm Plan formulated in April 2005. Details of the respective estimated five-year totals are as follows. Gross Profits: ¥ 709.4 billion, General and Administrative Expenses: ¥ 468.4 billion, and Net Business Profits(Before Provision for General Reserve for Possible Losses on Loans)¥ 241.0 billion.

The resulting estimated Income before Income Taxes (including credit-related costs, etc.) is ¥ 152.2 billion and estimated Taxable Income before Current Temporary Differences is ¥ 154.0 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 amount to ¥ 274.2 billion. However, after considering temporary differences which are not expected to be reversed in the next five years, Valuation Allowance of ¥ (205.4) billion was provided, therefore after offsetting Deferred Tax Liabilities of (76.9) billion, ¥ (8.1) billion of net Deferred Tax Assets was recorded on the balance sheet .

## IV. OTHERS

### 1. Breakdown of Deposits

[ Non-Consolidated ]

(Millions of yen)

|   |                                   | As of September 30, 2006 |                              |                                  | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|---|-----------------------------------|--------------------------|------------------------------|----------------------------------|----------------------------|--------------------------------|
|   |                                   |                          | Change from<br>March 31,2006 | Change from<br>September 30,2005 |                            |                                |
| 1 | Deposits (Balance)                | 2,772,120                | 290,066                      | 361,139                          | 2,482,053                  | 2,410,980                      |
| 2 | Current                           | 565,537                  | (43,962)                     | (122,299)                        | 609,500                    | 687,837                        |
| 3 | Individual Deposits               | 332,529                  | 554                          | 18,121                           | 331,975                    | 314,408                        |
| 4 | Corporate Deposits                | 226,770                  | (39,862)                     | (138,540)                        | 266,633                    | 365,311                        |
| 5 | Financial/Government Institutions | 6,236                    | (4,654)                      | (1,880)                          | 10,890                     | 8,117                          |
| 6 | Fixed                             | 2,161,853                | 313,680                      | 488,401                          | 1,848,173                  | 1,673,451                      |
| 7 | Individual Deposits               | 1,485,384                | 73,647                       | 80,023                           | 1,411,737                  | 1,405,360                      |
| 8 | Corporate Deposits                | 415,359                  | 51,424                       | 185,859                          | 363,934                    | 229,500                        |
| 9 | Financial/Government Institutions | 261,109                  | 188,607                      | 222,518                          | 72,501                     | 38,590                         |

\* Above figures do not include offshore deposits.

### 2 Number of Directors and Employees

[ Non-Consolidated ]

( Full )

|    |  | As of<br>September 30,<br>2006 | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|--|--------------------------------|----------------------------|--------------------------------|
| 10 | Members of the Board of Directors and Auditors | 11                             | 11                         | 11                             |
| 11 | Executive Officers                             | 18                             | 16                         | 16                             |
| 12 | Employees (*1)                                 | 2,860                          | 2,719                      | 2,805                          |

\*1 The number of Employees are same as annual security reports.

### 3 Number of Branches and Offices

[ Non-Consolidated ]

|    |                                   | As of<br>September 30,<br>2006 | As of<br>March 31,<br>2006 | As of<br>September 30,<br>2005 |
|----|-----------------------------------|--------------------------------|----------------------------|--------------------------------|
| 13 | Head Office and Domestic Branches | 37                             | 37                         | 37                             |
| 14 | Domestic Sub-Branches             | 1                              | 1                          | 1                              |
| 15 | Overseas Branches                 | -                              | -                          | -                              |
| 16 | Overseas Representative Offices   | 1                              | 1                          | 1                              |

## 4. Earnings Estimates for Fiscal 2006

[ Non-Consolidated ]

(Billions of yen)

|   |   | Revised | Previous<br>(May 22, 2006) | Change |
|---|---|---------|----------------------------|--------|
| 1 | Gross Profits without<br>Credit Costs for Trust Accounts                                    | 171.0   | 170.0                      | 1.0    |
| 2 | Trust and Asset Management business   | 102.5   | 101.0                      | 1.5    |
| 3 | Banking Business  | 68.5    | 69.0                       | (0.5)  |
| 4 | General and Administrative Expenses (minus)   | 89.0    | 90.0                       | (1.0)  |
| 5 | Net Business Profits (Before Provision for<br>General Reserve for Possible Losses on Loans) | 82.0    | 80.0                       | 2.0    |
| 6 | Ordinary Profit   | 75.0    | 70.0                       | 5.0    |
| 7 | Net Income  | 55.0    | 45.0                       | 10.0   |
| 8 | Credit-related Cost   | (9.0)   | (9.0)                      | 0.0    |

[ Consolidated ]

(Billions of yen)

|    |                 | Revised | Previous<br>(May 22, 2006) | Change |
|----|-----------------|---------|----------------------------|--------|
| 9  | Ordinary Profit | 78.0    | 72.5                       | 5.5    |
| 10 | Net Income      | 56.0    | 46.0                       | 10.0   |