

2010 ANNUAL REPORT

Year Ended March 31, 2010



The Tama Shinkin Bank

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, 2010, the Bank had total assets of ¥2,357.2 billion, net assets of ¥99.0 billion, and 1,883 employees. Also at that date, Tamashin had a service network of 75 branches, 4 branch offices, and 56 automatic teller facilities.

Non-Consolidated Financial Highlights

The Tama Shinkin Bank
Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
For the Fiscal Year:			
Total Income	¥ 48,253	¥ 53,333	\$ 518,626
Total Expenses	41,852	50,699	449,828
Income Before Income Taxes	6,401	2,634	68,798
Net Income	4,524	1,689	48,626
Business Profit	12,852	16,662	138,142
At Year-End:			
Deposits	¥2,158,092	¥2,097,049	\$23,195,324
Loans and Bills Discounted	1,097,224	1,144,511	11,793,045
Securities	671,553	620,854	7,217,897
Total Assets	2,357,221	2,263,116	25,335,571
Total Net Assets	99,044	88,543	1,064,541

- 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 ¥93.04 to U.S.\$1, the rate prevailing on March 31, 2010.
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.

Management Philosophy

*Tamashin is a business dedicated to the happiness of its customers.
Tamashin's mission is to contribute to the happiness and well-being of its customers.*

Basic Policies

Shinkin banks, as public entities in society, and motivated by the spirit of cooperation among regional financial institutions:

1. Are based on a system of cooperation among officers and employees.
2. Build workplaces characterized by good faith, trust, enthusiasm, and reliability.
3. Expand operations and improve quality in the course of financial activities.

Through these efforts, *shinkin* banks seek to contribute to the prosperity of their home regions and the vitality of the Japanese economy.

Corporate Ethics at Tama Shinkin Bank

1. Developing self-awareness and confidence as a socially responsible entity
Tamashin is building trust with its members, customers, and local communities through its basic policies, self-awareness of its public role, and sound management based on the self responsibility of management.
2. Putting the customer first and contributing to local communities
Adhering to its management philosophy, Tamashin strives through its business activities to offer high-quality, premium services to its customers, and to contribute to the growth of local communities.
3. Adhering strictly to laws and regulations
Tamashin conforms to both the letter and the spirit of laws and regulations, not violating social norms and always remaining conscientious and fair in its corporate operations.
4. Eliminating anti-social forces
Tamashin takes a resolute stance against anti-social forces that put the order and safety of society at risk.
5. Disclosure of management information and cordial relations with local communities
Tamashin works for cordial relations with local communities through the vigorous and fair disclosure of management information, and the deepening of communication on a broad scale.

Letter from the President

In the fiscal year ended March 31, 2010, our top priority was to carry out a timely response to the economic recession that resulted from the worldwide financial crisis of two years ago. We strove to resolve these issues as we shared our customers' sense of crisis. Thanks to the support of these customers, Tama Shinkin Bank (hereafter, "Tamashin" or "the Bank") once again recorded an increase in the balance of deposits and savings, and posted business profit and net income. Despite our best efforts to resolve the issues we faced, the balance of loans and bills discounted contracted, indicating that we have not yet developed sufficient financial strength.

To further develop infrastructure for the people of our region, we must provide not only financial support, but also contribute to the region's economy, government, lifestyle, and culture.

Addressing every issue using our accumulated expertise and a flexible approach

In the fiscal year ended March 31, 2010, Tamashin built various networks that allowed it to develop ties with outside experts, and accumulated know-how in the area of aid-agency operations. This led to the establishment of a consortium with universities and technical colleges in the fiscal year ending March 31, 2011, through which Tamashin acquired certification as a small and medium enterprise support center. Having formed relations with experts and aid agencies, the Bank is providing support not only in the area of finance, but also in fields connected with business development and survival.


We have also created a new structure for our regional activities through links to nonprofit organizations and participation in the promotion of shopping districts. We are working to broaden the ways that branches respond to the needs of individual customers, such as with the Smile Plaza.

To solve a greater number of issues related to diversification and specialization, a flexible approach is most essential. If we do not research more of the issues pressing on our customers and share their sense of crisis, the Bank will not be able to support the growth of the region's businesses and a stable quality of life for its citizens during this difficult period. To expand the number of its individual-customer contact points in the coming fiscal year, Tamashin will strive, as the financial institution with the largest number of branches and client-relations personnel in the Tama region, to carry out this flexible approach while quickly responding to customers' needs.

Building Tama's Future Together with Our Customers

Tama's residential areas, which offer a congenial environment blessed with an abundance of green space and water, are home to more than 4.1 million people. At the same time, the region hosts many leading companies and has untapped potential for the development of a diverse array of enterprises. We regard ourselves as fortunate to be able to work in this region. Furthermore, we hope to continue working together with the citizens of the region to expand the possibilities of our hometown, Tama. To accomplish this under difficult conditions, we believe that providing support focused on linking present endeavors with the future is necessary. Tamashin will put this belief into practice as it continues to work for the increased prosperity of the region.

As we carry out our objectives, we sincerely request the continued support of our members, customers, and business partners.



Koji Sato
President



*Seeking to broaden
the possibilities of our
hometown, Tama,
through support focused
on the future.*

Financial Review

The Financial and Economic Environment

Japan's domestic economy began to show signs of a recovery, albeit weak, in the fiscal year ended March 31, 2010, driven by an upswing in overseas economies and the effects of various economic policies in Japan. This recovery is considered slight because protracted deflation and an uncertain outlook on the future course of the economy exert downward pressure on the real economy and personal income.

Looking at performance by sector, in the corporate sector's operating environment, economic expansion in emerging countries around the world provided the engine for a worldwide recovery. Notably, some export-related companies saw improvements in their business results. However, an independent recovery was a challenge for other businesses, leaving doubts regarding improvement amongst companies dependent on domestic demand, and small- and medium-sized businesses.

As expectations rose for a recovery on a global scale, stock prices continued to show an upward trend in the first half of the fiscal year under review. This trend reversed in the second half, however, amidst concerns of economic stagnation together with the appreciation of the yen. Nevertheless, the Bank of Japan's additional monetary easing policy positively affected stock prices, and on March 31, 2010, the Nikkei Stock Average broke through the ¥11,000 level to post 37% growth for the fiscal year. The domestic long-term interest rate rose briefly above 1.5%, reflecting the anticipated effects of the government's economic stimulus policy and signs of recovery in securities prices. Subject to both upward and downward pressures, the interest rate hovered between 1.2% and 1.4% during the fiscal year under review.

In the household sector, sales of some durable consumer goods recovered as a result of the effects of the various measures described above. Personal consumption overall, however, showed no substantial recovery as severe employment and income conditions persisted.

Operating Results

In the fiscal year ended March 31, 2010, Tamashin implemented its New Medium-Term Management Plan 2011 to guide it for the next three years. With a mandate to fulfill the role of developing infrastructure for local communities, Tamashin designated the central theme of the plan's first year as "striving for the value-creation needed to realize the prosperity and safety of local communities." The Bank's operations were guided by its priority action plan to "carefully choose a path for customers and the Bank while taking immediate action in response to the risks faced at any given moment." This allowed Tamashin to achieve the results described below.

At the end of the fiscal year under review, the balance of deposits rose ¥61.0 billion to ¥2,158.0 billion, while the balance of loans and bills discounted contracted by ¥47.2 billion to ¥1,097.2 billion.

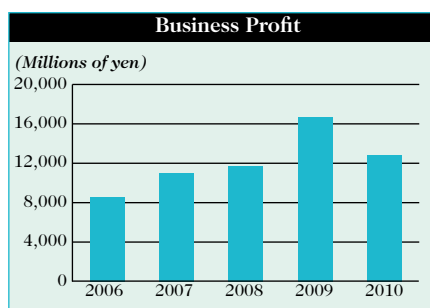
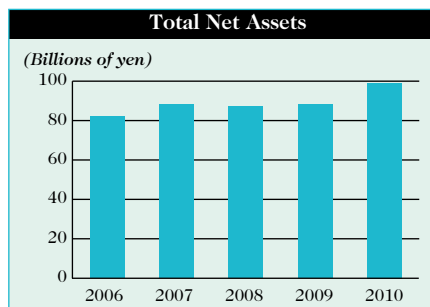
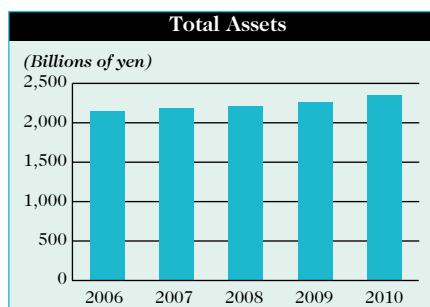
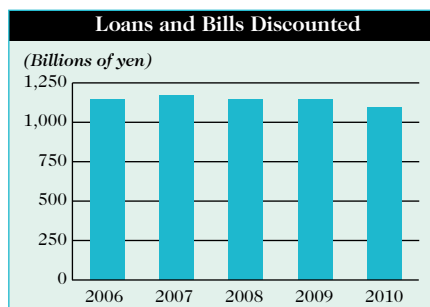
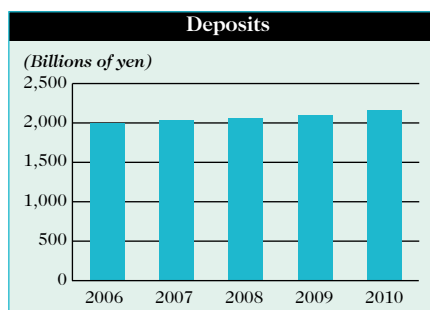
Securities increased by ¥50.6 billion to ¥671.5 billion. The fiscal year-end balance of total assets was up ¥94.1 billion to ¥2,357.2 billion, and the fiscal year-end balance of net assets grew by ¥10.5 billion to ¥99.0 billion.

Although operating expenses decreased by ¥400 million, interest income, gains on sales of bonds, and gains on redemption of bonds all declined. This caused operating income to fall ¥4.2 billion, which resulted in a ¥3.8 billion decrease in business profit to ¥12.8 billion.

Other expenses decreased by ¥7.1 billion as a result of improvements in losses on sale of stocks and other securities, losses on devaluation of stocks and other securities, and the specific reserve for possible loan losses. This allowed the Bank to post ¥3.7 billion growth in income before income taxes to ¥6.4 billion, and a ¥2.8 billion increase in net income to ¥4.5 billion. The non-performing loan ratio rose 0.38 of a percentage point to 8.69%, and the capital adequacy ratio rose 0.53 of a percentage point to 9.36%.

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 simply ending assistance for delinquent borrowers and focusing efforts only on debt collection is the wrong approach. This is especially so considering the *raison d'être* of a



Problem Assets under the Financial Reconstruction Law Standard

Years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Bankrupt and Quasi-Bankrupt Assets	¥ 18,498	¥ 21,705
Doubtful Assets	78,400	66,706
Substandard Loans	0	8,468
Normal Assets	1,016,971	1,067,584
Total	¥1,113,871	¥1,164,465

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.

Risk-Monitored Loans under the Shinkin Bank Law Standard

Years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Total outstanding loans to borrowers in bankruptcy	¥ 3,850	¥ 5,699
Total other delinquent loans on which interest is not being accrued	92,627	82,067
Total loans on which principal and/or interest is past due more than three months	0	533
Total loans in a "Relaxation of Repayment Conditions" status	0	7,935
Total	¥96,478	¥96,235

shinkin bank—to contribute and support 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 in this fiscal year, reported in accordance with the Financial Reconstruction Law's Disclosure Standards, remained unchanged at ¥96.8 billion. However, the total balance of claims, including normal assets, declined from ¥1,164.4 billion to ¥1,113.8 billion. As a result, the non-performing loan ratio rose 0.38 of a percentage point to 8.69%.

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 ¥96.8 billion, and 83.53% of this figure is secured by collateral, guarantees, or the reserves for possible loan losses. Tamashin is able to cover the remaining ¥15.9 billion, or approximately 17%, with its ¥99.0 billion 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.

Further, loans defined as risk-monitored under the Shinkin Bank Disclosure Standards increased by 0.3% in the current fiscal year to ¥96.4 billion. This figure is comprised of ¥3.8 billion in loans to borrowers in bankruptcy, and ¥92.6 billion in other delinquent loans on which interest is not being accrued. There are no significant claims on loans on which principal and/or interest is more than three months past due or loans in a "Relaxation of Repayment Conditions" status.

Of total outstanding loans to borrowers in bankruptcy, 100% are secured by collateral, guarantees, or the reserves for possible loan losses. This figure is 82.79% for other delinquent loans on which interest is not being accrued. Of total risk-

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

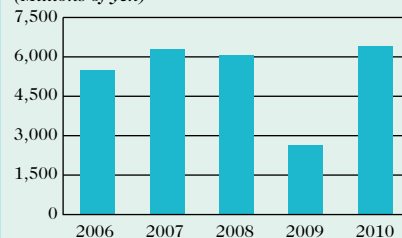
Loans to customers identified as requiring caution under our self-assessment system. This figure represents those loans that are already past due by three months or more, or loans in a "Relaxation of Repayment Conditions" status.

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.

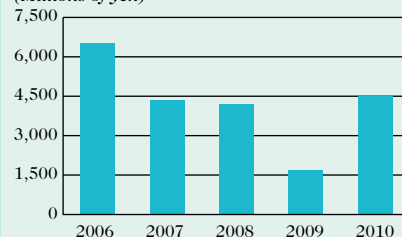
Income Before Income Taxes

(Millions of yen)



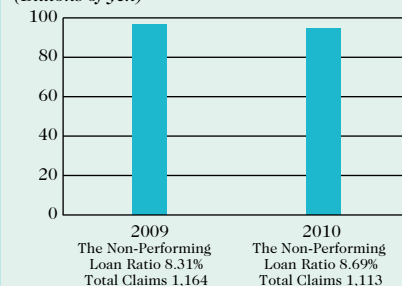
Net Income

(Millions of yen)



Problem Assets under the Financial Reconstruction Law Standard

(Billions of yen)



monitored loans, 83.48% are secured by collateral, guarantees, or the reserves 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

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.

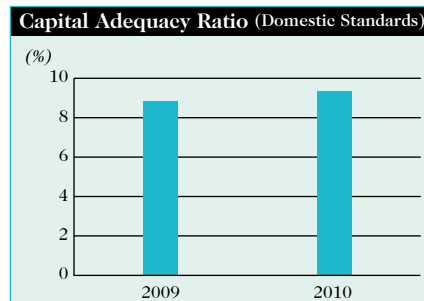
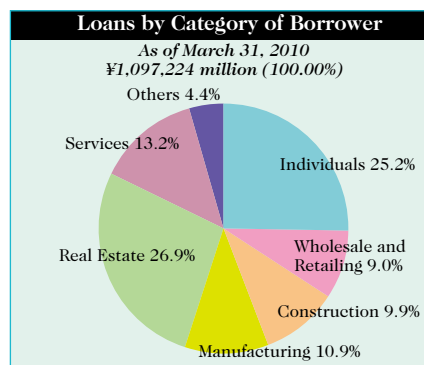
The accumulation of retained earnings resulted in a ¥2.5 billion increase in members' equity, which is the numerator for calculating the capital adequacy ratio. Risk assets, the denominator for calculating the capital adequacy ratio, declined by ¥33.6 billion, mainly as a result of the contraction of loans and bills discounted. Consequently, the capital adequacy ratio rose 0.53 of a percentage point to 9.36% in the fiscal year ended March 31, 2010. As a regional financial institution, the Bank will continue to put its contribution to the 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, 2010 and 2009

	Millions of yen	
	2010	2009
Tier I Capital	¥ 90,450	¥ 87,070
Tier II Capital	7,056	7,935
Total Capital	¥ 97,507	¥ 95,006
Risk Assets		
On-Balance-Sheet Assets	¥942,790	¥981,652
Off-Balance-Sheet Assets	22,019	17,384
Amount Obtained by Dividing Operational Risk Equivalent by 8%	76,332	75,754
Capital Adequacy Ratio	9.36%	8.83%

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.



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.

Non-Consolidated Balance Sheets

The Tama Shinkin Bank
As of March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
ASSETS			
Cash and Due from Banks (Notes 10 and 14)	¥ 499,296	¥ 430,121	§ 5,366,467
Call Loans	15,000	6,000	161,220
Monetary Claims Purchased (Note 15)	122	138	1,314
Money Held in Trust (Note 15)	3,500	3,500	37,618
Trading Account Securities (Notes 14 and 15)	128	105	1,382
Securities (Notes 2, 10, 14 and 15)	671,553	620,854	7,217,897
Loans and Bills Discounted (Notes 3, 13 and 14)	1,097,224	1,144,511	11,793,045
Foreign Exchange (Note 4)	463	416	4,978
Other Assets (Notes 5 and 10)	31,668	12,423	340,371
Tangible Fixed Assets (Notes 6, 16 and 17)	34,707	34,593	373,036
Intangible Fixed Assets (Note 6)	1,809	2,013	19,453
Deferred Tax Assets	3,769	8,762	40,512
Customers' Liabilities for Acceptances and Guarantees (Note 9)	15,264	18,263	164,061
Reserve for Possible Loan Losses (Note 14)	(17,285)	(18,586)	(185,786)
Total Assets	¥2,357,221	¥2,263,116	§25,335,571
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits (Notes 7, 10 and 14)	¥2,158,092	¥2,097,049	§23,195,324
Call Money (Note 14)	69,739	45,807	749,564
Foreign Exchange (Note 4)	14	19	157
Other Liabilities (Note 8)	6,911	5,506	74,288
Reserve for Employee Bonuses	1,129	1,054	12,135
Reserve for Employee Retirement Benefits	1,996	2,022	21,458
Reserve for Executive Retirement Allowances	368	498	3,963
Reserve for Reimbursement of Dormant Deposits	505	304	5,435
Reserve for Contingencies	339	233	3,653
Deferred Tax Liabilities for Land Revaluation (Note 16)	3,813	3,813	40,986
Acceptances and Guarantees (Note 9)	15,264	18,263	164,061
Total Liabilities	2,258,176	2,174,573	24,271,030
NET ASSETS:			
Members' Equity:			
Share Capital (Note 11)	24,021	24,173	258,186
Capital Surplus (Note 11)	766	766	8,236
Retained Earnings (Note 12)	66,657	62,942	716,444
Disposal of Outstanding Equities	(1)	(3)	(13)
Total Members' Equity	91,444	87,879	982,854
Valuation, Translation Adjustments and Others:			
Unrealized Gains (Losses) on Other Securities (Notes 14 and 15)	6,494	(440)	69,808
Land Revaluation Excess (Note 16)	1,105	1,105	11,879
Total Valuation, Translation Adjustments and Others	7,600	664	81,687
Total Net Assets (Note 18)	99,044	88,543	1,064,541
Total Liabilities and Net Assets	¥2,357,221	¥2,263,116	§25,335,571

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, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
Income:			
Interest on:			
Loans and Bills Discounted	¥29,547	¥32,490	\$317,583
Securities	8,566	7,878	92,069
Others	4,128	4,651	44,371
Fees and Commissions	3,554	3,684	38,200
Other Operating Income	1,073	2,392	11,543
Other Income	1,382	2,235	14,859
Total Income	48,253	53,333	518,626
Expenses:			
Interest on:			
Deposits	3,597	5,397	38,667
Borrowings and Rediscounts	30	59	330
Others	3	3	32
Fees and Commissions	1,682	1,764	18,088
Other Operating Expenses	443	909	4,763
General and Administrative Expenses	29,233	28,576	314,201
Other Expenses (Note 17)	6,861	13,988	73,743
Total Expenses	41,852	50,699	449,828
Income Before Income Taxes	6,401	2,634	68,798
Income Taxes:			
Current	36	41	393
Deferred	1,840	903	19,778
Net Income (Note 18)	4,524	1,689	48,626
Unappropriated Earnings in Retained Earnings:			
Balance at Beginning of the Year	2,372	5,104	25,495
	6,896	6,793	74,122
Appropriations:			
Transfer to Legal Reserve (Note 12)	200	420	2,149
Dividends			
Common Shares (3.0% per year in 2010 and 4.0% per year in 2009)	564	757	6,069
Preferred Shares (5.8% per year)	43	43	467
Preferred Shares (4.0% per year)	20	20	214
Preferred Shares (4.4% per year)	180	180	1,938
Transfer to Voluntary Reserves	1,000	3,000	10,748
Total Appropriations	2,008	4,421	21,588
Unappropriated Profits at End of the Year (Note 19)	¥ 4,887	¥ 2,372	\$ 52,533

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 ¥93.04 to US\$1, the exchange rate prevailing in Tokyo on March 31, 2010.

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. Other securities, whose market values are extremely difficult to determine, are carried at cost or amortized 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.

(Additional information)

Effective from the fiscal year ended March 31, 2010, the Bank has applied the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, partially revised on March 10, 2008) and the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, issued on March 10, 2008).

d. Derivatives

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

e. Depreciation and amortisation method

Tangible fixed assets are stated at cost less accumulated depreciation. The depreciation of the Bank's tangible fixed assets except for leased assets is computed by the declining balance method.

The estimated useful lives of major items are as follows:

Buildings	15 to 50 years
Others	3 to 20 years

The amortization of the Bank's intangible fixed assets except for leased 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 ¥19,882 million (US\$213,702 thousand) and ¥20,201 million for the fiscal years ended March 31, 2010 and 2009, 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 as of the fiscal year end.

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.

(Change in Accounting Policy)

Effective from the fiscal year ended March 31, 2010, the Bank has applied the "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" (ASBJ Statement No. 19, issued on July 31, 2008).

There has been no impact on non-consolidated financial statements for the fiscal year ended March 31, 2010 as a result of this change since the applied discount rate was the same as the previous year.

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 fiscal 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.

6) Reserve for contingencies

The reserve for contingencies is provided for future payments to Credit Guarantee Corporation based on the amount reasonably calculated.

h. Leases

Finance lease transactions without transfer of ownership initiated before April 1, 2008 have been accounted for in accordance with accounting methods used for the treatment of 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.

2. SECURITIES

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
National Government Bonds	¥118,113	¥ 83,928	\$1,269,491
Local Government Bonds	71,773	70,632	771,424
Corporate Bonds	348,407	355,041	3,744,704
Stocks	12,870	9,177	138,329
Other Securities	120,388	102,073	1,293,946
Total	¥671,553	¥620,854	\$7,217,897

3. LOANS AND BILLS DISCOUNTED

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Bills Discounted	¥ 13,549	¥ 16,087	\$ 145,636
Loans on Bills	29,221	31,753	314,072
Loans on Deeds	1,037,596	1,076,618	11,152,157
Overdrafts	16,856	20,052	181,178
Total	¥1,097,224	¥1,144,511	\$11,793,045

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

At March 31, 2010 and 2009, loans to borrowers in bankruptcy on which unpaid interest is not being accrued amounted to ¥3,850 million (US\$41,390 thousand) and ¥5,699 million, respectively. Other delinquent loans on which interest is not being accrued amounted to ¥92,627 million (US\$995,571 thousand) and ¥82,067 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, were ¥533 million at March 31, 2009. There were no such past due loans to report at March 31, 2010.

Loans in a "Relaxation of Repayment Conditions" status amounted to ¥7,935 million at March 31, 2009. There were no such past due loans to report at March 31, 2010. 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.

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 ¥336 million (US\$3,618 thousand).

4. FOREIGN EXCHANGE

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Assets:			
Foreign Bills of Exchange Bought	¥ 68	¥ 34	\$ 732
Foreign Bills of Exchange Receivable	3	46	38
Due from Foreign Banks	391	335	4,206
Total	¥463	¥416	\$4,978
Liabilities:			
Foreign Bills of Exchange Sold	¥ 14	¥ 18	\$ 157
Foreign Bills of Exchange Payable	—	1	—
Total	¥ 14	¥ 19	\$ 157

5. OTHER ASSETS

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Domestic Exchange Settlement			
Account, Debit	¥ 354	¥ 390	\$ 3,808
Investment in the Shinkin Central Bank	7,265	3,481	78,093
Prepaid Expenses	11	14	121
Accrued Income	6,840	6,477	73,524
Derivative Financial Instruments	5	16	59
Others	17,190	2,043	184,764
Total	¥31,668	¥12,423	\$340,371

6. FIXED ASSETS

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Tangible Fixed Assets:			
Building	¥ 6,269	¥ 6,419	\$ 67,380
Land	23,239	22,996	249,774
Construction in Progress	316	101	3,399
Other Tangible Fixed Assets	4,882	5,075	52,481
Total	¥34,707	¥34,593	\$373,036
Accumulated Depreciation	¥19,955	¥19,490	\$214,478
Intangible Fixed Assets:			
Software	¥ 1,212	¥ 1,410	\$ 13,035
Other Intangible Fixed Assets	597	602	6,417
Total	¥ 1,809	¥ 2,013	\$ 19,453

7. DEPOSITS

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Current Deposits	¥ 39,947	¥ 40,458	\$ 429,353
Ordinary Deposits	828,903	808,497	8,909,113
Savings Deposits	12,226	13,019	131,411
Deposits at Notice	966	1,071	10,382
Time Deposits	1,123,467	1,077,316	12,075,100
Installment Savings	127,625	130,703	1,371,726
Other Deposits	24,956	25,982	268,235
Total	¥2,158,092	¥2,097,049	\$23,195,324

8. OTHER LIABILITIES

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Domestic Exchange Settlement			
Account, Credit	¥ 487	¥ 488	\$ 5,237
Accrued Expenses	2,065	2,450	22,203
Reserve for Replenishing Benefits	463	370	4,979
Income Taxes Payable	43	45	463
Unearned Income	214	233	2,301
Unsettled Equity Refunds	77	60	833
Deposits from Employees	617	610	6,637
Derivative Financial Instruments	4	15	52
Others	2,938	1,230	31,578
Total	¥6,911	¥5,506	\$74,288

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, 2010, securities aggregating ¥1,152 million (US\$12,381 thousand) and other assets aggregating ¥10 million (US\$109 thousand) were pledged as collateral against special deposits in the amount of ¥1,162 million (US\$12,491 thousand). Due from banks aggregating ¥38,000 million (US\$408,426 thousand), securities aggregating ¥32,936 million (US\$354,008 thousand), and other assets aggregating ¥6 million (US\$66 thousand) were pledged as collateral for exchange settlement transactions and call 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 ¥18,671 million (US\$200,683 thousand) as of March 31, 2010 and ¥18,823 million as of March 31, 2009.

Preferred shares which the Bank issued are included in share capital, and the value of preferred shares was ¥5,350 million (US\$57,502 thousand) as of March 31, 2010 and ¥5,350 million as of March 31, 2009.

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
	2010	2009	2010
Legal Reserve	¥19,270	¥19,070	\$207,118
Voluntary Reserve	42,500	41,500	456,792
Unappropriated Profits	4,887	2,372	52,533
Total	¥66,657	¥62,942	\$716,444

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 ¥41,788 million (US\$449,146 thousand), and the amount of unused commitments whose original contract terms are within one year was ¥152 million (US\$1,635 thousand) as of March 31, 2010.

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. MATTERS RELATING TO THE MARKET VALUES OF FINANCIAL INSTRUMENTS

1) Market Value of Financial Instruments

With respect to amounts recorded on the Bank's non-consolidated balance sheet as of March 31, 2010, the market values and net unrealized gains (losses) of financial instruments are as follows:

The amounts shown in the following table do not include financial instruments (see (2)) whose market values are extremely difficult to determine, such as unlisted stocks classified as other securities, and stocks of subsidiaries and affiliates. In addition, immaterial items have been omitted.

	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2010			
Due from Banks	¥ 473,927	¥ 476,089	¥ 2,162
Securities:			
Securities Classified as Trading	128	128	—
Bonds Classified as Held-to-Maturity	60,343	61,077	733
Other Securities	609,231	609,231	—
Loans and Bills Discounted	1,097,224		
Reserve for Possible Loan Losses	(17,066)		
Net Loans and Bills Discounted	1,080,158	1,096,854	16,696
Total Financial Assets	¥2,223,788	¥2,243,381	¥ 19,592
Deposits	¥2,158,092	¥2,161,906	¥(3,813)
Call Money	69,739	69,739	—
Total Financial Liabilities	¥2,227,832	¥2,231,646	¥(3,813)

	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2010			
Due from Banks	\$ 5,093,801	\$ 5,117,041	\$ 23,239
Securities:			
Securities Classified as Trading	1,382	1,382	—
Bonds Classified as Held-to-Maturity	648,574	656,460	7,886
Other Securities	6,548,061	6,548,061	—
Loans and Bills Discounted	11,793,045		
Reserve for Possible Loan Losses	(183,435)		
Net Loans and Bills Discounted	11,609,609	11,789,060	179,451
Total Financial Assets	\$23,901,428	\$24,112,005	\$210,577
Deposits	\$23,195,324	\$23,236,314	\$ (40,990)
Call Money	749,564	749,564	—
Total Financial Liabilities	\$23,944,889	\$23,985,879	\$ (40,990)

2) Financial instruments whose market values are extremely difficult to determine are as follows:

	Thousands of U.S. dollars	
	Millions of yen Non-consolidated balance sheet amount	Non-consolidated balance sheet amount
March 31, 2010		
Stocks of Subsidiaries	¥1,653	\$17,767
Stocks of Affiliated Companies	—	—
Unlisted Stocks	325	3,494
Investments in Partnerships	—	—
Total	¥1,978	\$21,261

3) Redemption schedule on money claims and securities with maturity dates after the non-consolidated balance sheet date

	Millions of yen				
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	
March 31, 2010					
Due from Banks	¥162,927	¥273,000	¥ 20,000	¥ 18,000	
Securities	83,198	205,369	248,469	119,810	
Bonds Classified as Held-to-Maturity	1,195	18,543	6,524	34,080	
Other Securities with Maturity Dates	82,003	186,826	241,945	85,729	
Loans and Bills Discounted	177,602	201,012	135,120	470,471	
Total	¥423,728	¥679,381	¥403,590	¥608,282	

	Thousands of U.S. dollars				
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	
March 31, 2010					
Due from Banks	\$1,751,153	\$2,934,221	\$ 214,961	\$ 193,465	
Securities	894,225	2,207,328	2,670,571	1,287,727	
Bonds Classified as Held-to-Maturity	12,846	199,308	70,120	366,298	
Other Securities with Maturity Dates	881,379	2,008,020	2,600,450	921,428	
Loans and Bills Discounted	1,908,885	2,160,491	1,452,281	5,056,663	
Total	\$4,554,264	\$7,302,041	\$4,337,814	\$6,537,855	

4) Repayment schedule on borrowed money and other interest-bearing debts after the non-consolidated balance sheet date

March 31, 2010	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	¥1,989,479	¥141,141	¥27,471	—
Call Money	69,739	—	—	—
Total	¥2,059,219	¥141,141	¥27,471	—

March 31, 2010	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	\$21,383,057	\$1,516,997	\$295,269	—
Call Money	749,564	—	—	—
Total	\$22,132,622	\$1,516,997	\$295,269	—

15. MARKET VALUE OF MARKETABLE SECURITIES

For the Fiscal Year Ended March 31, 2010

a. Securities

The market values of marketable securities as of March 31, 2010 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, 2010	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	¥0	—

March 31, 2010	Thousands of U.S. dollars	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	\$5	—

2) Bonds classified as held-to-maturity

March 31, 2010	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	¥ 3,488	¥ 3,672	¥ 183
Local Government Bonds	16,663	16,984	320
Corporate Bonds	28,740	29,295	555
Other	1,099	1,103	3
Subtotal	49,992	51,055	1,063
Bonds with Unrealized Losses:			
Local Government Bonds	1,764	1,762	(2)
Corporate Bonds	4,086	4,057	(28)
Other	4,499	4,201	(298)
Subtotal	10,351	10,021	(329)
Total	¥60,343	¥61,077	¥ 733

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

March 31, 2010	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	\$ 37,494	\$ 39,466	\$ 1,972
Local Government Bonds	179,104	182,546	3,442
Corporate Bonds	308,900	314,874	5,974
Other	11,820	11,858	38
Subtotal	537,319	548,746	11,427
Bonds with Unrealized Losses:			
Local Government Bonds	18,966	18,938	(27)
Corporate Bonds	43,922	43,613	(308)
Other	48,365	45,161	(3,204)
Subtotal	111,254	107,714	(3,540)
Total	\$648,574	\$656,460	\$ 7,886

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

3) Other securities

March 31, 2010	Millions of yen		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other Securities with Unrealized Gains:			
Stocks	¥ 5,692	¥ 4,453	¥ 1,238
Bonds	435,866	428,654	7,211
National Government Bonds	82,526	80,832	1,694
Local Government Bonds	53,181	52,248	933
Corporate Bonds	300,158	295,574	4,584
Other	99,216	96,876	2,340
Subtotal	540,775	529,984	10,791
Other Securities with Unrealized Losses:			
Stocks	5,199	6,195	(996)
Bonds	47,684	47,847	(162)
National Government Bonds	32,098	32,147	(48)
Local Government Bonds	163	163	0
Corporate Bonds	15,422	15,536	(114)
Other	15,572	15,757	(185)
Subtotal	68,456	69,800	(1,344)
Total	¥609,231	¥599,784	¥ 9,446

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

Thousands of U.S. dollars

March 31, 2010	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other Securities with Unrealized Gains:			
Stocks	\$ 61,181	\$ 47,867	\$ 13,313
Bonds	4,684,719	4,607,209	77,509
National Government Bonds	886,996	868,789	18,207
Local Government Bonds	571,601	561,569	10,031
Corporate Bonds	3,226,121	3,176,851	49,270
Other	1,066,388	1,041,229	25,159
Subtotal	5,812,289	5,696,307	115,982
Other Securities with Unrealized Losses:			
Stocks	55,886	66,592	(10,706)
Bonds	512,513	514,262	(1,749)
National Government Bonds	345,001	345,522	(521)
Local Government Bonds	1,752	1,753	0
Corporate Bonds	165,759	166,986	(1,227)
Other	167,371	169,362	(1,990)
Subtotal	735,771	750,218	(14,447)
Total	\$6,548,061	\$6,446,525	\$101,535

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

4) Bonds sold during the fiscal year ended March 31, 2010 that are classified as held-to-maturity. There are no corresponding items.

5) Other securities sold during the fiscal year ended March 31, 2010

March 31, 2010	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
Stocks	¥ 841	¥138	¥160
Bonds	96,717	746	24
National Government Bonds	15,824	32	23
Local Government Bonds	18,715	198	—
Corporate Bonds	62,176	515	0
Other	3,887	25	114
Total	¥101,446	¥910	¥299

March 31, 2010	Thousands of U.S. dollars		
	Sales amount	Gains on sale	Losses on sale
Stocks	\$ 9,043	\$1,488	\$1,727
Bonds	1,039,523	8,024	260
National Government Bonds	170,087	350	256
Local Government Bonds	201,159	2,128	—
Corporate Bonds	668,276	5,545	4
Other	41,781	270	1,232
Total	\$1,090,349	\$9,783	\$3,220

6) Impairment of Securities

Other securities with market value are written down to their respective fair market values when the decline compared to the acquisition costs is significant and is determined to be other-than-temporary. The amount of the write-down is accounted for as an impairment loss and is charged against income.

As of March 31, 2010, an impairment loss on other securities with market value amounted to ¥54 million (US\$583 thousand).

b. Money held in trust

1) Money held in trust classified as trading

March 31, 2010	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Money Held in Trust Classified as Trading	¥2,500	¥(0)

March 31, 2010	Thousands of U.S. dollars	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Money Held in Trust Classified as Trading	\$26,870	\$ (0)

2) Held-to-maturity money held in trust

March 31, 2010	Millions of yen				
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-Maturity Money Held in Trust	¥1,000	¥1,000	¥—	¥—	¥—

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

March 31, 2010	Thousands of U.S. dollars				
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-Maturity Money Held in Trust	\$10,748	\$10,748	\$—	\$—	\$—

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

For the Fiscal Year Ended March 31, 2009

a. Securities

The market values of marketable securities as of March 31, 2009 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, 2009	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
Trading Account Securities	¥105	¥0

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

March 31, 2009	Millions of yen				
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
National Government Bonds	¥ 3,487	¥ 3,595	¥ 108	¥115	¥ 7
Local Government Bonds	2,273	2,269	(4)	13	17
Corporate Bonds	33,930	33,858	(71)	174	246
Other Securities	18,399	17,389	(1,009)	2	1,011
Total	¥58,090	¥57,112	¥ (977)	¥305	¥1,283

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

3) Other securities with market value

March 31, 2009	Millions of yen				
	Acquisition cost	Non-consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 9,252	¥ 7,207	¥(2,045)	¥ 287	¥2,332
Bonds	468,180	469,561	1,380	2,015	634
National Government Bonds	79,915	80,440	525	607	82
Local Government Bonds	68,011	68,358	346	396	49
Corporate Bonds	320,253	320,761	508	1,011	503
Other	83,652	83,674	22	913	891
Total	¥561,085	¥560,443	¥ (641)	¥3,217	¥3,859

Notes: 1. Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

2. Other securities with market value are written down to their respective fair market values when the decline compared to the acquisition costs is significant and is determined to be other-than-temporary. The amount of the write-down is accounted for as an impairment loss and is charged against income.

As of March 31, 2009, an impairment loss on other securities with market value amounted to ¥34 million.

4) Bonds sold during the fiscal year ended March 31, 2009 that are classified as held-to-maturity

There are no corresponding items.

5) Other securities sold during the fiscal year ended March 31, 2009

March 31, 2009	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
Other Securities	¥153,869	¥2,525	¥7,195

6) Securities with no available market value

March 31, 2009	Millions of yen	
	Non-consolidated balance sheet amount	
Bonds Classified as Held-to-Maturity:		
Unlisted Corporate Bonds		¥ 350
Investments in Subsidiaries and Affiliates:		
Investments in Non-consolidated Subsidiaries		1,653
Other Securities:		
Unlisted Stocks (except OTC Stocks)		317

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

March 31, 2009	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥110,762	¥336,013	¥45,371	¥17,455
National Government Bonds	22,399	26,423	23,019	12,085
Local Government Bonds	12,114	51,615	6,902	—
Corporate Bonds	76,247	257,974	15,450	5,370
Other	8,844	56,811	18,282	16,296
Total	¥119,606	¥392,824	¥63,654	¥33,751

b. Money held in trust

1) Money held in trust classified as trading

March 31, 2009	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/(loss)
Money Held in Trust Classified as Trading	¥2,500	¥0

2) Held-to-maturity money held in trust

March 31, 2009	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	¥—

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

16. 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 ¥5,454 million (US\$858,626 thousand) as of March 31, 2010 and ¥4,683 million as of March 31, 2009.

17. 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, 2010, consisted of the following:

Area	Purpose of use	Type	Millions of yen	Thousands of U.S. dollars
Within Tokyo	Branch (1 item)	Building, etc.	¥5	\$58
Total			¥5	\$58

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.

18. PER SHARE DATA

	Yen		U.S. dollars
	2010	2009	2010
Net Assets per Share	¥248.20	¥218.34	\$2.667
Net Income per Share	11.41	3.83	0.122

19. SUBSEQUENT EVENT

The following appropriation of retained earnings applicable to the year ended March 31, 2010, was approved at the members' meeting held on June 24, 2010.

Retained Earnings at End of the Year	Millions of yen		Thousands of U.S. dollars
	¥4,887		\$52,533
Appropriations:			
Legal Reserve	460		4,944
Dividends			
Common Shares (4.0% per year)	746		8,027
Preferred Shares (5.8% per year)	43		467
Preferred Shares (4.6% per year)	23		247
Preferred Shares (4.4% per year)	180		1,938
Voluntary Reserve	3,000		32,244
Retained Earnings Carried Forward	¥ 433		\$ 4,664

Independent Auditors' Report

The Board of Directors of
The Tama Shinkin Bank

We have audited the non-consolidated balance sheets of The Tama Shinkin Bank as of March 31, 2010 and 2009, 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, 2010 and 2009, 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, 2010 are presented solely for the convenience of readers outside Japan. Our audit 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 non-consolidated financial statements.

Tokyo, Japan
May 21, 2010 except for Note 19, as to which date is June 24, 2010

Grant Thornton Taiyo ASG

Five-Year Summary (Non-Consolidated Basis)

The Tama Shinkin Bank

Years ended March 31, 2010, 2009, 2008, 2007 and 2006

	Millions of yen					Thousands of U.S. dollars
	2010	2009	2008	2007	2006	2010
For the Years Ended March 31						
Total Income	¥ 48,253	¥ 53,333	¥ 51,055	¥ 49,101	¥ 38,728	\$ 518,626
Interest on Loans and Bills Discounted	29,547	32,490	33,056	30,931	24,826	317,583
Interest and Dividends on Securities	8,566	7,878	7,689	7,056	5,455	92,069
Total Expenses	41,852	50,699	44,989	42,808	33,239	449,828
Business Profit	12,852	16,662	11,755	11,037	8,543	138,142
Income Before Income Taxes	6,401	2,634	6,065	6,293	5,488	68,798
Net Income	4,524	1,689	4,188	4,362	6,526	48,626
As of March 31						
Total Assets	¥2,357,221	¥2,263,116	¥2,215,759	¥2,184,399	¥2,146,506	\$25,335,571
Securities	671,553	620,854	573,402	549,434	482,253	7,217,897
Loans and Bills Discounted	1,097,224	1,144,511	1,143,072	1,168,060	1,147,294	11,793,045
Total Liabilities	2,258,176	2,174,573	2,127,930	2,096,072	2,063,583	24,271,030
Deposits	2,158,092	2,097,049	2,068,521	2,031,428	2,000,658	23,195,324
Total Net Assets	99,044	88,543	87,828	88,327	82,923	1,064,541
Number of Branches	79	78	78	78	77	
Number of Employees and Officers	1,896	1,831	1,779	1,789	1,842	
Deposits						
Per Branch	¥ 27,317	¥ 26,885	¥ 26,519	¥ 26,043	¥ 25,982	\$ 293,611
Per Employee and Officer	1,138	1,145	1,162	1,135	1,086	12,233
Loans and Bills Discounted						
Per Branch	13,888	14,673	14,654	14,975	14,899	149,279
Per Employee and Officer	578	625	642	652	622	6,219

Note: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2010 of ¥93.04=US\$1.

Supplemental Consolidated Financial Information (Unaudited)

The Tama Shinkin Bank and Subsidiaries

Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
For the Fiscal Year:			
Total Income	¥ 55,275	¥ 60,439	\$ 594,103
Total Expenses	48,512	57,469	521,416
Income Before Income Taxes and Others	6,762	2,970	72,687
Net Income	4,670	1,794	50,199
At Year-End:			
Deposits	¥2,155,933	¥2,095,007	\$23,172,116
Loans and Bills Discounted	1,098,414	1,145,641	11,805,826
Securities	670,163	619,360	7,202,955
Total Assets	2,370,544	2,276,757	25,478,767
Total Net Assets	102,247	91,406	1,098,963
		Yen	U.S. dollars
Per Share Data (par value ¥50):			
Net Income	¥ 11.84	¥ 4.11	\$ 0.127
Net Assets	257.53	226.60	2.767

Notes: 1. This Bank consolidated three subsidiaries for the years ended March 31, 2010 and 2009.

2. U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2010 of ¥93.04=US\$1.

Board of Directors and Auditors

As of June 30, 2010

President

Koji Sato

Senior Managing Director

Ichiro Uchida

Managing Directors

Osamu Ogasawara

Itsuo Furuse

Masakazu Kamioka

Toshiro Yagi

Directors

Keiichi Ishigaki

Hideo Kaba

Kuniharu Suzuki

Katsutoshi Omata

Hiroyuki Fukuda

Tadashi Suzuki

Standing Auditor

Fumio Yamaguchi

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The Tama Shinkin Bank

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