

ANNUAL
REPORT
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THE TOHO BANK, LTD.

Profile

As the leading bank in Fukushima Prefecture, Toho Bank has contributed to the prosperity of its local communities since being established in November 1941. In response to the trust placed in us by our customers and the market region we serve, in April 2006 we initiated our new medium-term management plan "TOHO Breakthrough Plan 2006" as an action program. Our goal is to become Japan's "Best Regional Bank in the 21st Century" (our long-term vision), which is evaluated positively by the market and its shareholders. We are aggressively addressing our customers' increasingly diversified and sophisticated needs, devoting our full efforts to strengthening previously executed risk management capabilities, and providing active disclosure of our financial position. Toho Bank has received a long-term credit rating of A⁻ from Standard & Poor's, the international credit rating firm, which we have duly disclosed. Moreover, Japan Credit Rating Agency, Ltd. (JCR), one of Japan's representative rating agencies, assigned the bonds a senior long-term credit rating of "A."

As of March 31, 2006, Toho Bank had total shareholders' equity of ¥121.7 billion (US\$1,036 million) and total assets of ¥2,860.6 billion (US\$24,352 million) (both figures on a consolidated basis), 1,916 employees, and a business network composed of 115 branches.



Consolidated Five-Year Summary

Years ended March 31	Millions of Yen				
	2006	2005	2004	2003	2002
Total Income	¥ 68,044	¥ 65,456	¥ 74,393	¥ 69,395	¥ 89,152
Income before Income Taxes.....	10,434	8,725	7,343	8,039	4,302
Net Income	5,515	5,147	4,028	3,084	1,998
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At March 31	2006	2005	2004	2003	2002
Total Assets	¥2,860,673	¥2,829,174	¥2,850,103	¥2,774,465	¥2,851,251
Deposits	2,574,645	2,595,409	2,589,921	2,559,097	2,618,585
Loans and Bills Discounted	1,874,015	1,759,882	1,733,839	1,688,729	1,758,999
Securities.....	848,745	913,376	876,112	885,913	874,823
Total Shareholders' Equity.....	121,717	125,035	117,086	117,297	112,129

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Business Overview

Financial and Economic Environment ➤

During the fiscal year ended March 31, 2006, Japan's economy exhibited a positive recovery trend. Exports grew against the backdrop of economic expansion overseas, while capital investment rose as corporate profits grew at a high level. Robust performance of the private sector also resulted in a higher employment rate, and income and consumer spending.

On the other hand, the economy in Fukushima Prefecture, Toho Bank's main base of operations, is moving steadily toward recovery although a slight delay was felt compared to the recovery momentum of the central economy. Production activities and the employment situation in the region continue to improve, while consumer spending exhibits underlying strength.

From a financial perspective, the financial policy faced a significant change as the Bank of Japan continued its quantitative monetary easing policy. The Nikkei 225 Stock Average climbed steadily against the backdrop of Japan's steady economic conditions and the rising number of private investors.

Furthermore, as the biggest post-bubble concern of financial institutions, nonperforming loans, made headway toward resolution, many activities to boost profitability became increasingly visible. More financial products, mainly investment products, were offered while more effort was made to set up new fee-based businesses. Given this background, a competitive environment quite distinct from the past continued to spread. Visible new characteristics included management integration, moves to establish business alliances extending beyond traditional business boundaries and the spread of novel business opportunities as the result of various forms of deregulation. Additional proactive approaches aimed at increasing the soundness of bank management and enhancing customer convenience are anticipated. Meanwhile, financial institutions will be faced with more tasks and responsibility than ever as their customers, whose needs are highlighted by the enforcement of Personal Information Protection Law and cash card counterfeiting, to name just a few, will require more protection.

Business Progress ➤

Under these conditions, for the past three years beginning in April 2003, Toho Bank has been implementing its medium-term management plan "TOHO Revolution Vision 2003" with the slogan "Self-transformation toward Higher Profitability." For this fiscal year, we drew up the "Promotion Plan for Locally Based Finance" to further enhance the existing relationship with local customers. We also sought to provide even higher-quality financial services to respond vigorously yet flexibly to the demands of our diversified, sophisticated customers. At the same time, we pursued efforts to increase the health of our assets and streamline operations even more aggressively as we sought to improve operating results, and worked to ensure trustworthiness by increasing management transparency.

First, on the product and service side, to make asset management more convenient for our customers, we began operating our Internet banking system that allows them to perform transactions in investment trusts. This system was a first among the financial institutions in the Tohoku region, which enabled us to expand through our non-face-to-face channels. Moreover, to extend the range of options for our customers' asset management needs, we

have ventured into securities broking while also taking steps to expand our lineup of investment trusts and life insurance products.

From a financing perspective, on the other hand, we sought to offer convenient and accessible non-face-to-face channels for our corporate and sole proprietor customers to respond to their capital needs. These included opening of the "Business Loan Plaza Koriyama Branch" specializing in business financing activities where we offer financing consultations via telephone, facsimile and the Internet. We also implemented the use of a product utilizing a scoring model that does not rely excessively on collateral security or guarantees. In addition to forming syndicated loans and taking a progressive approach to helping customers create private placement bond trusts and providing other traditional services, we contributed to regional development through projects such as fostering venture firms in collaboration with local educational institutions and other organizations.

With regard to loan products designed for individual customers, Toho Bank helped many customers enjoy a less strenuous loan repayment plan by raising the age of the final payment as part of our response to Japan's aging society. Furthermore, as part of our effort in fostering local human resources, we began offering the "Toho-Fukushima University Joint Educational Loan" that helps with the educational costs of those who are either already enrolled at the university or are to begin their first year.

As part of the restructuring of its branches, with streamlining of the management in mind, Toho Bank amalgamated the Aizu Wakamatsu Oroshi-ichi Sub-branch with the Aizu Branch, which then put its total number of branches, as of March 2006, at 105 (of which 97 are located in Fukushima Prefecture) with 10 sub-branches.

We have also made continuous effort to address our customers' needs and offered even more convenient services. For instance, we put in place a system of cash dispenser corners (ATMs and CDs) through which customers can have access to services 24 hours a day, 365 days a year, and extended the business hours of ATMs located at our branches including the first three days of the New Year. Furthermore, as part of the measures against crime involving cash cards and the effort to increase security, an illegal transaction detection system was introduced for ATMs as well as round-the-clock reporting of stolen and lost cards.

To address the need to improve the soundness of its assets, the Bank continued to be actively involved in providing customers with management support and revitalization assistance. It also contributed to the restoration of the region and sustaining employment figures from within by focusing on the recovery of the tourism industry, one of the major industries in Fukushima Prefecture, and bringing a new approach in corporate revitalization to hot spring businesses. This approach, a first in Japan, aims to rebuild the businesses from the "perspective" of an entire hot spring district.



President Toshio Seya

With regard to reinforcing our corporate governance structure, we reorganized the Office of Legal Affairs to create the Compliance Office and took steps to expand our internal control functions to gain even more unwavering trust from our customers.

Also, to respond to the trend toward greater management transparency, we continued to obtain ratings from several external rating agencies, whose results were made public, and worked to improve shareholder, investor and customer trust in the Bank. We believe that our company-wide efforts toward achieving soundness of our assets as well as improving our profitability have begun to bear fruit. For instance, external rating agencies each confirmed that there were no problems related to the soundness of our assets such as poor quality that requires improvement, and some agencies raised our credit rating. We also held an investor relations presentation, "Toho Bank Business Operations Briefing," at two locations in Fukushima Prefecture to target local residents. We have used these venues to actively disclose information to our customers and shareholders in Fukushima Prefecture, which we regard as our main base of operations, and directly explain the current state of Toho Bank and its management policy for the future.

One of the results of these efforts was that we recorded a significant increase in balance with investment products such as individual loans, investment trusts and public bonds, which is enormously encouraging for the Bank as it continues its effort to achieve even greater results.

The Tasks Ahead ➤

Looking at the future of the economic environment, we anticipate that the global economy continue its expansionary trend centered on the United States and East Asia, although a potential steep rise in the price of crude oil is a concern. With regard to the Japanese economy, long-term growth is expected due to a good balance being maintained between domestic and foreign demand as well as between the corporate and household sectors. Within Fukushima Prefecture, although such issues as polarization among corporations and regions and shrinking public investment are causes for concern, it is hoped that the recovery will continue, helped by the steadiness of consumer spending as well as a manufacturing industry which maintains a high level of production.

Faced with this economic environment, we believe our role as a regional financial institution is to contribute to the development of the local economy by offering efficient financing. Simultaneously, we will further promote the "Promotion Plan for Locally Based Finance" based on our "Financial Reform Program" to further strengthen the Bank's management foundation and respond to our customers' expectations and various needs, and continue to move forward with a creation of a solid relationship with the local region.

With its new medium-term management plan, "TOHO Breakthrough Plan 2006," which began in April 2006, which is based on the principles mentioned above, the Bank has sought to achieve its long-term vision of "Best Regional Bank in the 21st Century." The major plans contained in this new management plan are the "Top Line Strengthening Plan," "Regional Vitality Support Plan," "Job Satisfaction Enhancement Plan" and "Governance Strengthening Plan," with which we will strive to

reorganize and establish a new operational base as well as operating environment.

Specifically, the "Top Line Strengthening Plan" will serve as the basis for the plan to strengthen the relationship between the sales front line and our customers by proactively examining the services of sales offices, including those related to loans from the standpoint of improving the convenience for our customers. With this plan in place, we will respond to the borrowing needs of our corporate and sole proprietor customers with a prompt and positive financing stance. We will also offer a wide variety of solutions utilizing tools such as market-type indirect financing while clarifying strategies appropriate for each market. Furthermore, for our individual customers, we will strive to become even more reliable and accessible; a bank that customers will "go see first" at each life event. This effort will include improvement on the merchantability of each loan, improvement on interpersonal and customer service skills of employees and offering a wide range of financial products such as public bonds, investment trusts and insurance products in addition to deposits.

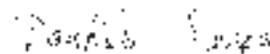
The "Regional Vitality Support Plan" will serve as the basis for our effort to realize a dynamic regional society through management improvement support, business revitalization, customer service improvement as well as involvement with corporate social responsibility while keeping our focus on our customer's perspective.

The "Job Satisfaction Enhancement Plan" will focus mainly on strengthening human resource development and efficient placement of human resources. We will also strive to increase the Bank's productivity by enhancing human value, firmly establishing a dynamic corporate culture and encouraging sales offices to exhibit initiative.

Lastly, the "Governance Strengthening Plan" will serve as the basis for our effort to expand and strengthen our business management (governance) structure through developing a law and regulation compliance system, a risk management system as well as an internal control system. Although we have in the past considered the development of an internal control system as one of our major business objectives, we will now take steps toward further improving its effectiveness. To this end, as the Corporate Law has now been implemented, we drafted the "Basic Principle for Developing an Internal Control System" from the standpoint of establishing a corporate system that is both legal and efficient.

Toho Bank will continue its efforts in the future to ensure thorough compliance with laws and regulations, actively disclose information, and increase management transparency. We look forward to continuing to receive the support and encouragement of all our shareholders in these endeavors.

August 2006



Toshio Seya
President

Deposits

In addition to deposit services, we strove to offer various financial services of the highest quality to meet our customers' diversifying capital management needs, actively working on sales of public bonds, investment trusts and insurance products, and seeking to enhance deposit assets. As a result, total deposits including negotiable certificates of deposit decreased by ¥20.7 billion during the fiscal year, to ¥2,574.6 billion (US\$21,917 million).

On the other hand, the asset balance centered on public bonds, investment trusts and individual annuity insurance increased by ¥79.3 billion during the fiscal year to ¥330.1 billion (US\$2,810 million).

Loans and Consumer Loans

Based on the "community-based financial promotion program," we actively took steps to smooth the supply of capital to small and medium-sized local enterprises and provided support for corporate reorganizations. Among other measures, we also focused on augmenting financing for individual customers centered on mortgages. Consequently, the balance of outstanding loans rose during the fiscal year by ¥114.1 billion to ¥1,874 billion (US\$15,953 million).

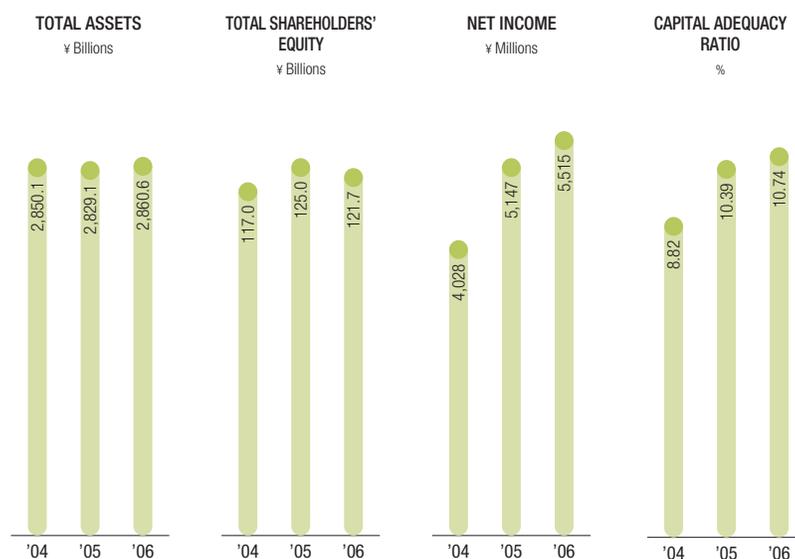
•Marketable Securities

As a result of striving for efficient capital investment while carefully following the investment environment and market trends, marketable securities decreased by ¥64.6 billion during the fiscal year, mainly from investment in government bonds, to ¥848.7 billion (US\$7,225 million).

•Profit and Loss

Although prolonged low-level trends in the interest rate resulted in a harsh earnings environment, in addition to concentrating our efforts on the augmenting of loans, we sought to increase earnings from service and other transactions by actively promoting deposit assets such as public bonds, investment trusts and insurance products. In addition, we focused on the reduction of fees. Furthermore, by actively working to improve management and provide support for corporate reorganization, we strove to ensure the health of assets and prevent the reoccurrence of nonperforming loans. As a result, ordinary income rose by ¥2.5 billion to ¥11.5 billion (US\$98 million) compared with the previous year due to a year-on-year reduction in the cost of writing off nonperforming loans. Although Toho Bank recorded an extraordinary loss of ¥919 million (US\$7 million) in impairment losses that accompanied the application of asset-impairment accounting for fixed assets, net income rose by ¥368 million to ¥5.5 billion (US\$46 million) compared with the previous fiscal year, due to an increase in ordinary income.

Toho Bank's capital adequacy ratio based on domestic standards rose by 0.35 percentage point compared with the previous consolidated fiscal year, to 10.74%, due to an increase in internal reserves through accumulated stable earnings.



Disclosure of Problem Assets Based on the Revitalization Law as of March 31, 2006 (Non-Consolidated)

	Millions of Yen					
	Exposure ①	Amount Covered ②	Uncovered Portion ③=①-②	Specific Reserves ④	Reserve Ratio ④/③	Coverage Ratio (②+④)/①
A Bankrupt and Quasi-bankrupt.....	¥ 43,443	¥11,810	¥31,633	¥31,633	100.00%	100.00%
B Doubtful.....	42,458	18,425	24,033	16,324	67.92%	81.84%
C Substandard.....	16,407	5,404	11,002	2,749	24.99%	49.70%
D Subtotal (A+B+C).....	102,309	35,640	66,668	50,708	76.05%	84.39%
E Normal.....	1,800,267					
Total (D+E).....	¥1,902,576					

Consolidated Balance Sheets

The Toho Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2006	2005	2006
ASSETS			
Cash and Due from Banks	¥ 81,096	¥ 77,793	\$ 690,356
Call Loans and Bills Purchased	1,820	31,879	15,500
Commercial Paper and Other Debt Purchased	7	7	67
Trading Account Securities (Note 13).....	2,062	2,326	17,559
Money Held in Trust	10,542	7,511	89,750
Securities (Note 13).....	846,683	911,050	7,207,659
Loans and Bills Discounted (Note 4)	1,874,015	1,759,882	15,953,137
Foreign Exchange	417	555	3,550
Other Assets	23,164	23,476	197,197
Premises and Equipment	43,037	45,563	366,373
Deferred Tax Assets (Note 9)	19,099	20,558	162,588
Customers' Liabilities for Acceptances and Guarantees (Note 5).....	16,004	15,152	136,247
Reserve for Possible Loan Losses	(57,280)	(66,585)	(487,617)
Total Assets	¥2,860,673	¥2,829,174	\$24,352,371
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits	¥2,574,645	¥2,595,409	\$21,917,473
Call Money and Bills Sold	105,870	52,465	901,259
Borrowed Money	2,798	2,542	23,818
Foreign Exchange	81	51	689
Bonds	15,000	15,000	127,692
Other Liabilities	8,190	8,871	69,722
Reserve for Employee Retirement Benefits (Note 10)	9,967	11,651	84,850
Deferred Tax Liabilities related to Land Revaluation	4,759	1,581	40,519
Acceptances and Guarantees (Note 5).....	16,004	15,152	136,247
Total Liabilities	2,737,318	2,702,725	23,302,273
Minority Interests	1,637	1,414	13,937
Shareholders' Equity:			
Common Stock (Note 6).....	18,684	18,684	159,058
Capital Surplus	8,819	8,819	75,077
Retained Earnings	84,303	81,655	717,663
Reserve for Land Revaluation, Net of Tax	854	2,370	7,278
Unrealized Gains on Available-for-Sale Securities, Net of Tax (Note 13)	9,232	13,643	78,590
Common Stock Held in Treasury	(177)	(137)	(1,508)
Total Shareholders' Equity	121,717	125,035	1,036,159
Total Liabilities and Shareholders' Equity	¥2,860,673	¥2,829,174	\$24,352,371

See notes to consolidated financial statements.

Consolidated Statements of Income and Retained Earnings

The Toho Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2006	2005	2006
Income:			
Interest Income:			
Interest on Loans and Discounts	¥35,313	¥35,042	\$300,619
Interest and Dividends on Securities	10,214	10,987	86,951
Other Interest Income	3	17	25
Fees and Commissions	10,454	9,920	89,000
Other Operating Income	7,047	7,414	59,989
Other Income (Note 7)	5,011	2,073	42,665
Total Income	68,044	65,456	579,252
Expenses:			
Interest Expenses:			
Interest on Deposits	536	523	4,568
Interest on Borrowings and Rediscounts	707	792	6,026
Interest on Bonds	185	54	1,579
Other Interest Expenses	718	746	6,120
Fees and Commissions	3,872	3,866	32,964
Other Operating Expenses	7,741	5,855	65,903
General and Administrative Expenses	35,027	36,104	298,182
Other Expenses (Note 8)	8,820	8,787	75,083
Total Expenses	57,610	56,731	490,428
Income before Income Taxes	10,434	8,725	88,824
Provision for Income Taxes:			
Current	340	769	2,902
Deferred	4,342	2,700	36,966
Total Provision for Income Taxes	4,683	3,470	39,869
Income before Minority Interests	5,750	5,255	48,954
Minority Interests	235	107	2,005
Net Income (Note 11)	5,515	5,147	46,949
Retained Earnings:			
Balance at Beginning of Year	81,655	77,601	695,122
Appropriation of Land Revaluation	(1,723)	54	(14,672)
Cash Dividends	(1,113)	(1,117)	(9,480)
Bonuses to Directors and Corporate Auditors	(30)	(30)	(255)
Balance at End of Year	¥84,303	¥81,655	\$717,663

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

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The Toho Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2006	2005	2006
Cash Flows from Operating Activities			
Income before Income Taxes	¥ 10,434	¥ 8,725	\$ 88,824
Depreciation Expense	7,296	7,748	62,115
Loss on Impairment of Fixed Assets	919	—	7,830
Equity in Earnings of Affiliates	(18)	(18)	(159)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(9,305)	(6,312)	(79,211)
Increase (Decrease) in Reserve for Employee Retirement Benefit	(1,683)	(2,368)	(14,333)
Interest Income	(45,531)	(46,048)	(387,596)
Interest Expenses	2,149	2,116	18,295
Securities-related Net (Gain) Loss	(2,752)	(1,497)	(23,435)
Net (Gain) Loss on Money Held in Trust	(242)	(17)	(2,065)
Net (Gain) Loss on Foreign Exchange	(15)	(2)	(131)
Net (Gain) Loss on Sale of Premises and Equipment	118	204	1,009
Depreciation of Premises	—	21	—
(Increase) Decrease in Trading Account Securities	264	(1,423)	2,248
(Increase) Decrease in Loans and Bills Discounted	(114,132)	(26,043)	(971,584)
Increase (Decrease) in Deposits	(14,540)	31,556	(123,780)
Increase (Decrease) in Negotiable Certificates of Deposit	(6,223)	(26,069)	(52,978)
Increase (Decrease) in Borrowing Excluding Subordinated Debt	256	(187)	2,179
(Increase) Decrease in Due from Banks Other than BOJ	(143)	(448)	(1,221)
(Increase) Decrease in Call Loans	30,058	69,242	255,880
Increase (Decrease) in Call Money and Other Fundings Related to Operating Activities	53,405	(47,439)	454,632
(Increase) Decrease in Foreign Exchange Assets	138	179	1,175
Increase (Decrease) in Foreign Exchange Liabilities	29	(3)	250
Interest Received	46,461	47,494	395,516
Interest Paid	(2,026)	(1,860)	(17,255)
All Other Operating Activities, Net	(8,056)	(7,180)	(68,583)
Sub-total	(53,140)	368	(452,377)
Income Taxes Paid	(887)	(348)	(7,552)
Net Cash (Used in) Provided by Operating Activities	(54,028)	20	(459,930)
Cash Flows from Investing Activities			
Purchase of Equity and Other Securities	(197,053)	(265,282)	(1,677,477)
Proceeds from Sales of Equity and Other Securities	172,244	138,327	1,466,284
Proceeds from Maturities of Securities	86,841	99,314	739,265
Increase in Money Held in Trust	(2,800)	(2,500)	(23,835)
Decrease in Money Held in Trust	—	5,022	—
Expenditures for Premises and Equipment	(986)	(1,183)	(8,395)
Proceeds from Sales of Premises and Equipment	89	145	761
Net Cash Provided by (Used in) Investing Activities	58,335	(26,155)	496,602
Cash Flows from Financing Activities			
Proceeds from Issuance of Subordinated Bonds	—	15,000	—
Dividends Paid	(1,113)	(1,117)	(9,480)
Dividends Paid to Minority Interests	(8)	(1)	(68)
Purchase of Treasury Stock	(44)	(31)	(376)
Proceeds from Sales of Treasury Stock	1	1	13
Net Cash (Used in) Provided by Financing Activities	(1,164)	13,850	(9,911)
Effect of Exchange Rate Changes in Cash and Cash Equivalents	15	2	131
Net (Increase) Decrease in Cash and Cash Equivalents	3,158	(12,282)	26,890
Cash and Cash Equivalents at Beginning of Fiscal Year	74,877	87,159	637,421
Cash and Cash Equivalents at End of Fiscal Year	¥ 78,036	¥ 74,877	\$ 664,312

See notes to consolidated financial statements.

I. Basis of Presentation

The accompanying consolidated financial statements of The Toho Bank, Ltd. (the "Bank") and its consolidated subsidiaries and affiliates accounted for by the equity method have been prepared from the accounts and records maintained by them in accordance with accounting principles generally accepted in Japan which are different in certain material respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying financial statements have been compiled from the financial statements filed with the Prime Minister as required by the Securities and Exchange Law of Japan and the Banking Law of Japan.

For the convenience of readers outside Japan, certain items presented in the original financial statements have been reclassified and rearranged.

The amounts indicated in millions of yen are rounded down by omitting amounts of less than one million. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Bank and five of its subsidiaries.

The Bank has four affiliates, which are accounted for by the equity method.

(b) Trading account securities

Marketable trading account securities are stated at market value at end of March 31, 2006.

The moving average cost method is used to determine the cost of securities disposed.

(c) Securities

Held-to-maturity debt securities are stated at amortized cost using the moving average cost method.

Available-for-sale securities are stated at market value at end of March 31, 2006 or, if quoted prices are not available, at cost or amortized cost using the moving average cost method.

Net unrealized gains (losses) on available-for-sale securities are included as a separate component of shareholders' equity, net of related tax effect.

Securities included in "Money held in trust" are also classified and stated in the same method stated above.

(d) Derivatives

The Bank's derivatives are stated at fair value.

(e) Premises and equipment

(1) Depreciation is computed principally using declining-balance method over the estimated useful lives of assets. Estimated useful lives of 2 to 40 years are used on premises and 2 to 20 years for equipment, respectively.

Depreciation at the consolidated subsidiaries is computed principally using the declining-balance method over the estimated useful lives of assets.

(2) In accordance with the Law concerning Revaluation of Land enacted on March 31, 1998 (the "Law"), the land used for business owned by the Bank was revalued at March 31, 2000, and the unrealized gains, net of related tax effect, are reported to "Reserve for Land Revaluation" in shareholders' equity section, and the deferred tax is included in Liabilities section as "Deferred Tax Liabilities related to Land Revaluation".

The excess amount of the revalued carrying amount over the fair value of the lands revalued pursuant to the Article 10 of the Law was ¥10,685 million.

(f) Reserve for possible loan losses

The reserve for possible loan losses of the Bank are made in accordance with the Bank's internal rules for self-assessment of asset quality and for providing reserve for possible credit losses. Pursuant to the rules, the reserve for possible loan losses has been provided for as described below.

For loans to borrowers which are classified as substantially bankrupt or which are bankrupt in the formal legal sense, a reserve is provided based on the amount remaining after deduction of the collateral considered to be disposable and an estimate of amounts recoverable under guarantees.

For loans to borrowers which, although not actually bankrupt in the legal sense, have experienced serious financial difficulties and whose failure is highly possible, a reserve is provided for the estimated unrecoverable amount based on the amount remaining after deduction of the collateral considered to be disposable and an estimate of amounts recoverable under guarantees.

For other loans, a reserve is provided based on the Bank's historical loan loss experience.

The above procedures for providing reserves follow the Bank's internally established rules for self-assessment of the quality of all the Bank's loan assets, which have been audited by the Inspection Department.

The reserves for possible loan losses of the consolidated subsidiaries are provided for necessary amount, which is based on historical loan loss experience and estimated collectibility of specific claims.

(g) Reserve for employee retirement benefits

The reserve for employee retirement benefits is provided to the extent that retirement benefit obligation at March 31, 2006 exceeds estimated plan assets. Amortization of prior service cost and actuarial loss is computed as follows:

Prior service cost shall be amortized using the straight-line method over a period of 3 years within the average remaining service period of active employees when incurred.

Actuarial loss is being amortized from the succeeding fiscal year using the straight-line method over a period of 10 years within the average remaining service period of active employees at fiscal year of the incurrence.

(h) Method of hedge accounting

The Bank does not apply hedge accounting for interest rate risk arising from financial assets and liabilities.

Until the year ended March 31, 2003, the Bank applied "macro hedge" accounting pursuant to the temporary treatment regulated by "Treatments in Accounting and Audit for Banks on Application of Accounting Standards for Financial Institutes" (JICPA Industry Audit Committee Report No. 15), which manages interest rate risk associated with monetary assets and liabilities such as lending and deposits, using derivative transactions as a whole.

Deferred hedge losses on "macro hedge" have been amortized as funding expenses for a period of average remaining years (3.7 years) of the hedge effective the year ended March 31, 2004. Deferred hedge losses at March 31, 2006 were ¥213 million.

The Bank adopts the "Treatment in Accounting and Auditing Concerning the Accounting Treatment of Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee, Report No. 25) regarding the accounting for foreign currency transactions. In order to evaluate the effectiveness, the Bank verifies the existence of equivalent foreign currency positions of the hedge instrument, against foreign-currency-denominated debts and credits, which is the hedge item.

(i) Accounting change

(1) As permitted by "Accounting Standard for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" (Business Accounting Deliberation Council, August 9, 2002)) and "Guidelines on Implementation of Accounting Standard for Impairment of Fixed Assets" (the Accounting Standards Board of Japan ("ASBJ") Guidelines No. 6, October 31, 2003), effective the fiscal year beginning April 1, 2005, the impairment accounting was adopted in accordance with these standard and guidelines. As a result, Income before Minority Interests decreased by ¥919 million.

As fixed assets are carried on the balance sheet net of accumulated depreciation in accordance with the "Banking Law Enforcement Regulations" (Ministry of Finance Ordinance No. 10, 1982), the accumulated impairment losses are also directly deducted from each asset balance.

The Bank recognizes the estimated unrecoverable amount of its investment in its branch premises and idle assets as Loss on Impairment of Fixed Assets. For the purposes of identifying impaired assets, the assets of an individual branch are grouped as a unit.

As for idle assets, the individual asset is assessed as a unit for the purposes of identification.

The recoverable amount is calculated based on net realized value. Net realizable value is calculated based on the valuation by road rating and on the appraisal value, etc., less estimated cost of disposal.

(2) Clerical work commission paid to the affiliates is classed in "General and Administrative Expenses" in the accompanying consolidated statements of income and retained earnings, whereas, in the prior year, it was classed in "Fees and Commissions" in the accompanying consolidated statements of income and retained earnings.

The change was made in order to present more accurate information for fees and commissions.

As a result, "General and Administrative Expenses" increased by ¥219 million and "Fees and Commissions" decreased by the same amount.

(j) Additional information

Due to adopting the impairment accounting (Note 2-(f)), net realizable value and future usage for the land used for business owned by the Bank, to which the Law concerning Revaluation of Land has adopted (Note 2-(e)-(2)), was revised. As a result, "Reserve for Land Revaluation" in shareholders' equity section decreased by ¥3,238 million, and "Deferred Tax Liabilities related to Land Revaluation" in liabilities section increased by ¥3,238 million.

3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at the rate of ¥117.47= U.S.\$1.00, the exchange rate prevailing on March 31, 2006. This translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4. Loans and Bills Discounted

Loans to borrowers in bankruptcy and delinquent loans totaled ¥18,843 million and ¥66,625 million, respectively, at March 31, 2006.

Loans to borrowers in bankruptcy represent non-accrual loans, after the write-offs of loans deemed uncollectable to borrowers who are legally bankrupt, as defined in Article 96, Paragraph 1, Subparagraphs 3 and 4 of the Enforcement Ordinance of the Corporation Tax Law.

Delinquent loans are non-accrual loans other than loans to borrowers in bankruptcy or loans on which interest payments have been deferred in order to assist the restructuring of the borrowers.

Loans past due 3 months or more totaled ¥340 million.

Loans past due 3 months or more are loans on which interest or principal payments are 3 months or more past due, but which are not included in loans to borrowers in bankruptcy or delinquent loans.

Restructured loans totaled ¥16,066 million. Restructured loans are loans, other than loans to borrowers in bankruptcy or delinquent loans, on which the Bank has granted certain concessions such as a reduction of the contractual interest rates or principal or a deferral of payments of interest/ principal, in order to assist the restructuring of the borrowers.

Loans to borrowers in bankruptcy, delinquent loans, loans past due 3 months or more and restructured loans amounted to ¥101,876 million in the aggregate.

Bills discounted are accounted for as financial transactions in accordance with "Treatments in Accounting and Audit for Banks on Application of Accounting Standards for Financial Institutes" (JICPA Industry Audit Committee Report No. 24). The Bank has rights to sell or pledge commercial bills discounted and foreign exchange bought without restrictions, and their total face amount was ¥20,917 million.

5. Acceptances and Guarantees

All contingent liabilities arising from Acceptances and Guarantees are included in the account "Customers' Liabilities for Acceptances and Guarantees," which represents the Bank's right of indemnity from the applicants, and is presented as a contra-account on the assets side of the balance sheets.

6. Common Stock

Information pertaining to common stock at March 31, 2006 is as follows:

- Authorized number of shares of common stock: 798,256 thousand shares
- Number of shares issued and outstanding: 223,249 thousand shares

7. Other Income

Other income principally represents gain on sales of securities and gain on sales of premises and equipment.

8. Other Expenses

Other expenses principally represent the provision for possible loan losses, loss on impairment of holding securities, loss on impairment of fixed assets and loss on sale of premises and equipment.

9. Deferred Income Taxes

The major components of deferred tax assets and liabilities at March 31, 2006 and 2005 are summarized as follows:

March 31	Millions of Yen	
	2006	2005
Deferred Tax Assets:		
Reserve for Possible Loan Losses.....	¥17,933	¥21,303
Reserve for Employee Retirement Benefits	3,983	4,514
Depreciation of Premises and Equipment	1,849	1,921
Impairment of Stock	—	479
Bonus payable	486	—
Other.....	2,004	1,903
Valuation Allowance	(998)	(461)
Total Deferred Tax Assets.....	25,258	29,661
Deferred Tax Liabilities:		
Unrealized Gains on Available-for-Sale Securities	(6,159)	(9,102)
Total Deferred Tax Liabilities.....	(6,159)	(9,102)
Net Deferred Tax Assets.....	¥19,099	¥20,558

10. Retirement Benefits

The following information pertains to the Bank's defined benefits pension plan.

(a) Retirement benefits obligation

March 31	Millions of Yen	
	2006	2005
Retirement Benefits Obligation	¥(29,008)	¥(29,212)
Plan Assets at Fair Value	19,009	16,098
Unfunded Retirement Benefits Obligation	(9,999)	(13,113)
Unrecognized Cumulative Effect		
of Changes in Accounting Standard	—	—
Unrecognized Actuarial Loss	725	3,489
Unrecognized Prior Service Cost.....	(692)	(2,026)
Net Retirement Benefits Obligation	(9,967)	(11,651)
Prepaid Pension Cost	—	—
Reserve for Employee Retirement Benefits	¥ (9,967)	¥(11,651)

(b) Pension cost

Year ended March 31	Millions of Yen	
	2006	2005
Service Cost	¥ 958	¥ 1,015
Interest Cost	560	560
Expected Return on Plan Assets.....	(299)	(262)
Amortization of Prior Service Cost	(1,333)	(1,142)
Amortization of Actuarial Loss	502	458
Cumulative Effect of Changes in Accounting Standard	—	—
Other	—	106
Net Pension Cost	¥ 388	¥ 735
Total	¥ 388	¥ 735

(c) Actuarial assumption used to determine costs and benefits obligation

Year ended March 31	2006	2005
(i) Assumed discount rate	2.0%	2.0%
(ii) Expected rate of return on plan assets	2.0%	2.0%
(iii) Method of attributing expected retirement benefits to periods: Straight line basis		
(iv) Amortization of prior service cost Prior service cost is being amortized using the straight-line method over a period of 3 years within the average remaining service period of active employees when incurred.		
(v) Amortization of actuarial loss Actuarial loss is being amortized from the succeeding fiscal year using the straight-line method over a period of 10 years within the average remaining service period of active employees at fiscal year of the occurrence.		

II. Net Income per Share

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

Year ended March 31	Yen	
	2006	2005
Net Income per Share		
Primary	¥24.58	¥22.95
Diluted	—	—

12. Leases (Lessor)

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net carrying amount of leased property at March 31, 2006 and 2005, which would have been reflected in the balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

At March 31	Millions of Yen	
	2006	2005
Acquisition Costs:		
Equipment	¥28,332	¥28,027
Other	3,511	3,510
Total	¥31,843	¥31,538
Accumulated Depreciation:		
Equipment	¥18,310	¥17,682
Other	2,200	2,206
Total	¥20,511	¥19,888
Net Carrying Amount:		
Equipment	¥10,021	¥10,345
Other	1,310	1,304
Total	¥11,332	¥11,649

Lease receipts relating to finance leases accounted for as operating leases amounted to ¥4,672 million and ¥4,754 million for the years ended March 31, 2006 and 2005, respectively.

Depreciation related to leased assets has been computed using the straight-line method over the terms of the respective leases and amounted to ¥4,139 million and ¥4,196 million for the year ended March 31, 2006 and 2005.

Undiscounted future minimum lease payments subsequent to March 31, 2006 for finance lease transactions accounted for as operating leases are summarized as follows:

March 31, 2006	Millions of Yen
2007	¥ 4,156
2008 and Thereafter	8,297
Total	¥12,454
March 31, 2005	Millions of Yen
2006	¥ 4,564
2007 and Thereafter	8,477
Total	¥13,042

13. Market Value Information

The tables below represent the securities and trading account securities.

(a) Trading account securities

March 31	Millions of Yen	
	2006	2005
Fair Value	¥2,062	¥2,326
Realized Gain Included in Earnings	(9)	4

(b) Held-to-maturity securities

March 31	Millions of Yen	
	2006	2005
National Government Bonds		
Book Value	¥41,389	¥41,607
Market Value	40,502	42,072
Net Unrealized Gain/(Loss)	(887)	464
Gross Unrealized Gain	—	517
Gross Unrealized Loss	887	52

(c) Available-for-sale securities

March 31, 2006	Millions of Yen				
	Amortized Cost	Fair Value	Net Unrealized Gain/(Loss)	Gross Unrealized Gain	Gross Unrealized Loss
Corporate Stock	¥ 36,802	¥ 67,389	¥30,586	¥30,843	¥ 256
Bonds	645,496	633,243	(12,253)	1,379	13,632
National Government	411,671	400,985	(10,685)	134	10,820
Local Government	85,242	84,774	(468)	783	1,251
Corporate	148,582	147,483	(1,099)	461	1,560
Other	98,143	95,204	(2,938)	329	3,268
Total	¥780,441	¥795,836	¥15,395	¥32,553	¥17,157

March 31, 2005	Millions of Yen				
	Amortized Cost	Fair Value	Net Unrealized Gain/(Loss)	Gross Unrealized Gain	Gross Unrealized Loss
Corporate Stock	¥ 39,438	¥ 53,730	¥14,291	¥15,147	¥ 855
Bonds	703,694	713,125	9,430	10,327	897
National Government	439,319	443,461	4,141	4,958	816
Local Government	97,146	100,240	3,093	3,096	3
Corporate	167,227	169,423	2,195	2,273	77
Other	95,002	94,025	(976)	524	1,501
Total	¥838,135	¥860,881	¥22,745	¥25,999	¥3,253

(Note) Loss on impairment was not recognized on the securities (Corporate Stock) classified as available-for-sale with their quoted market price available during fiscal 2006.

Loss on impairment is recognized on the specific identification basis in the following case:

- Fair value of stock at year-end (interim period) is 50% below its carrying amount.
- Fair value of stock at year-end is 30% to 50% below its carrying amount, and the loss deemed unrecoverable after considering issuers' financial condition and the market price movement during the past specified period of time.

(d) Available-for-sale securities sold during fiscal 2006 and 2005

Year ended March 31	Millions of Yen	
	2006	2005
Proceeds from Sales	¥172,206	¥138,325
Realized Gain	4,953	2,418
Realized Loss	2,180	647

(e) Securities with their fair value not available

March 31	Millions of Yen	
	2006	2005
Stock of Affiliates	¥ 255	¥ 236
Available-for-Sale Securities		
Unlisted Stock	1,321	1,303
Corporate Bonds	7,880	7,019
Other	—	—

(f) Securities with their classification changed to others

None

(g) Contractual maturities of available-for-sale securities and held-to-maturity securities

March 31, 2006	Millions of Yen			
	Due in 1 Year or Less	Due in 1 to 5 Years	Due in 5 to 10 Years	Due after 10 Years
Bonds	¥53,198	¥287,436	¥223,732	¥118,145
National Government	9,034	149,393	165,801	118,145
Local Government	14,381	48,944	21,448	—
Corporate	29,782	89,098	36,482	—
Other Securities	3,227	28,747	59,872	—
Total	¥56,425	¥316,183	¥283,605	¥118,145

March 31, 2005	Millions of Yen			
	Due in 1 Year or Less	Due in 1 to 5 Years	Due in 5 to 10 Years	Due after 10 Years
Bonds	¥88,659	¥305,103	¥257,778	¥110,212
National Government	15,454	152,988	206,414	110,212
Local Government	26,700	57,795	15,743	—
Corporate	46,503	94,319	35,620	—
Other Securities	5,985	41,144	44,353	—
Total	¥94,644	¥346,248	¥302,131	¥110,212

(h) Unrealized gain on available-for-sale securities

March 31, 2006	Millions of Yen
Unrealized Gain before Income Tax Effect and	
Minority Interest Adjustments	¥15,390
Available-for-Sale Securities	15,395
Money Held in Trust	(4)
Less: Deferred Tax Liability	6,159
Unrealized Gain before Minority Interest Adjustment	9,231
Less: Minority Interest	(0)
Equity of Unrealized Gain on Available-for-Sale Securities	
Owned by Affiliates That Are Accounted for under Equity Method	0
Unrealized Gain on Available-for-Sale Securities	¥ 9,232

March 31, 2005	Millions of Yen
Unrealized Gain before Income Tax Effect and	
Minority Interest Adjustments	¥22,745
Available-for-Sale Securities	22,745
Less: Deferred Tax Liability	9,102
Unrealized Gain before Minority Interest Adjustment	13,642
Less: Minority Interest	—
Equity of Unrealized Gain on Available-for-Sale Securities	
Owned by Affiliates That Are Accounted for under Equity Method	0
Unrealized Gain on Available-for-Sale Securities	¥13,643

14. Derivative Transactions**(a) General**

The Bank enters into various contracts, including interest rate swaps, currency swaps, forward exchange contracts and bond options.

The Bank's derivative transactions are limited to highly liquid derivative contracts, and their objectives are primarily to reduce market risks associated with its assets and liabilities.

Furthermore, the Bank enters into bonds-related over-the-counter transactions for a short term as a part of its trading activities.

The major risks associated with derivative transactions are market risk, that is, the risks resulting from fluctuations in interest rates and foreign exchange, and credit risk, that is, the risk of counterparties defaulting on their contracts. The Bank does not enter into any speculative transactions. The credit risk stood at ¥298 million at March 31, 2006, which is calculated by the current exposure method, and represents a portion of the calculation of the capital adequacy ratio required under BIS standards.

For derivative transactions, the Bank has established internal procedures and controls. The Bank also has established internal policies for maximum limits on positions and unrealized losses in the market section of the Financial Markets Department.

Furthermore, the Bank strictly segregates the front office, which transacts the contracts, the back office, which processes the contracts, and the middle office, which exercises risk controls.

(b) Fair value information

Derivative transactions accounted for by hedge accounting are excluded from the table.

(1) Interest-rate Derivatives

March 31	Millions of Yen			
	2006		2005	
	Contract Amounts	Fair Value	Contract Amounts	Fair Value
	Total	Over 1 Year	Total	Over 1 Year
Over-the-Counter Transactions				
Interest-rate Swap				
receivable fixed/				
payable floating	¥ 289	¥ 246	¥ (0)	—
receivable floating/				
payable fixed	¥6,833	¥3,246	¥(95)	¥10,910
Total		¥(96)		¥(307)

(2) Currency Derivatives

March 31	Millions of Yen			
	2006		2005	
	Contract Amounts	Fair Value	Contract Amounts	Fair Value
	Total	Over 1 Year	Total	Over 1 Year
Over-the-Counter Transactions				
Forward				
Exchange Contracts				
Sold	¥17,743	¥ —	¥(80)	¥ 8,643
Bought	¥ 150	¥ —	¥ 0	¥ 52
Total		¥(79)		¥(178)

15. Segment Information**(a) Segment information by type of business**

Year ended or as of March 31, 2006	Millions of Yen				
	Banking Operations	Others	Total	Elimination and Corporate Assets	Consolidated
I. Total Income and Recurring Profits					
Total Income from Outside Customers	¥ 62,462	¥ 5,580	¥ 68,043	¥ —	¥ 68,043
Total Income from					
Intersegment Transactions	96	1,500	1,597	(1,597)	—
Total	¥ 62,559	¥ 7,081	¥ 69,640	(1,597)	¥ 68,043
Total Expenses	51,504	6,713	58,218	(1,691)	56,527
Income before Income Taxes	11,054	367	11,422	93	11,515
II. Assets, Depreciation and Capital Expenses					
Assets	¥2,855,537	¥16,165	¥2,871,703	¥(11,030)	¥2,860,673
Depreciation	2,554	4,843	7,397	(101)	7,296
Loss on Impairment of Fixed Assets	919	—	919	—	919
Capital Expenditures	643	4,439	5,082	—	5,082

Year ended or as of March 31, 2005	Millions of Yen				
	Banking Operations	Others	Total	Elimination and Corporate Assets	Consolidated
I. Total Income and Recurring Profits					
Total Income from Outside Customers	¥ 59,949	¥ 5,503	¥ 65,453	¥ —	¥ 65,453
Total Income from					
Intersegment Transactions	102	1,443	1,546	(1,546)	—
Total	¥ 60,052	¥ 6,947	¥ 66,999	¥ (1,546)	¥ 65,453
Total Expenses	51,269	6,692	57,961	(1,507)	56,453
Income before Income Taxes	8,782	255	9,038	(38)	8,999
II. Assets, Depreciation and Capital Expenses					
Assets	¥2,824,029	¥16,498	¥2,840,528	¥(11,353)	¥2,829,174
Depreciation	2,753	4,965	7,719	29	7,748
Capital Expenditures	934	4,977	5,911	—	5,911

(b) Segment information by location

Since there is no subsidiary abroad, segment information by location is not presented.

(c) Current revenue from international operations

Since the ratio of current revenue from international operations to consolidated revenue is not material, it is not presented.

Report of Independent Auditors



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 2-2-3, Uchisaiwai-cho
 Chiyoda-ku, Tokyo 100-0011
 C.P.O. Box 1196, Tokyo 100-8641
 Phone: 03-3503-1100
 Fax: 03-3503-1197

The Board of Directors
 THE TOHO BANK, LTD.

We have audited the accompanying consolidated balance sheets of The Toho Bank Ltd. and consolidated subsidiaries as of March 31, 2006 and 2005, and the related consolidated statements of income and retained earnings, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Toho Bank, Ltd. and consolidated subsidiaries at March 31, 2006 and 2005, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 2 (i)-(1), effective April 1, 2005, the Bank and its consolidated subsidiaries adopted a new accounting standard for impairment of fixed assets.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2006 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

June 27, 2006

Ernst & Young Shin Nihon

Board of Directors and Auditors

President
Toshio Seya

Deputy President
Seishi Kitamura

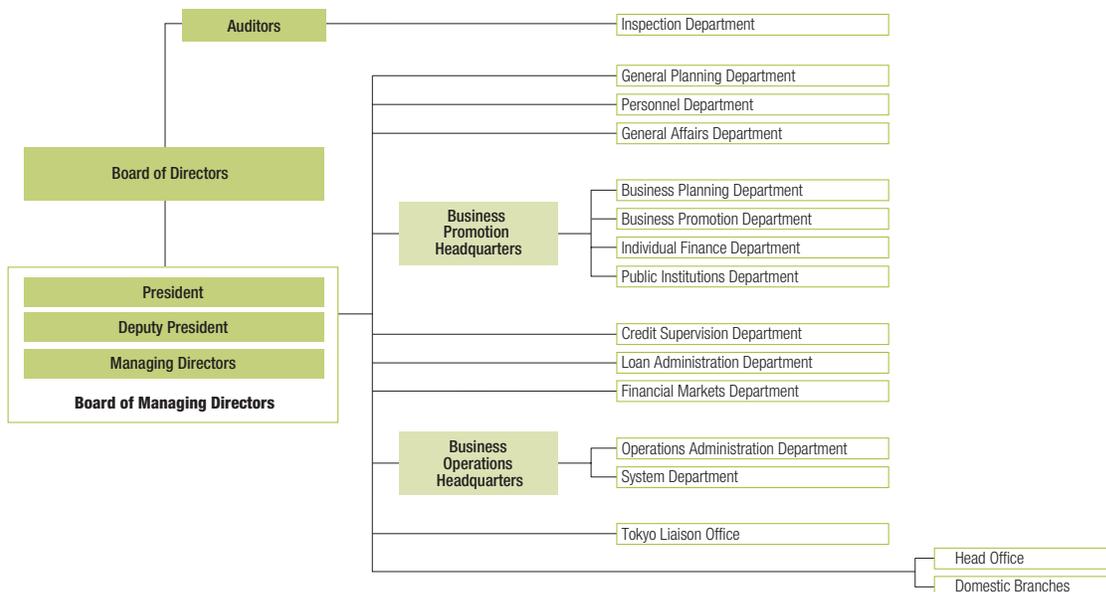
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Hiroyuki Motoyanagi
Tadashi Uchiyama
Fumitaka Sato
Hiroshi Endo
Tsugunobu Amano

Directors
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Masahiko Watanabe
Takumi Saito

Standing Auditors
Takashi Matsuno
Kazuo Kawasaki

Auditors
Shintaro Isayama
Shinichi Saito
Yu Haga

Organization



Network

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Koriyama Branch	Phone: (024) 932-4811
Sukagawa Branch	Phone: (0248) 75-2101
Shirakawa Branch	Phone: (0248) 22-3131
Aizu Branch	Phone: (0242) 27-6511
Haramachi Branch	Phone: (0244) 22-2141
Soma Branch	Phone: (0244) 36-3131
Taira Branch	Phone: (0246) 23-2321
Onahama Branch	Phone: (0246) 53-2233
Tokyo Branch	Phone: (03) 3535-5835
Sendai Branch	Phone: (022) 227-3411
Shinjuku Branch	Phone: (03) 3365-0461

Currency Exchange Offices: 57

Kencho, Nakamachi, Iizaka, Kori, Yanagawa, Kawamata, Iino, Minami-Fukushima, Fukushima-Ekimae, Horai, Nishi-Fukushima, Fukushima Idai Byo-in, Koriyama-Nakamachi, Koriyama-Ohmachi, Koriyama-Ekimae, Koriyama-Minami, Motomiya, Miharu, Funehiki, Ono, Koriyama-Kita, Asaka, Koriyama-Oroshimachi, Saikon, Kuwano, Koriyama-Higashi, Kagamiishi, Yabuki, Ishikawa, Tanagura, Hanawa, Shirakawa-Nishi, Asakawa, Aizu-Ichinomachi, Aizu-Honmachi, Inawashiro, Shiokawa, Kitakata, Bange, Takada, Tajima, Takizawa, Odaka, Namie, Tomioka, Futaba, Naraha, Ohkuma, Taira-Nishi, Yumoto, Ueda, Nakoso, Iwaki-Izumino, Mito, Higashi-Fukushima, Shin Sakura Dori, Tomita

SUBSIDIARIES AND AFFILIATES

Name	Line of Business	Established in	Capital (Millions of yen)	Bank's Share in Capital (%)
The Toho Business Service Co., Ltd.	Counting, transporting cash and maintenance of ATMs	1981	10	100
The Toho Real Estate Service Co., Ltd.	Real estate	1992	10	100
The Toho Staff Service Co., Ltd.	Delegation of personnel	1992	20	100
The Toho Lease Co., Ltd.	Leasing	1985	60	5
The Toho Information System Co., Ltd.	Developing software	1993	30	5
The Toho Computer Service Co., Ltd.	Calculation operations	1983	30	7.6
The Toho Credit Guarantee Co., Ltd.	Credit guaranteeing	1985	30	5
The Toho Card Co., Ltd.	Credit card	1985	30	5
The Toho Credit Service Co., Ltd.	Credit card	1990	30	5



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