

Interim Financial Publication

for Fiscal Year Ended March 31, 2010

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Representative Director, President & CEO Darren Buckley

Balance Sheet

As of September 30, 2009

(Millions of Yen)

Account Name	Amount	Account Name	Amount
Cash and due from banks	3,421,636	Deposits	4,346,618
Call loans	291,504	Negotiable certificates of deposit	51,900
Receivables under resale agreements	49,992	Call money	10,000
Monetary claims bought	2,730	Trading liabilities	68,059
Trading assets	170,569	Borrowed money	2
Securities	524,423	Foreign exchanges	66,069
Loans and bills discounted	272,717	Other liabilities	209,146
Foreign exchanges	85,198	Income taxes payable	4,510
Other assets	231,563	Others	204,636
Tangible fixed assets	3,663	Provision for bonuses	1,408
Intangible fixed assets	12,499	Provision for directors' bonuses	73
Deferred tax assets	5,086	Provision for retirement benefits	2,347
Customers' liabilities for acceptances and guarantees	84,927	Provision for directors' retirement benefits	14
Allowance for loan losses	(7,682)	Reserves for restructuring	375
		Reserves for business reorganization	1,099
		Acceptances and guarantees	84,927
		Total liabilities	4,842,044
		Capital stock	123,100
		Capital surplus	121,100
		Legal capital surplus	121,100
		Retained earnings	57,084
		Other retained earnings	57,084
		Retained earnings brought forward	57,084
		Total shareholders' equity	301,284
		Valuation difference on AFS securities	5,502
		Deferred gains or losses on hedges	(1)
		Total valuation and translation adjustments	5,501
		Total net assets	306,785
Total assets	5,148,830	Total liabilities and net assets	5,148,830

Income Statement

From April 1, 2009 to September 30, 2009

(Millions of Yen)

Account Name	Amount
Ordinary income	60,225
Interest income	39,487
(Interest on loans and bills discounted)	2,679
(Interest and dividends on securities)	2,762
Fees and commissions	9,925
Trading income	-
Other ordinary income	9,828
Other income	984
Ordinary expenses	50,194
Interest expenses	13,487
(Interest on deposits)	13,290
Fees and commissions paid	1,299
Trading expenses	622
Other ordinary expenses	442
General and administrative expenses	30,074
Other expenses	4,267
Ordinary profit	10,030
Extraordinary income	0
Extraordinary loss	24
Income before income taxes	10,006
Income taxes - current	3,887
Net income	6,119

Amounts less than one million yen have been omitted.

Accounting Policies

1. Standard for valuation of trading assets and trading liabilities / booking of income and expenses for trading purposes transaction

Transactions for trading purposes, such as seeking gains arising from short-term changes in interest rates, foreign exchange rates, or securities prices and other market related indices or from variation among markets (hereinafter referred to as "Trading Purposes"), are included in "Trading assets" or "Trading liabilities" on the balance sheet on a trade date basis. Income and Expenses on trading-purpose transactions are recognized on a trading date basis, and recorded as "Trading income" and "Trading expenses".

Securities and monetary claims purchased for trading purposes are stated at the interim fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the interim fiscal year-end.

"Trading income" and "Trading expenses" include interest received or paid during the interim fiscal year. The year-on-year valuation differences of securities and money claims are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are also recorded in the above-mentioned accounts.

2 . Standard and method for valuation of AFS securities

AFS securities that have market prices are carried at their balance sheet date market prices (cost of securities sold is calculated using primarily the moving-average method). Net unrealized gains/losses on AFS securities, net of income taxes, are included in "Net assets".

3 . Standard and method for valuation of derivative transaction

Derivative transactions (excluding those for trading purposes) are carried at fair value.

4 . Depreciation method for fixed assets

(1) Tangible fixed assets

Tangible fixed assets are depreciated using the declining-balance method.

The estimated useful lives are as follows:

Buildings:	3 to 18 years
Equipment:	2 to 20 years

(2) Intangible fixed assets

Capitalized software for internal use is depreciated over its estimated useful life (5 years).

Goodwill is equally amortized over 5 years.

5 . Standard for Allowance

(1) Allowance for loan losses

Allowance for loan losses is provided as detailed below in accordance with the internal standards for write-offs and provisioning.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("bankrupt borrowers") or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("effectively bankrupt borrowers"), an allowance is provided based on the amount of claims, after the write-off stated in the additional paragraph below, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy, an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees. For other claims, an allowance is provided based on the expected loan-loss ratio assigned to each risk rating.

Marketing-related businesses conduct the primary assessment of all claims, independent Risk Management conducts the secondary assessment in accordance with the internal rules for self-assessment of assets, and the Audit and Risk Review, independently audits their assessment. The allowance is provided based on the results of these assessments.

(2) Provision for bonuses

Provision for bonuses is reported in preparation for the payment of bonuses to the employees at the amount estimated for the payment of bonuses to the employees during the interim fiscal year.

(3) Provision for directors' bonuses

Provision for directors' bonuses is reported in preparation for the payment of bonuses to the directors at the amount estimated for the payment of bonuses to the directors during the interim fiscal year.

(4) Provision for retirement benefits

Provision for retirement benefits is reported in preparation for the payment of employee retirement allowance in the amount deemed accrued at the interim fiscal year-end, based on the projected retirement benefit obligation and the fair value of plan assets at the interim fiscal year-end. The actuarial differences are reported as expenses as follows;

Unrecognized prior service cost:

Amortized using the straight-line method for a period, primarily over 7 years, within the employees' average remaining service period, commencing on the fiscal year in which the services are provided.

Actuarial differences:

Amortized using the straight-line method, primarily over 7 to 9 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

(5) Provision for directors' retirement benefits

Provision for directors' retirement benefits is reported in preparation for the payment of director retirement allowance out of directors' estimated allowance for the amount allocable to the period under review.

(6) Reserves for restructuring

Reserve for restructuring is reported in preparation for the payment and expenses of restructuring program based on estimated amounts of future payments.

(7) Reserves for business reorganization

Reserve for business reorganization is reported in preparation for the payment and expenses for Private Bank Division closure based on estimated amounts of future payments.

6 . Standard for the translation into Japanese yen

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date.

7 . Method for hedge accounting

For the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the deferred hedge accounting method is applied.

As for the portfolio hedges to net market fluctuation, effectiveness of such hedges are assessed by classifying the hedged items (such as loans) and the hedging instruments (such as interest rate swaps) by their maturity.

8 . Accounting for consumption taxes

National and Local Consumption Taxes are excluded from transaction amounts.

Notes to Balance Sheet

1 . For securities purchased under resale agreement which can be sold or pledged without restrictions, 49,993 million yen are held in hand as of September 30, 2009.

2 . There were 1,776 million yen Bankrupt loans and Past due loans/non-accrual loans were 1,251 million yen.

“Bankrupt loans” are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 (a) through (e) and 96-1-4 of the Enforcement Ordinance of the Japanese Corporate Tax Law and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons.

“Past due loans/non-accrual loans” are loans on which accrued interest income is not recognized, excluding “Bankrupt loans” and loans on which interest payments are deferred in order to support the borrowers’ recovery from financial difficulties.

3 . Past due loans (3 months or more) totaled 26,911 million yen.

“Past due loans (3 months or more)” are loans on which the principal or interest is past due for three months or more, excluding “Bankrupt loans” and “Past due loans/non-accrual loans”.

4 . Restructured loans totaled 1,957 million yen.

“Restructured loans” are loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers’ recovery from financial difficulties, excluding “Bankrupt loans,” “Past due loans/non-accrual loans” and “Past due loans (3 months or more)”.

5 . The total amount of “Bankrupt loans”, “Past due loans/non-accrual loans”, “Past due loans (3 months or more)” and “Restructured loans” was 31,896 million yen. Claims shown from 2 to 5 are the amounts before the appropriate allowance.

6 . Bills discounted are treated as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. CJL has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign bills bought without restrictions. The total face value was 26,591 million yen.

7 . The outstanding amount, which was accounted for as sales of loans to participants for loan participations in accordance with the JICPA Accounting Standard Committee Report No. 3 issued on June 1, 1995, was 6,456 million yen as of September 30, 2009.

8 . Assets pledged as collateral are as follows:

Assets pledged as collateral:

Securities	10,474 million yen
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Liabilities corresponding to assets pledged as collateral:

Call money	10,000 million yen
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In addition, AFS securities of 506,986 million yen and Trading account securities of 69,998 million yen are pledged as collateral for settlements of FX transactions.

Other assets include collateral based on ISDA Credit Support Annex of 8,701 million yen, guarantee deposits of 6,799 million yen and initial margins of futures markets 277 million yen.

9 . Overdraft facilities and commitment line contracts on loans are agreements to lend to customers up to a prescribed amount, as long as there is no violation of any condition established in the contracts.

The amount of unused commitments was 432,031 million yen and the amount of those with remaining period within one year was 371,318million yen.

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which we can reject an application from customers or reduce the contract amounts in the event that economic conditions change, we need to secure claims, or other events occur. In addition, we may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers’ financial positions, revising contracts when need arises and securing claims after contracts are made on a periodic basis.

10 . Accumulated depreciation on tangible fixed assets: 9,970 million yen

11 . Net assets per share: 1.25 yen

12 . Non-cancellable operating lease is as follows;

Future minimum rental payments;

Within one year 1,255 million yen

Over one year 601 million yen

13 . Stand-alone Capital Adequacy Ratio (National Standards) under the Banking Law Enforcement Regulations
Article 19-2-1-3-□-(10) 24.6%

Notes to Income Statement

1. "Other expenses" includes 4,227 million yen of Provision of allowance for loan losses.

2 . Net income per share 0.02 yen

3 . Concerning the income tax in the period, Income taxes-deferred is included in Income taxes-current since CJL applies the simplified method of tax effect accounting.

Notes related to Securities

1 . AFS securities with market value are as follows:

(as of Sep.30, 2009)

(Unit: Millions of Yen)

	Acquisition cost	Balance sheet amount	Valuations gains/losses
Bonds	508,678	517,460	8,781
Japanese Government Bond	508,678	517,460	8,781
Others	6,500	6,963	463
Total	515,178	524,423	9,244

(Notes) Balance sheet amount is fair value based on market price at the interim fiscal year end.

Notes related to Deferred tax accounting

1 . The main causes for the deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets	(Unit: Millions of Yen)
Goodwill (calculated on tax basis)	5,809
Accrued expense	2,329
Allowance for loan losses	1,398
Provision for retirement benefits	988
Reserves for business reorganization	445
Reserves for restructuring	344
Provision for bonuses	275
Other	<u>1,576</u>
Deferred tax assets total	13,167
Deferred tax liabilities	
Valuation difference on AFS securities	4,293
Provision for retirement benefits	<u>3,787</u>
Deferred tax liabilities total	<u>8,081</u>
Net deferred tax assets	<u>5,086</u>