ANNUAL REPORT 2008

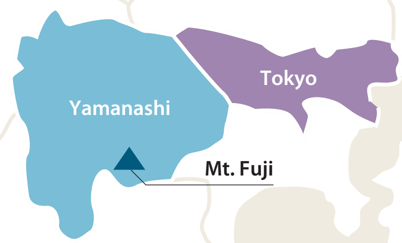
THE YAMANASHI CHUO BANK

Our Mission

Region-Based Operations and Sound Management

Maintaining a close relationship with the communities in the region where we operate, we will contribute to the prosperity of the region and the development of its economy, with a commitment to sound management that enjoys the trust of our customers, while bolstering our business operations.

Head office



Contents

Profile (as of March 31, 2008)

Corporate Name:	The Yamanashi Chuo Bank, Ltd.
Head Office:	20-8, Marunouchi 1-chome, Kofu, Yamanashi
Established:	December 1, 1941
President:	Toshihisa Ashizawa
Common Stock:	¥15,400 million
Number of Shares Issued:	189,915,000 shares
Stock Listing:	First Section of Tokyo Stock Exchange
Long-Term Credit Rating:	A+ (Rating and Investment Information, Inc.)
Network:	Domestic: 91 locations (Head Office and Branches: 88, District Offices: 3) Overseas: Hong Kong Representative Office
Businesses:	The Yamanashi Chuo Bank Group comprises the Yamanashi Chuo Bank and five consolidated subsidiaries. Centered on its core banking business, the Group provides an integrated financing service that includes a leasing and credit-card business. The Bank is the leading local bank in Yamanashi Prefecture, and its sphere of operations encompasses both the prefecture and the western part of the Tokyo metropolitan region.

Forward-looking statements

Statements contained in this report regarding the Bank's future performance do not constitute statements of historical fact, and are thus subject to a number of risks and uncertainties. Readers are therefore cautioned not to place undue reliance on forward-looking statements, as factors beyond the Bank's control and outside its ability to predict, including general economic conditions and market fluctuations, could cause results to diverge materially from the Company's projections.

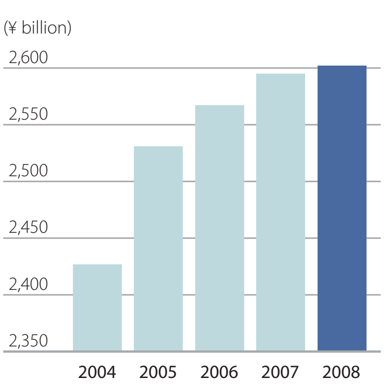
Consolidated Financial Highlights

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
March 31, 2008, 2007, 2006, 2005 and 2004

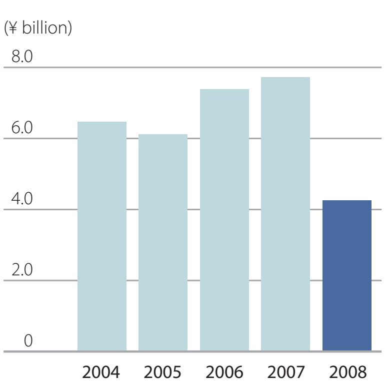
	Millions of yen					Thousands of U.S. dollars
	2008	2007	2006	2005	2004	2008
For the year						
Total income	¥ 67,209	¥ 61,620	¥ 60,298	¥ 55,151	¥ 56,405	$ 670,821
Total expenses	59,203	45,247	44,269	40,542	43,225	590,915
Income before income taxes and minority interests	8,005	16,372	16,028	14,608	13,179	79,905
Net income	4,252	7,721	7,382	6,112	6,467	42,444
At year-end						
Deposits	¥2,262,247	¥2,200,240	¥2,166,311	¥2,152,963	¥2,121,727	$22,579,577
Loans and bills discounted	1,530,135	1,506,551	1,467,872	1,418,589	1,420,679	15,272,332
Investment securities	869,038	890,196	909,632	853,221	820,954	8,673,903
Total assets	2,602,302	2,595,307	2,567,475	2,531,467	2,427,690	25,973,671
Total shareholders' equity	161,799	184,836	173,236	152,989	144,686	1,614,923
Per share of common stock (in yen and U.S. dollars)						
Basic net income	¥ 23.04	¥ 41.83	¥ 39.76	¥ 32.88	¥ 34.80	$ 0.229
Cash dividends applicable to the year	5.00	6.00	5.00	5.00	5.00	0.049
Ratio (%)						
ROE	2.46	4.32	4.52	4.10	4.86	
Capital ratio	13.11	12.03	11.89	11.77	11.41	

Notes: 1. Yen figures are rounded down to the nearest million yen.
2. U.S. dollar figures have been converted from Japanese yen, solely for convenience, at the rate of ¥100.19=US$1, the rate prevailing on March 31, 2008.
3. Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.
4. Capital ratio as of March 31, 2008 has been calculated according to the Basel II criteria.

Total assets

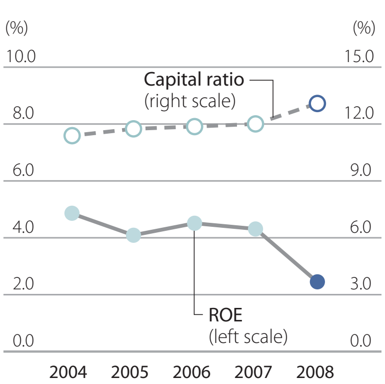


Net income



ROE/Capital ratio

(Domestic standard)



Message from the President

During the reporting period, we worked to implement concrete measures under our ”Evolution 2010 medium-term management plan,” with the goals of strengthening the Bank’s earning power, fortifying its financial position, and realizing greater management efficiency through streamlining.

I would like to take this opportunity to thank our shareholders and other stakeholders for their steadfast support of the Bank and its Group companies. Hereunder, we present an overview of our business performance for fiscal 2007 (from April 2007 to March 2008), together with a report on our future management plans.

Overview of fiscal 2007 performance

The Japanese economy maintained its growth trend for the first few months of fiscal 2007. However, the eruption of the U.S. subprime loan crisis in the summer caused instability on world financial markets, leading to steep price rises in crude oil and other raw materials. In addition, the nation’s housing construction starts posted a sharp year-on-year decline as a result of the revision of construction standards. Against the backdrop of these factors, the economy performed a downturn.

Amid these circumstances, the yen’s exchange rate strengthened to less than ¥100 to the U.S. dollar for the first time in twelve years, and the Nikkei Stock Average ended fiscal 2007 down from the previous fiscal year-end, for the first year-to-year decline in three years. The yen’s appreciation trend and the weakness of stock prices were both particularly in evidence in the latter half of the term.

The economy of Yamanashi Prefecture, the business base of the Yamanashi Chuo Bank Group, grew at a moderate pace during the first half of the year. In the second half, however, a slackening-off was seen in the growth pace of manufacturing activity, and consumer spending also lacked vigor. Most companies took a cautious stance on capital investment, and the economy as a whole marked time.

During the term, the management and staff of Yamanashi Chuo Bank worked together to implement measures in line with the policies laid down under the Bank’s Evolution 2010 medium-term management plan, which covers the period April 2007 to March 2010, with the aims of strengthening the Bank’s earning power, fortifying its financial position, and realizing greater management efficiency through streamlining.

Specifically, the medium-term plan contains a number of measures designed to strengthen our relationship banking functions through close collaboration with customers and other business partners. Among these are the following three priority items: 1. measures to improve our financial and management support for corporate customers, based on the application of different financial products and services tailored to the particular condition and potential of each company; 2. the provision of financial support for small and medium-sized companies based on a thorough appraisal of the customer’s enterprise value; and 3. contributing to sustainable regional economic development through the collection, analysis and provision of information on the region.

These initiatives are all aimed at assisting the economic development of our local region and providing a higher-quality service to our customers.

During the reporting term, we held a number of seminars on current issues for the managements of small companies, held talks with public bodies active in the region and engaged in joint initiatives with them, and hosted business conferences and other such events. By these means, we provided corporate customers with opportunities to expand their marketing channels.

For individuals, we actively marketed management plans for assets in custody, introduced new investment trust products, maintained our preferential interest rates on mortgage loans and loans for educational purposes for customers meeting specific conditions, and introduced a new mortgage loan product specially for female customers.

As a result of our efforts, we recorded operating income of ¥67,206 million, an increase of ¥5,595 million (9.0%) over the previous year, on a consolidated basis. On the other hand,

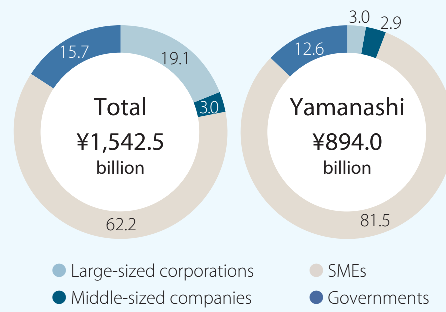
The Economy of Yamanashi Prefecture — Our Business Base (fiscal 2007)

General Prefectural Production:	¥3,400 billion
Real Growth Rate:	2.0%
Shipment Value of Production in Prefecture:	¥2,559 billion

Major Products and Their Share in Japanese Market

Products	Shipment Value (¥ billion)	Share (%)	Ranking
Wine	15.0	28.6	No. 1
Precious Metal Products	37.8	28.0	No. 1
Wafer Processing Equipment	125.8	15.1	No. 1
Mineral Water	16.7	21.1	No. 2
Other Industrial Robots	56.7	14.2	No. 2
Flat-Panel Display Manufacturing Equipment	77.9	10.5	No. 3
Components of Semiconductor Manufacturing Equipment	35.9	6.6	No. 3

Our Loans by size of companies (%)



provisions to reserves for possible loan losses to deal with a deterioration in business performance of several corporate customers, and a sharp increase in the amount of bad debt write-offs, led to a steep year-on-year decline in operating profit (on a consolidated basis), by ¥8,702 million (50.9%) to ¥8,363 million. Net income decreased by ¥3,469 million, 44.9%, over the previous term, to ¥4,252 million (US$42 million). Core net business profit on a non-consolidated basis declined by ¥357 million from the previous term, to ¥17,354 million.

In the Bank's main accounts on a non-consolidated basis, the term-end balance of total deposits (including negotiable certificates of deposit) increased by ¥42,500 million, to ¥2,378,300 million (US$23,738 million). Over-the-counter sales of Japanese Government Bonds and investment trusts posted a year-on-year decrease of ¥2,900 million, to ¥229,900 million.

Turning to loans, demand for funds by large companies remained weak, but we actively marketed loans of various types to second-tier companies, small and medium-sized enterprises, and individuals. We also actively responded to loan demand from public bodies, including local governments. As a result, total loans increased by ¥23,584 million, to a term-end balance of ¥1,530,135 million (US$15,272 million).

Future management policies

The operating environment that Japan's financial institutions now face is marked by increasingly severe competition that crosses traditional industry lines and spans multiple regions of the country. At Yamanashi Chuo Bank, we are swiftly and effectively adapting to these changing circumstances, and as part of these efforts we are carrying out the Evolution 2010 medium-term management, plan to lay the groundwork for rapid growth in the near future.

In line with our corporate philosophy, expressed in the motto "Region-Based Operations and Sound Management," we have adopted a basic strategy of offering solutions to all our customers' needs, such as lifestyle issues for individuals and management issues for corporate customers. Through these means, we aim to contribute to the economic development and prosperity of the regional community. We plan to continuously evolve and expand our financial services, thereby enhancing customer loyalty by earning the trust of our customers. In this way, we plan to build a low-cost, high-earnings structure.

At Yamanashi Chuo Bank, we flexibly adapt ourselves to the ongoing transformation in the bank business model demanded by society at large. As part of these efforts, we are participating in a joint project by regional banks to develop a next-generation computer system for core banking operations, under the name of "Bank Vision."

The managements and employees of the Bank and its five group companies are working together to realize the full spectrum of financial functions and offer our customers superior value-added financial services that will contribute to the advancement of the economy and the healthy functioning of the communities in our home region.

T. Ashizawa

Toshihisa Ashizawa
President

Evolution 2010 Medium-Term Management Plan

Overview

Our principal goal under the Evolution 2010 plan is to continuously evolve and expand our financial services so as to earn the trust of our customers. To achieve this goal, we base all our actions on the need to help our customers address their pressing issues. We have therefore drawn up three basic strategies and five steps toward expanding our customer base, as detailed below, and all the Group's management and staff are working in unison to promote the objectives of the medium-term plan.

Four Qualitative Objectives

1 Taking the customer's viewpoint

We offer high-quality services that satisfy customer needs with precisely the right timing.

2 Helping realize prosperity for Yamanashi's industries and communities

We utilize our high-level expertise in financial solutions design, and our ability to provide detailed information by leveraging our extensive network of experts in a wide range of fields to revitalize industries and support the economic life of the entire regional community. Through the exercise of our comprehensive financial abilities, we fulfill our responsibilities to regional society as a financial institution.

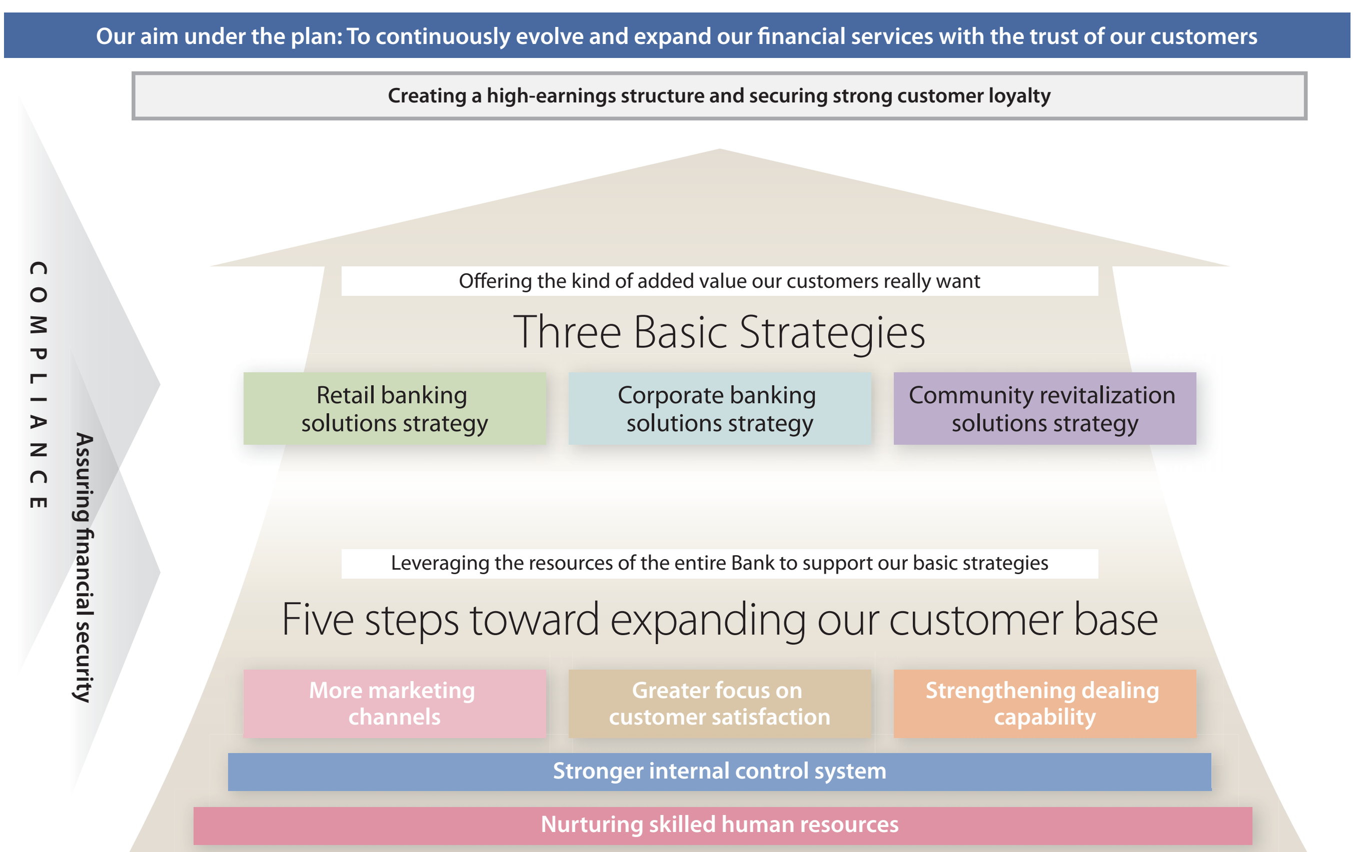
3 Sound operations and strong earnings

Through sound management, we aim to constantly maintain an optimum asset portfolio and ensure a sustained high level of earnings.

4 Responsive and responsible management

We will ensure the Bank's ability to constantly evolve and grow through rigorous corporate governance, and by fostering a corporate culture that puts prime emphasis on the principle of self-reliance.

Schematic Diagram of Evolution 2010 (April 2007 – March 2010)



Three Basic Strategies

To become the bank of choice for potential customers, our basic policy will be to determine how we can provide the most appropriate solutions and work to strengthen relationships with individual and corporate customers, and the regional community.

Retail Banking Solutions Strategy

We propose effective financial support programs to satisfy the needs of individuals, customized to their particular life stage and level of personal assets. By improving the convenience of our services, we hope to encourage more people to become loyal customers of the Bank.

- Respond to asset management & wealth-building needs
- Respond to funding needs for different life events
- Provide highly convenient services

Corporate Banking Solutions Strategy

By providing exactly the sort of information and solutions looked for by the managements of customer enterprises, we help them expand their business bases or raise management efficiency. And we are there to extend the credit they need, when they need it.

- Strengthen the system for promoting transactions based on the size of the enterprise or the industry sector
- Strengthen information strategy and expand solution tools
- Establish and expand the infrastructure for promoting corporate transactions

Community Revitalization Solutions Strategy

Through its fulfillment of the community-support functions of a regional bank over the course of many years, we have built up an effective network of liaison and collaborative relationships with local public bodies and business organizations, universities, and government-run financial institutions. We leverage this network to help revitalize regional industries and infuse greater competitiveness into local companies, thereby contributing to the revitalization of economic and social life in the whole region.

- Contribute to regional revitalization
- Take part in planning for revitalization of the regional community
- Contribute to the regional community
- Strengthen cooperation with local governments

Quantitative Targets (non-consolidated)

(¥ billion, %)

March 31	Results 2008	Targets 2010
Net business profit on core operations	17.3	**Above 18.5**
Balance of loans (average for the term)	1,468	**1,580**
Balance of deposits* (average for the term)	2,339	**2,380**
Income from fees and commissions	7.1	**8.2**
Adjusted OHR (Operating expenses/core gross business profit)	60.31	**50-60**
ROA	0.68	**At least 0.70**
ROE	3.29	**At least 6**
Capital ratio	13.11	**At least 10.50**
Bad debt ratio (under Financial Rehabilitation Law)	5.39	**4-5**

* Including negotiable certificates of deposit

Community-Based Financial Services

The provision of community-based financial services is essential for the Bank, and our Evolution 2010 medium-term management plan (April 2007 – March 2010) embodies this principle. The Bank hopes that the proper implementation of the various measures planned under Evolution 2010 will lead to significant progress in turning the Bank into a truly community-based financial institution.

In line with this, we have drawn up specific targets to be achieved in the three priority fields of business described on the next page, and are actively investing management resources toward that end. From here onward, we at Yamanashi Chuo Bank will continue working to assist the development of the region's economy and contribute to the prosperity of the regional community. We will push forward with community-based financial services through our efforts to farther raise the quality of the banks services to regional customers.

Corporate growth assistance through collaboration with technological advisors (April 2001 to March 2008)

Number of investment target and borrower enterprises, investment amount	**150** **¥11.5 bn**	In the field of corporate growth support, since employment of business advisors in April 2001, we have provided consulting services to 379 companies regarding expansion of marketing channels and evaluation of potential of business lines.
Number of business matching deals	**51**	

Yamanashi Chugin Management Support Coordination Services, and corporate customer support through business matching services

Number of companies that have received support (problem-solving) from Yamanashi Chugin Management Support Services	**77**	The coordination services utilizes a network of contacts linking the Bank with external institutions to offer corporate customers tailored proposals backed up by specialist know-how (Jan. 2006-March 2008)
Number of business matching deals successfully concluded via the Bank's network or Bank-sponsored business meetings	**416**	Business matching has been achieved by using the Bank's network to provide data on customer companies, as well as business fairs such as the Yamanashi Food Sector Business Matching Fair, the Tokyo Business Summit, etc. (FY2005, FY2006, FY2007)

Achievements in Support for Management Improvement (April 2007 to March 2008)

Debtors (excluding normal borrowers) as of the start of term: A	**2,135**
Of which, those receiving management improvement support: a	**80**
Of which, those upgraded their debtor categories as of the term-end: b	**5**
Of which, those drawing up reconstruction plans: c	**49**

Percentage receiving management improvement support: (a/A)	**3.7%**
Percentage upgraded: (b/a)	**6.3%**
Percentage drawing up reconstruction plans: (c/a)	**61.3%**

1. Customized financial support for corporate customers

Overview of actions taken

We carefully analyze the business situation of our corporate customers, taking into account such factors as the customer's industrial sector and business scale, and provide management support including information and tailored solutions, customized to match the company's particular circumstances (e.g. start-up support for new ventures, restructuring for companies in trouble but deemed to possess recovery potential).

Main items

- Enhancing start-up support
- Strengthening ability to offer restructuring advice program
- Improving capabilities in information collection and proposal design
- Strengthening business matching capabilities
- The reinforcement of promotion system for every type of industry
- Enhancing collaboration with subsidiary Yamanashi Chugin Management Support Coordination Services (see note) and outside institutions
- Strengthening our services in start-up and restructuring support fields through collaboration with subsidiary Yamanashi Chugin Management Consulting

Note: Yamanashi Chugin Management Support Coordination Services leverages a network of contacts with outside institutions to introduce customers with management issues to financial institutions with the relevant know-how. It draws up support service packages individually tailored to each customer's requirements, makes proposals, and acts together with the outside institution selected to solve customers' problems.

2. Close evaluation of enterprise value as part of credit screening process, and other methods ideal for use with small and medium-sized corporate customers

Overview of actions taken

We aim to improve our credit screening capabilities. Through close communication with corporate customers, we will be able to more accurately evaluate the enterprise value of potential borrowers. To this end, we are working to nurture qualified personnel.

We are also strengthening our cooperation with various commercial and industrial organizations in the region as a means of widening our lineup of products and services for customer companies and helping them diversify their fund-raising methods.

Main items

- Expanding our menu of loan products for second-tier corporations and SMEs based on a careful evaluation of their enterprise value
- Expanding our lineup of services for corporate customers
- Improving capabilities in the assessment of enterprise value by training highly specialized staff
- Upgrading systems for corporate banking
- Sophisticating our credit monitoring scheme (see note below)

Note: Regular and continuous communications with corporate customers so as to be ready to promptly provide active management support when needed, and take appropriate measures to secure claims.

3. Helping realize a sustainable regional economy through collection and provision of vital information

Overview of actions taken

By leveraging a variety of networks, the Bank provides support that helps revitalize local industries and increase the competitiveness of local companies. At the same time, as an important regional financial institution, the Bank actively participates in initiatives to devise solutions to problems affecting the regional economy, thereby contributing to the improvement of life for everyone in the communities where it operates.

Main items

- Helping revitalize local communities
- Participating in regional development projects
- Making contributions to community life
- Strengthening cooperation with local governments
- Providing information via Yamanashi Chugin Management Consulting
- Enhancing consulting capabilities for individual borrowers

Corporate Banking

▶ Contributing to regional economic revitalization

In cooperation with external organizations, the Yamanashi Chuo Bank Group works to provide high-quality financial services through the construction of a support system for the founding and start-up phase of new businesses, as well as for business development and revitalization.

In the reporting term, ended March 2008, we continued to enhance funding services for local enterprises in the commercial and industrial sectors, the tourism and service sectors, and the agricultural sector. We also strengthened our capabilities in management consultation to assist the development of venture companies and facilitate lending without an excessive reliance on collateral and guarantors. A number of business matching events, as well as promotional events for agricultural produce and manufactured goods from Yamanashi Prefecture, were successfully held to achieve our goal.

During the term, the Bank held a large number of seminars to provide corporate managements with useful information regarding such matters of current concern as the effective utilization of intellectual assets, employee retirement and pension systems, and recent reforms to the nation's medical care system, including the curtailment of medical costs.

The Bank also cooperated on various initiatives with other institutions engaged in support for the regional economy, including the Yamanashi Industrial Support Foundation, various regional chambers of commerce, the Yamanashi branch of TKC (a tax payment support organization), and the Tokyo Metropolitan Area Industrial Revitalization Association, with the aim of harnessing together all forces in the region working to revitalize the economy.

We also sponsored the Yamanashi Food Sector Business Matching Fair, held a joint exhibition with our customers at the Tokyo Business Summit, and sponsored the Joint Tri-Bank Business matchmaking meeting with Chiba Bank and Gunma Bank. All these events were aimed at expanding customers' marketing channels to support their business operations.

To provide a smooth flow of funds to small and medium-sized enterprises in Yamanashi Prefecture, we developed a special lending system through a tie-up with the Yamanashi Prefectural Credit Guarantee Association. And to enhance our capabilities in the solutions proposal business, new intermediary services for making applications to the Trade Receivables Guarantee System was started.

The balance of loans to small and medium-sized enterprises as of March 31, 2008 decreased ¥20.9 billion from the previous term, to stand at ¥554.5 billion, accounting for 36% of total lending.

The Bank will remain committed to providing support for local companies, which are the mainstay of the regional economy, with integrated financial services designed to meet their diverse requirements.

Western Tokyo Bloc

▶ Materializing tremendous growth potential

The Bank continued to develop the market in the western part of the Tokyo Metropolitan Area, which we refer to for marketing purposes as the Western Tokyo Bloc.

Bordering Yamanashi Prefecture to the east, the western part of Tokyo in which we operate is a large market, home to around 4 million people and 140,000 places of business, and has tremendous growth potential.

The Bank's strategy involves turning this marketing bloc into a significant revenue base during the 21st Century. To this end, we are developing an efficient marketing system that will allow us to focus on loan promotion, and are streamlining our management system for improved efficiency leading to higher profitability. We will also be practicing the weighted allocation of management resources, among other measures, so as to develop our operations in this area and achieve profitability and efficiency greater than in Yamanashi Prefecture.

We opened a branch in the city of Fuchu in western Tokyo in June 2007, and a branch in the nearby town of Hamura this June. With these new offices, we now have 13 branches in the western Tokyo area, and our profile among local residents and companies is rising steadily.

Under the Bank's current medium-term management plan

Consumer Banking

Commitment to improving loans and customer convenience

During the term we conducted aggressive marketing campaigns targeting individuals' asset management needs. We also introduced new investment trusts, as well as a "green" time deposit in response to growing awareness of the importance of environmental protection.

To cater to our customer's funding needs at certain crucial stages of their lives, we have continued to actively promote our education and automobile loan products carrying special interest rates, as well as preferential mortgage loan interest rate plans. We also expanded our loan product lineup with the introduction of a special mortgage loan for female customers only. Despite these marketing efforts, however, demand for mortgage loans was sluggish due to a decline in housing construction starts.

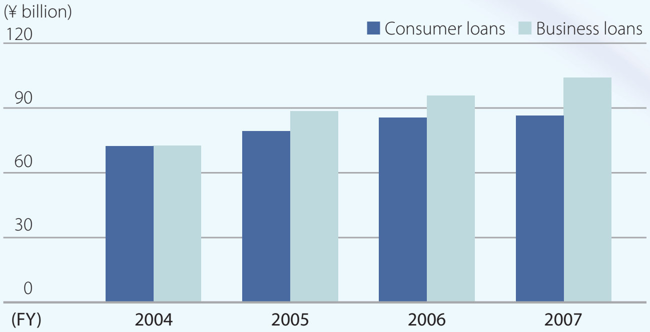
As a result, the balance of loans to individuals at year-end decreased ¥1.7 billion from the previous term, to stand at ¥405.3 billion, accounting for 26% of all loans. The balance of mortgage loans outstanding at term-end stood at ¥373.5 billion, down ¥0.5 billion from the previous term-end.

The third Yamanashi Food Sector Business Matching Fair

The customer service counter at our Head Office

we aim to grow our business in the Western Tokyo Bloc, targeting increases of ¥4.5 billion in personal loans and ¥37 billion in business loans over the plan period. For fiscal 2007, the first year of the plan, personal loans grew by ¥1 billion (1.1%) year-on-year, to ¥86.4 billion, while business loans grew ¥8.2 billion (8.5%) to ¥103.9 billion. The number of separate recipients of business loans increased by 80 from the previous year for a total of 1,378 corporate borrowers now on our books. The loan RAROA (earnings after deduction of credit cost/loans), a prime indicator of profitability, was better than the equivalent for any of the districts of Yamanashi Prefecture, displaying the excellent profitability of our operations in the western Tokyo area.

Loans in Western Tokyo Bloc



Financial Review (on a consolidated basis)

Operating Environment

During the year under review, ended March 31, 2008, the Japanese economy showed gradual recovery until spring. However, from summer, the economy slowed down as a result of the turmoil on financial markets caused by the subprime issue in the U.S., a steep rise in prices of oil and raw materials, and a substantial decrease in housing starts under the impact of the revision of Building Standard Law.

In this financial and economic environment, particularly in the last part of the reporting term, the Japanese economy experienced a double-whammy of a stronger yen and weaker stock market. The yen-dollar exchange rate temporarily surpassed the 100-yen level, for the first time in 12 years, and the Nikkei average as of the end of fiscal 2007 ended lower than the previous year for the first time in three years.

The economy of Yamanashi Prefecture, the Bank's principal business base, maintained recovery momentum in the first half. In the second half, however, it ran out of steam as production growth slowed and consumer spending remained weak. Companies took a more cautious stance on capital investment.

Overview of Earnings

In addition to increasing interest income, we worked to streamline overall business operations and strengthen earnings capability. We maintained our rigorous asset self-assessment policy, carrying out appropriate bad-debt write-offs and making provision for possible loan losses. At the same time, we strengthened support services for corporate customers, including consultation, and took measures to help corporate borrowers promptly turn around ailing businesses. As a result, total income (operating income plus extraordinary profit) increased ¥5.58 billion year on year to ¥67.2 billion.

Meanwhile, total expenses (operating expenses plus extraordinary losses) increased ¥13.95 billion to ¥59.2 billion, primarily as a result of provisions to loan-loss reserves due to deterioration in borrower categories applied to some of our corporate borrowers. Consequently net income came to ¥4.25 billion, down 44.9% from the previous term.

This meant that earnings per share stood at ¥23.04, and the return on equity was 2.4%. The capital ratio rose by 108 basis points from the previous term to stand at 13.11%.

Overview of Earnings by Segment

The Yamanashi Chuo Bank Group consists of the Yamanashi Chuo Bank and its five consolidated subsidiaries. The Group's business has three segments: banking, leasing and other business. Other business includes credit-card and venture capital businesses.

Operating income (here and below including inter-segment transactions) in the banking business increased ¥5.8 billion or 10.4% year on year to ¥61.27 billion, due mainly to an increase in interest income on loans. Operating profit stood at ¥8.59 billion, a decrease of ¥8.22 billion.

Operating income in the leasing business increased by ¥1.16 billion or 22.5% to ¥6.3 billion. We recorded an operating loss of ¥0.28 billion (compared with a ¥0.04 billion profit for the previous term).

Other businesses posted operating income of ¥1.29 billion, up ¥0.31 billion or 31.6% from the previous term. Their operating profit was ¥0.1 billion, an increase of ¥0.11 billion year on year.

Overview of Principal Accounts

The balance of deposits (including negotiable certificates of deposit) increased ¥42.5 billion from the previous term to ¥2,378.3 billion, as a result of aggressive marketing aimed at increasing deposits from individual customers and responding appropriately to the various asset management needs of our customers. The balance of assets in custody, which principally consists of holdings of government bonds and investment trusts, stood at ¥229.9 billion, a ¥2.9 billion decrease from the previous term.

Despite weak funding demand from corporations, the balance of loans and bills discounted increased ¥23.5 billion from the previous year to ¥1,530.1 billion. This was attributable primarily to our efforts to promote lending to small and medium-sized enterprises as well as to individual customers, in addition to our active response to funding demand from local government bodies.

The balance of investment securities held declined ¥21.1 billion to ¥869 billion. This decline was primarily attributable to the Bank's cautious stance on investment in securities through close monitoring of the investment environment and market movements. The Bank continued to underwrite government-guaranteed bonds and municipal bonds.

Cash Flows

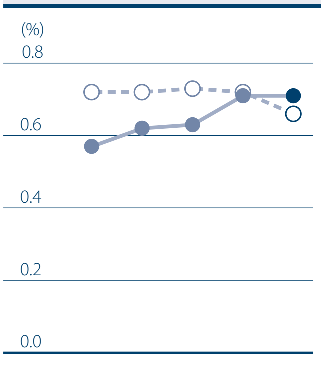
Cash and cash equivalents increased ¥6.82 billion year on year to ¥59.14 billion.

Net cash provided by operating activities amounted to ¥29.56 billion (compared with a net outflow of ¥91.07 billion in the previous term). A ¥62.00 billion increase in deposits more than offset a ¥23.58 billion increase in loans.

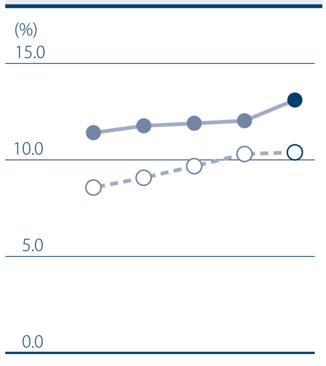
Net cash used in investing activities totaled ¥21.58 billion (compared with a net inflow of ¥26.01 billion in the previous term); ¥186.64 billion was used for the purchase of investment securities, while sales and redemptions of investment securities amounted to ¥167.62 billion.

Net cash used in financing activities amounted to ¥1.15 billion owing primarily to the payment of dividends (compared with a net outflow of ¥1 billion in the previous term).

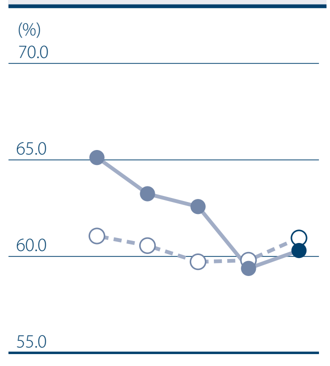
ROA



Capital ratio
(domestic standard)



OHR



ROA = Core net business profit/(Average Balance of Total Assets - Average Balance of Customers' Liabilities for Acceptances & Guarantees)

Capital Ratio = On a consolidated basis, domestic standard

OHR = Operating expenses/Core Gross Business Profit

Note: All except for the capital ratio are on a non-consolidated basis.

Yamanashi Chuo Bank
Average for Japanese regional banks

Consolidated Balance Sheets

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	**2008**
Assets:			
Cash and due from banks (Note 4)	**¥ 59,362**	¥ 52,527	**$ 592,500**
Call loans and bills bought	**104,011**	97,636	**1,038,140**
Monetary claims bought (Note 6)	**15,032**	16,418	**150,044**
Trading securities (Note 5)	**21**	39	**215**
Investment securities (Notes 6 and 11)	**869,038**	890,196	**8,673,903**
Loans and bills discounted (Notes 7 and 8)	**1,530,135**	1,506,551	**15,272,332**
Foreign exchanges (Note 7)	**465**	340	**4,649**
Other assets (Note 11)	**26,894**	21,503	**268,437**
Premises and equipment (Note 9)	**26,757**	26,930	**267,068**
Intangible fixed assets (Note 10)	**1,243**	717	**12,409**
Deferred tax assets (Note 17)	**832**	821	**8,305**
Customers' liabilities for acceptances and guarantees (Note 12)	**11,128**	12,627	**111,071**
Allowance for possible loan losses	**(42,621)**	(31,002)	**(425,407)**
Total	**¥2,602,302**	¥2,595,307	**$25,973,671**
Liabilities:			
Deposits (Notes 11 and 13)	**¥2,262,247**	¥2,200,240	**$22,579,577**
Negotiable certificates of deposit	**116,077**	135,563	**1,158,576**
Call money and bills sold	**11,882**	12,820	**118,600**
Borrowed money (Notes 11 and 14)	**1,491**	1,175	**14,881**
Foreign exchanges	**139**	105	**1,397**
Other liabilities	**29,128**	20,052	**290,729**
Accrued bonuses to directors and corporate auditors	**25**	39	**250**
Reserve for employees' retirement benefits (Note 15)	**7,174**	7,512	**71,611**
Reserve for directors' and corporate auditors' retirement benefits	**539**	634	**5,386**
Reserve for reimbursement of deposits	**149**		**1,493**
Reserve for contingent losses	**108**		**1,087**
Deferred tax liabilities (Note 17)	**409**	19,701	**4,084**
Acceptances and guarantees (Note 12)	**11,128**	12,627	**111,071**
Total liabilities	**2,440,502**	2,410,471	**24,358,747**
Equity (Note 16)**:**			
Common stock—authorized, 398,000,000 shares; issued, 189,915,000 shares in 2008 and 2007	**15,400**	15,400	**153,707**
Capital surplus	**8,294**	8,291	**82,785**
Retained earnings (Note 22)	**114,900**	111,754	**1,146,822**
Unrealized gain on available-for-sale securities (Note 6)	**25,112**	51,121	**250,647**
Deferred gain (loss) on derivatives under hedge accounting		5	**(7)**
Treasury stock—at cost, 5,450,669 shares in 2008 and 5,389,947 shares in 2007	**(2,397)**	(2,352)	**(23,928)**
Total	**161,308**	184,220	**1,610,027**
Minority interests	**490**	615	**4,896**
Total equity	**161,799**	184,836	**1,614,923**
Total	**¥2,602,302**	¥2,595,307	**$25,973,671**

See notes to consolidated financial statements.

Consolidated Statements of Income

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	**2008**
Income:			
Interest income:			
Interest on loans and discounts	**¥31,734**	¥28,550	**$316,746**
Interest and dividends on securities	**12,221**	12,227	**121,985**
Interest on call loans and bills bought	**3,258**	2,436	**32,519**
Other interest income	**161**	159	**1,615**
Fees and commissions	**8,160**	8,836	**81,454**
Other operating income (Note 20)	**6,365**	5,696	**63,534**
Other income (Note 18)	**5,306**	3,712	**52,965**
Total income	**67,209**	61,620	**670,821**
Expenses:			
Interest expenses:			
Interest on deposits	**5,237**	2,047	**52,280**
Interest on negotiable certificates of deposit	**562**	267	**5,617**
Interest on call money and bills sold	**533**	1,084	**5,320**
Other interest expenses	**2,542**	2,189	**25,372**
Fees and commissions	**1,774**	1,727	**17,712**
Other operating expenses (Note 20)	**5,549**	5,762	**55,385**
General and administrative expenses	**27,204**	26,594	**271,527**
Other expenses (Note 19)	**15,799**	5,573	**157,698**
Total expenses	**59,203**	45,247	**590,915**
Income before income taxes and minority interests	**8,005**	16,372	**79,905**
Income taxes (Note 17)**:**			
Current	**6,558**	4,996	**65,461**
Deferred	**(2,703)**	3,524	**(26,983)**
Total income taxes	**3,855**	8,520	**38,478**
Minority interests in net income (loss)	**(101)**	130	**(1,017)**
Net income	**¥ 4,252**	¥ 7,721	**$ 42,444**

	Yen		U.S. dollars
Per share of common stock (Note 2. s)**:**			
Basic net income	**¥23.04**	¥41.83	**$0.22**
Cash dividends applicable to the year	**5.00**	6.00	**0.04**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Thousands	Millions of yen		
	Issued number of shares of common stock	Common stock	Capital surplus	Retained earnings
Balance, March 31, 2006	189,915	¥15,400	¥8,289	¥104,994
Reclassified balance as of March 31, 2006 (Note 2. p)				
Net income				7,721
Cash dividends:				
Final for prior year, ¥2.50 per share				(461)
Interim for current year, ¥2.50 per share				(461)
Bonuses to directors and corporate auditors				(38)
Purchase of treasury stock (97,044 shares)				
Disposal of treasury stock (4,329 shares)			1	
Net change in the year				
Balance, March 31, 2007	189,915	15,400	8,291	111,754
Net income				**4,252**
Cash dividends, ¥6.00 per share				**(1,107)**
Purchase of treasury stock (72,792 shares)				
Disposal of treasury stock (12,070 shares)			**2**	
Net change in the year				
Balance, March 31, 2008	**189,915**	**¥15,400**	**¥8,294**	**¥114,900**

	Millions of yen					
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Treasury stock	Total	Minority interests	Total equity
Balance, March 31, 2006	¥46,825		¥(2,273)	¥173,236		¥173,236
Reclassified balance as of March 31, 2006 (Note 2. p)					¥511	511
Net income				7,721		7,721
Cash dividends:						
Final for prior year, ¥2.50 per share				(461)		(461)
Interim for current year, ¥2.50 per share				(461)		(461)
Bonuses to directors and corporate auditors				(38)		(38)
Purchase of treasury stock (97,044 shares)			(80)	(80)		(80)
Disposal of treasury stock (4,329 shares)			1	3		3
Net change in the year	4,296	¥5		4,301	104	4,405
Balance, March 31, 2007	51,121	5	(2,352)	184,220	615	184,836
Net income				**4,252**		**4,252**
Cash dividends, ¥6.00 per share				**(1,107)**		**(1,107)**
Purchase of treasury stock (72,792 shares)			**(50)**	**(50)**		**(50)**
Disposal of treasury stock (12,070 shares)			**5**	**8**		**8**
Net change in the year	**(26,008)**	**(5)**		**(26,014)**	**(125)**	**(26,140)**
Balance, March 31, 2008	**¥25,112**		**¥(2,397)**	**¥161,308**	**¥490**	**¥161,799**

See notes to consolidated financial statements.

(Continued)

Consolidated Statements of Changes in Equity (continued from the previous page)

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Thousands of U.S. dollars (Note 1)		
	Common stock	Capital surplus	Retained earnings
Balance, March 31, 2007	$153,707	$82,757	$1,115,427
Net income			**42,444**
Cash dividends			**(11,049)**
Purchase of treasury stock (72,792 shares)			
Disposal of treasury stock (12,070 shares)		**27**	
Net change in the year			
Balance, March 31, 2008	**$153,707**	**$82,785**	**$1,146,822**

	Thousands of U.S. dollars (Note 1)					
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Treasury stock	Total	Minority interests	Total equity
Balance, March 31, 2007	$510,243	$50	$(23,476)	$1,838,711	$6,148	$1,844,859
Net income				**42,444**		**42,444**
Cash dividends				**(11,049)**		**(11,049)**
Purchase of treasury stock (72,792 shares)			**(505)**	**(505)**		**(505)**
Disposal of treasury stock (12,070 shares)			**52**	**80**		**80**
Net change in the year	**(259,596)**	**(57)**		**(259,654)**	**(1,251)**	**(260,906)**
Balance, March 31, 2008	**$250,647**	**$ (7)**	**$(23,928)**	**$1,610,027**	**$4,896**	**$1,614,923**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	**2008**
Operating activities:			
Income before income taxes and minority interests	**¥ 8,005**	¥ 16,372	**$ 79,905**
Adjustments for:			
Income taxes paid	**(6,240)**	(1,495)	**(62,288)**
Depreciation and amortization	**5,606**	5,221	**55,962**
Loss on impairment of long-lived assets	**78**	38	**779**
Increase (decrease) in allowance for possible loan losses	**11,619**	(5,113)	**115,973**
Increase (decrease) in accrued bonuses to directors and corporate auditors	**(14)**	39	**(142)**
Increase (decrease) in reserve for employees' retirement benefits	**(338)**		**(3,374)**
Increase (decrease) in reserve for directors' and corporate auditors' retirement benefits	**(94)**	634	**(944)**
Increase (decrease) in reserve for reimbursement of deposits	**149**		**1,493**
Increase (decrease) in reserve for contingent losses	**108**		**1,087**
Interest income recognized on consolidated statements of income	**(47,376)**	(43,374)	**(472,867)**
Interest expenses recognized on consolidated statements of income	**8,875**	5,588	**88,591**
Investment securities gains	**(4,710)**	(2,608)	**(47,014)**
Foreign exchange losses (gains)—net	**1,791**	(219)	**17,882**
Losses on disposal of premises and equipment	**155**	84	**1,553**
Net (increase) decrease in loans	**(23,583)**	(38,679)	**(235,386)**
Net increase (decrease) in deposits	**62,007**	33,928	**618,901**
Net increase (decrease) in negotiable certificates of deposit	**(19,485)**	(3,183)	**(194,482)**
Net increase (decrease) in borrowed money	**315**	(108)	**3,149**
Net (increase) decrease in due from banks (excluding cash equivalents)	**(10)**	136	**(102)**
Net (increase) decrease in call loans and others	**(4,989)**	(77,193)	**(49,796)**
Net increase (decrease) in call money and others	**(937)**	(18,557)	**(9,359)**
Net (increase) decrease in foreign exchanges (asset)	**(125)**	590	**(1,254)**
Net increase (decrease) in foreign exchanges (liabilities)	**34**	(47)	**346**
Interest income (cash basis)	**48,479**	43,481	**483,871**
Interest expenses (cash basis)	**(7,944)**	(4,744)	**(79,295)**
Other—net	**(1,812)**	(1,864)	**(18,093)**
Total adjustments	**21,559**	(107,445)	**215,190**
Net cash provided by (used in) operating activities	**29,565**	(91,072)	**295,096**
Investing activities:			
Purchases of investment securities	**(186,644)**	(131,279)	**(1,862,907)**
Proceeds from sales of investment securities	**34,328**	50,323	**342,634**
Proceeds from redemption of investment securities	**133,300**	108,999	**1,330,480**
Purchases of premises and equipment	**(1,998)**	(1,975)	**(19,951)**
Proceeds from sales of premises and equipment	**0**		**2**
Purchases of intangible fixed assets	**(570)**	(50)	**(5,689)**
Net cash provided by (used in) investing activities	**(21,584)**	26,017	**(215,430)**
Financing activities:			
Dividends paid	**(1,107)**	(922)	**(11,049)**
Payment of dividends to minority interests	**(1)**	(2)	**(14)**
Repurchases of treasury stock	**(50)**	(80)	**(505)**
Proceeds from sales of treasury stock	**8**	3	**80**
Net cash used in financing activities	**(1,151)**	(1,002)	**(11,488)**
Foreign currency translation adjustments on cash and cash equivalents	**(5)**	64	**(56)**
Net increase (decrease) in cash and cash equivalents	**6,824**	(65,993)	**68,120**
Cash and cash equivalents, beginning of year	**52,317**	118,310	**522,178**
Cash and cash equivalents, end of year (Note 4)	**¥ 59,142**	¥ 52,317	**$ 590,298**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

1. Basis of presenting the consolidated financial statements

The accompanying consolidated financial statements of The Yamanashi Chuo Bank, Ltd. (the "Bank") and consolidated subsidiaries (together, the "Group") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law (formerly, the Japanese Securities and Exchange Law) and its related accounting regulations and the Banking Law of Japan, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. In addition, certain reclassifications made in the 2007 financial statements to confirm to the classifications used in 2008.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥100.19 to $1, the exchange rate prevailing on March 31, 2008. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen and one thousand U.S. dollars, except for per share information, have been truncated. As a result, the total may not be equal to the total of individual amounts.

2. Summary of significant accounting policies

a. Consolidation

The consolidated financial statements included the accounts of the Bank and its five significant subsidiaries in 2008 and 2007.

Under the control concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated, unless the companies have an immaterial effect on the accompanying consolidated financial statements.

On September 8, 2006, the Accounting Standards Board of Japan ("ASBJ") issued Practical Issues Task Force ("PITF") No. 20, "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations," which was effective for fiscal years ending on or after September 8, 2006. The practical solution clarifies how the control and influence concept should be practically applied to the consolidation scope of collective investment vehicles, such as limited partnerships, Tokumei-Kumiai and other entities with similar characteristics. The Bank applies this task force and consolidates a collective investment vehicle in 2008 and 2007. However, this vehicle has not been consolidated due to its immateriality.

Goodwill represents the difference between the cost of an acquisition and the fair value of the net assets of the acquired subsidiary/associated company at the date of acquisition.

Goodwill on acquisition of subsidiaries is amortized using the straight-line method over a period not exceeding 20 years, or charged to income as incurred if such excess is considered to be immaterial.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents are defined as cash and due from the Bank of Japan.

c. Trading and investment securities

All applicable securities are classified and accounted for, depending on management's intent, as follows:
(1) trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings, (2) held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity are reported at amortized cost, and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. The cost of securities sold is determined based on the moving-average method.

d. Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment is primarily computed by the declining-balance method at rates based on the estimated useful lives of the assets while the straight-line method is applied to buildings acquired after April 1, 1998. The range of useful lives is from 3 to 50 years for buildings and from 2 to 20 years for equipment.

e. Intangible fixed assets

Intangible fixed assets are amortized by straight-line method over the estimated useful lives.

f. Property and equipment for lease

Property and equipment for lease owned by a consolidated subsidiary included in other assets are stated at cost less accumulated depreciation. Depreciation of property and equipment for lease is primarily computed by the straight-line method over the lease periods.

g. Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. Foreign currency items

Foreign currency assets and liabilities are translated into yen at the exchange rates prevailing at the balance sheet date.

i. Derivative and hedging activities

Derivative transactions are measured at fair value.

The Bank applies the deferred method of accounting to hedges of foreign exchange risks arising from foreign currency denominated monetary assets and liabilities in accordance with "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transaction in the Banking Industry" (JICPA Industry Audit Committee Report No. 25).

In deferred hedging activities, exchange swap transactions and similar transactions hedging the foreign exchange risks of monetary assets and liabilities denominated in foreign currencies are assessed based on a comparison of the foreign currency position of the hedged monetary assets and liabilities and the hedging instruments.

j. Allowance for possible loan losses

The allowance for possible loan losses is stated in amounts considered to be appropriate based on management's judgment and an assessment of future losses estimated through the Bank's self assessment of the quality of all loans.

The Bank has a credit rating system and a self assessment system. These systems are used to assess the Bank's asset quality based on past experience of credit losses, possible credit losses, analysis of customers' conditions, such as business conditions, character and quality and the overall performance of the portfolio. All loans are subject to asset quality assessment conducted by the business-related divisions in accordance with the Self-Assessment Standards, and the results of the assessments are reviewed by the Asset Audit Division, which is independent from the business-related divisions, before the allowance amount is finally determined. All loans are classified into one of the five categories for self assessment purposes, "normal," "caution," "possible bankruptcy," "virtual bankruptcy" or "legal bankruptcy."

The allowance for possible loan losses is calculated based on the actual past loss ratio for "normal" and "caution" categories, and the fair value of the collateral for collateral-dependent loans and other factors, including the value of future cash flows for other self assessment categories.

The Bank applies the "discounted cash flow method" for some large loans which were classified into "caution" category and which meet certain conditions such as reasonable estimation of their future cash flows.

The policy for the allowance for possible loan losses of consolidated subsidiaries is similar to the Bank's.

k. Accrued bonuses to directors and corporate auditors
Accrued bonuses to directors and corporate auditors are provided in the amount of the estimated bonuses which are attributable to each fiscal year.

l. Retirement and pension plans
The Group has a non-contributory defined benefit pension plan and a lump-sum severance indemnity plan. Employees whose services with the Group are terminated are, under most circumstances, entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs.

The Group accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.

m. Reserve for directors' and corporate auditors' retirement benefits
A reserve for directors' and corporate auditors' retirement benefits is provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

n. Reserve for reimbursement of deposits
Reserve for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursement experience.

Formerly, deposits which had been derecognized as liabilities were expensed when they were actually reimbursed. However, from the year ended March 31, 2008, such reserve is provided in the estimated amount as described above in accordance with the "Treatment for Auditing of Reserve under Special Taxation Measures Law, Reserve under Special Laws and Reserve for Retirement Benefits to Directors and Corporate Auditors" (the JICPA Audit and Assurance Practice Committee Report No. 42) of April 13, 2007. As a result, income before income taxes and minority interests decreased by ¥149 million ($1,493 thousand) as compared with the former method.

o. Reserve for contingent losses
Reserve for contingent losses, which is provided for possible losses from contingent events, is calculated by estimation of the impact of these contingent events.

Upon a start of the joint responsibility system with Credit Guarantee Corporations on October 1, 2007, the Bank provides for future payments to the corporations at the amount properly estimated, effective from the year ended March 31, 2008.

p. Presentation of equity
On December 9, 2005, the ASBJ published a new accounting standard for presentation of equity. Under this accounting standard, certain items which were previously presented as liabilities or assets, as the case may be, are now presented as components of equity. Such items include stock acquisition rights, minority interests, and any deferred gain or loss on derivatives accounted for under hedge accounting. This standard was effective for fiscal years ending on or after May 1, 2006. The balances of such items as of March 31, 2006 were reclassified as separate components of equity as of April 1, 2006 in the consolidated statement of changes in equity.

q. Leases
All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

r. Income taxes
The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

s. Per share information
Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits. The weighted-average number of common shares in the computation was 184,494 thousand shares for 2008 and 184,571 thousand shares for 2007.

Diluted net income per share is not disclosed because there are no outstanding potentially dilutive securities.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

t. New accounting pronouncements
Lease accounting—On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the existing accounting standard for lease transactions issued on June 17, 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.
Lessee—Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions shall be capitalized recognizing lease assets and lease obligations in the balance sheet.
Lessor—Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessor's financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee shall be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee shall be recognized as investments in lease.

3. Accounting change

Effective April 1, 2007, the Bank applied the newly effective JICPA Accounting Committee Report No. 6 "Guidance on Deferred Tax Accounting for Consolidated Financial Statements," which was issued on March 29, 2007, for the investment sales transaction between the group. The effect of this change was to decrease net income by ¥207 million ($2,070 thousand).

4. Cash and cash equivalents

The reconciliation of the cash and due from banks in the consolidated balance sheets and the cash and cash equivalents at March 31, 2008 and 2007, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Cash and due from banks	**¥59,362**	¥52,527	**$592,500**
Due from banks, excluding due from Bank of Japan	**(220)**	(210)	**(2,201)**
Cash and cash equivalents	**¥59,142**	¥52,317	**$590,298**

5. Trading securities

Trading securities at March 31, 2008 and 2007, consisted of national government bonds.

The fair values of trading securities at March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Fair value of trading securities	**¥21**	¥39	**$215**
Fair value loss included in income before income taxes and minority interests			

6. Investment securities

Investment securities at March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Japanese government bonds	**¥369,174**	¥406,521	**$3,684,743**
Japanese municipal bonds	**163,035**	158,029	**1,627,260**
Japanese corporate bonds	**183,200**	118,931	**1,828,527**
Japanese stocks	**74,996**	116,429	**748,545**
Other securities	**78,631**	90,283	**784,825**
Total	**¥869,038**	¥890,196	**$8,673,903**

The amount of guarantee obligations for privately-placed bonds (Item 3 of Article 2 of the Financial Instruments and Exchange Law as of March 31, 2008, Item 3 of Article 2 of the former Securities and Exchange Law as of March 31, 2007), included in investment securities as of March 31, 2008 and 2007, were ¥5,390 million ($53,797 thousand) and ¥7,065 million, respectively.

Differences between the carrying amount or the cost and fair value of investment securities at March 31, 2008 and 2007, were as follows. (Securities listed below include commercial paper which are included in "Monetary claims bought.")

Marketable held-to-maturity debt securities

	Millions of yen										Thousands of U.S. dollars				
	2008					2007					**2008**				
	Carrying amount	Fair value	Differences	Unrealized gain	Unrealized loss	Carrying amount	Fair value	Differences	Unrealized gain	Unrealized loss	Carrying amount	Fair value	Differences	Unrealized gain	Unrealized loss
Other securities	**¥996**	**¥996**				¥997	¥997				**$9,946**	**$9,945**			

Marketable available-for-sale securities

	Millions of yen									
	2008					2007				
	Cost	Fair value	Valuation differences	Unrealized gain	Unrealized loss	Cost	Fair value	Valuation differences	Unrealized gain	Unrealized loss
Japanese stocks	**¥ 48,530**	**¥ 74,657**	**¥26,127**	**¥27,696**	**¥1,569**	¥ 50,867	¥115,800	¥64,932	¥65,172	¥ 239
Bonds total	**700,811**	**709,919**	**9,108**	**11,497**	**2,388**	675,474	676,222	748	3,035	2,286
Japanese government bonds	**365,427**	**369,174**	**3,747**	**5,960**	**2,212**	406,759	406,521	(237)	1,220	1,458
Japanese municipal bonds	**160,375**	**163,035**	**2,659**	**2,707**	**47**	157,365	158,029	664	1,223	558
Japanese corporate bonds	**175,008**	**177,710**	**2,701**	**2,830**	**128**	111,350	111,671	321	590	269
Other	**75,633**	**78,466**	**2,833**	**5,529**	**2,696**	75,083	90,097	15,014	15,240	225
Total	**¥824,975**	**¥863,044**	**¥38,068**	**¥44,723**	**¥6,654**	¥801,425	¥882,120	¥80,695	¥83,448	¥2,752

	Thousands of U.S. dollars				
	2008				
	Cost	Fair value	Valuation differences	Unrealized gain	Unrealized loss
Japanese stocks	**$ 484,385**	**$ 745,161**	**$260,775**	**$276,438**	**$15,663**
Bonds total	**6,994,823**	**7,085,736**	**90,913**	**114,756**	**23,843**
Japanese government bonds	**3,647,340**	**3,684,743**	**37,402**	**59,487**	**22,085**
Japanese municipal bonds	**1,600,712**	**1,627,260**	**26,548**	**27,020**	**472**
Japanese corporate bonds	**1,746,769**	**1,773,731**	**26,962**	**28,247**	**1,285**
Other	**754,903**	**783,179**	**28,276**	**55,190**	**26,913**
Total	**$8,234,112**	**$8,614,077**	**$379,965**	**$446,385**	**$66,419**

Held-to-maturity debt securities sold

During the fiscal year ended March 31, 2008 were follows:

	Millions of yen	Thousands of U.S. dollars
Cost of securities	**¥1,000**	**$9,981**
Proceeds from sales	**1,000**	**9,981**
Gross realized gain		

The above securities were sold due to redemption by the issuer.

Available-for-sale securities sold

Available-for-sale securities sold during the fiscal years ended March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Proceeds from sale	**¥26,253**	¥43,212	**$262,036**
Gross realized gain	**5,656**	3,582	**56 ,455**
Gross realized loss	**561**	881	**5,606**

Securities whose fair value is not readily determinable

Principal items in securities whose fair value is not readily determinable at March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Held-to-maturity debt securities— Unlisted Japanese corporate bonds	**¥5,390**	¥7,065	**$53,797**
Available-for-sale securities: Unlisted Japanese stocks	**339**	629	**3,383**
Unlisted Japanese corporate bonds	**100**	195	**998**
Investment in capital of limited liability partnership	**164**	185	**1,638**

Redemption schedules of bonds held

The redemption schedules of bonds classified as securities available-for-sale and held-to-maturity at March 31, 2008 and 2007, were as follows:

	Millions of yen								Thousands of U.S. dollars			
	2008				2007				2008			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years	1 year or less	1 to 5 years	5 to 10 years	Over 10 years	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥71,643	¥367,080	¥238,229	¥38,456	¥121,204	¥321,248	¥177,390	¥63,639	$715,078	$3,663,844	$2,377,779	$383,830
Japanese government bonds	24,429	207,157	99,130	38,456	67,392	161,405	114,084	63,639	243,836	2,067,651	989,425	383,830
Japanese municipal bonds	30,134	69,188	63,711		28,737	84,767	44,524		300,777	690,576	635,907	
Japanese corporate bonds	17,078	90,733	75,387		25,075	75,075	18,781		170,464	905,616	752,446	
Other	2,991		15,895		1,596	1,990	14,785		29,854		158,658	
Total	¥74,634	¥367,080	¥254,125	¥38,456	¥122,801	¥323,239	¥192,176	¥63,639	$744,932	$3,663,844	$2,536,437	$383,830

Investment in unconsolidated subsidiary totaled ¥164 million ($1,638 thousand) and ¥185 million as of March 31, 2008 and 2007, respectively.

Details of net gain

The details of the net unrealized gain on available-for-sale securities at March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Valuation difference (amount in the balance sheet—cost)—available-for- sale securities	¥38,068	¥80,695	$379,965
Deferred tax liability	(12,950)	(29,546)	(129,261)
Net unrealized gain (before minority interest)	25,118	51,149	250,704
Minority interest	(5)	(27)	(56)
Net unrealized gain	¥25,112	¥51,121	$250,647

7. Loans and bills discounted

Loans and bills discounted at March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Bills discounted	¥ 14,080	¥ 17,424	$ 140,536
Loans on bills	70,965	87,516	708,305
Loans on deeds	1,293,562	1,229,216	12,911,089
Overdraft	151,527	172,394	1,512,401
Total	¥1,530,135	¥1,506,551	$15,272,332

Loans and bills discounted at March 31, 2008 and 2007, included the following balances:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Loans to customers in bankruptcy	¥11,320	¥ 4,421	$112,992
Past due loans	65,515	59,620	653,916
Accruing loans contractually past due three months or more	153	294	1,528
Restructured loans	7,215	16,415	72,015
Total	¥84,205	¥80,751	$840,454

Loans to customers in bankruptcy represent nonaccrual loans to debtors who are legally bankrupt, as defined in Article 96, Paragraph 1, Subparagraphs 3 and 4 of Enforcement Ordinance for the Corporation Tax Law, and past due loans are defined as nonaccrual loans except for loans to customers in bankruptcy and loans of which the interest payments are deferred in order to assist in the financial recovery of a debtor in financial difficulties.

Accruing loans contractually past due three months or more, are loans on which the principal or interest is three months or more past due.

Restructured loans are loans for which the Bank is relaxing lending conditions, such as: reduction of the original interest rate, deferral of interest payment, extension of maturity date, or reduction of the amount of the debt or accrued interest.

The allowance for possible loan losses has not been deducted from the loan amounts shown above.

Bills discounted are accounted for as financial transactions in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24). The Bank has rights to sell or pledge commercial bills discounted and foreign exchanges bought without restrictions, and their face amounts were ¥14,089 million ($140,628 thousand) and ¥17,436 million at March 31, 2008 and 2007, respectively.

Loan participation agreements, under which the Bank has acquired the economic benefits and risks of the underlying loans from the original lender, were ¥2,000 million ($19,962 thousand) and ¥46,619 million at March 31, 2008 and 2007, respectively.

8. Loan commitments

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, up to the prescribed amount, as long as there is no violation of any condition established in the contract. The amount of unused commitments as of March 31, 2008 was ¥398,901 million ($3,981,446 thousand) which includes commitments of ¥385,922 million ($3,851,910 thousand) whose original contract terms were within one year or unconditionally cancelable at any time. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that allow the Bank to withdraw the commitment line offer or reduce the contract amounts in situations where economic conditions are changed, the Bank needs to secure claims, or other conditions are triggered. In addition, the Bank requires the customers to pledge collateral such as premises and securities, and takes necessary measures such as seizing the customers' financial positions, revising contracts when the need arises and securing claims after conclusion of the contracts.

9. Premises and equipment

Premises and equipment as of March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Land	¥13,247	¥13,129	$132,222
Buildings	9,126	9,232	91,096
Construction in progress	209	374	2,087
Other	4,174	4,193	41,662
Total	¥26,757	¥26,930	$267,068

Accumulated depreciation at March 31, 2008 and 2007, amounted to ¥31,556 million ($314,970 thousand) and ¥30,638 million, respectively.

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired or by providing a special reserve in the equity section. Premises and equipment were stated at cost less deferred gains of ¥1,073 million ($10,719 thousand) at March 31, 2008 and 2007.

The Group reviewed its long-lived assets for impairment and recognized an impairment loss as other expense for certain unused premises due to a decrease of those net selling prices at disposition, and the carrying amount of the premises was written down to the recoverable amount. For the years ended March 31, 2008 and 2007, impairment losses were ¥78 million ($779 thousand) and ¥38 million, respectively.

10. Intangible fixed assets

Intangible fixed assets as of March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Software	**¥ 253**	¥185	**$ 2,534**
Software in progress	**445**		**4,444**
Other	**544**	532	**5,430**
Total	**¥1,243**	¥717	**$12,409**

11. Assets pledged

Assets pledged as collateral at March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Investment securities	**¥294**	¥393	**$2,937**

Liabilities related to the above pledged assets at March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Deposits	**¥12,041**	¥622	**$120,187**
Borrowed money	**50**	145	**449**

Investment securities totaling ¥128,821 million ($1,285,774 thousand) and ¥130,510 million as of March 31, 2008 and 2007, respectively, and other assets totaling ¥16 million ($166 thousand) and ¥29 million as of March 31, 2008 and 2007, respectively, were pledged as collateral for settlement of exchange and derivative transactions, or as margin on forward contracts.

Lease contract assets for unexpired lease term, which was pledged as collateral for borrowed money of ¥941 million ($9,392 thousand) and ¥710 million, were ¥1,563 million ($15,606 thousand) and ¥1,103 million as of March 31, 2008 and 2007, respectively.

12. Customers' liabilities for acceptances and guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees" are shown on the asset side representing the Bank's right of indemnity from the applicants.

13. Deposits

Deposits at March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Current deposits	**¥ 65,173**	¥ 87,104	**$ 650,503**
Ordinary deposits	**1,085,263**	1,075,183	**10,832,056**
Saving deposits	**25,624**	26,704	**255,762**
Deposits at notice	**5,171**	4,118	**51,621**
Time deposits	**1,010,319**	959,287	**10,084,031**
Other	**70,694**	47,841	**705,600**
Total	**¥2,262,247**	¥2,200,240	**$22,579,577**

14. Borrowed money

As of March 31, 2008 and 2007, the weighted-average rates calculated from the interest rates and the balances were 1.68% and 1.41%, respectively.

Annual maturities of borrowed money as of March 31, 2008 for the next five years were as follows:

Year Ending March 31	Millions of yen	Thousands of U.S. dollars
2009	¥589	$5,882
2010	262	2,623
2011	368	3,673
2012	155	1,547
2013	93	929

15. Employees' retirement benefits

The Group has a non-contributory defined benefit pension plan and a lump-sum severance indemnity plan. Employees whose services with the Group are terminated are, under most circumstances, entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs.

Reserve for employees' retirement benefits at March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Projected benefit obligation	**¥(21,052)**	¥(21,248)	**$(210,125)**
Fair value of plan assets	**14,368**	17,594	**143,409**
Funded status	**(6,684)**	(3,654)	**(66,715)**
Unrecognized actuarial loss	**2,766**	(557)	**27,616**
Unrecognized prior service cost	**(527)**	(599)	**(5,269)**
Net liability	**(4,445)**	(4,810)	**(44,369)**
Prepaid pension cost	**2,729**	2,702	**27,242**
Liability for retirement benefits	**¥ (7,174)**	¥ (7,512)	**$ (71,611)**

The components of net periodic retirement benefit costs for the years ended March 31, 2008 and 2007, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Service cost	**¥697**	¥709	**$6,966**
Interest cost	**424**	414	**4,241**
Expected return on plan assets	**(251)**	(242)	**(2,506)**
Amortization of actuarial loss	**97**	142	**968**
Amortization of prior service cost	**(71)**	(71)	**(710)**
Net periodic retirement benefit costs	**¥897**	¥952	**$8,959**

Assumptions used for the years ended March 31, 2008 and 2007, are set forth as follows:

	2008	2007
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**2.0%**	2.0%
Method of attributing the projected benefits to periods of services	**Straight-line basis**	Straight-line basis
Amortization period of prior service cost	**10 years**	10 years
Amortization period of actuarial gain/loss	**10 years commencing from start of the subsequent fiscal year**	10 years commencing from start of the subsequent fiscal year

16. Equity

Since May 1, 2006, Japanese banks have been subject to the Corporate Law of Japan ("the Corporate Law"), which reformed and replaced the Commercial Code of Japan, and the Banking Law of Japan. The significant provisions in the Corporate Law and the Banking Law of Japan that affect financial and accounting matters are summarized below:

a. Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation.

The Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Corporate Law and the Banking Law of Japan provide certain limitations on the amounts available for dividends or the purchase of treasury stock.

b. Increases/decreases and transfer of common stock, reserve and surplus

The Banking Law of Japan requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and additional paid-in capital equals 100% of the common stock. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury stock and treasury stock acquisition rights

The Corporate Law also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity.

The Corporate Law also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

17. Income taxes

The Bank and consolidated subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.2% for the years ended March 31, 2007 and 2006. The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2008 and 2007 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Deferred tax assets:			
Allowance for possible loan losses	**¥15,275**	¥ 11,217	**$152,461**
Losses on investment securities	**3,672**	4,141	**36,657**
Reserve for retirement benefits	**3,802**	3,928	**37,953**
Depreciation	**569**	607	**5,685**
Other	**3,108**	2,969	**31,028**
Valuation allowance	**(11,487)**	(10,652)	**(114,652)**
Total deferred tax assets	**14,941**	12,211	**149,133**
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	**(12,950)**	(29,520)	**(129,261)**
Other	**(1,568)**	(1,571)	**(15,652)**
Total deferred tax liabilities	**(14,518)**	(31,091)	**(144,913)**
Net deferred tax assets (liabilities)	**¥ 422**	¥(18,880)	**$ 4,220**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2008 and 2007 is as follows:

	2008	2007
Normal effective statutory tax rate	**40.2%**	40.2%
Valuation allowance	**10.5**	16.5
Income not taxable for income tax purposes	**(3.3)**	(1.6)
Expenses not deductible for income tax purposes	**0.4**	0.3
Other—net	**0.3**	(3.4)
Actual effective tax rate	**48.1%**	52.0%

18. Other income

Other income for the years ended March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Gain on sales of securities	**¥4,804**	¥3,176	**$47,951**
Other	**502**	536	**5,014**
Total	**¥5,306**	¥3,712	**$52,965**

19. Other expenses

Other expenses for the years ended March 31, 2008 and 2007, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Provision of allowance for possible loan losses	**¥14,539**	¥3,765	**$145,122**
Loss on sales of claims	**134**	737	**1,344**
Net periodic retirement benefit costs	**25**	71	**257**
Loss on devaluation of stocks	**404**		**4,033**
Loss on disposal of premises and equipment	**155**	110	**1,553**
Loss on impairment of long-lived assets	**78**	38	**779**
Loss on devaluation of claims	**72**	98	**728**
Cumulative effect of accounting change for retirement benefits to directors and corporate auditors		537	
Other	**388**	214	**3,878**
Total	**¥15,799**	¥5,573	**$157,698**

20. Lease transactions

Lessor

A consolidated subsidiary leases certain equipment and other assets.

Total lease receipts under finance leases, which are included in "Other operating income" in the accompanying consolidated statements of income for the years ended March 31, 2008 and 2007, were ¥4,079 million ($40,714 thousand) and ¥3,797 million, respectively.

Depreciation expense, which is included in "Other operating expenses" in the accompanying consolidated statements of income for the years ended March 31, 2008 and 2007, was ¥3,550 million ($35,440 thousand) and ¥3,292 million, respectively.

Information of leased property that does not transfer ownership of the leased property to the lessee for the years ended March 31, 2008 and 2007, was as follows:

For the year ended March 31, 2008

	Millions of yen		
	Equipment	Software	Total
Acquisition cost	**¥18,386**	**¥3,718**	**¥22,105**
Accumulated depreciation	**9,309**	**1,950**	**11,259**
Net leased property	**¥ 9,077**	**¥1,768**	**¥10,845**

	Thousands of U.S. dollars		
	Equipment	Software	Total
Acquisition cost	**$183,519**	**$37,115**	**$220,634**
Accumulated depreciation	**92,916**	**19,468**	**112,385**
Net leased property	**$ 90,602**	**$17,646**	**$108,249**

Lease receivables under finance leases:

	Millions of yen	Thousands of U.S. dollars
Due within one year	**¥ 3,645**	**$ 36,385**
Due after one year	**7,913**	**78,983**
Total	**¥11,558**	**$115,369**

For the year ended March 31, 2007

	Millions of yen		
	Equipment	Other	Total
Acquisition cost	¥16,619	¥3,395	¥20,015
Accumulated depreciation	8,829	1,755	10,585
Net leased property	¥ 7,789	¥1,639	¥ 9,429

Lease receivables under finance leases:

	Millions of yen
Due within one year	¥ 3,116
Due after one year	7,018
Total	¥10,135

The imputed interest income portion which is computed using the interest method is excluded from the above lease receivables under finance leases.

Interest income for the years ended March 31, 2008 and 2007, was ¥509 million ($5,081 thousand) and ¥479 million, respectively. Interest income, which is not reflected in the accompanying consolidated statements of income, was computed by the interest method.

21. Derivatives

Nature of derivatives

The Bank uses derivative financial instruments, including interest rate swaps, foreign exchange forward contracts, interest rate futures, bond futures and options.

The Bank's policy for using derivatives

The Bank uses derivatives carefully to respond to its client's diverse needs and to hedge against market risks, such as interest rate and foreign exchange rate fluctuations.

For certain derivative transactions, the Bank uses trading transactions within the contract limits which the Bank stipulates. The Bank does not enter into derivative transactions for speculative purposes.

Purpose of derivatives

Derivative transactions are used on the basis of the Bank's policy for using derivatives indicated above.

Hedge accounting is applied to certain derivative transactions.

(a) Accounting for hedge activities

The deferral method was adopted for hedging activities.

(b) Hedging policy

In accordance with the internal rules of the Bank that comply with the "accounting standards for derivative financial instruments" and other regulations, risk from fluctuations in currency exchange rates is hedged. Hedged items and hedging instruments to which hedge accounting was applied for the fiscal year under review are as follows:

Hedged items:

Foreign-currency denominated assets—Loans, call loans

Foreign-currency denominated liabilities—Deposits

Hedging instruments:

Foreign currency swap

(c) Assessment of the effectiveness of hedging instruments

Effectiveness is assessed by comparisons of the foreign currency position of the hedged monetary assets and liabilities and the hedging instruments.

Risk associated with derivatives

The major risks associated with derivative financial instruments are credit risk and market risk. Credit risk is the possible loss that may result from a counterparty's failure to perform according to the terms and conditions of the contract. To reduce credit risk, the Bank restricts the counterparties through internal regulation. Market risk is the possible loss that may result from market fluctuations such as interest rates and foreign exchange. The Bank does not anticipate significant losses because the main purpose of the Bank's derivative transactions is to hedge market fluctuations.

Risk control system for derivatives

The Bank manages derivatives strictly in accordance with internal risk management regulations, including position limits and loss-cut rules, so as not to have a significant impact on the Bank's operating results.

The contract amount and fair value of derivatives as of March 31, 2008 and 2007, consisted of the following:

Foreign exchange forward contracts which are measured at fair value

	Millions of yen			
	2008			2007
	Contract amount	Fair value	Unrealized loss	Contract amount
Forward contracts:				
Selling	**¥261**	**¥7**	**¥7**	¥318
Buying	**312**	**(9)**	**(9)**	204

	Thousands of U.S. dollars		
	2008		
	Contract amount	Fair value	Unrealized loss
Forward contracts:			
Selling	**$2,611**	**$78**	**$78**
Buying	**3,123**	**(90)**	**(90)**

The contract or notional amounts of derivatives which are shown in the above tables do not present the Bank's exposure to credit or market risk.

22. Subsequent event

The following appropriations of retained earnings at March 31, 2008 were approved at the Bank's shareholders meeting held on June 27, 2008:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥2.5 ($0.02) per share	**¥461**	**$4,602**

23. Business segment information

The Group is engaged in commercial banking, leasing and other businesses.

Information about business segments of the Group for the years ended March 31, 2008 and 2007, is as follows:

	Millions of yen					
	2008					
	Banking	Leasing	Other	Total	Eliminations/ corporate	Consolidated
a. Operating income and operating profit:						
Operating income:						
Operating income from customers	¥ 60,926	¥ 5,373	¥ 906	¥ 67,206		¥ 67,206
Internal operating income among segment	351	926	388	1,667	¥ (1,667)	
Total operating income	61,278	6,300	1,294	68,873	(1,667)	67,206
Operating expenses	52,683	6,581	1,284	60,549	(1,706)	58,842
Operating profit (loss)	¥ 8,594	¥ (281)	¥ 10	¥ 8,324	¥ 39	¥ 8,363
b. Assets, depreciation, impairment loss and capital expenditures:						
Assets	¥2,599,419	¥15,283	¥11,283	¥2,625,986	¥(23,684)	¥2,602,302
Depreciation	2,038	3,563	4	5,606		5,606
Impairment loss	78			78		78
Capital expenditures	1,961	5,696	0	7,658		7,658

	Millions of yen					
	2007					
	Banking	Leasing	Other	Total	Eliminations/ corporate	Consolidated
a. Operating income and operating profit:						
Operating income:						
Operating income from customers	¥ 55,479	¥ 5,146	¥ 983	¥ 61,610		¥ 61,610
Internal operating income among segment	360	1,013	428	1,802	¥ (1,802)	
Total operating income	55,840	6,159	1,412	63,412	(1,802)	61,610
Operating expenses	38,987	6,118	1,193	46,299	(1,755)	44,543
Operating profit (loss)	¥ 16,852	¥ 41	¥ 218	¥ 17,112	¥ (46)	¥ 17,066
b. Assets, depreciation, impairment loss and capital expenditures:						
Assets	¥2,593,133	¥15,265	¥11,682	¥2,620,081	¥(24,773)	¥2,595,307
Depreciation	1,815	3,402	4	5,223		5,223
Impairment loss	38			38		38
Capital expenditures	1,198	4,651		5,850		5,850

	Thousands of U.S. dollars					
	2008					
	Banking	Leasing	Other	Total	Eliminations/ corporate	Consolidated
a. Operating income and operating profit:						
Operating income:						
Operating income from customers	$ 608,111	$ 53,630	$ 9,043	$ 670,785		$ 670,785
Internal operating income among segment	3,511	9,251	3,879	16,642	$ (16,642)	
Total operating income	611,623	62,881	12,923	687,428	(16,642)	670,785
Operating expenses	525,839	65,689	12,816	604,345	(17,033)	587,311
Operating profit (loss)	$ 85,784	$ (2,807)	$ 107	$ 83,083	$ 390	$ 83,474
b. Assets, depreciation, impairment loss and capital expenditures:						
Assets	$25,944,902	$152,548	$112,618	$26,210,069	$(236,398)	$25,973,671
Depreciation	20,346	35,566	49	55,962		55,962
Impairment loss	779			779		779
Capital expenditures	19,578	56,855	9	76,443		76,443

Notes: 1. Operating income represents total income less certain special income included in other income in the accompanying consolidated statements of income.

2. Operating expenses represent total expenses less certain special expenses included in other expenses in the accompanying consolidated statements of income.

3. As described in Note 2n, effective from the reporting term, the Bank employs a new accounting standard for making provisions for possible losses on claims for dormant accounts. This change has caused ordinary expenses for Banking Operations to increase by ¥39 million, and has caused ordinary income to decrease by the same amount, compared with the amounts calculated under the previous accounting standard. This change has no effect on Leasing Operations and Others Operations.

Deloitte.

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Independent Auditors' Report

To the Board of Directors of
The Yamanashi Chuo Bank, Ltd.:

We have audited the accompanying consolidated balance sheets of The Yamanashi Chuo Bank, Ltd. (the "Bank") and consolidated subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Yamanashi Chuo Bank, Ltd. and consolidated subsidiaries as of March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

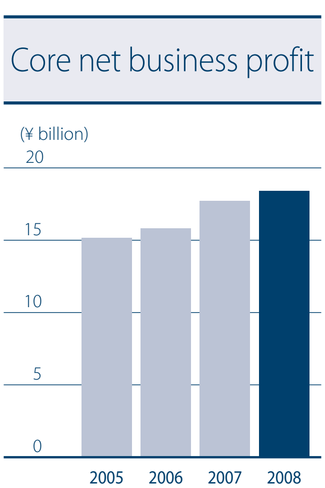
June 27, 2008

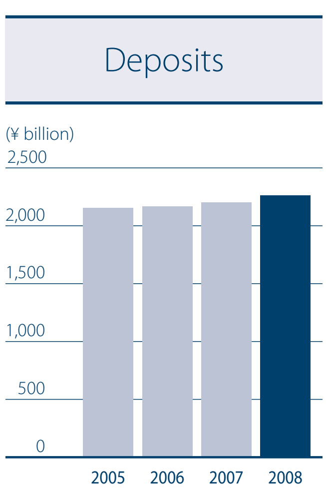
Non-Consolidated Financial Highlights

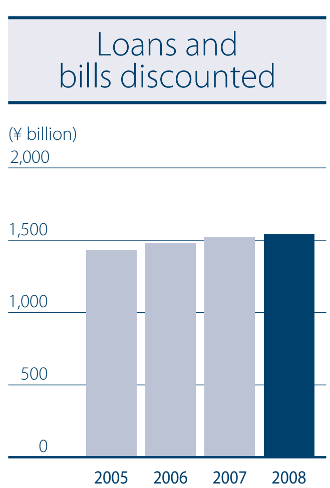
The Yamanashi Chuo Bank, Ltd.
March 31, 2008, 2007, 2006 and 2005

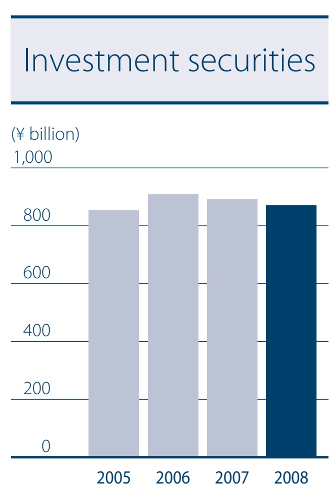
	Millions of yen			
	2008	2007	2006	2005
Non-Consolidated				
Gross banking profit	**¥44,059**	¥43,144	¥40,822	¥40,053
Net interest income	**38,616**	37,852	37,034	36,508
Net fees and commissions	**4,935**	5,588	5,124	4,551
Net other operating income (loss)	**507**	(295)	(1,337)	(1,006)
Gains (losses) on bond	**332**	(468)	(1,527)	(1,192)
Operating expenses	**26,373**	25,900	26,506	26,087
General reserve for possible loan losses	**(744)**	213	957	(3,762)
Banking profit	**18,431**	17,029	13,358	17,728
Core net business profit	**17,354**	17,712	15,843	15,158
Other income and expenses	**(9,681)**	(369)	3,257	(3,247)
Credit loss	**14,192**	2,784	1,154	6,002
Gains and losses on stocks	**4,423**	2,207	4,474	2,363
Recurring profit	**8,750**	16,659	16,615	14,480
Net income	**4,678**	7,718	7,244	6,024

Note: Core net business profit; Banking profit before general reserve for possible loan losses and gains (losses) on bond









Non-Consolidated Balance Sheets

The Yamanashi Chuo Bank, Ltd.
March 31, 2008 and 2007—Unaudited

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Assets:			
Cash and due from banks	**¥ 59,361**	¥ 52,469	**$ 592,485**
Call loans	**104,011**	97,636	**1,038,140**
Monetary claims bought	**12,830**	14,303	**128,057**
Trading securities	**21**	39	**215**
Investment securities	**870,502**	891,458	**8,688,521**
Loans and bills discounted	**1,542,584**	1,519,463	**15,396,596**
Foreign exchanges	**465**	340	**4,649**
Other assets	**13,480**	9,057	**134,549**
Premises and equipment	**24,964**	24,935	**249,172**
Intangible fixed assets	**974**	530	**9,730**
Customers' liabilities for acceptances and guarantees	**11,128**	12,627	**111,071**
Allowance for possible loan losses	**(38,294)**	(27,311)	**(382,215)**
Total	**¥2,602,032**	¥2,595,549	**$25,970,975**
Liabilities:			
Deposits	**¥2,263,480**	¥2,204,810	**$22,591,878**
Negotiable certificates of deposit	**119,577**	136,963	**1,193,510**
Call money and bills sold	**11,882**	12,820	**118,600**
Foreign exchanges	**139**	105	**1,397**
Other liabilities	**26,032**	16,485	**259,830**
Accrued bonuses to directors and corporate auditors	**25**	39	**250**
Reserve for employees' retirement benefits	**7,174**	7,512	**71,611**
Reserve for directors' and corporate auditors' retirement benefits	**528**	623	**5,273**
Reserve for repayments for dormant deposits	**149**		**1,493**
Reserve for contingent losses	**108**		**1,087**
Deferred tax liabilities	**382**	19,677	**3,815**
Acceptances and guarantees	**11,128**	12,627	**111,071**
Total liabilities	**2,440,610**	2,411,665	**24,359,820**
Equity:			
Common stock—authorized, 398,000,000 shares; issued, 189,915,000 shares in 2008 and 2007	**15,400**	15,400	**153,707**
Capital surplus:			
Additional paid-in capital	**8,287**	8,287	**82,716**
Other capital surplus	**6**	4	**68**
Retained earnings:			
Legal reserve	**9,405**	9,405	**93,873**
Unappropriated	**105,633**	102,062	**1,054,334**
Unrealized gain on available-for-sale securities	**25,086**	51,072	**250,389**
Deferred gain on derivatives under hedge accounting		5	**(7)**
Treasury stock—at cost, 5,450,669 shares in 2008 and 5,389,947 shares in 2007	**(2,397)**	(2,352)	**(23,928)**
Total equity	**161,421**	183,884	**1,611,155**
Total	**¥2,602,032**	¥2,595,549	**$25,970,975**

Non-Consolidated Statements of Income

The Yamanashi Chuo Bank, Ltd.
Years ended March 31, 2008 and 2007—Unaudited

	Millions of yen		Thousands of U.S. dollars
	2008	2007	**2008**
Income:			
Interest income:			
Interest on loans and discounts	**¥31,845**	¥28,607	**$317,850**
Interest and dividends on securities	**12,213**	12,219	**121,906**
Interest on call loans	**3,258**	2,436	**32,519**
Other interest income	**161**	159	**1,615**
Fees and commissions	**7,191**	7,801	**71,778**
Other operating income	**1,069**	578	**10,671**
Other income	**5,201**	3,569	**51,917**
Total income	**60,941**	55,372	**608,259**
Expenses:			
Interest expenses:			
Interest on deposits	**5,240**	2,048	**52,304**
Interest on negotiable certificates of deposit	**571**	269	**5,70**
Interest on call money and bills sold	**533**	1,084	**5,320**
Other interest expenses	**2,518**	2,169	**25,133**
Fees and commissions	**2,255**	2,213	**22,515**
Other operating expenses	**561**	874	**5,601**
General and administrative expenses	**26,480**	26,031	**264,306**
Other expenses	**14,371**	4,695	**143,442**
Total expenses	**52,532**	39,385	**524,328**
Income before income taxes	**8,409**	15,986	**83,931**
Income taxes:			
Current	**6,458**	4,797	**64,459**
Deferred	**(2,727)**	3,469	**(27,223)**
Total income taxes	**3,730**	8,267	**37,235**
Net income	**¥ 4,678**	¥ 7,718	**$ 46,695**

	Yen		U.S. dollars
Per share of common stock:			
Net income per share	**¥25.35**	¥41.81	**$0.25**
Cash dividends applicable to the year	**5.00**	6.00	**0.04**

Non-Consolidated Statements of Changes in Equity

The Yamanashi Chuo Bank, Ltd.
Years ended March 31, 2008 and 2007—Unaudited

	Thousands	Millions of yen				
			Capital surplus		Retained earnings	
	Issued number of shares of common stock	Common stock	Additional paid-in capital	Other capital surplus	Legal reserve	Unappropriated
Balance, March 31, 2006	189,915	¥15,400	¥8,287	¥2	¥9,405	¥ 95,305
Net income						7,718
Cash dividends (¥5.00 per share)						(922)
Bonuses to directors and corporate auditors						(38)
Purchase of treasury stock (97,044 shares)						
Disposal of treasury stock (4,329 shares)				1		
Net change in the year						
Balance, March 31, 2007	189,915	15,400	8,287	4	9,405	102,062
Net income						**4,678**
Cash dividends (¥6.00 per share)						**(1,107)**
Purchase of treasury stock (72,792 shares)						
Disposal of treasury stock (4,329 shares)				**2**		
Net change in the year						
Balance, March 31, 2008	**189,915**	**¥15,400**	**¥8,287**	**¥6**	**¥9,405**	**¥105,633**

	Millions of yen			
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Treasury Stock	Total equity
Balance, March 31, 2006	¥46,781		¥(2,273)	¥172,908
Net income				7,718
Cash dividends (¥5.00 per share)				(922)
Bonuses to directors and corporate auditors				(38)
Purchase of treasury stock (97,044 shares)			(80)	(80)
Disposal of treasury stock (4,329 shares)			1	3
Net change in the year	4,290	¥5		4,295
Balance, March 31, 2007	51,072	5	(2,352)	183,884
Net income				**4,678**
Cash dividends (¥6.00 per share)				**(1,107)**
Purchase of treasury stock (72,792 shares)			**(50)**	**(50)**
Disposal of treasury stock (12,070 shares)			**5**	**8**
Net change in the year	**(25,985)**	**(5)**		**(25,991)**
Balance, March 31, 2008	**¥25,086**		**¥(2,397)**	**¥161,421**

	Thousands of U.S. dollars				
		Capital surplus		Retained earnings	
	Common stock	Additional paid-in capital	Other capital surplus	Legal reserve	Unappropriated
Balance, March 31, 2007	$153,707	$82,716	$41	$93,873	$1,018,688
Net income					**46,695**
Cash dividends ($0.05 per share)					**(11,049)**
Purchase of treasury stock (72,792 shares)					
Disposal of treasury stock (12,070 shares)			**27**		
Net change in the year					
Balance, March 31, 2008	**$153,707**	**$82,716**	**$68**	**$93,873**	**$1,054,334**

	Thousands of U.S. dollars			
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Treasury Stock	Total equity
Balance, March 31, 2007	$509,751	$ 50	$(23,476)	$1,835,354
Net income				**46,695**
Cash dividends ($0.05 per share)				**(11,049)**
Purchase of treasury stock (72,792 shares)			**(505)**	**(505)**
Disposal of treasury stock (12,070 shares)			**52**	**80**
Net change in the year	**(259,362)**	**(57)**		**(259,420)**
Balance, March 31, 2008	**$250,389**	**$ (7)**	**$(23,928)**	**$1,611,155**

Notes: 1. Yen figures are rounded down to the nearest million yen.
2. U.S. dollar figures have been converted from Japanese yen, solely for convenience, at the rate of ¥100.19=US$1, the rate prevailing on March 31, 2008.
3. Net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Corporate Data

(as of March 31, 2008)

Common Stock: ¥15,400 million

Number of Shares:

Authorized 398,000,000 shares

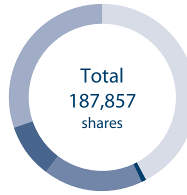
Issued 189,915,000 shares

Number of Stockholders: 6,891

Stock Listing: First Section of Tokyo Stock Exchange

Transfer Agent: Mitsubishi UFJ Trust & Banking Corporation

Breakdown of Stockholders



*Shares (1 trading unit: 1,000 shares)

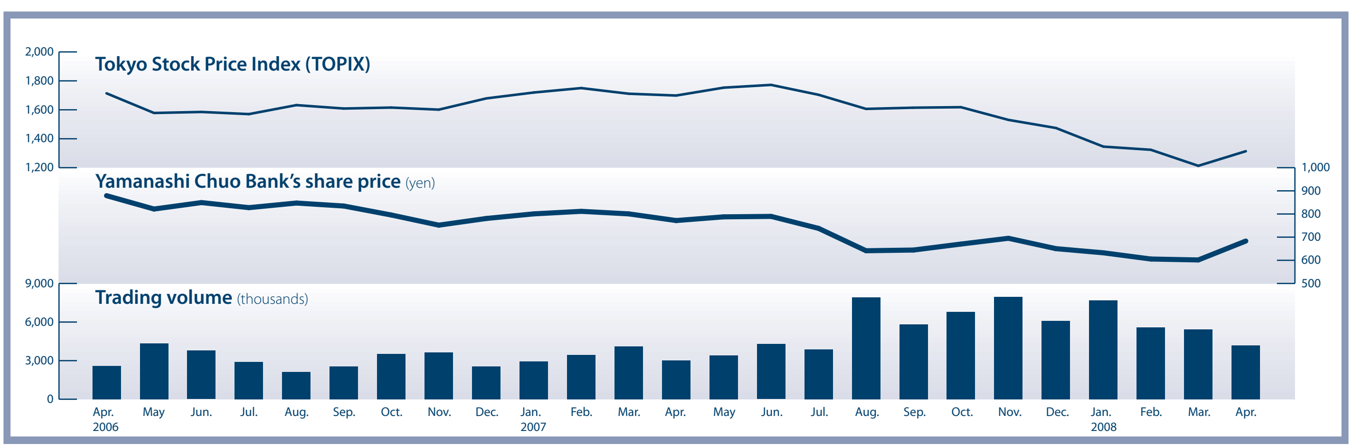
Financial institutions	79,720	42.44%
Securities companies	1,310	0.70%
Other corporations	32,395	17.24%
Foreigners	17,768	9.46%
Individuals and others	56,638	30.15%

Note: The category "Individuals and others" contains treasury stock in the number of 5,450 trading units of shares.

Major Stockholders

Name	Number of shares held (thousands)	Percentage of all shares issued (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	8,962	4.71
Japan Trustee Services Bank, Ltd.	6,818	3.59
SSB CLIENT OMNIBUS OM04 (standing proxy: Sumitomo Mitsui Banking Corporation)	6,108	3.21
Meiji Yasuda Life Insurance Company	6,047	3.18
The Tokio Marine & Nichido Fire Insurance Co., Ltd.	5,600	2.94
The Yamanashi Chuo Bank, Ltd. Employees' Stockholdings	4,733	2.49
Sompo Japan Insurance Inc.	4,328	2.27
Mizuho Corporate Bank, Ltd.	3,736	1.96
The Joyo Bank, Ltd.	3,217	1.69
Fukoku Mutual Life Insurance Company	3,000	1.57
Total	52,551	27.67

Yamanashi Chuo Bank's Share Price and Trading Volume on the Tokyo Stock Exchange



Consolidated Subsidiaries

Name	Capital (Millions of yen)	Yamanashi Chuo Bank's share (%)	Lines of business
Yamanashi Chuo Guarantee Co., Ltd.	1,020	99.5	Loan guarantees
Yamanashi Chugin Lease Co., Ltd.	20	61.0	Leasing
Yamanashi Chugin DC Card Co., Ltd.	20	67.5	Credit cards
Yamanashi Chugin Business Service Co., Ltd.	10	100.0	Banking-related clerical services
Yamanashi Chugin Management Consulting Co., Ltd.	200	85.0	Consulting, investment

Board of Directors and Corporate Auditors

(as of June 27, 2008)

Chairman
Kentaro Ono

President
Toshihisa Ashizawa

Senior Managing Director
Tadaaki Haibara

Managing Directors
Nakaba Shindo
Yoshihiko Fukasawa

Director and Senior Adviser
Nobukazu Yoshizawa

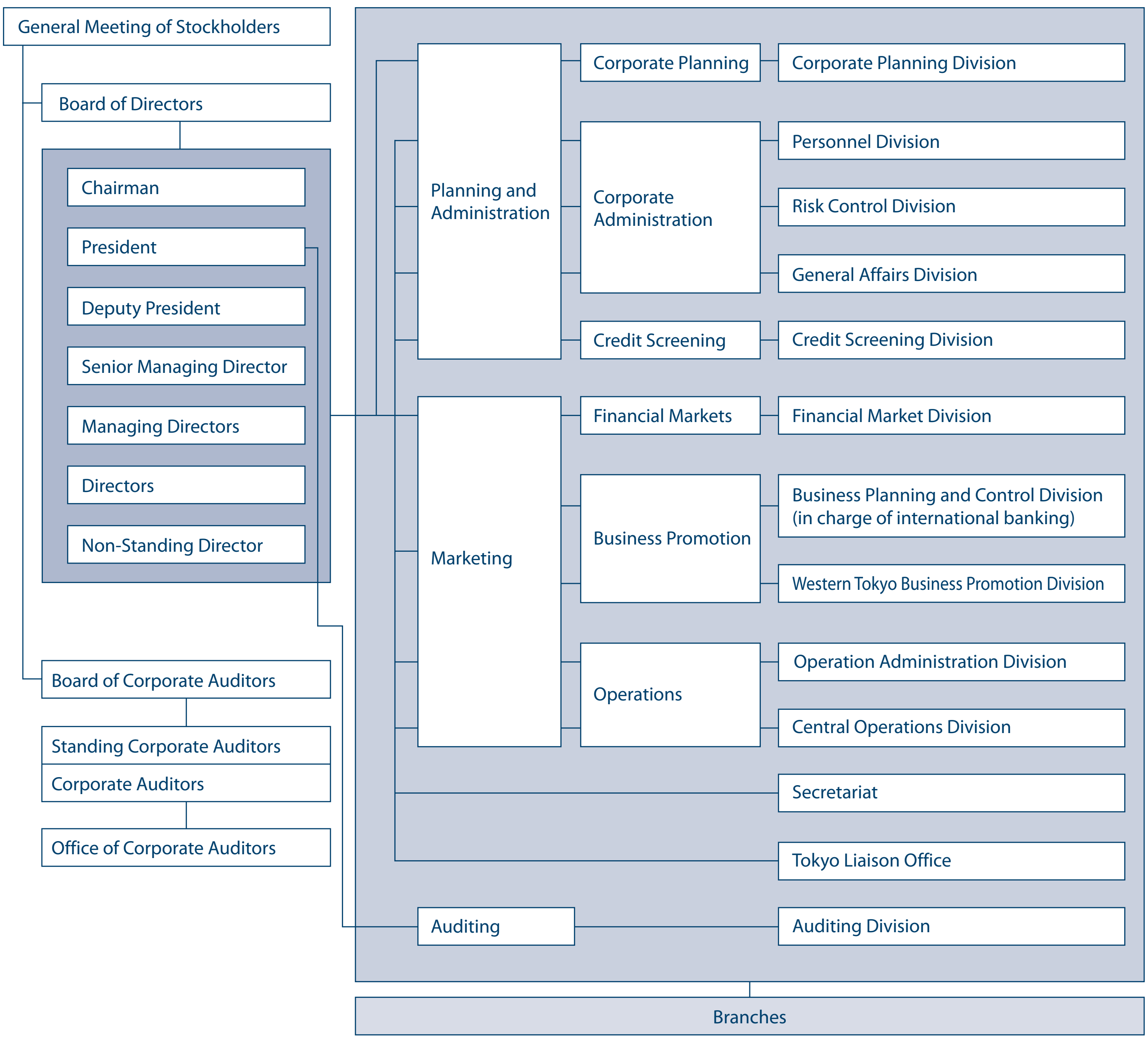
Directors
Akio Hosoda
Shigeo Kunugi
Kiyoshi Yanagisawa
Noboru Arii
Masao Ando
Masanobu Tanaka
Mitsuyoshi Seki

Standing Corporate Auditors
Takehiko Sano
Yoshinori Iwama

Corporate Auditors
Tomomitsu Takeda
Soichi Takano
Toshihito Furuya

Organization

(as of June 27, 2008)



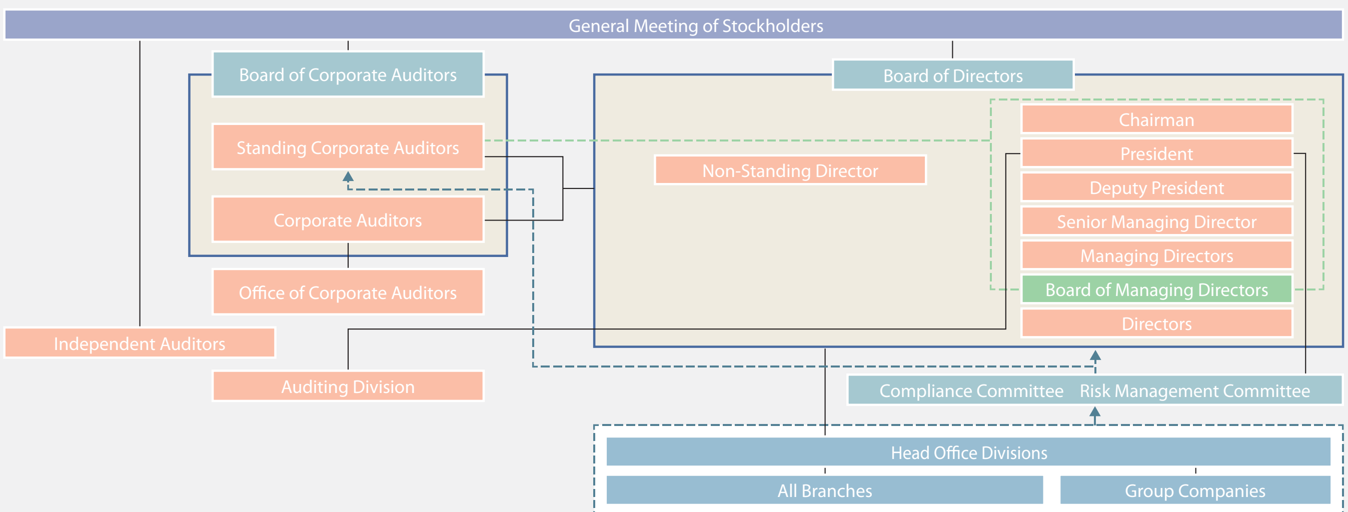
Active Fulfillment of Corporate Social Responsibility

Enhancing corporate governance

Yamanashi Chuo Bank is very aware of its social responsibility as a banking institution and its public-service mission in that role. Accordingly, it aims to secure the trust of the community it serves by such means as maintaining sound management and assuring transparency of management, seeking constantly to contribute to the prosperity of the local region and the development of its economy.

To fulfill its mission, the Bank has built a stronger internal control system and organizational structure to improve its management efficiency. All staff are committed to maintaining high ethical standards, and to enhancing corporate governance through ongoing initiatives and the active disclosure of corporate activities.

The structure of the internal control system



Comprehensive risk management and compliance

In risk management, the Bank has classified the risks it faces into several categories, to ensure an accurate evaluation, and the Risk Management Committee analyses the impact of each risk on the management of the Bank. We research and develop measurement procedures on credit risks and market risks for integrated risk management.

For compliance, we are taking steps to strengthen the compliance system, under the Compliance Committee, and promoting compliance efforts in each workplace by designating a compliance officer at Head Office and at each branch office. We have also drawn up a Compliance Program for each fiscal year and distributed our Compliance Manual to all officers and employees.

Making contributions to the regional community

The Bank believes that contributing to the prosperity of its local region and developing its economy is an important mission, and therefore endeavors to consistently provide high-quality financial services and smooth funding. Under our Evolution 2010 medium-term management plan (April 2007 to March 2010), we will continue to pursue the community-based finance business.

Additionally, to fulfill our duties as good corporate citizens, we proactively engage in cooperation and support activities in a wide range of fields such as social welfare, culture and the arts, sports, beautification of the living environment, and preservation of the natural environment. On top of engaging in such activities as a corporation, we also encourage our employees to participate in voluntary activities through special leave to conduct regional community contribution activities.

Scenes at the Shingenko Matsuri festival

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