Summary of Consolidated Financial Results
(March 31, 2004/Unaudited)

May 24, 2004

Resona Holdings, Inc.

1. Financial Highlights (April 1, 2003 - March 31, 2004)

(1) Consolidated Operating Results

	Ordinary income		Ordinary profit (loss)		Net income (loss)	
	Million yen	*%*	*Million yen*	*%*	*Million yen*	*%*
March 31, 2004	1,138,199	(9.6)	(1,111,877)	-	(1,663,964)	-
March 31, 2003	1,259,259	(7.5)	(510,143)	-	(837,633)	-

	Net income (loss) per share	Net income per share (potential equity adjusted)	Ratio of net income to shareholders' equity	Ratio of ordinary profit (loss) to total assets	Ratio of ordinary income to ordinary income
	Yen	*Yen*	*%*	*%*	*%*
March 31, 2004	(181.05)	-	-	(2.7)	(97.7)
March 31, 2003	(154.66)	-	-	(1.2)	(40.5)

Note: (1) Equity in net earnings of affiliated companies: 360 million yen (fiscal year ended March 31, 2004)
Equity in net loss of affiliated companies: (4,518) million yen (fiscal year ended March 31, 2003)
(2) Average number of common stock issued (consolidated): 9,190,570,824 shares (fiscal year ended March 31, 2004)
Average number of common stock issued (consolidated): 5,415,841,716 shares (fiscal year ended March 31, 2003)
(3) There were changes in accounting policies.
(4) Percentages in ordinary income, ordinary profit (loss) and net income (loss) show the changes from the previous year.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	Consolidated capital assets ratio (Japanese domestic standard)
	Million yen	*Million yen*	*%*	*Yen*	%
March 31, 2004	39,841,837	813,055	2.0	(151.65)	7.75(*)
March 31, 2003	42,891,933	310,842	0.7	(103.76)	3.78

(*) Preliminary figure

Note: Issued number of common stock (consolidated): 11,372,800,852 shares (as of March 31, 2004)
Issued number of common stock (consolidated): 5,433,529,600 shares (as of March 31, 2003)

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Million yen	*Million yen*	*Million yen*	*Million yen*
March 31, 2004	(762,333)	(817,162)	1,912,702	2,683,520
March 31, 2003	(165,637)	(36,199)	(244,744)	2,350,512

(4) Principles of consolidation and application of equity method
Number of consolidated subsidiaries: 49
Number of non-consolidated subsidiaries that applied the equity method: None
Number of affiliated companies that applied the equity method: 4

(5) Change in consolidation and application of equity method
Number of consolidated subsidiaries added: 1
Number of consolidated subsidiaries excluded: 16
Number of affiliated companies that applied the equity method, added: None
Number of affiliated companies that applied the equity method, excluded: 3

2. Forecast of Fiscal Year's Performance (April 1, 2004 - March 31, 2005)

	Ordinary income	Ordinary profit	Net income
	Million yen	*Million yen*	*Million yen*
First half of FY 2004	510,000	100,000	85,000
FY 2004 (Full Year)	1,030,000	200,000	170,000

(Reference) Forecasted net income per share (full year) 13.19 yen

Appendixes

Average and Issued Number of Preferred Stock (Consolidated)

	Year ended March 31, 2004		Year ended March 31, 2003	
	Average number of shares of preferred stock (consolidated)	Issued number of shares of preferred stock (consolidated)	Average number of shares of preferred stock (consolidated)	Issued number of shares of preferred stock (consolidated)
	shares	shares	shares	shares
Class A, No.1 Preferred Stock	5,970,000	5,970,000	5,970,000	5,970,000
Class B, No.1 Preferred Stock	680,000,000	680,000,000	680,000,000	680,000,000
Class C, No.1 Preferred Stock	120,000,000	120,000,000	120,000,000	120,000,000
Class D, No.1 Preferred Stock	295,382	156,000	364,317	340,000
Class E, No.1 Preferred Stock	240,000,000	240,000,000	240,000,000	240,000,000
Class F, No.1 Preferred Stock	80,000,000	80,000,000	80,000,000	80,000,000
Class 1, Series 1 Preferred Stock	1,788,251,366	2,750,000,000	-	-
Class 2, Series 1 Preferred Stock	1,832,345,002	2,817,807,861	-	-
Class 3, Series 1 Preferred Stock	1,788,251,366	2,750,000,000	-	-

Note: Treasury stock and parent's stock owned by subsidiaries are excluded.

(Reference)

Formulas for computing ratios for the year ended March 31, 2004 (consolidated)

Net Income per Share:

$$\frac{\text{Net income on common stock}}{\text{Average number of shares of common stock during the year (consolidated)}}$$

Ratio of net income to shareholders' equity

$$\frac{\text{Net income on common stock}}{\{\text{Total shareholders' equity at beginning of the year - (Issued number of shares of preferred stock at beginning of the year} \times \text{Amount per share) + Total shareholders' equity at year end - (Issued number of preferred stock at year end} \times \text{Amount per share)}\}/2} \times 100$$

Ratio of ordinary profit to total assets

$$\frac{\text{Ordinary profit}}{\text{(Total assets at beginning of the year + Total assets at year end) / 2}} \times 100$$

Shareholders' equity per share:

$$\frac{\text{Total shareholders' equity at year end – Issued number of shares of preferred stock at beginning of the year} \times \text{Amount per share}}{\text{Issued number of shares of common stock at year end (consolidated)}}$$

Formulas for computing ratios for the year ending March 31, 2005 (consolidated)

Net income per share (Fiscal 2004 Forecast)

$$\frac{\text{Net income on common stock}}{\text{Issued number of shares of common stock at year end (consolidated)}}$$

Consolidated Balance Sheets

(Millions of yen)

Items	March 31, 2004 (A)	March 31, 2003 (B)	Difference (A)-(B)
Assets			
Cash and due from banks	¥ 2,835,040	¥ 2,445,016	¥ 390,023
Call loans and bills bought	268,150	110,500	157,650
Deposits paid for bonds borrowing transactions	12,280	6,349	5,931
Monetary claims bought	8,339	14,307	(5,968)
Trading assets	556,829	512,733	44,095
Money held in trust	70,500	70,450	49
Securities	7,636,189	6,469,988	1,166,201
Loans and bills discounted	26,002,922	29,170,585	(3,167,663)
Foreign exchange assets	105,938	181,473	(75,534)
Other assets	871,329	1,129,269	(257,940)
Premises and equipment	490,600	784,413	(293,812)
Deferred tax assets	52,913	522,986	(470,073)
Consolidation differences	-	1,840	(1,840)
Customers' liabilities for acceptances and guarantees	1,965,212	2,273,330	(308,118)
Reserve for possible loan losses	(1,020,536)	(801,312)	(219,224)
Reserve for possible losses on investments	(13,871)	-	(13,871)
Total assets	¥39,841,837	¥42,891,933	¥(3,050,095)
Liabilities			
Deposits	32,552,004	34,881,992	(2,329,987)
Negotiable certificates of deposit	792,966	428,666	364,299
Call money and bills sold	918,143	2,037,096	(1,118,953)
Bills sold under repurchase agreement	323,085	283,991	39,093
Deposits received for bonds lending transactions	69,896	31,963	37,932
Commercial paper	-	6,000	(6,000)
Trading liabilities	45,517	44,053	1,463
Borrowed money	578,327	720,646	(142,318)
Foreign exchange liabilities	7,519	7,666	(146)
Bonds	363,159	381,550	(18,391)
Due to trust account	403,849	267,600	136,248
Other liabilities	641,449	828,379	(186,930)
Reserve for employees' bonuses	-	8,108	(8,108)
Reserve for employees' retirement benefits	9,138	12,622	(3,484)
Reserve for possible losses on loans sold	-	10,115	(10,115)
Reserve for specific borrowers under support	1,925	-	1,925
Reserve for possible losses on business restructuring	13,232	-	13,232
Other reserve	327	12	315
Deferred tax liabilities	314	600	(286)
Deferred tax liabilities on land revaluation	45,088	55,842	(10,754)
Consolidation differences	975	—	975
Acceptances and guarantees	1,965,212	2,273,330	(308,118)
Total liabilities	¥38,732,132	¥42,280,240	¥(3,548,108)

Consolidated Balance Sheets (Continued)

(Millions of yen)

Items	March 31, 2004 (A)	March 31, 2003 (B)	Difference (A)-(B)
Minority interests			
Minority interests in consolidated subsidiaries	¥296,649	¥300,849	¥(4,200)
Shareholders' equity			
Capital	1,288,473	720,499	567,974
Capital surplus	1,026,439	322,713	703,725
Earned surplus (deficit)	(1,707,754)	(754,826)	(952,927)
Revaluation reserve for land, net of taxes	65,912	82,211	(16,299)
Net unrealized gains/(losses) on other securities, net of taxes	142,275	(28,234)	170,510
Foreign currency translation adjustments, net of taxes	(2,089)	(9,531)	7,441
Treasury stock	(200)	(21,989)	21,789
Total shareholders' equity	813,055	310,842	502,213
Total liabilities, minority interests and shareholders' equity	¥ 39,841,837	¥ 42,891,933	¥ (3,050,095)

Consolidated Statements of Operations

(Millions of yen)

Items	FY 2003 (A) From Apr 1, 2003 To Mar 31, 2004	FY 2002 (B) From Apr 1, 2002 To Mar 31, 2003	Difference (A)-(B)
Ordinary income	¥ 1,138,199	¥ 1,259,259	¥ (121,060)
Interest income	632,453	688,267	(55,814)
(Interest on loans and bills discounted)	572,636	614,409	(41,772)
(Interest and dividends on securities)	49,614	58,883	(9,269)
(Interest on call loans and bills bought)	516	616	(100)
(Interest on bills purchased under resell agreement)	0	0	0
(Interest on bonds lending transactions)	3	3	(0)
(Interest on due from banks)	2,018	4,279	(2,261)
(Other interest income)	7,664	10,074	(2,410)
Trust fees	32,763	37,721	(4,958)
Fees and commissions	184,330	175,701	8,628
Trading income	24,957	23,592	1,365
Other operating income	78,410	161,021	(82,610)
Other ordinary income	185,282	172,954	12,328
Ordinary expenses	2,250,076	1,769,403	480,672
Interest expenses	71,177	89,110	(17,933)
(Interest on deposits)	38,909	45,099	(6,190)
(Interest on negotiable certificates of deposit)	368	562	(193)
(Interest on call money and bills sold)	402	1,164	(762)
(Interest on bills sold under repurchase agreement)	33	33	0
(Interest on bonds lending transactions)	538	65	472
(Interest on commercial paper)	0	1	(0)
(Interest on borrowed money)	17,661	20,546	(2,885)
(Interest on bonds)	4,558	9,721	(5,163)
(Other interest expenses)	8,704	11,915	(3,210)
Fees and commissions	64,433	63,464	968
Trading expenses	20	60	(40)
Other operating expenses	42,217	31,832	10,385
General and administrative expenses	510,085	597,675	(87,589)
Other ordinary expenses	1,562,142	987,260	574,882
(Provision for reserve for possible loan losses)	455,954	229,212	226,742
(Other)	1,106,188	758,047	348,140
Ordinary loss	1,111,877	510,143	601,733
Extraordinary profits	34,959	8,378	26,581
(Profit from sales of premises and equipment)	4,016	860	3,155
(Profit from recoveries of written-off claims)	9,825	7,395	2,430
(Reversal of reserve for financial futures transactions)	-	0	(0)
(Transfer from reserve for securities transaction liabilities)	-	122	(122)
(Other extraordinary profits)	21,117	-	21,117
Extraordinary losses	217,027	22,421	194,606
(Losses from sales of premises and equipment)	18,647	20,633	(1,985)
(Impairment losses on fixed assets)	27,976	-	27,976
(Provision for reserve for securities transaction liabilities)	315	-	315
(Other extraordinary losses)	170,087	1,788	168,299
Loss before income taxes and minority interests	1,293,944	524,186	769,758
Income taxes – current	7,985	10,767	(2,782)
Income taxes – deferred	357,956	300,788	57,167
Minority interests in net income	4,077	1,891	2,185
Net loss	¥ 1,663,964	¥ 837,633	826,330

Consolidated Statements of Surplus

(Millions of yen)

Items	FY 2003 From Apr 1, 2003 To Mar 31, 2004 (A)	FY 2002 From Apr 1, 2002 To Mar 31, 2003 (B)	Difference (A)-(B)
Capital Surplus			
Balance at beginning of the year	¥ 322,713	¥ 1,417,089	¥ (1,094,376)
Increase:	1,026,439	499	1,025,939
Increase in capital surplus due to increase of capital	980,000	499	979,500
Transfer from capital to cover deficit	40,000	-	40,000
Profits on sales of treasury stock	6,439	-	6,439
Decrease:	322,713	1,094,875	(772,161)
Transfer of capital reserve to cover deficit	282,713	935,460	(652,746)
Transfer of other capital surplus to cover deficit	40,000	-	40,000
Decrease in capital surplus due to merger	-	159,415	(159,415)
Balance at year end	¥1,026,439	¥ 322,713	¥ 703,725
Earned Surplus (deficit)			
Balance at beginning of the year	¥ (754,826)	¥ (857,181)	¥ 102,355
Increase:	711,288	950,156	(238,867)
Transfer from capital to cover deficit	372,025	-	372,025
Transfer from capital reserve to cover deficit	282,713	935,460	(652,746)
Transfer from other capital surplus to cover deficit	40,000	-	40,000
Reduction in the number of consolidated subsidiaries	435	-	435
Merger of consolidated subsidiaries	3	-	3
Reversal of revaluation reserve for land	16,110	14,696	1,414
Decrease:	1,664,216	847,801	816,415
Net loss	1,663,964	837,633	826,330
Dividends paid	-	10,167	(10,167)
Reduction in the number of subsidiaries	252	-	252
Balance at year end	¥ (1,707,754)	¥ (754,826)	¥ (952,927)

<Note> Amounts of less than one million yen have been rounded down.

Consolidated Statements of Cash Flows

(Millions of yen)

Items	**FY 2003** **From Apr 1, 2003** **To Mar 31, 2004** **(A)**	**FY 2002** **From Apr 1, 2002** **To Mar 31, 2003** **(B)**	**Difference** **(A)-(B)**
Cash flows from operating activities			
Income (loss) before income taxes and minority interests	¥ (1,293,944)	¥ (524,186)	¥ (769,758)
Depreciation of premises and equipment	74,409	117,446	(43,037)
Impairment losses on fixed assets	27,976	-	27,976
Amortization of consolidation differences	2,849	1,402	1,447
Equity in net (gains)/losses from investments in affiliated companies	(360)	4,518	(4,879)
Increase in reserve for possible loan losses	239,243	(249,294)	488,537
Increase in reserve for possible losses on investments	14,107	(45)	14,152
Increase in reserve for possible losses on loans sold	(10,115)	(9,897)	(218)
Increase in reserve for specific borrowers under support	1,925	-	1,925
Increase in reserve for possible losses on business restructuring	13,232	-	13,232
Increase in reserve for employees' bonuses	(8,112)	(706)	(7,406)
Increase in reserve for employees' retirement benefits	(1,314)	(4,640)	3,326
Interest income	(632,453)	(688,267)	55,814
Interest expenses	71,177	89,110	(17,933)
Net (gains)/losses on securities	(87,269)	259,345	(346,614)
Net (gains)/losses on money held in trust	(406)	237	(643)
Net foreign exchange (gains)/losses	13,094	(2,630)	15,725
Net (gains)/losses on sales of premises and equipment	14,631	19,772	(5,140)
Net (increase)/decrease in trading assets	(44,099)	136,059	(180,158)
Net increase/(decrease) in trading liabilities	21,313	(172,872)	194,186
Net (increase)/decrease in loans and bills discounted	3,076,797	683,133	2,393,664
Net increase/(decrease) in deposits	(2,329,987)	1,074,881	(3,404,868)
Net increase/(decrease) in negotiable certificates of deposit	364,299	(427,482)	791,782
Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)	152,311	(111,051)	263,363
Net (increase)/decrease in due from banks (excluding those deposited at BOJ)	(65,031)	296,152	(361,184)
Net (increase)/decrease in call loans and other	(151,682)	(18,151)	(133,531)
Net (increase)/decrease in deposits paid for bonds borrowing transactions	(5,931)	2,777	(8,708)
Net increase/(decrease) in call money and other	(1,079,859)	(507,777)	(572,082)
Net increase/(decrease) in commercial paper	(6,000)	(14,000)	8,000
Net increase/(decrease) in deposits received for bonds lending transactions	37,932	(677,857)	715,790
Net (increase)/decrease in foreign exchange assets	75,534	(438)	75,973
Net increase/(decrease) in foreign exchange liabilities	(146)	9,368	(9,514)
Net increase/(decrease) in bonds issued	-	(8,800)	8,800
Net increase/(decrease) in due to trust account	136,248	54,258	81,990
Interest receipts	637,858	710,370	(72,512)
Interest payments	(74,936)	(90,145)	15,208
Other	69,493	(95,177)	164,671
Subtotal	(747,210)	(144,586)	(602,623)
Income taxes paid	(15,123)	(21,050)	5,927
Net cash used in operating activities	¥ (762,333)	¥ (165,637)	¥ (596,696)

Consolidated Statements of Cash Flows (continued)

(Millions of yen)

Items	FY 2003 From Apr 1, 2003 To Mar 31, 2004 (A)	FY 2002 From Apr 1, 2002 To Mar 31, 2003 (B)	Difference (A)-(B)
Cash flows from investing activities			
Purchases of securities	¥ (11,791,089)	¥ (18,274,495)	¥ 6,483,405
Proceeds from sales of securities	10,282,205	17,727,030	(7,444,824)
Proceeds from maturity of securities	728,814	640,339	88,475
Payments associated with increase in money held in trust	(81,486)	(32,000)	(49,486)
Proceeds from decrease in money held in trust	81,842	5,082	76,760
Purchases of premises and equipment	(99,173)	(118,672)	19,498
Proceeds from sales of premises and equipment	52,737	26,485	26,251
Payments for purchase of equity investments in subsidiaries	(173)	(9,969)	9,796
Proceeds from sales of equity investments in subsidiaries	9,160	-	9,160
Net cash used in investing activities	(817,162)	(36,199)	(780,962)
Cash flows from financing activities			
Proceeds from subordinated borrowed money	-	58,000	(58,000)
Repayment of subordinated borrowed money	(57,000)	(284,500)	227,500
Repayment of subordinated bonds	(16,200)	(202,939)	186,739
Proceeds from issuance of stocks	1,960,000	999	1,959,001
Proceeds from issuance of common stock to minority shareholders	-	800	(800)
Proceeds from issuance of preferred securities	-	193,600	(193,600)
Dividends paid	-	(10,189)	10,189
Dividends paid to minority shareholders	(2,333)	(423)	(1,910)
Payments related to acquisition of treasury stock	(84)	(91)	7
Proceeds from sales of treasury stock	28,320	-	28,320
Net cash provided by (used in) financing activities	1,912,702	(244,744)	2,157,446
Effect of exchange rate changes on cash and cash equivalents	(198)	913	(1,112)
Increase (decrease) in cash and cash equivalents	333,007	(445,667)	778,675
Cash and cash equivalents at beginning of the year	2,350,512	2,796,180	(445,667)
Increase in cash and cash equivalents due to merger of subsidiaries	0	-	0
Cash and cash equivalents at year end	¥ 2,683,520	¥ 2,350,512	¥ 333,007

Preparation Policies for the Consolidated Financial Statements

1. Consolidated subsidiaries

(1) Consolidated subsidiaries: 49

The principal consolidated subsidiaries: Resona Bank, Ltd.
Saitama Resona Bank, Ltd.
The Kinki Osaka Bank, Ltd.
The Nara Bank, Ltd.
The Resona Trust & Banking Co., Ltd.

Osaka Card Service Co., Ltd. have been consolidated from this fiscal year onwards, which used to be an affiliate that applied the equity method.
The Daiwa Mortgage Co., Ltd. merged with Kyodo Mortgage Acceptance Co., Ltd., a consolidated subsidiary.
Kinki Osaka Chusho Kigyo Kenkyujo Co., Ltd., which used to be an affiliate that applied the equity method, merged with Daiwa Research Institute, Inc. and Asahi Bank Research Institute, Inc., both consolidated subsidiaries, and changed its name to Resona Research Institute, Inc.
Daiwa Office Service Co., Ltd., Daiwagin Kosei Service Co., Ltd., Kinki Osaka business Service Co., Ltd., and Asahi Bank Career Service Co., Ltd., all of them are consolidated subsidiaries, merged and changed its name to Resona HR Support Co., Ltd.
The Daiwa Business Investment Co., Ltd. and Asahi Bank Investment Co., Ltd., both consolidated subsidiaries, merged and changed its name to Resona Capital Co., Ltd.
WSR Servicing Company, Inc. was excluded from the consolidated subsidiaries due to liquidation.
The Daiwa Factor And Leasing Co., Ltd., Kinki Osaka Lease Co., Ltd., Asahigin Leasing Co., Ltd., Daiwagin Sogo System Co., Ltd., Daiwagin Computer Service Co., Ltd., D&I Information Systems Inc., Asahigin Software Co., Ltd., Asahigin Systems Co., Ltd., and Resona Asset Management Co., Ltd. were excluded from the consolidated subsidiaries due to disposal.

(2) Non-consolidated subsidiaries:

The principal non-consolidated subsidiary: Asahi Servicos e Representacoes Ltda.

Non-consolidated subsidiaries were immaterial with respect to assets, ordinary income, net income/loss (based on the owned interest) and earned surplus (based on the owned interest), etc. They were excluded from the consolidation as reasonable judgement on the group's financial conditions and operating results can still be expected even if they were not consolidated.

2. Affiliated companies applicable for the equity method

(1) Affiliates that applied the equity method: 4

The principal affiliated company: Japan Trustee Services Bank, Ltd.

(2) Non-consolidated subsidiaries and
affiliated companies not applied the equity method

The principal affiliated company not applied the equity method:

Asahi Servicos e Representacoes Ltda.

The affiliate not applied the equity method was not material to the consolidated financial statements with respect to net income/loss (based on the owned interest) and earned surplus (based on the owned interest) etc. and accordingly, the equity method is not applied to them.

3. Balance sheet dates of consolidated subsidiaries

(1) Balance sheet dates of the consolidated subsidiaries were as follows:

End of December:	7
End of March:	42

(2) All subsidiaries have been consolidated based on their accounts at their respective balance sheet date. Appropriate adjustments have been made for significant transactions during the period from the respective balance sheet date of the above subsidiaries to the date of the Parent's balance sheet date.

4. Valuation of assets and liabilities of consolidated subsidiaries

Acquisitions of subsidiaries are accounted for by the purchase method and assets and liabilities of the consolidated subsidiaries are initially recorded at fair value.

5. Amortization of consolidation differences

Consolidation differences are being amortized equally over a period of five years and any immaterial consolidation differences are charged to operations as incurred.

6. Earned surplus

The consolidated statements of surplus reflect the appropriation of earned surplus approved at the shareholders' meeting held during the fiscal year.

Notes to consolidated balance sheets:

1. Amounts of less than one million yen have been rounded down.

2. Transactions whose purpose is to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies between interest rates, currency exchange rates, share prices or other indices (hereinafter referred to as "transactions for trading purposes") on different markets are included in "Trading assets" or "Trading liabilities" in the consolidated balance sheets on a trade-date basis.
"Trading assets" and "Trading liabilities" in the case of securities and monetary claims etc. are stated at market value as of the consolidated balance sheet date and, in the case of derivatives including swaps, futures, options etc. at the close-out value calculated assuming the transaction is closed-out on the consolidated balance sheet date.

3. Bonds held to maturity are stated at amortized cost (straight-line method) by the moving average method.
Investments in the unconsolidated subsidiaries and affiliates for which the equity method of accounting are not applied are stated at cost determined by the moving average method.
Equity securities included in other securities with market value are stated at fair value, based on the average market prices in the last month for the year. Other securities, except equity securities, with market value are stated at their respective market value and the cost of sales of such securities is determined by the moving average method. Other securities without market value are stated at cost determined by the moving average method or at their respective amortized cost.

   Net unrealized gain/loss of other securities is included as a component of shareholders' equity.

4. Securities held as assets in individually managed money trusts, whose principal objective is portfolio management, are stated at market value.

5. Derivative transactions (excluding "transactions for trading purposes") are stated at market value.

6. Depreciation is calculated mainly by the straight-line method for buildings and by the declining-balance method for equipment. The useful lives adopted for major premises and equipment are as follows:

   - Buildings: 2 ~ 50 years
   - Equipment: 2 ~ 20 years

7. Softwares used by the Company and the consolidated subsidiaries are amortized by the straight-line method, based on their estimated useful lives (mainly 5 years), which are determined by the Company and the consolidated subsidiaries.

8. Stock issuance costs are recognized as expenses when incurred.

9. Foreign-currency-denominated assets and liabilities of domestic consolidated banking subsidiaries (the "Banks") are translated into yen, primarily at the exchange rates on the consolidated balance sheet date.

   In prior years, the Banks have adopted the transitional treatment of 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. However, effective this period, the Banks have applied hedge accounting for "currency swap transactions" "foreign exchange swap transactions" etc., according to the principle treatment in Report No. 25, which is carried out to hedge risks of borrowing and lending in different currencies by swapping the borrowing currency for the lending currency. Description of the hedge accounting applied to these transactions is described in note 17.

As a result of the application, the Banks stared recording on the consolidated balance sheet at their market value "currency swap transactions", " foreign exchange swap transactions" etc., which were accounted for on an accrual basis in the prior years. "Trading assets" "Other assets" and "Trading Liabilities" increased by ¥2,450 million, ¥5,456 million and ¥13,143 million, respectively, and "Other liabilities" decreased by ¥5,236 million, as compared to the corresponding amount under the previous method. There is no impact on profit from this change.

Market value of forward foreign currency exchange contracts and similar transactions are reported on the balance sheet on a gross basis in accordance with the JICPA Industry Audit Committee, Report No. 25, as "Other Assets—Derivatives" and "Other Liabilities—Derivatives" although they were previously stated on a net basis as "Other assets—other asset" or "Other Liabilities—other liability" As a result of this change, "Other assets" and "Other liabilities" increased by ¥7,119 million and ¥7,119 million, respectively, compared to the corresponding amounts under the previous method.

Foreign-currency-denominated assets and liabilities of the other consolidated subsidiaries are translated into yen at the exchange rates on the respective balance sheet date.

10. The principal consolidated subsidiaries have made provisions for reserve for possible loan losses as follows:

For loans to insolvent customers who are undergoing bankruptcy or special liquidation, etc. (hereinafter, "borrowers under bankruptcy proceedings") or who are in a similar financial condition, although not yet in bankruptcy (hereinafter "borrowers substantially in bankruptcy"), the reserve for possible loan losses is provided at the full amount of the book value of such loans after deducting the amount of direct write-offs (as defined below) and excluding the amounts deemed collectible from the disposal of the collateral and the guarantees that are deemed recoverable.

For loans to customers not presently in the above circumstances, but in a high probability of becoming insolvent (hereinafter, " customers with high probability of becoming insolvent ") or loans to customers with a rescheduled or reconditioned plan ("restructured loans" described in Note 27 below), which exceeds a certain threshold, the Discounted Cash Flows Method (the "DCF Method") was applied to provide the allowance for doubtful accounts, if cash flows on collection of principals of interests can be reasonably estimated. Under the DCF Method, reserve for possible loan losses is provided as the difference between future cash flows discounted by the original interest rate and carrying value of the loan.

For loans to customers with high probability of becoming insolvent and whose future cash flows cannot be reasonably estimated, the reserve for possible loan losses is provided at the estimated un-recoverable amounts determined based on a valuation of the collateral, recovery from the guarantees and the customer's overall financial condition.

For other loans, the reserve for possible loan losses is calculated based on the loss rates derived from the historical loss experience for a certain period and others.

The allowance for loans to specific foreign borrowers is provided based on the amount of expected losses determined considering the political and economic situation of their respective countries.

The Credit Review Office, which is independent from the operating divisions, examines the operating divisions' asset quality reviews of each loan for collectibility in accordance with self-assessment standards. The provision for possible loan losses is based on the results of these reviews.

Regarding the loans with collateral or guarantees, etc. to the borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy, the unrecoverable amount of loans is directly written-off from loan balances. The estimated unrecoverable amount is determined considering a valuation of the collateral and guarantees and is ¥1,116,222 million.

Other consolidated subsidiaries mainly provide the reserve for possible loan losses at amounts deemed necessary judged by the past write-off experience ratios for general loans and individually determined uncollectible amounts for specific loans, such as those to borrowers under bankruptcy proceedings.

11. The reserve for possible losses on investments in securities is provided for the possible losses from investments in securities, considering the financial conditions and others of the issuer of such securities.

12. To provide for employees' retirement benefits payments, consolidated subsidiaries provide reserve for severance benefits that will be accrued during the year, based on the projected benefit obligation and the plan assets on the consolidated balance sheet date.

    Past service cost is charged to operations by the straight-line method over a certain period (1 ~ 10 years) within the average remaining years of service of the eligible employees.

    The actuarial differences are charged to operations in the next fiscal years by the straight-line method over a certain period (5 ~ 15 years) within the average remaining service years of the eligible employees.

    The transition difference at the accounting change of certain consolidated banking subsidiaries had been formerly amortized over mainly 10 years. However, due to decreases in the number of employees and salaries, the components of retirement benefits obligations were changed significantly from those at the time of the initial application of the accounting and the amount of the transition difference at this interim consolidated balance sheet date did not represent substance of the obligations. Accordingly, remaining unrecognized transition difference at the accounting change was charged to operations in this interim period. As a result, "Other assets " decreased ¥51,754 million, and "Reserve for employees' retirement benefits" and "Loss before income taxes and minority interests" increased by ¥8,471 million and ¥60,225 million, respectively.

    Regarding the entrusted government's portion of the social welfare pension fund, with the enactment of the Contributed Pension Benefit Plan Law, certain consolidated banking subsidiaries had obtained approvals from the Minister of Health, Labor and Welfare on August 29, 2003 for exemption from future obligation to the benefits for future employee services.
    Certain consolidated banking subsidiaries applied the transitional measure as prescribed in

paragraph 47-2 of the JICPA Accounting Committee Report No. 13, " Practical Guideline for Retirement Benefits Accounting (Interim Report)," and the retirement benefits obligation and the pension assets in relation to the entrusted government's portion were de-recognized on the date of approval for the exemption from such future obligation. As a result of the exemption, " Loss before income taxes and minority interests " increased by ¥23,850 million, and the fund assets to be provided to (amount corresponding Minimum Reserve Fund), measured as of the end of the year, was ¥140,934 million.

13. The reserve for specific borrowers under support is provided based on the amount considered necessary, taking into account the reasonably estimated cost to support the specified borrowers.

    This reserve is that under Article 43 of the Commercial Code Enforcement Regulation.

14. The reserve for possible losses on business restructuring is provided based on an amount considered reasonable, taking into account estimated expenses and losses arising from the disposal of information systems due to renewing, the integration of branch offices, and the disposal of an unrealized loss on securities in jointly operated designated money in trusts for the structural reorganization of assets and profit during the intensive revitalization period.

    This reserve is that under Article 43 of the Commercial Code Enforcement Regulation.

15. Noncancelable lease transactions of the domestic consolidated subsidiaries are accounted for as operating leases regardless of whether such leases are classified as operating leases or finance leases except for lease agreements that stipulate the transfer of ownership of the leased property to the lessee, they are accounted for as finance leases.

16. Certain consolidated banking subsidiaries apply the deferred hedge accounting to hedge of interest risk associated with their financial assets and liabilities. In the prior fiscal years, the hedge accounting was applied to "macro-hedge", under which derivatives are designated to hedge net interest risk of numerous financial assets and liabilities, such as loans and deposits, in accordance with the transitional treatment stipulated in the "Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee, Report No. 24). However effective this period, the principle treatment in the JICPA Industry Audit Committee Report No. 24 is adopted. In assessment of effectiveness of fair value hedge, the hedged instruments such as loans and deposits and hedging instruments such as interest swaps are specified as a group with similar remaining term.
    In assessing effectiveness of cashflow hedge the correlation of the interest sensitivities of the hedged instruments and the hedging instruments are examined.

    Deferred hedge gains/losses recorded on the consolidated balance sheet based on previous macro-hedge approach are allocated over years as interest income and expenses based on the specified remaining term and the notional amount of hedge instruments starting form this year. Deferred hedge gains and losses base on the macro-hedge approach at the consolidated balance sheet date are ¥44,147 million and ¥61,813 million, respectively.

17. Certain consolidated banking subsidiaries apply the deferred hedge accounting to hedge of the foreign currency risk associated with their foreign-currency-dominated financial assets and liabilities. For the prior fiscal years, the transitional treatment stipulated in the JICPA Industry Audit Committee Report No. 25 was applied; however effective this period, the principle treatment of hedge accounting in the same report is applied to currency swaps, foreign exchange swaps, etc. intended to hedge foreign exchange risks of borrowing and lending in

different currencies by swapping the borrowing currency for the lending currency.

Assessment of the effectiveness of these hedge transactions is conducted by confirming whether notional amount of hedging currency swaps, foreign exchange swaps, etc. is corresponding to hedged foreign-currency-denominated receivables or payables.

In addition, in application of the deferred hedge accounting or the fair value hedge accounting to hedges of foreign exchange risk on foreign-currency-denominated securities, other than bonds, at the inception of each hedge, the hedge effectiveness is assessed by confirming whether the foreign currency payable amount of hedging spot or forward exchange contracts exceed the acquisition costs of the hedged foreign-currency-denominated securities specified.

18. Because internal interest swaps, currency swaps, and other derivatives transactions specified as hedging instruments are strictly processed based the appropriate market pricing and covered by corresponding external transactions as required by the JICPA Industry Audit Committee, Report No. 24 and No. 25, gains and losses on these internal derivative transactions within consolidated banking subsidiaries (the “Banks”) or with their trading accounts, are not eliminated, and are recognized as profit or deferred.

    The hedging of certain assets and liabilities are accounted for by the deferred hedge accounting, fair value hedge accounting and the special treatment of interest rate swaps.
    Certain other consolidated subsidiaries adopt the deferred hedge accounting.

19. The Company and domestic consolidated subsidiaries mainly account for consumption tax and local consumption tax by the tax-exclusion method.

20. Reserve for contingent liabilities from the securities transactions: ¥327 million.

    For the certain consolidated banking subsidiaries, this reserve is provided in accordance with Article 51 and Article 65-2-7 of the Securities and Exchange Law and Article 32 of the Cabinet Ordinance relating to securities business of financial institutions. For domestic consolidated security company subsidiaries, the reserve is provided based on Article 51 of Securities and Exchange Law and Article 35 of the Cabinet Ordinance relating to securities companies.

21. Accumulated depreciation of premises and equipment: ¥235,951 million.

22. Accumulated impairment losses of premises and equipment: ¥27,953 million.
    Accumulated impairment losses of other assets: ¥23 million.

23. Basis adjustment for tax purposes to the acquisition costs of premises and equipment:
    ¥65,267 million.

24. In addition to the premises and equipment recorded in the consolidated balance sheets, certain computers are held under leases.

25. Loans to borrowers in legal bankruptcy amounted to ¥43,566 million, and past due loans amounted to ¥937,552 million.

    Loans to borrowers in legal bankruptcy are loans for which payment of principals or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as nonaccrual loans) and also certain

specific condition stated in the Implementation Ordinances for the Corporation Tax Law (Government Ordinance No. 97, 1965), Items i through v in Article 96, Section 1, Part 3 or the circumstances stated in Part 4 of the same article exists.
Past due loans are nonaccrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.

26. Loans past due 3 months or more amounted to ¥47,738 million.

    Loans past due 3 months or more are loans on which payment of principal or interest is overdue for 3 months or more from the contract payment date. These loans do not include "loans to borrowers in legal bankruptcy" and "past due loans."

27. Restructured loans amounted to ¥813,271 million.

    Restructured loans are those which consolidated subsidiaries have provided special terms and conditions: - including reduction of the interest rates, reschedule of the interest and principal payments, or waiver of claims on the borrowers, all of which are more favorable to the borrowers than the corresponding terms in the original loan agreements. These loans do not include "loans to borrowers in legal bankruptcy", "past due loans" and "loans past due 3 months or more."

28. Loans to borrowers in legal bankruptcy, past due loans, loans past due 3 months or more and restructured loans amounted to ¥1,842,129 million in the aggregate.

    The amounts presented in Notes from 25 to 28 are stated before net of the reserve for possible loan losses.

29. Bills discounted are recorded as lending/borrowing transactions in accordance with the JICPA Industry Audit Committee, Report No.24. Consolidated banking subsidiaries have a right to sell or collateralize such bills at their discretion. The total face value of bank acceptance bills, commercial bills and documentary bills obtained as a result of discounting and foreign exchange purchase was ¥469,266 million.

30. Assets pledged as collateral were as follows:

• Trading assets	¥318,805 million
• Securities	¥3,814,417 million
• Loans and bills discounted	¥450,256 million

    Liabilities corresponding to the assets pledged were as follows:

• Deposits	¥38,381 million
• Call money and bills sold	¥613,000 million
• Bills sold under repurchase agreement	¥313,087 million
• Deposits received for bonds lending transaction	¥69,896 million
• Borrowed money	¥9,625 million
• Other liabilities	¥31,184 million

Other than above, “Cash and due from banks”, “Trading assets”, “Securities” and “Other assets”, in the amount of ¥1,158 million, ¥279 million, ¥770,160 million and ¥27,932 million, respectively, were pledged as collateral for settlement of foreign exchange, derivatives transactions or for futures transactions and others.

“Premises and equipment” include the guarantee deposit of ¥48,122 million. “Other assets “ include the deposits for futures transactions in the amount of ¥440 million.

31. Net of deferred realized and unrealized gains or losses on hedging derivatives is included in “Other liabilities”. Gross deferred hedge gains and losses are amounted to ¥48,872 million and ¥59,271 million, respectively.

32. Certain consolidated domestic subsidiaries revalued land used for business purposes based on the Law Concerning Land Revaluation (Law 34, announced on March 31, 1998). “Deferred tax liabilities on land revaluation” is recorded in liabilities and “revaluation reserve for land, net of taxes” is recorded in shareholders’ equity.

    Revaluation date: March 31, 1998
    The revaluation method as stated in Article 3-3 of the Law Concerning Land Revaluation is as follows:

    The value of land is based on the official notice prices stated in the Law of Public Notice of Land Prices (assessed date, January 1, 1998) as stipulated in Article 2-1 of the Ordinance for the Law Concerning Land Revaluation (Government Ordinance No.119, announced on March 31, 1998) after making reasonable adjustments for the location and quality of the sites.

    The difference between the total market value as of the consolidated balance sheet date and the total book value of the land used for business purposes that was revalued based on Article 10 of the Law Concerning Land Revaluation: ¥41,995 million.

33. Borrowed money include subordinated borrowed money of ¥427,000 million that are subordinated to other debt in repayment.

34. Bonds include subordinated bonds of ¥294,459 million.

35. The principal amount of trust with the principal indemnification agreement is ¥569,057 million.

36. Net assets (deficiency in assets) per share: (151.65) yen

37. The market value, and the net unrealized gains/losses on securities and others investments are presented below. These investments include negotiable certificates of deposit in “Cash and due from banks”, trading securities, commercial paper and short-term bonds in “Trading assets” as well as “Securities”. Information applies through Note 40 is with respect to such investments.

    Securities held for trading purposes:

Consolidated balance sheet amount	¥502,295 million
Net unrealized gain reported in statements of operations	¥ 70 million

Marketable bonds held to maturity:

	Consolidated balance sheet amount	Market value	Unrealized gain/(loss)	Gain	Loss
			(Millions of yen)		
National government bonds	9	9	(0)	-	0
Local government bonds	26,360	26,037	(322)	-	322
Corporate bonds	500	500	0	0	-
Other	1,898	1,879	(19)	32	52
Total	¥28,769	¥28,427	¥(341)	¥32	¥374

Other securities with market values:

	Acquisition costs	Consolidated balance sheet amount	Unrealized gain/(loss)	Gain	Loss
			(Millions of yen)		
Stocks	¥ 630,128	¥861,722	¥ 231,593	¥241,017	¥ 9,423
Bonds	5,663,827	5,661,984	(1,842)	13,218	15,061
National government bonds	4,499,356	4,495,643	(3,712)	8,291	12,004
Local government bonds	258,352	258,541	188	2,287	2,098
Corporate bonds	906,117	907,799	1,681	2,639	957
Other	420,823	432,401	11,577	13,839	2,262
Total	¥ 6,714,779	¥ 6,956,108	¥ 241,328	¥268,075	¥ 26,746

Reconciliation of net unrealized gains (losses) in the above table and that reported in the consolidated balance sheets is as follows:

Unrealized gain		¥241,328	million
Fair-value hedge gain charged to operations	minus	321	
Deferred tax liabilities	minus	97,703	
Minority interests based on owned interest	minus	1,021	
Parent company's portion of unrealized losses of affiliates	plus	(7)	
		¥142,275	million

For the year ended March 31, 2004, the valuation loss of ¥50 million was recorded with respect to the stocks of other securities with market values.
A substantial decline in value is determined, considering the obligor classification of the security issuer which is used in the self-assessment of asset quality for loan loss reserving, as follows:

Obligors classified as Borrowers under bankruptcy proceedings, Borrowers substantially in bankruptcy, Customers with high probability of becoming insolvent and Borrowers under monitoring:

the fair value declined by 30% or more compared to the acquisition cost.

Others obligors: the fair value declined by 50% or more compared to the acquisition cost.

38. Other securities that were sold during the year ended March 31, 2004:

Sold	Gain	Loss
	(Millions of yen)	
¥10,282,205	¥156,004	¥70,342

39. The major components of other securities whose market value was not available and their respective consolidated balance sheet amounts:

Bonds held to maturity:

Unlisted domestic bonds	¥ 7,729 million
Negotiable certificates of deposit	¥ 4,561 million

Other securities:

Unlisted domestic bonds	¥370,544 million
Unlisted stocks (excluding over-the-counter securities)	¥229,121 million
Unlisted foreign bonds	¥20,759 million

40. Redemption schedules for other securities with maturities and bonds held to maturity:

	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
		(Millions of yen)		
Bonds	¥932,997	¥4,353,019	¥434,744	¥346,368
National government bonds	691,109	3,166,935	301,784	335,823
Local government bonds	4,338	191,880	88,682	-
Corporate bonds	237,549	994,202	44,277	10,544
Other	9,122	240,996	9,825	39,903
Total	¥942,119	¥4,594,015	¥444,569	¥386,271

41. A breakdown of money held in trust and related consolidated balance sheet amount are as follows:

There was no money held in trust for held to maturity and trading purposes.

There was no other money held in trust with market value.

Other money held in trust without market value is stated at the acquisition cost of ¥70,500 million.

42. Stock lent under consumption agreements in the amount of ¥9,683 million is included in "Securities".

    ¥4,100 million of securities borrowed under unsecured borrowing agreements or with cash collateral and securities received under resell agreements are pledged to third party as collateral as permitted under these agreements.

43. Overdrafts and loans commitment agreement is an agreement under which the Banks extend loans to customers up to the certain amount at the request of customer unless the customer violates the conditions of the agreement.

    Unused balances of such agreements are amounted to ¥7,521,427 million. The amounts of the agreements expiring within a year or agreements cancelable at any time without penalty totaled ¥7,452,507 million.

    The unused commitment does not necessarily impact on the future cash flows of consolidated subsidiaries because most of these agreements will be terminated without used. In addition, most agreements contain provisions, which allow consolidated subsidiaries to refuse making loans or decrease thelimit, if there are any reasons such as changes in the financial condition, the credit management policies or for other reasons.

    When extending loans to customers, consolidated subsidiaries request collateral such as premises or securities if necessary. After entering into the agreement, consolidated subsidiaries periodically check the financial condition of the customers based on its internal rules and, if necessary, take certain measures from credit risk management perspectives.

44. Information related to the retirement benefits as of March 31, 2004 is as follows:

	(Millions of yen)
Retirement benefits obligations	¥(557,043)
Pension assets at fair value	562,070
Unfunded retirement benefits obligations	5,027
Unrecognized pension assets	(19,608)
Unrecognized actuarial differences	157,393
Unrecognized past service liabilities	1,433
Net liabilities on the consolidated balance sheet	¥ 144,246
Prepaid pension expenses	¥ 153,384
Reserve for employees' retirement benefits	¥ (9,138)

45. Accounting standards for impairment of fixed assets, "Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" (August 8, 2002) issued by Business Accounting Deliberation Council and Financial Accounting Standards Implementation Guidance No.6 "Implementation Guidance on Accounting Standard for Impairment of Fixed Assets" issued by the Accounting Standards Board of Japan (October 31, 2003), permit early adoption of these standards to the financial statements for the year ending March 31, 2004 or after and therefore the Company adopted these standards in this fiscal year. The effect of this early adoption is to increase net loss before income taxes by ¥27,976 million.

46. Two domestic consolidated banking subsidiaries transfer the capital reserve to other capital surplus, in accordance with the Article 289-2 in the Commercial Code of Japan and the Article 18-2 in the of Banking Law. There is no impact on the total amount of Capital surplus from this transfer.

Notes to consolidated statements of operations:

1. Amounts of less than one million yen have been rounded down.

2. Net loss per share: (181.05) yen

3. Net loss per share as adjusted for potential shares is not presented as net loss per share had been recorded for the current year.

4. Profit and loss on transactions for trading purposes are included in “Trading income” or “Trading expenses” in the consolidated statements of operations on a trade-date basis.

   Trading income and expenses include amounts of interest received or paid and changes in fair values of securities, monetary claims and changes in the close-out value of derivatives during the year.

5. The Company recognized impairment losses on certain premises and equipment of operating branch in the amount of ¥627 million and other premises and equipment unused or of closing branches in the amount of ¥27,349 million, respectively because their carrying amount is not recoverable.
   The above impairment losses include losses on land, building, equipment, the guarantee deposit and other assets in the amount of ¥20,554 million, ¥6,778 million, ¥375 million, ¥244 million, and ¥23 million, respectively.
   Operating fixed assets mostly consisting of branch premises are grouped with other assets within the same geographic area because these assets are supplemental in generating cash flows. Premises and equipment unused or of closing branches are not included in the grouped assets.
   The recoverable amounts are determined primarily at net realizable value calculated based on real estate appraisal values less estimated disposal costs. Recoverable amounts for certain branch premises are determined based on future cash flows generated by the premises discounted by annual interest rate of 5.7 %.

6. “Other ordinary income” include:

• Gains on sales of stocks and other securities	¥ 129,270 million

7. “Other ordinary expenses” include:

• Write-off of loans	¥ 472,010 million
• Losses on sales of claims	¥ 333,790 million
• Losses on abandon of claims	¥ 127,518 million
• Losses on sales of stocks and other securities	¥ 38,005 million
• Losses on devaluation of stocks and other securities	¥ 19,829 million
• Provision for reserve for possible losses on investments	¥ 13,871 million

8. “Extraordinary profits” include:

• Refund of enterprise tax on external standard taxation and related interest from Tokyo Metropolitan	¥ 13,336 million
• Reversal of reserve for employees’ bonus	¥ 7,781 million

9. “Extraordinary losses” include:

• Provision for reserve for possible losses on business restructuring	¥ 13,232 million
• Loss on business restructuring (Arising from the disposal of information systems due to outsourcing, the integration of branch offices, the implementation of a voluntary early retirement program and others.)	¥ 66,761 million
• Write-off of the transition difference at accounting change upon application of employees’ retirement benefit accounting	¥ 64,923 million
• Loss on exemption from the entrusted government’s portion of social welfare pension fund	¥ 23,850 million

Notes to consolidated statements of cash flows:

1. Amounts of less than one million yen have been rounded down.

2. In the consolidated statements of cash flows, cash represents cash and due from The Bank of Japan in “Cash and due from banks” in the consolidated balance sheets.

3. Reconciliation between cash and cash equivalents and cash and due from banks in the consolidated balance sheet as of March 31, 2004 was as follows:

	(Millions of yen)
Cash and due from banks	¥2,835,040
Due from banks other than The Bank of Japan	(151,519)
Cash and cash equivalents	¥ 2,683,520

4. The breakdown of assets and liabilities of companies, which were excluded from the consolidated subsidiaries due to disposal, were as follows:

	(Millions of yen)
Assets	¥ 341,894
(Premises and equipment)	228,853
(Loans and bills discounted)	28,816
Liabilities	¥ 325,979
(Borrowed money)	240,133

5. Major noncash transaction

Acquisition of stocks through Debt-Equity-Swap ¥55,331 million

Segment Information

1. Business Segment Information

FY 2003 (for the period from April 1, 2003 to March 31, 2004)

(Millions of yen)

	Banking and Trust Banking	Securities	Other financial service	Total	Elimination & General corporate	Consolidated
Ⅰ. Ordinary income and Ordinary Profit						
Ordinary income						
(1) Ordinary income to outside customers	1,021,087	19,908	97,203	1,138,199	-	1,138,199
(2) Inter-segment ordinary income	8,000	82	7,773	15,856	(15,856)	-
Total	1,029,088	19,990	104,977	1,154,055	(15,856)	1,138,199
Ordinary expenses	2,103,475	16,385	233,731	2,353,593	(103,516)	2,250,076
Ordinary profit (loss)	(1,074,387)	3,604	(128,754)	(1,199,537)	87,659	(1,111,877)
II. Assets, Depreciation, Impairment losses and Capital expenditure						
Assets	39,716,732	138,941	474,346	40,330,019	(488,181)	39,841,837
Depreciation	42,900	459	31,049	74,409	-	74,409
Impairment losses	27,976	-	0	27,976	-	27,976
Capital expenditure	104,953	445	26,070	131,469	-	131,469

<Notes>

1. Major operational segments are as follows.
   (1) Banking and Trust Banking: Banking business, Trust Banking business, Loan guarantee service and Banking system engineering
   (2) Securities: Securities
   (3) Other financial service: Credit card administration, General leasing, Financing and Venture capital
2. Ordinary income and ordinary profit are shown in lieu of sales and operating profit of business enterprises.
3. Capital Expenditure includes the investments related to computer systems and other related equipment.
4. Accounting standards for impairment of fixed assets, "Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" (August 8, 2002) issued by Business Accounting Deliberation Council and Financial Accounting Standards Implementation Guidance No.6 "Implementation Guidance on Accounting Standard for Impairment of Fixed Assets" issued by the Accounting Standards Board of Japan (October 31, 2003), permit early adoption of these standards to the financial statements for the year ending March 31, 2004 or after and therefore the Company adopted these standards in this fiscal year.
   As a result of this change, “Impairment losses” of Banking and Trust Banking segment, and Other financial service segment are reported in the amount of ¥27,976 million and ¥0 million, respectively. There is no impact on ordinary loss by this change.
5. In prior years, domestic consolidated banking subsidiaries (the “Banks”) had adopted the transitional treatment of 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. However, effective this period, the Banks have applied hedge accounting for “currency swap transactions” “foreign exchange swap transactions” etc., according to the principle treatment in Report No. 25, which is carried out to hedge risks of borrowing and lending in different currencies by swapping the borrowing currency for the lending currency. Currency translation differences relating to other future foreign currency exchange transactions, etc. are stated at the gross amount in accordance with the JICPA Industry Audit Committee, Report No. 25, but were previously stated at the net amount.
   As a result of this change, “Assets” of Banking and Trust Banking segment increased ¥15,026 million, compared to the corresponding amounts under the previous method. There is no impact on ordinary loss from this change.
6. The transition difference of the accounting change in retirement benefits of certain consolidated banking subsidiaries was formerly amortized over mainly 10 years. However, due to decreases in the number of employees and salaries, the

components of retirement benefits obligations were changed significantly from those at the time of initial application of the accounting and the amount of the transition difference at this interim consolidated balance sheet date did not represent substance of the obligations. Accordingly, the unrecognized transition difference at the accounting change was charged to operations in this interim period. As a result, “Assets” and “Ordinary loss” of Banking and Trust Banking segment decreased ¥51,754 million and ¥4,697 million, respectively.

FY 2002 (for the period from April 1, 2002 to March 31, 2003)

(Millions of yen)

	Banking and Trust Banking	Securities	Other financial service	Total	Elimination & General corporate	Consolidated
Ⅰ. Ordinary income and Ordinary Profit						
Ordinary income						
(1) Ordinary income to outside customers	1,115,535	14,243	129,481	1,259,259	-	1,259,259
(2) Inter-segment ordinary income	9,072	154	9,506	18,733	(18,733)	-
Total	1,124,607	14,397	138,987	1,277,993	(18,733)	1,259,259
Ordinary expenses	1,629,636	18,497	151,483	1,799,617	(30,214)	1,769,403
Ordinary loss	505,028	4,099	12,496	521,624	(11,480)	510,143
II. Assets, Depreciation and Capital expenditure						
Assets	42,631,063	85,672	1,150,139	43,866,875	(974,942)	42,891,933
Depreciation	52,855	409	64,180	117,446	-	117,446
Capital expenditure	78,506	680	62,068	141,255	-	141,255

<Notes>

1. As a result of change in the scope of consolidation, ordinary income of other financial service segment represented 10% or more of total ordinary income. Accordingly, segment information by type of business has been presented as required by the Regulations on consolidated financial statements 15-2.
2. Major operational segments are as follows.
   (1) Banking and Trust Banking: Banking business, Trust Banking business, Loan guarantee service and Banking system engineering
   (2) Securities: Securities
   (3) Other financial service: Credit card administration, General leasing, Financing and Venture capital
3. Ordinary income and ordinary profit are shown in lieu of sales and operating profit of business enterprises.
4. Capital Expenditure includes the investments related to computer systems and other related equipment.

2. Geographical Segment Information

FY 2003 (for the period from April 1, 2003 to March 31, 2004)

Since the ordinary income and employed assets of "Japan" segment is more than 90 % of all the other segments combined, geographical segment information for 2003 is not presented.

Such disclosures have been omitted in the prior fiscal year (for the period from April 1, 2002 to March 31, 2003) also.

3. Overseas ordinary income

FY 2003 (for the period from April 1, 2003 to March 31, 2004)

Since overseas ordinary income is less than 10% of the total, overseas ordinary income for 2003 is not presented.

Such disclosures have been omitted in the prior fiscal year (for the period from April 1, 2002 to March 31, 2003) also.

Market Value of Securities and Money Held in Trust

(As of March 31, 2003)

1. Securities

"Securities" in the consolidated balance sheet, negotiable certificates of deposit in "Cash and due from banks", commercial paper in "Monetary claims bought", trading securities, negotiable certificates of deposit and commercial paper in "Trading assets" as of March 31, 2003 were as follows:

(1) Securities Held for Trading Purposes *(Millions of yen)*

	As of March 31, 2003	
	Consolidated balance sheet amount	Net unrealized gain included in statements of operations
Securities held for trading purposes	451,433	229

(2) Marketable bonds held to maturity *(Millions of yen)*

	As of March 31, 2003				
	Balance Sheet Amount (consolidated) **X**	Market Value **Y**	Unrealized Gains/Losses **Y-X**	Gain	Loss
National government bonds	180	181	1	1	-
Local government bonds	-	-	-	-	-
Corporate bonds	500	493	(6)	-	6
Other	1,898	1,932	34	74	40
Total	2,578	2,607	29	76	46

Note: Market values are based on the market prices on March 31, 2003.

(3) Investment securities in subsidiaries and affiliates with market value（non-consolidated）

None

(4) Other securities for which market values can be calculated *(Millions of yen)*

	As of March 31, 2003				
	Acquisition costs **X**	Consolidated balance sheet amount Y	Unrealized Gains/Losses **Y-X**	Gain	Loss
Stocks	1,319,004	1,267,310	(51,693)	55,733	107,427
Bonds	4,433,076	4,463,496	30,420	30,874	454
National government bonds	3,811,024	3,833,396	22,372	22,519	147
Local government bonds	159,832	164,353	4,521	4,657	136
Corporate bonds	462,219	465,745	3,526	3,697	170
Other	253,034	248,469	(4,565)	3,498	8,063
Total	6,005,115	5,979,276	(25,838)	90,106	115,945

Notes: 1.Market values of stocks are based on the average market prices of the last one-month of the year ended March 31, 2003. Market values of others are based on the market prices on March 31, 2003.

2. In other securities with market value, these securities, of which market values significantly declined, were record-ed with the market value on the consolidated balance sheet as there is no possibility to restore their market value to the acquisition costs. Such valuation differences are recorded as a loss ("Impairment loss") for previous consolidated period. The amount of the impairment losses for previous consolidated period was ¥297,807 million. The above impairment losses include losses on stocks and others in the amount of ¥297,804 million and ¥3 million, respectively.

A substantial decline in fair value is determined as follows:
If the fair value declined by 30% or more compared to the acquisition cost, it is judged as a substantial decline and determines the recoverability, together with the classification of borrowers by self-assessment.
If the fair value declined by 50% or more, the valuation losses are disposed of due to no possibility of recovery.

(5) Held-to-maturity bonds sold during the period.
None

(6) Other securities sold during the year ended March 31, 2003 *(Millions of yen)*

	FY 2002		
	Sold	Gain	Loss
Other securities	17,554,337	92,532	30,705

(7) The major components of securities with which market value was not available and their respective balance sheet amounts *(Millions of yen)*

	As of March 31, 2003
Bonds held to maturity	
Unlisted domestic bonds	6,732
Negotiable certificates of deposit	4,620
Monetary claims bought	9,995
Other securities	
Unlisted domestic bonds	267,051
Unlisted stocks (except over-the-counter securities)	166,925
Unlisted foreign bonds	21,141

(8) Securities of which holding purposes were changed
None

(9) Redemption schedule for other securities with maturities and bonds held to maturity.
(Millions of yen)

	As of March 31, 2003			
	1 Year or Less	1 to 5 Years	5 to 10 Years	Over 10 years
Bonds	1,213,435	2,877,154	642,872	4,398
National government bonds	1,027,455	2,292,058	511,107	2,955
Local government bonds	1,760	71,455	91,138	-
Corporate bonds	184,219	513,641	40,627	1,442
Other	110,785	19,161	3,837	20,265
Total	1,324,221	2,896,316	646,710	24,663

2. Money held in trust
(1) Money held in trust for trading purposes *(Millions of yen)*

	As of March 31, 2003	
	Consolidated balance sheet amount	Unrealized gain (net) included in profits and losses
Money held in trust for trading purposes	70,422	-

(2) Held-to-maturity money held in trust
None

(3) Other money held in trust (excluding investment purposes or held-to-maturity)
There was no other money held in trust with market value.
Other money held in trust without market value is stated at the acquisition cost of ¥27 million.

3. Net unrealized gain (losses) of other securities (Valuation differences) *(Millions of yen)*

		As of Mar. 31, 2003
Unrealized gains (losses) (Market value - Cost)		(25,838)
	Other securities	(25,838)
	Other money held in trust	-
Related deferred tax liabilities		2,121
Net unrealized gains (losses) other securities (before adjustment of minority interest)		(27,960)
Adjustment of minority interests		304
The parent company's share of the amount of unrealized gains (losses) on other securities owned by the equity method companies		30
Net unrealized gains (losses) of other securities		(28,234)

Contract Values, Market Values and Unrealized Gains (Losses) on Derivatives

Contract values, market values and unrealized gains (losses) on derivatives are not presented because of disclosing by EDINET.

Statement of Trust Assets and Liabilities
(As of March 31, 2004)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	235,055	Money trusts	9,495,175
Securities	3,450,013	Pension trusts	5,355,689
Trust beneficiary certificate	20,633,616	Asset formation benefit trusts	2,115
Securities held in custody account	28	Securities investment trusts	9,000,857
Monetary claims	585,963	Pecuniary trusts other than money trusts	235,731
Premises and equipment	365,527		
Land lease rights	1,977	Securities trusts	218,960
Other claims	13,743	Monetary claims trusts	607,066
Due from banking account	403,849	Real estates trusts	218,654
Cash and due from banks	30,090	Land leases trusts	4,919
		Composite trusts	580,695
Total assets	25,719,866	Total liabilities	25,719,866

〈Notes〉

1 Amounts of less than one million yen have been rounded down.

2 The trust that were re-entrusted for operations were excluded.

3 Trust beneficiary certificates worth of ¥ 20,630,112 million were re-entrusted for asset administration purpose.

4 Co-managed trust funds under other trust bank's administration amounted to ¥4,744,373 million.

5 Loans and bills discounted that were funded by the JOMT account funds, where the Bank guarantees the principal, amounted to ¥229,307 million included the following:

(Million of Yen)

Loans to borrowers in legal bankruptcy	¥ 383
Past-due loans	8,273
Loans past due 3 months or more	849
Restructured loans	22,933
Total	¥32,438

The trust in the principal indemnification agreement (including the trust that were re-entrusted for operations)

Money Trusts
(As of March 31, 2004)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	229,307	Principal	569,057
Securities	102,000	Special loan loss reserve	700
Other	238,052	Other	(397)
Total assets	569,359	Total liabilities	569,359

The trust that were re-entrusted for operations
(As of March 31, 2004)

(Millions of Yen)

Assets		Liabilities	
Securities	71,026	Principal	71,030
Other	3		
Total assets	71,030	Total liabilities	71,030

〈Note〉 Amounts of less than one million yen have been rounded down.

(Reference Sheet)
Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

Assets	Mar 31, 2004 (A)	Mar 31, 2003 (B)	Difference (A)-(B)
Loans and bills discounted	235,055	326,028	(90,972)
Securities	3,450,013	2,406,393	1,043,619
Trust beneficiary certificate	20,633,616	21,135,947	(502,331)
Securities held in custody account	28	255	(226)
Monetary claims	585,963	689,591	(103,627)
Premises and equipment	365,527	256,970	108,556
Land lease rights	1,977	1,977	-
Other claims	13,743	5,361	8,382
Due from banking account	403,849	267,600	136,248
Cash and due from banks	30,090	64,701	(34,610)
Total assets	25,719,866	25,154,826	565,039
Co-managed trust funds under other trust bank's administration	4,744,373	6,212,075	(1,467,702)

Liabilities	Mar 31,2004 (A)	Mar 31, 2003 (B)	Difference (A)-(B)
Money trusts	9,495,175	9,911,367	(416,191)
Pension trusts	5,355,689	5,887,645	(531,956)
Asset formation benefit trusts	2,115	2,422	(307)
Securities investment trusts	9,000,857	7,447,570	1,553,287
Pecuniary trusts other than money trusts	235,731	267,349	(31,617)
Securities trusts	218,960	231,979	(13,019)
Monetary claims trusts	607,066	602,184	4,881
Real estate trusts	218,654	213,685	4,968
Land lease trusts	4,919	4,913	6
Composite trusts	580,695	585,708	(5,012)
Total liabilities	25,719,866	25,154,826	565,039

〈Note〉 Amounts of less than one million yen have been rounded down.