The Tama Shinkin Bank

Annual Report 2008

Year Ended March 31, 2008

NON-CONSOLIDATED FINANCIAL HIGHLIGHTS

The Tama Shinkin Bank
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
For the Fiscal Year:			
Total Income	¥ 51,055	¥ 49,101	$ 509,736
Total Expenses	44,989	42,808	449,173
Income before Income Taxes	6,065	6,293	60,562
Net Income	4,188	4,362	41,819
Business Profit	11,755	11,037	117,370
At Year-End:			
Deposits	¥2,068,521	¥2,031,428	$20,652,173
Loans and Bills Discounted	1,143,072	1,168,060	11,412,468
Securities	573,402	549,434	5,724,864
Total Assets	2,215,759	2,184,399	22,122,194
Total Net Assets	87,828	88,327	876,881

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 ¥100.16 to U.S.$1, the rate prevailing on March 31, 2008.
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. At March 31, 2008, the Bank had total assets of ¥2,215.7 billion, net assets of ¥87.8 billion, and 1,764 employees. Also at that date, Tamashin had a service network of 74 branches, 4 branch offices, and 52 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.

LETTER FROM THE PRESIDENT

The fiscal year ended March 31, 2008 was a difficult one for the corporate community and consumers alike. In the second half, slumping markets and rising prices resulting from high crude-oil costs made it difficult to forecast the course of the Japanese economy. The Tama region, which is our primary area of operations, also felt the effects of this economic environment, and the gap between businesses doing well and those suffering widened. The Tama Shinkin Bank sought to energize the entire Tama region during this fiscal year, taking a number of measures and pursuing various possibilities.

In this business environment, the fiscal year-end balance of deposits rose ¥37.0 billion, or 1.8%, to ¥2,068.5 billion, compared to the end of the previous year. The fiscal year-end balance of loans and bills discounted decreased ¥24.9 billion, or 2.1%, to ¥1,143.0 billion.

General and administrative expenses rose ¥0.9 billion in comparison to the previous fiscal year, but revenue from fund operations improved by ¥0.5 billion. Transfers to the general reserve for possible loan losses were ¥0.8 billion less than in the previous fiscal year. Business profit increased by ¥0.7 billion, or 6.5%, to ¥11.7 billion mainly due to the aforementioned factors. In the Bank's ongoing efforts to improve the quality of loan assets, a ¥0.7 billion write-off of loans and a ¥5.1 billion transfer to the specific reserve were posted. As a result, income before income taxes contracted ¥0.2 billion, or 3.6%, to ¥6.0 billion, and net income declined ¥0.1 billion, or 3.9%, to ¥4.1 billion.

The Bank's non-performing loan ratio rose 0.07 percentage points to 8.10%, and, as a result of the allocation of net income to internal reserves, the capital adequacy ratio increased 0.27 percentage points to 8.54%.

Quick to understand the concerns and issues that face the regional businesses and residents that are its primary customers, the Bank pursues a business model that enables it to contribute to the resolution of these issues by offering added value even in fields other than finance.

New operational activities in this past fiscal year included the establishment of Smile Plaza Tachikawa in the Lumine Tachikawa shopping center in Tachikawa Station. This is the third of our Tamashin Smile Plazas, which are specialty facilities that respond to the needs of our customers for consulting on asset building and the best use of their funds. At the same time, we changed some of the operating days and hours of the Smile Plazas. They are now open daily, including Saturdays and Sundays (but excluding some holidays and days on which the buildings in which we are located are closed). This will increase convenience for customers and save them time. Through these three Smile Plazas, Tamashin is the first of eastern Japan's *shinkin* banks to offer pure protection insurance products (whole life insurance, term life insurance, cancer insurance, medical insurance, etc.). As with other assets under management, we fully verify handling conditions and the internal control structure of these pure protection insurance products, and we plan to meet more customers' needs by expanding the number of Smile Plazas and products. In addition, we have established Smile Counter consulting booths in the lobbies of our Main Branch and four other branches, increasing the number of customer contact points where our staff of specialists offers outstanding consulting services.

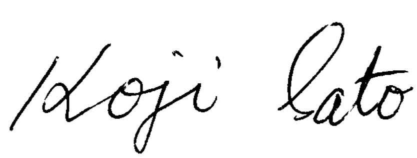
In September 2007, Tamashin became the first of Japan's financial institutions to forge an industry and academia partnership agreement with the Tokyo National College of Technology under the Institute of National Colleges of Technology, Japan. Through bilateral cooperation with the college, Tamashin is pursuing solutions for the issues facing small and medium-sized businesses, and working to promote the development of the region. The Bank refers regional businesses to the college for evaluations of technology or products, or for help with developing practical applications, and the professors and students put their knowledge and expertise to work to find solutions.

Next fiscal year will be the last year of the medium-term management plan that was implemented in the fiscal year ended March 31, 2007, and the year in which we will see the true value of that plan. The term of the plan happens to coincide with what is being called Japan's longest postwar economic expansion, however, the ramifications of the present circumstances are increasingly unclear. In this operating environment, and as a regional financial institution, Tamashin is working to quickly understand the needs of the majority of its customers, share their burdens, and help resolve the problems they face. Pursuing a growth strategy that primarily emphasizes increasing the prosperity and improving the quality of life of the Tama region, the Bank has adopted a priority action plan calling for it to thoroughly address the pressing issues faced by customers, in an effort to make new contributions to the region and deepen its relationships of trust with all customers.

Specifically, the Bank is working to enhance its abilities to resolve issues that face customers by improving employees' skills and strengthening its organization. Together with this, Tamashin will employ its internal and external support network to improve transaction conditions and the quality of its services, while all Bank officers and employees do everything they can to realize Tamashin's management philosophy of "creating happiness for our customers."

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

June 2008



Koji Sato
President

FINANCIAL REVIEW

Looking back on domestic business conditions in each sector during the fiscal year ended March 31, 2008, the corporate sector benefited from a mild expansion in the beginning of the fiscal year, which showed strong fundamentals. However, in the second half the sub-prime loan problem in the U.S. gave rise to fears of a slowdown in the global economy, while the soaring prices of crude oil and other materials also put downward pressure on earnings.

Strong corporate performance briefly lifted the average stock price to the ¥18,000 level. However, it began to fall in the summer of 2007 as the sub-prime loan problem grew worse, and by March 31, 2008 the average stock price had dropped 27.5% to the mid ¥12,000 level. Deflation in the Japanese economy was severe, on a par with the fiscal year ended March 31, 2003 (27.7%).

In the consumer sector, the employment environment began to sag despite efforts to improve it, as large numbers of baby-boomers reached retirement age. In addition, the prices of petroleum products, food, and other necessities rose, while the expiration of cuts in income tax rates imposed a heavier burden. Under these conditions, a decline in consumer confidence was seen.

Sources and Application of Funds

While managing interest-rate risks, credit risks, and other associated risks, Tamashin is building a diversified investment portfolio consisting primarily of Japanese bonds, Japanese securities, and foreign securities. The sound application of funds is a top priority. The Bank has made no investments in securities that are connected with sub-prime loans, nor does it hold any such investments.

The average balance of deposits during the fiscal year grew 2.3%, to ¥2,064,129 million, and the balance of deposits at the end of the fiscal year was up 1.8% to ¥2,068,521 million. This reflects growth in time deposits, due to the rising need for time and savings deposits that resulted from changing market conditions. The average balance of loans and bills discounted was virtually unchanged from the previous fiscal year at ¥1,151,544 million, and the balance of loans and bills discounted at the end of the fiscal year totaled ¥1,143,072 million, down 2.1%. Both commercial financing and consumer financing contracted, making the Bank acutely aware of the insufficiency of the solutions it offers for customers' issues. To respond, the Bank will enhance its capabilities to tackle a variety of tasks—from helping resolve urgent issues arising from recent changes in the economic environment to supporting customers from a medium to long-term standpoint.

Cash and due from banks increased 15.4% to ¥428,326 million, and monetary claims purchased were down 99.1% to ¥181 million. Money held in trust fell 9.5% to ¥14,474 million, but securities holdings were up 4.4%, to ¥573,402 million. Foreign exchange dropped 27.5% to ¥555 million. Other assets were up 6.9% to ¥11,218 million. Tangible fixed assets edged down 2.3% to ¥34,556 million, while intangible fixed assets jumped 67.8% to ¥2,228 million. Deferred tax assets declined 5.6% to ¥9,465 million. Customers' liabilities for acceptances and guarantees continued on their downward path, falling a further 13.4% to ¥21,290 million. The reserve for possible loan losses, shown as a deduction from total assets, was increased by 4.7% to ¥23,115 million. As a result of all the foregoing, total assets increased again this fiscal year, rising 1.4% to ¥2,215,759 million.

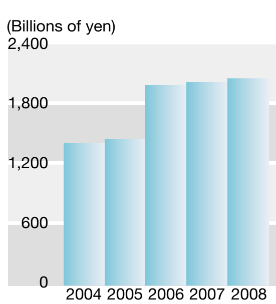
Operating Results

Interest income climbed 8.1% to ¥44,278 million, while fees and commissions declined 4.7% to ¥3,832 million. Other operating income plunged 43.4% to ¥358 million, primarily as a result of another major drop in gains on sales of bonds. Gains on redemption of bonds also declined dramatically. Other income fell 25.9% to ¥2,585 million, primarily as a result of a falloff in gains on sales of stocks and other securities. As a result of the foregoing, total income edged up 4.0% to ¥51,055 million.

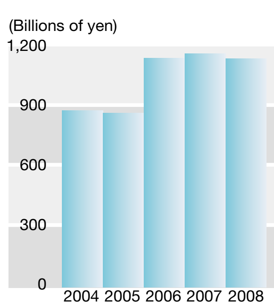
Interest expenses soared 92.7% to ¥5,712 million. However, fees and commissions were brought down 8.1% to ¥1,907 million, and other operating expenses were slashed 37.7% to ¥863 million, chiefly as a result of a cut in losses in sales of bonds in excess of 50%. General and administrative expenses were held to a 3.1% increase, to ¥28,452 million. Other expenses reversed their two-year rising trend and declined 8.3% to ¥8,053 million. Total expenses, therefore, increased 5.1% to ¥44,989 million.

Income before income taxes contracted by 3.6% to ¥6,065 million. In addition, ¥704 million in loans were written off in the Bank's continuing effort to improve the quality of loan assets, and a further ¥5.1 billion was transferred to the specific reserve. Current income taxes were ¥41 million, and deferred income taxes were ¥1,835 million. The Bank posted net income of ¥4,188 million, holding the decline in net income to 3.9%, a significant improvement over last year's 33.2% drop.

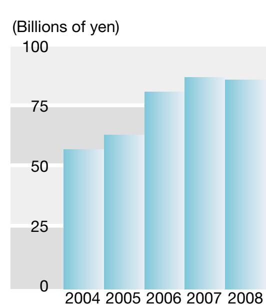
Deposits



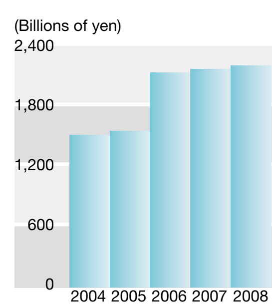
Loans and Bills Discounted



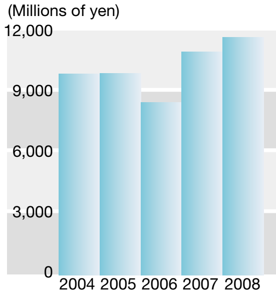
Total Net Assets



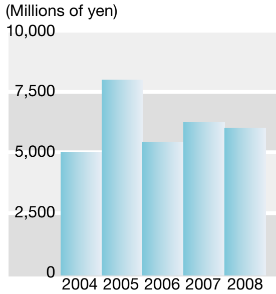
Total Assets



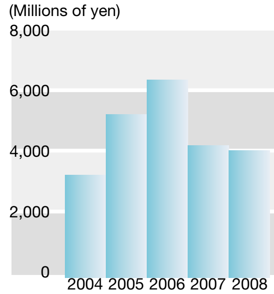
Business Profit



Income Before Income Taxes



Net Income



Retained Earnings

After an 82.0% jump last fiscal year, retained earnings at the beginning of the year dropped 39.8% to ¥6,259 million. Transfers from land revaluation excess fell 56.5% to ¥162 million, and transfers to legal reserves were cut 66.7% to ¥1,000 million. Dividends were increased 15.3% to ¥1,006 million, and transfers to voluntary reserves were reduced from last fiscal year's ¥5,000 million to ¥3,500 million. No bonuses were paid to directors or statutory auditors. The balance at the end of the year was ¥5,104 million, down 18.5% from ¥6,259 million at the end of the previous fiscal year.

A members' meeting held on June 20, 2008 approved a further transfer to the legal reserves of ¥420 million, additional dividend payments of ¥1,001 million, and a further transfer of ¥3,000 million to voluntary reserves. After these appropriations, retained earnings carried forward totaled ¥682 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.

The Bank's capital adequacy ratio at the end of the fiscal year ended March 31, 2008 rose 0.27 percentage points to 8.54%, primarily as a result of a ¥2.4 billion increase in members' equity accruing from the allocation of net income to retained earnings. As a regional financial institution, the Bank will continue to put its contribution to its regional customers above all else, while striving to achieve a sounder and more efficient management.

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'etre* 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.

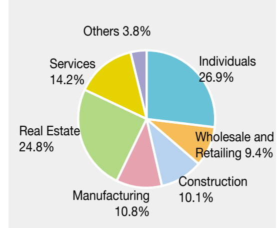
Tamashin's non-performing loans, reported in accordance with the Financial Reconstruction Law's disclosure standards, decreased by ¥1.4 billion, from last year's ¥96.0 billion to ¥94.5 billion. However, the total balance of claims, including normal assets, declined from ¥1,194.3 billion to ¥1,166.3 billion. As a result, the non-performing loan ratio rose 0.1 percentage points despite the decline in total non-performing loans. Therefore, although the non-performing loan ratio rose in comparison with the previous fiscal year, this comparison is meaningless. The non-performing loan ratio was 8.1%, and this figure should be considered in isolation.

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.

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 ¥94,554 million, and approximately 80.77% of this figure is secured by collateral, guarantees, or the reserves for possible loan losses. Tamashin is able to cover the remaining ¥18,180 million, or about 19%, with its ¥87,828 million in capital (total net assets). Thus, in the unlikely event that all non-performing loans are irrecoverable, it would not have a critical impact on Tamashin's financial health.

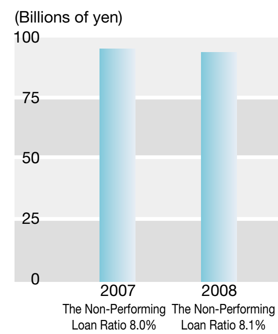
Loans by Category of Borrower (%)

As of March 31, 2008



¥1,143,072 million
(100.00%)

Problem Assets under the Financial Reconstruction Law Standard

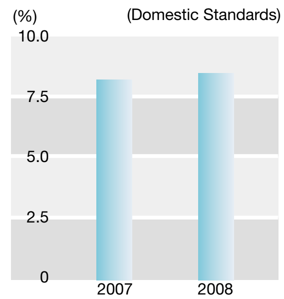


Further, loans defined as risk-monitored under the Shinkin Bank Disclosure Standards decreased by 1.5% in the current fiscal year to ¥93,359 million. This figure is comprised of ¥4,067 million in loans to borrowers in bankruptcy, ¥72,096 million in other delinquent loans on which interest is not being accrued, ¥749 million in loans on which principal and/or interest is more than three months past due, and ¥16,447 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 83.96% for other delinquent loans on which interest is not being accrued, 100% for loans on which principal and/or interest is more than three months past due, and 61.70% for loans in a "Relaxation of Repayment Conditions" status. Of total risk-monitored loans, 80.88% 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.

Capital Adequacy Ratio



The New BIS Regulations (Basel II)

Beginning with the fiscal year ended March 31, 2007, the capital adequacy ratio is calculated in accordance with the new BIS regulations (Basel II).

Under the new BIS regulations (Basel II), when calculating the capital adequacy ratio, the denominator includes total credit risk assets as before, but now the amount obtained by dividing operational risk equivalent assets by 8% is also added.

Operational risk is the risk of loss resulting from system fault, administrative error, or similar cause. There are three methods for calculating operational risk equivalent assets: (1) the basic indicator approach; (2) the standardized approach; and (3) the advanced measurement approach, but the Bank will use the basic indicator approach, where operational risk equivalent assets are equal to the average of 15% of annual gross profit for the most recent three years.

There are also three methods for calculating credit risk under the new BIS regulations (Basel II): (1) the standardized approach (2) the foundation internal rating-based approach (3) advanced internal ratings-based approach. From these the Bank selected the standardized approach.

CAPITAL ADEQUACY RATIO (CALCULATED BY DOMESTIC STANDARDS)

Years ended March 31, 2008 and 2007

	Millions of yen	
	2008	2007
Tier I Capital	¥ 85,721	¥ 83,079
Tier II Capital	9,151	9,306
Total Capital	¥ 94,873	¥ 92,385
Risk Assets		
On-Balance-Sheet Assets	¥1,016,197	¥1,020,080
Off-Balance-Sheet Assets	19,218	22,253
Amount Obtained by Dividing Operational Risk Equivalent by 8%	74,688	74,775
Capital Adequacy Ratio	8.54%	8.27%

Note: Beginning with the fiscal year ended March 31, 2007, the capital adequacy ratio is calculated in accordance with the standard for judging the suitability of the capital adequacy of shinkin banks in light of their asset holdings (Financial Services Agency Notification No. 21 of 2006), which is based on Article 89-1 of the Shinkin Bank Law applied mutatis mutandis to the provisions of Article 14-2 of the Banking Law.

PROBLEM ASSETS UNDER THE FINANCIAL RECONSTRUCTION LAW STANDARD

Years ended March 31, 2008 and 2007

	Millions of yen	
	2008	2007
Bankrupt and Quasi-Bankrupt Assets	¥ 23,065	¥ 20,189
Doubtful Assets	54,291	58,582
Substandard Loans	17,196	17,251
Normal Assets	1,071,828	1,098,323
Total	¥1,166,382	¥1,194,347

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, 2008 and 2007

	Millions of yen	
	2008	2007
Total outstanding loans to borrowers in bankruptcy	¥ 4,067	¥ 2,928
Total other delinquent loans on which interest is not being accrued	72,096	74,627
Total loans on which principal and/or interest is past due more than three months	749	764
Total loans in a "Relaxation of Repayment Conditions" status	16,447	16,486
Total	¥93,359	¥94,806

FIVE-YEAR SUMMARY (NON-CONSOLIDATED BASIS)

The Tama Shinkin Bank

Years ended March 31, 2008, 2007, 2006, 2005 and 2004

	Millions of yen					Thousands of U.S. dollars
	2008	2007	2006	2005	2004	2008
For the years ended March 31						
Total Income	¥ 51,055	¥ 49,101	¥ 38,728	¥ 35,345	¥ 35,105	$ 509,736
Interest on Loans and Bills Discounted	33,056	30,931	24,826	23,896	24,017	330,032
Interest and Dividends on Securities	7,689	7,056	5,455	4,605	3,859	76,773
Total Expenses	44,989	42,808	33,239	27,289	30,035	449,173
Business Profit	11,755	11,037	8,543	9,971	9,948	117,370
Income Before Income Taxes	6,065	6,293	5,488	8,056	5,070	60,562
Net Income	4,188	4,362	6,526	5,376	3,385	41,819
As of March 31						
Total Assets	¥2,215,759	¥2,184,399	¥2,146,506	¥1,565,560	¥1,521,351	$22,122,194
Securities	573,402	549,434	482,253	319,858	294,129	5,724,864
Loans and Bills Discounted	1,143,072	1,168,060	1,147,294	872,698	885,687	11,412,468
Total Liabilities	2,127,930	2,096,072	2,063,583	1,500,668	1,462,652	21,245,313
Deposits	2,068,521	2,031,428	2,000,658	1,461,782	1,418,325	20,652,173
Total Net Assets	87,828	88,327	82,923	64,891	58,698	876,881
Number of Branches	78	78	77	50	49	
Number of Employees and Officers	1,779	1,789	1,842	1,370	1,424	
Deposits						
Per Branch	¥ 26,519	¥ 26,043	¥ 25,982	¥ 29,235	¥ 28,945	$ 264,771
Per Employee and Officer	1,162	1,135	1,086	1,066	996	11,608
Loans and Bills Discounted						
Per Branch	14,654	14,975	14,899	17,453	18,075	146,313
Per Employee and Officer	642	652	622	637	621	6,415

Notes: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2008 of ¥100.16=US$1.

NON-CONSOLIDATED BALANCE SHEETS

The Tama Shinkin Bank
As of March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
ASSETS			
Cash and Due from Banks (Note 10)	¥ 428,326	¥ 371,141	$ 4,276,424
Monetary Claims Purchased (Note 14)	181	19,089	1,814
Money Held in Trust (Note 14)	14,474	15,993	144,509
Trading Account Securities (Note 14)	102	195	1,021
Securities (Notes 2, 10 and 14)	573,402	549,434	5,724,864
Loans and Bills Discounted (Notes 3 and 13)	1,143,072	1,168,060	11,412,468
Foreign Exchange (Note 4)	555	765	5,543
Other Assets (Notes 5 and 10)	11,218	10,491	112,005
Tangible Fixed Assets (Notes 6 and 16)	34,556	35,362	345,013
Intangible Fixed Assets (Note 6)	2,228	1,328	22,247
Deferred Tax Assets	9,465	10,029	94,501
Customers' Liabilities for Acceptances and Guarantees (Note 9)	21,290	24,586	212,565
Reserve for Possible Loan Losses	(23,115)	(22,078)	(230,784)
Total Assets	¥2,215,759	¥2,184,399	$22,122,194
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits (Notes 7 and 10)	¥2,068,521	¥2,031,428	$20,652,173
Call Money	23,906	22,210	238,678
Foreign Exchange	40	38	407
Other Liabilities (Note 8)	6,338	9,604	63,279
Reserve for Employee Bonuses	1,079	1,060	10,776
Reserve for Employee Retirement Benefits	2,211	2,690	22,078
Reserve for Executive Retirement Allowances	423	555	4,227
Reserve for Reimbursement of Dormant Deposits	254	—	2,539
Reserve for Contingencies	51	—	514
Deferred Tax Liabilities for Land Revaluation (Note 15)	3,813	3,897	38,072
Acceptances and Guarantees (Note 9)	21,290	24,586	212,565
Total Liabilities	2,127,930	2,096,072	21,245,313
NET ASSETS:			
Members' Equity:			
Share Capital (Note 11)	24,295	24,410	242,568
Capital Surplus (Note 11)	766	766	7,651
Retained Earnings (Note 12)	62,254	58,910	621,553
Disposal of Outstanding Equities	(1)	(0)	(10)
Total Members' Equity	87,315	84,086	871,763
Valuation, Translation Adjustments and Others:			
Unrealized Gains (Losses) on Other Securities (Note 14)	(592)	2,973	(5,916)
Land Revaluation Excess (Note 15)	1,105	1,267	11,034
Total Valuation, Translation Adjustments and Others	512	4,240	5,118
Total Net Assets (Note 17)	87,828	88,327	876,881
Total Liabilities and Net Assets	¥2,215,759	¥2,184,399	$22,122,194

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, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Income:			
Interest on:			
Loans and Bills Discounted	¥33,056	¥30,935	$330,032
Securities	7,689	7,056	76,773
Others	3,532	2,965	35,267
Fees and Commissions	3,832	4,021	38,267
Other Operating Income	358	633	3,578
Other Income	2,585	3,489	25,817
Total Income	51,055	49,101	509,736
Expenses:			
Interest on:			
Deposits	5,577	2,814	55,683
Borrowings and Rediscounts	132	144	1,320
Others	3	4	32
Fees and Commissions	1,907	2,074	19,044
Other Operating Expenses	863	1,386	8,622
General and Administrative Expenses	28,452	27,601	284,066
Other Expenses (Note 16)	8,053	8,780	80,404
Total Expenses	44,989	42,808	449,173
Income before Income Taxes	6,065	6,293	60,562
Income Taxes:			
Current	41	44	417
Deferred	1,835	1,886	18,325
Net Income (Note 17)	4,188	4,362	41,819
Unappropriated Earnings in Retained Earnings:			
Balance at Beginning of the Year	6,259	10,396	62,498
Transfer from Land Revaluation Excess	162	373	1,620
	10,610	15,132	105,938
Appropriations:			
Transfer to Legal Reserve (Note 12)	1,000	3,000	9,984
Dividends			
Common Shares (4.0% per year)	762	763	7,611
Preferred Shares (5.8% per year)	43	43	434
Preferred Shares (4.0% per year)	20	20	199
Preferred Shares (4.4% per year)	180	45	1,801
Transfer to Voluntary Reserves	3,500	5,000	34,944
Total Appropriations	5,506	8,872	54,974
Unappropriated Profits at End of the Year (Note 18)	¥ 5,104	¥ 6,259	$ 50,963

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 ¥100.16 to US$1, the exchange rate prevailing in Tokyo on March 31, 2008.

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. Unrealized gains and losses on other securities are reported on a net-of-tax basis within changes in equity from non-owner sources, which is a component of net assets.

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

Tangible fixed assets are stated at cost less accumulated depreciation. The depreciation of the Bank's tangible fixed assets 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

In accordance with the amendments to corporate tax laws in this fiscal year, tangible fixed assets acquired on or after April 1, 2007 are depreciated based on the depreciation method under the amended corporate tax laws. As a result, income before income taxes decreased by ¥119 million (US$1,188 thousand) as compared with the former method.

As for tangible fixed assets acquired before April 1, 2007, from the fiscal year ended March 31, 2008, their residual values are depreciated over five years using the straight line method after the fiscal year in which the depreciable limit is reached. As a result, income before income taxes decreased by ¥22 million (US$226 thousand) as compared with the former method.

The amortization of the Bank's intangible fixed assets is computed by the straight-line method. Capitalized software for internal use is amortized by the straight-line method based on the Bank's estimate of useful life (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 of 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 ¥19,947 million (US$199,151 thousand) and ¥20,817 million for the fiscal years ended March 31, 2008 and 2007, 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.

5) Reserve for reimbursement of dormant deposits

The reserve for reimbursement of dormant deposits, specifically dormant deposits that are recognized as income, is provided for the possible losses on future claims of withdrawal based on historical reimbursement experience.

Formerly, deposits that were recognized as income were expensed when they were actually reimbursed. However, in accordance with the "Auditing Treatment relating to Reserve defined under the Special Tax Measurement Law, Reserves defined under the Special Law and Reserve for Directors and Corporate Auditor Retirement Benefits" (The Japanese Institute of Certified Public Accountants ("JICPA") Auditing and Assurance Practice Committee report No.42, April 13, 2007) effective from the fiscal year ended March 31, 2008, the Bank has adopted the report from this fiscal year. As a result, income before income taxes decreased by ¥254 million (US$2,539 thousand) as compared with the former method.

6) Reserve for contingencies

The reserve for contingencies is provided for the payment of charges in the future to the Credit Guarantee Corporation under the Responsibility Sharing System, which came into effect on October 1, 2007.

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 financial instruments

The definitions of securities stipulated in "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10) and in "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Accounting Practice Committee Report No. 14) were partially revised on June 15, 2007 and on July 4, 2007, respectively, which is applicable from the fiscal year ending on or after the enforcement date of the Financial Instruments and Exchange Law. The Bank has adopted the revised accounting standards and guidelines commencing with this fiscal year.

2. Securities

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
National Government Bonds	¥ 55,779	¥ 81,885	$ 556,901
Local Government Bonds	77,276	54,569	771,528
Corporate Bonds	310,564	289,020	3,100,682
Stocks	15,251	20,470	152,266
Other Securities	114,531	103,488	1,143,484
Total	¥573,402	¥549,434	$5,724,864

3. Loans and Bills Discounted

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Bills Discounted	¥ 20,527	¥ 25,569	$ 204,951
Loans on Bills	31,496	40,164	314,464
Loans on Deeds	1,069,563	1,078,620	10,678,549
Overdrafts	21,484	23,706	214,502
Total	¥1,143,072	¥1,168,060	$11,412,468

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

At March 31, 2008 and 2007, loans to borrowers in bankruptcy on which unpaid interest is not being accrued amounted to ¥4,067 million (US$40,605 thousand) and ¥2,928 million, respectively. Other delinquent loans on which interest is not being accrued amounted to ¥72,096 million (US$719,809 thousand) and ¥74,627 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, 2008 and 2007, are ¥749 million (US$7,484 thousand) and ¥764 million, respectively.

Loans in a "Relaxation of Repayment Conditions" status amounted to ¥16,447 million (US$164,209 thousand) and ¥16,486 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 ¥1,028 million (US$10,272 thousand).

4. Foreign Exchange

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Foreign Bills of Exchange Bought	¥ 63	¥104	$ 638
Foreign Bills of Exchange Receivable	27	70	270
Due from Foreign Banks	464	590	4,635
Total	¥555	¥765	$5,543

5. Other Assets

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Domestic Exchange Settlement Account, Debit	¥ 450	¥ 526	$ 4,500
Investment in the Shinkin Central Bank	3,481	3,481	34,760
Prepaid Expenses	10	10	107
Accrued Income	5,269	4,610	52,615
Derivative Financial Instruments	28	2	282
Others	1,977	1,860	19,738
Total	¥11,218	¥10,491	$112,005

6. Fixed Assets

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Tangible Fixed Assets:			
Building	¥ 6,914	¥ 7,445	$ 69,035
Land	22,366	21,803	223,302
Construction in Progress	105	539	1,049
Other Tangible Fixed Assets	5,170	5,574	51,624
Total	¥34,556	¥35,362	$345,013
Accumulated Depreciation	¥18,513	¥17,823	$184,838
Intangible Fixed Assets:			
Software	¥ 1,617	¥ 635	$ 16,149
Other Intangible Fixed Assets	610	692	6,097
Total	¥ 2,228	¥ 1,328	$ 22,247

7. Deposits

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Current Deposits	¥ 42,716	¥ 50,299	$ 426,482
Ordinary Deposits	788,670	771,525	7,874,103
Savings Deposits	13,490	13,982	134,686
Deposits at Notice	457	604	4,567
Time Deposits	1,051,509	1,022,667	10,498,302
Installment Savings	137,812	141,182	1,375,922
Other Deposits	33,864	31,165	338,107
Total	¥2,068,521	¥2,031,428	$20,652,173

8. Other Liabilities

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Domestic Exchange Settlement Account, Credit	¥ 578	¥ 652	$ 5,780
Accrued Expenses	2,320	1,328	23,168
Reserve for Replenishing Benefits	312	285	3,117
Income Taxes Payable	45	43	456
Unearned Income	276	323	2,763
Unsettled Equity Refunds	68	48	686
Deposits from Employees	638	674	6,371
Derivative Financial Instruments	24	1	242
Others	2,072	6,248	20,692
Total	¥6,338	¥9,604	$63,279

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, 2008, securities aggregating ¥1,278 million (US$12,767 thousand) and other assets aggregating ¥30 million (US$301 thousand) were pledged as collateral against special deposits in the amount of ¥1,309 million (US$13,069 thousand). Due from banks aggregating ¥30,000 million (US$299,520 thousand), securities aggregating ¥10,519 million (US$105,024 thousand), and other assets aggregating ¥6 million (US$62 thousand) were pledged as collateral for exchange settlement transactions, or in lieu of futures trading margin money.

11. Share 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 ¥18,945 million (US$189,154 thousand) as of March 31, 2008 and ¥19,060 million as of March 31, 2007.

Preferred shares which the Bank issued from the previous fiscal year are included in share capital, and the value of preferred shares was ¥5,350 million (US$53,414 thousand) as of March 31, 2008 and ¥5,350 million as of March 31, 2007.

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
	2008	2007	2008
Legal Reserve	¥18,650	¥17,650	$186,204
Voluntary Reserve	38,500	35,000	384,384
Unappropriated Profits	5,104	6,259	50,963
Total	¥62,254	¥58,910	$621,553

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 ¥44,764 million (US$446,931 thousand), and the amount of unused commitments whose original contract terms are within one year was ¥31,644 million (US$315,944 thousand) as of March 31, 2008.

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, 2008 and 2007, 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

	Millions of yen	
March 31, 2008	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	¥102	¥0

	Millions of yen	
March 31, 2007	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	¥195	¥(0)

	Thousands of U.S. dollars	
March 31, 2008	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	$1,021	$9

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

	Millions of yen				
March 31, 2008	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
National Government Bonds	¥ 3,330	¥ 3,271	¥ (58)	¥ 17	¥ 76
Local Government Bonds	2,402	2,390	(12)	14	26
Corporate Bonds	31,028	31,268	239	313	73
Other Securities	39,907	39,171	(735)	1	737
Total	¥76,668	¥76,101	¥ (567)	¥347	¥ 914

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

	Millions of yen				
March 31, 2007	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
National Government Bonds	¥ 3,330	¥ 3,270	¥ (60)	¥ 7	¥ 67
Local Government Bonds	2,530	2,471	(59)	—	59
Corporate Bonds	30,126	30,070	(55)	180	235
Other Securities	58,225	56,650	(1,574)	37	1,612
Total	¥94,212	¥92,463	¥(1,749)	¥225	¥1,974

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

	Thousands of U.S. dollars				
March 31, 2008	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
National Government Bonds	$ 33,250	$ 32,666	$ (583)	$ 176	$ 760
Local Government Bonds	23,982	23,862	(120)	147	267
Corporate Bonds	309,794	312,184	2,390	3,127	736
Other Securities	398,437	391,089	(7,347)	18	7,366
Total	$765,464	$759,803	$(5,661)	$3,469	$9,130

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

3) Other securities with market value

	Millions of yen				
March 31, 2008	Acquisition cost	Non-consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 13,940	¥ 13,312	¥ (628)	¥1,196	¥1,824
Bonds	405,141	406,258	1,117	2,664	1,547
National Government Bonds	53,113	52,448	(664)	495	1,160
Local Government Bonds	74,177	74,874	696	728	32
Corporate Bonds	277,849	278,935	1,085	1,440	354
Other	75,705	74,623	(1,081)	976	2,058
Total	¥494,787	¥494,194	¥ (592)	¥4,838	¥5,431

Note: Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

	Millions of yen				
March 31, 2007	Acquisition cost	Non-consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 13,585	¥ 18,591	¥5,006	¥5,251	¥ 244
Bonds	391,016	388,688	(2,328)	434	2,762
National Government Bonds	79,638	78,555	(1,082)	70	1,153
Local Government Bonds	52,398	52,038	(360)	58	418
Corporate Bonds	258,979	258,094	(885)	305	1,190
Other	43,613	45,263	1,650	2,051	401
Total	¥448,214	¥452,543	¥4,328	¥7,736	¥3,408

Note: Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

	Thousands of U.S. dollars				
March 31, 2008	Acquisition cost	Non-consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	$ 139,183	$ 132,912	$ (6,270)	$11,948	$18,219
Bonds	4,044,939	4,056,094	11,155	26,605	15,450
National Government Bonds	530,289	523,650	(6,638)	4,949	11,588
Local Government Bonds	740,588	747,545	6,956	7,276	319
Corporate Bonds	2,774,060	2,784,897	10,837	14,379	3,542
Other	755,848	745,047	(10,800)	9,754	20,555
Total	$4,939,971	$4,934,054	$ (5,916)	$48,308	$54,225

Note: Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

4) Bonds sold during the fiscal years ended March 31, 2008 and 2007 that are classified as held-to-maturity

There are no corresponding items.

5) Other securities sold during the fiscal years ended March 31, 2008 and 2007

	Millions of yen		
March 31, 2008	Sales amount	Gains on sales	Losses on sales
Other Securities	¥88,449	¥948	¥1,045

	Millions of yen		
March 31, 2007	Sales amount	Gains on sales	Losses on sales
Other Securities	¥113,479	¥1,526	¥737

	Thousands of U.S. dollars		
March 31, 2008	Sales amount	Gains on sales	Losses on sales
Other Securities	$883,083	$9,471	$10,434

6) Securities with no available market value

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
	Non-consolidated balance sheet amount		Non-consolidated balance sheet amount
Bonds Classified as Held-to-Maturity:			
Nonlisted Corporate Bonds	¥ 600	¥ 800	$ 5,990
Investments in Subsidiaries and Affiliates:			
Investments in Non-Consolidated Subsidiaries	1,653	1,653	16,504
Other securities:			
Nonlisted Stocks (except OTC Stocks)	285	225	2,850

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

	Millions of yen			
March 31, 2008	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥59,466	¥318,020	¥50,362	¥15,769
National Government Bonds	2,267	31,091	14,934	7,485
Local Government Bonds	2,353	57,756	17,165	—
Corporate Bonds	54,845	229,172	18,262	8,284
Other	7,584	34,845	41,534	20,400
Total	¥67,051	¥352,866	¥91,897	¥36,169

	Millions of yen			
March 31, 2007	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥28,521	¥308,852	¥64,935	¥23,166
National Government Bonds	20,977	29,236	15,775	15,897
Local Government Bonds	1,623	32,084	20,861	—
Corporate Bonds	5,920	247,531	28,298	7,269
Other	7,721	25,468	39,811	16,893
Total	¥36,243	¥334,320	¥104,747	¥40,060

	Thousands of U.S. dollars			
March 31, 2008	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	$593,717	$3,175,129	$502,822	$157,442
National Government Bonds	22,637	310,421	149,108	74,733
Local Government Bonds	23,496	576,646	171,384	—
Corporate Bonds	547,583	2,288,060	182,329	82,709
Other	75,722	347,897	414,684	203,675
Total	$669,439	$3,523,026	$917,507	$361,117

b. Money held in trust

1) Money held in trust classified as trading

	Millions of yen	
March 31, 2008	Non-consolidated balance sheet amount	Gains included in profit/(loss)
Money Held in Trust Classified as Trading	¥13,474	¥1

	Millions of yen	
March 31, 2007	Non-consolidated balance sheet amount	Gains included in profit/(loss)
Money Held in Trust Classified as Trading	¥14,993	¥ 0

	Thousands of U.S. dollars	
March 31, 2008	Non-consolidated balance sheet amount	Gains included in profit/(loss)
Money Held in Trust Classified as Trading	$134,525	$11

2) Held-to-Maturity Money held in trust

	Millions of yen		
March 31, 2008	Non-consolidated balance sheet amount	Market value	Gains included in profit/(loss)
Held-to-Maturity Money Held in Trust	¥1,000	¥1,000	¥—

	Millions of yen		
March 31, 2007	Non-consolidated balance sheet amount	Market value	Gains included in profit/(loss)
Held-to-Maturity Money Held in Trust	¥1,000	¥1,000	¥—

	Thousands of U.S. dollars		
March 31, 2008	Non-consolidated balance sheet amount	Market value	Gains included in profit/(loss)
Held-to-Maturity Money Held in Trust	$9,984	$9,984	$—

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 net assets 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 ¥6,393 million (US$63,828 thousand) as of March 31, 2008 and ¥7,747 million as of March 31, 2007.

16. Losses on Impairment of Fixed Assets

The difference between the recoverable amount and the book value of the following assets is recognized as "Losses on impairment of fixed assets" and included in "Other expenses" in this fiscal year.

Losses on impairment of fixed assets at March 31, 2008, consisted of the following:

Area	Purpose of use		Type	Millions of yen	Thousands of U.S. dollars
Within Tokyo	Branches	(5 items)	Building etc.	¥ 36	$ 361
		(2 items)	Land and Building etc.	588	5,876
	Total			¥624	$6,237

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. Recoverable amounts of the stated asset group are calculated using net realizable value which is based on appraisal value in accordance with the Real Estate Appraisal Standard less the expected sale costs.

17. Per Share Data

March 31, 2008	Yen	U.S. dollars
Net Assets per Share	¥215.02	$2.146
Net Income per Share	10.38	0.103

18. Subsequent Event

The following appropriation of retained earnings applicable to the year ended March 31, 2008, was approved at the members' meeting held on June 20, 2008.

	Millions of yen	Thousands of U.S. dollars
Retained Earnings at End of the Year	¥5,104	$50,963
Appropriations:		
Legal Reserve	420	4,193
Dividends		
Common Shares (4.0% per year)	757	7,566
Preferred Shares (5.8% per year)	43	434
Preferred Shares (4.0% per year)	20	199
Preferred Shares (4.4% per year)	180	1,801
Voluntary Reserve	3,000	29,952
Retained Earnings Carried Forward	¥ 682	$ 6,817

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, 2008 and 2007, and the related non-consolidated statements of income and retained earnings for the years then ended, all expressed in Japanese yen. These non-consolidated financial statements are the responsibility of The Tama Shinkin Bank's management. Our responsibility is to express an opinion on these non-consolidated 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 non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Tama Shinkin Bank at March 31, 2008 and 2007, 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 non-consolidated financial statements with respect to the year ended March 31, 2008 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 Taiyo ASG

Tokyo, Japan
May 22, 2008 except for Note 18, as to which date is June 20, 2008

SUPPLEMENTAL CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

The Tama Shinkin Bank and Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
For the Fiscal Year:			
Total Income	¥ 57,579	¥ 55,234	$ 574,874
Total Expenses	50,889	49,561	508,083
Income Before Income Taxes and Others	6,689	5,673	66,790
Net Income	4,633	4,113	46,262
At Year-End:			
Deposits	¥2,066,612	¥2,029,337	$20,633,110
Loans and Bills Discounted	1,144,237	1,168,779	11,424,096
Securities	572,077	548,296	5,711,636
Total Assets	2,230,729	2,199,260	22,271,662
Total Net Assets	90,638	90,768	904,939

	Yen		U.S. dollars
Per Share Data (par value ¥50):			
Net Income	¥ 11.58	¥ 10.16	$ 0.115
Net Assets	223.07	222.07	2.227

Notes: 1. This Bank consolidated three subsidiaries for the years ended March 31, 2008 and 2007.
2. U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2008 of ¥100.16=US$1.

BOARD OF DIRECTORS AND AUDITORS

As of June 30, 2008

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Koji Sato

Vice President
Hiroaki Suzuki

Senior Managing Director
Tadahiro Okanda

Managing Director
Osamu Ogasawara

Managing Director
Itsuo Furuse

Managing Director
Ichiro Uchida

Managing Director
Masakazu Kamioka

Director
Toshifumi Mitsui

Director
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Director
Yasunori Ikemoto

Director
Keiichi Ishigaki

Director
Toshiro Yagi

Director
Kenichi Okubo

Director
Hideo Kaba

Standing Auditor
Fumio Yamaguchi

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