Consolidated Balance Sheet

September 30, 2001

Mizuho Holdings, Inc.

(in millions of yen)

Assets		**Liabilities**	
Cash and Due from Banks	5,848,953	Deposits	70,016,895
Call Loans and Bills Purchased	1,463,670	Negotiable Certificates of Deposit	15,181,513
Receivables Under Resell Agreements	3,609,184	Debentures	16,715,716
Other Debt Purchased	669,465	Call Money and Bills Sold	7,867,022
Trading Assets	11,019,131	Payables Under Repurchase Agreements	6,513,491
Money Held in Trust	251,165	Commercial Paper	1,306,389
Securities	25,801,785	Trading Liabilities	6,373,495
Loans and Bills Discounted	90,587,678	Borrowed Money	3,787,083
Foreign Exchange Assets	1,181,338	Foreign Exchange Liabilities	631,221
Other Assets	15,219,025	Bonds and Notes	4,097,149
Premises and Equipment	1,735,351	Convertible Bonds	7,436
Deferred Debenture Charges	5,544	Due to Trust Account	1,530,204
Deferred Tax Assets	2,253,622	Other Liabilities	16,957,429
Consolidation Differences	107,996	Reserve for Bonus Payment	23,554
Customers' Liabilities for Acceptances and Guarantees	5,896,764	Reserve for Employee Retirement Benefit	80,184
Reserve for Possible Losses on Loans	(1,909,131)	Reserve for Possible Losses on Loans Sold	121,972
Reserve for Possible Losses on Securities	(4,587)	Reserve for Possible Losses on Support of Specific Borrowers	195,512
		Reserve for Contingencies	8,180
		Reserve under Special Laws	884
		Deferred Tax Liabilities	15,531
		Deferred Tax Liabilities for Revaluation Reserve for Land	342,213
		Acceptances and Guarantees	5,896,764
		Total Liabilities	157,669,847
		Minority Interests	
		Minority Interests	765,762
		Shareholders' Equity	
		Common Stock and Preferred Stock	2,572,000
		Capital Surplus	2,203,747
		Revaluation Reserve for Land, net of Taxes	546,415
		Retained Earnings	801,612
		Net Unrealized Losses on Other Securities, net of Taxes	(691,702)
		Foreign Currency Translation Adjustments	(128,672)
		Subtotal	5,303,401
		Treasury Common Stock	(5)
		Parent Company Stock Held by Subsidiaries	(2,046)
		Total Shareholders' Equity	5,301,350
Total Assets	163,736,959	**Total Liabilities, Minority Interests and Shareholders' Equity**	163,736,959

Notes to Consolidated Balance Sheet

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

2. Trading transactions intended to take the benefit of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices (hereinafter referred to as “trading purposes”) are recognized on a contract 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 market value at the consolidated balance sheet date. Derivative financial products, such as swaps, futures contracts and option transactions, are stated at their theoretical values, assuming that such transactions would be terminated and settled at the consolidated balance sheet date.

3. Investments in non-consolidated subsidiaries and affiliates, which are not accounted for by the equity method, are valued at cost as determined by the moving average method. Other Securities that have readily determinable fair values are stated at market value. (The cost of securities sold is determined mainly by the moving average method.) Other securities which are not classified as either of the above securities are stated at cost or amortized cost determined by the moving average method. Unrealized gains or losses on Other Securities are recorded against shareholders’ equity.

4. Securities invested in individually managed Designated Money Held in Trust where the trust invests mainly in securities are valued mainly by the mark-to-market method.

5. Derivative transactions, other than those for trading purposes, are valued by the mark-to-market method.

6. Depreciation method of Premises and Equipment is as follows:

Buildings : Depreciation of buildings is computed mainly by the straight-line method over the estimated useful lives (3 to 50 years).

Equipment : Depreciation of equipment is computed mainly by the declining-balance method over the estimated useful lives (2 to 20 year).

In prior years, a certain domestic banking subsidiary had computed depreciation of installed facilities, e.g. electrical and water facilities, and structures, e.g. signboards and fences, using the declining balance method. Effective the current interim period, the Subsidiary has adopted the straight-line method of depreciation, because the usable value of a building etc remains constant over its useful life and thus depreciating the same amount over its useful life presents periodic profit and loss more appropriately. As a result of this change, Ordinary Loss and Loss before Income Taxes and Minority Interests decreased by ¥1,525 million.
MHHD and domestic consolidated subsidiaries changed the estimated useful life for computers from 6 years to 5 years. As a result of this change, Ordinary Loss and Loss before Income Taxes and Minority Interests increased by ¥1,302 million.

7. Development costs for internally used software are capitalized and amortized by the straight-line method over their estimated useful lives of mainly 5 years.

8. Deferred Debenture Charges are amortized as follows:
(1) Discounts of debentures are amortized over the term of the debenture.
(2) Debenture issuance costs are amortized over the term of such debentures up to a maximum of 3 years, which is the longest period permitted by the Commercial Code of Japan.

9. Assets/liabilities denominated in foreign currencies of domestic consolidated banking subsidiaries and trust banking subsidiaries are translated into yen primarily using the exchange rates in effect at the end of the interim period.
Other consolidated subsidiaries' assets/liabilities denominated in foreign currencies are translated into yen using the exchange rates in effect at the end of the interim period of those subsidiaries.
In prior years, domestic consolidated banking subsidiaries and trust banking subsidiaries had adopted "New Foreign Accounting Standards," in accordance with the "Tentative Auditing Treatment for the continuing adoption of 'New Foreign Accounting Standards' in Banking Industries"(JICPA April 10, 2000). Effective the current interim period, domestic consolidated banking subsidiaries and trust banking subsidiaries adopt the accounting prescribed in "Opinion Concerning the Amendment of Accounting Standards for Foreign Currency Transactions " (Business Accounting Deliberation Council, October 22, 1999), excluding the accounting applied based on "Tentative Accounting and Auditing Treatment relating to Adoption of 'Accounting for Foreign Currency Transaction' for Banks" (JICPA Industry Audit Committee Report No. 20). This change increased Securities by ¥23 million, Other Liabilities by ¥3,203 million, Foreign Currency Translation Adjustments by ¥434 million and decreased Other Assets by ¥2,600 million. Ordinary Loss and Loss before Income Taxes and Minority Interests also increased by ¥6,214 million.
Fund swap transactions were accounted as follows based on JICPA Industry Audit Committee Report No. 20:

Principal amounts of lending/borrowing transactions are translated into yen using the exchange rates in effect at the end of the interim period and the net amount is recorded on the balance sheet.

Differences arising from different exchange rates applying to the first (spot) and second (forward) legs, are recognized as gains or losses on an accrual basis for the period from the date of the first leg to the second leg.

Fund swap transactions are originated for the purpose of lending and borrowing in different currencies, where (1) the notional amounts of lending and borrowing are equal to the amounts of foreign exchange purchased or sold as a spot transaction and (2) the amounts of future payment for and proceed from borrowing and lending, respectively, with the contractual interest payment or receipt denominated in foreign currency, are equal to the amounts of foreign exchange purchased or sold as a forward transaction.
Currency swap transactions, in which the transactions are (1) originated for the purpose of lending and borrowing in different currencies, (2) amounts payable/receivable at the maturity date are equal to amounts receivable /payable at the contract date and (3) the swap rates applied to principal and interest are rational, were accounted for as follows based on JICPA Industry Audit Committee Report No. 20 (These currency swap transactions include transactions that renew one currency's equivalent amount of principal on every payment day of interest, using the current exchange rate of the day.) :

*Principal amounts of lending/borrowing transactions are translated into yen using the exchange rates in effect at the end of the interim period and the net amount is recorded on the balance sheet.

*Interest is recognized as gains or losses on an accrual basis for the period from the date of the first leg to the second leg.

Assets/liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into yen primarily using the exchange rates in effect at the end of the interim period of these subsidiaries.

10. Reserves for Possible Losses on Loans of major domestic consolidated subsidiaries are maintained in accordance with internally established standards for write-offs and provisions:

*For credits provided to obligors that are legally bankrupt as being under Bankruptcy Law, Special Liquidation in Commercial Law or the like (“Bankrupt Obligors”), and to obligors that are in effectively similar conditions (“Substantially Bankrupt Obligors”), reserves are maintained at 100% of amounts of claims net of expected amounts recoverable from the disposal of collateral and/or the amounts recoverable under guarantees.

*For credits provided to obligors that are currently not in bankruptcy, but likely to become bankrupt, reserves are maintained at the amount deemed necessary based on overall solvency analyses, out of the amount of claims less expected amounts recoverable from the disposal of collateral and/or the amounts recoverable under guarantees.

*For credits extended to other obligors, reserves are maintained at rates derived from historical credit loss experiences, etc.

*Reserves for Possible Losses on Loans to Restructuring Countries (including Reserves for Losses on Overseas Investments prescribed in Article 55-2 of the Exceptions to Tax Laws Act) are maintained in order to cover possible losses based on the analyses of political and economic climates of the countries.

All credits are assessed by each credit origination department, and the results of the assessments are verified and audited by the independent examination department. Reserves for Possible Losses on Loans are provided on the basis of such audited assessments.

In the case of loans to bankrupt obligors or substantially bankrupt obligors, which are collateralized or guaranteed by a third party, the amounts deemed uncollectible are charged off against the respective loan balances. The total charge-off amount is ¥2,749,034 million.

Reserves for Possible Losses on Loans provided by other domestic consolidated subsidiaries are maintained as follows:

*For general claims, reserves are maintained at the amount deemed necessary based on historical credit loss experiences, etc.

*For doubtful claims, reserves are maintained at the amount deemed uncollectible based on respective assessment of collectability.

11. Reserves for Possible Losses on Securities, which are provided for possible losses on securities, are maintained at the amount deemed necessary based on the financial condition of issuing companies.

12. Reserve for Bonus Payment, which is provided for the future bonus payment to employees, is maintained at the amount accrued at the end of the interim period, based on the estimated future payment and service periods.

In prior years, accrued liabilities for bonus payment to employees had been recorded in accrued expenses included in

“Other Liabilities.” Effective the current interim period, they are recorded as Reserve for Bonus Payment in accordance with “Concerning Financial Statement Titles to Be Used for Accrued Bonuses for Employees” (JICPA Research Center Review Information No.15).

13. Reserve for Employee Retirement Benefit, which is provided for the future pension payment to employees, is maintained at the amount accrued at the end of the interim period, based on the projected benefit obligation and the estimated pension plan asset amounts at the end of this fiscal year. Actuarial gains or losses are expensed mainly as follows:

*Actuarial gains or losses are recognized as income or expenses from the following fiscal year under the straight-line method over the average remaining service period of the current employees.

With respect to unrecognized net obligation at the date of initial application of domestic consolidated subsidiaries amounting to ¥353,107 million, ¥144,166 million has been expensed for the year ended March 31, 2001 due to the establishment of the retirement benefit trust, and the remainder is to be recognized equally as an expense over mainly 5 years. For the interim period, a six-twelfth of the annual amount is expensed.

14. Reserve for Possible Losses on Loans Sold is provided to cover possible losses on loans sold to the Cooperative Credit Purchasing Company, Limited, taking into account the value of collateral pledged. This reserve is provided in accordance with Article 287-2 of the Commercial Code of Japan.

15. Reserve for Possible Losses on Support of Specific Borrowers is provided to cover possible losses on write-offs of loans to assist or facilitate certain restructuring of borrowers. This reserve is provided in accordance with Article 287-2 of the Commercial Code of Japan.

16. Reserve for Contingencies is provided to cover possible losses arising from the matters not covered by specific reserves which are likely to occur and whose losses are reasonably determinable. This reserve is provided in accordance with Article 287-2 of the Commercial Code of Japan.

17. Finance leases of MHHD and its domestic consolidated subsidiaries, which do not involve the transfer of ownership to the lessee at the end of lease terms, are accounted for in the same manner as operating leases.

18. "Macro-hedge method" is adopted by domestic banking and certain trust banking subsidiaries to control, using derivatives, overall interest rate risks inherent in various financial assets and liabilities, such as loans and deposits. This risk management method is referred to as the "Risk Adjusted Approach” prescribed by “Tentative Accounting and Auditing Treatment relating to Adoption of ‘Accounting for Financial Instruments’ for Banks" (JICPA Industry Audit Committee Report No.15), and the deferral method is adopted for hedge accounting. The effectiveness of hedges is assessed by checking (1) whether the total net risk amount of derivative instruments, used to reduce risk, falls within the risk limit determined as set out in the risk management policy, and (2) whether interest risk exposures from hedged items have been reduced.

Based on JICPA Industry Audit Committee Report No. 20, either the deferral method or the mark-to-market method

for hedge accounting would be used on certain securities denominated in foreign currencies (except for bonds) to hedge the exchange rate risk associated with these securities, if they are (1) designated as the hedged transaction in advance, and (2) there are spot liabilities in the same foreign currency in excess of the securities denominated in a foreign currency.
The deferral method, the mark-to-market method or the special accrual method (for interest rate swaps) is alternatives that are used for hedge accounting applicable to certain assets and liabilities.
The hedge accounting similar to the above-mentioned is adopted by subsidiaries other than certain domestic consolidated leasing subsidiaries. "Portfolio-hedge for Liabilities" is adopted by such leasing subsidiaries to manage, using derivatives, cash flow risk inherent in gap between lease payments received (long-term, fixed rate) and funding liabilities (short-term, variable rate). This hedge accounting method is prescribed by “Tentative Accounting and Auditing Treatment relating to Adoption of ‘Accounting for Financial Instruments’ for Leasing Companies" (JICPA Industry Audit Committee Report No. 19) and the deferral method is adopted for such hedge accounting.

19. Consumption taxes including local taxes of MHHD and its domestic consolidated subsidiaries are excluded from the transaction amounts.

20. Reserves under Special Laws are maintained as follows:
Reserve for Contingent Liabilities from Broking of Futures Transactions amounting to ¥112 million is maintained under Article 82 of the Financial Futures Transactions Law.
Reserve for Contingent Liabilities from Broking of Securities Transactions amounting to ¥772 million is maintained under Article 51 of the Securities & Exchange Law of Japan.

21. The total amount due from directors and corporate auditors of MHHD is ¥103 million.

22. Accumulated depreciation of Premises and Equipment amounts to ¥805,437 million.

23. The book value of Premises and Equipment adjusted for gains on sales of replaced assets amounts to ¥153,600 million.

24. Loans and Bills Discounted include Loans to Bankrupt Borrowers of ¥586,579 million and Non-Accrual Delinquent Loans of ¥2,911,883 million. Loans to Bankrupt Borrowers represent non-accrual loans to borrowers who are legally bankrupt as defined in Article 96-1-3 and 4 of the Corporate Tax Law (Article 97 of 1965 Cabinet Order). Such loans are those which interest has not been accrued as it is deemed difficult to collect principal or interest, or whose payments of interest have continuously been deferred for a considerable period. Non-Accrual Delinquent Loans represent non-accrual loans other than (1) Loans to Bankrupt Obligors and (2) Loans of which interest payments are suspended in order to assist or facilitate the restructuring of the obligors.

25. Loans and Bills Discounted also include Loans Past Due for Three Months or More of ¥155,598 million. Loans to Bankrupt Obligors or Non-Accrual Delinquent Loans, both of which are classified as non-accrual, are not included in this category.

26. Loans and Bills Discounted also include Restructured Loans of ¥2,589,946 million. Restructured Loans represent loans on which contracts were amended in favor of obligors (e.g., reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate restructuring processes of obligors in financial difficulties, excluding Loans to Bankrupt Obligors, Non-Accrual Delinquent Loans, and Loans Past Due for Three Months or More.

27. The total balance of Loans to Bankrupt Obligors, Non-Accrual Delinquent Loans, Loans Past Due for Three Months or More and Restructured Loans is ¥6,244,009 million at the consolidated balance sheet date.
The amounts given in Notes 24 through 27 are gross amounts before deduction of the respective Reserves for Possible Losses on Loans.

28. Total face value of bankers' acceptances, commercial bills and documentary bills obtained as a result of discounting is ¥1,130,240 million.

29. The following assets have been pledged as collateral:

Cash and Due from Banks	¥1,564 million
Trading Assets	2,896,979
Securities	8,539,576
Loans and Bills Discounted	3,044,089
Foreign Exchange	5,741
Other Assets	1,383,590
Premises and Equipment	114

The following liabilities are collateralized by the above assets:

Deposits	¥151,236 million
Call Money and Bills Sold	4,136,396
Payables under Repurchase Agreements	4,659,561
Trading Liabilities	339,469
Borrowed Money	169,501
Foreign Exchange	17,135
Other Liabilities	15,060

In addition, Borrowed Money amounting to ¥4,694 million is secured by stocks which are deposited by customers as a collateral for loan transactions in relation to sales of securities on margin. In addition, the settlement accounts of foreign currency transactions or margins for futures transactions are collateralized or substituted by Cash and Due from Banks of ¥86,200 million, Trading Assets of ¥16,601 million, Securities of ¥3,226,705 million, Loans and Bills discounted of ¥332,839 million and Other Assets of ¥412,971 million. None of the assets are pledged as collateral for borrowings by the unconsolidated subsidiaries and the affiliates.
Guarantee deposits amounting to ¥188,335 million are included in Premises and Equipment. Margins for futures transactions amounting to ¥35,737 million and margins on securities borrowed amounting to ¥3,066,912 million are included in Other Assets.

30. In prior years, overseas repurchase agreement transactions had been classified as "Call Loans and Bills Purchased", "Call Money and Bills Sold", "Other Assets" or "Other Liabilities." Effective the current interim period, these transactions are included in "Receivables under resell agreements" or "Payables under repurchase agreements," in the amounts of ¥2,344,309 million and ¥4,912,069 million, respectively.

31. Net realized or unrealized losses from hedging instruments are included in Other Assets as Deferred Hedge Losses. The gross amounts of deferred hedge gains and losses before netting are ¥2,382,930 million and ¥1,987,695 million, respectively.

32. In accordance with the Land Revaluation Laws, land used for business operations of domestic consolidated banking subsidiaries is revalued as follows:

Date of revaluation: March 31, 1998

Method of revaluation set forth in Article 3-3 of the above law:

In accordance with Article 119 of the 1998 Cabinet Order Article 2-4 of the Enforcement Ordinance relating to the Land Revaluation Law, the revaluation was made by the method of calculating the value along with reasonable adjustments, such as for the shape of land.

The tax effect of Revaluation Reserve for Land is included in Deferred Tax Liabilities for Revaluation Reserve for Land, and the revalued amount, net of taxes, is stated as Revaluation Reserve for Land in Shareholders' Equity.
The similar treatment has been made by certain overseas consolidated subsidiaries.

33. Borrowed Money includes subordinated borrowings of ¥1,975,019 million.

34. Bonds and Notes include subordinated bonds of ¥3,314,407 million.

35. The principal amounts indemnified for jointly operated designated money trusts and loan trusts, which are entrusted to domestic consolidated trust banking subsidiaries, are ¥703,596 million and ¥2,024,332 million, respectively.

36. Net Assets per share is ¥347,158.69

37. Market values of securities, revaluation differences, and related items are as follows. These include those of trading securities, certificates of deposit, commercial paper etc classified as Trading Assets, certificates of deposit classified as Cash and Due from Banks, and commercial paper etc classified as Other Debt Purchased, as well as Securities. This explanation relates to Notes 40 through 45.

Securities held for trading purposes:

Amount booked on the consolidated balance sheet	¥7,607,110 million
Revaluation loss recognized in profits and losses for the interim period	(17,584)

Other Securities that have readily determinable fair values:

(in millions of yen)

	Cost	Book Value (=Fair Value)	Unrealized Gain (Loss) Net Gains (Losses)	Gross Gains	Gross Losses
Stocks	7,352,544	6,198,270	(1,154,274)	388,253	(1,542,528)
Bonds	12,380,163	12,370,069	(10,094)	22,900	(32,995)
National Government Bonds	11,709,058	11,683,342	(25,716)	5,706	(31,422)
Local Government Bonds	280,089	288,079	7,989	8,245	(255)
Corporate Bonds	391,015	398,647	7,631	8,948	(1,317)
Others	5,393,624	5,407,075	13,450	67,039	(53,589)
Total	25,126,333	23,975,414	(1,150,918)	478,193	(1,629,112)

Following amounts are included in “Net unrealized losses on Other securities, net of taxes.”

Net unrealized loss	(1,150,918)
Amount corresponding to Deferred Tax Assets	444,341
Amount corresponding to Deferred Tax Liabilities	(4,297)
Amount corresponding to Minority Interests	18,307
Amount corresponding to Net Unrealized Losses on Other Securities owned by affiliated companies, which corresponds to the holding shares of their investor companies	1,086
Amount included in Net unrealized losses on Other securities, net of taxes	(691,480)

38. Other Securities sold during the interim period are as follows.

(in millions of yen)

Proceed from sales	Gains	Losses
25,001,155	322,503	(33,817)

39. Description of and amount recorded on the consolidated balance sheet for major securities that have no market values are as follow:

Description	Amount booked on the consolidated balance sheet
Other Securities	
Unlisted stocks (excluding OTC stocks)	¥320,747 million
Bonds privately placed	851,551

40. Projected redemption amounts for securities classified as Securities held to maturity and Other Securities that have a maturity date are as follows:

(in millions of yen)

	1 Year or less	More than 1 Year but 5 Years or less	More than 5 Years but 10 Years or less	More than 10 Years
Bonds	5,872,176	4,050,630	3,256,986	21,828
Japanese Government Bonds	5,769,458	3,149,337	2,764,546	-
Japanese Local Government Bonds	18,930	99,253	265,982	16,159
Corporate Bonds	83,788	802,039	226,456	5,668
Others	781,246	3,030,044	991,194	863,275
Total	6,653,423	7,080,674	4,248,181	885,103

41. Details of Money Held in Trust, by the purpose of holding, are as follows:

Investment purposes:

Book Value	¥246,450 million
Revaluation loss recognized in profits or losses for the interim period	(21,557)

Other Money Held in Trust:

Cost	¥3,620 million
Book Value	4,714
Net unrealized gain	1,093
Gross gain	1,093

Following amounts are included in "Net unrealized losses on Other securities, net of taxes."

Net unrealized gain	1,093
Amount corresponding to Deferred Tax Liabilities	¥427 million
Amount corresponding to Minority Interests	290
Amount included in Net unrealized losses on Other securities, net of taxes	375

42. Securities lending transactions which allow borrowers to resale, amounting to ¥5,159,733 million, are included in "Securities," securities in custody, etc under "Other Assets" and trading securities under "Trading Assets." Securities lending transactions which do not allow borrowers to resale, amounting to ¥4,310 million, are included in Japanese Government Bonds, Japanese Local Government Bonds, etc under "Securities."

43. Overdraft protection on current accounts and contracts of commitment-line for loans are the contracts by which MHHD and its consolidated subsidiaries are bound to make loans up to the prearranged amount, at the request of customers, unless said customers are in breach of contract conditions. Unutilized balance of these contracts amounts to ¥47,667,344 million. ¥41,689,837 million of this amount relates to contracts of which original contractual terms are of a term of one year or less, or 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 MHHD and its consolidated subsidiaries. A provision is included in many of these contracts, which entitle MHHD 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. MHHD and its consolidated subsidiaries obtain, moreover, real estate or securities as collateral at the time the contracts are entered into, if needed, and subsequently monitor an obligor's business condition periodically, based on and in accordance with procedures established, and take measures to control credit risks such as amendment to the contracts, if needed.

44. Other Assets include provisional tax payments of ¥222,682 million made by a certain domestic banking subsidiary. These payments were made upon receipt of the Correction Notice from the Tokyo Regional Taxation Bureau ("TRTB") on August 23, 1996 in connection with the write-off of credits due from Japan Housing Loan, Inc., amounting to ¥376,055 million recorded in the fiscal year ended March 1996.
The subsidiary disputed the rational for the proposed correction and filed an application seeking to void the proposed correction to the National Tax Tribunal for an administrative review. This was dismissed on October 28, 1997.
On October 30, 1997, the subsidiary filed a lawsuit with the Tokyo District Court seeking to void the TRTB's administrative action against the subsidiary and won the case entirely on March 2, 2001, but this has been appealed to the Tokyo High Court on March 16, 2001.

45. Application of Accounting Standards for Financial Instruments resulting in developments for the current interim period is as follows:

(1) In prior years, securities transactions with repurchase/resale agreements of domestic consolidated banking subsidiaries were recorded as a purchase or sale transaction. Effective the current interim period, these transactions are recorded as cash lending/ borrowing and recorded in "Receivables under resale agreements" or "Payables under repurchase agreements." This change increased securities in custody, etc under "Other Assets" and securities borrowed and trading securities borrowed under "Other Liabilities" by ¥1,496,896 million, respectively. Furthermore, effective the current interim period, net payables or receivables arising from pending trades relating to the transactions with repurchase/resale agreements have no longer been recognized in "Other Assets" and "Other Liabilities".

(2) Net unrealized losses on other securities and securities invested in individually managed Designated Money Held in Trust were recorded in "Net unrealized losses on other securities, net of taxes" in Shareholders' Equity. As a result, "Money Held in Trust" increased by ¥1,093 million, "Securities" decreased by ¥1,150,811 million and ¥691,702 million was recorded in "Net unrealized losses on other securities, net of taxes."

(3) Accrued dividends were recognized at an ex-dividend day in the current interim period. This change and change in criteria for recognition/derecognition of securities transactions increased Securities, Other Assets and Other Liabilities by ¥319,212 million, ¥8,366 million and ¥319,153 million, respectively. As a result, Ordinary Loss and Loss before Income Taxes and Minority Interests decreased by ¥27,446 million.

46. Fuji America Holdings, Inc. (the "Company"), a wholly owned subsidiary, sold the common stock of Heller Financial Inc., a subsidiary of the Company. Details of the transaction are as follows:

Stock sold	Heller Financial Inc. / Common Stock
Number of shares	51,050,000 shares
Sale Amount	US$ 2,743 million
After-tax Gain of Sale	US$ 967 million (projected to be recognized by Fuji America Holdings, Inc in the fiscal year ending December 31, 2001)
Acquirer	Hawk Acquisition Corp. (a wholly owned subsidiary of General Electric Capital Corporation)
Date of Contract	July 30, 2001 (US Time)
Date of Settlement	October 24, 2001 (US Time)

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