

***DAISHI***  
***INTERIM***  
***REPORT***  
**SUMMARY**

**Interim Financial Report of 2006**

**(From April 1, 2005 to September 30, 2005)**

**THE DAISHI BANK, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED INTERIM BALANCE SHEETS**

Note The translations of the Japanese yen amounts into US dollars are using the prevailing exchange rate at September 30,2005, which was ¥ 113.19 to US \$1.

	Millions of yen		Thousands of U.S. dollars	
	As of Sep 30,2004	As of Sep 30,2005	As of Sep 30,2005	Millions of yen (Reference) 2005
<b>ASSETS</b>				
Cash and due from banks	¥ 86,446	¥ 98,770	\$ 872,605	¥ 113,337
Call loans and bills purchased	12,215	40,000	353,388	45,369
Commercial paper and other debt purchased	17,335	107,286	947,840	19,606
Trading account securities	11,050	6,780	59,907	10,914
Money held in trust	172,399			160,408
Securities	1,356,029	1,612,579	14,246,664	1,429,212
Loans and bills discounted	2,197,304	2,273,347	20,084,349	2,223,626
Foreign exchanges	4,113	3,571	31,553	13,131
Other assets	58,761	38,038	336,060	40,592
Premises and equipment, net	89,112	86,976	768,414	87,055
Deferred tax assets	14,807	1,248	11,027	3,562
Customers' liabilities for acceptances and guarantees	35,703	42,960	379,544	40,054
Allowance for loan losses	(40,251)	(30,279)	(267,510)	(32,495)
Allowance for investment losses	(147)	(71)	(628)	(71)
<b>Total Assets</b>	<b>¥ 4,014,880</b>	<b>¥ 4,281,209</b>	<b>\$ 37,823,216</b>	<b>¥ 4,154,306</b>
<b>LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY</b>				
<b>Liabilities:</b>				
Deposits	¥ 3,610,599	¥ 3,706,952	\$ 32,749,826	¥ 3,737,228
Call money and bills sold	75,466	173,001	1,528,414	80,712
Collateral money for securities lending/borrowing transactions		33,545	296,360	
Borrowed money	29,295	29,639	261,853	29,173
Foreign exchanges	364	288	2,547	338
Other liabilities	31,170	35,084	309,960	25,036
Reserve for employees' retirement benefits	16,202	12,260	108,320	12,395
Deferred tax liabilities	57	5,534	48,893	80
Deferred tax liabilities for land revaluation reserve	7,251	9,188	81,175	6,774
Acceptances and guarantees	35,703	42,960	379,544	40,054
<b>Total Liabilities</b>	<b>¥ 3,806,112</b>	<b>¥ 4,048,455</b>	<b>\$ 35,766,897</b>	<b>¥ 3,931,795</b>
<b>Minority interests</b>	<b>7,050</b>	<b>8,192</b>	<b>72,382</b>	<b>7,574</b>
<b>Stockholders' equity:</b>				
Common stock;				
Authorized-576,999 thousand shares,				
Issued-374,679 thousand shares	32,776	32,776	289,575	32,776
Capital surplus	18,636	18,650	164,771	18,643
Retained earnings	113,505	117,910	1,041,700	115,262
Land revaluation reserve, net of tax	10,698	7,352	64,961	9,994
Net unrealized holding gains on securities available for sale	27,706	48,118	425,109	38,703
Treasury stock	(1,607)	(246)	(2,181)	(444)
<b>Total stockholders' equity</b>	<b>201,717</b>	<b>224,561</b>	<b>1,983,936</b>	<b>214,936</b>
	<b>¥ 4,014,880</b>	<b>¥ 4,281,209</b>	<b>\$ 37,823,216</b>	<b>¥ 4,154,306</b>

**THE DAISHI BANK, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS**

	Millions of yen		Thousands of U.S. dollars	Millions of yen
	ended Sep 30,2004	ended Sep 30,2005	ended Sep 30,2005	(Reference) 2005
<b>INCOME</b>				
Interest on loans and discounts	¥ 21,088	¥ 19,977	\$ 176,494	¥ 41,844
Interest and dividends on securities	11,287	11,381	100,554	22,256
Other interest income	261	337	2,979	487
Fees and commissions	6,542	7,248	64,041	13,366
Other operating income	1,317	462	4,083	2,196
Other income	15,293	12,320	108,849	36,723
<b>Total Income</b>	<b>¥ 55,790</b>	<b>¥ 51,728</b>	<b>\$ 457,002</b>	<b>¥ 116,874</b>
<b>EXPENSES</b>				
Interest on deposits	745	987	8,724	1,461
Other interest expenses	2,264	2,962	26,175	5,003
Fees and commissions	1,220	1,328	11,737	2,480
Other operating expenses	2,785	205	1,811	3,966
General and administrative expenses	24,148	23,876	210,939	47,731
Other expenses	12,347	15,028	132,772	35,165
<b>Total Expenses</b>	<b>¥ 43,511</b>	<b>¥ 44,388</b>	<b>\$ 392,161</b>	<b>¥ 95,809</b>
Income before income taxes and minority interests	12,279	7,339	64,841	21,064
Provision for income taxes:				
Current	1,074	1,158	10,230	705
Deferred	4,435	1,741	15,388	8,611
Net income before minority interests	6,769	4,439	39,222	11,748
Minority interests	472	575	5,086	843
<b>Net Income</b>	<b>¥ 6,296</b>	<b>¥ 3,863</b>	<b>\$ 34,136</b>	<b>¥ 10,905</b>
Amounts per share of common stock:				
	Yen		U.S. dollars	Yen
Net income	¥ 16.69	¥ 10.33	\$ 0.09	¥ 28.84

**THE DAISHI BANK, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

	Millions of yen		Thousands of U.S. dollars		Millions of yen
	Sep 30,2004	Sep 30,2005	Sep 30,2005	(Reference)	2005
<b>Cash flows from operating activities:</b>					
Income before income taxes and minority interests	¥ 12,279	¥ 7,339	\$ 64,841	¥ 21,064	
Adjustments to reconcile income before provision for income taxes and minority interests to net cash provided by operating activities:					
Depreciation and amortization	6,609	6,774	59,847	13,510	
Loss on impairment of fixed assets		363	3,213		
Net change in allowance for loan losses	(7,165)	(2,215)	(19,576)	(14,921)	
Net change in liability for employees' retirement benefits	849	(134)	(1,192)	(2,958)	
Interest and dividend income	(32,637)	(31,696)	(280,028)	(64,588)	
Interest expenses	3,009	3,950	34,899	6,465	
Net loss on sales and maturities of securities	1,584	(563)	(4,977)	2,235	
Losses on sales of premises and equipment	62	226	2,005	655	
Net change in:					
Trading account securities	5,976	4,133	36,518	6,113	
Loans and bills discounted	107,189	(49,720)	(439,267)	80,866	
Deposits	(52,695)	(54,655)	(482,868)	92,763	
Negotiable certificate deposits	70,170	24,380	215,390	51,340	
Borrowed money (excluding subordinated loans)	(1,122)	465	4,115	(1,243)	
Due from banks except for THE BANK OF JAPAN	(46)	(159)	(1,408)	(9)	
Call loans and bills purchased	64,345	14,580	128,810	28,920	
Call money and bills sold	(90,175)	92,288	815,341	(84,929)	
Collateral money for securities lending/borrowing transactions		33,545	296,360		
Interest received	34,026	33,259	293,836	68,325	
Interest paid	(3,341)	(4,054)	(35,819)	(6,838)	
Other - net	(19,330)	16,261	143,666	(16,522)	
sub-total	99,588	94,367	833,708	180,246	
Income taxes paid	(3,843)	(800)	(7,074)	(3,961)	
<b>Total adjustments</b>	<b>83,465</b>	<b>86,227</b>	<b>761,792</b>	<b>155,220</b>	
<b>Net cash provided by operating activities</b>	<b>¥ 95,745</b>	<b>¥ 93,566</b>	<b>\$ 826,633</b>	<b>¥ 176,285</b>	
<b>Cash flows from investing activities:</b>					
Purchases of securities	(363,577)	(297,303)	(2,626,589)	(659,027)	
Proceeds from sales of securities	114,350	46,207	408,229	221,147	
Proceeds from maturity of securities	154,999	138,878	1,226,947	284,878	
Proceeds from sales of money held in trust		11,776	104,038		
Purchases of money held in trust	(13,039)			(545)	
Purchases of premises and equipment	(7,735)	(7,369)	(65,110)	(14,154)	
Proceeds from sales of premises and equipment	739	624	5,516	2,211	
<b>Net cash used in investing activities</b>	<b>¥ (114,263)</b>	<b>¥ (107,187)</b>	<b>\$ (946,967)</b>	<b>¥ (165,490)</b>	
<b>Cash flows from financing activities:</b>					
Increase in subordinated borrowings		8,000	70,677		
Decrease in subordinated borrowings		(8,000)	(70,677)		
Dividends paid	(1,308)	(1,295)	(11,447)	(2,243)	
Dividends paid to minority stockholders	(13)	(15)	(133)	(13)	
Purchases of treasury stock	(17)	(26)	(230)	(1,658)	
Proceeds from sales of treasury stock	0	230	2,036	190	
<b>Net cash used in financing activities</b>	<b>(1,339)</b>	<b>(1,106)</b>	<b>(9,774)</b>	<b>(3,725)</b>	
<b>Net change in cash and cash equivalents</b>	<b>(19,857)</b>	<b>(14,726)</b>	<b>(130,105)</b>	<b>7,069</b>	
<b>Cash and cash equivalents at beginning of the year</b>	<b>105,850</b>	<b>112,920</b>	<b>997,619</b>	<b>105,850</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>¥ 85,993</b>	<b>¥ 98,193</b>	<b>\$ 867,514</b>	<b>¥ 112,920</b>	