



ANNUAL REPORT 2011

THE OITA BANK, LTD.

OITA BANK PROFILE

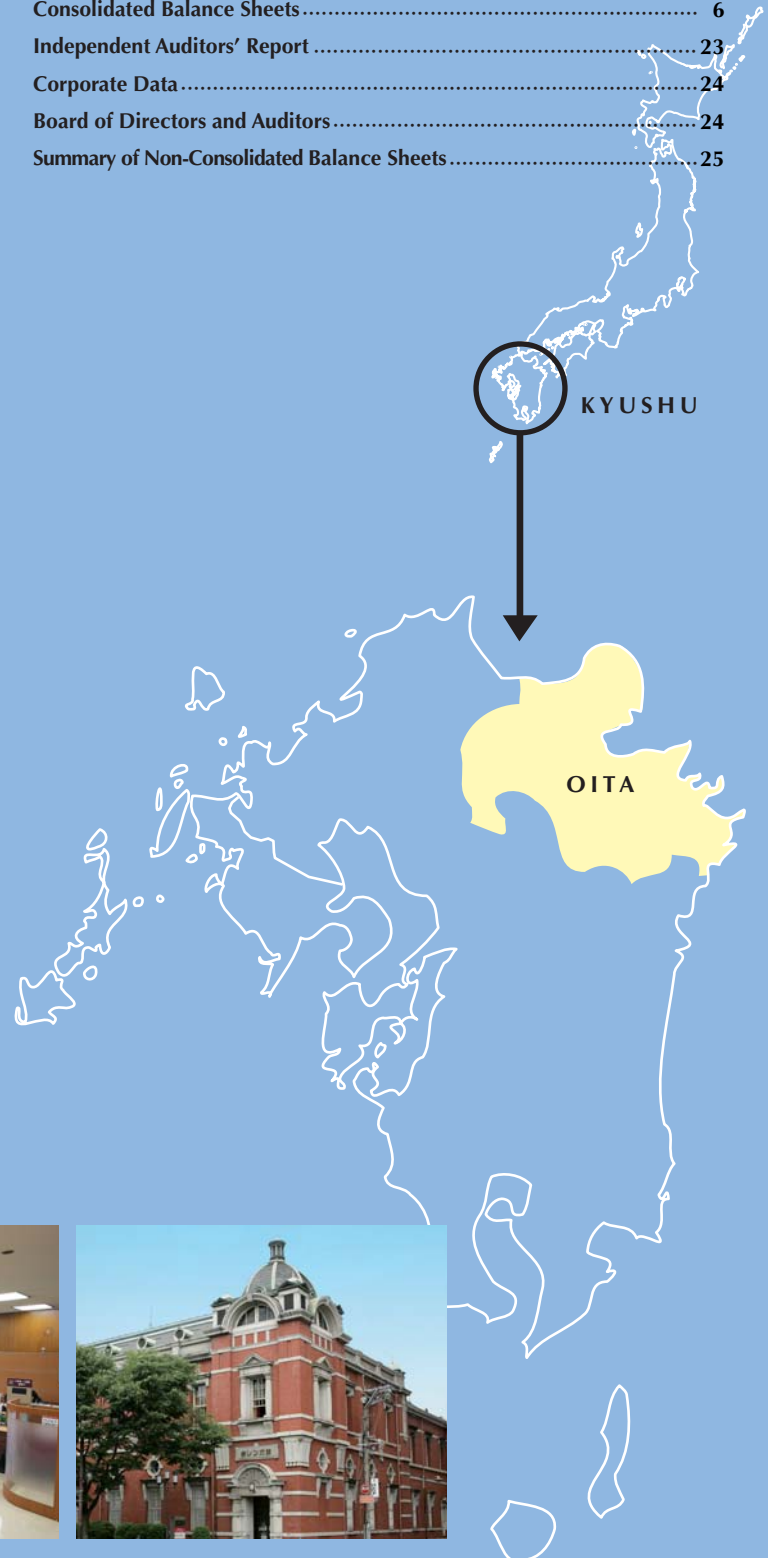
The Oita Bank, Ltd., was founded in 1893 in Oita Prefecture, Kyushu, in the southwest of the Japanese archipelago. For more than a century, the Bank has provided outstanding financial services to individual and corporate clients, contributing significantly to the economic growth and prosperity of Oita Prefecture and the greater Kyushu region.

Oita Prefecture attracts a steady stream of capital investment from some of the world's most prominent enterprises in the high-tech and automotive industries, which have a major impact on the local economy. At the same time, the prefecture continues to create and infrastructure to support its emergence as a hub of international business.

As the leading bank native to Oita Prefecture, Oita Bank strives to enhance its management structure and extend its menu of financial services. In these ways, we seek to contribute to the region's prosperity.

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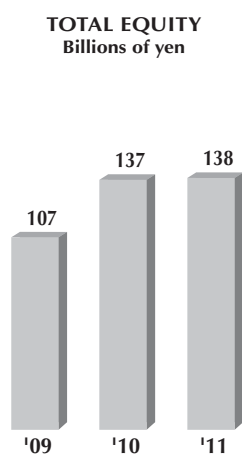
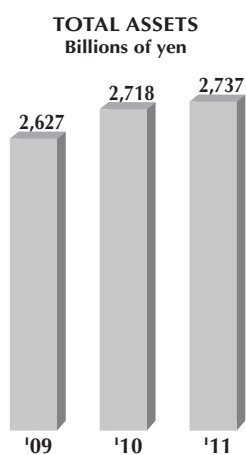




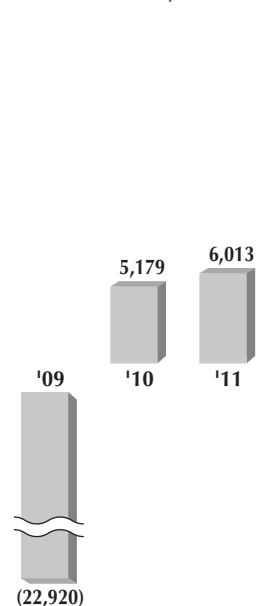
CONSOLIDATED FINANCIAL HIGHLIGHTS

THE OITA BANK, LTD. and Subsidiaries
Years Ended March 31, 2011, 2010 and 2009

	Millions of Yen		
	2011	2010	2009
Deposits.....	¥2,485,318	¥2,464,152	¥2,369,177
Loans and bills discounted.....	1,679,742	1,660,342	1,659,842
Investment securities.....	855,254	826,150	752,120
Common stock.....	19,598	19,598	15,000
Total equity.....	138,895	137,792	107,659
Total assets.....	2,737,641	2,718,925	2,627,947
Net income(loss).....	6,013	5,179	(22,920)
Number of branches.....	103	103	103
Number of employees.....	1,646	1,623	1,562



NET INCOME (LOSS)
Millions of yen



Note: All graph figures are for the years ended March 31.

Introduction

We heartily thank you for the warm encouragement you have given Oita Bank since its establishment in 1893. This support has allowed the Bank to establish a solid foundation as a regional financial institution.

We would like to offer our deepest condolences to the people who were affected by the Great East Japan Earthquake that struck this March.

We have created this publication, Annual Report 2011, to outline our management policies and foster an understanding of our recent operating performance and the status of our activities.

In FY2010, ended March 31, 2011, exports and consumer spending continued to drive a slight recovery. In autumn of 2010, emerging market demand began to level off, as did sales of automobiles, as the impetus of economic stimulus measures eased. Accordingly, exports and production levels leveled out from their peak, and real GDP fell 0.3% year on year (-1.3% on an annualized basis) during the October-December quarter. From the end of 2010, exports to the United States and Europe showed signs of revival, prompting a recovery in export-driven production. Amid this situation, the Great East Japan Earthquake struck, dealing a major blow to economic activity, centered on short-term production. There is some sense of expectation, however, that production will recover in autumn of 2011 in anticipation of a rise in demand for reconstruction in the aftermath of the disaster, pushing real GDP back into positive territory.

In the financial arena, on October 5, 2010, the Bank of Japan (BOJ) announced a Monetary Policy Meeting decision to reduce headline policy interest rates from the previous “around 0.1%” to “between 0% and 0.1%.” This announcement heralded BOJ’s return to a “zero interest rate policy” for the first time in four years and three months (since July 2006).

Looking at the economy of Oita Prefecture, manufacturing activity and exports were up at the beginning of the fiscal year, against a backdrop of resurgent overseas economic conditions and the effects of government stimulus measures, as well as an increase in public-sector construction. Although less than robust, consumer spending showed positive signs owing to the eco-point system and subsidies on eco-cars, which boosted sales of home appliances and automobiles. Also contributing to a sense of gradual recovery were the impact of unusually warm summer weather and a halt in the decline of housing investment. In the second half of the fiscal year, however, overseas economic activity decelerated and the impact of government stimulus measures began to wane. These factors, coupled with

the effects of yen appreciation, caused manufacturing in the region to level off. Recovery in the regional economy was weak, with personal consumption remaining sluggish and little improvement in the employment situation. In short, the prefectural economy appears to have remained at the level it reached after a gradual recovery following a bottoming out in the spring of 2009. Furthermore, the Great East Japan Earthquake resulted in a short-term falloff in production, shortages in materials needed for investment in construction and causing consumers to exhibit more conservative purchasing behavior. The nuclear reactor accidents also prompted an outbreak of reputational risk, generating concerns about an ongoing impact on tourism.

Corporate bankruptcies were down significantly from the preceding fiscal year, owing to the introduction of various government programs to support small and medium-sized companies, including the Emergency Guarantee Program to Cope with the Economic Crisis, the Subsidy System for Employment Adjustment and the Act on Facilitation of Succession of Management of Small and Medium Sized Enterprises. The total amount of liabilities declined, owing to an ongoing lull in large-scale bankruptcies.

Under these circumstances, in FY2010 the Bank worked across the board to introduce the measures defined in its New Medium-Term Management Plan. Consequently, on a non-consolidated basis the Bank reported a profit of ¥5.6 billion. In April 2011, the Bank commenced operations under its Medium-Term Management Plan 2011, which identifies the goal of building a financial base from which to generate stable profits by offering financing that is closely tailored to needs through financial services that seek to provide added value.

We believe that the impact of the Great East Japan Earthquake may ripple out into the prefectural economy and affect our business partners. As a regional financial institution, however, we remain steadfast in our mission to support efforts to invigorate the regional economy and our business partners.

We thank you for your continued support of these endeavors.



Yoshito Ogura, Chairman



Shoji Himeno, President

FY2010 Operating Performance

In FY2010, Oita Bank's executives and regular employees worked together in a challenging operating environment to deliver the following business results.

Deposits

As of March 31, 2011, total deposits, including negotiable certificates of deposit, came to ¥2,491.8 billion, up ¥22.9 billion from one year earlier.

Despite our efforts to promote sales to individual customers by responding to their diverse investment needs,

the balance of public bonds, mutual funds, foreign currency deposits and pension insurance funds for individuals was ¥400.0 billion, up ¥11.9 billion.

Loans

Total loans outstanding totaled ¥1,686.3 billion on March 31, 2011, up ¥19.9 billion from one year earlier.

Marketable Securities

The Bank endeavored to build a portfolio designed to earn a stable rate of return, totaled ¥852.4 billion, ¥29.2 billion higher than at the previous fiscal year-end.

Foreign Exchange

Foreign exchange transactions, including international trade transactions, overseas remittances and foreign currency deposits, totaled US\$2,009 million, \$214 million higher than at the previous fiscal year-end.

Earnings

Total income fell, mainly as a result of reduced interest on loans and discounts, but we also significantly brought down ordinary expenses and transfers to the provision for possible loan losses, raising ordinary income for the year to ¥10,444 million, an increase of ¥1,429 million compared with the preceding year. Net income also grew

year on year, rising ¥8.34 million, to ¥5,649 million.

Dividend Policy

In due consideration of its responsibility to the public as a financial institution, the Bank's fundamental policy is to strengthen the long-term stability of its management base, improve management efficiency, build sufficient reserves and deliver consistent dividends. In FY2010, the Bank's annual dividend was ¥6.00, (including an interim dividend of ¥3.00).

Medium- to Long-Term Management Strategy

Medium-Term Management Plan 2011 (April 1, 2011, through March 31, 2014)

The environment surrounding regional financial institutions is an increasingly fierce fight for survival as growing cross-regional competition intensifies. We are responding quickly and appropriately to this rapidly changing business environment, we are pushing forward with Medium-Term Management Plan 2011 from April 1, 2011.

The Medium-Term Management Plan 2011 defines the Bank's fundamental policy as providing financing that is closely tailored to the needs of the regional community. The three pillars for achieving this objective are to "strengthen human resources and organizational prowess," "enhance management quality" and "bolster our sales infrastructure." We are making every effort to achieve measures enacted on the basis of these policies.

To further enhance customer relationships, the Bank will put in place proactive measures to develop and invigorate its businesses, thereby enhancing sales and laying the steppingstones for a more robust management foundation.

(1) "Strengthen human resources and organizational prowess"

Strengthen our OJT promotion system to cultivate the banking personnel needed to meet the needs of our customers and cultivate a spirit of challenge.

(2) "Enhance management quality"

Promote advances in operating efficiency and establish a profit management structure, as well as encouraging system collaboration.

(3) "Bolster our sales infrastructure"

Through management activities designed to invigorate the overall region, we will provide services that stimulate our customers. We are building structures to achieve these goals.

The targets of Medium-Term Management Plan 2011 are as follows.

	FY 2011 Target	FY 2012 Target	FY 2013 Target
Core operating income.....	¥8.7 billion	¥9.0 billion	¥10.8 billion
ROE.....	3.6%	3.6%	4.5%
OHR.....	78.0%	77.6%	74.8%
Capital adequacy ratio.....	11.4%	11.7%	12.1%

Risk Management

With the increasing liberalization and internationalization of Japan's financial sector and continuing advances in information technology, the environment in which banks operate is changing dramatically. Accordingly, the risks affecting financial institutions are growing in both diversity and magnitude. For banks today, the accurate assessment and management of a wide variety of risks is more vital than ever.

Oita Bank fully recognizes these challenging conditions. To ensure sound financial management, stable earnings and lasting growth, the Bank is enhancing and reinforcing its risk management framework. Specifically, the Risk Supervisory Division manages a wide range of risks in each of the Bank's areas of operation. In addition, the Risk Management Committee works to strengthen centralized oversight and the comprehensive management of risk. The Bank manages risk according to type in accordance with its General Risk Management Regulations and specific sets of risk management regulations.

Oita Bank discloses the amount of its risk-managed loans in accordance with the Banking Act. As of March 31, 2011, such loans totaled ¥92.0 billion, ¥14.3 billion higher than one year earlier. The ratio of risk-managed loans to total loans of ¥1,686.3 billion was 5.45%.

Turning to the assessment of assets under the Financial Reconstruction Act, total credit assets including loans at March 31, 2011, were ¥1,723.8 billion, 94.39% of which were normal loans that were collectible. The Bank has sufficient treasury stock, reserves for possible loan losses, collateral and guarantees to cover total bad loans.

Capital Adequacy Ratio

As of March 31, 2011, the Bank's capital adequacy ratio was 11.48% on a non-consolidated basis and 12.15% on a consolidated basis. These figures easily exceed the national standard of 4%. In the future, we will strive to further increase our capital adequacy and strengthen our management structure.

Credit Rating

On September 29, 2000, the Bank attained an A+ long-term preferred liabilities rating from the Japan Credit Rating Agency, Ltd. (JCR). In its review of February 17, 2011, JCR reaffirmed the Bank's A+ rating. The JCR rating attests to the stability and soundness of the Bank's management by according it the highest of the "A" rankings.

Compliance

Compliance means abiding by laws, social codes and all other regulations whose observance is expected of a corporation as an active member of society. For a bank whose most important asset is trust, compliance is an absolute requirement for soundness of business and the confidence of society.

In the banking business, we must follow the Bank Law, Civil Code, the Companies Act, the Personal Information Protection Law, the Consumer Contract Law and the Financial Instruments and Exchange Law, as well as various others. Accordingly, we believe that as a financial institution we are required to comply with such laws, codes and regulations and to act on the principle of self-discipline in management.

Compliance is the bedrock on which all of our operations are built, as we strive to strengthen our sound operational base and continue to uphold the lasting trust of customers, investors and members of the community.

Conclusion

With the influx of some of the world's leading high-tech and automotive companies, Oita Prefecture is developing into an important business hub. In addition, since the opening of Ritsumeikan Asia Pacific University in April 2000 an increasing number of exchange students have begun flocking to this prefecture — a process that will drive the region's internationalization through an ongoing process of economic and cultural exchange.

As a bank firmly rooted in Oita Prefecture, Oita Bank is solidly committed to its role as an organization with the interests of the region at heart. In the exciting times that lie ahead, we will continue at all times to weigh our every action in terms of its contribution to the development of the local community.

The corporate philosophy of Oita Bank is "To make every effort to contribute to the prosperity of the local community through banking operations." This promise is the goal of all employees of Oita Bank and will always remain foremost in our thoughts.

August 2011

Yoshito Ogura
Chairman



Shoji Himeno
President



Consolidated Balance Sheets

Summary of Non-Consolidated Balance Sheets (Unaudited)
March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
ASSETS:			
Cash and due from banks.....	¥ 39,460	¥ 38,469	\$ 475,419
Call loans.....	82,000	112,000	987,952
Commercial paper and other debt purchased.....	5,838	5,243	70,340
Trading account securities.....	27	155	324
Money held in trust.....	4,783	5,766	57,624
Investment securities.....	852,494	823,276	10,271,010
Loans and bills discounted.....	1,686,388	1,666,433	20,317,929
Foreign exchange assets.....	3,691	3,887	44,474
Other assets.....	16,203	15,696	195,218
Premises and equipment.....	36,958	37,200	445,277
Intangible assets.....	3,107	3,139	37,436
Deferred tax assets.....	11,771	11,314	141,813
Customers' liabilities for acceptances and guarantees.....	24,474	25,262	294,864
Reserve for possible loan losses.....	(47,905)	(49,996)	(577,163)
TOTAL.....	¥2,719,289	¥2,697,844	\$ 32,762,517
LIABILITIES:			
Deposits.....	¥2,491,862	¥2,468,890	\$30,022,439
Call money.....	19,956	23,260	240,434
Borrowed money.....	16,250	16,206	195,786
Foreign exchange liabilities.....	38	108	456
Other liabilities.....	18,563	16,528	223,647
Liability for retirement benefits.....	10,565	10,456	127,289
Reserve for reimbursement of deposits.....	1,807	1,482	21,778
Deferred tax liabilities for land revaluation excess.....	7,915	7,969	95,358
Acceptances and guarantees.....	24,474	25,262	294,864
Total liabilities.....	2,591,430	2,570,161	31,222,051
EQUITY:			
Common stock.....	19,598	19,598	236,126
Capital surplus.....	10,582	10,582	127,497
Retained earnings:			
Legal reserve.....	10,431	10,431	125,675
Unappropriated.....	71,175	66,475	857,526
Total retained earnings.....	81,606	76,906	983,201
Unrealized gain on available-for-sale securities.....	7,771	11,240	93,632
Deferred loss on derivatives under hedge accounting.....	(743)	(479)	(8,955)
Land revaluation excess.....	9,785	9,865	117,884
Treasury stock-at cost.....	(740)	(29)	(8,919)
Total equity.....	127,859	127,683	1,540,466
TOTAL.....	¥2,719,289	¥2,697,844	\$32,762,517

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥83=U.S. \$1, the approximate exchange rate prevailing at March 31, 2011.

Consolidated Statements of Operations

Summary of Non-Consolidated Statements of Income (Unaudited) Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
INCOME:			
Interest on:			
Loans and discounts.....	¥ 29,296	¥ 30,637	\$ 352,958
Securities.....	10,781	10,958	129,891
Other.....	27	29	327
Total interest income.....	40,104	41,624	483,176
Fees and commissions.....	7,165	7,275	86,328
Other operating income.....	251	121	3,023
Other income.....	2,817	2,803	33,937
Total income.....	50,337	51,823	606,464
EXPENSES:			
Interest on:			
Deposits.....	2,681	4,099	32,309
Borrowings and rediscounts.....	329	318	3,963
Other.....	477	426	5,743
Total interest expenses.....	3,487	4,843	42,015
Fees and commissions.....	1,789	1,924	21,548
Other operating expenses.....	187	312	2,248
General and administrative expenses.....	30,358	29,741	365,762
Provision for possible loan losses.....		3,150	
Other expenses.....	3,317	3,709	39,963
Total expenses.....	39,138	43,679	471,536
INCOME BEFORE INCOME TAXES	11,199	8,144	134,928
INCOME TAXES:			
Current.....	3,491	3,415	42,054
Deferred.....	2,059	(87)	24,802
Total income taxes.....	5,550	3,328	66,856
NET INCOME	¥ 5,649	¥ 4,816	\$ 68,072
		Yen	U.S. Dollars
PER SHARE OF COMMON STOCK:			
Basic net income.....	¥ 33.13	¥ 30.28	\$ 0.399
Cash dividends applicable to the year.....	6.00	6.00	0.072

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥83=U.S. \$1, the approximate exchange rate prevailing at March 31, 2011.

Consolidated Statements of Changes in Equity

Summary of Non-Consolidated Statements of Changes in Equity (Unaudited) Years Ended March 31, 2011 and 2010

	Thousands		Millions of Yen							
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings		Unrealized Gain on Available for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity
BALANCE, APRIL 1, 2009	142,664	¥ 15,000	¥ 5,984	¥ 10,431	¥ 62,124	¥ (3,272)	¥ (608)	¥ 10,344	¥ (1,487)	¥ 98,516
Issuance of new shares of common stock with disposal of treasury stock	28,750	4,598	4,598						1,464	10,660
Net income					4,816					4,816
Cash dividends, ¥6.00 per share					(942)					(942)
Purchase of treasury stock	(23)								(10)	(10)
Disposal of treasury stock	5		(2)						4	2
Transfer from land revaluation excess								(479)		
Transfer to capital surplus from retained earnings			2		(2)					
Net change in the year						14,512	129			14,641
BALANCE, MARCH 31, 2010	171,396	¥ 19,598	¥ 10,582	¥ 10,431	¥ 66,475	¥ 11,240	¥ (479)	¥ 9,865	¥ (29)	¥ 127,683
Net income					5,649					5,649
Cash dividends, ¥6.00 per share					(1,028)					(1,028)
Purchase of treasury stock	(2,637)								(772)	(772)
Disposal of treasury stock	204		(1)						61	60
Transfer from land revaluation excess					80			(80)		
Transfer to capital surplus from retained earnings			1		(1)					
Net change in the year						(3,469)	(264)			(3,733)
BALANCE, MARCH 31, 2011	168,963	¥ 19,598	¥ 10,582	¥ 10,431	¥ 71,175	¥ 7,771	¥ (743)	¥ 9,785	¥ (740)	¥ 127,859

	Thousands of U.S. Dollars								
	Common Stock	Capital Surplus	Retained Earnings		Unrealized Gain on Available for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2010	\$ 236,126	\$ 127,497	\$ 125,675	\$ 800,894	\$ 135,432	\$ (5,772)	\$ 118,849	\$ (354)	\$ 1,538,347
Net income				68,072					68,072
Cash dividends, \$0.072 per share				(12,390)					(12,390)
Purchase of treasury stock								(9,302)	(9,302)
Disposal of treasury stock			(15)					737	722
Transfer from land revaluation excess				965			(965)		
Transfer to capital surplus from retained earnings		15		(15)					
Net change in the year					(41,800)	(3,183)			(44,983)
BALANCE, MARCH 31, 2011	\$ 236,126	\$ 127,497	\$ 125,675	\$ 857,526	\$ 93,632	\$ (8,955)	\$ 117,884	\$ (8,919)	\$ 1,540,466

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥83=U.S. \$1, the approximate exchange rate prevailing at March 31, 2011.

Consolidated Statements of Cash Flows

THE OITA BANK, LTD. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
OPERATING ACTIVITIES:			
Income before income taxes and minority interests.....	¥ 12,797	¥ 9,760	\$ 154,180
Adjustments for:			
Income taxes paid.....	(3,214)	(3,485)	(38,725)
Depreciation and amortization.....	3,322	3,665	40,023
Impairment losses.....	104	816	1,255
Accumulation of negative goodwill.....	(15)	(15)	(181)
Decrease in reserve for possible loan losses.....	(2,566)	(4,908)	(30,917)
Increase in liability for retirement benefits.....	121	144	1,461
Increase in reserve for reimbursement of deposits.....	325	939	3,919
Interest income-accrued basis.....	(40,859)	(42,428)	(492,274)
Interest expenses-accrued basis.....	3,608	4,984	43,473
Net loss on investment securities.....	1,221	1,409	14,714
Net (gain) loss on money held in trust.....	3	(73)	34
Foreign exchange losses.....	14	4	170
Net loss on disposal of fixed assets.....	100	59	1,205
Loss on adjustment for changes of accounting standard for asset retirement obligations.....	128		1,542
Net decrease in trading account securities.....	128	26	1,543
Net increase in loans and bills discounted.....	(19,401)	(500)	(233,749)
Net increase in deposits.....	21,167	94,975	255,025
Net decrease in borrowed money.....	(1,811)	(349)	(21,816)
Net (increase) decrease in due from banks(excluding due from The Bank of Japan).....	959	(282)	11,559
Net (increase) decrease in call loans.....	29,405	(30,255)	354,275
Net decrease in call money.....	(3,304)	(39,156)	(39,807)
Net decrease in lease receivables and leased investment assets.....	670	1,096	8,067
Net decrease in foreign exchanges assets.....	195	458	2,352
Net increase (decrease) in foreign exchanges liabilities.....	(70)	82	(849)
Interest income-cash basis.....	41,459	42,442	499,501
Interest expenses-cash basis.....	(3,980)	(4,956)	(47,946)
Other-net.....	(0)	2,068	(5)
Total adjustments.....	27,709	26,760	333,849
Net cash provided by operating activities.....	40,506	36,520	488,029
INVESTING ACTIVITIES:			
Purchases of investment securities.....	(192,787)	(157,284)	(2,322,733)
Proceeds from sales of investment securities.....	21,576	10,969	259,951
Proceeds from maturities of investment securities.....	134,634	93,815	1,622,098
Purchase of money held in trust.....		(1,000)	
Proceeds from decrease in money held in trust.....	945	1,365	11,388
Purchases of premises and equipment.....	(1,755)	(2,089)	(21,140)
Purchases of intangible assets.....	(1,162)	(607)	(14,005)
Proceeds from sales of premises and equipment.....	406	312	4,884
Proceeds from sales of intangible assets.....	0	1	1
Net cash used in investing activities.....	(38,143)	(54,518)	(459,556)
FORWARD	¥ 2,363	¥ (17,998)	\$ 28,473
(Continued)			
FINANCING ACTIVITIES:			
Proceeds from subordinated debt.....		10,000	
Proceeds from issuance of new shares of common stock with disposal of treasury stock (Note 17).....		10,611	
Dividends paid.....	(1,028)	(943)	(12,390)
Dividends paid by consolidated subsidiaries to minority shareholders.....	(7)	(7)	(88)
Repayment of lease obligations.....	(5)	(2)	(58)
Purchases of treasury stock.....	(772)	(10)	(9,302)
Proceeds from sales of treasury stock.....	60	2	724
Net cash provided by (used in) financing activities.....	(1,752)	19,651	(21,114)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON			
CASH AND CASH EQUIVALENTS	(14)	(4)	(170)
NET INCREASE IN CASH AND CASH EQUIVALENTS	597	1,649	7,189
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	37,568	35,919	452,621
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 24)	¥ 38,165	¥ 37,568	\$ 459,810

See notes to consolidated financial statements.

(Concluded)

Notes to Consolidated Financial Statements

THE OITA BANK, LTD. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

1 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of THE OITA BANK, LTD. (the "Bank") and its nine consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instrument and Exchange Act and its related accounting regulations and the Enforcement Regulation for the Banking Law of Japan (the "Banking Law"), 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.

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 23. In addition, "net income before minority interests" is disclosed in the consolidated statement of income from the year ended March 31, 2011.

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.

Certain reclassifications and rearrangements have been made in the 2010 consolidated financial statements to conform to the classifications and presentations used in 2011.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. The translation 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 ¥83 to \$1, the approximate exchange rate prevailing on March 31, 2011. Such translation should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation - The consolidated financial statements include the accounts of the Bank and its nine significant subsidiaries (together, "the Companies"). The fiscal periods of all consolidated subsidiaries end on March 31.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated.

Investments in the remaining unconsolidated subsidiaries are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Any material deficiency of the cost of the Bank's investments in subsidiaries over its equity in the net assets at the respective dates of acquisition is being amortized over a period of ten years. Other deficiencies or excesses are credited or charged to income when incurred.

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

b. Cash and Cash Equivalents - For the purpose of reporting cash flows, cash and cash equivalents represent cash and amounts due from the Bank of Japan.

c. Trading Account Securities - Trading account 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. The cost of trading account securities sold is determined by the moving-average method.

d. Investment Securities and Money Held in Trust - All applicable securities are classified and accounted for, depending on management's intent, as follows:

(i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and (ii) available-for-sale securities, which are not classified as either of trading account securities or held-to-maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of available-for-sale securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost or amortized cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

Securities managed through money held in trust accounts are reported at fair value, and the related unrealized gains and losses are included in earnings.

e. Premises and Equipment - Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment is principally computed using the declining-balance method over the estimated useful lives of the assets and depreciation of leased premises and equipment is provided on the straight-line method over the lease periods.

f. Software - Cost of computer software obtained for internal use is amortized using the straight-line method over the estimated useful lives of five years.

g. Long Lived Assets - The Companies review their 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. Land Revaluation - Under the "Law of Land Revaluation", the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the statement of income.

Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As at March 31, 2011, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥13,628 million (\$164,191 thousand).

i. Foreign Currency Items - All assets and liabilities denominated in foreign currencies are translated into Japanese yen at the current exchange rates at each balance sheet date.

j. Reserve for Possible Loan Losses - The Bank determines the amount of the reserve for possible loan losses by means of management's judgment and assessment of future losses based on the self-assessment system. This system reflects past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, and other pertinent indicators.

The Bank implemented the self-assessment system for its asset quality. The quality of all loans are assessed by branches and the credit supervisory division with a subsequent audit by the Bank's asset review and inspection division in accordance with the Bank's policy and rules for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self assessment purposes such as "normal", "caution", "possible bankruptcy", "virtual bankruptcy" and "legal bankruptcy".

Reserve 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 of solvency including value of future cash flows for other self assessment categories. For loans such as possible bankruptcy, the reserve for possible loan losses is provided for in an amount deemed necessary to cover possible losses on loans considering the customer's solvency and other factors, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted. For loans such as virtual bankruptcy or legal bankruptcy, the reserve for possible loan losses is provided based upon the loan amount, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted.

In addition, for loans which were mainly classified into possible bankruptcy and restructured loans as defined in Note 5 below, if the exposure to an obligor exceeds a certain specific amount and if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is used to calculate the reserve for possible loan losses, under which method the reserve is determined as the difference between the book value of the loan and the present value of future cash flows discounted using the contractual interest rate before the loan was classified as one of the above loans.

The consolidated subsidiaries determine the amount of the reserve for possible loan losses by a comparable self-assessment system as the Bank.

k. Retirement and Pension Plans - The Bank has a contributory funded pension plan and an unfunded retirement benefit plan. Consolidated subsidiaries have unfunded retirement benefit plans. The amount of liability for employees' retirement benefit is determined based on the projected benefit obligations and the pension assets at the balance sheet date. Prior service cost is amortized using the straight-line method over ten years. Net actuarial gain or loss is amortized using the straight-line method over ten years commencing from the next fiscal year of occurrence.

Retirement benefits to directors and corporate auditors are provided at the amount, which would be required, if all directors and corporate auditors retired at the balance sheet date.

l. Asset Retirement Obligations - In March 2008, the Accounting Standards Board of JAPAN (the "ASBJ") published the accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the

original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Companies applied this accounting standard effective April 1, 2010. The effect of this change was to decrease income before income taxes and minority interests by ¥142 million (\$1,711 thousand).

m. Reserve for Reimbursement of Deposits - Reserve for repayment for reimbursement of deposits is provided for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal.

n. Leases - As Lessor, lease revenue is recognized at the date of each lease payment according to the lease contracts.

As Lessee, all finance lease transactions are capitalized to recognize lease assets and lease obligations in the balance sheet. However, the Bank accounted for leases which existed at March 31, 2008 and does not transfer ownership of the leased property to the lessee as operating lease transactions according to the transition rule.

o. Derivatives and Method of Hedge Accounting - The Bank's policy is to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities. Consolidated subsidiaries do not utilize any derivatives.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency swaps, futures and options to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

The Bank applies deferred hedge accounting, which is stipulated in the "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (the Japanese Institute of Certified Public Accountants (the "JICPA") Industry Audit Committee, Report No.24), to the interest risk caused by its financial assets and liabilities.

In evaluating the effectiveness of a hedge, the hedged item, such as loans and deposits, and the hedge instruments, such as interest rate swaps are specified and evaluated regarding the hedging approach. Effectiveness of the hedging approach is evaluated by verifying the correlation of the interest fluctuation factor of the hedged item and the hedge instruments.

p. Accounting for Trust-type

Employee Stock Ownership Incentive Plan - The Bank introduced an incentive plan for employees named "Employee Stock Ownership Plan Trust" (ESOP Trust) and made a trust agreement with trustee on November 15, 2010.

Because the Bank guarantees the liability of the ESOP Trust, the ESOP Trust is substantially a part of the Bank and is treated as the same entity for accounting purposes. Accordingly, stocks held by the ESOP Trust are recognized and treated as treasury stock and assets, liabilities and expenses of the ESOP Trust are included in the accompanying financial statements.

q. Per Share Information - The weighted average number of shares of common stock used in the computation of basic net income per share during the year excludes treasury stock held by the Bank in its own name, as well as shares of treasury stock owned by the ESOP Trust (893 thousand shares during the year ended March 31, 2011). The average number of common shares used in the computation was 170,495 thousand shares and 159,039 thousand shares for the years ended March 31, 2011 and 2010, respectively.

Diluted net income per share is not disclosed for the years ended March 31, 2011 and 2010 because there are no dilutive securities.

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

r. New Accounting Pronouncements

Accounting Changes and Error Corrections - In December 2009, ASBJ issued ASBJ Statement No.24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No.24 "Guidance on

Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies - When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions. (2) Changes in Presentations - When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates - A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior Period Errors - When an error in prior period financial statements is discovered, those statements are restated. This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3 TRADING ACCOUNT SECURITIES AND INVESTMENT SECURITIES

Trading account securities at March 31, 2011 and 2010 consisted of Japanese government bonds and local government bonds.

Investment securities at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Japanese government bonds..	¥ 287,213	¥ 250,761	\$ 3,460,395
Local government bonds.....	126,156	130,822	1,519,955
Debentures.....	222,923	229,540	2,685,820
Equity securities.....	40,286	46,282	485,372
Other securities.....	178,677	168,745	2,152,733
Total.....	¥ 855,255	¥ 826,150	\$ 10,304,275

The costs and aggregate fair value of securities at March 31, 2011 and 2010 were as shown in the table below. Securities below include trading account securities, investment securities and commercial paper within "Commercial paper and other debt purchased":

March 31, 2011	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				¥ 27
Available-for-sale:				
Equity securities.....	¥ 32,563	¥ 8,318	¥ 3,018	37,863
Debt securities.....	625,054	9,043	1,037	633,060
Other.....	177,550	1,427	2,131	176,846
Held-to-maturity:				
Debt securities.....	3,232	11	5	3,238

March 31, 2010	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				¥ 155
Available-for-sale:				
Equity securities.....	¥ 34,195	¥ 11,364	¥ 1,672	43,887
Debt securities.....	598,550	10,014	1,029	607,535
Other.....	166,843	1,545	1,738	166,650
Held-to-maturity:				
Debt securities.....	3,590	18		3,608

March 31, 2011	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				\$ 323
Available-for-sale:				
Equity securities.....	\$ 392,323	\$ 100,225	\$ 36,361	\$ 456,187
Debt securities.....	7,530,768	108,956	12,495	7,627,229
Other.....	2,139,160	17,193	25,680	2,130,673
Held-to-maturity:				
Debt securities.....	38,941	133	61	39,013

The information of available-for-sale securities which were sold during the year ended March 31, 2011 and 2010 were as follows:

March 31, 2011	Millions of Yen		
	Proceeds	Realized gains	Realized loss
Available-for-sale:			
Equity securities.....	¥ 1,858	¥ 140	¥ 1,099
Debt securities.....	5,998	69	1
Other.....	13,758	183	52
Total	¥ 21,614	¥ 392	¥ 1,152

March 31, 2010	Millions of Yen		
	Proceeds	Realized gains	Realized loss
Available-for-sale:			
Equity securities.....	¥ 1,860	¥ 300	¥ 482
Debt securities.....	3,889	20	
Other.....	4,037	22	305
Total	¥ 9,786	¥ 342	¥ 787

March 31, 2011	Thousands of U.S. Dollars		
	Proceeds	Realized gains	Realized loss
Available-for-sale:			
Equity securities.....	\$ 22,381	\$ 1,692	\$ 13,238
Debt securities.....	72,262	832	12
Other.....	165,763	2,202	629
Total	\$ 260,406	\$ 4,726	\$ 13,879

The impairment losses on available-for-sale securities for the years ended March 31, 2011 and 2010 were ¥219 million (\$2,643 thousand) and ¥544 million, respectively.

Net unrealized gain on available-for-sale securities for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Valuation differences:			
Available-for-sale securities.....	¥ 12,603	¥ 18,484	\$ 151,839
Deferred tax liabilities.....	(4,848)	(7,247)	(58,413)
Minority interests.....	12	3	146
Net unrealized gain on available-for sale securities.....	¥ 7,767	¥ 11,240	\$ 93,572

4 MONEY HELD IN TRUST

Money held in trust was all classified as trading, whose net unrealized gains of ¥15 million (\$176 thousand) and ¥23 million for the years ended March 31, 2011 and 2010, respectively, were recognized in the consolidated statements of income.

5 LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Bills discounted.....	¥ 12,058	¥ 11,875	\$ 145,278
Loans on notes.....	94,900	96,709	1,143,375
Loans on deeds.....	1,394,767	1,375,998	16,804,417
Overdrafts.....	178,018	175,760	2,144,794
Total.....	¥ 1,679,743	¥ 1,660,342	\$ 20,237,864

Bills discounted are accounted for as financial transactions in accordance with "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No.24). The Bank has rights to sell or pledge these bills discounted. The total of the face value of bills discounted was ¥12,072 million (\$145,443 thousand) and ¥11,893 million at March 31, 2011 and 2010, respectively.

Loans and bills discounted as of March 31, 2011 and 2010 included the following loans:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Loans to obligor in bankruptcy.....	¥ 5,926	¥ 5,531	\$ 71,397
Past due loans.....	72,924	70,058	878,607
Accruing loans contractually past due three months or more			
Restructured loans.....	14,878	4,975	179,257
Total.....	¥ 93,728	¥ 80,564	\$ 1,129,261

Loans to obligor in bankruptcy represent nonaccrual loans to debtors who are legally bankrupt, which are defined in the Enforcement Ordinance for the Corporation Tax Law.

Past due loans are nonaccrual loans, which include loans classified as "possible bankruptcy" and "virtual bankruptcy".

Nonaccrual loans are defined as loans (after the partial charge-off of claims deemed uncollectible) in which the Companies discontinue the accruing of interest income when substantial doubt is judged to exist as to the ultimate collectability of either principal or interest if they are past due for a certain period or for other reasons.

Accruing loans contractually past due three months or more are loans in which the principal or interest is three months or more past due. The Companies do not have any such loans and bills discounted.

Restructured loans, designed to assist in the recovery of the financial soundness of debtors, are loans on which the Companies granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount). Loans classified as nonaccrual loans or accruing loans contractually past due three months or more are excluded.

6 FOREIGN EXCHANGES

Foreign exchange assets at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Due from foreign banks.....	¥ 3,642	¥ 3,826	\$ 43,881
Foreign exchange bills bought...	14	18	165
Foreign exchange bills receivable.....	35	43	428
Total.....	¥ 3,691	¥ 3,887	\$ 44,474

7 OTHER ASSETS

Other assets at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Accrued income.....	¥ 4,697	¥ 5,458	\$ 56,591
Prepaid expenses.....	28	31	333
Derivatives.....	701	475	8,445
Other.....	16,569	15,627	199,628
Total.....	¥ 21,995	¥ 21,591	\$ 264,997

8 PREMISES AND EQUIPMENT

Premises and equipment as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Buildings.....	¥ 6,618	¥ 6,943	\$ 79,732
Land.....	27,816	27,791	335,133
Leased assets.....	24	11	294
Construction in progress.....	91	44	1,102
Other.....	4,377	4,766	52,733
Total.....	¥ 38,926	¥ 39,555	\$ 468,994

Accumulated depreciation at March 31, 2011 and 2010 amounted to ¥37,473 million (\$451,481 thousand) and ¥36,164 million, respectively.

As of March 31, 2011 and 2010, deferred gains for tax purposes of ¥2,054 million (\$24,743 thousand) and ¥2,054 million, respectively, on premises and equipment sold and replaced with similar assets have been deducted from the cost of newly acquired premises and equipment.

The Companies review their long-lived assets for impairment continuously. As of March 31, 2011 and 2010, the Bank recognized impairment losses of ¥104 million (\$1,255 thousand) and ¥816 million as other expense for certain branches and idle fixed assets due to the carrying amount of the assets exceeds its recoverable amount and the carrying amount of the relevant assets was written down to the recoverable amount.

The Companies principally group operating assets by branch office, which are minimum unit for management accounting and idle fixed assets are individually assessed for impairment.

The recoverable amount of operating assets is measured at the discounted cash flows from the continued use and eventual disposition of the asset. The discounted cash flows are calculated using a discount rate of 5.1%.

The recoverable amount of idle assets is measured at its net selling price determined by quotation from a third-party vendor.

9 INTANGIBLE ASSETS

Intangible assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of
	2011	2010	U.S. Dollars
Software.....	¥ 3,087	¥ 3,120	\$ 37,198
Other.....	118	118	1,422
Total.....	¥ 3,205	¥ 3,238	\$ 38,620

10 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.

11 ASSETS PLEDGED

Assets as collateral and their relevant liabilities at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of
	2011	2010	U.S. Dollars
Assets pledged as collateral:			
Investment securities.....	¥ 37,299	¥ 37,321	\$ 449,382
Lease investment assets.....	7,574	9,606	91,249
Relevant liabilities to above assets:			
Deposits	18,817	28,940	226,714
Borrowed money	5,987	7,704	72,127

In addition, investment securities and others totaling ¥71,630 million (\$863,017 thousand) and ¥71,489 million were pledged as collateral or security deposits, for exchange settlement and futures contracts at March 31, 2011 and 2010, respectively.

Guarantee deposits on office space amounting to ¥458 million (\$5,512 thousand) and ¥459 million were included in other assets at March 31, 2011 and 2010, respectively.

12 LOAN COMMITMENTS

Contracts of overdraft facilities and loan commitment limits are contracts where the Companies lend to customers up to the prescribed limits in response to customers' applications for loans as long as there is no violation of any conditions in the contracts. The unused amounts within the limits totaled ¥561,633 million (\$6,766,669 thousand) at March 31, 2011 and ¥555,364 million at March 31, 2010 for these contracts. Of the above, the amounts for which the original agreement period was within a year or agreements which the Companies could cancel at any time without penalty totaled ¥553,003 million (\$6,662,683 thousand) at March 31, 2011 and ¥543,117 million at March 31, 2010.

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

13 DEPOSITS

Deposits at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of
	2011	2010	U.S. Dollars
Current deposits.....	¥ 74,592	¥ 73,841	\$ 898,697
Ordinary deposits.....	1,264,925	1,206,716	15,240,055
Savings at notice.....	34,640	36,236	417,356
Deposits at notice.....	3,604	2,615	43,418
Time deposits.....	939,252	954,856	11,316,285
Installment savings.....	9,154	9,420	110,297
Negotiable certificates of deposit..	112,638	122,201	1,357,079
Other deposits.....	46,514	58,267	560,419
Total.....	¥ 2,485,319	¥ 2,464,152	\$ 29,943,606

14 BORROWED MONEY

Borrowed money as of March 31, 2011 and 2010 consisted of the following

	Millions of Yen		Thousands of
	2011	2010	U.S. Dollars
Borrowings from other financial institutions..	¥ 14,292	¥ 16,103	\$ 172,190
Subordinated debt.....	10,000	10,000	120,482
Total.....	¥ 24,292	¥ 26,103	\$ 292,672

The weighted average interest rate of Borrowings from other financial institutions and Subordinated debt as of March 31, 2011 and 2010 are 0.86%, 2.29% and 0.25%, 2.29%, respectively.

Annual maturities of long-term debt as of March 31, 2011 for the next five years and thereafter were as follows:

Year Ending March 31	Millions of Yen	Thousands of
		U.S. Dollars
2012.....	¥ 3,395	\$ 40,905
2013.....	2,726	32,839
2014.....	2,066	24,893
2015.....	11,163	134,495
2016.....	573	6,902
2017 and thereafter.....	4,369	52,638
Total.....	¥ 24,292	\$ 292,672

Please see Note 11 for assets as collateral and their relevant borrowed money.

15 OTHER LIABILITIES

Other liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of
	2011	2010	U.S. Dollars
Domestic exchange unsettled.....	¥ 12	¥ 49	\$ 143
Income taxes payable.....	2,928	2,011	35,278
Accrued expenses.....	3,106	4,414	37,424
Unearned income.....	2,862	3,064	34,484
Derivatives.....	2,966	2,107	35,733
Other.....	12,069	10,225	145,413
Total.....	¥ 23,943	¥ 21,870	\$ 288,475

16 LIABILITY FOR RETIREMENT BENEFITS

The Companies have severance payment plans for employees, directors and corporate auditors.

Under most circumstances, employees whose service with the Companies is terminated are entitled to retirement and pension benefits determined by reference to base rates of pay at the time of termination, length of service and conditions under which the termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payment than in the case of voluntary termination.

The liability for the employees' retirement benefits at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Projected benefit obligation...	¥ 28,772	¥ 27,209	\$ 346,653
Fair value of plan assets.....	(21,276)	(21,257)	(256,342)
Unrecognized actuarial loss...	(5,838)	(3,905)	(70,333)
Unrecognized prior service cost	824	1,067	9,930
Net liability.....	2,482	3,114	29,908
Prepaid pension expense.....	7,697	7,015	92,735
Liability for employees' retirement benefits.....	¥ 10,179	¥ 10,129	\$ 122,643

The components of net periodic retirement benefit costs for the years ended March 31, 2011 and 2010 were follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Service cost.....	¥ 935	¥ 929	\$ 11,261
Interest cost.....	541	539	6,522
Expected return on plan assets	(155)	(286)	(1,865)
Amortization of prior service cost	(242)	(243)	(2,923)
Recognized actuarial loss.....	1,096	1,231	13,208
Net periodic retirement benefit costs.....	¥ 2,175	¥ 2,170	\$ 26,203

Assumptions used for the years ended March 31, 2011 and 2010 are set forth as follows:

	2011	2010
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	1.3%	3.0%
Amortization period of prior service cost	10years	10years
Recognition period of actuarial gain / loss	10years	10years

The liability for retirement benefits at March 31, 2011 and 2010 for directors and corporate auditors is ¥585 million (\$7,040 thousand) and ¥513 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

17 EQUITY

On September 2, 2009, the Bank issued 23,200 thousands new common shares by public offering and sold 1,800 thousands shares of treasury stock at ¥389 (¥370.82 net of expenses) per common share. Cash in-flow of this transaction was composed on proceeds from issuance of new shares of common stock and disposal of treasury stock. The Bank raised its capital by ¥7,969 million. The amount of increased capital was net of total incoming amount of issuance of new shares of common stock and loss on disposal of treasury stock of ¥634 million. Such accounting is according to the Companies Act of Japan (the "Companies Act"). The reason for the increase of Minority Interests is that a part of treasury stock disposed in this transaction had been

purchased by the Bank from consolidated subsidiaries in the past.

On September 25, 2009, the Bank issued 3,750 thousands new common shares by third-party allotment to Nomura Securities CO., Ltd at ¥370.82 per common share. The Bank raised its capital by ¥1,390 million. Among the increase of 2,637 thousand shares of treasury stock, 2,616 thousand shares were acquired by the ESOP Trust. The decrease of 201 thousand shares of treasury stock was a result of the sale of shares to the Employee Stock Ownership Association.

As of March 31, 2011, shares of treasury stock owned by the ESOP Trust were 2,415 thousand shares.

Japanese companies are subject to the Companies Act. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, 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 anytime during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria. The Companies Act 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 Companies Act and the Banking Law provides 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 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 aggregate amount of legal reserve and additional paid-in capital equals 100% of the stated capital.

The Companies Act also provides that stated capital, 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 Companies Act 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 Companies Act, stock acquisition rights, are now presented as a separate component of equity. The Companies Act 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.

18 OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Gain on sales and redemption of bonds and other securities	¥ 158	¥ 45	\$ 1,901
Lease revenue	6,342	6,702	76,405
Other	1,952	1,892	23,515
Total	¥ 8,452	¥ 8,639	\$ 101,821

19 OTHER INCOME

Other income for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Gain on sales of stock and other securities	¥ 258	¥ 323	\$ 3,109
Gain on money held in trust	49	104	596
Other	2,560	2,357	30,842
Total	¥ 2,867	¥ 2,784	\$ 34,547

20 OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Loss on sales and redemption of bonds and other securities	¥ 53	¥ 305	\$ 642
Cost of lease	5,684	6,082	68,475
Other	1,195	1,073	14,396
Total	¥ 6,932	¥ 7,460	\$ 83,513

21 OTHER EXPENSES

Other expenses for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Loss on sales of stocks and other securities	¥ 1,099	¥ 482	\$ 13,238
Loss on devaluation of stocks and other securities	369	801	4,447
Write-down of loans	38	46	450
Loss on money held in trust	52	31	626
Loss on disposal of fixed assets	101	60	1,220
Impairment losses (Note 8)	104	816	1,255
Provision for reimbursement of deposits	887	1,233	10,692
Other	774	359	9,322
Total	¥ 3,424	¥ 3,828	\$ 41,250

22 INCOME TAXES

The Companies are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.4% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Deferred tax assets:			
Reserve for possible loan losses	¥ 19,788	¥ 20,657	\$ 238,404
Liability for employees' retirement benefits	4,118	4,337	49,610
Depreciation	2,299	2,244	27,701
Other	5,414	5,072	65,246
Less valuation allowance	(11,178)	(9,965)	(134,679)
Total	20,441	22,345	246,282
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	4,862	7,247	58,582
Unrealized gain on Employees' retirement benefit trust	2,123	2,124	25,584
Other	81	65	975
Total	7,066	9,436	85,141
Net deferred tax assets	¥ 13,375	¥ 12,909	\$ 161,141

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2011 was as follows.

	2011
Normal effective statutory tax rate	40.4%
Expenses not deductible for income tax purposes	0.8
Income not taxable for income tax purposes	(1.5)
Valuation allowance	9.1
Other-net	(0.4)
Actual effective tax rate	48.4%

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2010 is not disclosed due to immaterial difference.

23 COMPREHENSIVE INCOME**For the year ended March 31, 2010**

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

	2010
Other comprehensive income:	
Unrealized gain on available-for-sale securities	¥14,550
Deferred gain on derivatives under hedge accounting	129
Total other comprehensive income	¥14,679

Total comprehensive income for the year ended March 31, 2010 was the following:

	2010
Total comprehensive income attributable to:	
Owners of the parent	¥19,831
Minority interests	599
Total comprehensive income	¥20,430

24 CASH AND CASH EQUIVALENTS

The reconciliation of cash and due from banks in the consolidated balance sheets to cash and cash equivalents, end of year was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Cash and due from banks.....	¥ 40,223	¥ 40,585	\$ 484,610
Less deposits in other banks except for the Bank of Japan....	(2,058)	(3,017)	(24,800)
Cash and cash equivalents, end of year.....	¥ 38,165	¥ 37,568	\$ 459,810

25 RELATED PARTY TRANSACTIONS

Related party transactions for the year ended March 31, 2011 and 2010 are not disclosed due to the immaterial amount.

26 LEASES

Total lease payments under finance leases for the years ended March 31, 2011 and 2010 were ¥15 million (\$182 thousand) and ¥15 million, respectively.

Pro forma information of leased property whose lease inception was before March 31, 2008.

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The Companies accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Acquisition cost.....	¥ 76	¥ 76	\$ 924
Accumulated depreciation.....	62	48	745
Net leased property.....	¥ 14	¥ 28	\$ 179

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2010
Due within one year.....	¥ 14	¥ 15	\$ 171
Due after one year.....	1	15	17
Total.....	¥ 15	¥ 30	\$ 188

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Depreciation expense.....	¥ 14	¥ 14	\$ 171
Interest expense.....	1	1	7

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, are computed by the straight-line method and the interest method, respectively.

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Bank policy for financial instruments

The Bank's operations mainly include accepting deposits, providing loans, discounting bills, and buying and selling marketable securities and other financial instruments. Through these activities, the Bank holds substantial financial assets and financial liabilities that are subject to fluctuations in interest rates. To protect itself from the negative effects of interest rate fluctuations, the Bank conducts derivative transactions as part of its asset and liability management (ALM) activities.

In addition, the consolidated subsidiaries that engage in leasing and credit card businesses handle financial instruments as their principal business.

(2) Nature and extent of risks arising from financial instruments

Of the principal financial assets held by the Companies, loans are subject to credit risk, or default on the part of the customer. The Companies hold trading account securities and investment securities, for holding to maturity and for purely trading purposes, as well as to promote business activities. These securities are subject to issuer credit risk, interest rate fluctuation risk and market price fluctuation risk.

Of financial liabilities, deposits and borrowed money are subject to liquidity risk, or the possibility that the Companies may become unable to meet payment obligations when due in the event that they become unable to utilize markets in certain circumstances.

Among derivative transactions, the Bank employs interest rate swap transactions to hedge risk using ALM. To offset the risk of interest rate increases, the Bank employs variable receipt/fixed payment interest rate swap transactions on loans bearing long-term, fixed rates of interest, and securities.

With respect to currencies, the Bank employs currency swap transactions, forward exchange forward contracts and coupon swap transactions, primarily to hedge the exchange rate fluctuation risks on foreign currency assets and liabilities.

The Bank engages in bond futures transactions, mainly as part of its dealing operations.

With regard to the methods of hedge accounting for interest risks on financial assets and liabilities, the Bank employs deferred hedge accounting, as provided in "Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No.24). To evaluate hedging effectiveness, for hedges designed to offset market fluctuations the Bank performs specified evaluations of hedged loans at individual hedge stages grouped by (remaining) term.

The consolidated subsidiaries do not conduct derivative transactions.

(3) Risk management for financial instruments

Credit Risk Management

The Bank has in place various provisions, including a Credit Risk Management Policy and Credit Risk Management Provisions. These provisions, which extend beyond lending activities and include market transactions and off-balance-sheet assets, are in place to manage credit risks related to all manner of banking operations. For each activity, the Bank conducts credit screenings, manages credit limits, manages credit information

and employs an internal rating system. The Bank also has in place a credit management system to support management improvements and handle loans that have become delinquent or present collection difficulties. The consolidated subsidiaries also have in place various credit risk management and other provisions. They act in accordance with these provisions to manage credit risks appropriately.

To manage these credit risks, the Companies have established credit risk management divisions, including screening divisions, credit management divisions and problem loan management divisions. The Bank's Credit Risk Management Division takes overall responsibility for credit risk management, including the status of credit risk and accompanying problems.

With regard to credit screening, the Bank's Audit Division checks the Credit Risk Management Division and consolidated subsidiaries' risk management divisions to ascertain the appropriateness of credit risk management.

Market Risk Management

The Bank has in place a system for managing market risk. All items that require market risk management, including deposit and loan transactions, market transactions and off-balance-sheet transactions, are managed in accordance with the Bank's Market Risk Management Policy and Market Risk Management Provisions. The ALM divisions manage market risk related to deposits and loans, while market-related divisions manage market risk related to market transactions. The Bank's Risk Management Division, provides comprehensive reports to the Risk Management Committee indicating risk amounts, stress test results and other information. Market Risk Management Policies and Provisions are also in place at consolidated subsidiaries, in line with each company's risk profile. In this manner, systems are in place to ensure the appropriate management of market risk.

The market risk management divisions of the Companies manage market risks in this way, and the Bank's Risk Management Division serves as the central division for the management of market risk and addressing related problems.

With regard to audits of market risk management, the Audit Division performs checks to determine the appropriateness of market risk management.

(Quantitative Information Concerning Market Risks)

Major financial instruments held by the Bank, which are subject to the primary risk parameters such as interest rate risk and price fluctuation risk, are loans, securities (held to maturity debt securities and other securities), deposits and negotiable certificates of deposit, and interest rate swap transactions in derivative transactions.

For these financial assets and financial liabilities, the Bank employs quantitative analysis to manage interest rate risk and price fluctuation risk by determining the impact on profits or losses that they will have after specific periods of time, using a statistically forecast fluctuation band for interest rates. VaR is used to calculate the impact amount.

The covariance method (holding period of three months (six months for strategic holdings), confidence interval of 99%, observation period of one year) is used for securities, whereas for instruments other than securities, such as deposits and loans, VaR is calculated using the Monte Carlo simulation method (holding period of three months, confidence interval of 99%, observation period of five years).

As of March 31, 2011, the Bank's market risk (estimated loss value) on major financial instruments was ¥29,219 million (\$352,036 thousand). Of this amount, ¥18,345 million (\$221,024 thousand) was attributable to securities, and ¥10,874 million (\$131,012 thousand) was attributable to

instruments other than securities, such as deposits and loans.

The Bank also conducts back-testing, comparing the VaR calculated using this model with actual profits or losses. During the consolidated fiscal year under review, back-testing demonstrated that its approximation model was sufficiently precise to capture market risk.

However, it is important to recognize that VaR estimation is a calculation based on a statistical process, results are different depending on the preconditions and calculation methods used.

Meanwhile, this process does not forecast maximum losses, and future market conditions may differ substantially from past conditions.

Furthermore, quantitative analysis is not applied on certain financial instruments whose impact is immaterial nor those held by consolidated subsidiaries.

Liquidity Risk Management

The Bank manages liquidity risk in accordance with its Liquidity Risk Management Policy and Liquidity Risk Management Provisions. The International and Securities Division manages cash on a daily basis, and the Risk Management Division, which serves as the management division, monitors this risk, providing comprehensive reports to the Risk Management Committee including the status of risks, the status of assets available for payment, the results of stress tests and other information.

With regard to audits of liquidity risk management, the Audit Division checks to determine the appropriateness of liquidity risk management at the International and Securities Division and Risk Management Division.

(4) Fair values of financial instruments

Fair values of financial instruments are based on quoted price in active markets. If quoted price is not available, other rational valuation techniques are used instead. Also please see Note 28 for the detail of fair value for derivatives.

(a) Fair value of financial instruments

March 31, 2011	Millions of yen		
	Carrying amount	Fair value	Unrealized gain(loss)
Cash and due from banks.....	¥ 40,223	¥ 40,223	
Call loans.....	82,000	82,000	
Investment Securities			
Held-to-maturity securities.....	3,232	3,238	¥ 6
Available-for-sale securities	847,769	847,769	
Loans and bills discounted.....	1,679,743		
Reserve for possible loan losses (*1)..	(46,550)		
	<u>1,633,193</u>	<u>1,650,642</u>	<u>17,449</u>
Total.....	<u>¥ 2,606,417</u>	<u>¥ 2,623,872</u>	<u>¥ 17,455</u>
Deposits.....	¥ 2,485,319	¥ 2,487,380	¥ (2,061)
Borrowed money.....	24,292	24,559	(267)
Total.....	<u>¥ 2,509,611</u>	<u>¥ 2,511,939</u>	<u>¥ (2,328)</u>
Derivative instruments (*2)			
Hedge accounting is not applied..	¥ (1,017)	¥ (1,017)	
Hedge accounting is applied.....	(1,248)	(1,248)	
	<u>¥ (2,265)</u>	<u>¥ (2,265)</u>	

Investment securities

The fair value of equity securities is determined by their prices on stock exchanges. The fair value of bonds is determined by their prices on exchanges or at rates indicated by financial institutions handling these transactions for the Bank. The fair value of investment trusts is based on the base value publicly disclosed.

Privately placed bonds guaranteed by the Bank are segmented according to internal rating and term, and fair value is determined by discounting the total amount of principal and interest by the assumed interest rate on new issue bonds of the same type.

For information pertaining to investment securities by holding purpose, please refer to Note 3.

Loans and bills discounted

As loans bearing floating rates of interest reflect market rates of interest in the short term, unless credit conditions of the lending entity have changed significantly after lending the loans, their fair value and book value are nearly identical, so their book value is assumed as their fair value. Fixed-rate loans are segmented by loan type, internal rating and period, and their fair value is determined by discounting the total amount of principal and interest by the assumed interest rate on new lendings of the same type. However, for items with a short commitment term (within three months), as their fair value and book value are nearly identical, their book value is assumed as their fair value.

The fair value of loans lent to entities that are legal bankruptcy, virtual bankruptcy or possible bankruptcy are determined according to the current value of expected future cash flows or the amount of collateral that is expected to be recoverable and guarantee amounts that are determined to be recoverable. As these amounts are nearly identical to the book value after deducting the allowance for doubtful accounts, these amounts are assumed as their fair value.

For loans that are fully secured by collateral and that have no specified repayment term, as in terms of their expected repayment periods and interest conditions their fair value and book value are nearly identical, their book value is assumed as their fair value.

Deposits

For demand deposits, fair value is assumed as amount to be paid when demanded on the balance sheet date (i.e., the book value). The fair value of time deposits is determined by segmenting such deposits by term and discounting future cash flows to their current value. The discount rate used is the rate of interest on new deposits of the same type. As the term on deposits is short (within three months), their fair value and book value are nearly identical, so their book value is assumed as their fair value.

Borrowed money

Of borrowed money, interest rates on floating-rate borrowings reflect market interest rates in the short term. Assuming that credit conditions of the Companies have not changed significantly since the time of borrowing, their fair value and book value are nearly identical, so their book value is assumed as their fair value. Such borrowings with fixed interest rates are segmented by term, the total amount of principal and interest on the borrowed money is divided by time period, and their present value is calculated by discounting according to the assumed interest rate. For items with a short commitment term (within three months), as their fair value and book value are nearly identical, their book value is assumed as their fair value.

March 31, 2010	Millions of yen		
	Carrying amount	Fair value	Unrealized gain(loss)
Cash and due from banks.....	¥ 40,585	¥ 40,585	
Call loans.....	112,000	112,000	
Investment Securities			
Held-to-maturity securities.....	3,589	3,607	¥ 18
Available-for-sale securities	818,070	818,070	
Loans and bills discounted.....	1,660,342		
Reserve for possible loan losses (*1)..	(48,600)		
	<u>1,611,742</u>	<u>1,625,482</u>	<u>13,740</u>
Total.....	<u>¥ 2,585,986</u>	<u>¥ 2,599,744</u>	<u>¥ 13,758</u>
Deposits.....	¥ 2,464,152	¥ 2,466,706	¥ (2,554)
Borrowed money.....	26,103	26,221	(118)
Total.....	<u>¥ 2,490,255</u>	<u>¥ 2,492,927</u>	<u>¥ (2,672)</u>
Derivative instruments (*2)			
Hedge accounting is not applied..	¥ (828)	¥ (828)	
Hedge accounting is applied.....	(804)	(804)	
	<u>¥ (1,632)</u>	<u>¥ (1,632)</u>	

March 31, 2011	Thousands of U.S.Dollars		
	Carrying amount	Fair value	Unrealized gain(loss)
Cash and due from banks.....	\$ 484,610	\$ 484,610	
Call loans.....	987,952	987,952	
Investment Securities			
Held-to-maturity securities.....	38,941	39,013	\$ 72
Available-for-sale securities	10,214,089	10,214,089	
Loans and bills discounted.....	20,237,864		
Reserve for possible loan losses (*1)..	(560,844)		
	<u>19,677,020</u>	<u>19,887,247</u>	<u>210,227</u>
Total.....	<u>\$ 31,402,612</u>	<u>\$ 31,612,911</u>	<u>\$ 210,299</u>
Deposits.....	\$ 29,943,606	\$ 29,968,433	\$ (24,827)
Borrowed money.....	292,672	295,893	(3,221)
Total.....	<u>\$ 30,236,278</u>	<u>\$ 30,264,326</u>	<u>\$ (28,048)</u>
Derivative instruments (*2)			
Hedge accounting is not applied..	\$ (12,253)	\$ (12,253)	
Hedge accounting is applied.....	(15,035)	(15,035)	
	<u>\$ (27,288)</u>	<u>\$ (27,288)</u>	

(*1) Reserve for possible loan losses relevant to loans and bills discounted have been deducted.

(*2) Derivative instruments are disclosed in the net amount of assets and liabilities.

Cash and due from banks

With regard to amounts due from banks that have not matured and short-term due from banks, as these instruments are settled within a short term and their fair value and book value are nearly identical, their book value is assumed as their fair value. Long-term due from banks with maturities are segmented according to deposit period, and fair value is calculated by discounting them to their present value, using an assumed rate of interest on new amounts due from banks of the same type.

Call loans

For items with a short commitment term (within three months), as their fair value and book value are nearly identical, their book value is assumed as their fair value.

Derivatives

The information of the fair value for derivatives is included in Note 28.

(b) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S.Dollars
	2011	2010	2011
Equity securities.....	¥ 2,423	¥ 2,396	\$ 29,185
Other.....	1,831	966	22,060
Total.....	¥ 4,254	¥ 3,362	\$ 51,245

(5) Maturity analysis for financial assets and securities with contractual maturities

March 31, 2011	Millions of Yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Due from banks.....	¥ 10,726			
Call loans.....	82,000			
Investment Securities				
Held-to-maturity securities.....	279	¥ 2,850	¥ 100	
Available-for-sale securities.....	107,564	422,047	263,941	¥ 2,000
Loans and bills discounted(*1)	482,195	571,897	286,047	264,561
Total.....	¥ 682,764	¥ 996,794	¥ 550,088	¥ 266,561

March 31, 2010	Millions of Yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Due from banks.....	¥ 11,188			
Call loans.....	112,000			
Investment Securities				
Held-to-maturity securities.....	2,254	¥ 1,329		
Available-for-sale securities.....	115,213	427,840	¥ 205,846	¥ 8,000
Loans and bills discounted(*1)	444,783	608,391	273,325	259,011
Total.....	¥ 685,438	¥1,037,560	¥ 479,171	¥ 267,011

March 31, 2011	Thousands of U.S.Dollars			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Due from banks.....	\$ 129,226			
Call loans.....	987,952			
Investment Securities				
Held-to-maturity securities.....	3,361	\$ 34,337	\$ 1,205	
Available-for-sale securities.....	1,295,949	5,084,898	3,180,012	\$ 24,096
Loans and bills discounted(*1)	5,809,575	6,890,323	3,446,349	3,187,481
Total.....	\$ 8,226,063	\$12,009,558	\$ 6,627,566	\$ 3,211,577

(*1) Excluded from the loan amount for the ended March 31, 2011 and 2010 were ¥75,043 million (\$904,136 thousand) and ¥74,832 million in loans classified as “possible bankruptcy”, “virtual bankruptcy” and “legal bankruptcy” on which the redemption amount cannot be forecast, respectively.

(6) Maturity analysis for deposits with contractual maturities

March 31, 2011	Millions of Yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits.....	¥ 2,229,184	¥ 253,757	¥ 2,378	
Total.....	¥ 2,229,184	¥ 253,757	¥ 2,378	

March 31, 2010	Millions of Yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits.....	¥ 2,224,804	¥ 236,774	¥ 2,574	
Total.....	¥ 2,224,804	¥ 236,774	¥ 2,574	

March 31, 2011	Thousands of U.S.Dollars			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits.....	\$26,857,638	\$ 3,057,320	\$ 28,647	
Total.....	\$26,857,638	\$ 3,057,320	\$ 28,647	

Please see Note 14 for maturities of borrowed money.

28 DERIVATIVES

It is the Bank's policy to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts, currency swaps to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations of market conditions, including interest and foreign exchange rates. Credit risk is the possibility that a loss may result from counterpart's failure to perform under a contract. Because the counterparties to those derivatives are limited to major financial institutions and securities companies, the Bank does not anticipate material losses arising from credit risk.

Concerning risk management associated with derivative transactions, the front and back offices of the trading divisions (the International and Securities Division) are clearly separated, while the Asset and Liabilities Management Office synthetically manages the Bank's market risks. In this manner, an internal monitoring system is effectively secured. Derivative transactions entered into by the Bank have been made in accordance with internal policies, which regulate the trading activities, and credit risk management has formal risk limits and credit lines. The Bank's positions gains-and-losses and other conditions are periodically reported to management.

Derivative transactions to which hedge accounting is not applied at March 31, 2011 and 2010

Millions of Yen				
March 31, 2011	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps.....	¥ 29,091	¥ 8,230	¥ (570)	¥ (570)
Coupon swaps.....	111,080	71,408	91	91
Foreign currency forward contracts:				
Selling.....	31,585		(539)	(539)
Buying.....	63		1	1

Millions of Yen				
March 31, 2010	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps.....	¥ 16,773		¥ (172)	¥ (172)
Coupon swaps.....	11,026	¥ 11,026	22	22
Foreign currency forward contracts:				
Selling.....	42,357	9	(682)	(682)
Buying.....	114		4	4

Thousands of U.S. Dollars				
March 31, 2011	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps.....	\$ 350,492	\$ 99,155	\$ (6,863)	\$ (6,863)
Coupon swaps.....	1,338,311	860,335	1,096	1,096
Foreign currency forward contracts:				
Selling.....	380,544		(6,502)	(6,502)
Buying.....	756		16	16

Derivative transactions to which hedge accounting is applied at March 31, 2011 and 2010

Millions of Yen				
March 31, 2011	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Interest rate swaps: (fixed rate payment, floating rate receipt)	Loans and bills discounted	¥ 41,930	¥ 41,930	¥ (1,248)

Millions of Yen				
March 31, 2010	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Interest rate swaps: (fixed rate payment, floating rate receipt)	Loans and bills discounted	¥ 39,370	¥ 39,370	¥ (804)

Thousands of U.S. Dollars				
March 31, 2011	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Interest rate swaps: (fixed rate payment, floating rate receipt)	Loans and bills discounted	\$ 505,183	\$ 505,183	\$ (15,035)

The fair value of derivative transactions is calculated by discounting them to their present value.

The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Bank's exposure to credit or market risk.

29 SEGMENT INFORMATION

For the years ended March 31, 2011 and 2010

In March 2008, the ASBJ revised ASBJ Statement No.17 “Accounting Standard for Segment Information Disclosures” and issued ASBJ Guidance No.20 “Guidance on Accounting Standard for Segment Information Disclosures”. Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

The segment information for the year ended March 31, 2010 under the revised accounting standard is also disclosed hereunder as required.

1. Description of reportable segments

The companies' reportable segments are those for which separately financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how management resources are allocated and in assessing performance. The companies concentrate on the banking business, and also conduct other financial services including the leasing and the credit-card business. Therefore, the companies' reportable segments consist of Banking and Lease.

2. Methods of measurement for the amounts of ordinary income, profit, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, “Summary of Significant Accounting Policies”

3. Information about ordinary income, profit, assets and other items was as follows.

	Millions of Yen						
	2011						
	Reportable segment			Other	Total	Reconciliations	Consolidated
Banking	Lease	Total					
Ordinary income:							
Ordinary income from							
external customers.....	¥ 49,131	¥ 7,783	¥ 56,914	¥ 1,856	¥ 58,770		¥ 58,770
Inter segment ordinary income..	208	805	1,013	729	1,742	¥ (1,742)	
Total	49,339	8,588	57,927	2,585	60,512	(1,742)	58,770
Segment profit.....	10,531	537	11,068	827	11,895	121	12,016
Segment assets.....	2,718,671	22,000	2,740,671	12,645	2,753,316	(15,674)	2,737,642
Other:							
Depreciation.....	¥ 2,920	¥ 359	¥ 3,279	¥ 43	¥ 3,322		¥ 3,322
Total interest income.....	40,083	15	40,098	1,148	41,246	¥ (387)	40,859
Total interest expenses.....	3,494	215	3,709	10	3,719	(111)	3,608
Increase in premises and equipment and intangible assets..	2,868	123	2,991	10	3,001	(16)	2,985
Impairment losses of assets.....	104		104		104		104

	Millions of Yen						
	2010						
	Reportable segment			Other	Total	Reconciliations	Consolidated
Banking	Lease	Total					
Ordinary income:							
Ordinary income from							
external customers.....	¥ 51,672	¥ 8,066	¥ 59,738	¥ 1,912	¥ 61,650		¥ 61,650
Inter segment ordinary income..	260	761	1,021	730	1,751	¥ (1,751)	
Total	51,932	8,827	60,759	2,642	63,401	(1,751)	61,650
Segment profit.....	9,135	466	9,601	422	10,023	609	10,632
Segment assets.....	2,697,227	23,765	2,720,992	12,121	2,733,113	(14,188)	2,718,925
Other:							
Depreciation.....	¥ 3,227	¥ 399	¥ 3,626	¥ 39	¥ 3,665		¥ 3,665
Total interest income.....	41,607	18	41,625	1,216	42,841	¥ (413)	42,428
Total interest expenses.....	4,847	263	5,110	29	5,139	(155)	4,984
Increase in premises and equipment and intangible assets..	2,554	103	2,657	33	2,690	(34)	2,656
Impairment losses of assets.....	816		816		816		816

	Thousands of U.S. Dollars						
	2011						
	Reportable segment			Other	Total	Reconciliations	Consolidated
Banking	Lease	Total					
Ordinary income:							
Ordinary income from							
external customers.....	\$ 591,936	\$ 93,775	\$ 685,711	\$ 22,356	\$ 708,067		\$ 708,067
Inter segment ordinary income..	2,505	9,693	12,198	8,795	20,993	\$(20,993)	
Total	594,441	103,468	697,909	31,151	729,060	(20,993)	708,067
Segment profit.....	126,877	6,471	133,348	9,964	143,312	1,459	144,771
Segment assets.....	32,755,072	265,058	33,020,130	152,355	33,172,485	(188,852)	32,983,633
Other:							
Depreciation.....	\$ 35,177	\$ 4,324	\$ 39,501	\$ 522	\$ 40,023		\$ 40,023
Total interest income.....	482,930	177	483,107	13,830	496,937	\$(4,663)	492,274
Total interest expenses.....	42,097	2,586	44,683	128	44,811	(1,338)	43,473
Increase in premises and equipment and intangible assets..	34,548	1,484	36,032	129	36,161	(200)	35,961
Impairment losses of assets.....	1,255		1,255		1,255		1,255

Note: 1. The “Other” segment contains business that is not included in these reporting segments, such as the credit card business.
2. Adjustment for the years ended March 31, 2011 and 2010 amounts were as follows:

- (1) A segment profit of reconciliations of ¥121 million (\$1,459 thousand) and ¥609 million was made to eliminate intersegment transactions.
- (2) A downward reconciliations in segment assets of ¥15,674 million (\$188,852 thousand) and ¥14,188 million was made to eliminate intersegment transactions.
- (3) A downward reconciliations in total interest income of ¥387 million (\$4,663 thousand) and ¥413 million was made to eliminate intersegment transactions.
- (4) A downward reconciliations in total interest expenses of ¥111 million (\$1,338 thousand) and ¥155 million was made to eliminate intersegment transactions.
- (5) A reconciliations increase in property, plant and equipment and intangible assets of minus ¥16 million (\$200 thousand) and ¥34 million was made to eliminate intersegment transactions.

3. Segment profit is reflected as an adjustment to ordinary profit on the consolidated statements of income.
4. Ordinary income represents total income less certain special income included in other income in the accompanying consolidated statements of income.

For the year ended March 31, 2010

(1) Business Segment Information

Information about operations by business segments for the years ended March 31, 2010 was as follows:

	Millions of Yen					
	Banking	Lease	Other	Total	Elimination/ Corporate	Consolidated
(a) Ordinary income:						
Ordinary income from external customers.....	¥ 51,672	¥ 8,066	¥ 1,912	¥ 61,650		¥ 61,650
Inter segment ordinary income.....	260	761	730	1,751	¥ (1,751)	
Total.....	51,932	8,827	2,642	63,401	(1,751)	61,650
Ordinary expenses.....	42,797	8,361	2,220	53,378	(2,360)	51,018
Ordinary profit.....	¥ 9,135	¥ 466	¥ 422	¥ 10,023	¥ 609	¥ 10,632
(b) Assets, depreciation, impairment losses and capital expenditures:						
Assets.....	¥ 2,697,227	¥ 23,765	¥ 12,121	¥ 2,733,113	¥ (14,188)	¥ 2,718,925
Depreciation.....	3,227	399	39	3,665		3,665
Impairment losses.....	816			816		816
Capital expenditures.....	2,554	97	42	2,693		2,693

Note: 1. Other includes business segments of the credit card business and others.

2. Ordinary income represents total income less certain special income included in other income in the accompanying consolidated statements of income.

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

(2) Geographic Segment Information

As the Bank has neither branch offices nor subsidiaries in foreign countries, geographic segment information has not been provided.

(3) Operating Income from International Operations

As the operating income from international operations is not significant compared to the consolidated operating income, information about the operating income from international operations has not been provided.

Related Information for the year ended March 31, 2011

(1) Information by services

Income regarding major service for the year ended March 31, 2011 was as follows:

	Millions of Yen	Thousands of U.S.Dollars
Loan Businesses.....	¥ 29,912	\$ 360,381
Securities Investment Businesses.....	11,211	135,072
Other.....	17,647	212,614
Total.....	¥ 58,770	\$ 708,067

(2) Geographical Information

(a) Ordinary income

Ordinary income from external domestic customers exceeded 90% of total ordinary income on the consolidated statement of income for the year ended March 31, 2011, therefore geographical Ordinary income information is not presented.

(b) Premises and Equipment

The balance of domestic premises and equipment exceeded

90% of total balance of premises and equipment in the consolidated balance sheet as of March 31, 2011, therefore geographical premises and equipment information is not presented.

(3) Major Customer Information

Ordinary income to a specific customer did not reach 10% of total ordinary income in the consolidated statement of income for the year ended March 31, 2011, therefore major customer information is not presented.

30 SUBSEQUENT EVENT

At the Bank's general shareholders meeting held on June 24, 2011, the Bank's shareholders approved the following.

Appropriations of Retained Earnings

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥3.00 (\$0.03) per share.....	¥ 514	\$ 6,196



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
THE OITA BANK, LTD:

We have audited the accompanying consolidated balance sheets of THE OITA BANK, LTD. (the "Bank") and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of 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 OITA BANK, LTD. and consolidated subsidiaries as of March 31, 2011 and 2010, 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 LLC

June 24, 2011

CORPORATE DATA

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Swift: OITA JPJT

Hong Kong Representative Office

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18 Chater Road,
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Telephone: 852-2522-8862
Fax: 852-2522-7298

FOREIGN EXCHANGE OFFICES

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Saiki, Oita 876-0847
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Kokura Branch

1-21, Komemachi 1-chome,
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Beppu Branch

18-21, Noguchinakamachi,
Beppu, Oita 874-0932
Telephone: (0977) 21-2121

Nakatsu Branch

2-10, Toyodamachi,
Nakatsu, Oita 871-0058
Telephone: (0979) 24-2211

Tsurusaki Branch

1-12, Minami-Tsurusaki 3-chome,
Oita 870-0104
Telephone: (097) 527-2121

Hita Branch

1-2, Sanbonmatsu 1-chome,
Hita, Oita 877-0016
Telephone: (0973) 23-2101

NUMBER OF MONEY EXCHANGE OFFICES

34

NUMBER OF OFFICES BY DISTRICT

Oita Prefecture.....	92
Miyazaki Prefecture.....	2
Kumamoto Prefecture.....	1
Fukuoka Prefecture.....	6
Osaka.....	1
Tokyo.....	1
Total.....	103

(As of July 31, 2011)

BOARD OF DIRECTORS AND AUDITORS

Chairman

Yoshito Ogura

President

Shoji Himeno

Senior Managing Director

Shigenari Koganemaru

Managing Directors

Youichi Miura
Takayuki Suzuki
Issei Takahara

Directors

Nobuhide Shimizu
Tomohiro Watanabe
Hideki Eto

Standing Auditors

Mitsumasa Nakamura
Tomiichirou Goto

Auditors

Hiroshi Kawano
Taichirou Nishi
Tsunemasa Kojima

Executive Officer

Toru Hirose
Nobuhiko Iwata
Shinichi Nagaki
Junichi Tokunaga
Masaki Kodama
Yoshio Hirayama

(As of June 30, 2011)

Summary of Consolidated Balance Sheets (Unaudited)

Consolidated Balance Sheets
March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
ASSETS:			
Cash and due from banks (Note 27).....	¥ 40,223	¥ 40,585	\$ 484,610
Call loans (Note 27).....	82,000	112,000	987,952
Commercial paper and other debt purchased (Note 3).....	5,838	5,243	70,340
Trading account securities (Note 3).....	27	155	323
Money held in trust (Note 4).....	4,783	5,766	57,624
Investment securities (Notes 3, 11 and 27).....	855,255	826,150	10,304,275
Loans and bills discounted (Notes 5, 12 and 27).....	1,679,743	1,660,342	20,237,864
Foreign exchange assets (Note 6).....	3,691	3,887	44,474
Lease receivables and leased investment assets (Notes 11 and 26).....	14,688	15,358	176,966
Other assets (Notes 7 and 11).....	21,995	21,591	264,997
Premises and equipment (Note 8).....	38,926	39,555	468,994
Intangible assets (Note 9).....	3,205	3,238	38,620
Deferred tax assets (Note 22).....	13,375	12,909	161,141
Customers' liabilities for acceptances and guarantees (Note 10).....	24,660	25,479	297,105
Reserve for possible loan losses (Note 27).....	(50,767)	(53,333)	(611,652)
TOTAL	¥2,737,642	¥2,718,925	\$32,983,633
LIABILITIES:			
Deposits (Notes 11, 13 and 27).....	¥ 2,485,319	¥ 2,464,152	\$ 29,943,606
Call money.....	19,956	23,260	240,434
Borrowed money (Notes 11, 14 and 27).....	24,292	26,103	292,672
Foreign exchange liabilities.....	38	108	455
Other liabilities (Note 15).....	23,943	21,870	288,475
Liability for retirement benefits (Note 16).....	10,764	10,642	129,683
Reserve for reimbursement of deposits.....	1,808	1,482	21,778
Deferred tax liabilities for land revaluation excess	7,915	7,969	95,358
Negative goodwill.....	52	68	632
Acceptances and guarantees (Note 10).....	24,660	25,479	297,105
Total liabilities	2,598,747	2,581,133	31,310,198
EQUITY (Notes 17 and 30):			
Common stock, authorized, 300,000,000 shares.....	19,598	19,598	236,126
in 2011 and 2010; issued, 171,436,342 shares in 2011 and 2010			
Capital surplus.....	10,745	10,745	129,459
Retained earnings.....	84,933	79,868	1,023,288
Treasury stock-at cost, 2,473,098 shares in 2011 and 40,876 shares in 2010.....	(740)	(29)	(8,919)
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities (Note 3).....	7,767	11,240	93,572
Deferred loss on derivatives under hedge accounting.....	(743)	(479)	(8,955)
Land revaluation excess.....	9,785	9,865	117,884
Total	131,345	130,808	1,582,455
Minority interests.....	7,550	6,984	90,980
Total equity	138,895	137,792	1,673,435
TOTAL	¥2,737,642	¥2,718,925	\$32,983,633

See notes to consolidated financial statements.

Summary of Non-Consolidated Statements of Operations (Unaudited)

Consolidated Statements of Income
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
INCOME:			
Interest on:			
Loans and discounts.....	¥ 30,025	¥ 31,410	\$ 361,744
Securities.....	10,806	10,988	130,194
Other.....	28	30	336
Total interest income.....	40,859	42,428	492,274
Fees and commissions.....	7,706	7,803	92,850
Other operating income (Note 18).....	8,452	8,639	101,821
Other income (Note 19).....	2,867	2,784	34,547
Total income.....	59,884	61,654	721,492
EXPENSES:			
Interest on:			
Deposits.....	2,680	4,095	32,287
Borrowings and rediscounts.....	451	462	5,438
Other.....	477	427	5,748
Total interest expenses.....	3,608	4,984	43,473
Fees and commissions.....	1,503	1,659	18,106
Other operating expenses (Note 20).....	6,932	7,460	83,513
General and administrative expenses.....	31,620	30,947	380,970
Provision for possible loan losses.....		3,016	
Other expenses (Note 21).....	3,424	3,828	41,250
Total expenses.....	47,087	51,894	567,312
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS.....	12,797	9,760	154,180
INCOME TAXES (Note 22):			
Current.....	4,141	3,903	49,894
Deferred.....	2,059	105	24,803
Total income taxes.....	6,200	4,008	74,697
NET INCOME BEFORE MINORITY INTERESTS.....	6,597	5,752	79,483
MINORITY INTERESTS IN NET INCOME.....	583	573	7,026
NET INCOME.....	6,014	5,179	72,457
	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK (Note 2.q):	2011	2010	2011
Basic net income.....	¥ 35.27	¥ 32.56	\$ 0.425
Cash dividends applicable to the year.....	6.00	6.00	0.072

See notes to consolidated financial statements

Consolidated Statement of Comprehensive Income
Year Ended March 31, 2011

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
NET INCOME BEFORE MINORITY INTERESTS.....	¥ 6,597		\$ 79,483
OTHER COMPREHENSIVE INCOME (Note 23):			
Unrealized loss on available-for-sale securities.....	(3,482)		(41,946)
Deferred loss on derivatives under hedge accounting.....	(264)		(3,183)
Total other comprehensive income.....	(3,746)		(45,129)
COMPREHENSIVE INCOME (Note 23).....	¥ 2,851		\$ 34,354
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 23):			
Owners of the parent.....	¥ 2,277		\$ 27,434
Minority interests.....	574		6,920

See notes to consolidated financial statements.

Summary of Non-Consolidated Statements of Changes in Equity (Unaudited)

Consolidated Statements of Changes in Equity
Years Ended March 31, 2011 and 2010

	Thousands		Millions of Yen									
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated other comprehensive income				Total	Minority Interests	Total Equity
						Unrealized Gain (Loss) on Available for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Surplus				
BALANCE, APRIL 1, 2009	142,664	¥15,000	¥5,984	¥75,155	¥(974)	¥(3,284)	¥(608)	¥10,344	¥101,617	¥6,042	¥107,659	
Issuance of new shares of common stock with disposal of treasury stock (Note 17)	28,750	4,598	4,761		951				10,310	351	10,661	
Net income				5,179					5,179		5,179	
Cash dividends, ¥6.00 per share				(943)					(943)		(943)	
Purchase of treasury stock	(23)				(10)				(10)		(10)	
Disposal of treasury stock	5		(2)		4				2		2	
Transfer from land revaluation excess				479				(479)				
Transfer to capital surplus from retained earnings			2	(2)								
Net change in the year						14,524	129		14,653	591	15,244	
BALANCE, MARCH 31, 2010	171,396	¥19,598	¥10,745	¥79,868	¥(29)	¥11,240	¥(479)	¥9,865	¥130,808	¥6,984	¥137,792	
Net income				6,014					6,014		6,014	
Cash dividends, ¥6.00 per share				(1,028)					(1,028)		(1,028)	
Purchase of treasury stock (Note 17)	(2,637)				(772)				(772)		(772)	
Disposal of treasury stock (Note 17)	204		(1)		61				60		60	
Transfer from land revaluation excess				80				(80)				
Transfer to capital surplus from retained earnings			1	(1)								
Net change in the year						(3,473)	(264)		(3,737)	566	(3,171)	
BALANCE, MARCH 31, 2011	168,963	¥19,598	¥10,745	¥84,933	¥(740)	¥7,767	¥(743)	¥9,785	¥131,345	¥7,550	¥138,895	

Thousands of U.S. Dollars (Note.1)

	Thousands of U.S. Dollars (Note.1)										
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated other comprehensive income				Total	Minority Interests	Total Equity
					Unrealized Gain on Available for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Surplus				
BALANCE, MARCH 31, 2010	\$236,126	\$129,459	\$962,271	\$(354)	\$135,412	\$(5,772)	\$118,849	\$1,575,991	\$84,149	\$1,660,140	
Net income			72,457					72,457		72,457	
Cash dividends, \$0.072 per share			(12,390)					(12,390)		(12,390)	
Purchase of treasury stock (Note 17)				(9,302)				(9,302)		(9,302)	
Disposal of treasury stock (Note 17)		(15)		737				722		722	
Transfer from land revaluation excess			965				(965)				
Transfer to capital surplus from retained earnings		15	(15)								
Net change in the year					(41,840)	(3,183)		(45,023)	6,831	(38,192)	
BALANCE, MARCH 31, 2011	\$236,126	\$129,459	\$1,023,288	\$(8,919)	\$93,572	\$(8,955)	\$117,884	\$1,582,455	\$90,980	\$1,673,435	

See notes to consolidated financial statements.