



THE TOHO BANK, LTD.

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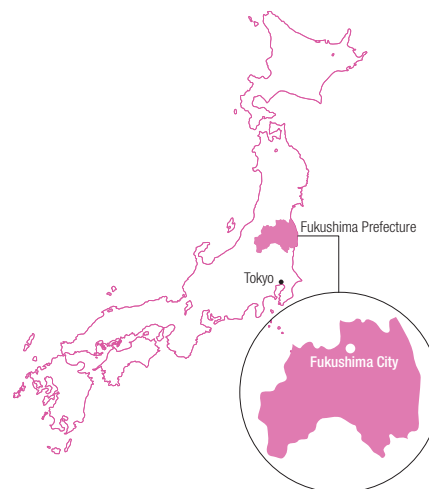
YEAR ENDED MARCH 31, 2008



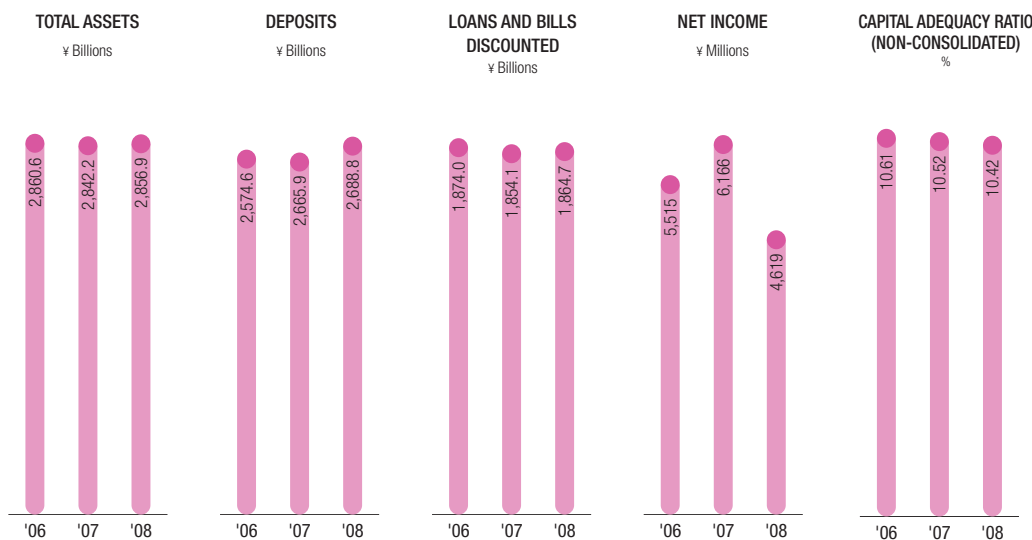
THE TOHO BANK, LTD.

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), evaluated positively by the market and our 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, 2008, Toho Bank had total net assets of ¥122.7 billion (US\$1,224 million) and total assets of ¥2,856.9 billion (US\$28,514 million) (both figures on a consolidated basis), 1,910 employees, and a business network composed of 112 branches.



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Business Overview

Financial and Economic Environment

During the fiscal year ended March 31, 2008, the Japanese economy experienced a moderate export-driven recovery, but it has since moved into a phase of stagnation amid a slower U.S. economy caused by the subprime loan problem, soaring crude oil and raw materials prices, and progressing yen appreciation.

Similarly, the regional economy of Fukushima Prefecture has reached a plateau, with the earlier rising trend in production activity appearing to adjust while public works projects are diminishing and personal consumption is stalling.

On the other hand, the prefecture continues to see a healthy influx of corporations setting up operations, which promises positive ripple effects for the local economy.

Meanwhile, in the financial economy, concerns over the global economic slowdown caused a steep decline in the Japanese stock market. Moreover, although short-term interest rates have remained unchanged, the benchmark Japanese government bond (JGB) yield has been falling on waning prospects for the Bank of Japan to raise its policy interest rate.

The environment for financial institutions has changed markedly due to developments that include the enforcement of the Financial Instruments and Exchange Act and the inception of the Japan Post Bank following the privatization of Japan's postal services. Regional financial institutions have been working to enhance user convenience and strengthen profitability by moving toward regional management integration beyond their previously existing frameworks and by providing new services accommodating diversified financing needs.

Business Progress

In this environment, acting from the viewpoint of customers, we implemented measures to reach the Bank's objectives under its four focus plans—"Top-Line Strengthening," "Regional Vitality Support," "Job Satisfaction Enhancement," and "Governance Strengthening"—goals based on our medium-term management plan, "Toho Breakthrough Plan 2006," centered on the main themes of strengthening the Bank's profile in the region and increasing enterprise value.

Surrounding consumer-centric products and services, we combined our IC cash card with a credit card function and launched the "Toho Always Card" with perks such as privileged after-hours ATM charges aligned with cardholders' banking transactions with the Bank. At the same time, we started offering the Toho Term Deposit with Year-End Jumbo Lottery Ticket.

Moreover, we provided products that address the diverse needs of our customers, including broadened investment trust and annuity insurance products, and initiated handling foreign-denominated deposit in two additional currencies. At the same time, banking outlets have been upgraded including an increased number of desks for asset management consultation.

In transactions with corporate customers, we made proactive efforts at providing comprehensive financial services. This included,



President
Seishi Kitamura

with a view to smooth funding for small and medium-sized enterprises, as a first in Japan, the “Fuel Cost Support Toho Super Loan” to support small and medium-sized enterprises affected by soaring crude oil prices, as well as the Toho Machinery Collateral Loan and Comprehensive Trade Receivables Factoring.

Furthermore, as a new effort centered around the theme of local industry and local commerce, to foster and support small and medium-sized enterprises in the region we hosted the Fukushima Food Fair 2007 as an event to establish trade contacts in the food industry, as well as the Toho International Economies Seminar to support overseas business initiatives of companies based in Fukushima Prefecture.

In addition, in efforts concerning corporate social responsibility (CSR), with a view to invigorating the region, we worked to further the collaboration between universities and industry in the prefecture and expanded student loans extended in affiliation with educational institutions. At the same time, we incepted the “Toho Doctor’s Loan” for employed medical doctors and hosted the Toho Family Financial Seminar to provide financial literacy.

Moreover, we have offered preferential interest rates on loans to corporations and business owners with proactive CSR programs such as environmental protection measures and acquisition of public certifications including ISO14001, and have offered preferential interest on loans for housing and education in order to support families with children.

As a way to return income to shareholders, the Bank acquired and cancelled a portion of its own stock.

The Tasks Ahead

Amid sweeping changes in the management environment of the financial industry, we believe the Bank’s mission as a regional financial institution consists of contributing to the development of the regional economy through the smooth provision of funds and through providing financial services that closely match customer needs.

Given our local involvement for the furtherance of Fukushima Prefecture, the Bank’s principal business base, we will continue to engage in locally rooted business activities and, based on our medium-term management plan, will continue our efforts to strengthen Toho Bank’s profile in the region and enhance the Bank’s enterprise value.

Toho Bank will remain fully aware of its responsibility to the community and its public role as a local financial institution. Predicated on our Basic Policies for Internal Controls, we will enforce compliance, further increase management transparency, and work to enhance the soundness and appropriateness of its operations.

Corporate officers and employees of Toho Bank are committed to do their utmost to meet the expectations of customers, shareholders, and the region’s companies and businesses.

We appreciate your continued support.

August 2008

北村 清士

Seishi Kitamura
President

Consolidated balance sheets

As of March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2008	2007	2008
Assets:			
Cash and due from banks.....	¥ 68,803	¥ 187,296	\$ 686,727
Call loans and bills bought.....	82,053	51,180	818,982
Monetary claims bought.....	1,018	2	10,164
Trading account securities (Note 18).....	1,083	1,328	10,813
Money held in trust.....	12,456	13,200	124,331
Securities (Notes 6 and 18).....	784,826	700,728	7,833,384
Loans and bills discounted (Notes 4 and 7).....	1,864,773	1,854,162	18,612,372
Foreign exchanges.....	1,672	582	16,689
Other assets (Note 6).....	8,954	9,147	89,372
Tangible fixed assets (Note 8).....	38,348	39,121	382,759
Intangible fixed assets.....	2,041	2,158	20,379
Deferred tax assets (Note 14).....	15,947	13,597	159,175
Customers' liabilities for acceptances and guarantees (Notes 5 and 9).....	6,022	8,770	60,111
Allowance for loan losses.....	(31,097)	(39,010)	(310,386)
Total assets	¥2,856,905	¥2,842,266	\$28,514,878
Liabilities:			
Deposits (Note 6).....	¥2,688,849	¥2,665,973	\$26,837,502
Call money and bills sold (Note 6).....	1,001	1,180	10,000
Foreign exchanges.....	270	216	2,697
Bonds payable.....	15,000	15,000	149,715
Other liabilities.....	9,356	7,789	93,388
Provision for directors' bonuses.....	35	45	349
Provision for retirement benefits (Note 15).....	8,068	8,915	80,527
Provision for directors' retirement benefits.....	578	534	5,776
Provision for reimbursement of deposits (Note 2).....	257	—	2,570
Provision for contingent loss (Note 2).....	82	—	825
Deferred tax liabilities for land revaluation (Note 14).....	4,664	4,688	46,556
Acceptances and guarantees (Note 5).....	6,022	8,770	60,111
Total liabilities	2,734,187	2,713,113	27,290,021
Net Assets:			
Capital stock.....	18,684	18,684	186,491
Capital surplus.....	8,818	8,819	88,020
Retained earnings.....	91,485	89,259	913,116
Treasury stock.....	(116)	(211)	(1,160)
Shareholders' equity.....	118,872	116,552	1,186,467
Valuation difference on available-for-sale securities (Note 18).....	2,937	11,664	29,323
Revaluation reserve for land.....	718	750	7,174
Valuation and translation adjustments.....	3,656	12,415	36,497
Minority interests.....	189	185	1,891
Total net assets	122,718	129,153	1,224,856
Total liabilities and net assets	¥2,856,905	¥2,842,266	\$28,514,878

See notes to consolidated financial statements.

Consolidated statements of income

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For the years ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2008	2007	2008
Income:			
Interest income:			
Interest on loans and discounts.....	¥40,606	¥36,867	\$405,293
Interest and dividends on securities	8,857	8,810	88,411
Other interest income.....	6	4	67
Fees and commissions income	10,714	11,060	106,939
Other ordinary income.....	767	6,704	7,658
Other income (Note 10).....	2,616	1,841	26,116
Total income	63,569	65,288	634,488
Expenses:			
Interest expenses:			
Interest on deposits.....	6,602	2,547	65,903
Interest on borrowings and rediscounts	70	262	701
Interest on bonds.....	186	186	1,860
Other interest expenses.....	1	362	14
Fees and commissions expenses	4,231	4,003	42,236
Other ordinary expenses.....	2,378	9,545	23,739
General and administrative expenses	37,030	35,500	369,600
Other expenses (Note 11).....	5,003	2,239	49,936
Total expenses	55,504	54,647	553,993
Income before income taxes	8,064	10,641	80,494
Provision for income taxes:			
Income taxes—current	143	67	1,431
Income taxes—deferred	3,294	4,299	32,886
Total provision for income taxes	3,438	4,366	34,318
Income before minority interests	4,626	6,274	46,176
Minority interests in income	6	107	69
Net income (Note 16).....	¥ 4,619	¥ 6,166	\$ 46,106

See notes to consolidated financial statements.

Consolidated statements of changes in net assets

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For the year ended March 31, 2008

	Shareholders' equity					Valuation and translation adjustments			Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Valuation and translation adjustments		
Balance at the end of previous period.....	¥ 18,684	¥ 8,819	¥ 89,259	¥ (211)	¥ 116,552	¥11,664	¥ 750	¥ 12,415	¥ 185	¥ 129,153
Changes of items during the period.....										
Dividends from retained earnings.....			(1,392)		(1,392)					(1,392)
Net income.....			4,619		4,619					4,619
Acquisition of treasury stock.....				(951)	(951)					(951)
Disposal of treasury stock.....		0		12	12					12
Retirement of treasury stock.....		(1)	(1,033)	1,034	—					—
Reversal of land revaluation excess, net of tax.....			32		32					32
Net changes of items other than shareholders' equity.....					—	(8,726)	(32)	(8,758)	4	(8,754)
Total changes of items during the period.....	—	(1)	2,225	95	2,319	(8,726)	(32)	(8,758)	4	(6,434)
Balance at the end of the current period.....	¥ 18,684	¥ 8,818	¥ 91,485	¥ (116)	¥118,872	¥ 2,937	¥ 718	¥3,656	¥ 189	¥ 122,718

	Shareholders' equity					Valuation and translation adjustments			Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Valuation and translation adjustments		
Balance at the end of previous period.....	\$186,491	\$ 88,032	\$ 890,903	\$(2,110)	\$1,163,316	\$116,419	\$ 7,495	\$ 123,915	\$ 1,849	\$ 1,289,081
Changes of items during the period.....										
Dividends from retained earnings.....			(13,901)		(13,901)					(13,901)
Net income.....			46,106		46,106					46,106
Acquisition of treasury stock.....				(9,499)	(9,499)					(9,499)
Disposal of treasury stock.....		0		123	123					123
Retirement of treasury stock.....		(11)	(10,313)	10,325	—					—
Reversal of land revaluation excess, net of tax.....			321		321					321
Net changes of items other than shareholder's equity.....					—	(87,095)	(321)	(87,417)	41	(87,375)
Total changes of items during the period.....	—	(11)	22,212	949	23,150	(87,095)	(321)	(87,417)	41	(64,225)
Balances at the end of the current period.....	\$186,491	\$ 88,020	\$ 913,116	\$(1,160)	\$1,186,467	\$ 29,323	\$ 7,174	\$ 36,497	\$ 1,891	\$ 1,224,856

For the year ended March 31, 2007

	Shareholders' equity					Valuation and translation adjustments			Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Valuation and translation adjustments		
Balance at the end of previous period.....	¥ 18,684	¥ 8,819	¥ 84,303	¥ (177)	¥ 111,630	¥ 9,232	¥ 854	¥10,087	¥1,637	¥ 123,354
Changes of items during the period.....										
Dividends from retained earnings (*).....			(667)		(667)					(667)
Dividends from retained earnings.....			(612)		(612)					(612)
Bonuses to Directors and corporate auditors (*).....			(35)		(35)					(35)
Net income.....			6,166		6,166					6,166
Acquisition of treasury stock.....				(40)	(40)					(40)
Disposal of treasury stock.....		0		4	5					5
Decrease in Consolidated Subsidiaries.....				1	1					1
Reversal of land revaluation excess, net of tax.....			103		103					103
Net change of items other than shareholder's equity.....					—	2,432	(103)	2,328	(1,451)	876
Total changes of items during the period.....	—	0	4,955	(34)	4,922	2,432	(103)	2,328	(1,451)	5,798
Balance at the end of the current period.....	¥ 18,684	¥ 8,819	¥ 89,259	¥ (211)	¥ 116,552	¥11,664	¥ 750	¥12,415	¥ 185	¥ 129,153

*Appropriation of Retained earnings approved at the ordinary general meeting of shareholders in June 2006.

Consolidated statements of cash flows

For the years ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2008	2007	2008
Cash flows from operating activities			
Income before income taxes	¥ 8,064	¥ 10,641	\$ 80,494
Depreciation expense	2,548	7,298	25,441
Impairment loss	46	323	468
Equity in earnings of affiliates	(12)	(38)	(120)
Net increase (Decrease) in allowance for loan losses	(7,912)	(18,103)	(78,978)
Increase (Decrease) in provision for directors' bonuses	(10)	45	(99)
Increase (Decrease) in provision for retirement benefits	(847)	(1,042)	(8,458)
Increase(Decrease) in provision for directors' retirement benefits	44	534	444
Increase (Decrease) in provision for reimbursement of deposits	257	—	2,570
Increase (Decrease) in provision for contingent loss	82	—	825
Interest income	(49,471)	(45,682)	(493,772)
Interest expenses	6,860	3,358	68,479
Securities-related Net (Gain) Loss	1,505	1,124	15,023
Net (Gain) Loss on money held in trust	285	110	2,853
Net (Gain) Loss on foreign exchange	21	(2)	211
Net (Gain) Loss on sale of fixed assets	72	195	726
Net (Gain) Loss on decrease in consolidated subsidiaries	—	(29)	—
(Increase) Decrease in trading account securities	245	733	2,450
(Increase) Decrease in loans and bills discounted	(10,610)	28,362	(105,904)
Increase (Decrease) in deposits	40,090	83,458	400,143
Increase (Decrease) in negotiable certificates of deposit	(17,214)	7,357	(171,823)
Increase (Decrease) in borrowings excluding subordinated debt	—	1,881	—
(Increase) Decrease in due from banks other than BOJ	1,949	727	19,454
(Increase) Decrease in call loans	(31,889)	(49,354)	(318,289)
Increase (Decrease) in call money and other fundings related to operating activities	(178)	(104,690)	(1,782)
(Increase) Decrease in foreign exchange assets	(1,089)	(165)	(10,876)
Increase (Decrease) in foreign exchange liabilities	53	135	535
Interest received	50,940	46,350	508,439
Interest paid	(5,668)	(2,378)	(56,574)
All other operating activities	1,891	(5,875)	18,880
Sub-total	(9,942)	(34,724)	(99,239)
Income Taxes Paid	161	(203)	1,615
Net cash used in operating activities	(9,781)	(34,928)	(97,624)
Cash flows from investing activities			
Purchase of equity and other securities	(352,099)	(116,530)	(3,514,316)
Proceeds from sales of equity and other securities	156,802	199,393	1,565,052
Proceeds from maturities of securities	92,246	64,936	920,720
Increase in money held in trust	(400)	(3,300)	(3,992)
Decrease in money held in trust	840	518	8,388
Expenditures for tangible fixed assets	(1,184)	(1,438)	(11,822)
Proceeds from sales of tangible fixed assets	62	155	624
Expenditures for intangible fixed assets	(676)	(570)	(6,747)
Proceeds from sales of intangible fixed assets	—	27	—
Net cash (used in) provided by investing activities	(104,407)	143,191	(1,042,093)
Cash flows from financing activities			
Dividends paid	(1,392)	(1,280)	(13,901)
Dividends paid to minority interests	(2)	(8)	(28)
Purchase of treasury stock	(951)	(39)	(9,492)
Proceeds from Sales of Treasury Stock	12	5	123
Net cash used in financing activities	(2,334)	(1,322)	(23,298)
Effect of exchange rate changes in cash and cash equivalents	(21)	2	(211)
Net (decrease) increase in cash and cash equivalents	(116,543)	106,943	(1,163,228)
Cash and cash equivalents at beginning of fiscal year	184,979	78,036	1,846,289
Cash and cash equivalents at end of fiscal year	¥ 68,435	¥ 184,979	\$ 683,061

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 number of consolidated subsidiaries and affiliates for the years ended 31st March, 2008 and 2007 is as follows:

	2008	2007
Number of consolidated subsidiaries	4	4
Number of affiliates accounted for by the equity method.....	5	5

(b) Trading account securities

Marketable trading account securities are stated at market value at the end of March 31, 2008.

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, 2008 or, if quoted prices are not available, at cost or amortized cost using the moving average cost method.

Valuation difference on available-for-sale securities is included as a separate component of net assets, 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) Depreciation

(1) Depreciation of Tangible fixed assets is computed under the declining-balance method. The estimated useful lives are as follows:

Buildings: 2-40 years

Other tangible fixed assets: 2-20 years

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

(2) Depreciation of Intangible fixed assets is computed under the straight-line method.

Development costs for internally used software are capitalized and depreciated under the straight-line method over the estimated useful lives of primarily 5 years.

(f) Revaluation of land

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 "Revaluation reserve for land" in Net Assets section, and the deferred tax is included in Liabilities section as "Deferred tax liabilities for 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 ¥9,438 million.

(g) Allowance for loan losses

The Allowance for 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 Allowance for 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 Allowance for 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.

(h) Provision for directors' bonuses

Provision for directors' bonuses is provided in the amount deemed accrued on the consolidated balance sheet date.

(i) Provision for retirement benefits

The Provision for retirement benefits is provided to the extent that retirement benefit obligation at March 31, 2008 exceeds estimated plan assets. Prepaid pension cost to ¥7 million have been included in Other 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.

(j) Provision for directors' retirement benefits

The Provision for directors' retirement benefits is provided in the required amount at the end of fiscal year, based on internally established standards.

(k) Provision for reimbursement of deposits

Provision for reimbursement of deposits is provided for the reimbursement of dormant deposits which were recognized as income to depositors, based on the estimated reimbursement loss in accordance with the past reimbursement records.

(l) Provision for contingent loss

Provision for contingent loss is provided for against possible losses from contingencies, which are not covered by other specific provisions.

(m) Leases

Finance leases other than those which transfer the ownership of the leased property to the Bank are accounted for as operating leases.

(n) Method of hedge accounting

The Bank applies special treatment for interest rate swaps as hedge accounting for interest rate risk arising from financial assets and liabilities.

The Bank adopts the "Treatment in Accounting and Auditing Concerning the Accounting Treatment of Foreign Currency Transactions for Banks" (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.

(o) Accounting change

(1) Regulations concerning the scope of securities in the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10) and "Practical Guidelines on Accounting for Financial Instruments" (Accounting Committee of the Japanese Institute of Certified Public Accountants ("JICPA"), Report No. 14) were partly revised (as of June 15 and July 4, 2007, respectively). Consistent with the coming into force of these revisions for fiscal years ending after the enactment date of the Financial Instruments and Exchange Act, the Bank applied the revised standard and practical guidelines effective from this consolidated fiscal year.

(2) Due to the tax law revision in fiscal year 2007, depreciation charges for tangible fixed assets acquired on or after April 1, 2007, are recognized in accordance with depreciation

methods based on the revised Corporation Tax Law. As a result, both "Ordinary profit" and "Income before income taxes" decreased by ¥41 million, compared with corresponding amounts under the previously applied method.

- (3) Costs from account holders' withdrawals of dormant deposits that have been recognized as income were previously expensed at the time of withdrawal. With the application of the "Auditing Treatment relating to Reserve defined under the Special Tax Measurement Law, Reserve defined under the Special Law and Provision for Director and Corporate Auditor Retirement Benefits" (JICPA Auditing and Assurance Practice Committee Report No. 42, April 13, 2007) for fiscal years beginning April 1, 2007, the Bank adopted the accounting method which has been changed to the effect that provision for reimbursement of dormant deposits is made in the amount of estimated future withdrawal losses based on past withdrawal records. Following this change, the Bank recognized on consolidated accounts net provisions of ¥100 million for the reimbursement of dormant deposits as "Other" included in "Other expenses" and charged ¥156 million, equivalent to the amount in the past fiscal years that should be posted at the beginning of the reporting period. As a result, Ordinary profit decreased by ¥100 million and Income before income taxes decreased by ¥257 million, compared with corresponding amounts under the previously applied method.
- (4) Effective from the fiscal year ended March 31, 2008, the Bank equally amortizes the residual value of tangible fixed assets acquired on or before March 31, 2007 over a period of five years, starting from the following consolidated fiscal year when the value of assets reached the depreciation limit. As a result, both "Ordinary profit" and "Income before income taxes" decreased by ¥84 million, compared with corresponding amounts under the previously applied method.
- (5) With the introduction of the responsibility-sharing system, which covers new loans with guarantee from the Credit Guarantee Association, on October 1, 2007, beginning with the term under review, the Bank recognizes provisions for contingent losses in the estimated amount of potential future contribution payments. As a result, both "Ordinary profit" and "Income before income taxes" decreased by ¥82 million, compared with corresponding amounts under the previously applied method.

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 ¥100.19 = U.S.\$1.00, the exchange rate prevailing on March 31, 2008. 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 ¥7,232 million and ¥57,843 million, respectively, at March 31, 2008.

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 ¥568 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 ¥11,241 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 ¥76,886 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 Instruments for Banks" (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 ¥17,921 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. Pledged Assets

Assets pledged as collateral at March 31, 2008 and 2007 were as follows:

	Millions of Yen	
March 31	2008	2007
Pledged Assets:		
Securities	¥4,026	¥ 4,109
Liabilities covered by pledged assets:		
Deposits	25,791	102,868
Bills Sold	—	—

In addition to the above, Securities amount to ¥80,268 million and ¥80,937 million were pledged as collateral in connection with exchange settlements as of March 31, 2008 and 2007, respectively.

Deposits amount to ¥971 million and ¥973 million were included in other assets as of March 31, 2008 and 2007, respectively.

7. Commitments and Contingent Liabilities

Overdraft facilities and line-of-credit contracts are agreements under which, subject to compliance with the contractual conditions, the Bank or consolidated subsidiaries pledged to provide clients with funds up to a fixed limit upon submission of a loan application to the Bank. The unused amount related to such facilities/contracts stood at ¥585,929 million and ¥584,397 million at March 31, 2008 and 2007, respectively. Of this amount, facilities/contracts which expires within one year or which are unconditionally cancelable at any time, totaled ¥572,161 million and ¥572,435 million at March 31, 2008 and 2007, respectively.

Most of these agreements will expire without the clients' having utilized the financial resources available to them, and the amount of the non-executed financing will not necessarily impact on the Bank or its consolidated subsidiaries' future cash flows. Most of these facilities/contracts contain a clause which allows the Bank or its subsidiaries to reject a loan application or to reduce the upper limit requested in view of changing financial conditions, credit maintenance and other reasonable concerns.

When necessary, the Bank will demand collateral such as real estate or marketable securities at the date on which an agreement is entered into. In addition, after facilities/contracts are set forth the Bank will regularly assess the business status of the clients, based on predetermined internal procedures and, when prudent, will revise the agreements or reformulate their policies to maintain creditworthiness.

8. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of Tangible fixed assets amount to ¥46,957 million and ¥46,071 million, and Accumulated advanced depreciation on Tangible fixed assets amount to ¥1,028 million and ¥1,053 million at March 31, 2008 and 2007, respectively.

9. Guarantees for Corporate Bonds

The amount of the guarantees for privately placed bonds in corporate bonds in accordance with Paragraph 3 of Article 2 of the Financial Instruments and Exchange Law is ¥9,071 million.

10. Other Income

Other income principally represents gain on sales of securities and gain on sales of tangible fixed assets.

11. 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 tangible fixed assets.

The differences between the recoverable amount and the book value of the following assets were recognized as loss on impairment of fixed assets during the fiscal year:

Millions of yen

Area	Purpose of Use	Type	Losses
Fukushima Area	Branch premises	Land	¥ 8
	Idle assets	Land	38
Total			¥46

The Bank recognizes the estimated unrecoverable amount of its investment in its branch premises and idle assets as Impairment loss. 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.

Other expenses also include Losses on sales of stocks and other securities amount to ¥1,595 million.

12. Notes to Consolidated Statement of Changes in Net Assets

(Thousand Shares)

	Number of Shares as of March 31, 2007	Number of Shares Increased	Number of Shares Decreased	Number of Shares as of March 31, 2008
Outstanding Shares				
Common Stock(*1)	223,249	—	2,249	221,000
Treasury Shares				
Common Stock(*2)	466	2,073	2,276	262

(*1)Decrease in number of Common stock by 2,249 thousand shares was due to retirement of treasury stock.

(*2)Increase in number of Common stock by 2,073 thousand shares was mainly due to acquisition of treasury stock. Decrease in number of Common stock by 2,276 thousand shares was mainly due to retirement of treasury stock.

Detailed information for cash dividends is as follows:

Date of Approval	Type of Shares	Total Dividends (¥ million)	Dividend Per Share	Dividend Record Date	Effective Date
General Meeting of Shareholders on June 26, 2007	Common Stock	724	¥3.25	March 31, 2007	June 27, 2007
Board of Directors on November 16, 2007	Common Stock	668	¥3.00	September 30, 2007	December 10, 2007

Dividends with record dates before March 31, 2008 and effective dates after April 1, 2008 are listed as follows:

Date of Approval	Type of Shares	Total Dividends (¥ million)	Source of Dividends	Dividend Per Share	Dividend Record Date	Effective Date
General Meeting of Shareholders on June 24, 2008	Common Stock	662	Retained Earnings	¥3.00	March 31, 2008	June 25, 2008

13. Cash and Cash Equivalents

Reconciliation between Cash and Due from Banks in the consolidated balance sheets, and Cash and Cash Equivalents in the statements of cash flows at March 31, 2008 and 2007 were as follows:

	Millions of Yen	
March 31	2008	2007
Cash and Due from Banks	¥68,803	¥187,296
Ordinary Due from Banks	(91)	(122)
Fixed Due from Banks	—	(2,000)
Other	(276)	(193)
Cash and Cash Equivalents.....	¥68,435	¥184,979

14. Deferred Income Taxes

The major components of deferred tax assets and liabilities at March 31, 2008 and 2007 are summarized as follows:

	Millions of Yen	
March 31	2008	2007
Deferred tax assets:		
Allowance for loan losses.....	¥ 10,467	¥ 12,974
Provision for retirement benefits.....	3,225	3,565
Depreciation	1,745	1,789
Revaluation reserve for land.....	2,935	2,511
Other.....	3,358	3,949
Valuation Allowance.....	(4,288)	(4,027)
Total Deferred tax assets	17,443	20,762
Deferred tax liabilities:		
Valuation difference		
on available-for-sale securities.....	(1,495)	(7,164)
Revaluation reserve for land.....	(4,664)	(4,688)
Total Deferred tax liabilities.....	(6,160)	(11,853)
Net Deferred tax assets	¥ 11,283	¥ 8,909

The following summarizes the significant difference between the statutory tax rate and the Bank's effective tax rate for the year ended March 31, 2008.

Statutory tax rate	40.0%
Non-deductible expenses	1.6
Non-taxable dividend income	(2.0)
Per capita inhabitant taxes	0.5
Valuation reserve	2.4
Other	0.1
Effective tax rate	42.6%

15. Retirement Benefits

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

(a) Retirement benefits obligation

	Millions of Yen	
March 31	2008	2007
Retirement Benefits Obligation.....	¥ (29,468)	¥(28,432)
Plan Assets at Fair Value	19,775	20,617
Unfunded Retirement Benefits Obligation.....	(9,693)	(7,814)
Unrecognized Actuarial Loss	1,633	(909)
Unrecognized Prior Service Cost	—	(191)
Net Retirement Benefits Obligation.....	(8,060)	(8,915)
Prepaid pension cost.....	7	—
Provision for retirement benefits.....	¥ (8,068)	¥(8,915)

(b) Pension cost

	Millions of Yen	
Year ended March 31	2008	2007
Service Cost	¥ 831	¥ 944
Interest Cost.....	567	578
Expected Return on Plan Assets.....	(411)	(379)
Amortization of Prior Service Cost	(191)	(501)
Amortization of Actuarial Loss.....	140	276
Net Pension Cost	¥ 936	¥ 918
Total.....	¥ 936	¥ 918

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

Year ended March 31	2008	2007
(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.		

16. Per Share Information

Total net assets as of March 31, 2008 and 2007 and net income per share for the years ended March 31, 2008 and 2007 was as follows:

	Yen	
Year ended March 31	2008	2007
Total net assets.....	¥555.08	¥578.89
Net income per Share		
Primary.....	20.79	27.67
Diluted.....	—	—

17. Leases

Lessee;

Finance lease transactions as a lessee in which the ownership of the leased property is not transferred to the lessee as of March 31, 2008 and 2007 are summarized as follows:

At March 31, 2008	Millions of Yen
Amounts equivalent to acquisition costs:	
Tangible fixed assets	¥ 1,430
Intangible fixed assets	715
Total	¥ 2,145
Amounts equivalent to accumulated Depreciation:	
Tangible fixed assets	¥ 836
Intangible fixed assets	485
Total	¥ 1,321
Amounts equivalent to Net Carrying Amount:	
Tangible fixed assets	¥ 594
Intangible fixed assets	229
Total	¥ 824

Lease payment relating to finance leases accounted for as operating leases amounted to ¥506 million for the year ended March 31, 2008.

The amount equivalent to depreciation related to leased assets has been computed using the straight-line method over the terms and amounted to ¥449 million for the year ended March 31, 2008.

At March 31, 2007	Millions of Yen
Amounts equivalent to acquisition costs:	
Tangible fixed assets	¥ 1,776
Intangible fixed assets	738
Total	¥ 2,514
Amounts equivalent to accumulated Depreciation:	
Tangible fixed assets	¥ 963
Intangible fixed assets	363
Total	¥ 1,326
Amounts equivalent to Net Carrying Amount:	
Tangible fixed assets	¥ 813
Intangible fixed assets	374
Total	¥ 1,187

The balance of future finance lease payments as of March 31, 2008 and 2007 are as follows:

Year ended March 31, 2008	Millions of Yen
2009	¥ 403
2010 and Thereafter	472
Total	¥ 875

Year ended March 31, 2007	Millions of Yen
2008	¥ 451
2009 and Thereafter	795
Total	¥ 1,247

18. Market Value Information

The tables below represent the securities and trading account securities.

(a) Trading account securities

	Millions of Yen	
March 31	2008	2007
Fair Value	¥ 1,083	¥ 1,328
Realized Gain Included in Earnings	13	8

(b) Held-to-maturity securities

	Millions of Yen	
March 31	2008	2007
National Government Bonds		
Book Value	¥ 40,953	¥ 41,171
Market Value	41,607	40,946
Net Unrealized Gain/(Loss)	653	(225)
Gross Unrealized Gain	653	102
Gross Unrealized Loss	—	327

(c) Available-for-sale securities

March 31, 2008	Millions of Yen				
	Amortized Cost	Fair Value	Net Unrealized Gain/(Loss)	Gross Unrealized Gain	Gross Unrealized Loss
Corporate Stock	¥ 41,408	¥ 50,162	¥ 8,753	¥ 13,186	¥ 4,432
Bonds	612,614	609,670	(2,944)	4,303	7,248
National Government	281,480	277,126	(4,353)	2,224	6,578
Local Government	65,990	66,565	575	651	76
Corporate	265,143	265,978	834	1,428	593
Other	74,533	73,157	(1,376)	563	1,939
Total	¥728,556	¥732,989	¥ 4,433	¥18,053	¥13,620

March 31, 2007	Millions of Yen				
	Amortized Cost	Fair Value	Net Unrealized Gain/(Loss)	Gross Unrealized Gain	Gross Unrealized Loss
Corporate Stock	¥ 39,400	¥ 65,868	¥26,468	¥27,572	¥ 1,104
Bonds	521,906	515,180	(6,725)	1,066	7,792
National Government	299,647	293,192	(6,455)	117	6,572
Local Government	67,746	67,552	(194)	424	619
Corporate	154,513	154,436	(76)	524	601
Other	69,804	68,890	(913)	433	1,347
Total	¥631,111	¥649,940	¥18,828	¥29,073	¥10,244

(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 2007.

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

i) Fair value of stock at year-end (interim period) is 50% below its carrying amount.

ii) 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 2008 and 2007

Year ended March 31	Millions of Yen	
	2008	2007
Proceeds from Sales	¥156,724	¥199,351
Realized Gain	1,696	1,442
Realized Loss	2,992	2,547

(e) Securities with their fair value not available

March 31	Millions of Yen	
	2008	2007
Stock of Affiliates	¥ 447	¥ 436
Available-for-Sale Securities		
Unlisted Stock	1,363	1,352
Corporate Bonds	9,071	7,827
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, 2008	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	¥127,591	¥345,908	¥ 98,920	¥ 78,273
National Government	32,753	160,929	46,122	78,273
Local Government	6,764	42,492	17,309	—
Corporate	88,073	151,486	35,489	—
Other Securities	3,959	34,524	29,022	—
Total	¥131,551	¥389,433	¥127,943	¥ 78,273

March 31, 2007	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	¥82,095	¥294,545	¥104,329	¥ 83,209
National Government	29,531	168,395	53,226	83,209
Local Government	7,848	40,434	19,268	—
Corporate	44,715	85,715	31,833	—
Other Securities	2,081	19,104	42,604	—
Total	¥84,176	¥313,650	¥146,933	¥ 83,209

(h) Valuation difference on available-for-sale securities

March 31, 2008	Millions of Yen
Unrealized Gain before Income Tax Effect and	
Minority Interest Adjustments	¥4,433
Available-for-Sale Securities	4,433
Less: Deferred tax liabilities	1,495
Unrealized Gain before Minority Interest Adjustment	2,937
Less: Minority Interest	—
Equity of Unrealized Gain on Available-for-Sale Securities	
Owned by Affiliates that are accounted for under Equity Method	0
Valuation difference on available-for-sale securities	¥2,937

March 31, 2007	Millions of Yen
Unrealized Gain before Income Tax Effect and	
Minority Interest Adjustments	¥18,828
Available-for-Sale Securities	18,828
Less: Deferred tax liabilities	7,164
Unrealized Gain before Minority Interest Adjustment	11,663
Less: Minority Interest	—
Equity of Unrealized Gain on Available-for-Sale Securities	
Owned by Affiliates that are accounted for under Equity Method	0
Valuation difference on available-for-sale securities	¥11,664

19. 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.

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					
	2008			2007		
	Contract Amounts		Fair Value	Contract Amounts		Fair Value
	Total	Over 1 Year	Total	Over 1 Year	Total	Over 1 Year
Over-the-Counter Transactions						
Interest-rate swap						
receivable fixed/ payable floating.....	¥ 203	¥ 160	¥ 2	¥ 246	¥ 203	
receivable floating/ payable fixed	¥ 703	¥ 160	¥ (3)	¥ 3,246	¥ 703	¥ (17)
Total.....			¥ (1)			¥ (16)

(2) Currency Derivatives

March 31	Millions of Yen					
	2008			2007		
	Contract Amounts		Fair Value	Contract Amounts		Fair Value
	Total	Over 1 Year	Total	Over 1 Year	Total	Over 1 Year
Over-the-Counter Transactions						
Currency swap	¥22,646	¥22,646	¥ 29			
Forward exchange contracts						
Sold.....	¥ 8,681	¥ —	¥ 88	¥15,810	¥—	¥ 72
Bought.....	¥ 390	¥ —	¥ (2)	¥ 85	¥—	¥ 0
Total.....			¥116			¥ 72

20. Segment Information

(a) Segment information by type of business

The Banking operation's share to both total income and total assets exceed 90%; thus, segment information by type of business is not presented.

Information regarding business segments of the Bank and its subsidiaries for the years ended March 31, 2007 was as follows:

Year ended or as of March 31, 2007	Millions of Yen					
	Banking Operations	Leases Operation	Others	Total	Elimination and Corporate Assets	Consolidated
I. Total Income and Recurring Profits						
Total Income from						
Outside Customers	¥ 59,227	¥ 6,002	¥ 24	¥ 65,254	¥ —	¥ 65,254
Total Income from						
Intersegment Transactions..	74	871	734	1,680	(1,680)	—
Total.....	¥ 59,302	¥ 6,874	¥ 759	¥ 66,935	(1,680)	¥ 65,254
Total Expenses.....	47,949	6,680	749	55,379	(1,716)	53,663
Income before Income Taxes.....	11,352	193	9	11,555	35	11,591
II. Assets, Depreciation and Capital Expenses						
Assets	¥2,841,801	¥ —	¥275	¥2,842,076	¥ 190	¥2,842,266
Depreciation	2,421	4,812	6	7,240	58	7,298
Loss on Impairment of						
Fixed Assets	323	—	—	323	—	323
Capital Expenditures.....	2,045	5,324	2	7,372	—	7,372

(1) "Leases Operation" was included in "Others" in the segment information as of March 31, 2006. However, since total income from lease operation exceeded 10% of the whole total income, effective April 1, 2006, "Leases Operation" is separately disclosed. This modification caused decrease of "Others", ¥6,852 million decrease in "Total income", ¥193 million decrease in "Income before Income Taxes", ¥4,812 million decrease in "Depreciation", ¥5,324 million decrease in "Capital Expenditures", and the same amount increase of "Leases Operation" in each items.

(2) As stated in the Note 2 (a), The Toho Lease Co., Ltd. excluded from subsidiaries, and included affiliates accounted for by the equity method in 2007, due to the decrease of voting rights. This modification caused ¥16,091 million decrease of Assets in "Leases Operation".

(3) As stated in the Note 2 (m), commencing with this fiscal year, the respective amounts of "Acceptances and Guarantees" and "Customers' Liabilities for Acceptances and Guarantees" relating to the liabilities for guarantees on corporate bonds which were issued by private placement (Article 2 Paragraph 3 of the Financial Instruments and Exchange Law) are netted. This modification caused ¥7,827 million decrease of Assets in "Banking Operation".

(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

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, 2007 and 2008, and the related consolidated statements of income, changes in net assets, 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, 2007 and 2008, 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.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 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.

Ernst & Young Shin Nihon

June 24, 2008

Chairman
Toshio Seya

President
Seishi Kitamura

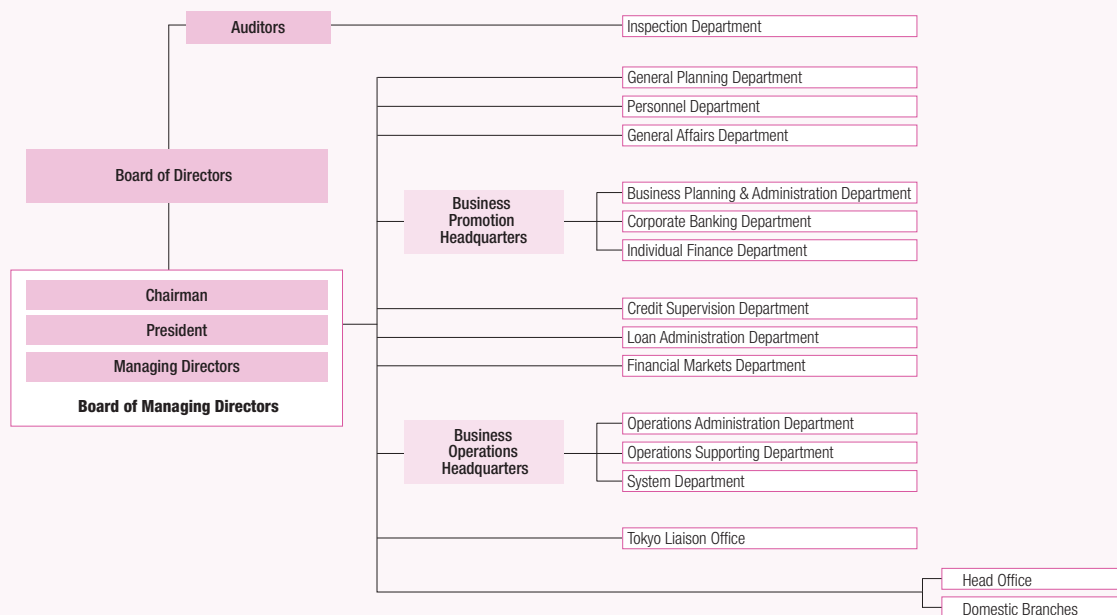
Managing Directors
Akira Kondo
Hiroyuki Motoyanagi
Hirosi Endo
Tsugunobu Amano
Masahiko Watanabe
Kensuke Abe

Directors
Toshikatsu Takaara
Shoichi Kushiya
Shigemi Umetsu
Shinsuke Tanno
Takahiro Kato

Standing Auditors
Kazuo Kawasaki
Kunihisa Takahashi

Auditors
Shinichi Saito
Hachiro Hiraga
Fujiatsu Makino

Organization



Network

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3-25, Ohmachi, Fukushima 960-8633, Japan
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Foreign Exchange Offices: 14

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Nihonmatsu Branch	Phone: (0243) 23-1133
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, Miharuru, 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-Izumi, 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

(As of June 30, 2008)