

## Financial Results for the First Quarter of Fiscal 2006 (Non-consolidated)

August 4, 2006

**Company Name:** Seven Bank, Ltd.

(URL <http://www.sevenbank.co.jp/> )

Location of Head Office: Tokyo

**Inquiries:**

TEL (03) 3211-3041

**Position/Director, Executive Officer and General Manager of Planning Division, Name/Kensuke Futagoishi**

### 1. Matters Pertaining to the Preparation of Quarterly Financial Information

- |   |   |    |
|---|---|----|
| ① | Adoption of simplified accounting treatment:                  | No |
| ② | Changes of accounting treatment since previous financial year | No |
| ③ | Audit by audit corporation                                    | No |

### 2. Summary of Financial Condition/Financial Results of the 1<sup>st</sup> Quarter of the Fiscal Year ending March 31, 2007 (April 1, 2006 – June 30, 2006)

#### (1) Financial Results

(Note: Amounts less than one million yen are omitted)

	Ordinary Income		Ordinary Profit	
	Million yen	%	Million yen	%
<b>1<sup>st</sup> Quarter of FY 2007</b>	18,093	22.0	5,672	43.8
<b>1<sup>st</sup> Quarter of FY 2006</b>	14,819	40.8	3,942	96.7
FY ended March 31, 2006	64,612	34.7	19,409	92.6

	1 <sup>st</sup> Quarter (Current) Net Income		1 <sup>st</sup> Quarter (Current) Net Income per share
	Million yen	%	Yen
<b>1<sup>st</sup> Quarter of FY 2007</b>	3,414	46.3	2,798.43
<b>1<sup>st</sup> Quarter of FY 2006</b>	2,333	16.5	1,913.05
FY ended March 31, 2006	10,590	( 2.3)	8,680.89

(Note) (1) Average number of shares during the period: 1<sup>st</sup> Quarter of FY 2007 1,220,000 shares  
 1<sup>st</sup> Quarter of FY 2006 1,220,000 shares  
 FY ended March 31, 2006 1,220,000 shares

(2) Percentages under ordinary income, ordinary profit, and so forth indicate the rates of change from the same period of the previous year

#### (2) Financial Condition

	Total assets	Net assets	Net assets to total assets ratio	Net assets per share	Non-consolidated capital adequacy ratio (domestic standard)
	Million yen	Million yen	%	Yen	%
<b>1<sup>st</sup> Quarter of FY 2007</b>	395,083	70,484	17.8	57,774.33	(Preliminary) 199.03
<b>1<sup>st</sup> Quarter of FY 2006</b>	335,035	58,840	17.5	48,229.93	174.08
FY ended March 31, 2006	361,338	67,080	18.5	54,984.18	233.49

(Note) (1) Net assets to total assets ratio = Total net assets / Total assets

(2) The non-consolidated capital adequacy ratio (domestic standard) is calculated in accordance with the *Standards for capital ratio pursuant to Article 14-2 of the Banking Law* (Ordinance No. 55 issued by the Ministry of Finance, May 31, 1993).

(3) Number of outstanding shares at the end of the period:

1 <sup>st</sup> Quarter of FY 2007	1,220,000 shares
1 <sup>st</sup> Quarter of FY 2006	1,220,000 shares
FY ended March 31, 2006	1,220,000 shares

### 3. Forecast for the Fiscal Year ending March 31, 2007 (April 1, 2006 – March 31, 2007)

Forecasts for FY 2007 released on May 8, 2006 are unchanged.

Reference (Forecasts released on May 8, 2006)

	Ordinary income	Ordinary profit	Net income	Full year dividend per share	
				End of the year	
Full year	Million yen 74,100	Million yen 19,900	Million yen 10,400	Yen 0 00	Yen 0 00

\*The above forecast is based on the information available at the issuing date of this report. Accordingly, the final results may vary due to various factors.

## Major 1<sup>st</sup> Quarter Topics (April 1, 2006 – June 30, 2006)

### 1. Status of the ATM Business

#### (1) Status of correspondent relationships

During the period under review, six companies, i.e. Towa Bank, Sendai Bank, Daisan Bank, Businext, T Card & Marketing, and Fullcast Finance Co. and eight Shinkin banks became correspondent financial institutions of Seven Bank (the Bank). Consequently there are 527 (Note 1) correspondent financial institutions as of June 30, 2006.

[Note1: JA Bank and JF Marinebank are considered to be one from the standpoint of business category]

#### (2) Status of the Bank's regional expansion

As of June 30, 2006, our ATM's are installed in 30 prefectures.

As a result of increasing the installation density of ATMs, 84 new ATM s were installed during the period under review, for a total of 11,568 ATMs, as of June 30.

#### 《ATMs compatible with integrated circuit (IC) technology》

Starting from April 2006, all of the Bank's ATMs are compatible with IC cards. As of June 2006, the IC cards of the Bank, in addition to Bank of Tokyo-Mitsubishi UFJ, Shizuoka Bank, Sumitomo Mitsui Bank, Chiba Bank, Fukuoka Bank, Toho Bank, Chugoku Bank, Daishi Bank, and Shinginko Tokyo may be used. (Note 2)

(Note 2: Some IC cards of the banks mentioned above may not be compatible with the Bank's ATMs)

#### 《Approximately 3,100 second generation ATMs installed》

In terms of the replacement with second generation ATMs, which has been ongoing since July 2005, approximately 750 second generation ATMs were newly installed in Saitama prefecture and other prefectures during the current 1<sup>st</sup> Quarter. Together with the ATMs already installed in branches in Tokyo, Shizuoka prefecture and Miyagi prefecture, the replacement with approximately 3,100 ATMs was completed as of June 30, 2006.

#### (3) Status of ATM transaction volume

By expanding the correspondent financial institution and ATM-networks and through its vigorous advertising activities, ATM transaction volume grew steadily and the average daily transaction volume per ATM was 94.1 during the current 1<sup>st</sup> Quarter.

#### 《Average daily ATM transaction volume exceeds the one million mark》

During the period under review, the average daily ATM transaction volume surpassed the one million mark.

## 2. Status of Seven Bank Deposit Accounts

As of June 30, 2006 the Bank had 380,000 deposit accounts for individual accountholders with total deposits of ¥58,400 million (of which ¥6,900 million were time deposits).

## 3. Expansion of Agency Services for Correspondent Banks through Manned Outlets, *Minna no Ginkou Madoguchi* (“Everyone’s Bank Teller Window”)

In addition to the agency services for Sumitomo Mitsui Bank at the outlet in Ito-Yokado Kawaguchi store, which began in March 2006, the Bank, in May 2006, also commenced agency services for Chiba Bank at the outlet in Ito-Yokado Soga store, and agency services for Saitama Resona Bank at the outlet in Ito-Yokado Kawaguchi store.

## 1<sup>st</sup> Quarter Balance Sheet for FY 2007 (As of June 30, 2006)

(In millions of yen)

Category	Amount	Category	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
Cash and dues from banks	270,097	Deposits	190,957
Securities	53,542	Negotiable certificates of deposits	15,110
Prepaid pension cost	67	Call money	20,000
Accrued income	6,444	Borrowed money	65,000
ATM-related temporary payments	49,748	Bonds	15,000
Other assets	805	ATM-related temporary advances	12,151
Tangible fixed assets	2,467	Other liabilities	5,900
Intangible fixed assets	11,204	Reserve for bonuses	279
Deferred tax assets	762	Reserve for retirement benefits for directors and statutory auditors	199
Allowance for credit losses	(55)	<b>Total liabilities</b>	<b>324,598</b>
		<b>(Net assets)</b>	
		Common stock	61,000
		Retained earnings	9,503
		Other retained earnings	9,503
		Retained earnings brought forward	9,503
		Total stockholders' equity	70,503
		Net unrealized gains(losses) on available-for-sale securities, net of taxes	(18)
		Total valuation and translation adjustments	(18)
		<b>Total net assets</b>	<b>70,484</b>
<b>Total assets</b>	<b>395,083</b>	<b>Total liabilities and net assets</b>	<b>395,083</b>

**Notes 1.** The amounts are presented in millions of yen and amounts of less than one million yen are omitted.

2. Securities are carried at their quarter-end fair market value (cost of securities sold is calculated using primarily the moving-average method). Net unrealized gains or losses on these securities are included in net assets, net of income taxes.
3. Derivative transactions are carried at fair value.
4. Tangible fixed assets are depreciated using the declining balance method over the estimated useful lives of the assets. However, buildings, other than the fixtures attached to them, are depreciated using the straight-line method. The useful lives of major assets are as follows:

Buildings	6 years to 18 years
Equipment	3 years to 20 years
5. Software for internal use is depreciated over the estimated useful life if used internally (5 years), using the straight-line method.

6. An allowance for credit losses is provided as detailed below, in accordance with the Bank's internal standards for write-offs and provisions.

For credits to obligors classified as "normal obligors" or "watch obligors" according to the *Operational Guidelines for Verification of Internal Control for Self-Assessment of Assets in Banks and Other Financial Institutions* (JICPA Bank Auditing Special Committee Report No. 4), credits are classified into certain categories and the allowance for credit losses is provided based on the Bank's estimated rate of credit losses. For credits to obligors classified as "bankruptcy risk obligors," the allowance for credit losses is provided for the amount deemed necessary for the amount remaining after deductions for the estimated recoverable amount from available security interests and guarantees. For credits to obligors classified as "substantially bankrupt obligors" or "bankrupt obligors," the allowance for credit losses is provided in the full amounts of such credits, after deductions for the estimated recoverable amount from available security interests and guarantees.

The Bank's Risk Management Office, which is independent from the Bank's banking-related divisions, evaluates all credits, with the cooperation of the banking-related divisions, in accordance with its internal rules for self-assessment of assets, and the allowance is provided based on the results of these assessments.

7. In order to prepare for the payment of employee bonuses, the Bank records a reserve for bonuses in the amount of estimated bonuses attributed to the current quarter.
8. In order to prepare for the payment of retirement benefits to employees, the Bank records a reserve for employees' retirement benefits in the amount deemed accrued at the quarter-end, based on the projected retirement benefit obligation and the estimated amount of pension plan assets at the fiscal-year-end.

During the current quarter, as the estimated amount of pension plan assets exceeded the balance of projected retirement benefit obligations, which are adjusted for unrecognized prior service costs and unrecognized net actuarial difference, the Bank appropriated the surplus to "prepaid pension cost." Unrecognized prior service costs and unrecognized net actuarial differences are expensed using the following methods:

Unrecognized prior service cost is amortized using the straight-line method over 10 years within the employees' average remaining service period at the time of incurrence.

Unrecognized prior actuarial difference is amortized using the straight-line method over 10 years within the employees' average remaining service period, commencing from the fiscal year following the incurrence.

9. In order to prepare for the payment of retirement benefits to directors and statutory auditors, the Bank records a reserve in the amount required at the current quarter-end in accordance with its internal rules.
10. Financing leases, which do not transfer ownership to the lessees, are accounted for in the same manner as operating leases.
11. Special interest rate swaps are applied to certain assets/liabilities. Hedge targets are individually identified and interest rate swaps are used as hedging transactions to offset market changes in variable interest rates.
12. National and local consumption taxes for the Bank are accounted for using the tax-excluded method.
13. The accumulated depreciation of fixed assets totaled ¥570 million.
14. In addition to the fixed assets indicated in the Balance Sheet, a portion of the ATMs, computers and peripheral equipment, and other business equipment are used under lease agreements.
15. Securities in the amount of 53,542 million yen were pledged as collateral for exchange settlements and overdraft transactions with the Bank of Japan.  
Additionally, other assets include 354 million yen as security deposit.
16. Intangible fixed assets include software in the amount of 10,183 million yen and software-related temporary accounts in the amount of 1,003 million yen.
17. Net assets per share is 57,774.33 yen

18. Market value of securities, unrealized gain/loss and other related matters are as below.

Available-for-sale securities with market value

	Acquisition cost	Balance sheet amount	Net unrealized gains/losses	(In millions of yen)	
				Gains	Losses
Bonds:	53,573	53,542	(31)	0	31
Japanese government bonds	49,574	49,543	(30)	0	30
Government guaranteed bonds	3,999	3,998	(0)	—	0
Total	53,573	53,542	(31)	0	31

-18 million yen, which is the total of the above “Net unrealized gains/losses” and deferred tax assets 12 million yen is stated as included in “Net unrealized gains (losses) on securities available-for-sale, net of taxes.”

19. The redemption schedule for available-for-securities with maturities and held-to-maturity bonds are as follows:

	(In millions of yen)			
	Within 1 year	After 1 year	After 5 years	After 10 years
		through 5 years	through 10 years	
Bonds:	53,542	—	—	—
Japanese government bonds	49,543	—	—	—
Government guaranteed bonds	3,998	—	—	—
Total	53,542	—	—	—

20. In accordance with the *Accounting Standards for Presentation of Net Assets in the Balance Sheet* (Statement No. 5, Accounting Standards of Board of Japan (“ASBJ”), December 9, 2005) and the *Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet* (Guidance No. 8, ASBJ, December 9, 2005), which are to be applied from the interim fiscal period ending on or after the enactment date of the Company Act, the Bank has adopted these accounting standards and guidelines and presented its “Stockholders’ equity” as “Net assets.” The amount corresponding to the form stockholders’ equity as of the end of the current quarter is 70,484 million yen.

21. In accordance with the revision to the appended form of the *Enforcement Ordinance concerning the Banking Law* (Ministry of Finance Ordinance No. 10, 1982) with the *Cabinet Office Ordinance Partially Revising Detailed Regulations on Mutual Loan Business Law* (Cabinet Office Ordinance No. 60, April 28, 2006), and its application from the fiscal year commencing on and after April 1, 2006, the following changes in the presentation of the Balance Sheet are made starting from the current quarter:

- (1) “Premises and equipment” are separately presented as “Tangible fixed assets,” “Intangible fixed assets,” and “Other assets.”
- (2) “Software” and “Software-related temporary accounts” are included in “intangible fixed assets.”
- (3) “Valuation difference on stocks” is presented as “Net unrealized gains (losses) on available-for-sale securities, net of taxes.”

**1<sup>st</sup> Quarter Statement of Income for Fiscal Year Ending March 31, 2007 (April 1, 2006 – June 30, 2006)**

(In millions of yen)

Category	Amount
<b>Ordinary income</b>	18,093
Interest income	40
of which Interest and dividends on securities	39
Fees and commissions income	18,041
of which ATM-related fee income	17,538
Other ordinary income	12
<b>Ordinary expenses</b>	12,421
Interest expenses	224
of which Interest on expenses	17
Fees and commission expenses	1,376
of which ATM placement fee expenses	1,294
of which ATM-related fee expenses	37
Other operating expenses	101
General and administrative expenses	10,640
Other ordinary expenses	78
<b>Ordinary profit</b>	5,672
<b>Extraordinary losses</b>	243
<b>1<sup>st</sup> Quarter income before income taxes</b>	5,428
<b>Current income taxes</b>	1,850
<b>Adjustments for income taxes</b>	164
<b>1<sup>st</sup> Quarter net income</b>	3,414

- Notes 1.** The amounts are presented in millions of yen and amounts of less than one million yen are omitted.
2. 1<sup>st</sup> Quarter net income per share is 2,798.43 yen
  3. There were no potentially dilutive shares.
  4. “Other ordinary expenses” include the “Transfer amount to allowance for credit losses” of 10 million yen.
  5. “Extraordinary losses” consist of expenses for cancellation of leases of 243 million yen.

**1<sup>st</sup> Quarter Statement of Cash Flows for Fiscal Year Ending March 31, 2007 (April 1, 2006 – June 30, 2006)**

(In millions of yen)	
Category	Amount
I Cash flows from operating activities	
1 <sup>st</sup> quarter income before income taxes	5,428
Depreciation of fixed assets	1,034
Net change in allowance for credit losses	10
Interest income	(40)
Interest expenses	224
Net gains/losses on security transactions	29
Net change in deposits	9,186
Net change in call loans	20,000
Net change in ATM-related temporary accounts	(11,301)
Interest received	78
Interest paid	(333)
Other-net	(493)
Subtotal	23,823
Income taxes paid	(3,870)
<b>Net cash provided by operating activities</b>	19,953
II Cash flows from investing activities	
Purchases of securities	(35,097)
Proceeds from maturity of securities	35,000
Purchases of tangible fixed assets	(1,621)
Purchase of intangible fixed assets	(1,255)
<b>Net cash used in investing activities</b>	(2,973)
III Cash flows from financing activities	
<b>Net cash used in financing activities</b>	—
IV Effect of exchange rate changes on cash and cash equivalents	—
V Net increase in cash and cash equivalents	16,979
VI Cash and cash equivalents at the beginning of the year	253,117
VII Cash and cash equivalents at the end of the first quarter	270,097

**Notes 1.** The amounts are presented in millions of yen and amounts of less than one million yen are omitted.

**2.** For the purpose of the statement of cash flow, cash and cash equivalents represent “cash and dues from banks” on the balance sheet.



## 1<sup>st</sup> Quarter Statement of Changes in Net Assets for FY 2007

(In millions of yen)

	Stockholders' equity			Valuation and translation adjustments	Total net assets
	Common stock	Retained earnings	Stockholders' equity total	Net unrealized gains/losses on available-for-sale securities, net of taxes	
Balance at the beginning of the current quarter	61,000	6,089	67,089	(8)	67,080
Changes in items during the current quarter					
1 <sup>st</sup> Quarter net income		3,414	3,414		3,414
Net changes in items other than stockholders' equity				(10)	(10)
Total changes in items during the current quarter	—	3,414	3,414	(10)	3,403
Balance at the end of the current quarter	61,000	9,503	70,503	(18)	70,484

**Notes 1.** The amounts are presented in millions of yen and amounts of less than one million yen are omitted.

2. Status of issued shares is as follows.

Common stock 1,220,000 shares

3. There are no stock acquisition rights.

4. The Bank does not payout dividends.

## Comparative Balance Sheet (Major components)

(In millions of yen)

Category	As of Jun. 30, '06 (A)	As of Jun. 30, '05 (B)	Comparison (A - B)	As of Mar. 31, '06 (Summary)(C)	Comparison (A - C)
<b>( A s s e t s )</b>					
Cash and dues from banks	270,097	251,410	18,687	253,117	16,980
Securities	53,542	28,538	25,004	53,571	(29)
Prepaid pension cost	67	59	8	68	(1)
Accrued income	6,444	5,267	1,177	5,706	738
ATM-related temporary pay ments	49,748	—	49,748	35,127	14,621
Temporary payments	—	35,737	(35,737)	—	—
Software	—	7,148	—	10,295	—
Software-related temporary accounts	—	4,632	—	858	—
Other assets	805	197	608	790	15
Premises and equipment	—	689	—	928	—
Tangible fixed assets	2,467	—	—	—	—
Intangible fixed assets	11,204	—	—	—	—
Deferred tax assets	762	1,446	(684)	920	(158)
Allowance for credit losses	(55)	(91)	36	(45)	(10)
<b>Total assets</b>	<b>395,083</b>	<b>335,035</b>	<b>60,048</b>	<b>361,338</b>	<b>33,745</b>
<b>( L i a b i l i t i e s )</b>					
Deposits	190,957	99,628	91,329	181,770	9,187
Negotiable certificates of de posits	15,110	65,000	(49,890)	15,110	—
Call money	20,000	44,000	(24,000)	—	20,000
Borrowed money	65,000	40,000	25,000	65,000	—
Bonds	15,000	15,000	—	15,000	—
ATM-related temporary adv ances	12,151	—	12,151	8,833	3,318
Temporary advances	—	8,307	(8,307)	—	—
Other liabilities	5,900	3,929	1,971	8,267	(2,367)
Reserve for bonuses	279	223	56	148	131
Reserve for retirement bene fits for directors and statuto ry auditors	199	106	93	128	71
<b>Total liabilities</b>	<b>324,598</b>	<b>276,194</b>	<b>48,404</b>	<b>294,257</b>	<b>30,341</b>
<b>( S t o c k h o l d e r s ' e q u i t y )</b>					
Common stock	—	61,000	—	61,000	—
Retained earnings	—	(2,167)	—	6,089	—
1 <sup>st</sup> Quarter (current) ac cumulated earnings	—	(2,167)	—	6,089	—
1 <sup>st</sup> Quarter (current) net profit	—	2,333	—	10,590	—
Net unrealized gains/losses on available-for-sale securities, net of taxes	—	8	—	(8)	—

<b>Total stockholders' equity</b>	—	58,840	—	67,080	—
<b>Total liabilities and stockholders' equity</b>	—	335,035	—	361,338	—
<b>( Net assets )</b>					
Common stock	61,000	—	—	—	—
Retained earnings	9,503	—	—	—	—
Other retained earnings	9,503	—	—	—	—
Retained earnings brought forward	9,503	—	—	—	—
Total stockholders' equity	70,503	—	—	—	—
Net unrealized losses on available-for-sale securities, net of taxes	(18)	—	—	—	—
Total valuation and translation adjustments	(18)	—	—	—	—
<b>Total net assets</b>	70,484	—	—	—	—
<b>Total liabilities and net assets</b>	395,083	—	—	—	—

Comparative Statements of Income (Major components)

(In millions of yen)

Category	1 <sup>st</sup> Quarter of FY 2007 (A)	1 <sup>st</sup> Quarter of FY 2006(B)	Comparison (A - B)	FY 2006 (Summary)
<b>Ordinary income</b>	18,093	14,819	3,274	64,612
Interest income	40	2	38	78
of which Interest and dividends on securities	39	2	37	78
Fees and commissions income	18,041	14,807	3,234	63,973
of which ATM-related fee income	17,538	14,325	3,213	61,957
Other operating income	—	—	—	444
Other ordinary income	12	9	3	116
<b>Ordinary expenses</b>	12,421	10,877	1,544	45,203
Interest expenses	224	140	84	634
of which Interest on deposits	17	9	8	45
Fees and commissions expenses	1,376	1,124	252	4,845
of which ATM placement fee expenses	1,294	1,065	229	4,556
of which ATM-related fee expenses	37	31	6	134
Other operating expenses	101	200	(99)	68

General and administrative expenses	10,640	9,343	1,297	39,565
Other ordinary expenses	78	68	10	88
<b>Ordinary profit</b>	<b>5,672</b>	<b>3,942</b>	<b>1,730</b>	<b>19,409</b>
<b>Extraordinary gains</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15</b>
<b>Extraordinary losses</b>	<b>243</b>	<b>0</b>	<b>243</b>	<b>2,823</b>
<b>1<sup>st</sup> Quarter income before income taxes</b>	<b>5,428</b>	<b>3,941</b>	<b>1,487</b>	<b>16,601</b>
<b>Current income taxes</b>	<b>1,850</b>	<b>3</b>	<b>1,847</b>	<b>3,870</b>
<b>Adjustments for income taxes</b>	<b>164</b>	<b>1,604</b>	<b>(1,440)</b>	<b>2,141</b>
<b>1<sup>st</sup> Quarter net income</b>	<b>3,414</b>	<b>2,333</b>	<b>1,081</b>	<b>10,590</b>
<b>Accumulated losses</b>	<b>—</b>	<b>4,501</b>	<b>—</b>	<b>4,501</b>
<b>1<sup>st</sup> Quarter (current) accumulated earnings</b>	<b>—</b>	<b>(2,167)</b>	<b>—</b>	<b>6,089</b>

Comparative Statements of Cash Flows

(In millions of yen)

Category	April 1, 2006 – June 30, 2006 (A)	April 1, 2005 – June 30, 2005 (B)	Comparison (A) – (B)	April 1, 2005 – March 31, 2006
I Cash flows from operating activities				
1 <sup>st</sup> Quarter (current) income before income taxes	5,428	3,941	1,487	16,601
Depreciation of fixed assets	1,034	945	89	4,311
Net change in allowance for credit losses	10	30	(20)	(15)
Interest income	(40)	(2)	(38)	(78)
Interest expenses	224	140	84	634
Net losses on securities transactions	29	—	29	68
Net losses on disposal of premises and equipment	—	0	(0)	47
Net change in deposits	9,186	(25,148)	34,334	56,993
Net change in negotiable certificates of deposit	—	—	—	(49,890)
Net change in borrowed money	—	—	—	25,000
Net change in call loans	20,000	44,000	(24,000)	—
Net change in ATM-related temporary accounts	(11,301)	(6,684)	(4,617)	(5,587)
Interest received	78	—	78	292
Interest paid	(333)	(208)	(125)	(561)
Other-net	(493)	(1,194)	701	(594)
Subtotal	23,823	15,820	8,003	47,223
Income taxes paid	(3,870)	(10)	(3,860)	(10)
<b>Net cash provided by operating activities</b>	<b>19,953</b>	<b>15,809</b>	<b>4,144</b>	<b>47,212</b>
II Cash flows from investing activities:				
Purchase of securities	(35,097)	(6,530)	(28,567)	(123,394)
Proceeds from maturity of securities	35,000	4,000	31,000	95,500
Purchases of premises and equipments	—	(44)	—	(214)
Purchases of software	—	(2,622)	—	(6,784)
Purchases of tangible fixed assets	(1,621)	—	—	—
Purchases of intangible fixed assets	(1,255)	—	—	—
<b>Net cash used in investing activities</b>	<b>(2,973)</b>	<b>(5,197)</b>	<b>2,224</b>	<b>(34,892)</b>
III Cash flows from financing activities:				
<b>Net cash used in financing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
IV Effects of exchange rate changes on cash	—	—	—	—

and cash equivalents				
V Net increase in cash and cash equivalents	16,979	10,612	6,367	12,319
VI Cash and cash equivalents at the beginning of the period	253,117	240,797	12,320	240,797
VII Cash and cash equivalents at the end of the quarter (year)	270,097	251,410	18,687	253,117

## Other Financial Information

Unless otherwise stated in the notes all fractional amounts are rounded down.

### 【State of Capital Adequacy】

(In millions of yen)

		As of June 30, 2006 (Preliminary )	As of June 30, 2005	Comparison	As of March 31, 2006
Basic item	(A)	70,484	58,832	11,652	67,080
Supplementary items	Allowance for credit losses	53	91	(38)	42
	Other allowances	—	—	—	—
	Total	53	91	(38)	42
Amount includable as qualifyi	(B)	53	91	(38)	42
	Deduction				
	Investment in the capital of other banks and financial institutions (C)	—	—	—	—
Total risk-adjusted capi (A) + (B) - (C) (D)		70,537	58,923	11,614	67,123
Risk and assets	Assets (on-balance) item (E)	35,360	33,813	1,547	28,671
	off-balance-sheet items (F)	79	35	—	74
Total (E) + (F) (G)		35,440	33,848	1,592	28,746
Capital adquacy ratio (domestic standard)= (D) / (G)		199.03%	174.08%	24.95%	233.49%

### 【Market Prices of Available-for-sale Securities and Other Information】

As of June 30, 2006

(In millions of yen)

	Acquisition cost	Balance sheet amount	Net unrealized gains/losses	Unrealized gains	Unrealized losses
Japanese government bonds	49,574	49,543	(30)	0	30
Government guaranteed bonds	3,999	3,998	(0)	—	0
Total	53,573	53,542	(31)	0	31

The International Business Division does not hold any securities.

As of June 30, 2005

(In millions of yen)

	Acquisition cost	Balance sheet amount	Net unrealized gains/losses	Unrealized gains	Unrealized losses
Japanese government bonds	22,528	22,525	(2)	0	(3)
Government guaranteed bonds	5,996	6,012	16	16	—
Total	28,524	28,538	13	16	(3)

The International Business Division does not hold any securities.

As of March 31, 2006

(In millions of yen)

	Acquisition cost	Balance sheet amount	Net unrealized gains/losses	Unrealized gains	Unrealized losses
Japanese government bonds	47,587	47,568	(18)	—	18
Government guaranteed bonds	5,998	6,002	3	3	—
Total	53,585	53,571	(14)	3	18

The International Business Division does not hold any securities.

### 【Market prices of money in trust and other information】

Not applicable

### 【Fair value of derivative transactions and other information】

#### 1. Interest rate derivatives

As of June 30, 2006

(In millions of yen)

Category	Nature		Contract amounts		Fair value	Net unrealized gains/losses
				Over one year		
Over-the-counter	Interest rate swaps	Receive variable/pay fixed	35,000	35,000	136	136
Total			35,000	35,000	136	136

The above transactions are valued at market value and the unrealized gains/losses are accounted for in the statement of income.

Calculation of fair value: The fair value of transactions is calculated using the discounted percent value model.

Derivative transactions to which special treatment is applied are not included in the amounts above.

As of June 30, 2005

(In millions of yen)

Category	Nature		Contract amounts		Fair value	Net unrealized gains/losses
				Over one year		
Over-the-counter	Interest rate swaps	Receive variable/pay fixed	35,000	35,000	(691)	(691)
Total			35,000	35,000	(691)	(691)

The above transactions are valued at market value and the unrealized gains/losses are accounted for in the statement of income.

Calculation of fair value: The fair value of transactions is calculated using the discounted percent value model.

As of March 31, 2006

(In millions of yen)

Category	Nature		Contract amounts		Fair value	Net unrealized gains/losses
				Over one year		
Over-the-counter	Interest rate swaps	Receive variable/pay fixed	35,000	35,000	121	121
Total			35,000	35,000	121	121

The above transactions are valued at market value and the unrealized gains/losses are accounted for in the statement of income.

Calculation of fair value: The fair value of transactions is calculated using the discounted percent value model.

Derivative transactions to which special treatment is applied are not included in the amounts above.

#### 2. Currency derivatives

Not applicable



**【Self-assessments of Assets】**

(In millions of yen)

Type of claims	As of June 30, 2006	As of June 30, 2005	Comparison	As of March 31, 2006
Unrecoverable or valueless claims	—	—	—	—
Doubtful claims	—	—	—	—
Claims in need of special attention	—	—	—	—
Normal borrowers	49,839	35,742	14,097	35,201
Total	49,839	35,742	14,097	35,201

The above is based on *The Law concerning Emergency Measures for the Revitalization of Financial Functions*.