



The Tama Shinkin Bank

Non-Consolidated Financial Highlights

The Tama Shinkin Bank
Years ended March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
For the Fiscal Year:			
Total Income	¥ 38,728	¥ 35,345	\$ 329,690
Total Expenses	33,239	27,289	282,965
Income Before Income Taxes	5,488	8,056	46,724
Net Income	6,526	5,376	55,557
Business Profit	8,543	9,971	72,725
At Year-End:			
Deposits	¥2,000,658	¥1,461,782	\$17,031,231
Loans and Bills Discounted	1,147,294	872,698	9,766,702
Securities	482,253	319,858	4,105,336
Total Assets	2,146,506	1,565,560	18,272,809
Total Members' Equity	82,923	64,891	705,914

Notes: 1. Yen figures are rounded down to the nearest one million yen in this annual report.

2. Figures stated in U.S. dollars are translated solely for convenience at ¥117.47 to U.S.\$1, the rate prevailing on March 31, 2006.

3. "Business Profit" is obtained by adding the interest income, fees and commissions (income) and other operating income, subtracting interest expenses (excluding expenses on money held in trust), fees and commissions (expenses), other operating expenses, transfers to general reserves for bad debts and general and administrative expenses. Business profit is one of the indicators used by shinkin and other banks.

Profile

The Tama Shinkin Bank was first established in 1933 as the Tachikawa Credit Cooperative (a limited liability entity). With the Shinkin Bank Law coming into effect in 1951, the Tachikawa Credit Cooperative became the Tama Chuo Shinkin Bank, a local financial institution. Through supporting business development and creating assets that form the economic foundation of society for people who reside and run businesses in the Tama region, the Bank has contributed to the local community's development and has grown into its leading bank.

On January 10, 2006, in an era of great change, the Tama Chuo Shinkin Bank, the Taihei Shinkin Bank, and the Hachioji Shinkin Bank merged. These three regional financial institutions had served the same region, and it was determined that the region would be better served, and its growth better supported, by a single, more capable financial institution. The Tama Shinkin Bank, popularly known as "Tamashin" by the local community in which it has established its roots, is one of Japan's highest ranking *shinkin* banks, with assets of ¥2,146.5 billion, members' equity of ¥82.9 billion, and 1,819 employees. The newly established Tamashin currently has 73 branches, 4 branch offices, and 46 automatic teller facilities.



Tama Shinkin Bank's logo was selected on the basis of a survey of the employees from the three merging shinkin banks, conducted prior to the merger. The new bank's logo, therefore, incorporates the thoughts of its employees.

CONCEPT

Tama Shinkin Bank's logo takes the first letter of Tama, its operating region, as its motif. It symbolizes dynamic growth, the creation of new value together with the people of the region, and a bright future for Tama. The logo's colors are also of significance: red represents warm relationships of trust; blue and green represent the Tama region's prosperity in harmony with nature.

We view our mission as "contributing to the happiness and well-being of our customers," and the Bank's symbol incorporates our determination to walk hand-in-hand with the people of the region.



Half a year has passed since the January 10, 2006 merger of Tama Chuo Shinkin Bank, Taihei Shinkin Bank, and Hachioji Shinkin Bank. We deeply regret the problems with some of the transactions executed at the time of the merger, and offer our deepest apologies for the inconveniences these problems created for a number of customers. In an effort to regain the trust of our stakeholders, we are quickly taking measures to ensure that these problems do not reoccur in the future, including an initiative by the Bank to improve operational systems.

Looking back over the fiscal year ended March 31, 2006, the tone in the domestic economy was generally one of recovery. The business community worked to resolve “the three excesses”: labor, liabilities, and facilities. This led to solid economic performance, supported by the resurgence of capital investment and the improvement in consumer spending, the latter being backed by pick up in employment and personal income conditions. Confidence in the recovery fueled a steeper rise in securities prices from the summer onward, and on March 31, 2006, the Nikkei Stock Average reached ¥17,000 for the first time in five and a half years. In this healthy economic environment, the Bank of Japan terminated its quantitative monetary easing policy, and interest rates rose at an accelerating pace at the fiscal year’s end.

In this environment and looking twenty to thirty years into the future, the three banks merged to become the Tama Shinkin Bank in the expectation of making a contribution to the renewed economic growth of the Tama region. Comparing the new bank’s data to Tama Chuo Shinkin Bank’s figures last fiscal year, the new bank’s average balance of total deposits was ¥145.7 billion (10.0%) higher, at ¥1,597.1 billion, and the fiscal year-end balance of deposits was ¥538.8 billion (36.8%) higher, at ¥2,000.6 billion. The average balance of loans and bills discounted was ¥49.8 billion (5.6%) higher, at ¥935.4 billion, and the fiscal year-end balance of loans and bills discounted was ¥274.5 billion (31.4%) higher, at ¥1,147.2 billion.

Because the merger resulted in an increase in deposits and loans and bills discounted, revenue from fund operations and fees and commissions (income) also rose. However, due to losses on securities trans-

actions combined with growth in general and administrative expenses and transfers to the general reserve for possible loan losses, business profit was ¥1.4 billion (14.3%) lower, at ¥8.5 billion.

As a result of ongoing efforts to improve the soundness of loan assets, the Bank posted ¥486 million in write-offs of loans, and a transfer to the specific reserve of ¥1.7 billion. In addition, extraordinary losses of ¥2.9 billion, including merger-related expenses, kept income before income taxes lower by ¥2.5 billion (31.8%), at ¥5.4 billion. As a result of higher deferred tax assets, the deferred portion was ¥1.0 billion under tax-effect accounting, and net income was ¥1.1 billion (21.3%) higher, at ¥6.5 billion. Also in comparison to Tama Chuo Shinkin Bank’s figures last fiscal year, the non-performing loan ratio was 0.48 percentage points higher, at 7.80%, and the capital adequacy ratio was 0.31 percentage points higher, at 8.56%.

From an operational standpoint, the merger of the three banks resulted in further expansion of the Tama region’s largest network of manned branches, together with a higher concentration of these branches. Customer convenience was also enhanced by an increase in the number of remote ATMs.

The three banks, merging for the sake of “value creation,” achieved management integration. However, the true value of the merger will emerge in the fiscal year ending March 31, 2007. To formulate a new, post-merger growth strategy, three primary pillars of future business growth have been identified: the growth and prosperity of corporations and business entities, realization of a high, and stable standard of living, and the prosperity and stability of local communities. Making full use of the Tama region’s largest branch network and sales personnel, Tamashin is working to bolster its comprehensive support network for regional industry, citizens, and communities. At the same time, as a large-scale *shinkin* bank with deposits of over ¥2 trillion, Tamashin offers consistent, high-quality services, and, to ensure the continuity of operations, is working to strengthen the integrity of internal management and reinforce governance. The Bank will continue to work hard on its contributions to the stable prosperity and quality of life of local communities, and to ensure that its staff shares the Bank’s mission and management philosophy of “creating happiness for our customers.”

Finally, I would like to thank all our members, customers and business partners for their valuable support and patronage.

June 2006

A handwritten signature in black ink that reads "Koji Sato". The signature is written in a cursive, flowing style.

Koji Sato
President

Sources and Application of Funds

Comparisons are with last fiscal year's figures for Tama Chuo Shinkin Bank, which is the surviving entity resulting from the merger. The average balance of deposits during the fiscal year grew 10.0% to ¥1,597,197 million, and the balance of deposits at the end of the fiscal year was up 36.8% to ¥2,000,658 million. However, given the ¥519.2 billion in deposits inherited from the two heritage banks, the net increase in deposits stood only at ¥19.6 billion. With the diversification of asset-management needs, the balance of assets under management which include Japanese government bonds for individuals (excluding deposits) continued to rise. The average balance of loans and bills discounted during the fiscal year was up 5.6% at ¥935,441 million, and the balance of loans and bills discounted at the end of the fiscal year totaled ¥1,147,294 million, up 31.4% compared to the previous fiscal year. At the same time, though, loans and bills discounted inherited by Tamashin as a result of the merger were ¥311.8 billion, representing an actual decline of ¥37.2 billion. This indicates that the financing provided to the Tama community by the Bank was inadequate.

Cash and due from banks rose 41.2% to ¥411,557 million, while monetary claims purchased declined 6.7% to ¥22,109 million. Money held in trust jumped 56.2% to ¥13,986, securities holdings were up a similar 50.7%, to ¥482,253 million. Other assets were up 37.0% to ¥8,047, and premises and equipment rose by 50.8% to ¥39,449. Deferred tax assets rose 134.4% to ¥12,991 million, customers' liabilities for acceptances and guarantees increased by 22.5% to ¥28,457 million, and the reserve for possible loan losses, shown as a deduction from total assets, was increased by 62.9% to ¥20,547 million. Total assets, therefore, rose 37.1% to ¥2,146,506 million.

Operating Results

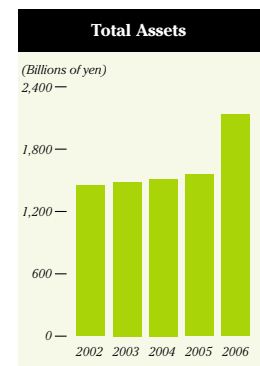
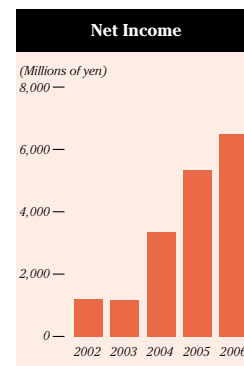
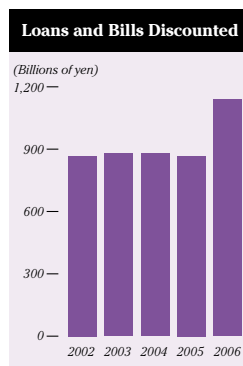
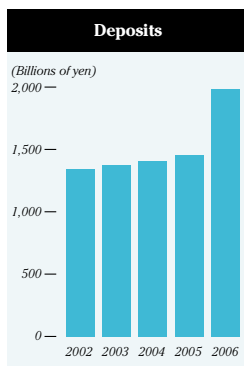
Interest income grew 7.0% to ¥31,823 million, and fees and commissions rose 11.4% to ¥3,190 million. Other operating income increased 25.8% to ¥1,194 million, due primarily not to the merger, but to gains on sales of bonds. Other income jumped 41.1% to ¥2,519 million, as gains on sales of stocks and other securities more than doubled. As a result, total income grew 9.5% to ¥38,728 million.

Interest expenses grew 12.9% to ¥1,487 million, and fees and commissions increased 6.0% to ¥1,781 million. Other operating expenses expanded 162.2% to ¥2,077 million, due both to the merger and to the doubling of losses on sales of bonds, and general and administrative expenses grew by 8.7% to ¥22,129 million. Other expenses soared 82.7% to ¥5,763 million, due primarily to an extraordinary loss of ¥1,712 million, representing the difference between the purchase price and the actual value of a leased property upon Zenshin Real Estate's execution of their option to buy, and an extraordinary loss of ¥1,027 million accruing from the upgrade of systems and other expenses of the merger. Total expense, as a result, grew 21.8% to ¥33,239 million.

Because the jump in expenses was more than twice the growth of income, income before income taxes fell by 31.8% to ¥5,488 million. However, current income taxes dropped by 74.6% to ¥34 million, and deferred income taxes contracted by 142.1% to ¥1,072 million, which allowed net income to rise 21.3% to ¥6,526 million.

Retained Earnings

Retained earnings at the beginning of the year were ¥5,713 million, up from ¥3,957 million a year earlier, and retained earnings from mergers of ¥805 million were posted. Tamashin transferred ¥68 million to



legal reserves, paid out ¥544 million in dividends, paid bonuses to directors and statutory auditors totaling ¥36 million, and transferred ¥2,000 million to voluntary reserves. This left a balance at end of the year of ¥10,396 million.

A members' meeting held on June 20, 2006 approved a further transfer to the legal reserves of ¥3,000 million, additional dividend payments of ¥872 million, and a further transfer of ¥5,000 million to voluntary reserves. As a result, retained earnings carried forward totaled ¥1,523 million.

Capital Adequacy Ratio

Although it is commonly viewed as good practice for financial institutions to strive for a higher capital adequacy ratio, Tamashin believes that the sole pursuit of a high capital adequacy ratio is not an ideal way of conducting business. The principal mandate of a regional financial institution is to utilize the region's deposits to provide financing to the people

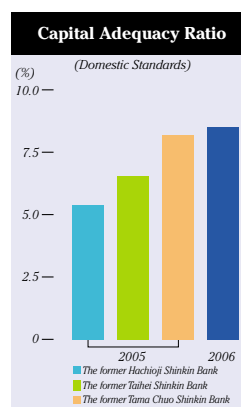
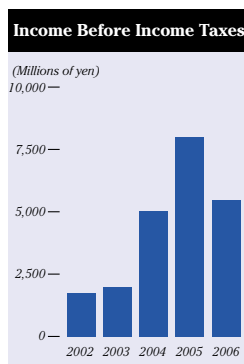
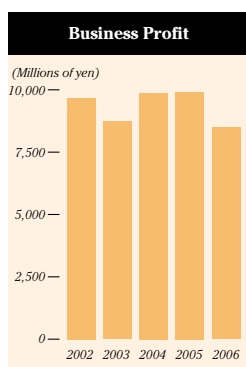
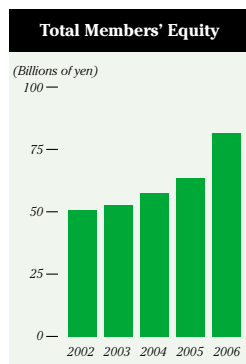
and businesses of the region. It therefore must make a contribution to the prosperity of the region through its primary operations. Looking ahead, the Bank plans to set a target that is deemed appropriate, and emphasize its contribution to the region as its top priority. Tamashin intends to improve its capital adequacy ratio by focusing efforts on building capital (profits) rather than cutting back on risky assets (lending); that is, to raise the numerator rather than depress the denominator.

Strong performance in the fiscal year ended March 31, 2006, allowed the Bank to post net income of ¥6,526 million. This resulted in a 0.31 percentage point increase to 8.56% in the capital adequacy ratio. This indicates that Tamashin has built a sounder business base following the merger. As a regional financial institution, the Bank will, in the future, put its contribution to its regional customers above all else, while striving to achieve a sounder and more efficient management.

Capital Adequacy Ratio (Calculated by domestic standards)

Years ended March 31, 2006 and 2005

	Millions of yen	
	2006	2005
Tier I Capital	¥ 79,423	¥ 60,444
Tier II Capital	10,641	4,995
Total Capital	¥ 90,064	¥ 65,440
Risk Assets		
On-Balance-Sheet Assets	¥1,023,151	¥764,195
Off-Balance-Sheet Assets	28,490	22,890
Capital Adequacy Ratio	8.56%	8.25%



Non-Performing Assets

As a *shinkin* bank that is committed to supporting local development, Tamashin seeks to dispose of its non-performing loans with a focus on the revitalization of local companies. While it is generally accepted that an institution should focus on reducing its non-performing loan ratio, the Bank believes that enforcing uniform assistance for delinquent borrowers and focusing efforts only on debt collection is the wrong approach. This is especially so in light of the *raison d'être* for a *shinkin* bank—contribution and support to the regional economy. Tamashin believes that it should strengthen the trust it has with its customers who are seeking to resolve their situations, and that it does need to be sympathetic that not all issues can be resolved with funds alone. These, as well as supporting local business community, are the responsibilities Tamashin has been charged with. In fact, Tamashin's approach to the disposal of its non-performing loans is to revitalize the local economy in partnership with local business individuals who, despite the difficult economic situation, are focused on opportunities for the future. Tamashin's approach to its lending activities also adheres strictly to the principle of diversification, engaging in a wide array of small lot transactions with minimal industry concentration risk, as is the duty of a *shinkin* bank.

Tamashin's non-performing loans, reported in accordance with the Financial Reconstruction Law's disclosure clause, declined this fiscal year from the aggregate of ¥96.0 billion from the three merged *shinkin* banks, to ¥91.9 billion. This shows that the efforts of the Bank's borrowers are bringing about a recovery in their businesses, and also reflects the efforts of the Bank to improve the soundness of its loan assets through loan write-offs and transfers to the specific reserve. In addition, Tamashin's non-performing loan ratio is 7.8%, which is the same as the aggregate for the three merged *shinkin* banks prior to the merger. That the non-performing loan ratio has not improved even though the total value of non-performing loans has been reduced is due to the Bank's inability to increase loans and bills discounted. This shows that the Bank's support for regional businesses is still inadequate. Tamashin recognizes this shortfall with regret and will seek to re-double its efforts to assist customers improve their business conditions, as well as lower its non-performing loans.

Total amounts of non-performing loans by category and the total coverage ratio, as calculated under the Financial Reconstruction Law and the Shinkin Bank Law's disclosure standards, are as given below. Comparisons are with last fiscal year's figures for the Tama Chuo Shinkin Bank, which is the merger's surviving bank.

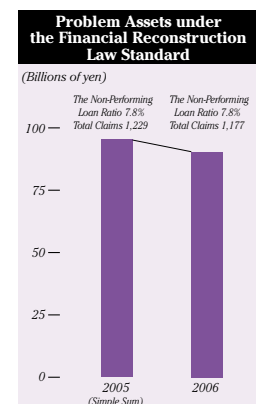
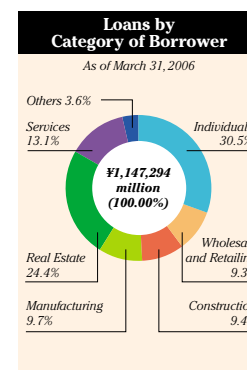
In accordance with the Financial Reconstruction Law, Tamashin is ensuring a higher level of transparency in disclosing operations, including the results of inspections of its assets. Tamashin's non-performing

loans disclosed under the Financial Reconstruction Law amount to ¥91,934 million, and approximately 75.77% of this figure is secured by collateral, guarantees, or the reserves for possible loan losses. Tamashin is able to cover the remaining ¥22,268 million, or about 24.23%, with its ¥82,923 million in capital. Thus, in the unlikely event that all non-performing loans are irrecoverable, it would not have a critical impact on Tamashin's financial health.

Further, loans defined as risk-monitored under the Shinkin Bank Disclosure Standards increased by 40.6% in the current fiscal year to ¥90,696 million. This figure is comprised of ¥3,352 million in loans to borrowers in bankruptcy, ¥70,601 million in other delinquent loans on which interest is not being accrued, ¥1,027 million in loans on which principal and/or interest is more than three months past due, and ¥15,714 million in loans in a "Relaxation of Repayment Conditions" status.

Of total outstanding loans to borrowers in bankruptcy, 100% are secured by collateral, guarantee, or the reserves for possible loan losses. This figure is 77.22% for other delinquent loans on which interest is not being accrued, 84.45% for loans on which principal and/or interest is more than three months past due, and 63.65% for loans in a "Relaxation of Repayment Conditions" status. Of total risk-monitored loans, 75.79% are secured by collateral, guarantee, or the reserve for possible loan losses.

Risk-monitored loans are categorized by status of delinquency or alteration of loan conditions. It is not the case that all such borrowers are completely unable to repay their loans. Tamashin is maintaining the soundness of its assets by writing off such loans from the specific reserve or the general reserve for possible loan losses according to the degree of credit risk.



Note: Figures for the years ended March 31, 2005 are combined figures of the former Hachioji Shinkin Bank, the former Taihei Shinkin Bank, and the former Tama Chuo Shinkin Bank.

Problem Assets under the Financial Reconstruction Law Standard

Years ended March 31, 2006 and 2005

	Millions of yen	
	2006	2005
Bankrupt and Quasi-Bankrupt Assets	¥ 18,834	¥ 10,822
Doubtful Assets	56,359	45,347
Substandard Loans	16,741	9,495
Normal Assets	1,085,222	831,330
Total	¥1,177,158	¥896,996

Note: Under the Shinkin Bank Law, claims subject to reporting are limited to loans and bills discounted. Under the Financial Reconstruction Law, in addition to loans and bills discounted, Banks must also report a wide range of claims, including securities lending, foreign exchange, accrued income and advance payments on other assets, and customers' liabilities for acceptances and guarantees. In addition, the bank must analyze the status of the claim in light of the borrower's financial condition.

Glossary of terms

1. Bankrupt and Quasi-Bankrupt Assets

Loans to bankrupt borrowers, to those whose businesses are idle due to reorganization or negotiations in progress, and to those who are in a position similar to the aforesaid borrowers.

2. Doubtful Assets

Loans to borrowers whose businesses are still operating, but whose financial position or business performance are deteriorating, and who are for that reason highly likely to find themselves unable to make required payments on principal and interest.

3. Substandard Loans

Loans to customers identified as requiring caution under our self-assessment system. This figure represents those loans that are already past due by three months or more, or loans in a "Relaxation of Repayment Conditions" status.

4. Normal Assets

Loans to borrowers who display no particular problems with their financial position or performance, and who fall into none of the three categories above.

Risk-Monitored Loans under the Shinkin Bank Law Standard

Years ended March 31, 2006 and 2005

	Millions of yen	
	2006	2005
Total outstanding loans to borrowers in bankruptcy	¥ 3,352	¥ 2,462
Total other delinquent loans on which interest is not being accrued	70,601	52,534
Total loans on which principal and/or interest is past due more than three months	1,027	214
Total loans in a "Relaxation of Repayment Conditions" status	15,714	9,281
Total	¥90,696	¥64,491

Five-Year Summary (Non-Consolidated Basis)

The Tama Shinkin Bank

Years ended March 31, 2006, 2005, 2004, 2003 and 2002

	Millions of yen					Thousands of U.S. dollars
	2006	2005	2004	2003	2002	2006
For the years ended March 31						
Total Income	¥ 38,728	¥ 35,345	¥ 35,105	¥ 33,849	¥ 39,226	\$ 329,690
Interest on Loans and Bills Discounted	24,826	23,896	24,017	23,277	23,997	211,343
Interest and Dividends on Securities	5,455	4,605	3,859	3,254	4,285	46,441
Total Expenses	33,239	27,289	30,035	31,844	37,455	282,965
Business Profit	8,543	9,971	9,948	8,780	9,733	72,725
Income Before Income Taxes	5,488	8,056	5,070	2,004	1,770	46,724
Net Income	6,526	5,376	3,385	1,171	1,204	55,557
As of March 31						
Total Assets	¥2,146,506	¥1,565,560	¥1,521,351	¥1,496,250	¥1,460,754	\$18,272,809
Securities	482,253	319,858	294,129	248,300	286,696	4,105,336
Loans and Bills Discounted	1,147,294	872,698	885,687	885,398	874,596	9,766,702
Total Liabilities	2,063,583	1,500,668	1,462,652	1,443,138	1,408,880	17,566,894
Deposits	2,000,658	1,461,782	1,418,325	1,381,338	1,353,480	17,031,231
Total Members' Equity	82,923	64,891	58,698	53,111	51,874	705,914
Number of Branches	77	50	49	49	49	
Number of Employees and Officers	1,842	1,370	1,424	1,404	1,369	
Deposits						
Per Branch	¥ 25,982	¥ 29,235	¥ 28,945	¥ 28,190	¥ 27,622	\$ 221,184
Per Employee and Officer	1,086	1,066	996	983	988	9,246
Loans and Bills Discounted						
Per Branch	14,899	17,453	18,075	18,069	17,848	126,840
Per Employee and Officer	622	637	621	630	638	5,302

Notes: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2006 of ¥117.47=US\$1.

Non-Consolidated Balance Sheets

The Tama Shinkin Bank
As of March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2006	2005	2006
ASSETS			
Cash and Due from Banks (Note 10)	¥ 411,557	¥ 291,267	\$ 3,503,511
Monetary Claims Purchased (Note 14)	22,109	23,712	188,213
Money Held in Trust (Note 14)	13,986	8,953	119,064
Trading Account Securities (Note 14)	241	298	2,053
Securities (Notes 2, 10 and 14)	482,253	319,858	4,105,336
Loans and Bills Discounted (Notes 3 and 13)	1,147,294	872,698	9,766,702
Foreign Exchange (Note 4)	664	591	5,659
Other Assets (Note 5)	8,047	5,871	68,511
Premises and Equipment (Note 6)	39,449	26,145	335,830
Deferred Tax Assets	12,991	5,540	110,594
Customers' Liabilities for Acceptances and Guarantees (Note 9)	28,457	23,229	242,252
Reserve for Possible Loan Losses	(20,547)	(12,606)	(174,920)
Total Assets	¥2,146,506	¥1,565,560	\$18,272,809
LIABILITIES AND MEMBERS' EQUITY			
Liabilities:			
Deposits (Notes 7 and 10)	¥2,000,658	¥1,461,782	\$17,031,231
Call Money	20,361	8,530	173,337
Borrowed Money	1,500	—	12,769
Foreign Exchange	21	13	184
Other Liabilities (Note 8)	4,227	3,707	35,992
Reserve for Employee Bonuses	1,035	734	8,815
Reserve for Employee Retirement Benefits	2,770	1,674	23,583
Reserve for Executive Retirement Allowances	481	411	4,101
Deferred Tax Liabilities for Land Revaluation (Note 15)	4,067	585	34,627
Acceptances and Guarantees (Note 9)	28,457	23,229	242,252
Total Liabilities	2,063,583	1,500,668	17,566,894
Members' Equity:			
Share Capital	24,482	13,690	208,418
Capital Surplus (Note 11)	766	—	6,523
Retained Earnings (Note 12)	55,046	47,335	468,603
Land Revaluation Excess (Note 15)	1,640	1,283	13,968
Unrealized Gains (Losses) on Securities (Note 14)	987	2,582	8,402
Disposal of Outstanding Equities	(0)	(0)	(2)
Total Members' Equity	82,923	64,891	705,914
Total Liabilities and Members' Equity	¥2,146,506	¥1,565,560	\$18,272,809

The accompanying notes are an integral part of these financial statements.

Non-Consolidated Statements of Income and Retained Earnings

The Tama Shinkin Bank
Years ended March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2006	2005	2006
Income:			
Interest on:			
Loans and Bills Discounted	¥24,826	¥23,896	\$211,343
Securities	5,455	4,605	46,441
Others	1,541	1,248	13,125
Fees and Commissions	3,190	2,861	27,157
Other Operating Income	1,194	949	10,169
Other Income	2,519	1,784	21,452
Total Income	38,728	35,345	329,690
Expenses:			
Interest on:			
Deposits	1,310	1,226	11,159
Borrowings and Rediscounts	170	85	1,454
Others	5	6	46
Fees and Commissions	1,781	1,680	15,161
Other Operating Expenses	2,077	792	17,687
General and Administrative Expenses	22,129	20,345	188,387
Other Expenses	5,763	3,153	49,067
Total Expenses	33,239	27,289	282,965
Income Before Income Taxes	5,488	8,056	46,724
Income Taxes:			
Current	34	134	296
Deferred	(1,072)	2,544	(9,129)
Net Income (Note 16)	6,526	5,376	55,557
Unappropriated Earnings in Retained Earnings:			
Balance at Beginning of the Year	5,713	3,957	48,639
Transfer from Land Revaluation Excess	—	—	—
Retained Earnings from Merger	805	—	6,855
	13,045	9,334	111,051
Appropriations:			
Transfer to Legal Reserve (Note 12)	68	1,080	578
Dividends	544	540	4,636
Bonuses to Directors and Statutory Auditors	36	—	306
Transfer to Voluntary Reserves	2,000	2,000	17,025
Total Appropriations	2,648	3,620	22,547
Unappropriated Profits at End of the Year (Note 17)	¥10,396	¥ 5,713	\$ 88,504

The accompanying notes are an integral part of these financial statements.

Notes to Non-Consolidated Financial Statements

The Tama Shinkin Bank

1. Significant Accounting Policies

a. Basis of presentation

The accompanying financial statements of The Tama Shinkin Bank (the Bank) are prepared in accordance with accounting principles and practices generally accepted in Japan under the requirements of the Japanese Commercial Code, the Shinkin Bank Law of 1951, and other applicable regulations.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued in Japan. In addition, the accompanying notes include information that is not required under generally accepted accounting principles and practices in Japan but is presented herein as additional information. All yen figures have been rounded down to millions of yen by dropping the final six digits. For convenience only, U.S. dollar amounts presented in the accompanying financial statements have been translated from yen at the rate of ¥117.47 to US\$1, the exchange rate prevailing in Tokyo on March 31, 2006.

b. Trading account securities

Trading account securities which are held for the short term in anticipation of market gains are recorded at fair value. Realized gains and losses on sales of such securities are computed using the moving-average method. Changes in the fair value of trading account securities are recorded in other operating income (expenses).

c. Securities

As for securities other than those in trading portfolio, debt securities that the Bank has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost using the moving-average method.

Investments in subsidiaries and affiliates are carried at cost using the moving-average method.

Securities excluding those classified as trading securities, held-to-maturity or investments in subsidiaries and affiliates are defined as other securities. Other securities that are valued at fair market value are valued at market value as at the last day of the fiscal year. Realized gains and losses on sales of such securities are computed using the moving-average method. Non-marketable debt securities in other securities are carried at amortized cost using the moving-average method. Non-marketable equity securities in other securities are carried at cost using the moving-average method. Other securities are carried at their fair values, with unrealized gains and losses reported on a net-of-tax basis within changes in equity from non-owner sources, which is a component of members' equity.

Securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management are stated at fair value.

d. Derivatives

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

e. Depreciation and amortization method

Premises and equipment are stated at cost less accumulated depreciation. The depreciation of premises and equipment of the Bank is computed by the declining balance method.

The estimated useful lives of major items are as follows:

Buildings	15 to 50 years
Equipment	3 to 20 years

Capitalized software for internal use is amortized by the straight-line method based on useful life estimated by the Bank (five years).

f. Foreign currency transactions

The financial statements of the Bank are maintained in or translated into Japanese yen. Foreign currency assets and liabilities held domestically are translated into yen at the prevailing rates on the Tokyo Foreign Exchange Market on the last business day of each fiscal year, and incorporated into the Bank's financial statements.

g. Reserves

1) Reserve for possible loan losses

The reserve for possible loan losses of the Bank has been established based on the Bank's internal rules for establishing a reserve for possible loan losses.

Based on the results of the self-assessment, customers are classified into five categories: such as "Normal Borrowers," "Borrowers Requiring Caution," "Potentially Bankrupt Borrowers," "Effectively Bankrupt Borrowers" and "Bankrupt Borrowers," as defined by the report of JICPA.

The reserve for possible loan losses was calculated based on the specific actual past loss ratio for Normal Borrowers and Borrowers Requiring Caution categories as a general reserve. Reserves for losses on loans of Potentially Bankrupt Borrowers are based on an overall evaluation of the estimated amount of recoveries

from collateral or guarantees, in light of our judgment of the borrower's ability to meet his loan obligations. Reserves for losses on loans to Effectively Bankrupt Borrowers and Bankrupt Borrowers are calculated by deducting the estimated disposal value of collateral or guarantees from those claims which remain after the write-offs. For collateral or guaranteed claims of Effectively Bankrupt Borrowers and Bankrupt Borrowers, the amount exceeding the estimated value of collateral or guarantees was written off, as deemed uncollectible, directly from those claims. The write-off amount was ¥22,437 million (US\$191,009 thousand) and ¥15,222 million for fiscal year ended March 31, 2006 and 2005, respectively.

All claims are being assessed by the branches and credit supervision divisions based on the Bank's internal rules for the self-assessment of asset quality. The Inspection Division, which is independent from branches and credit supervision divisions, conducts audits of these assessments.

2) Reserve for employee bonuses

Reserve for employee bonuses is provided for the payments of bonuses to employees, by the amount of estimated bonuses, which are attributable to this fiscal year.

3) Reserve for employee retirement benefits

The reserve for employee retirement benefits is provided for the payments of employee retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the pension assets.

Unrecognized net actuarial differences are amortized from the next fiscal year by the straight-line basis over the prescribed years within the average remaining service period (10 years) of active employees.

4) Reserve for executive retirement allowances

The reserve for executive retirement allowances is calculated according to the Bank's rule, and is equal to the amount that would be needed if all executives voluntarily retired at the end of the year.

h. Leases

Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessees are accounted for by a method similar to that for ordinary operating leases.

i. Consumption tax

National and local consumption taxes are accounted for using the net of tax method.

j. Income taxes

The provision for income taxes is computed based on the pretax income included in the non-consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

k. Application of new accounting standards for impairment of fixed assets

Effective on April 1, 2005, the Bank applied "Accounting Standards for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment on Fixed Assets," issued by the Business Accounting Deliberation Council on August 9, 2002) and "Guidelines on Implementation of Accounting Standards for Impairment of Fixed Assets" (Guidelines on Implementation of Business Accounting Standard No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003). The application of these accounting standards had no effect on income before income taxes in this fiscal year.

At the Bank, individual branches, which continuously manage and determine revenues and expenses, are the smallest unit of the asset group for recognition and measurement of impairment loss. Fixed assets that do not have identifiable cash flows (such as head office facilities, training institutes, business and system centers, and health and recreational facilities) are grouped with other assets. As for idle assets, impairment loss on each asset is measured individually.

2. Securities

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
National Government Bonds	¥ 77,800	¥ 37,715	\$ 662,305
Local Government Bonds	56,745	35,364	483,059
Corporate Bonds	224,249	156,598	1,908,993
Stocks	19,656	12,091	167,332
Other Securities	103,801	78,088	883,645
Total	¥482,253	¥319,858	\$4,105,336

3. Loans and Bills Discounted

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Bills Discounted	¥ 22,146	¥ 21,606	\$ 188,526
Loans on Bills	45,756	38,976	389,516
Loans on Deeds	1,053,632	790,371	8,969,378
Overdrafts	25,759	21,743	219,281
Total	¥1,147,294	¥872,698	\$9,766,702

The Bank is required, in accordance with the Ordinance Implementing Shinkin Bank Law, to disclose the following loans.

At March 31, 2006 and 2005, loans to borrowers in bankruptcy on which unpaid interest is not being accrued amounted to ¥3,352 million (US\$28,542 thousand) and ¥2,462 million, respectively. Other delinquent loans on which interest is not being accrued amounted to ¥70,601 million (US\$601,019 thousand) and ¥52,534 million, respectively, at the same date.

Loans to borrowers in bankruptcy on which unpaid interest is not being accrued are loans for circumstances that apply to those stated in the Implementation Ordinance for the Corporation Tax Law (Government Ordinance No.97,1965) Article 96, Clause 1, Section 3 a to e, or Section 4 of the same Clause, among Non-Accrual Loans (excluding loans written-off, and hereinafter referred to as "Non-Accrual Loans") for which there is no prospects for recovery or repayment of principals or interest payment for which payment of principals or interest has not been received for a substantial period of time or for other reasons. On the other hand, other delinquent loans on which interest is not being accrued are those Non-Accrual Loans other than loans to borrowers in bankruptcy proceedings and other than loans for which interest payment have been rescheduled with the objective of assisting these borrowers in management restructuring.

Loans on which the principal and/or interest are past due more than three months, excluding loans to borrowers in bankruptcy and other delinquent loans at March 31, 2006 and 2005, are ¥1,027 million (US\$8,742 thousand) and ¥214 million, respectively.

Loans in a "Relaxation of Repayment Conditions" status amounted to ¥15,714 million (US\$133,773 thousand) and ¥9,281 million, respectively, at the same date. Loans in a "Relaxation of Repayment Conditions" status are those loans for which the Bank has adjusted the terms in favor of borrowers, such as reduction of interest rates, rescheduling of interest and principal payment, or waiving, to assist borrowers that are restructuring. These loans exclude loans to borrowers in bankruptcy, other delinquent loans, and loans past due more than three months. The comparative figure for total loans in a "Relaxation of Repayment Conditions" status has been restated to conform to the presentation of the current year.

For loan participation, the fiscal year-end balance of the principal of loans and bills discounted booked as sold to participating entities in accordance with JICPA Accounting System Committee Report No. 3 issued June 1, 1995 totaled ¥1,592 million (US\$13,555 thousand).

4. Foreign Exchange

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Foreign Bills of Exchange Bought	¥ 79	¥ 64	\$ 676
Foreign Bills of Exchange Receivable	86	52	733
Due from Foreign Banks	499	474	4,249
Total	¥664	¥591	\$5,659

5. Other Assets

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Domestic Exchange Settlement Account, Debit	¥ 479	¥ 386	\$ 4,081
Investment in the Shinkin Central Bank	3,481	2,487	29,638
Prepaid Expenses	8	—	69
Accrued Income	3,330	2,608	28,353
Derivative Financial Instruments	6	7	56
Others	741	380	6,311
Total	¥8,047	¥5,871	\$68,511

6. Premises and Equipment

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Furniture and Equipment	¥ 5,994	¥ 3,432	\$ 51,025
Real Estate	30,480	19,755	259,474
Construction in Progress	69	1,121	594
Surety Deposits and Intangibles	2,905	1,837	24,734
Total	¥39,449	¥26,145	\$335,830
Accumulated Depreciation	¥16,580	¥12,542	\$141,148

7. Deposits

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Current Deposits	¥ 45,338	¥ 31,579	\$ 385,961
Ordinary Deposits	726,738	480,718	6,186,585
Savings Deposits	14,763	11,853	125,677
Deposits at Notice	610	639	5,196
Time Deposits	1,016,706	750,163	8,655,033
Installment Savings	154,172	134,843	1,312,442
Other Deposits	42,328	51,983	360,335
Total	¥2,000,658	¥1,461,782	\$17,031,231

8. Other Liabilities

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Domestic Exchange Settlement Account, Credit	¥ 557	¥ 420	\$ 4,748
Accrued Expenses	700	550	5,961
Reserve for Replenishing Benefits	392	587	3,343
Income Taxes Payable	41	97	349
Unearned Income	379	306	3,231
Unsettled Equity Refunds	114	60	974
Deposits from Employees	685	723	5,833
Derivative Financial Instruments	8	11	72
Others	1,348	950	11,478
Total	¥4,227	¥3,707	\$35,992

9. 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" is shown under assets, representing the Bank's right of indemnity from the applicants.

10. Pledged Assets

At March 31, 2006, securities aggregating ¥1,676 million (US\$14,273 thousand) and cash aggregating ¥3 million (US\$27 thousand) were pledged as collateral against special deposits in the amount of ¥1,679 million (US\$14,300 thousand). Time deposits aggregating ¥30,000 million (US\$255,384 thousand), securities aggregating ¥11,015 million (US\$93,773 thousand), and cash aggregating ¥6 million (US\$52 thousand) were pledged as collateral for exchange settlement transactions, or in lieu of futures trading margin money.

11. Shares Capital and Capital Surplus

The Bank issued ¥50 par value common shares with a minimum investment of ¥10,000 per member. The amount of common shares was ¥19,132 million (US\$162,874 thousand) as of March 31, 2006 and ¥13,690 million as of March 31, 2005.

Preferred shares which the Bank issued from the current fiscal year are included in share capital, and the value of preferred shares was ¥5,350 million (US\$45,543 thousand) as of March 31, 2006.

Capital surplus is the portion which was not issued as share capital of the issued value of preferred shares.

12. Retained Earnings

The Shinkin Bank Law requires that an amount equal to at least 10 percent of each year's unappropriated profit shall be appropriated as a legal reserve in the retained earnings until such reserve equals 100 percent of the Bank's stated capital.

This reserve is not available for dividends or capitalization. It may be used to only reduce a deficit, by resolution of the members.

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Legal Reserve	¥14,650	¥13,622	\$124,714
Voluntary Reserve	30,000	28,000	255,384
Unappropriated Profits	10,396	5,713	88,504
Total	¥55,046	¥47,335	\$468,603

13. Loan Commitments

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, up to a prescribed amount, as long as there is no violation of any condition prescribed in the contracts. The amount of unused commitments was ¥49,362 million (US\$420,211 thousand), and the amount of unused commitments whose original contract terms are within one year was ¥39,901 million (US\$339,674 thousand) as of March 31, 2006.

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent an actual future cash flow requirement. Many of these commitments have clauses that the Bank can reject an application from customers or reduce the contract amounts if and when economic conditions change, the Bank needs to secure claims, or other events occur. In addition, the Bank requests the customers to pledge collateral such as premises and securities at the conclusion of the contracts, and takes necessary measures such as verifying customers' financial positions, revising contracts when the need arises, and securing claims after the conclusion of the contracts.

14. Market Value of Marketable Securities

a. Securities

The market values of marketable securities as of March 31, 2006 and 2005, were as follows:

In addition to securities in the non-consolidated balance sheets, trading account securities, and loaned claims in trust within monetary claims purchased are included in the following amounts:

1) Securities classified as trading

March 31, 2006	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	¥241	¥(2)

March 31, 2005	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	¥298	¥0

March 31, 2006	Thousands of U.S. dollars	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	\$2,053	\$(23)

2) Bonds classified as held-to-maturity with market value

March 31, 2006	Millions of yen				
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
National Government					
Bonds	¥ 3,330	¥ 3,243	¥ (87)	¥ 9	¥ 97
Local Government Bonds	2,728	2,620	(108)	0	108
Corporate Bonds	42,162	41,937	(224)	77	302
Other Securities	61,517	58,522	(2,995)	74	3,069
Total	¥109,738	¥106,322	¥(3,415)	¥161	¥3,577

Note: Market value is calculated by using market prices at fiscal year-end.

March 31, 2005	Millions of yen				
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
National Government					
Bonds	¥ —	¥ —	¥ —	¥ —	¥ —
Local Government Bonds	2,698	2,674	(23)	19	42
Corporate Bonds	46,264	46,581	317	332	15
Other Securities	48,089	47,724	(364)	131	496
Total	¥97,052	¥96,981	¥ (71)	¥483	¥554

Note: Market value is calculated by using market prices at fiscal year-end.

March 31, 2006	Thousands of U.S. dollars				
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
National Government					
Bonds	\$ 28,355	\$ 27,608	\$(747)	\$ 80	\$ 827
Local Government Bonds	23,224	22,305	(919)	6	925
Corporate Bonds	358,918	357,004	(1,914)	659	2,574
Other Securities	523,685	498,186	(25,498)	632	26,130
Total	\$934,184	\$905,105	\$(29,079)	\$1,379	\$30,458

Note: Market value is calculated by using market prices at fiscal year-end.

3) Other securities with market value

March 31, 2006	Millions of yen				
	Acquisition cost	Non-consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 11,787	¥ 17,708	¥5,921	¥6,055	¥ 134
Bonds	315,211	309,574	(5,535)	309	5,845
National Government					
Bonds	76,519	74,470	(1,948)	6	1,955
Local Government					
Bonds	55,071	54,016	(1,054)	58	1,113
Corporate Bonds	183,619	181,087	(2,532)	243	2,776
Other	41,132	42,284	1,051	1,857	806
Total	¥368,131	¥369,567	¥1,437	¥8,222	¥6,785

Note: A total of ¥987 million (US\$8,402 thousand) is presented as Unrealized Gains on Securities in the Members' Equity section of the non-consolidated balance sheet as at March 31, 2006. This is comprised of the net unrealized gains of ¥1,437 million (US\$12,232 thousand) in the foregoing table, deferred tax liabilities of ¥449 million (US\$3,830 thousand).

March 31, 2005	Millions of yen				
	Acquisition cost	Non-consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 8,934	¥ 9,972	¥1,037	¥1,638	¥ 601
Bonds	177,164	179,965	2,800	2,807	6
National Government					
Bonds	37,144	37,715	570	571	0
Local Government					
Bonds	32,108	32,666	557	558	0
Corporate Bonds	107,911	109,583	1,672	1,677	5
Other	30,078	29,999	(78)	368	447
Total	¥216,177	¥219,936	¥3,759	¥4,814	¥1,054

Note: A total of ¥2,582 million is presented as Unrealized Gains on Securities in the Members' Equity section of the non-consolidated balance sheet as at March 31, 2005. This is comprised of the net unrealized gains of ¥3,759 million in the foregoing table, deferred tax liabilities of ¥1,177 million.

March 31, 2006	Thousands of U.S. dollars				
	Acquisition cost	Non-consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	\$ 100,342	\$ 150,747	\$ 50,405	\$51,546	\$ 1,141
Bonds	2,683,332	2,635,346	(47,123)	2,636	49,759
National Government					
Bonds	651,397	633,949	(16,584)	58	16,643
Local Government					
Bonds	468,815	459,834	(8,980)	500	9,481
Corporate Bonds	1,563,120	1,541,562	(21,558)	2,076	23,634
Other	350,157	359,960	8,950	15,815	8,664
Total	\$3,133,832	\$3,146,054	\$ 12,232	\$69,998	\$57,765

Note: Market value is calculated by using market prices at fiscal year-end.

4) Bonds sold during fiscal years ended March 31, 2006 and 2005 that are classified as held-to-maturity

There are no corresponding items.

5) Other securities sold during fiscal years ended March 31, 2006 and 2005

March 31, 2006	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
Other Securities	¥115,548	¥2,069	¥1,760

March 31, 2005	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
Other Securities	¥ 90,385	¥1,110	¥1,177

March 31, 2006	Thousands of U.S. dollars		
	Sales amount	Gains on sale	Losses on sale
Other Securities	\$983,640	\$17,621	\$14,985

6) Securities with no available market value

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
	Non-consolidated balance sheet amount		Non-consolidated balance sheet amount
Bonds Classified as Held-to-Maturity:			
Nonlisted Corporate Bonds	¥ 900	¥ 750	\$ 7,661
Investments in Subsidiaries and Affiliates:			
Investments in Non-Consolidated Subsidiaries	1,653	1,648	14,072
Other securities:			
Nonlisted Corporate Bonds	99	—	850
Nonlisted Stocks (except OTC Stocks)	295	470	2,512

7) Redemption schedule on other securities with maturities and bonds classified as held-to-maturity

March 31, 2006	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥34,053	¥202,171	¥ 97,591	¥24,989
National Government Bonds	0	34,194	24,677	18,939
Local Government Bonds	2,102	23,339	31,303	—
Corporate Bonds	31,951	144,637	41,611	6,050
Other	3,804	28,539	39,859	20,332
Total	¥37,858	¥230,711	¥137,451	¥45,321

March 31, 2005	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥22,385	¥127,998	¥ 73,766	¥ 5,527
National Government Bonds	24	15,552	18,127	4,011
Local Government Bonds	2,059	9,945	23,359	—
Corporate Bonds	20,301	102,500	32,279	1,516
Other	5,191	22,913	33,282	12,178
Total	¥27,576	¥150,911	¥107,048	¥17,706

March 31, 2006	Thousands of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	\$289,894	\$1,721,051	\$ 830,778	\$212,733
National Government Bonds	4	291,092	210,073	161,228
Local Government Bonds	17,896	198,686	266,476	—
Corporate Bonds	271,994	1,231,272	354,227	51,505
Other	32,384	242,950	339,318	173,083
Total	\$322,279	\$1,964,001	\$1,170,096	\$385,817

b. Money held in trust

1) Money held in trust classified as trading

March 31, 2006	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/(loss)
Money Held in Trust Classified as Trading	¥12,986	¥(0)

March 31, 2005	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/(loss)
Money Held in Trust Classified as Trading	¥ 7,953	¥(0)

March 31, 2006	Thousands of U.S. dollars	
	Non-consolidated balance sheet amount	Gains included in profit/(loss)
Money Held in Trust Classified as Trading	\$110,552	\$(1)

2) Held-to-Maturity Money held in trust

March 31, 2006	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Gains included in profit/(loss)
Held-to-Maturity Money Held in Trust	¥1,000	¥1,000	—

March 31, 2005	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Gains included in profit/(loss)
Held-to-Maturity Money Held in Trust	¥1,000	¥1,000	—

March 31, 2006	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Gains included in profit/(loss)
Held-to-Maturity Money Held in Trust	\$8,512	\$8,512	—

15. Land Revaluation

In accordance with the Land Revaluation Law, promulgated on March 31, 1998, the Bank's business-use real estate was revalued. Of the taxes corresponding to the difference between the previous valuation and the revalued sum, 31.31 percent was posted in the liabilities section of these balance sheets as deferred tax liabilities for land revaluation. The remainder is posted under members' equity as land revaluation excess.

Date of the revaluation

The former Tama Chuo Shinkin Bank: March 31, 1999

The former Taihei Shinkin Bank: March 31, 1998

The former Hachioji Shinkin Bank: March 31, 1998

The methods of real estate revaluation stipulated in Land Revaluation Law, Article 3, Section 3 were reasonably adjusted as follows. Namely, land revaluation was adjusted in accordance with valuation by road rating stipulated in Article 2, Section 4 of the Implementation Ordinance for the Land Revaluation Law (Government Ordinance No. 119 March 31, 1998) and for the land of which road rating price is not determined were adjusted based on the appraised value for the property tax stipulated in Article 2, Section 3 of the Law. Additionally, road rating price in relation to its depth and other factors was adjusted in accordance with the standard determined by the Primary Regulation Notice regarding the Land Price Valuation issued by National Tax Administration Agency, and for appraised value for property tax were adjusted by multiplying multiplier in valuation tables.

The excess of book value over current value was ¥8,296 million (US\$70,625 thousand) as of March 31, 2006 and ¥4,272 million as of March 31, 2005.

16. Net Income per Share

Net income per share for the years ended March 31, 2006 and 2005 was as follows:

Net Income per Share	Yen		U.S. dollars
	2006	2005	2006
	¥21.51	¥196.55	\$0.183

17. Subsequent Event

The following appropriation of retained earnings applicable to the year ended March 31, 2006, was approved at the members' meeting held on June 20, 2006.

Retained Earnings at End of the Year	Thousands of U.S. dollars	
	Millions of yen	U.S. dollars
Retained Earnings at End of the Year	¥10,396	\$88,504
Appropriations:		
Legal Reserve	3,000	25,538
Dividends		
Common Shares (4.0% per year)	763	6,501
Preferred Shares (5.8% per year)	43	370
Preferred Shares (4.0% per year)	20	170
Preferred Shares (4.4% per year)	45	387
Voluntary Reserve	5,000	42,564
Retained Earnings Carried Forward	¥ 1,523	\$12,972

Report of Independent Certified Public Accountants

The Board of Directors The Tama Shinkin Bank

We have audited the non-consolidated balance sheets of The Tama Shinkin Bank as of March 31, 2006 and 2005, and the related non-consolidated statements of income and retained earnings for the years then ended, all expressed in Japanese yen.

These financial statements are the responsibility of The Tama Shinkin Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 financial statements referred to above present fairly, in all material respects, the financial position of The Tama Shinkin Bank at March 31, 2006 and 2005, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan.

The United States dollar amounts in the accompanying financial statements with respect to the year ended March 31, 2006 are presented solely for the convenience of readers outside Japan. Our examination also included the translation of Japanese yen amounts into United States dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 (a) to the financial statements.

Grant Thornton Taigō ASG

Tokyo, Japan

May 15, 2006 except for Note 17, as to which date is June 20, 2006

Supplemental Consolidated Financial Information

The Tama Shinkin Bank and Subsidiaries

Years ended March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
For the Fiscal Year:			
Total Income	¥ 44,692	¥ 41,205	\$ 380,458
Total Expenses	38,890	32,702	331,065
Income Before Income Taxes and Others	5,802	8,502	49,393
Net Income	6,719	5,506	57,201
At Year-End:			
Deposits	¥1,998,401	¥1,459,446	\$17,012,013
Loans and Bills Discounted	1,147,798	873,116	9,770,991
Securities	481,188	318,604	4,096,262
Total Assets	2,160,474	1,579,733	18,391,708
Total Members' Equity	84,805	66,491	721,930
		Yen	U.S. dollars
Per Share Data (par value ¥50):			
Net Income	¥ 22.23	¥ 200.77	\$ 0.189
Members' Equity	206.08	2,436.84	1.754

Notes: 1. This Bank consolidated three subsidiaries for the years ended March 31, 2006 and 2005.

2. U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2006 of ¥117.47=US\$1.

Board of Directors and Auditors

As of June 20, 2006



Chairman
Tadamasu Sugaya



President
Koji Sato



Vice President
Hiroaki Suzuki



Senior Managing Director
Tadahiro Okanda



Managing Director
Osamu Ogasawara



Managing Director
Yukihide Yamamura



Managing Director
Itsuo Furuse



Managing Director
Ichiro Uchida



Director
Katsuyoshi Date



Director
Tsuneo Inuma



Director
Masakazu Kamioka



Director
Toshifumi Mitsui



Director
Akio Ono



Director
Noboru Yokota



Director
Yasunori Ikemoto



Director
Keiichi Ishigaki



Director
Toshiro Yagi



Director
Kenichi Okubo



Director
Ryuzo Morita



Director
Hisao Inoue



Standing Auditor
Fumio Yamaguchi

Directory



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