

The Hyakugo Bank, Ltd. and Subsidiaries
Notes to Consolidated Financial Statements

1. Basis of Financial Statements

(a) Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of The Hyakugo Bank, Ltd. (the "Bank ") and its subsidiaries (together with the Bank, the "Hyakugo Bank Group") have been prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the original consolidated financial statements in Japanese prepared by the Company as required by the Securities and Exchange Law of Japan and submitted to the Director of Kanto Finance Bureau of Japan.

The amounts in Japanese yen are presented in millions of yen and are stated by omitting amounts less than one million yen in accordance with Legal Provisions. Accordingly, the sum of each yen amount appearing in the accompanying consolidated financial statements and the notes thereto may not be equal to the sum of the individual account balances.

(b) U.S. dollar amounts

The Hyakugo Bank Group maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and notes thereto represent the conversion of Japanese yen amounts to U.S. dollars amounts using ¥118.05 = \$1, the exchange rate at March 31, 2007. The inclusion of such dollar amounts is solely for the convenience of the readers and is not intended to imply that the assets and liabilities originated in yen have been or could be readily converted, realized or settled in dollars at ¥118.05 = \$1 or at any other rate.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

The accompanying consolidated financial statements included the accounts of the Bank and all of its subsidiaries. The Bank had nine subsidiaries primarily engaged in a wide range of financial services to customers and no affiliates at March 31, 2007 and 2006, respectively, based on the judgment of the Bank for subsidiaries as enterprises that are controlled by the Bank rather than owned with a majority voting interest. All inter-company transactions and accounts have been eliminated. The difference between the cost of investments in subsidiaries and the underlying equity in their net assets adjusted based on the fair value at the time of acquisition is principally deferred as goodwill or negative goodwill and amortized over five years using the straight-line method.

(b) Accounting standard for presentation of net assets in the balance sheet

The Accounting Standards Board of Japan ("ASBJ") issued "Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No.5)" and Implementation Guidance "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8)" on December 9, 2005, which are applied for the year ending on and after May 1, 2006. The standard requires presenting the equity section in the balance sheet as similar to International Financial Reporting Standards. The Hyakugo Bank Group has adopted these new accounting standards from the year ended March 31, 2007. If the previous accounting method had been applied for the consolidated balance sheet at March 31, 2007, equity would have amounted to ¥260,216 million (\$2,204,290 thousand).

(c) Cash and cash equivalents

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

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
Cash and due from banks	¥ 102,788	¥ 126,417	\$ 870,723
Less, due from banks other than The Bank of Japan	(369)	(668)	(3,127)
Cash and cash equivalents	¥ 102,419	¥ 125,748	\$ 867,596

(d) Trading account securities

Trading account securities are stated at fair value at the fiscal year-end. Related gains or losses, both realized and unrealized, are included in current earnings. Accrued interest on trading account securities is included in other assets.

(e) Investment securities

Debt securities for which the Hyakugo Bank Group has both a positive intent and the ability to hold to maturity are classified as held-to-maturity securities, and are stated at amortized cost. Marketable securities, other than those classified as trading or held-to-maturity securities, are carried at fair value as available-for-sale securities, with net unrealized gains or losses reported as a component of equity, net of applicable income taxes. Nonmarketable securities among available-for-sale securities are stated at moving average cost or amortized cost. Carrying values of individual investment securities are reduced, if necessary, through write-downs to reflect other-than-temporary impairments in values. Gains and losses on the disposal of investment securities are principally computed based on the moving average method.

Accrued interest on securities is included in other assets. Funds entrusted to trust banks for securities (included in "Money held in trust") of the Bank are stated using the method applied to investment securities mentioned above.

Until the year ended March 31, 2006, inflation-linked Japanese government bonds classified as available-for-sale securities were evaluated altogether with bond portion and the implied derivative portion and the unrealized gains (losses) were recorded in the accompanying consolidated statements of income. Effective from the year ended March 31, 2007, the Hyakugo Bank Group changed its accounting method to adopt ASBJ Guidance No.12 "Guidance on Accounting for Other Compound Financial Instruments (Compound Financial Instruments Other than Those with Option to Increase Paid-in Capital)" issued by ASBJ on March 30, 2006. Therefore, compound financial instruments including inflation-linked Japanese government bonds are stated at amortized costs, with book value as of March 31, 2006 to be acquired cost, and unrealized gains or losses net of applicable income taxes are included in equity. As a result, at March 31, 2007, net unrealized gains on available-for-sale securities and deferred tax liabilities decreased by ¥48 million (\$410 thousand) and ¥32 million (\$274 thousand), respectively, and income before income taxes and minority interests increased by ¥80 million (\$684 thousand) for the year ended March 31, 2007, as compared with the previous accounting method.

(f) Derivatives and hedge accounting

The Hyakugo Bank Group uses swaps, forwards and options contracts, and other types of derivative contracts. These derivative instruments are used to meet the needs of the customers for risk management, the Hyakugo Bank Group's asset-liability management, and as a source of income. Derivatives are recorded at fair value, if hedge accounting is not appropriate or where there is no hedge

designation, and the gains or losses on derivatives are recognized in current earnings.

As for the hedge accounting for interest rate risks arising from financial assets and liabilities, the Bank applies the deferral method as prescribed in the Industry Audit Committee Report No.24 “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” issued by the Japanese Institute of Certified Public Accountants (“JICPA”). Effectiveness of a fair value hedge in offsetting movements in the fair value of hedged items due to changes in interest rates is assessed by classifying the hedged items such as deposits, loans and similar instruments and the corresponding hedging instruments such as interest rate swaps and grouping them with similar risk characteristic in their maturity bucket. In addition, effectiveness of a cash flow hedge in fixing cash flows is assessed based on the verification of the correlation between a base interest rate index of the hedged cash flow and that of the hedging instruments. Deferred hedge gains/losses on hedging instruments recognized in the previous year under the macro hedge method, based on “Tentative Accounting and Auditing Treatment relating to Adoption of ‘Accounting for Financial Instruments’ for Banks” (JICPA Industry Audit Committee Report No.15) under which the overall interest rate risks inherent in loans, deposits and other instruments are controlled on a macro-basis using derivatives, are charged to interest expenses over an eight-year period as the average remaining maturity of the respective hedging instruments from the year ended March 31, 2004. At March 31, 2007 and 2006, gross amounts of deferred hedge losses resulting from the macro hedge accounting amounted to ¥828 million (\$7,022 thousand) and ¥1,657 million, respectively.

The Bank also applies the deferral method to hedge account for hedges of foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities in accordance with the standard treatment of the JICPA Industry Audit Committee Report No.25 “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry”. Effectiveness of currency-swap transactions, exchange swap transactions and similar transactions hedging the foreign exchange risks of monetary assets and liabilities denominated in foreign currencies is assessed based on the comparison of the foreign currency position of the hedged monetary assets and liabilities and the corresponding hedging instruments.

In addition to the method above, the Bank applies to certain assets and liabilities the portfolio hedge method or exceptional treatments permitted for interest rate swaps. The portfolio hedge method or exceptional treatments permitted for interest rate swaps is also adopted by the subsidiaries.

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

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

A reserve for possible loan losses of the Bank is established to cover future credit losses in accordance with internal rules for the self-assessment of asset quality and providing reserves for possible loan losses. Loans written off are charged to either reserve for possible loan losses or current income. Recoveries of loans written off are recorded as other income.

The reserve is made based on the Bank's internal rules for establishing reserves for possible loan losses. For claims to borrowers in legal bankruptcy and virtual bankruptcy, a reserve has been provided based on the amounts of the claims, net of the amounts expected to be collected through the disposal of collateral or execution of guarantees. For claims to borrowers having the possibility of bankruptcy, a reserve has been provided based on an overall solvency assessment performed for the amounts of the claims net of the amounts expected to be collected through the disposal of collateral or execution of guarantees. For claims to borrowers except those mentioned above, a reserve has been provided based on the historical loan loss experience of the Bank for a certain past period. All claims are assessed by the Bank's operating divisions based on the Bank's internal rules for the self-assessment of asset quality. The inspection division, which is independent from operating divisions, conducts audits of these assessments, and a reserve is provided based on the audit results.

The reserves of the subsidiaries have been provided on a similar basis to the Bank.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are principally stated at cost, less accumulated depreciation computed by the declining-balance method, except for leased property, over the following estimated useful lives of the assets:

Buildings	15 years to 50 years
Equipment and furniture	4 years to 15 years

Tangible fixed assets of a certain subsidiary such as leased property as lessor have been depreciated by the straight-line method over the lease contract terms to the amount equal to the estimated disposal value at the time of the lease expiration.

(i) Intangible fixed assets

Intangible fixed assets are amortized using a straight-line method. Costs of computer software developed or obtained for internal use are principally deferred and amortized on a straight-line basis over the estimated useful lives of five years.

(j) Leases

Where finance leases do not transfer ownership of the leased property to the lessee during the term of the lease, the Hyakugo Bank Group accounts for such lease contracts as lessee or lessor by applying accounting treatments similar to operating leases as permitted by the "Opinion Concerning Accounting Standards for Leases" issued by the Business Accounting Council of Japan ("BACJ") in June 1993.

(k) Accounting standard for impairment of fixed assets

On August 9, 2002, BACJ issued "Accounting Standard for Impairment of Fixed Assets", which is effective for the fiscal years beginning April 1, 2005. ASBJ issued related practical guidance on October 31, 2003. The Hyakugo Bank Group adopted this new accounting standard and related practical guidance effective from the year ended March 31, 2006. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of the asset's net selling price or value in use. Fixed assets include land, plants, buildings and other forms of property as well as intangible assets and are to be grouped at the lowest level for which there are identifiable cash flows from other groups of assets.

For the purpose of recognition and measurement of an impairment loss, fixed assets of the Hyakugo Bank Group are grouped into cash-generating units such as operating branches, other than idle or unused property. For the year ended March 31, 2006, the Hyakugo Bank Group recognized ¥228 million impairment loss on fixed assets, which consisted of an operating branch and idle property. Recoverable amounts of the assets were measured based on their net selling prices, which are principally based on appraisal valuations less costs of disposal. As a result of adopting this new accounting standard, for the year ended March 31, 2006, income before income taxes and minority interests decreased by ¥228 million, as compared with the previous accounting method. The accumulated impairment loss is deducted from net book value of each asset.

(l) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the fiscal year-ends. Revenues and expenses are translated at the exchange rates at transaction dates. Foreign exchange gains or losses resulting from such transactions are included in the determination of net income.

Subsidiaries had no assets and liabilities denominated in foreign currencies at March 31, 2007 and

2006.

(m) Reserve for employee bonuses

Reserve for employee bonuses for subsidiaries is provided based on the estimated amounts of future payments attributable to the current year. As the Bank changed the internal rules of payment term for bonus to match with the Bank's accounting period during the year ended March 31, 2006, no reserve for employee bonuses was provided by the Bank at March 31, 2006. As a result of this change, income before income taxes and minority interests increased by ¥455 million for the year ended March 31, 2006.

(n) Reserve for bonuses for directors and corporate auditors

From the year ended March 31, 2007, the Hyakugo Bank Group has adopted "Accounting Standard for Directors' Bonus (ASBJ Statement No.4)" issued by ASBJ on November 29, 2005. The standard requires that the directors' bonuses, including those for corporate auditors, shall be accounted for as an expense of the accounting period in which such bonuses are accrued. Until the year ended March 31, 2006, bonuses to directors and corporate auditors were recorded as a part of the appropriation of retained earnings in the fiscal year when a proposed appropriation of retained earnings for directors and corporate auditors' bonuses was approved by the Board of Directors and/or stockholders. As a result, as the Hyakugo Bank Group has accrued such bonus, operating income and income before income taxes and minority interests decreased by ¥55 million (\$466 thousand) for the year ended March 31, 2007, respectively, as compared with the previous accounting method.

(o) Reserve for employee retirement benefits

Employees who terminate their service with the Hyakugo Bank Group are entitled to retirement benefits generally determined by reference to current basic rates of pay, length of service and conditions under which the termination occurs. The Bank has a lump-sum retirement benefit plan, and has also established defined benefit pension plans, which cover substantially all of its employees. Some of the principal subsidiaries have also adopted these pension plans.

In accordance with the accounting standard for employee retirement benefits, the Hyakugo Bank Group has principally recognized the retirement benefits including pension cost and the related liability based on the actuarial present value of the projected benefit obligation using an actuarial appraisal approach and the pension plan assets available for benefits at the respective fiscal year-ends. Unrecognized prior service cost is amortized using the straight-line method over three years as a certain period within the average remaining service lives of employees from the year in which it occurs. Unrecognized actuarial differences such as changes in the projected benefit obligation or pension plan assets resulting from the experience being different from assumptions and from changes in assumptions are amortized on a straight-line basis over ten years as a certain period within the average remaining service lives of employees from the year following the year in which they arise.

(p) Income taxes

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

(q) Appropriation of retained earnings

Cash dividends and bonuses to directors and corporate auditors are recorded in the fiscal year when a proposed appropriation of retained earnings is approved by the Board of Directors and/or stockholders. See Note 2(n) for the accounting for bonuses for directors and corporate auditors.

(r) Per share data

Net income per share is computed by dividing income available to common stockholders by the weighted-average number of shares of common stock outstanding during the associated year. Diluted net income per share is not disclosed, as the Hyakugo Bank Group had no diluted common shares for the years ended March 31, 2007 and 2006.

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

3. Trading Account Securities, Money Held in Trust and Investment Securities

At March 31, 2007 and 2006, trading account securities consisted of Japanese government bonds only.

At March 31, 2007 and 2006, investment securities consisted of the following:

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
			2007
Japanese government bonds	¥ 330,347	¥ 352,963	\$ 2,798,373
Local government bonds	199,719	211,294	1,691,820
Bonds and debentures	405,359	389,329	3,433,791
Equity securities	186,642	184,296	1,581,045
Other securities	289,143	322,923	2,449,328
	<u>¥ 1,411,211</u>	<u>¥ 1,460,806</u>	<u>\$ 11,954,357</u>

Trading account securities, money held in trust and investment securities in the accompanying consolidated balance sheets included marketable securities traded on stock exchanges or the over-the-counter markets. Included in Japanese government bonds and other securities are investment securities of ¥106,975 million (\$906,187 thousand) and ¥107,017 million lent to third parties under security loan agreements at March 31, 2007 and 2006, respectively.

Guarantees are provided on certain privately placed bonds included in investment securities in accordance with Paragraph 3 of Article 2 of the Securities and Exchange Law of Japan. The guarantees amounted to ¥19,239 million (\$162,974 thousand) at March 31, 2007.

Investments in securities are classified as trading, held-to-maturity or available-for-sale, whose classification determines the respective accounting method as stipulated by the accounting standard for financial instruments. At March 31, 2007 and 2006, the carrying values of trading account securities, money held in trust for trading purposes and the related net unrealized gains or losses included in current earnings were as follows:

	Carrying value	Unrealized gains/(losses)	Carrying value	Unrealized gains/(losses)	Carrying value	Unrealized gains/(losses)
	Millions of Yen				Thousands of U.S. Dollars	
	2007		2006		2007	
Trading account securities	¥ 796	¥ 2	¥ 640	¥ 0	\$ 6,746	\$ 19
Money held in trust	2,968	(31)	3,010	10	25,147	(266)

At March 31, 2007 and 2006, gross unrealized gains and losses for marketable available-for-sale securities are summarized as follows:

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of Yen			
As of March 31, 2007:				
Equity securities	¥ 49,323	¥ 135,107	¥ (267)	¥ 184,163
Bonds:				
Japanese government bonds	331,501	1,172	(2,325)	330,347
Local government bonds	198,973	1,465	(720)	199,719
Bonds and debentures	384,110	852	(1,923)	383,039
Others	354,570	5,081	(1,695)	357,957
	<u>¥ 1,318,480</u>	<u>¥ 143,679</u>	<u>¥ (6,931)</u>	<u>¥ 1,455,228</u>
Money held in trust	<u>¥ 4,865</u>	<u>¥ 547</u>	<u>¥ -</u>	<u>¥ 5,412</u>
As of March 31, 2006:				
Equity securities	¥ 49,253	¥ 132,422	¥ (87)	¥ 181,588
Bonds:				
Japanese government bonds	357,063	1,162	(5,262)	352,963
Local government bonds	211,788	1,263	(1,758)	211,294
Bonds and debentures	370,655	708	(4,194)	367,169
Others	391,458	3,920	(3,431)	391,947
	<u>¥ 1,380,219</u>	<u>¥ 139,477</u>	<u>¥ (14,734)</u>	<u>¥ 1,504,963</u>
Money held in trust	<u>¥ 4,999</u>	<u>¥ 38</u>	<u>¥ -</u>	<u>¥ 5,037</u>
	Thousands of U.S. Dollars			
As of March 31, 2007:				
Equity securities	\$ 417,821	\$ 1,144,492	\$ (2,263)	\$ 1,560,050
Bonds:				
Japanese government bonds	2,808,143	9,931	(19,701)	2,798,373
Local government bonds	1,685,505	12,416	(6,101)	1,691,820
Bonds and debentures	3,253,797	7,221	(16,292)	3,244,726
Others	3,003,566	43,048	(14,360)	3,032,254
	<u>\$ 11,168,832</u>	<u>\$ 1,217,108</u>	<u>\$ (58,717)</u>	<u>\$ 12,327,223</u>
Money held in trust	<u>\$ 41,214</u>	<u>\$ 4,638</u>	<u>\$ -</u>	<u>\$ 45,852</u>

During the years ended March 31, 2007 and 2006, the Hyakugo Bank Group recorded a loss on write-down on marketable investment securities due to a permanent diminution in value in the amount of ¥22 million (\$187 thousand), and ¥21 million, respectively.

At March 31, 2007 and 2006, net unrealized gains on available-for-sale securities, net of applicable income taxes and minority interests, recorded in a component of equity on the accompanying consolidated balance sheets were as follows:

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
Unrealized gains	¥ 137,295	¥ 124,782	\$ 1,163,029
Less, applicable income taxes	(52,720)	(47,892)	(446,595)
Less, minority interests' portion	(108)	(130)	(916)
Net unrealized gains in equity	<u>¥ 84,466</u>	<u>¥ 76,759</u>	<u>\$ 715,518</u>

During the years ended March 31, 2007 and 2006, the Hyakugo Bank Group sold available-for-sale securities and recorded gains of ¥1,276 million (\$10,811 thousand) and ¥3,816 million, respectively, and losses of ¥1,295 million (\$10,978 thousand) and ¥3,020 million, respectively, on the accompanying consolidated statements of income.

Expected maturities of debt securities held-to-maturity and available-for-sale at March 31, 2007 and 2006 were as follows:

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
Due in one year or less	¥ 120,940	¥ 123,851	\$ 1,024,486
Due after one year through five years	683,883	685,750	5,793,167
Due after five years through ten years	324,816	389,625	2,751,517
Due after ten years	64,034	50,635	542,433
	<u>¥ 1,193,674</u>	<u>¥ 1,249,862</u>	<u>\$ 10,111,603</u>

4. Loans and Bills Discounted

At March 31, 2007 and 2006, loans and bills discounted consisted of the following:

	Millions of Yen		Thousands of U.S.
	2007	2006	Dollars
Bills discounted	¥ 27,811	¥ 27,050	\$ 235,593
Loans on notes	152,101	173,264	1,288,447
Loans on deeds	1,600,507	1,497,293	13,557,876
Overdrafts	362,695	358,452	3,072,390
	<u>¥ 2,143,115</u>	<u>¥ 2,056,061</u>	<u>\$ 18,154,306</u>

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No.24 "Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry". The Hyakugo Bank Group has rights to sell or pledge bills discounted and foreign exchanges bought without restrictions. The total face value of these bills amounted to ¥27,894 million (\$236,294 thousand) and ¥27,101 million at March 31, 2007 and 2006, respectively.

Claims to borrowers in bankruptcy and past due loans are included in loans and bills discounted, and amounted to ¥55,106 million (\$466,803 thousand) and ¥55,097 million at March 31, 2007 and 2006, respectively. Loans are generally placed on non-accrual status when substantial doubt is judged to exist as to the ultimate collectibility of either principal or interest if they are past due for a certain period or for other reasons. Interest revenue accruals are suspended when loans are classified as claims to borrowers in bankruptcy and past due loans. Claims to borrowers in bankruptcy represent non-accrual loans, after the partial charge-off of claims deemed uncollectible, to borrowers who are legally bankrupt, which are defined in Article 96, Paragraph 1, Subparagraph 3 and 4 of Enforcement Ordinance for the Corporation Tax Law of Japan. Past due loans are nonaccrual loans other than claims to borrowers in bankruptcy and loans for which interest payments are deferred in order to assist the financial recovery of borrowers in financial difficulties.

At March 31, 2007 and 2006, accruing loans for which the payment of the principal and/or interest is contractually past due by three months or more, excluding non-accrual loans, amounted to ¥179 million (\$1,524 thousand) and ¥233 million, respectively.

At March 31, 2007 and 2006, restructured loans for which the Bank has relaxed lending conditions to borrowers in financial difficulties through measures such as reduction of the original interest rate, forbearance of interest and/or principal payments, and extension of maturity date in order to support the borrowers in their financial recovery or restructuring, excluding non-accrual loans and accruing loans contractually past due by three months or more as disclosed above, amounted to ¥22,253 million (\$188,511 thousand) and ¥28,259 million, respectively.

Total non-performing assets net of charge-offs, which consisted of non-accrual loans, accruing loans contractually past due by three months or more and restructured loans, amounted to ¥77,539 million (\$656,838 thousand) and ¥83,589 million at March 31, 2007 and 2006, respectively.

Other expenses in the accompanying consolidated statements of income included loss on assignment of past due loans in the amounts of ¥1,284 million (\$10,881 thousand) and ¥891 million for the years ended March 31, 2007 and 2006, respectively.

5. Tangible Fixed Assets and Intangible Fixed Assets

In accordance with the revision of the disclosure requirement of Banking industry, “property and equipment” previously disclosed is classified into “tangible fixed assets”, “intangible fixed assets” and “other assets” in the accompanying consolidated balance sheets.

At March 31, 2007 and 2006, major classifications of the accounts were as follows:

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
			2007
Land	¥ 18,592	¥ 18,729	\$ 157,495
Buildings and structures	32,536	31,901	275,620
Equipment	77,513	77,576	656,612
Construction in progress	149	236	1,262
	<u>128,791</u>	<u>128,444</u>	<u>1,090,989</u>
Less, accumulated depreciation	(77,301)	(77,137)	(654,823)
Tangible fixed assets	<u>¥ 51,489</u>	<u>51,306</u>	<u>\$ 436,166</u>
Lease deposits		830	
Property and equipment		<u>¥ 52,136</u>	

Intangible fixed assets included software, which was previously recorded as other assets. Lease deposits previously included in property and equipment is recorded as other assets in the accompanying consolidated balance sheets at March 31, 2007.

The Bank elected the one-time revaluation to restate the cost of land used for the banking business at values rationally reassessed, reflecting appropriate adjustments for land shape and other factors, based on the appraisal values issued by the Japanese National Tax Agency effective on March 31, 1998 under the Law Concerning Revaluation of Land (the "Law"). According to the Law, the amount equivalent to the tax effect on the excess of sound reassessed values over the original book values is recorded as deferred tax liabilities for revaluation, and the rest of such excess, net of the tax effect, is recorded as revaluation increment on land in the equity in the accompanying consolidated balance sheets. At March 31, 2007 and 2006, the difference in the carrying values of land used for the banking business after revaluation over the current market value at the fiscal year-ends amounted to ¥7,397 million (\$62,668 thousand) and ¥7,378 million, respectively.

As permitted by the accounting principles and practices generally accepted in Japan, deferred capital gains on sales on real property have been deducted from the original acquisition cost of property newly acquired for the replacement purposes in the same line of business as the property sold by the Company. At March 31, 2007 and 2006, the amount of ¥5,148 million (\$43,614 thousand) and ¥5,237 million were directly reduced from the acquisition cost of land and buildings, respectively. For the year ended March 31, 2007, an additional deferred gain of ¥48 million (\$413 thousand) was adjusted on book value of the tangible fixed assets.

6. Pledged Assets

At March 31, 2007 and 2006, the following assets were pledged as collateral for liabilities including certain deposits, and borrowed money and other transactions:

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
Securities	¥ 81,723	¥ 96,758	\$ 692,278
Minimum lease commitments to be received	12,018	12,854	101,806

In addition, securities amounting to ¥50,795 million (\$430,289 thousand) and ¥51,515 million at March 31, 2007 and 2006, respectively, were pledged as collateral for the settlement of exchange, derivatives and other transactions.

7. Deposits

At March 31, 2007 and 2006, deposits consisted of the following:

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
Demand deposits	¥ 1,727,408	¥ 1,691,279	\$ 14,632,855
Time deposits	1,667,224	1,573,760	14,123,038
Other deposits	60,939	50,605	516,221
Subtotal	3,455,573	3,315,644	29,272,114
Negotiable deposits	76,299	89,512	646,331
	¥ 3,531,872	¥ 3,405,156	\$ 29,918,445

8. Borrowed Money and Bonds Payable

Borrowed money consisted of borrowings from financial institutions with an average interest rate of 1.58% per annum at March 31, 2007 due through April 2013. Borrowed money included subordinated debt of ¥17,000 million (\$144,007 thousand) at March 31, 2007 and 2006.

The annual maturities of borrowed money at March 31, 2007 were as follows:

Year ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2008	¥ 7,202	\$ 61,016
2009	3,980	33,718
2010	2,883	24,424
2011	1,708	14,469
2012	554	4,701
2013 and thereafter	17,000	144,007
	¥ 33,329	\$ 282,335

At March 31, 2007, bonds payable consisted of the following:

	Millions of Yen	Thousands of U.S. Dollars
Unsecured 1.79% subordinated bonds, due in September 2016	¥ 15,000	\$ 127,065

9. Reserve for Employee Retirement Benefits

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

The following table reconciles reserve for employee retirement benefit and net periodic retirement benefit expense as at and for the years ended March 31, 2007 and 2006.

	Millions of Yen		Thousands of U.S Dollars
	2007	2006	2007
Reconciliation of reserve for employee retirement benefits :			
Projected benefit obligation	¥ 44,205	¥ 44,126	\$ 374,462
Less, fair value of pension plan assets at end of year	(64,778)	(54,344)	(548,738)
Projected benefit obligation in excess of pension plan assets	(20,573)	(10,217)	(174,276)
Unrecognized actuarial differences	13,968	6,924	118,323
Unrecognized prior service cost of retroactive benefits granted by the pension plan amendment	456	983	3,871
	(6,148)	(2,309)	(52,082)
Prepaid pension cost	12,171	8,311	103,102
Balance of reserve for employee retirement benefits recognized on the consolidated balance sheets	¥ 6,022	¥ 6,001	\$ 51,020

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

	Millions of Yen		Thousands of U.S Dollars
	2007	2006	2007
Components of net periodic retirement benefit expense;			
Service cost	¥ 1,174	¥ 1,223	\$ 9,949
Interest cost	880	878	7,455
Expected return on pension plan assets	(817)	(522)	(6,927)
Amortization of prior service cost	(527)	(2,564)	(4,464)
Amortization of actuarial differences	(164)	1,288	(1,390)
Net periodic retirement benefit expense	¥ 545	¥ 303	\$ 4,623

Major assumptions used in the calculation of the above information for the years ended March 31, 2007 and 2006 were as follows:

	2007	2006
Method attributing the projected benefits to periods of services	Straight-line method	Straight-line method
Discount rate	2.0%	2.0%
Expected rate of return on pension plan assets	3.5%	2.5%
Amortization of prior service cost	3 years	3 years
Amortization of actuarial differences	10 years	10 years

10. Acceptances and Guarantees

The Bank provides guarantees for liabilities of its customers for the payments of loans or other liabilities from other financial institutions. As a contra account, "Customers' liabilities for acceptances and guarantees" are shown as assets on the accompanying consolidated balance sheets, indicating the Bank's right of indemnity from customers.

11. Equity

The authorized number of shares of common stock without par value is 396 million. At March 31, 2007 and 2006, respectively, the number of shares of common stock issued was 261,225,000 shares. At March 31, 2007 and 2006, respectively, the number of treasury stock held by the Hyakugo Bank Group was 652,270 and 668,137 shares.

At March 31, 2007 and 2006, capital surplus principally consisted of additional paid-in capital. Retained earnings included the legal reserve of the Bank amounting to ¥17,377 million (\$147,206 thousand) at March 31, 2007 and 2006. The Banking Law of Japan provides that an amount equivalent to at least 20% of the cash payments as an appropriation of retained earnings shall be appropriated as the legal reserve until the total amount of additional paid-in capital and such reserve equals 100% of common stock. The reduction of legal reserve is restricted under the circumstances by proper actions of stockholders of the Bank.

12. Commitments

(a) Loan commitments

Contracts of overdraft facilities and loan commitment limits represent the maximum amounts the Bank will lend to customers in response to customers' applications for loans as long as there is no violation of any condition in the contracts. At March 31, 2007 and 2006, the unused amounts within the limits relating to these contracts amounted to ¥1,054,488 million (\$8,932,560 thousand) and ¥968,636 million, respectively. Such outstanding contract amounts included contracts which will expire within one year or are revocable by the Bank at any time without any conditions amounting to ¥1,037,962 million (\$8,792,564 thousand) and ¥965,010 million at March 31, 2007 and 2006, respectively.

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

(b) Lease commitments

The Hyakugo Bank Group leases certain office space and equipment under long-term non-cancelable lease agreements as lessee. As disclosed in Note 2(j), the leased property of the Hyakugo Bank Group as lessee is not capitalized and the relating rental and lease expenses are charged to consolidated statement of income as incurred. At March 31, 2007 and 2006, aggregate future minimum lease commitments to be paid for such non-cancelable agreements, including the imputed interest, were as follows:

	Millions of Yen		Thousands of
	2007	2006	U.S. Dollars
Finance leases as lessee:			2007
Due within one year	¥ 9	¥ 6	\$ 80
Due after one year	24	11	208
	<u>¥ 33</u>	<u>¥ 18</u>	<u>\$ 288</u>
Operating leases as lessee:			
Due within one year	¥ 10	¥ 12	\$ 89
Due after one year	7	17	60
	<u>¥ 17</u>	<u>¥ 30</u>	<u>\$ 149</u>

In addition, a subsidiary engaged in leasing operations entered into various long-term non-cancelable lease agreements with third parties as lessor, which were categorized as finance leases. At March 31, 2007 and 2006, aggregate future minimum lease commitments to be received for such non-cancelable agreements, excluding the imputed interest, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Finance leases as lessor:			
Due within one year	¥ 6,708	¥ 6,981	\$ 56,826
Due after one year	13,506	13,587	114,416
	<u>¥ 20,215</u>	<u>¥ 20,568</u>	<u>\$ 171,242</u>
Operating leases as lessor:			
Due within one year	¥ 141	¥ 121	\$ 1,200
Due after one year	-	-	-
	<u>¥ 141</u>	<u>¥ 121</u>	<u>\$ 1,200</u>

As for finance leases as lessor, if such finance leases had been accounted for as sales transactions of the leased property, at March 31, 2007 and 2006, receivables that are equal to future minimum lease commitments of ¥20,215 million (\$171,242 thousand) and ¥20,568 million, respectively, would have been recorded instead of the leased property currently recorded as tangible fixed assets of ¥18,530 million (\$156,969 thousand) and ¥18,876 million, respectively. Additionally, finance income of ¥805 million (\$6,824 thousand) calculated based on the interest method would have been recorded for the year ended March 31, 2007, while leasing income and related depreciation expenses recognized on the accompanying consolidated statement of income amounted to ¥7,662 million (\$64,910 thousand) and ¥6,783 million (\$57,461 thousand), respectively. For the year ended March 31, 2006, finance income of ¥819 million calculated based on the interest method would have been recorded, while leasing income and related depreciation expenses recognized on the accompanying consolidated statement of income amounted to ¥7,799 million and ¥6,852 million, respectively.

13. Derivative Instruments

Derivative instruments involve, in varying degrees, elements of credit and market risk. The Hyakugo Bank Group is exposed to credit loss in the event of non-performance by the other parties. However, the Hyakugo Bank Group does not expect non-performance by the counterparties.

The Hyakugo Bank Group adopted the accounting standard for financial instruments. At March 31, 2007 and 2006, derivative instruments, other than those to which hedge accounting is applied, which are stated at fair value and recognized for valuation gains and losses as current earnings were summarized as follows:

	Notional principal or contract amounts	Fair value	Valuation gains/(losses)
	Millions of Yen		
At March 31, 2007:			
Interest rate contracts:			
Swaps	¥ 16,549	¥ 8	¥ 8
Foreign exchange contracts:			
Currency swaps	163,569	249	249
Forward	7,540	8	8
Currency options	4,621	56	0
Credit derivative contracts:			
Credit default options	-	-	-
Other	500	0	0

	Notional principal or contract amounts		Fair value	Valuation gains/(losses)
	Millions of Yen			
At March 31, 2006:				
Interest rate contracts:				
Swaps	¥	11,639	¥ 25	¥ 25
Foreign exchange contracts:				
Currency swaps		141,873	213	213
Forward		108,205	(1,332)	(1,332)
Currency options		3,052	28	2
Credit derivative contracts:				
Credit default options		5,000	1	1
Inflation-linked Japanese government bonds		4,000	(74)	(74)
Thousands of U.S. Dollars				
At March 31, 2007:				
Interest rate contracts:				
Swaps	\$	140,190	\$ 73	\$ 73
Foreign exchange contracts:				
Currency swaps		1,385,591	2,117	2,117
Forward		63,877	76	76
Currency options		39,151	478	1
Credit derivative contracts:				
Credit default options		-	-	-
Other		4,235	1	1

Notes Fair values are based on the discounted cash flow or option pricing calculation model.

14. Income Taxes

Income taxes for the years ended March 31, 2007 and 2006 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Income taxes:			
Current	¥ 4,052	¥ 5,456	\$ 34,327
Deferred	2,641	2,616	22,375
	<u>¥ 6,693</u>	<u>¥ 8,072</u>	<u>\$ 56,702</u>

At March 31, 2007 and 2006, income taxes (including enterprise taxes) payable amounting to ¥1,304 million (\$11,047 thousand) and ¥2,629 million, respectively, were included in other liabilities in the accompanying consolidated balance sheets.

The tax effects of temporary differences that give rise to a significant portion of deferred tax assets and liabilities at March 31, 2007 and 2006 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Deferred tax assets:			
Reserve for possible loan losses	¥ 11,279	¥ 12,515	\$ 95,547
Investment securities	2,918	3,030	24,721
Other	3,035	3,228	25,710
Subtotal	17,232	18,775	145,978
Less, valuation allowance	(3,030)	(2,658)	(25,669)
Total deferred tax assets	14,202	16,117	120,309
Net of deferred tax liabilities:			
Unrealized gains on available-for-sale securities	(52,720)	(47,892)	(446,595)
Other	(605)	-	(5,130)
Total deferred tax liabilities	(53,326)	(47,892)	(451,725)
Net deferred tax liabilities	¥ (39,123)	¥ (31,775)	\$ (331,416)

At March 31, 2007 and 2006, deferred tax assets and liabilities reported in the accompanying consolidated balance sheets were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Deferred tax assets	¥ 867	¥ 599	\$ 7,347
Deferred tax liabilities	39,990	32,374	338,763

In assessing the realizability of deferred tax assets, management of the Hyakugo Bank Group considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. At March 31, 2007 and 2006, a valuation allowance was provided to reduce the deferred tax assets to the extent that the management believes that the amount of the deferred tax assets is expected to be realizable.

Reconciliations of the difference between the Japanese statutory effective tax rate and the actual effective income tax rate on pretax income reflected in the accompanying consolidated statements of income for the years ended March 31, 2007 and 2006 were not disclosed as such differences were not material.

15. Subsequent Event

The stockholders of the Bank approved the following appropriation of retained earnings at the annual general meeting on June 27, 2007:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Cash dividends (¥3.50 per share)	¥ 912		\$ 7,726

16. Segment Information

A summary of information classified by lines of business of the Hyakugo Bank Group for the years ended March 31, 2007 and 2006 was as follows:

	Banking	Leasing	Other	Total	Elimination	Consolidated
Millions of Yen						
For the year ended March 31, 2007:						
Ordinary income:						
External customers	¥ 75,770	¥ 10,897	¥ 2,336	¥ 89,004	¥ -	¥ 89,004
Inter-segment	146	608	1,128	1,883	(1,883)	-
	75,917	11,506	3,464	90,887	(1,883)	89,004
Ordinary expenses	59,718	10,956	2,651	73,326	(1,675)	71,650
Ordinary profit	¥ 16,198	¥ 549	¥ 813	¥ 17,561	¥ (207)	17,354
Special (losses) gains, net						(525)
Income before income taxes and minority interests						¥ 16,829
Identifiable assets	¥ 3,966,406	¥ 28,173	¥ 9,019	¥ 4,003,599	¥ (12,323)	¥ 3,991,276
Depreciation	1,814	7,546	27	9,388	-	9,388
Impairment loss on fixed assets	8	-	-	8	-	8
Capital expenditures	4,606	8,027	22	12,657	-	12,657
For the year ended March 31, 2006:						
Ordinary income:						
External customers	¥ 78,731	¥ 10,786	¥ 2,157	¥ 91,675	¥ -	¥ 91,675
Inter-segment	138	690	1,149	1,977	(1,977)	-
	78,869	11,477	3,306	93,652	(1,977)	91,675
Ordinary expenses	59,679	10,944	2,603	73,227	(2,201)	71,026
Ordinary profit	¥ 19,190	¥ 532	¥ 702	¥ 20,425	¥ 224	20,649
Special (losses) gains, net						(497)
Income before income taxes and minority interests						¥ 20,151
Identifiable assets	¥ 3,819,174	¥ 27,527	¥ 7,801	¥ 3,854,504	¥ (10,229)	¥ 3,844,274
Depreciation	1,503	7,644	21	9,169	-	9,169
Impairment loss on fixed assets	228	-	-	228	-	228
Capital expenditures	1,562	7,452	7	9,022	-	9,022
Thousands of U.S. Dollars						
For the year ended March 31, 2007:						
Ordinary income:						
External customers	\$ 641,851	\$ 92,316	\$ 19,791	\$ 753,958	\$ -	\$ 753,958
Inter-segment	1,241	5,152	9,559	15,952	(15,952)	-
	643,092	97,468	29,350	769,910	(15,952)	753,958
Ordinary expenses	505,872	92,813	22,459	621,144	(14,196)	606,948
Ordinary profit	\$ 137,220	\$ 4,655	\$ 6,891	\$ 148,766	\$ (1,756)	147,010
Special (losses) gains, net						(4,451)
Income before income taxes and minority interests						\$ 142,559
Identifiable assets	\$ 33,599,376	\$ 238,660	\$ 76,402	\$ 33,914,438	\$ (104,391)	\$ 33,810,047
Depreciation	15,369	63,926	234	79,529	-	79,529
Impairment loss on fixed assets	69	-	-	69	-	69
Capital expenditures	39,025	68,004	188	107,217	-	107,217

Notes: (1) "Ordinary income" represents total income less certain special gains included in other income.

"Ordinary expenses" represents total expenses less certain special losses included in other expenses.

"Ordinary profit" represents ordinary income less ordinary expenses.

(2) "Other" business segment includes credit card operations.

Ordinary income from foreign operations for the year ended March 31, 2007 was not disclosed as such income was less than 10% of total income, while ordinary income from foreign operations for the year ended March 31, 2006 amounted to ¥12,268 million, 13.3% representing of total income. Information on geographic segments is not shown as the Bank has no overseas subsidiaries or foreign branches.

17. Financial Information of the Hyakugo Bank, Ltd. (Parent)

Presented below are the non-consolidated balance sheets, non-consolidated statements of income and changes in equity of the Bank, the parent company.

Non-Consolidated Balance Sheets The Hyakugo Bank, Ltd. (Parent)

As of March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Assets:			
Cash and due from banks	¥ 102,590	¥ 126,112	\$ 869,041
Call loans and bills purchased	127,381	5,706	1,079,048
Commercial papers and other debt purchased	83,371	83,073	706,241
Trading account securities	796	640	6,746
Money held in trust	8,381	8,048	70,999
Investment securities	1,411,483	1,461,020	11,956,659
Loans and bills discounted	2,148,322	2,061,044	18,198,407
Foreign exchange assets	448	590	3,804
Other assets	28,487	29,437	241,317
Tangible fixed assets	30,785	-	260,787
Intangible fixed assets	5,524	-	46,801
Premises and equipment	-	31,445	-
Customers' liabilities for acceptances and guarantees	47,182	45,179	399,680
Reserve for possible loan losses	(28,308)	(33,075)	(239,805)
Total assets	¥ 3,966,447	¥ 3,819,221	\$ 33,599,725
Liabilities:			
Deposits	¥ 3,536,597	¥ 3,407,916	\$ 29,958,469
Call money	6,853	-	58,052
Payables under securities lending transactions	-	9,478	-
Borrowed money	17,964	17,983	152,174
Foreign exchange liabilities	27	36	234
Bonds payable	15,000	-	127,065
Other liabilities	34,987	53,548	296,376
Reserve for bonuses for directors and corporate auditors	55	-	466
Reserve for employee retirement benefit	5,900	5,883	49,979
Deferred tax liabilities	39,881	32,257	337,837
Deferred tax liabilities for revaluation	3,983	3,987	33,744
Acceptances and guarantees	47,182	45,179	399,680
Total liabilities	3,708,431	3,576,271	31,414,076
Equity:			
Common stock	20,000	-	169,420
Capital surplus	7,586	-	64,262
Retained earnings	142,361	-	1,205,943
Less, treasury stock	(391)	-	(3,316)
Total stockholders' equity	169,556	-	1,436,309
Other components of equity	88,459	-	749,340
Total equity	258,015	-	2,185,649
Total liabilities and equity	¥ 3,966,447	-	\$ 33,599,725
Stockholders' equity:			
Common stock	-	20,000	-
Capital surplus	-	7,584	-
Retained earnings	-	-	-
Legal reserve	-	17,377	-
Voluntary reserves	-	104,514	-
Unappropriated retained earnings	-	12,875	-
Total retained earnings	-	134,767	-
Revaluation increment on land	-	4,203	-
Net unrealized gains on available-for-sale securities	-	76,718	-
Less, treasury stock	-	(323)	-
Total stockholders' equity	-	242,949	-
Total liabilities and stockholders' equity	-	¥ 3,819,221	-

Non-Consolidated Statements of Changes in Equity
The Hyakugo Bank, Ltd. (Parent)

For the Years Ended March 31, 2007 and 2006

	Number of common shares issued	Common stock	Capital surplus	Legal reserve	Voluntary reserves	Unappropriated retained earnings	Revaluation increment on land	Net unrealized gains on available-for- sale securities	Treasury stock	Total stockholders' equity		
											Millions of Yen	
Balance at March 31, 2005	261,225,000	¥ 20,000	¥ 7,573	¥ 17,377	¥ 99,014	¥ 8,661	¥ 5,035	¥ 53,558	¥ (355)	¥ 210,866		
Net income	-	-	-	-	-	11,193	-	-	-	11,193		
Appropriations:												
Cash dividends	-	-	-	-	-	(1,563)	-	-	-	(1,563)		
Bonuses to directors and corporate auditors	-	-	-	-	-	(45)	-	-	-	(45)		
Transfer to voluntary reserves	-	-	-	-	5,500	(5,500)	-	-	-	-		
Reversal of revaluation increment on land	-	-	-	-	-	129	(129)	-	-	-		
Adjustments for applicable income taxes	-	-	-	-	-	-	(702)	-	-	(702)		
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes	-	-	-	-	-	-	-	23,159	-	23,159		
Fractional shares sold, net	-	-	10	-	-	-	-	-	31	41		
Balance at March 31, 2006	<u>261,225,000</u>	<u>¥ 20,000</u>	<u>¥ 7,584</u>	<u>¥ 17,377</u>	<u>¥ 104,514</u>	<u>¥ 12,875</u>	<u>¥ 4,203</u>	<u>¥ 76,718</u>	<u>¥ (323)</u>	<u>¥ 242,949</u>		
		Stockholders' equity					Other components of equity					
	Number of common shares issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains on available-for- sale securities	Net deferred gains (losses) on hedging instruments	Revaluation increment on land	Total other components of equity	Total equity	
Millions of Yen												
Balance at March 31, 2006	261,225,000	¥ 20,000	¥ 7,584	¥ 134,767	¥ (323)	¥ 162,027	¥ 76,718	¥ -	¥ 4,203	¥ 80,922	¥ 242,949	
Net income	-	-	-	9,483	-	9,483	-	-	-	-	9,483	
Cash dividends	-	-	-	(1,824)	-	(1,824)	-	-	-	-	(1,824)	
Bonuses to directors and corporate auditors	-	-	-	(55)	-	(55)	-	-	-	-	(55)	
Reversal of revaluation increment on land	-	-	-	(10)	-	(10)	-	-	10	10	-	
Purchases of fractional shares	-	-	-	-	(72)	(72)	-	-	-	-	(72)	
Sales of fractional shares	-	-	1	-	5	7	-	-	-	-	7	
Net changes other than stockholders' equity	-	-	-	-	-	-	7,713	(186)	-	7,527	7,527	
Balance at March 31, 2007	<u>261,225,000</u>	<u>¥ 20,000</u>	<u>¥ 7,586</u>	<u>¥ 142,361</u>	<u>¥ (391)</u>	<u>¥ 169,556</u>	<u>¥ 84,432</u>	<u>¥ (186)</u>	<u>¥ 4,213</u>	<u>¥ 88,459</u>	<u>¥ 258,015</u>	
Thousands of U.S. Dollars												
Balance at March 31, 2006		\$ 169,420	\$ 64,248	\$ 1,141,611	\$ (2,744)	\$ 1,372,535	\$ 649,882	\$ -	\$ 35,609	\$ 685,491	\$ 2,058,026	
Net income		-	-	80,339	-	80,339	-	-	-	-	80,339	
Cash dividends		-	-	(15,455)	-	(15,455)	-	-	-	-	(15,455)	
Bonuses to directors and corporate auditors		-	-	(466)	-	(466)	-	-	-	-	(466)	
Reversal of revaluation increment on land		-	-	(86)	-	(86)	-	-	86	86	-	
Purchases of fractional shares		-	-	-	(618)	(618)	-	-	-	-	(618)	
Sales of fractional shares		-	14	-	46	60	-	-	-	-	60	
Net changes other than stockholders' equity		-	-	-	-	-	65,343	(1,580)	-	63,763	63,763	
Balance at March 31, 2007		<u>\$ 169,420</u>	<u>\$ 64,262</u>	<u>\$ 1,205,943</u>	<u>\$ (3,316)</u>	<u>\$ 1,436,309</u>	<u>\$ 715,225</u>	<u>\$ (1,580)</u>	<u>\$ 35,695</u>	<u>\$ 749,340</u>	<u>\$ 2,185,649</u>	