BANK OF YOKOHAMA

Annual Report 2005

Year Ended March 31, 2005

Go Forward!

The Best Regional Bank that is strongly supported by Customers and that continues to evolve

横浜銀行

The Bank of Yokohama, Ltd., was founded in 1920 to serve the needs of individuals and companies in Kanagawa Prefecture and southwestern Tokyo. With its main business focusing on its home region, the Bank has since grown to become one of Japan's leading regional banks, with consolidated total assets of ¥10,690.1 billion and deposits of ¥9,296.9 billion as of March 31, 2005. Under our new medium-term management plan "Go Forward!," our goal is to become "The Best Regional Bank that is strongly supported by customers and that continues to evolve" by establishing long-term relationships with customers.

Population (2004)
8.73 million (3rd/47 prefectures)
(Tokyo, Osaka, *Kanagawa*)

Number of Businesses (2004)
285 thousand (4th/47 prefectures)
(Tokyo, Osaka, Aichi, *Kanagawa*)

Gross Prefectural product (FY2002)
JPY30.1 trillion (4th/47 prefecture)
(Tokyo, Osaka, Aichi, *Kanagawa*)

Manufacturing Output (2003)
JPY18.7 trillion (2nd/47 prefectures)
(Aichi, *Kanagawa*)

Retail Sales (2002)
JPY8.5 trillion (3rd/47 prefectures)
(Tokyo, Osaka, *Kanagawa*)

Potential of Kanagawa Prefecture

(Note) Source
- Population, # of Businesses: Ministry of Public Management, Home Affairs, Posts and Telecommunications
- Gross prefectural product: Each Prefecture
- Manufacturing Output, Retail Sales: Ministry of Economy, Trade and Industry

Contents

The "Three-Ships Spirit"
Management Philosophy

Reflecting Yokohama's heritage as a port city, the "Three Ships" represents eternal prosperity, with customers, shareholders and bank employees (the "Three Ships") growing hand in hand with harmony. The three ideas underlying the concept we are working to realize are as follows.

– We aim to become the bank that is trusted. We will do this by fully recognizing our traditional role in ensuring a stable supply of funds, and in providing the kind of financial services demanded by the community by conducting our business in as thorough a manner as possible.

– In each areas of our market, we aim to become a community bank deeply rooted in its locality, with each branch working to be the "best bank," growing through contribution to the community and in concert with it.

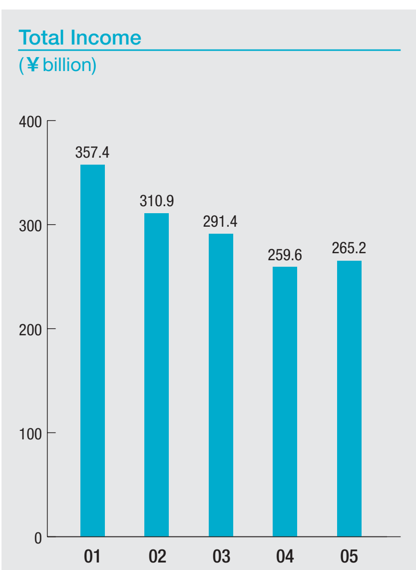
– We aim to be a bank that serves all the community, and is a great place to work at, by developing and training dynamic talents and fostering energetic culture.

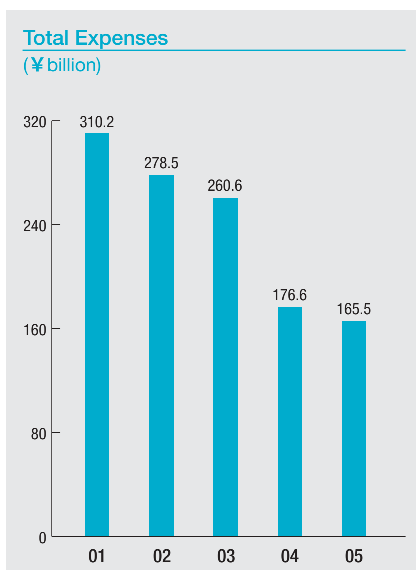
Consolidated Financial Highlights

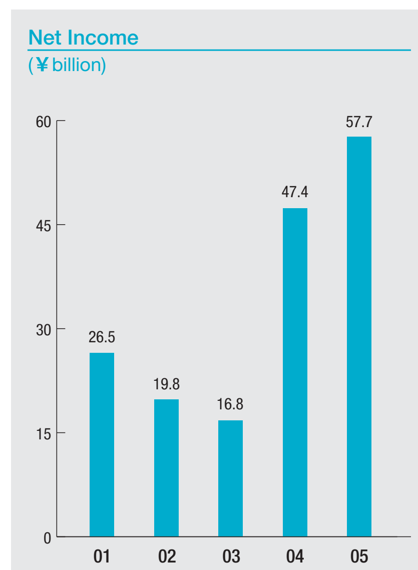
The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

	Millions of Yen*		Thousands of U.S. Dollars**
Years ended March 31	**2005**	2004	**2005**
At Year-end:			
Total assets	**¥10,690,128**	¥10,660,252	**$99,554,188**
Cash and due from banks	**566,483**	556,767	**5,275,503**
Deposits	**9,296,939**	9,174,001	**86,579,801**
Loans and bills discounted	**7,790,062**	7,946,846	**72,546,676**
Securities	**1,432,580**	1,298,771	**13,341,220**
Total stockholders' equity	**596,886**	554,926	**5,558,642**
Capital stock	**214,862**	188,223	**2,000,954**
For the Year:			
Total income	**¥ 265,289**	¥ 259,674	**$ 2,470,567**
Total expenses	**165,514**	176,633	**1,541,389**
Net income	**57,706**	47,445	**537,404**

* Yen amounts have been round down to millions of yen.
** U.S. dollar amounts are translated, for reference only, at the rate of ¥107.38=$1 effective on March 31, 2005.

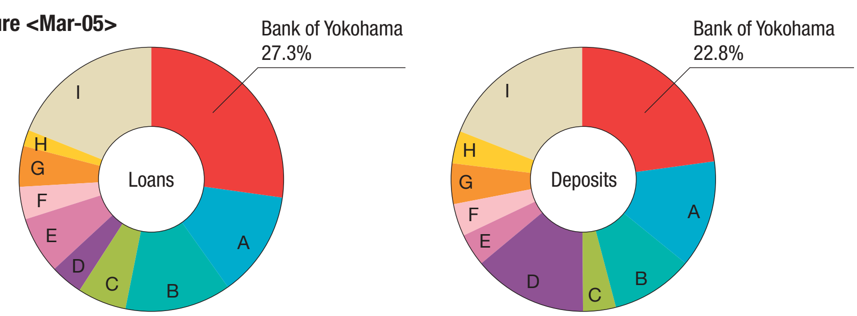






Market Share in Kanagawa Prefecture <Mar-05>

	Loans	Deposits
A – City Bank	13%	13%
B – City Bank	13%	10%
C – City Bank	6%	4%
D – City Bank	4%	14%
E – City Bank	7%	4%
F – Regional Banks	4%	4%
G – 2nd Regionals	5%	5%
H – Trust Banks etc.	2%	4%
I – Co-op Banks	19%	19%



This report contains information that constitutes forward-looking statements. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the Bank or its officers with respect to the financial condition of the Bank. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors. The information contained in this report identified important factors that could cause such differences, including but not limited to, change in overall economic conditions.

Message from the Management

Ongoing deregulation, coupled with the removal of the remaining blanket deposit insurance in April this year, mark the start of a new era of fierce competition within the financial sector.

Amid these developments, the Bank launched a new medium-term management plan — under the name “Go Forward!” — in April 2005.

As a result of strenuous efforts made under the previous medium-term management plan — “Value Up” emphasizing the reinforcement of our regional retail banking strategy, featuring measures to bolster the Bank’s profitability and financial position and enhance management soundness — we were able to repay in full the public funds in August 2004 one year ahead of schedule.

With the start of this new medium-term management plan, we will follow through on the initiatives begun under the previous plan, while leveraging our sound financial base and low-cost operations to aggressively pursue expansion of our operations and implement a variety of new initiatives. Our major management target figures are to achieve market capitalization of one trillion yen or more and a rating of AA or above as soon as possible.

In addition, we are moving forward with regard to all aspects of our operations, in that we are taking active steps to bolster profitability, strengthen our financial position, enhance customer satisfaction, upgrade employees’ skills, and reinforce our internal control system. In line with our firm commitment to working harmoniously in partnership with shareholders, customers and the Bank employees, that is, the “Three-Ships Spirit,” we continue to achieve sustainable growth in our operations, and enhance the benefits of our shareholders, customers and the Bank’s employees.

In our main markets of Kanagawa Prefecture and southwestern Tokyo, we have undertaken measures to augment sales promotion and strengthen profitability, and we continue to pursue the same strategy, and establish infrastructure to this end.

We are also working to upgrade our organizational structure that will form closer ties with the local community. In addition to expanding our regional contributions and enforcing strict compliance, we are reinforcing risk management to ensure sustainable growth in operations, enhancing corporate value through the effective utilization of management resources, and raising operational efficiency through streamlining and strategic use of IT. We are also strengthening corporate governance, which provides the type of support required for responding boldly to business challenges.

Our operating bases of Kanagawa Prefecture and southwestern Tokyo are among Japan's most promising markets. This region is especially attractive because it is within commuting distance of central Tokyo, and because of its favorable living environment. It has seen the construction of numerous residential complexes, which has resulted in population growth. We are superbly positioned to collect information on companies expanding into this area, and therefore enjoy a competitive advantage. Moreover, the transportation network in our areas of operation is also well developed. Finally, business incentives offered by the local governments have contributed to a rise in the number of new ventures and existing companies setting up operations within the Bank's operating territories.

In this highly favorable business environment, the Bank of Yokohama has grown hand-in-hand with the economic expansion of this region. Our more than 80-year history includes the 1927 crisis in the financial sector in the pre-war period and the oil crises in the post-war period. Even after those periods, the Bank has faced trials posed by the collapse of Japan's bubble economy and the problem of non-performing loans. What enabled us to surmount these challenges was the close relationship we enjoy with our customers in the region — the ties with the local community and our individual customers. In other words, the quality of these ties-relationships with local organizations, and with individual residents — is our greatest asset and our main strength.

It is with this thought in mind that we launched the new medium-term management plan "Go Forward!," and we will make every effort to become "The best regional bank that is strongly supported by customers and that continues to evolve" and the Bank's officers and staff are working together to achieve this goal. At the Bank of Yokohama, we appreciate your continuing support.

August 2005

S. Hirasawa T. Ogawa

Sadaaki Hirasawa
Chairman

Tadashi Ogawa
President

“Go Forward!”

“The Best Regional Bank that is strongly supported by customers and that continues to evolve”

Medium-Term Management Plan

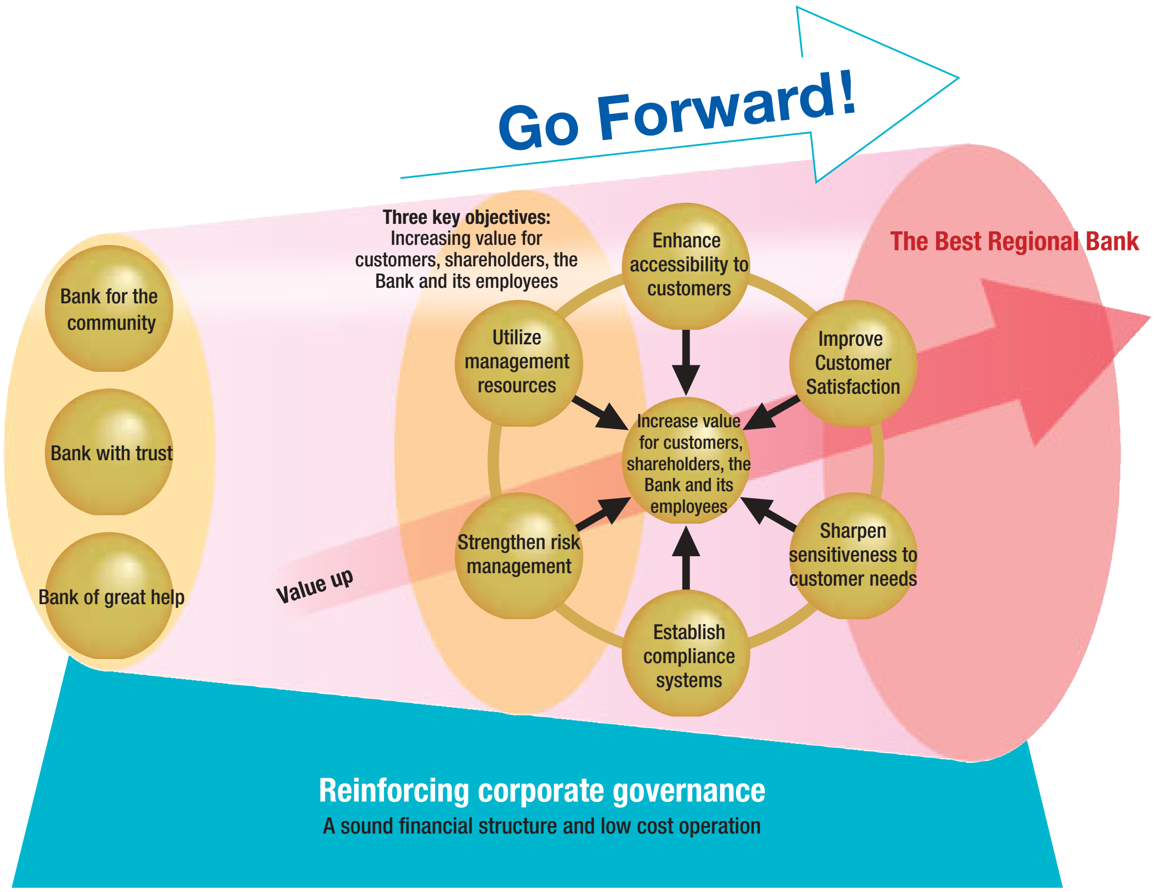
(for the period from April 2005 to March 2008)

What we aim at: “Go Forward!,” our latest medium-term management plan, is an upgraded and more advanced version of the previous medium-term management plan, “Value Up.”

- We have endeavored to strengthen profitability and financial position in line with the previous medium-term management plan. As a result, we have completed the repayment of public funds one year ahead of the initial schedule.
- With changes in the external environment, including deregulation and system reforms, customer needs have become increasingly sophisticated and diversified. Consequently, a greater number of high value-added services need to be provided.
- To respond quickly to these trends, we have revised the previous medium-term management plan one year ahead of schedule and have subsequently decided to upgrade it. This new plan is to be in effect for the three-year period until March 2008.

Our goal: “The Best Regional Bank that is strongly supported by customers and that continues to evolve”

- We have focused on enhancing the value of customers, shareholders, the Bank and the Bank’s employees, based on a basic management philosophy under which the Bank aims at sustainable development through cooperation and friendly relations among these stakeholders.
- Under the new medium-term management plan “Go Forward!,” we will strengthen its presence for customers in the region and for shareholders. Thus, we will become “The Best Regional Bank that is strongly supported by customers and that continues to evolve,” and build long-term relationships of trust by enhancing corporate value.
- To attain our goals, we will endeavor to achieve major target figures, namely market capitalization of one trillion yen or more and a rating of AA or above, as early as possible.



Comparison of strategies with the previous medium-term management plan

	Previous medium-term management plan	New medium-term management plan
Name	Shareholders / Customers / The Bank and its employees "Value Up"	"Go Forward!"
Key words	For the repayment of public funds	Aiming at further enhancing value
Period	From FY2003 to FY2004	From FY2005 to FY2007
Retail promotion strategy	● Reallocated management resources to Kanagawa Prefecture ● Closed inefficient branches ● Restrained branch-related investment	(Moving from "Defense" to "Offense") ● Developing business market by opening branches in southwestern Tokyo ● Expanding branch network for enhancing accessibility to customers ● Refurbishing branches and facilities to establish our image and improve customer convenience ● Improving Customer Satisfaction ● Reinforcing sales promotion (organizational change, increasing the number of sales staff) ● Developing new businesses (securities broking and IPO-related services) ● Expanding the product lineup
Human resource strategy	● Sharply downsized the workforce by limiting employment ● Capped salary and other employee benefits	● Establishing an organizational structure with a total of 3,500 personnel through active employment ● Increasing in sales-related personnel (branches and headquarters support for branches) ● Raising the morale of the Bank's employees through appropriate incentives
Investment strategy	● Restrained investments	● Actively investing in expanding the customer base
Financial strategy	● Curtailed expenses and improved OHR ● Limited outflows (accumulating a surplus) to enable repayment of public funds	● Maintaining the current level of OHR through increasing both profits and expenses ● Maximizing total shareholders return for enhancing the value of shareholders

Current situation and strategies for the future

- Below, we describe the issues to be tackled with an emphasis during the period of the medium-term management plan given the environment surrounding the Bank, the Bank's awareness of the current conditions and the economic outlook.
- We will prepare and rapidly institute specific measures to solve these issues during the period of the medium-term management plan.

Environment surrounding the Bank

[Change in Customers]
- More sophisticated and diversified needs
- Sensitiveness to interest rates and shift to direct financing
- Aging society with declining birth rate and uncertainty about the future
- Pursuit for convenience in diversified channels

[Deregulation]
- Development of conglomerates
- Privatization of Japan Post Office in sight
- Agent agreement and entry of firms into different industries
- Lower barrier for entrance into new business

[Systems Reforms]
- Removal of the remaining blanket deposit insurance
- Introduction of Basel II
- Introduction of the Personal Information Protection Act
- Financial reform program

Bank's awareness of the current conditions (Points to improve)

- Improving the quality of service
- Renovating infrastructure such as branches and facilities
- Establishing compliance systems
- Improving the Bank's brand image
- Strengthening the risk management capability to deal with a changing environment
- Strengthening product planning capability
- Energizing human resources and passing on know-how
- Maximizing shareholders return

The economic outlook

[Japanese Economy]
- Growing expectations for an economic recovery
- Improvement in business results
- Anticipation for recovery in consumer spending
- Change in monetary policy in sight
- Real estate prices hitting bottom

[The Bank's Home Market]
- Intensifying competition with rival banks and competitors from other industries
- Higher population growth than other prefectures
- Increase in population aging over 60
- Inflow of corporations into Kanagawa Prefecture
- Recovery in the results of local businesses

Summary of the strategy for the Bank

[Tasks]	[Points to be addressed]
Strengthening sales promotion and profitability	● Enhance accessibility to customers ● Sharpen sensitiveness to customer needs ● Improve Customer Satisfaction
Growth in trust in the community and society	● Firmly establish compliance systems ● Strengthen security and safety ● Contribute to the community
Improving risk management	● Properly deal with the Basel II ● Properly control credit and other risks ● Improve the crisis management system
Effective use of management resources	● Utilize capital and maximize return to shareholders ● Optimize the allocation of human resources and new hirings ● Ensure more efficient allocation of resources across the Group
Streamlining operations and improve efficiency	● Review operational flows ● Develop a superior IT network ● Actively invest based on longer term IT strategies
Strengthening corporate governance	● Advice and proposals from the Management Advisory Committee ● Establish a stronger internal audit system ● Improve the audit function in business operation divisions

A basic management approach that will sustain and bolster business

Focus on regional and retail	Work on ROA improvements	Pursue low-cost operations

"Go Forward!"

Key figures to achieve in "Go Forward!"	FY2004	FY2007
What we aim to be "Enhance corporate value"		
Total market capitalization	¥0.92 trillion *1	¥1 trillion or more
"Improve credit ratings (outside agencies)"		
Ratings (R&I, Moody's)	A+ (R&I) and A3 (Moody's)	AA or above
Target indexes "Strengthen retail promotion"		
Retail loans outstanding *2	¥6,198.2 billion	¥6,900.0 billion or more (Increase of 11% from FY2004 or an annual increase of 3.7%)
Balance of non-deposit products *3	¥983.9 billion	¥1,400.0 billion or more (Increase by 42% from FY2004 or annual increase by 14.1%)
"Improve Profitability"		
Net income (consolidated)	¥57.7 billion	¥60.0 billion or more
"Improve management efficiency"		
ROE *4	10.0%	Around 10%
OHR *5	42.2%	Around 40%
"Financial stability"		
Tier 1 ratio (consolidated)	8.39%	9% or more

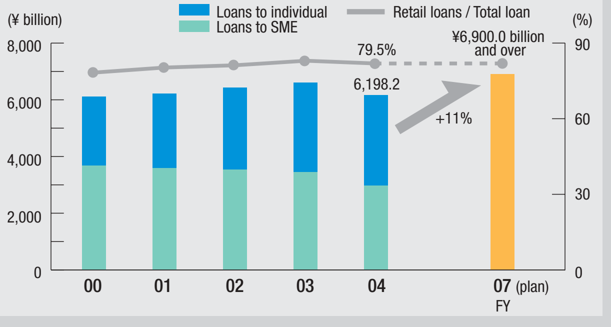
*1 As of March 31,2005
*2 Balance of loans to small and mid-size companies plus the balance of loans to individual customers
*3 Balance outstanding, including public bonds
*4 Net income/shareholders' equity (average)
*5 Excluding gains on securitization of housing loans

Major numerical targets

[Retail Loans] (non-consolidated)

Retail Loans increased due to an increase in loans to individual customers.
We will aim for an increase of at least 11% in the coming three years (on a balance outstanding).

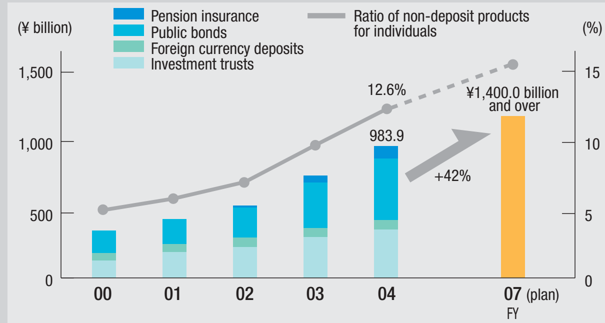
Retail Loans (outstanding balance)



[Non-Deposit Products] (non-consolidated)

The ratio of Non-Deposit Products to total deposits plus Non-Deposit Product was 12.6% at the end of March 2005. We aim at achieving a level of ¥1,400 billion or more by March 2008.

Balance of Non-Deposit Products for Individuals (outstanding balance)

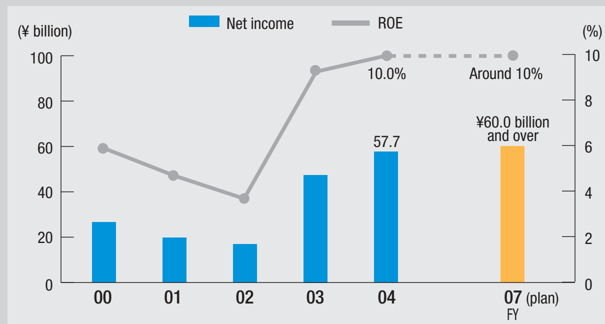


[Net Income and ROE] (consolidated)

We aim at achieving net income of ¥60.0 billion or more. We will seek to increase ROE to beyond 10% by March 2008.

(Note) ROE = net income / shareholders' equity (average)

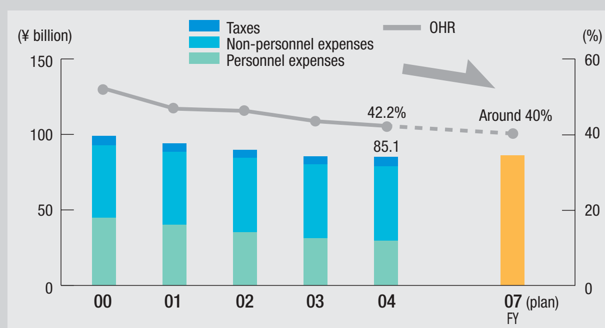
Net Income and ROE



[OHR] (non-consolidated)

There has been a steady decline in OHR over the past several years, centering on reductions in personnel expenses. Expenses will increase with active investment. However, OHR will decline to a level around 40%, reflecting an increase in gross operating income.

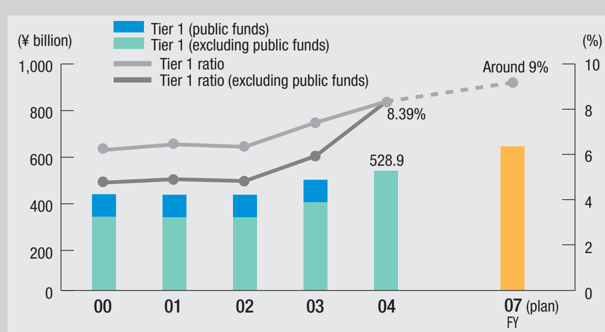
Expenses and OHR



[Tier 1 Ratio] (consolidated)

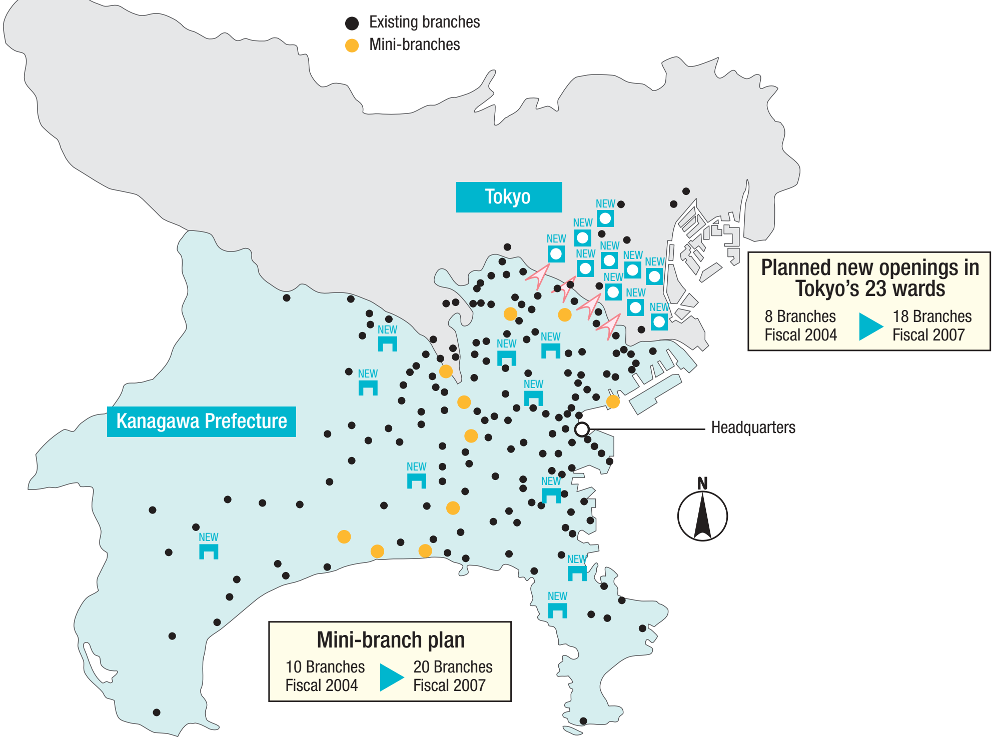
For the ratio of Tier 1 (core capital) to risk assets, we will aim at achieving higher than 9% by accumulating profits.

Tier 1 Balance and Tier 1 Ratio



Business Strategy

Overview of branch network, including planned branches



Strategy for the Individual Customer Segment

For transactions with individual customers, we will focus on building new branches that specialize in serving individual customers (mini-branches) and housing loan centers, along with gradual refurbishment of about 150 existing branches. Through this, we aim to improve our consultative and information providing functions and create a comfortable space in branches to improve customer satisfaction.

In addition, we will institute strategies to improve core products and services, such as "Yokohama Bank Card," "Yokohama Point Club," and "Hamagin My Direct," and will establish appropriate promotion channels that are required in each segment.

Strategy for the Corporate Customer Segment

For transactions with corporate customers, we will operate a regional business in the southwestern Tokyo through the network of our branches, as we have done in Kanagawa Prefecture. We will further strengthen our corporate banking services posture in the prefecture by expanding branches with corporate loan functions and enhancing our Business Loan Centers.

We are also strengthening our headquarters organization to enable to rapidly propose and deliver solutions to meet the increasingly sophisticated and diversified needs of customers.

Human Resource Strategy

The Bank plans to expand the number of sales-related staff and bolster its systems by strategically reallocating human resources with the aim of strengthening our business promotion and profitability while maintaining an organizational structure with 3,500 skilled staff.

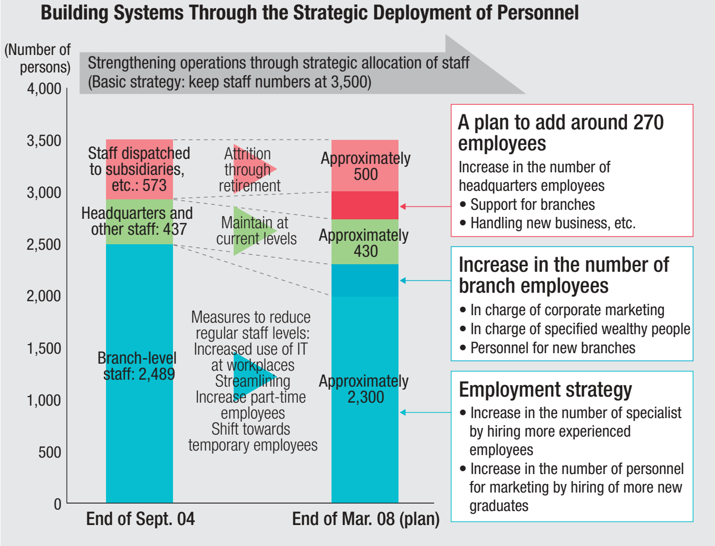
In addition to reinforcing sales force who will serve as specialists and to be more proactive by actively hiring employees who have experience working at other companies, the Bank will train and optimize younger employees who will form the core of the Bank in the future, by hiring more new graduates.

Meanwhile, the Bank has reformed its human resources systems to make them more performance-oriented and thereby change the corporate culture. We have removed seniority systems from our salary system and retiring allowances and pension plans, and introduced a system under which the amount of benefit will change according to the level of contribution, based on the quality of work performance.

We will further look at granting proper incentives to raise the morale of our employees in the future.

Through these initiatives, the Bank will bolster its business systems with a small corps of highly skilled staff, while strengthening operational capabilities. We will continue to cultivate a corporate culture in which employees are enthusiastic about striving to achieve difficult objectives.

Building Systems Through the Strategic Deployment of Personnel



■Human Resources Value-Up Promotion Office

In August 2004, the Bank has established the Human Resources Value-Up Promotion Office under Corporate Administration Department. The entire Group will phase in measures to secure, develop and deploy human resources with the ability to contribute to mid-to-long term growth to respond to more sophisticated management and sale promotion strategies.

■Value Up Program for Female Employees

In January 2005, the Bank launched a program that is designed to increase the "value" of its female employees, and it has lent more support for career development and work continuation by female employees. The Bank has thus created a working environment that is highly encouraging for its female staff to work at.

Committed to encouraging career development, the Bank has appointed female employees as supervisors and managers, and has encouraged women to apply for the "post challenge" program (to encourage career advance) and encouraged them to take examinations to change their course, helping them to create a network of employees. Meanwhile, to help women continue their careers, the Bank has provided support for childcare leave, introducing a system that allows female employees to continue to use their maiden names, increased the number of consultation staff for sexual harassment, and discontinued uniforms for female employees.

■Active Appointment of Young and Female Employees as Branch Managers

The Bank has already appointed female employees as managers of branches that are primarily focused on individual customer business. Six women have been appointed to branch management Positions since FY 2004, and ten of the Bank's branch managers are now women.

The Bank is committed to respect the diversity of employees. We also encourage our employees to experience a number of different positions within our organization, while maintaining a balance between career and private life.

Taking the opportunity to introduce the open recruitment system for branch managers in 2001, the Bank promoted employees as young as their mid-thirties. We believe that this measure has brought more vigor to our human resource structure.

The Bank will be seeking to promote more young employees by easing qualifications for applying the open recruitment system, thus enabling us to take steps to foster executive talent.

Investment Strategy and Financial Strategy

Investment Strategy

Based on its medium-term management plan, the Bank will invest actively in expanding its customer base. We will also consider strategic IT investments designed to improve product functions and streamline business operations.

As specific examples, the Bank will identify and act on business opportunities that arise with the establishment of a sophisticated IT network, and will base its investment on medium-to-long term IT strategies. For example, we will bolster the functions of the divisional system associated with the improvements in product development and risk management.

Meanwhile, we will continue to focus on streamlining operations and improving efficiency in routine business. The Bank will work on setting up operations management systems by reviewing the roles that headquarters and branches play. It will also work to operate its business efficiently and smoothly, and review the sales promotion system and improve the efficiency of loan screening operations.

Financial Strategy

The Bank and the group companies will work as one in building systems that support operations by effectively leveraging its management resources, including the affiliated companies. We will keep the OHR level down by ensuring that cost growth is in line with revenue growth, thereby enhancing the value of the Bank and the group companies.

To make effective use of its capital, the Bank will examine its alliance strategy with future growth in sight, allocate capital strategically in consideration of the cost of capital, and return profits to shareholders.

A policy of returning profits to shareholders

1. Basic policy on Dividend

The Bank recognizes that returning profits to shareholders is an important management issue, and has introduced a new "Performance based Dividend Policy" from the term ended March 2005, while steadily maintaining the concept of stable dividend.

Specifically, if business results in a term reach a certain level, special dividend coupled with the results will be paid as dividend for that term, in addition to ordinary dividend.

(i) Ordinary dividend

We will maintain the policy of paying stable dividend irrespective of our business results, as we have done in the past. However, the Bank has increased the stable dividend from an annual amount of ¥5 per share to ¥7 per share from the term ended March 2005. This increase reflects the profitability of the Bank and a management policy that emphasizes the importance of increasing shareholder value.

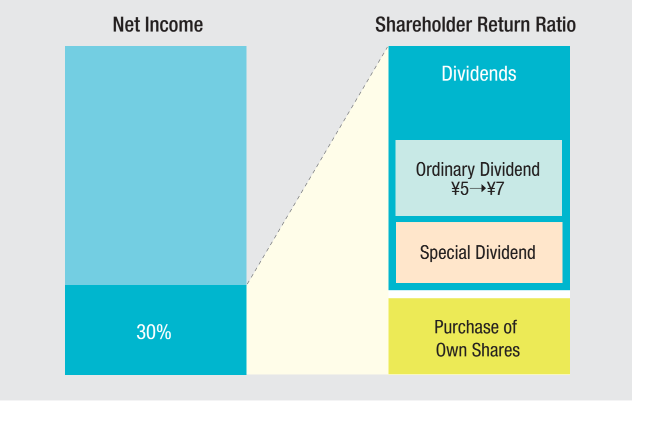
(ii) Special dividend

As a part of dividend directly linked to business results, if net income for a fiscal year exceeds ¥50.0 billion, approximately 30% of the amount exceeding ¥50.0 billion will be paid as a special dividend under the new policy.

2. Returning profits to shareholders including the purchase of treasury stocks

In the term ended March 2005, the Bank purchased about ¥4.9 billion worth of treasury stock (common shares) from the market.

The Bank will continue to purchase treasury stock flexibly, and will intends to use 30% or more of its net income for dividend payout and purchase of its own shares.



The Bank divides its home region or its sales and marketing base into eight blocks to develop more efficient and more refined sales and marketing activities, based on the market characteristics of each area.

Review of Operations

The Sales and Marketing Structure

Executive officers who concurrently serve as branch managers of core branches within their block are assigned as block managers of Block Business Headquarters. They look after the block in Kanagawa Prefecture and southwestern Tokyo, the Bank's home region.

The block managers of Block Business Headquarters are granted loan approval authority. And, the Bank assigns risk managers to properly control risks.

Twenty-six Areas are organized under the Eight-Block Business Headquarters. In the future, with the opening of new branches in Tokyo, the Bank plans to build an Area System under the Tokyo Block Business Headquarters.

To provide more refined financial services via higher level of communication, including face-to-face transactions, the Bank has been proactively setting up strategic branches based on local characteristics. Our objective is to further improve customer satisfaction and customer convenience.

To enhance service functions in Kanagawa, the Bank selected nine branches to serve as Customer Satisfaction model branches, the concept of which is based on customer, opinions and requests. At these branches, we will provide more relaxed atmosphere for consultation and shorten customers' waiting time. We are refurbishing these model branches based on regional characteristics and the features of each branch, and expanding service functions to better meet the financial needs of our customers, such as consultation and inquiry services.

After analyzing and verifying the effectiveness of the Customer Satisfaction model branches, we will expand this customer satisfaction program throughout our branches over three years.

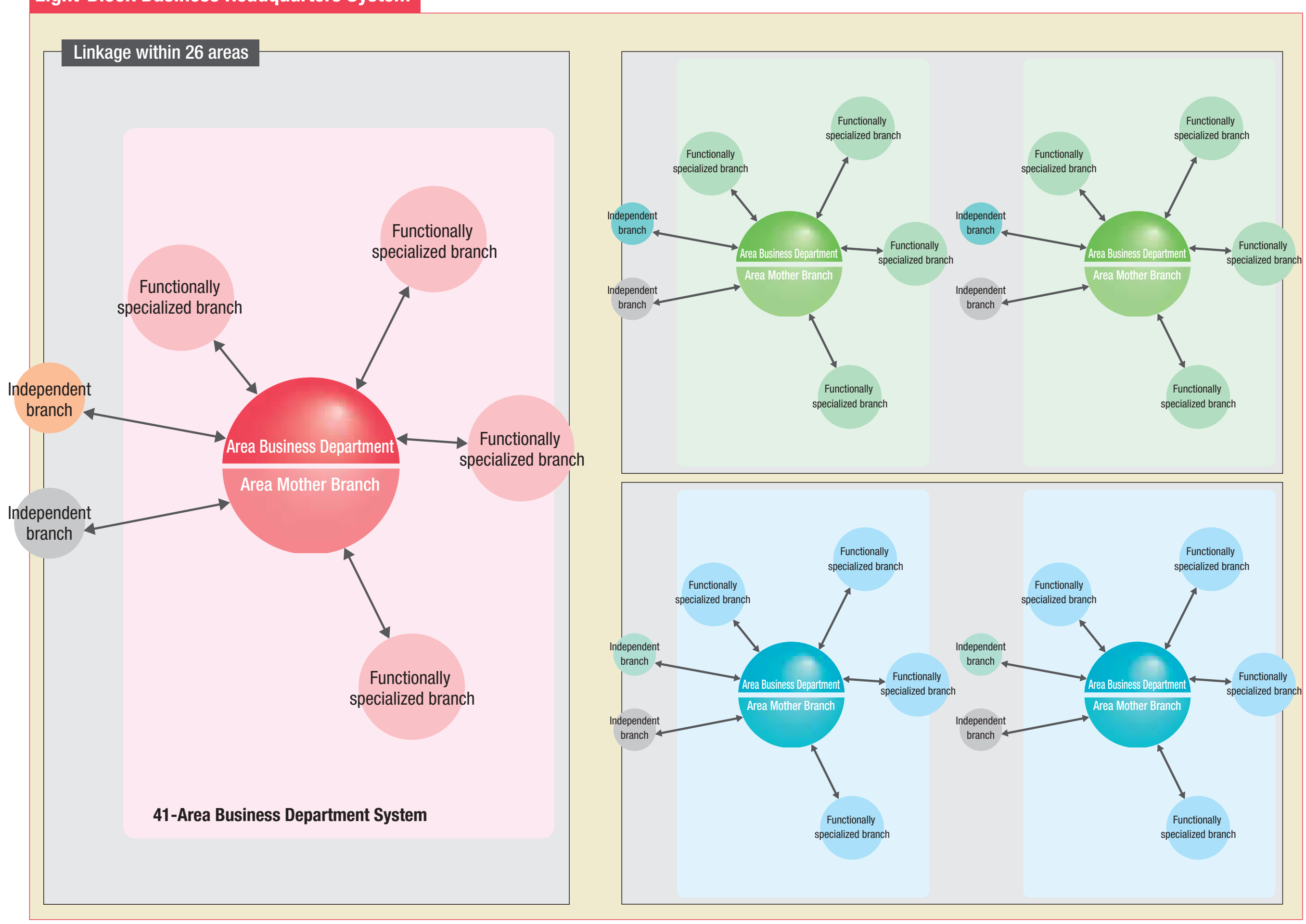
Moreover, the Bank is opening about 20 branches in Kanagawa Prefecture and southwestern Tokyo during the period of the medium-term management plan ending March 31, 2008. To link customer needs in both regions, we will strengthen information business with the assignment of Information Meisters. As we have completed the installation of ATMs at all stations on the key Odakyu Line connecting Tokyo and Kanagawa. We will further expand our network, which connects areas within Kanagawa Prefecture to central Tokyo.

For headquarters operations, to enable a quicker response to customer needs and to develop and promote more efficient marketing structure, the Bank set up the Banking Business Planning Department in June 2005. The functions of planning and promotion have been defined and reallocated between the new department and the Business Promotion Department, and the division of roles was clarified.

The Banking Business Planning Department specializes in planning related to marketing and sales promotion, including the reallocation of human resources based on market characteristics and the situation at branches.

The Business Promotion Department leverages the promotional function it has for each corporate customer and its branch support function to quickly respond to ever more sophisticated needs of customers, thereby improving the Bank's sales capabilities and profitability. By assigning those who have experience as branch managers to the Headquarters, we aim to build a proactive promotional structure that focuses on speed. We will also take steps to effectively expand transactions with customers.

Eight-Block Business Headquarters System



The Bank's Approach to Individual Customers

■New branches for Individual Customers

The Bank is opening branches that specialize in serving individual customers (mini-branch), as new functionally-specialized branches with floor areas of around 100 square meters. These branches have from four to six staff, and provide such Non-Deposit products as investment trusts, foreign currency-denominated deposits, public bonds and annuity insurance. We are also actively promoting female employees to serve as branch managers in these new branches. The Bank plans to open a total of ten mini-branches by March 2008.

■Individual Customer Marketing System

In December 2004, in key areas of Kanagawa Prefecture, the Bank began assigning employees to take responsibility for specific groups of wealthy customers, providing comprehensive financial services such as loan refinancing, effective utilization of real estates, business succession, and proposals for advanced investment products, based on their expertise. Our goal is to expand transactions with such customers by building relations of trust over the long term. In the years to come, we plan to increase the number of these employees and assign more employees to areas not yet covered by us.

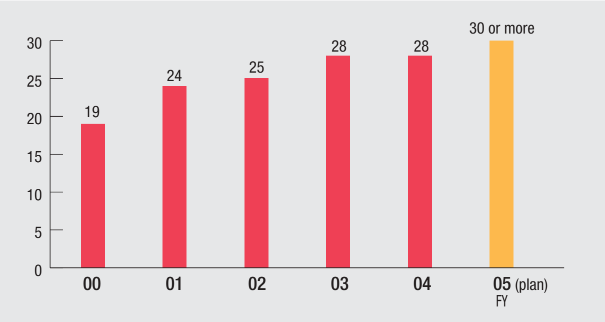
And to bolster promotion of non-deposit products, such as investment trusts and annuity insurance, we are reallocating employees and hiring already-trained staff who have experiences in financial institutions.

■Loan Center

Housing Loan Centers are mainly handling applications and consultations involving mortgage loans and other housing loans. Not only are these centers open on Sundays, they also work together with local housing developers. Moreover, Housing Loan Centers have a highly convenient housing loan consultation/acceptance system, and since June 2004 have been accepting advance applications for screening via Internet.

In addition, the Bank is assigning employees who specialize in dealing with different types of loans in the Apartment Loan Centers and the Mini-loan Plazas. At the same time, we are streamlining our lending process.

Number of Loan Centers



"Yokohama Bank Card"

Apart from functioning as a normal ATM card, the multifunctional "Yokohama Bank Card" also allows holders to take out loans, and serves as a credit card accepted both in Japan and overseas. It can also be used to withdraw cash in local currencies when the holder is overseas.

Taking advantage of the business alliance concluded between the joint bank card service operated bys a number of Japanese regional banks, of which we are a member, and Sumitomo Mitsui Card Company, Limited, we intend to expand the number of ancillary services offered to holders of our bank card, including a points system.

"Yokohama Point Club"

Customers receive points for each transaction they make with the Bank, and are eligible for special benefits depending on the number of points accumulated and the particular nature of their transactions.

"Hamagin My Direct"

We are expanding the menu of functions available to users of our "Hamagin My Direct," which can be accessed via fixed phone, cell phone, or personal computer.

"Yokohama Bank Card"

"Yokohama Point Club"

"Hamagin My Direct"

The Bank's Approach to Corporate Customers

■Developing Strategic Branches in Tokyo

To bolster lending in southwestern Tokyo, adjacent to Kanagawa Prefecture, the Bank will open four new branches by the end of March 2006. We will also strongly promote our local presence through the introduction of the Area System.

We plan to open around ten new branches in southwestern Tokyo by March 2008.

■Branches with an Enhanced Loan Marketing Function

We operate functionally-specialized branches whose core business is sales activities targeting individual customers at the branch counters. Branches that can afford to promote loans to small and medium-sized companies are positioned as branches with an enhanced marketing function for loans.

In July 2004, we launched this process at five branches in Kanagawa Prefecture. With the addition of ten branches in October and nine branches in November of that year, 24 branches presently have this function.

■Business Loan Center

Since September 2003, the Bank has been operating eight Business Loan Centers, a new base for small and medium-sized companies. We will open two more centers in September 2005. The Business Loan Centers are dedicated to handling loans for small and medium-sized companies, mainly loans with standardized credit screening guaranteed by the Credit Guarantee Associations.

We intend to expand more and more transactions with small and medium-sized companies through cooperation with the Area Business Departments.

■Increasing in the Number of Employees in Charge of Marketing Functions for Corporate Customers

To enhance accessibility to local companies to respond to the needs of corporate customers more thoroughly, and to provide funds in a smoother manner, the Bank increased forty loan officers.

In addition to taking a proactive approach to "medium-risk, medium-return" cases, we are strengthening the promotion of diversified financing, to excellent local companies.

■System for Promoting Sales and Marketing to New Corporate Accounts

In the past two years, the Bank has almost doubled, to sixty, the number of full-time employees in charge of cultivating new corporate customers. We are responding to the financial needs of local companies that do not have any transactions with us yet.

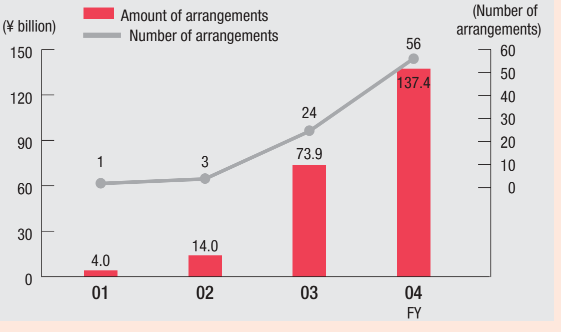
■Structured Finance Team

We launched the "Structured Finance Team" within the Headquarters in October 2004.

The team mainly targets local companies. To respond to new demands, such as the securitization of real estate and PFI (Private Finance Initiatives) projects conducted by local public authorities within the region, the team is offering more diverse financial instruments for the corporate sector, including non-recourse loans.

Syndicated Loans

Local medium-sized corporations and SMEs are finding an growing field of application for syndicated loans. By the use of the general syndication method, in which investment participation is open to banks other than existing syndicate members, we are actively seeking to organize syndications that match the diverse funding requirements of our customers.



Information-Related Liaison Activities

The Bank has constructed a system where Information Meisters (employees in each area responsible for customer information) can grasp local information. We are upgrading the Group-wide information network, encompassing the headquarters and the affiliated companies.

Specifically, the Bank is developing business support that matches customers' business needs, such as expanding sales channels, outsourcing operations and handling orders for construction work.

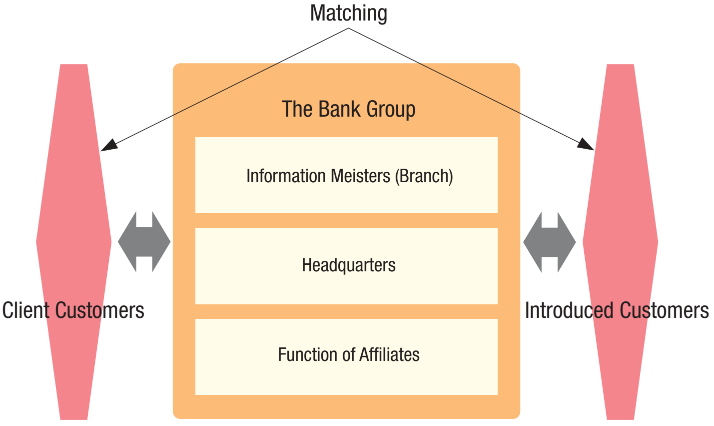
Moreover, to ensure that information-based marketing activities are implemented thoroughly, the Bank is holding the "Information Meister Meeting" and "Information-Related Liaison Practice Seminar," the purpose of which is to improve employees' skills to support small and medium-sized companies.

Moving forward, to improve the network in southwestern Tokyo qualitatively through information sharing and enhanced information use within the region, as we have done in Kanagawa, the Bank will assign Information Meisters to each area and branch in southwestern Tokyo, and will carry out marketing activities with the use of information that links needs in Kanagawa Prefecture and those in Tokyo, as the Bank gradually opens branches in the area.

In this "Business Matching" services, the Bank intends to actively deliver and receive information centered on Information Meisters. We also introduced a new "Business Matching" fee in March 2004.

Meanwhile, to help improve the financial and business management capabilities of small and medium-sized companies, the Bank held "Business Topic Seminar" as well as seminars hosted by Hamagin Research Institute. In addition, the Bank is dispatching lecturers to meetings and training sessions for small and medium-sized companies, which are hosted by local Chambers of Commerce and Industry and other economic bodies.

"Business Matching" Services



Credit Screening Structure

While holding in-house seminars for employees in charge of loans and liaison functions, the Bank is endeavoring to train its employees who have the capabilities to appropriately assess companies' future potential, technology and ability to generate cash flow.

Moreover, with the assignment of employees responsible for research by business sectors in the Credit Department and the semiannual production of reports on "Points in Screening by Business sector," the Bank is aiming to enhance its credit screening structure based on the characteristics of each business sectors.

To improve branch-level credit screening and loan promotion skills, and to develop more appropriate risk-taking skills, the Bank assigned "Loan handling advisors" in the headquarters to serve as advisors to staff in branches. These advisors provide branch staff with professional know-how related to the screening of loans.

And while comprehensively improving risk control, the Bank set up a system in February 2005 in which "Loan handling advisors" have become "credit leaders." Credit leaders give guidance concerning risk taking and hedge methods for medium-risk cases directly to branches through cooperation with the risk managers assigned to each business block. The Bank also shares know-how related to credit screening throughout the Bank by training sessions and other means.

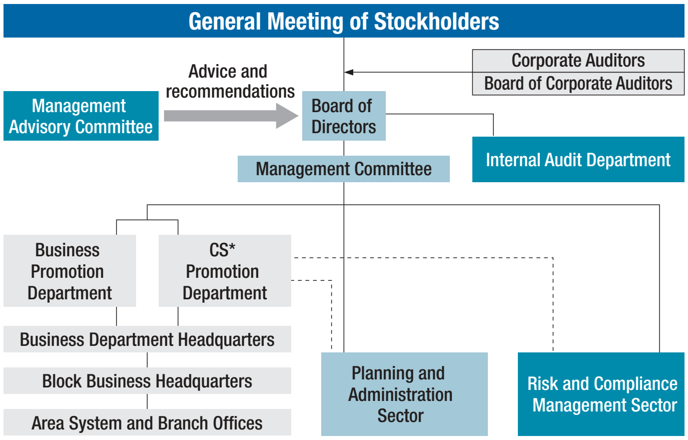
We regard the following three principles as management priorities:
"Reinforcing corporate governance that supports 'offensive' management,"
"Rigorous commitment to compliance," and
"More sophisticated risk management to enable sustainable growth."
Through them we will work to create an organizational framework that earns the trust of our community and society.

Governance System

Basic Approach to Corporate Governance, and Measures Implemented

■Basic Approach

The Bank regards corporate governance as a critical management issue, placing great importance on compliance with the Commercial Code and other laws. The Board of Directors and the Board of Corporate Auditors monitor and supervise the execution of the duties of directors in respect to compliance. The term of office of the directors has been limited to one year to ensure the constant reinvigoration of the Board and facilitate prompt responses to the changing business environment.



*CS=Customer Satisfaction

■Corporate Governance System

The Board of Directors stands at the apex of the Bank's hierarchy of authority. The Board is responsible for rigorously enforcing internal regulations, and the Bank's structure ensures the appropriate delegation of authority to facilitate quick decision-making. The Board of Directors is responsible for decisions on important matters, policies and execution of business. The Board of Directors meets once a month in principle to discuss the state of matters regarding compliance, risk management, the results of audits, and so forth. The Management Advisory Committee is made up of experts from outside the Bank who serve as a consultative body to the Board of Directors. The Management Advisory Committee meets once every three months in principle to provide advice and recommendations — from a broad and objective viewpoint — for overall management. The Bank also employs the corporate auditor system, under which each corporate auditor is responsible for auditing the execution of duties by directors. As a system for auditing execution of duties, the Bank has established the Operational Risk Committee, to which reports on the monitoring of operational risks involved in administration and systems are made. The Operational Risk Committee is also responsible for ensuring compliance with laws and ordinances.

Compliance System

The Bank has made every effort to ensure compliance with laws and ordinances, and has continuously improved its compliance system in view of the public nature of regional banks and their social responsibility, whose mission is to facilitate sound development of regional economies.

■Compliance Policy

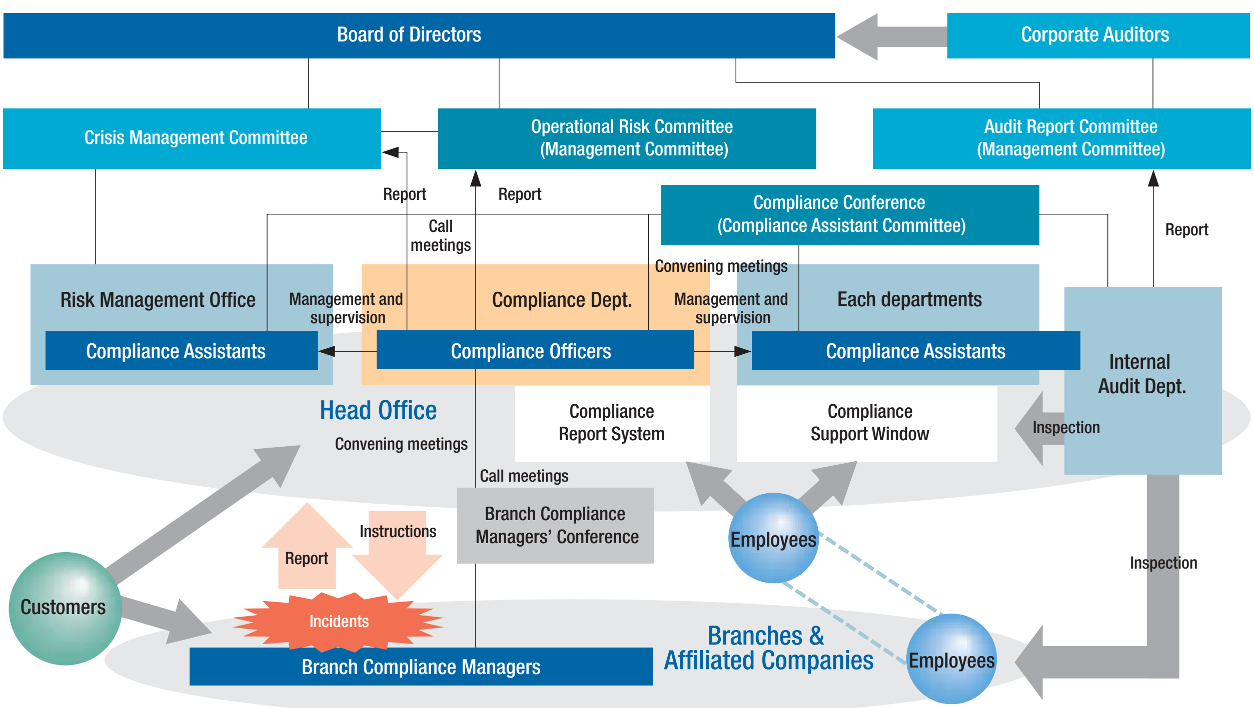
The Bank's basic compliance policy is set out in the "Compliance Regulations." The Board of Directors each year deliberates and then approves a new draft of the Bank's "Compliance Program" of specific compliance measures. Our measures to meet compliance standards are based on this Program.

■Compliance Structure

The Bank set up the Compliance Department as the unit with overall responsibility for compliance with laws and ordinances. The Board of Directors has directly appointed the manager of the Compliance Department as the "Compliance Officer," whose position is independent of business promotion departments. The Bank has also appointed "Compliance Assistant" at each department in the head office and each branch to assist in ensuring compliance by monitoring their duties.

■Protection of Customers' Personal Information

In December 2004, the Bank added supervising, planning and managing functions relating to the protection of customers' personal information to the Compliance Department. We also merged Customer Services Office with the Compliance Department, creating a platform for incorporating customer queries and complaints. We believe that the new system has allowed us to improve our protection of customers' personal information through problem solving, data collection and trend analysis, as well as by promptly and effectively addressing any customer complaints that may arise.



■Protection of Personal Information

Personal Information Protection Act was brought fully into effect on April 1, 2005. In accordance with that law and with industry guidelines and other regulations, the Bank ensures that customers' personal information is handled appropriately by formulating all necessary rules and regulations and thoroughly acquainting employees with them. In addition, the Bank has established a new committee, "Level up Committee for Personal Data Protection," and also "Personal Data Protection Office" within its Compliance Department. These steps form part of the Bank's ongoing efforts to enhance its structure for assuring appropriate protection of its customers' personal information.

Risk Management System

In line with the progress of deregulation, globalization, and securitization in the financial sector along with the development of financial technology such as derivatives and information technology, and customers' needs becoming more sophisticated, the risks confronting banks are becoming increasingly diversified and complex. Amid these circumstances, the Bank fully recognizes the increasingly critical nature of risk management as one of the most important issues from the standpoint of maintaining and improving the soundness of management. For this reason, the Bank comprehensively manages various risks, and flexibly minimize risks. To cope with credit risk, market risk, and liquidity risk, the Bank has strictly divided risk controlling departments and risk taking departments. Taking into consideration the nature of each risk, the Bank has clarified standards for risks to be taken and risks to be avoided, enabling it to conduct sound and profitable banking operations.

■Basic Policies on Risk Management

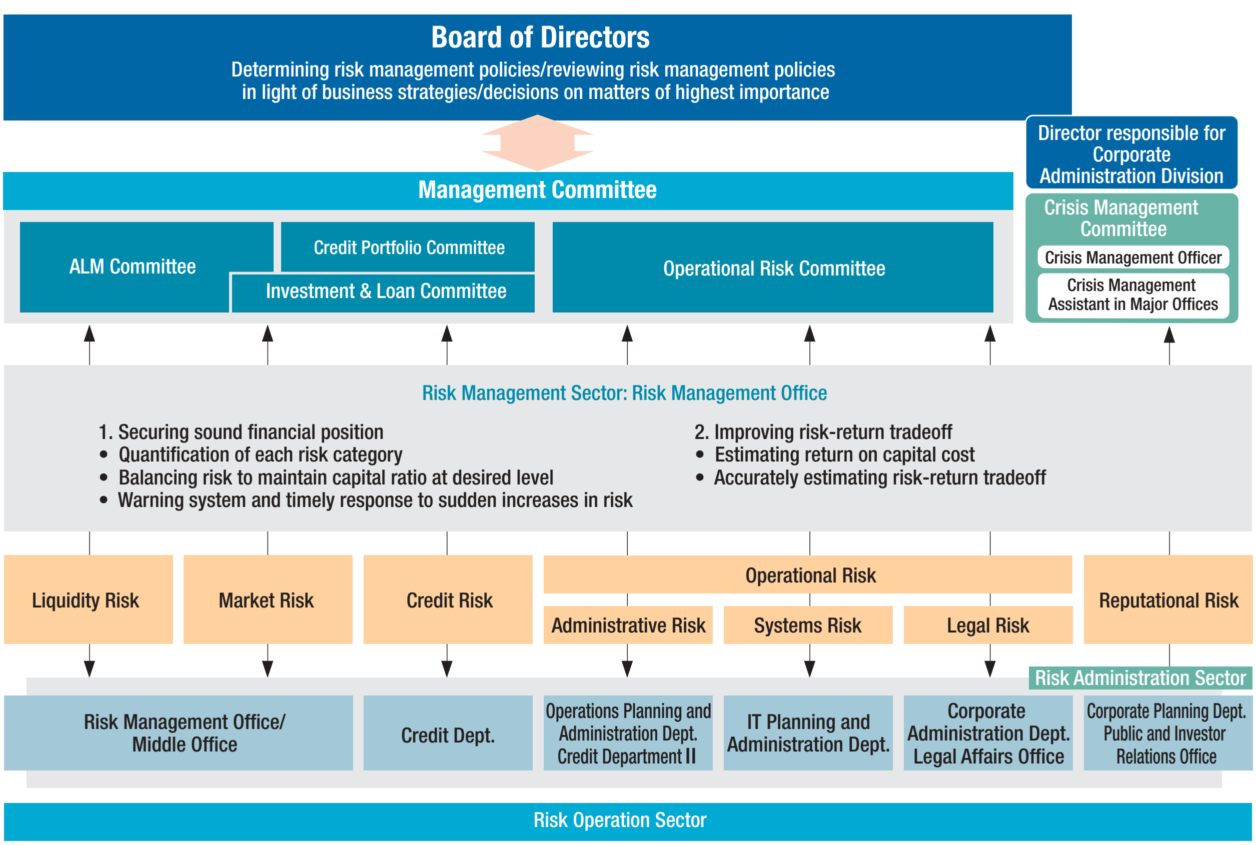
The Bank carries out risk management relating to its banking operations based on its "Basic Risk Management Guidelines," which were approved by the Board of Directors. The Bank's basic risk management policies are as follows:

■To ensure soundness in its operations and management, the Bank recognizes, assesses, monitors and controls various risks inherent in the Bank's business, and to secure stable returns corresponding to risks involved through appropriate allocation of management resources

■To clarify risk management policies that meet the Bank's strategic goals and implement measures to make every employee of the Bank fully acquainted with them. The risk management policies will be reviewed once a year or as deemed necessary; for example, at the time of changes in strategic goals

■To establish a comprehensive risk management system that will enable the Bank to recognize and manage various risks that are generated through different kinds of cross-organizational operations and are closely related one another

■To comprehensively recognize and manage risks on a consolidated basis, which includes such risks as involved in consolidated subsidiaries in principle



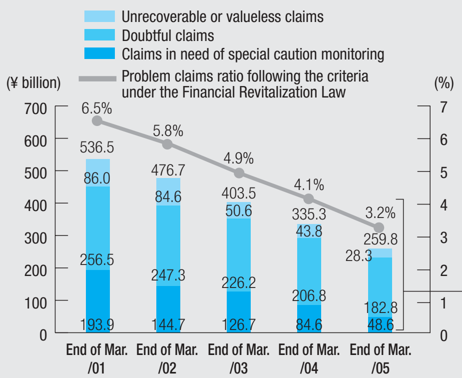
Approach to Restoring a Sound Financial Standing

The Problem Claims ratio declined to 3.2%

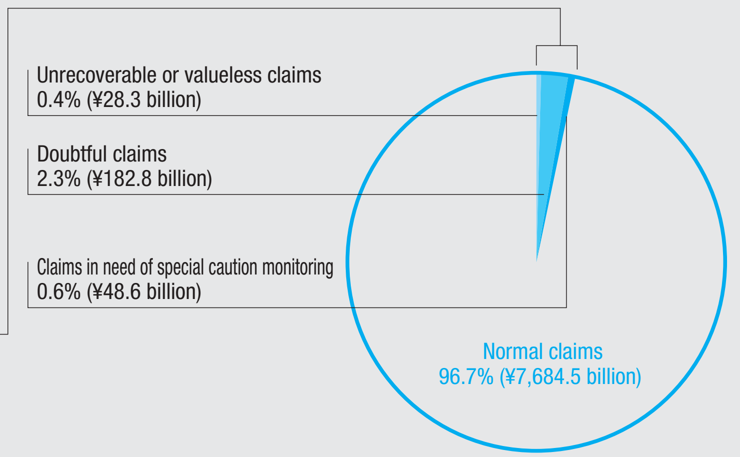
In the term under review, as a result of improvements in borrower categories and progress in debt collection, through removal of bad assets from the balance sheet and support for business improvement, Problem Claims (following the criteria set out in the Financial Revitalization Law) declined ¥75.5 billion compared with the previous term-end. In addition, the Problem Claims ratio declined 0.9 points, to 3.2%.

Moving forward, we will not only continue to diversify credit risks, but also improve the quality of the credit portfolio by providing support for corporate reconstruction, so as to lower the level of credit costs.

Claims as a Percentage of Total Claims (in accordance with the Financial Reconstruction Law)



Ratio of Each Loan to Total Credits (criteria under the Financial Revitalization Law)



(End of March 2005)

Coverage of credits information (end of March 2005)

(Unit: ¥ billion, %)

		Unrecoverable or valueless claims	Doubtful claims	Subtotal	In need of special caution (borrower category)	Total
Outstanding claims	(A)	28.3	182.8	211.1	124.8	336.0
Sum covered by collateral, etc.	(B)	24.5	107.4	131.9	30.8	162.7
Sum of possible uncollectible loans	(C=A-B)	3.7	75.4	79.2	94.0	173.3
Specific allowance for possible loan losses	(D)	3.7	45.5	49.3	6.0	55.4
Allowance coverage ratio	(D/C)	100.00	60.40	62.30	6.47	32.00
Total coverage ratio	(B+D)/A	100.00	83.66	85.85	29.54	64.93

Financial Review

consolidated

As a result of our efforts to reinforce our operations and to improve our performance by allocating the management resources to regional retail market, the Bank posted the following results in the year under review.

Deposits and Loans

Amid continuing low interest rates, the Bank worked to increase deposits by promoting general account banking transactions. Deposits increased by ¥122.9 billion or 1.3%, over the fiscal year to ¥9,296.9 billion (US$86,579.8 million). Despite our efforts to target individual borrowers, Loans and bills discounted decreased by ¥156.8 billion or 1.9%, to ¥7,790.0 billion (US$72,546.6 million).

Securities

Securities increased by ¥133.8 billion during the year under review. The balance at the fiscal year-end was ¥1,432.5 billion (US$13,341.2 million), up 10.3% year on year.

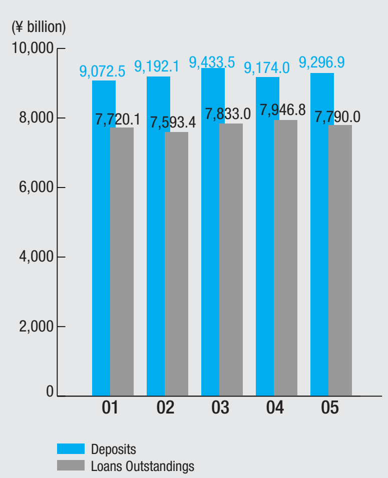
Total Assets

Total assets increased by ¥29.9 billion or 0.2%, during the term. The year-end balance was ¥10,690.1 billion (US$99,554.1 million).

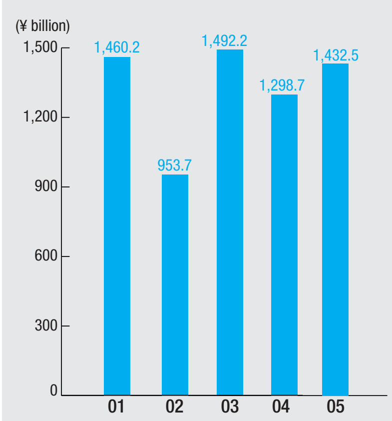
Profit and Loss

As a result of our efforts to increase lending to individuals and sales of investment trusts, total income increased by ¥5.6 billion or 2.1%, from the previous term, to

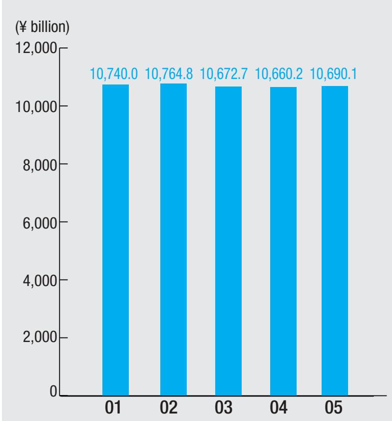
Deposits and Loans Outstandings



Securities



Total Assets



¥265.2 billion (US$2,470.5 million). This performance was due to an increase in interest income from loans to individuals, and higher revenues from fees and commissions, as well as gains from sale of securities amid recovery in stock prices. Total expenses decreased by ¥11.1 billion or 6.2%, to ¥165.5 billion (US$1,541.3 million), due to a large fall in losses on sale of securities amid recovery in the stock market, a fall in interest expense on deposits and efforts to cut expenses. As a result, income before income taxes and minority interests increased by ¥16.7 billion or 20.1% from the previous term to ¥99.7 billion (US$929.1 million). Net income increased by ¥10.3 billion or 21.6% to ¥57.7 billion (US$537.4 million).

Capital Adequacy Ratio

The Bank applies domestic capital adequacy standards for its capital ratio. The capital ratio at the year-end rose 0.29 point to 10.95%.

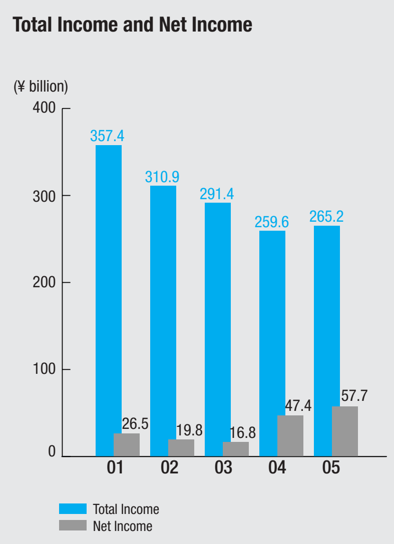
Cash Flows

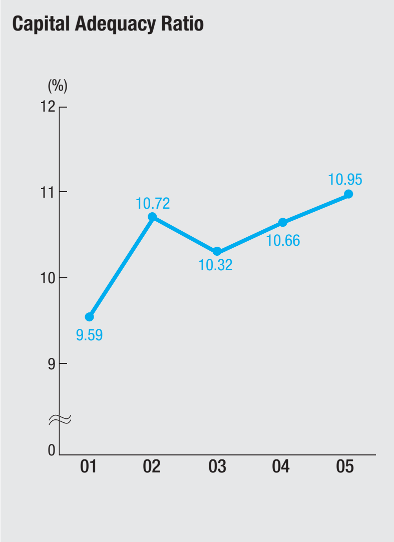
Net cash from operating activities amounted to ¥258.7 billion (US$2,409.7 million), due to increased deposits.

Net cash used in investing activities amounted to ¥147.5 billion (US$1,374.3 million), due to acquisition of securities.

Net cash used in financing activities came to ¥114.2 billion (US$1,064.3 million), due to repayment of subordinated loans from the government and purchases of preferred shares.

As a result of the above, cash and cash equivalents at the year-end declined by ¥3.1 billion year on year to ¥543.9 billion (US$5,065.1 million).





Five-year Summary of Consolidated Financial Statements

• Consolidated Balance Sheets

	Millions of Yen				
As of March 31,	**2005**	2004	2003	2002	2001
Assets:					
Cash and due from banks	**¥ 566,483**	¥ 556,767	¥ 493,925	¥ 1,109,666	¥ 293,610
Call loans	**86,959**	28,002	19,436	61,900	205,669
Other debt purchased	**200,976**	149,257	62,341	20,658	24,168
Trading assets	**50,925**	121,130	72,529	52,310	118,705
Securities	**1,432,580**	1,298,771	1,492,241	953,716	1,460,242
Loans and bills discounted	**7,790,062**	7,946,846	7,833,029	7,593,463	7,720,133
Foreign exchanges asset	**6,261**	8,080	7,582	10,294	7,668
Other assets	**90,100**	109,851	133,562	258,074	137,313
Premises and equipment	**141,617**	145,114	206,014	230,935	242,995
Deferred tax assets	**48,787**	73,686	139,518	147,824	146,092
Goodwill	**1,056**			156	270
Customers' liabilities for acceptances and guarantees	**349,167**	307,039	303,666	436,138	498,927
Allowance for possible loan losses	**(74,850)**	(84,297)	(91,051)	(110,256)	(115,534)
Allowance for possible losses on investments					(197)
Total	**¥10,690,128**	¥10,660,252	¥10,672,796	¥10,764,882	¥10,740,067
Liabilities:					
Deposits	**¥ 9,296,939**	¥ 9,174,001	¥ 9,433,594	¥ 9,192,155	¥ 9,072,508
Call money and bills sold	**168,186**	908	276	1,773	132,585
Trading liabilities	**2,165**	2,617	4,167	4,687	5,206
Borrowed money	**33,439**	114,004	221,987	241,210	286,863
Foreign exchange liabilities	**60**	105	151	82	161
Bonds and notes	**86,000**	85,999	45,999	55,997	30,716
Convertible bonds		53,176	60,000	60,000	
Other liabilities	**130,878**	339,829	113,721	267,688	195,929
Liability for employees' retirement benefits	**74**	62	68	71	181
Reserve for possible losses on collateralized real estate loans sold			1,815	14,295	22,692
Reserve for contingent liabilities				4,200	3,777
Deferred tax liabilities				484	620
Deferred tax liabilities for land revaluation surplus	**22,773**	23,011	22,536	23,369	23,463
Negative goodwill		49	1,450		
Acceptances and guarantees	**349,167**	307,039	303,666	436,138	498,927
Total liabilities	**10,089,684**	10,100,805	10,209,435	10,302,156	10,273,636
Minority interests	**3,557**	4,520	6,135	11,458	11,537
Stockholders' equity:					
Capital stock	**214,862**	188,223	184,803	184,799	184,799
Surplus, reserves and other	**382,024**	366,703	272,422	266,467	270,094
Total stockholders' equity	**596,886**	554,926	457,225	451,267	454,894
Total	**¥10,690,128**	¥10,660,252	¥10,672,796	¥10,764,882	¥10,740,067

• Consolidated Statements of Income

	Millions of Yen				
Years ended March 31,	**2005**	2004	2003	2002	2001
Income:					
Interest on loans and discounts	**¥155,389**	¥159,933	¥157,135	¥165,882	¥177,538
Other	**109,900**	99,740	134,353	145,022	179,936
Total income	**265,289**	259,674	291,488	310,904	357,474
Expenses:					
Interest on deposits	**2,386**	2,600	4,183	14,471	25,342
Other	**163,128**	174,032	256,422	264,045	284,919
Total expenses	**165,514**	176,633	260,605	278,516	310,262
Income before income taxes and minority interests	**99,775**	83,040	30,883	32,387	47,212
Total income taxes	**41,699**	34,794	13,478	12,834	20,197
Minority interests in net income	**(368)**	(800)	(508)	299	(507)
Net income	**¥ 57,706**	¥ 47,445	¥ 16,896	¥ 19,852	¥ 26,507

**Yen amounts have been rounded down to millions of yen.

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Independent Auditors' Report

To the Board of Directors of
The Bank of Yokohama, Ltd.:

We have audited the accompanying consolidated balance sheets of The Bank of Yokohama, Ltd. (the "Bank") and consolidated subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Bank of Yokohama, Ltd. and consolidated subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 28, 2005

Member of
Deloitte Touche Tohmatsu

Consolidated Balance Sheets

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
March 31, 2005 and 2004	2005	2004	2005
Assets:			
Cash and due from banks (Note 3)	¥ 566,483	¥ 556,767	$ 5,275,503
Call loans	86,959	28,002	809,827
Other debt purchased	200,976	149,257	1,871,640
Trading assets (Note 4)	50,925	121,130	474,256
Securities (Notes 5 and 11)	1,432,580	1,298,771	13,341,220
Loans and bills discounted (Notes 6 and 11)	7,790,062	7,946,846	72,546,676
Foreign exchange assets (Notes 6 and 7)	6,261	8,080	58,316
Other assets (Notes 8 and 11)	90,100	109,851	839,084
Premises and equipment (Note 9)	141,617	145,114	1,318,840
Deferred tax assets (Note 24)	48,787	73,686	454,348
Goodwill	1,056		9,841
Customers' liabilities for acceptances and guarantees (Note 10)	349,167	307,039	3,251,700
Allowance for possible loan losses	(74,850)	(84,297)	(697,063)
Total	¥10,690,128	¥10,660,252	$99,554,188
Liabilities:			
Deposits (Notes 11 and 12)	¥ 9,296,939	¥ 9,174,001	$86,579,801
Call money and bills sold	168,186	908	1,566,275
Trading liabilities (Note 4)	2,165	2,617	20,166
Borrowed money (Note 13)	33,439	114,004	311,409
Foreign exchange liabilities (Note 7)	60	105	559
Bonds and notes (Note 14)	86,000	85,999	800,894
Convertible bonds (Note 15)		53,176	
Other liabilities (Note 16)	130,878	339,829	1,218,838
Liability for employees' retirement benefits (Note 17)	74	62	692
Deferred tax liabilities for land revaluation surplus	22,773	23,011	212,086
Negative goodwill		49	
Acceptances and guarantees (Note 10)	349,167	307,039	3,251,700
Total liabilities	10,089,684	10,100,805	93,962,420
Minority interests	3,557	4,520	33,126
Stockholders' equity (Notes 18 and 29):			
Capital stock—common stock—authorized, 2,600,000 thousand shares; issued, 1,419,977 thousand shares in 2005 and 1,154,928 thousand shares in 2004; preferred stock—authorized, 230,000 thousand shares in 2005 and 400,000 thousand shares in 2004; issued, 30,000 thousand shares in 2005 and 200,000 thousand shares in 2004	214,862	188,223	2,000,954
Capital surplus	176,482	149,839	1,643,528
Retained earnings	170,107	154,132	1,584,164
Land revaluation surplus	32,048	32,289	298,458
Net unrealized gain on available-for-sale securities	26,202	30,838	244,017
Treasury stock—common stock—at cost, 8,854 thousand shares in 2005 and 839 thousand shares in 2004; preferred stock—at cost, 30,000 thousand shares in 2005	(22,815)	(396)	(212,479)
Total stockholders' equity	596,886	554,926	5,558,642
Total	¥10,690,128	¥10,660,252	$99,554,188

See notes to consolidated financial statements.

Consolidated Statements of Income

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Years Ended March 31, 2005 and 2004	**2005**	2004	**2005**
Income:			
Interest income:			
Interest on loans and discounts	**¥155,389**	¥159,933	**$1,447,095**
Interest and dividends on securities	**16,324**	14,495	**152,024**
Other interest income	**2,672**	1,484	**24,889**
Fees and commissions	**46,359**	43,214	**431,729**
Trading profits	**924**	771	**8,606**
Other operating income (Note 20)	**20,096**	21,624	**187,151**
Other income (Note 21)	**23,524**	18,150	**219,073**
Total income	**265,289**	259,674	**2,470,567**
Expenses:			
Interest expenses:			
Interest on deposits	**2,386**	2,600	**22,223**
Interest on borrowings and rediscounts	**1,332**	3,492	**12,407**
Other interest expenses	**2,222**	2,722	**20,701**
Fees and commissions	**8,588**	8,558	**79,979**
Trading losses	**143**		**1,340**
Other operating expenses (Note 22)	**12,396**	13,628	**115,448**
General and administrative expenses	**87,290**	91,554	**812,915**
Provision for possible loan losses	**20,524**	9,865	**191,136**
Other expenses (Note 23)	**30,629**	44,210	**285,240**
Total expenses	**165,514**	176,633	**1,541,389**
Income before income taxes and minority interests	**99,775**	83,040	**929,178**
Income taxes (Note 24)**:**			
Current	**13,863**	5,133	**129,110**
Deferred	**27,835**	29,661	**259,228**
Total income taxes	**41,699**	34,794	**388,338**
Minority interests in net income	**(368)**	(800)	**(3,436)**
Net income	**¥ 57,706**	¥ 47,445	**$ 537,404**

	Yen		U.S. Dollars
Per share information (Notes 2.p and 19)**:**			
Basic net income per share	**¥42.22**	¥40.49	**$0.39**
Diluted net income per share	**39.64**	32.71	**0.37**
Dividend on common stock	**8.50**	5.00	**0.08**
Dividend on first series preferred stock		5.66	
Dividend on second series preferred stock		9.46	

See notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

	Thousands		Millions of Yen					
	Outstanding Number of Shares							
Years Ended March 31, 2005 and 2004	Common Stock	Preferred Stock	Capital Stock	Capital Surplus	Retained Earnings	Land Revaluation Surplus	Net Unrealized Gain (Loss) on Available-for-sale Securities	Treasury Stock
Balance, April 1, 2003	1,137,950	200,000	¥184,803	¥146,281	¥113,613	¥33,206	¥(20,348)	¥ (330)
Net income					47,445			
Cash dividends, ¥5.00 per share for common stock, ¥5.66 per share for first series preferred stock and ¥9.46 per share for second series preferred stock					(7,049)			
Reversal of land revaluation surplus					262	(916)		
Adjustment to retained earnings due to merger				138	(138)			
Net increase in treasury stock (145,172 shares)	(145)				(1)			(66)
Exercise of warrants	37		7	7				
Conversion of convertible bonds	16,247		3,411	3,411				
Net increase in unrealized gain on available-for-sale securities							51,186	
Balance, March 31, 2004	1,154,089	200,000	188,223	149,839	154,132	32,289	30,838	(396)
Net income					**57,706**			
Cash dividends, ¥5.00 per share for common stock, ¥5.66 per share for first series preferred stock and ¥9.46 per share for second series preferred stock					**(7,130)**			
Reversal of land revaluation surplus					**241**	**(241)**		
Conversion of first series preferred stock into common stock	**138,225**	**(110,000)**						
Retirement of second series preferred stock		**(60,000)**			**(34,842)**			
Net increase in treasury stock (8,015,038 shares of common stock and 30,000,000 shares of first series preferred stock)	**(8,015)**	**(30,000)**		**2**				**(22,419)**
Exercise of warrants	**325**		**74**	**74**				
Conversion of convertible bonds	**126,497**		**26,564**	**26,564**				
Net decrease in unrealized gain on available-for-sale securities							**(4,635)**	
Balance, March 31, 2005	**1,411,122**		**¥214,862**	**¥176,482**	**¥170,107**	**¥32,048**	**¥ 26,202**	**¥(22,815)**

	Thousands of U.S. Dollars (Note 1)					
	Capital Stock	Capital Surplus	Retained Earnings	Land Revaluation Surplus	Net Unrealized Gain on Available-for-sale Securities	Treasury Stock
Balance, March 31, 2004	$1,752,870	$1,395,417	$1,435,391	$300,705	$287,187	$ (3,696)
Net income			**537,404**			
Cash dividends, $0.05 per share for common stock, $0.05 per share for first series preferred stock and $0.09 per share for second series preferred stock			**(66,404)**			
Reversal of land revaluation surplus			**2,247**	**(2,247)**		
Conversion of first series preferred stock into common stock						
Retirement of second series preferred stock			**(324,474)**			
Net increase in treasury stock (8,015,038 shares of common stock and 30,000,000 shares of first series preferred stock)		**27**				**(208,783)**
Exercise of warrants	**696**	**696**				
Conversion of convertible bonds	**247,388**	**247,388**				
Net decrease in unrealized gain on available-for-sale securities					**(43,170)**	
Balance, March 31, 2005	**$2,000,954**	**$1,643,528**	**$1,584,164**	**$298,458**	**$244,017**	**$(212,479)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Years Ended March 31, 2005 and 2004	**2005**	2004	**2005**
Operating activities:			
Income before income taxes and minority interests	**¥ 99,775**	¥ 83,040	**$ 929,178**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation	**8,708**	7,742	**81,098**
Amortization of (negative) goodwill	**110**	1	**1,029**
Equity in earnings of associated companies	**(491)**	(370)	**(4,577)**
Decrease in allowance for possible loan losses	**(9,446)**	(5,928)	**(87,976)**
Decrease in reserve for possible losses on collateralized real estate loans sold		(1,815)	
Increase in liability for employees' retirement benefits	**12**	2	**113**
Interest income	**(174,385)**	(175,914)	**(1,624,008)**
Interest expenses	**5,941**	8,815	**55,332**
Losses (gains) on sales, write-down and redemption of securities—net	**(7,420)**	9,043	**(69,109)**
Foreign exchange losses (gains)—net	**(1,361)**	8,407	**(12,683)**
Losses on disposal of premises and equipment—net	**1,215**	678	**11,321**
Net decrease (increase) in trading assets	**70,205**	(48,601)	**653,801**
Net decrease in trading liabilities	**(452)**	(1,550)	**(4,210)**
Net decrease (increase) in loans	**156,784**	(55,426)	**1,460,087**
Net increase (decrease) in deposits	**122,937**	(261,942)	**1,144,887**
Net decrease in other borrowings	**(30,565)**	(104)	**(284,648)**
Net decrease (increase) in due from banks	**(12,827)**	5,460	**(119,458)**
Net increase in call loans and others	**(109,981)**	(113,454)	**(1,024,225)**
Net increase in call money and others	**167,278**	631	**1,557,815**
Net decrease (increase) in foreign exchange (assets)	**1,818**	(497)	**16,939**
Net decrease in foreign exchange (liabilities)	**(45)**	(46)	**(421)**
Interest and dividends received	**184,224**	191,428	**1,715,634**
Interest paid	**(5,592)**	(9,441)	**(52,084)**
Other—net	**(201,233)**	235,302	**(1,874,031)**
Subtotal	**265,207**	(124,536)	**2,469,804**
Income tax paid	**(6,448)**	(2,549)	**(60,053)**
Net cash provided by (used in) operating activities	**258,759**	(127,085)	**2,409,751**
Investing activities:			
Purchases of securities	**(1,334,471)**	(2,160,662)	**(12,427,563)**
Proceeds from sales of securities	**878,877**	2,107,608	**8,184,737**
Proceeds from maturities of securities	**310,919**	297,884	**2,895,510**
Expenditures for premises and equipment	**(4,638)**	(5,314)	**(43,196)**
Proceeds from sales of premises and equipment	**1,740**	1,755	**16,212**
Proceeds from transfer of investments of a subsidiary accompanying change of scope of consolidation		2,418	
Net cash provided by (used in) investing activities	**(147,572)**	243,690	**(1,374,300)**
Financing activities:			
Repayments of subordinated loans	**(50,000)**	(80,000)	**(465,636)**
Proceeds from subordinated bonds and convertible bonds		40,000	
Repayments of convertible bonds	**(47)**		**(438)**
Issuance of common stock	**149**	15	**1,391**
Dividends paid	**(7,130)**	(7,049)	**(66,404)**
Dividends paid to minority interests stockholders	**(4)**		**(40)**
Purchase of treasury stock	**(57,273)**	(75)	**(533,373)**
Proceeds from sales of treasury stock	**15**	8	**144**
Net cash used in financing activities	**(114,290)**	(47,101)	**(1,064,356)**
Foreign currency translation adjustments on cash and cash equivalents	**(8)**	(42)	**(75)**
Net (decrease) increase in cash and cash equivalents	**(3,111)**	69,460	**(28,980)**
Cash and cash equivalents, beginning of year	**547,011**	477,551	**5,094,169**
Cash and cash equivalents, end of year (Note 3)	**¥ 543,900**	¥ 547,011	**$ 5,065,189**
Noncash financing activities:			
Convertible bonds converted into common stock	**¥26,564**	¥3,411	**$247,388**
Convertible bonds converted into capital surplus	**26,564**	3,411	**247,388**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2005 and 2004

1. Basis of Presentation

The accompanying consolidated financial statements of The Bank of Yokohama, Ltd. (the "Bank") and consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulation and the Enforcement Regulation for the Banking Law and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing the consolidated financial statements, certain reclassifications and rearrangements have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2004 financial statements to conform to the classifications used in 2005.

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. As permitted by the Japanese Securities and Exchange Law, amounts less than one million yen have been omitted. As a result, the totals do not necessarily agree with the sum of the individual amounts. Yen amounts, other than per share amounts, have been rounded down to millions of yen. Yen amounts of per share amounts have been rounded down to two decimal places.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥107.38 to U.S.$1, the rate of exchange at March 31, 2005. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

a. **Principles of Consolidation**—The consolidated financial statements include the accounts of the Bank and its significant subsidiaries. The number of consolidated subsidiaries as of March 31, 2005 and 2004 was ten.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are to be fully consolidated, and those companies over which the Bank, directly or indirectly, has the ability to exercise significant influence are accounted for by the equity method.

Of the consolidated subsidiaries, eight in 2005 and 2004 have a fiscal year ending on March 31, which is the same as the fiscal year of the Bank.

Two consolidated subsidiaries have a fiscal year ending on December 31, which differs from the Bank's fiscal year. The consolidated financial statements include the financial statements of these subsidiaries for their respective fiscal years after making appropriate adjustments for significant transactions during the periods from their respective year-ends to the date of the consolidated financial statements.

The consolidated financial statements do not include the accounts of one subsidiary (three subsidiaries in 2004) because the total assets, total income, net income and retained earnings of these entities would not have had material effects on the consolidated financial statements.

Investment in one associated company was accounted for by the equity method. Investments in the unconsolidated subsidiary (three unconsolidated subsidiaries in 2004) and the remaining associated company were stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances, transactions and unrealized profits included in assets are eliminated in consolidation.

Goodwill and negative goodwill represent the differences between the cost of an acquisition and the fair value of the net assets of the acquired subsidiary at the date of acquisition. Goodwill and negative goodwill on acquisition of subsidiaries are amortized using the straight-line method over 5 years.

b. **Trading Purpose Transactions**—"Transactions for trading purposes" (the purpose of seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from arbitrage opportunities) are included in "Trading assets" and "Trading liabilities" on a trade date basis. Trading securities and monetary claims purchased for trading purposes recorded in these accounts are stated at fair value and trading-related financial derivatives are stated at the amounts that would be settled if they were terminated at the end of the fiscal year.

Profit and losses on transactions for trading purposes are shown as "Trading profits" or "Trading losses" on a trade date basis.

c. **Securities**—Securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are stated at amortized cost computed by the straight-line method and (2) available-for-sale securities, which are not classified as held-to-maturity debt securities, are stated at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of stockholders' equity. Non-marketable available-for-sale securities are stated at cost determined by the moving-average cost method.

For other than temporary declines in fair value, securities are reduced to net realizable value by a charge to income.

d. **Premises and Equipment**—Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment owned by the Bank is computed by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998.

The range of useful lives is from 2 to 60 years for buildings and from 2 to 20 years for equipment.

Depreciation of premises and equipment owned by consolidated subsidiaries is computed principally using the declining-balance method over the estimated useful lives of the assets.

e. **Software**—Cost of computer software obtained for internal use is amortized principally using the straight-line method over the estimated useful lives of 5 years.

f. **Land Revaluation**—Under the "Law of Land Revaluation," promulgated on March 31, 1998 (and revised on March 31, 1999 and 2001), the Bank elected a one-time revaluation of its own-use land to a value based on a real estate appraisal as of March 31, 1998.

The resulting land revaluation surplus represents unrealized appreciation of land and is stated, net of income taxes, as a component of stockholders' equity. There is no effect on the consolidated statements of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation surplus account and deferred tax liabilities. The details of the one-time revaluation as of March 31, 1998 were as follows:

	Millions of Yen
	1998
Land before revaluation	¥26,419
Land after revaluation	85,623
Land revaluation surplus	¥59,204

The carrying amount of the land after the above one-time revaluation exceeded the market value by ¥40,810 million ($380,060 thousand) and ¥38,961 million as of March 31, 2005 and 2004, respectively.

g. Stock and Bond Issue Costs—Issuance costs of stocks and bonds are charged to income when paid.

h. Allowance for Possible Loan Losses—The Bank and certain consolidated finance companies provide allowance for possible loan losses which is determined based on management's judgment and assessment of future losses based on their self-assessment systems. These systems reflect past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, value of collateral or guarantees and other pertinent indicators.

The Bank has implemented a self-assessment system to determine its asset quality. The quality of all loans is assessed by branches and the credit supervisory division with a subsequent audit by the asset review and inspection division in accordance with the Bank's policy and guidelines for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self-assessment purposes: "normal," "in need of caution," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy."

The allowance for possible loan losses is calculated based on the actual historical loss ratio for normal and in need of caution categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency including future cash flows for other categories. For claims to borrowers who are classified as possible bankruptcy or under restructured lending conditions, for which future cash flows could be reasonably estimated, an allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate and carrying value of the claims.

For collateralized or guaranteed claims to borrowers who are in "virtual bankruptcy" or "legal bankruptcy," the amount exceeding the estimated value of collateral or guarantees has been deducted as deemed uncollectible, directly from those claims. As of March 31, 2005 and 2004, the deducted amounts were ¥127,540 million ($1,187,749 thousand) and ¥182,068 million, respectively.

Other consolidated subsidiaries maintain allowances for possible loan losses which are provided as deemed necessary to cover expected losses based on their own experience.

i. **Liability for Employees' Retirement Benefits**—The Bank and domestic consolidated subsidiaries have lump-sum retirement benefit plans. The Bank has a contributory funded defined benefit pension plan and a domestic consolidated subsidiary has a non-contributory funded pension plan covering substantially all of its employees. The Bank and domestic consolidated subsidiaries account for the liability for employees' retirement benefits based on projected benefit obligation and plan assets at the balance sheet date. Prior service cost is amortized using the straight-line method over 2 years. Net actuarial gain (loss) is amortized using the straight-line method over 15 years commencing from the next fiscal year of incurrence.

j. **Leases**—All leases of the Bank and the consolidated domestic subsidiaries are accounted for as operating leases. Under the Japanese accounting standards for leases, finance leases that are deemed to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's consolidated financial statements.

k. **Derivatives and Hedging Activities**—Derivative financial instruments are classified and accounted for as follows: (a) all derivatives except those entered into for trading purposes will be recognized as either assets or liabilities and measured at fair value with gains or losses on derivative transactions recognized in the statements of income, and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions (deferral hedge accounting).

The Bank applies deferral hedge accounting based on the rules of the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24, for interest rate derivatives to manage interest rate risk from various financial assets and liabilities as a whole. Under these rules, the effectiveness of a fair value hedge is each assessed by an identified group of hedge deposits, loans and similar instruments and by corresponding a group of hedging instruments such as interest rate swaps in the same maturity category. Also, under these rules, the effectiveness of a cash flow hedge is assessed based on the correlation between a base interest rate index of the hedged a cash flow and that of the hedging instrument.

Prior to April 1, 2003, the Bank applied "macro-hedge" accounting, which was permitted for Japanese banks pursuant to the transitional treatment of the JICPA Industry Audit Committee Report No. 24, for such interest rate derivatives. Macro-hedge accounting permitted interest rate swaps which qualify for hedge accounting and meet specific matching criteria not to be remeasured at market value but for the differential paid or received under the swap agreements to be recognized and included in interest expenses or income.

Deferred hedge gains or losses recorded at March 31, 2003, under the macro-hedge are amortized as income or expenses over remaining maturities of up to 5 years of the respective hedging instruments. The unamortized balance of deferred hedge gains and losses under macro-hedge were ¥1,037 million ($9,661 thousand) and ¥1,549 million ($14,425 thousand), respectively, for the year ended March 31, 2005 and ¥2,841 million and ¥4,376 million, respectively, for the year ended March 31, 2004.

The Bank applies deferral hedge accounting based on the rules of the JICPA Industry Audit Committee Report No. 25, for the currency swaps and funding swaps for the purpose of currency exchange.

l. Translation of Foreign Currencies—The financial statements of foreign consolidated subsidiaries are translated into Japanese yen at exchange rates as of the balance sheet date, except for stockholders' equity, which is translated at the historical exchange rate.

Assets and liabilities denominated in foreign currencies held by the Bank have been translated at exchange rates prevailing as of the balance sheet date.

Foreign currency accounts held by consolidated foreign subsidiaries are translated into the currency of the subsidiaries at the respective year-end exchange rates.

m. Income Taxes—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences. A valuation allowance is provided for any portion of the deferred tax assets if it is considered more likely than not that they will not be realized.

n. Cash and Cash Equivalents—For the purpose of the consolidated statements of cash flows, cash and cash equivalents represent cash and amounts due from the Bank of Japan.

o. Cash Dividends—Cash dividends charged to retained earnings are actually paid during the year and represent year-end dividends for the preceding year and interim dividends for the current year.

p. Per Share Information—Basic net income per share is computed by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

q. New Accounting Pronouncements—In August 2002, the Business Accounting Council issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets," and in October 2003, the Accounting Standards Board of Japan ("ASB") issued ASB Guidance No. 6, "Guidance for Accounting Standard for Impairment of Fixed Assets." These new pronouncements are effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The new accounting standards require an entity to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset or asset group exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or asset group or the net selling price at disposition.

The Bank expects to adopt these pronouncements as of April 1, 2005 and is currently in the process of assessing the effect of adoption of these pronouncements.

3. Cash and Cash Equivalents

The reconciliations of "Cash and cash equivalents" and "Cash and due from banks" in the consolidated balance sheets as of March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Cash and due from banks	**¥566,483**	¥556,767	**$5,275,503**
Interest-bearing deposits included in due from banks (other than deposits with the Bank of Japan)	**(22,583)**	(9,756)	**(210,314)**
Cash and cash equivalents	**¥543,900**	¥547,011	**$5,065,189**

4. Trading Assets and Liabilities

Trading assets and liabilities as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Trading assets:			
Trading securities	**¥49,143**	¥118,720	**$457,657**
Trading-related financial derivatives	**1,782**	2,410	**16,599**
Total	**¥50,925**	¥121,130	**$474,256**
Trading liabilities— Trading-related financial derivatives	**¥ 2,165**	¥ 2,617	**$ 20,166**

5. Securities

Securities as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Japanese national government bonds	¥ 553,969	¥ 265,160	$ 5,158,964
Japanese local government bonds	162,260	274,692	1,511,090
Japanese corporate bonds	472,889	470,648	4,403,889
Japanese corporate stocks	198,827	218,148	1,851,628
Other securities	44,632	70,121	415,649
Total	¥1,432,580	¥1,298,771	$13,341,220

The carrying amounts and aggregate fair value of securities as of March 31, 2005 and 2004, were as follows:

	Millions of Yen			
	2005			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥138,225	¥50,305	¥7,562	¥180,968
Debt securities	934,218	1,803	407	935,613
Other securities	200,546	669	740	200,476
Held-to-maturity	36,536	290	49	36,776

	Millions of Yen			
	2004			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥148,676	¥62,366	¥13,254	¥197,787
Debt securities	848,542	2,881	763	850,659
Other securities	192,629	1,070	412	193,287
Held-to-maturity	13,297	17	100	13,214

	Thousands of U.S. Dollars			
	2005			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$1,287,256	$468,482	$70,425	$1,685,313
Debt securities	8,700,118	16,791	3,799	8,713,110
Other securities	1,867,636	6,239	6,894	1,866,981
Held-to-maturity	340,251	2,702	462	342,491

Principal items of securities whose fair value were not readily determinable as of March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Available-for-sale	¥141,518	¥ 37,772	$1,317,919
Held-to-maturity	128,959	148,530	1,200,962

Proceeds from sales by early redemption of held-to-maturity debt securities for the years ended March 31, 2005 and 2004 were ¥783 million ($7,300 thousand) and ¥250 million, respectively. Net realized gains on these sales, computed on the amortized cost basis, were ¥15 million ($147 thousand) and ¥8 million for the years ended March 31, 2005 and 2004, respectively. Transfer of held-to-maturity debt securities to available-for-sale securities due to deterioration of issuers' creditworthiness amounts to ¥60 million ($559 thousand) and ¥549 million for the years ended March 31, 2005 and 2004, respectively.

Proceeds from sales of available-for-sale securities and gross realized gains and losses on these sales, computed on the moving average cost basis for the years ended March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Proceeds from sales of available-for-sale securities	¥876,845	¥2,107,310	$8,165,817
Gross realized gains	17,911	9,560	166,803
Gross realized losses	6,478	16,218	60,328

The carrying values of debt securities with specific maturities by contractual maturities for securities classified as available-for-sale and held-to-maturity as of March 31, 2005, were as follows:

	Millions of Yen			
	2005			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Bonds	¥667,729	¥442,111	¥62,293	¥ 16,985
Other	8,715	70,588	573	160,075
Total	¥676,445	¥512,700	¥62,867	¥177,060

	Thousands of U.S. Dollars			
	2005			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Bonds	$6,218,379	$4,117,264	$580,121	$ 158,178
Other	81,167	657,369	5,342	1,490,737
Total	$6,299,546	$4,774,633	$585,463	$1,648,915

Securities also include corporate stocks in unconsolidated subsidiaries and associated companies, which totaled ¥1,488 million ($13,860 thousand) and ¥931 million as of March 31, 2005 and 2004, respectively.

6. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Bills discounted	**¥ 77,973**	¥ 83,976	**$ 726,141**
Loans on bills	**529,656**	582,416	**4,932,542**
Loans on deeds	**6,128,135**	5,782,645	**57,069,619**
Overdrafts	**1,054,296**	1,497,807	**9,818,374**
Total	**¥7,790,062**	¥7,946,846	**$72,546,676**

"Past due loans" include loans classified as "possible bankruptcy" and "virtual bankruptcy" under the Bank's self-assessment guidelines. Accrued interest receivables for these categories are not recognized as accruals for accounting purposes. The loans and bills discounted include "loans to borrowers in bankruptcy" totaling ¥7,394 million ($68,865 thousand) and ¥14,952 million as of March 31, 2005 and 2004, respectively, as well as "past due loans" totaling ¥193,675 million ($1,803,642 thousand) and ¥219,935 million as of March 31, 2005 and 2004, respectively.

In addition to "past due loans" as defined, certain other loans classified as "in need of caution" under the Bank's self-assessment guidelines include "accruing loans contractually past due for three months or more." "Accruing loans contractually past due for three months or more" are loans on which the principal and/or interest is three months or more past due but exclude "loans to borrowers in bankruptcy" or "past due loans." The balances of "accruing loans contractually past due for three months or more" as of March 31, 2005 and 2004, were ¥7,404 million ($68,960 thousand) and ¥8,053 million, respectively.

"Restructured loans" are loans of which the Bank and its subsidiaries have restructured lending conditions, such as by a reduction of the original interest rate, forbearance of interest payments, principal repayments or renunciation of claims to support the borrowers' reorganization, but exclude "loans to borrowers in bankruptcy," "past due loans" or "accruing loans contractually past due for three months or more." The outstanding balances of "restructured loans" as of March 31, 2005 and 2004, were ¥45,492 million ($423,657 thousand) and ¥82,874 million, respectively.

The allowance for possible loan losses is not deducted from the amounts of loans shown in the above three paragraphs.

Contracts of overdraft facilities and loan commitment limits are the contracts under which the Bank lends to customers up to the prescribed limits in response to customers' application for loans as long as there is no violation of any condition in the contracts. As of March 31, 2005 and 2004, the amounts of unused commitments were ¥1,543,642 million ($14,375,510 thousand) and ¥1,245,096 million, respectively. As of March 31, 2005 and 2004, the amounts of unused commitments whose remaining terms of contract were within one year were ¥1,097,062 million ($10,216,640 thousand) and ¥838,663 million, respectively.

Since many of these commitments expire without being drawn down, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions whereby the Bank can refuse customers' application for loans or decrease the contract limits for proper reason (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Bank obtains real estate, securities or other assets as collateral if considered to be necessary. Subsequently, the Bank performs periodic reviews of the customers' business results based on internal rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

Discounting bills are treated as secured lending transactions. As of March 31, 2005 and 2004, the Bank has right by contract or custom to sell or repledge bills discounted and foreign exchange bills bought and their total face value was ¥80,637 million ($750,955 thousand) and ¥88,127 million, respectively.

7. Foreign Exchanges

Foreign exchange assets and liabilities as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
Assets	2005	2004	2005
Foreign exchange bills bought	**¥2,664**	¥4,150	**$24,814**
Foreign exchange bills receivable	**2,563**	2,968	**23,869**
Due from foreign correspondent accounts	**1,034**	962	**9,633**
Total	**¥6,261**	¥8,080	**$58,316**
Liabilities			
Foreign exchange bills sold	**¥ 28**	¥ 48	**$ 269**
Foreign exchange bills payable	**30**	50	**279**
Due to foreign correspondent accounts	**1**	6	**11**
Total	**¥ 60**	¥ 105	**$ 559**

8. Other Assets

Other assets as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Accrued income	**¥12,839**	¥13,637	**$119,570**
Prepaid expenses	**30,276**	27,888	**281,960**
Financial derivatives	**16,207**	12,969	**150,940**
Deferred hedge losses	**454**	1,240	**4,233**
Other	**30,322**	54,115	**282,381**
Total	**¥90,100**	¥109,851	**$839,084**

9. Premises and Equipment

The accumulated depreciation of premises and equipment as of March 31, 2005 and 2004 amounted to ¥101,248 million ($942,899 thousand) and ¥103,823 million, respectively.

Premises and equipment included security deposits amounting to ¥8,518 million ($79,326 thousand) and ¥9,525 million as of March 31, 2005 and 2004, respectively.

10. Customers' Liabilities for Acceptances and Guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in acceptances and guarantees. As a contra account, customers' liabilities for acceptances and guarantees are presented as assets, representing the Bank's and certain consolidated subsidiaries' rights of indemnity from the applicants.

11. Assets Pledged

Assets pledged as collateral and their relevant liabilities as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Assets pledged as collateral:			
Securities	**¥562,429**	¥333,832	**$5,237,751**
Loans and bills discounted	**9,420**	24,552	**87,727**
Relevant liabilities to above assets—			
Deposits	**44,058**	25,434	**410,308**

Additionally, securities amounting to ¥143,441 million ($1,335,827 thousand) and ¥634,283 million as of March 31, 2005 and 2004, respectively, and other assets amounting to ¥247 million as of March 31, 2004 were pledged as collateral for transactions such as exchange settlement transactions or as substitute securities for initial margin on futures transactions and others.

Other assets included initial margin on futures transactions amounting to ¥10 million ($96 thousand) as of March 31, 2005.

12. Deposits

Deposits as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Current deposits	**¥ 409,670**	¥ 569,018	**$ 3,815,145**
Ordinary deposits	**5,149,919**	4,737,950	**47,959,762**
Savings deposits	**299,866**	307,635	**2,792,573**
Deposits at notice	**54,312**	83,879	**505,800**
Time deposits	**3,109,687**	3,241,933	**28,959,657**
Negotiable certificates of deposit	**39,861**	48,059	**371,214**
Other deposits	**233,621**	185,524	**2,175,650**
Total	**¥9,296,939**	¥9,174,001	**$86,579,801**

13. Borrowed Money

As of March 31, 2005 and 2004, the weighted average annual interest rates applicable to borrowed money were 1.8% and 2.2%, respectively.

Borrowed money includes rediscounted bills and borrowings from the Bank of Japan and other financial institutions. In addition, as of March 31, 2005 and 2004, borrowed money included subordinated debt totaling ¥29,000 million ($270,069 thousand) and ¥79,000 million, respectively, of which ¥50,000 million as of March 31, 2004 was subordinated debt from the Resolution and Collection Corporation (the "RCC"), a Japanese governmental entity.

Annual maturities of borrowed money as of March 31, 2005, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2006	¥ 1,055	$ 9,832
2007	2,800	26,082
2008	155	1,443
2009	182	1,698
2010	220	2,049
2011 and thereafter	29,025	270,305
Total	¥33,439	$311,409

14. Bonds and Notes

Bonds and notes as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due April 2010, 2.25% interest until April 2005	**¥10,000**	¥10,000	**$ 93,127**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due September 2010, 2.0% interest until September 2005	**10,000**	10,000	**93,127**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due May 2011, 1.53% interest until May 2006	**10,000**	10,000	**93,127**
Unsecured floating subordinated bonds, payable in Japanese yen, due May 2011, interest of 1.06% in 2005 and 1.07% in 2004	**5,000**	5,000	**46,564**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due June 2011, 1.5% interest until June 2006	**5,000**	5,000	**46,564**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due September 2011, 1.55% interest until September 2006	**5,000**	5,000	**46,564**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due August 2013, 1.23% interest until August 2008	**20,000**	20,000	**186,254**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due February 2014, 1.35% interest until February 2009	**20,000**	20,000	**186,254**
Unsecured floating subordinated notes, payable in Japanese yen, due November 2010, interest of 0.76% in 2005 and 0.77% in 2004	**1,000**	999	**9,313**
Total	**¥86,000**	¥85,999	**$800,894**

Annual maturities of bonds and notes as of March 31, 2005, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2011 and thereafter	¥86,000	$800,894

Subsequently, on April 26, 2005, the fixed and floating subordinated bonds, due April 2010, 2.25% interest until April 2005 amounting to ¥10,000 million ($93,127 thousand) as of March 31, 2005, were redeemed prior to maturity.

15. Convertible Bonds

Convertible bonds as of March 31, 2004, consisted of the following:

	Millions of Yen
	2004
Zero coupon unsecured 4th convertible bonds with 120% call option, payable in Japanese yen, due September 2004	¥53,176

The convertible bonds were convertible into common stock of the Bank from December 3, 2001 to September 29, 2004, at the conversion price of ¥420 per share.

On April 7, 2004, the Board of Directors of the Bank resolved to redeem the convertible bonds at par prior to maturity on May 10, 2004 based on its conditional call option established on April 6, 2004. By May 10, 2004, out of the balance of ¥53,176 million, as of March 31, 2004, ¥53,129 million have been converted to 126,497 thousand shares of common stock at conversion price ¥420 and ¥47 million was redeemed at par on that date by exercising the option.

16. Other Liabilities

Other liabilities as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Domestic exchange settlement account credit (see below)	**¥ 3,200**	¥ 4,136	**$ 29,804**
Accrued expenses	**7,880**	10,154	**73,391**
Unearned income	**27,837**	28,170	**259,242**
Accrued income taxes	**12,494**	4,278	**116,362**
Financial derivatives	**14,372**	13,493	**133,846**
Other	**65,092**	279,596	**606,193**
Total	**¥130,878**	¥339,829	**$1,218,838**

The domestic exchange settlement account consists of outstanding remittance bills from other banks and/or collection bills for which the Bank has received notices for payment from other banks which have not been settled.

17. Employees' Retirement Benefits

Under the unfunded lump-sum retirement benefit plans, the employees of the Bank and its domestic consolidated subsidiaries terminating their employment are, under most circumstances, entitled to lump-sum payments determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs.

In addition, under the pension plan of the Bank, employees terminating their employment after more than 15 years of participation are entitled to pension benefits.

The Bank's contributory funded defined benefit pension plan, which is established under the Japanese Welfare Pension Insurance Law, covers a substitutional portion of the governmental pension program managed by the Bank on behalf of the government and a corporate portion established at the discretion of the Bank. According to the enactment of the Defined Benefit Pension Plan Law in April 2002, the Bank applied for an exemption from obligation to pay benefits for future employee services related to the substitutional portion which would result in the transfer of the pension obligations and related assets to the government by another subsequent application. The Bank obtained an approval of exemption from future obligation by the Ministry of Health, Labour and Welfare on March 1, 2003.

As a result of this exemption, the Bank recognized a gain on exemption from future pension obligations of the governmental program in accordance with a transitional measurement of the accounting standard for employees' retirement benefits for the year ended March 31, 2003. In the current year, the Bank applied for transfer of substitutional portion of past pension obligations to the government and obtained approval by the Ministry of Health, Labour and Welfare on September 1, 2004, and actual transfer of the pension obligations and related assets to the government took place in March 2005.

The Bank implemented a cash balance pension plan and pension point system in July 2003 by which the former qualified defined benefit pensions plan and the severance lump-sum payment plan were revised. In connection with this change, prior service cost was recorded as a reduction of projected benefit obligations for the year ended March 31, 2004.

The Bank introduced a defined contribution pension plan and advance payment plan ("New Plans") in July 2003 by which a portion of the severance lump-sum payment plan was terminated. The Bank recognized a loss on termination of a portion of the severance lump-sum payment plan and introduction of the New Plans in the amount of ¥2,211 million for the year ended March 31, 2004.

The liability for employees' retirement benefits as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Projected benefit obligation	**¥(73,056)**	¥(68,103)	**$(680,350)**
Fair value of plan assets	**64,008**	61,925	**596,093**
Unfunded projected benefit obligation	**(9,047)**	(6,178)	**(84,257)**
Unrecognized prior service cost	**(766)**	(3,834)	**(7,142)**
Unrecognized actuarial loss	**38,611**	36,329	**359,575**
Net liability recognized	**28,796**	26,316	**268,176**
Prepaid pension cost	**28,871**	26,378	**268,868**
Liability for employees' retirement benefits	**¥ (74)**	¥ (62)	**$ (692)**

The components of net periodic retirement benefit costs for the years ended March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Service cost	¥1,217	¥1,354	$11,339
Interest cost	1,693	1,806	15,775
Expected return on plan assets	(1,760)	(1,370)	(16,394)
Amortization of prior service cost	(3,067)	(2,300)	(28,568)
Recognized actuarial loss	2,846	3,545	26,511
Loss on termination of a portion of unfunded lump-sum retirement benefit plans and introduction of the defined contribution plan and advance payment plan		2,211	
Other retirement costs (non-actuarial basis cost)	454	3,262	4,236
Net periodic retirements benefit costs	¥1,385	¥8,510	$12,899

Assumptions used for the years ended March 31, 2005 and 2004, were set forth as follows:

	2005	2004
Discount rate	2.00%	2.50%
Expected rate of return on plan assets	3.50%	3.50%
Amortization period of prior service cost	2 years	2 years
Recognition period of actuarial gain/loss	15 years	15 years

18. Stockholders' Equity

Japanese banks are subject to the Japanese Commercial Code (the "Code") and the Banking Law.

The Code requires that all shares of common stock are recorded with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock and the remaining net proceeds as additional paid-in capital, which is included in capital surplus. The Code permits Japanese companies, upon approval of the Board of Directors, to issue shares to existing stockholders without consideration as a stock split. Such issuance of shares generally does not give rise to changes within the stockholders' accounts.

The Banking Law provides that an amount at least equal to 20% of the aggregate amount of cash dividends and certain other appropriations of retained earnings associated with cash outlays applicable to each period shall be appropriated as a legal reserve (a component of retained earnings) until such reserve and additional paid-in capital equals 100% of capital stock. The amount of total additional paid-in capital and legal reserve that exceeds 100% of the capital stock may be available for dividends by resolution of the stockholders. The Bank's legal reserve amounts, which were included in retained earnings, totaled ¥37,364 million ($347,967 thousand) and ¥35,934 million as of March 31, 2005 and 2004, respectively. In addition, the Code permits the transfer of a portion of additional paid-in capital and legal reserve to the capital stock by resolution of the Board of Directors.

The Code allows Japanese companies to repurchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of stated capital, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the stockholders meeting.

In addition to the provision that requires an appropriation for a legal reserve in connection with the cash payment, the Code imposes certain limitations on the amount of retained earnings available for dividends. The amount of retained earnings available for dividends under the Code was ¥106,787 million ($994,486 thousand) as of March 31, 2005, based on the amount recorded in the Bank's general books of account.

Dividends are approved by the stockholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

On March 31, 1999, the Bank issued 200,000 thousand shares of non-voting, non-cumulative preferred stock to the RCC at ¥500 per share (140,000 thousand shares of first series preferred stock and 60,000 thousand shares of second series preferred stock), which were convertible into shares of common stock at a conversion price of ¥397.90 per share as of March 31, 2004. The conversion price to the common stock is to be modified on July 31 annually from 1999 to 2008. The preferred stockholder shall be entitled, in priority to any payment of dividends on or in respect of any other class of shares, to an annual dividend of ¥5.66 (first series preferred stock) and ¥9.46 (second series preferred stock) per share. Preferred stockholders receive liquidation preference of ¥500 per share and do not have the right to participate in any further liquidation distribution.

In July, 2004, 110,000 thousand shares of the first series preferred stock were converted into 138,225 thousand shares of common stock at conversion price of ¥397.90 per share and sold in the market. In August, 2004, the Bank repurchased the remaining 30,000 thousand shares of the first series preferred stock at a price of ¥575.30 per share for an aggregate amount of ¥17,259 million ($160,728 thousand) from the RCC. Subsequently, on May 13, 2005, the Bank retired these shares held as treasury stock. (See Note 29(1).)

In July, 2004, the Bank repurchased all 60,000 thousand shares of the second series preferred stock at a price of ¥580.70 per share for an aggregate amount of ¥34,842 million ($324,474 thousand) from the RCC and retired such shares.

19. Per Share Information

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2005 and 2004, is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income	Weighted-average Shares	EPS	
Year Ended March 31, 2005				
Basic EPS—Net income available to common stockholders	**¥57,657**	**1,365,527**	**¥42.22**	**$0.39**
Effect of dilutive securities:				
Warrants		**1,350**		
Convertible bonds		**7,636**		
Preferred stocks		**79,768**		
Diluted EPS—Net income for computation	**¥57,657**	**1,454,281**	**¥39.64**	**$0.37**
Year Ended March 31, 2004				
Basic EPS—Net income available to common stockholders	¥46,085	1,138,137	¥40.49	
Effect of dilutive securities:				
Warrants		80		
Convertible bonds		114,101		
Preferred stocks	1,360	197,863		
Diluted EPS—Net income for computation	¥47,445	1,450,183	¥32.71	

20. Other Operating Income

Other operating income for the years ended March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Gain on foreign exchange transactions—net	¥ 1,616	¥ 2,055	$ 15,058
Gain on sales and redemption of bonds and other securities	2,058	2,819	19,172
Gain on derivatives	6,895	9,533	64,214
Other	9,525	7,215	88,707
Total	¥20,096	¥21,624	$187,151

21. Other Income

Other income for the years ended March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Gain on sales of stocks and other securities	¥15,877	¥ 8,525	$147,860
Gain on sales of premises and equipment	182	386	1,697
Recovery of claims previously charged-off	4,291	4,885	39,962
Enterprise taxes on banking business refund including interest earned		1,126	
Other	3,173	3,226	29,554
Total	¥23,524	¥18,150	$219,073

22. Other Operating Expenses

Other operating expenses for the years ended March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Losses on sales and redemption of bonds and other securities	¥12,132	¥13,529	$112,984
Losses on write-down of bonds and other securities	199	39	1,854
Other	65	59	610
Total	¥12,396	¥13,628	$115,448

23. Other Expenses

Other expenses for the years ended March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Loss on sales of stocks and other securities	¥ 146	¥ 6,330	$ 1,365
Loss on write-down of stocks and other securities	575	489	5,361
Loss on disposal of premises and equipment	1,397	1,065	13,018
Direct charge-off of loans	19,548	27,828	182,053
Loss on termination of a portion of unfunded lump-sum retirement benefit plans and introduction of the defined contribution plan and advance payment plan		2,211	
Other	8,960	6,284	83,443
Total	¥30,629	¥44,210	$285,240

24. Income Taxes

The Bank and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 40.6% and 41.5% for the years ended March 31, 2005 and 2004, respectively.

The tax effects of significant temporary differences and loss carryforwards which result in deferred tax assets and liabilities as of March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Deferred tax assets:			
Allowance for possible loan losses	¥63,263	¥84,658	$589,152
Write-down of securities	5,368	9,636	49,994
Other	12,087	9,955	112,568
Less valuation allowance	(3,292)	(1,064)	(30,660)
Total deferred tax assets	77,426	103,185	721,054
Deferred tax liabilities:			
Gain on contribution of the employees' retirement benefit trust	7,126	7,126	66,363
Net unrealized gain on available-for-sale securities	17,906	21,082	166,757
Others	3,606	1,291	33,586
Total deferred tax liabilities	28,638	29,499	266,706
Net deferred tax assets	¥48,787	¥73,686	$454,348

A reconciliation between the normal effective statutory tax rate for the years ended March 31, 2005 and 2004 and the actual effective tax rate reflected in the accompanying consolidated statements of income was not required under Japanese accounting standards due to immaterial differences of tax rates.

25. Leases

The Bank and its consolidated subsidiaries lease certain equipment and other assets.

Lease payments under finance leases for the years ended March 31, 2005 and 2004, amounted to ¥115 million ($1,074 thousand) and ¥94 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2005 and 2004, was as follows:

	Millions of Yen			Thousands of U.S. Dollars		
	2005			2005		
	Equipment	Other Assets	Total	Equipment	Other Assets	Total
Acquisition cost	**¥399**	**¥80**	**¥479**	**$3,716**	**$749**	**$4,465**
Accumulated depreciation	**270**	**42**	**313**	**2,523**	**399**	**2,922**
Net leased property	**¥128**	**¥37**	**¥165**	**$1,193**	**$350**	**$1,543**

	Millions of Yen		
	2004		
	Equipment	Other Assets	Total
Acquisition cost	¥377	¥115	¥493
Accumulated depreciation	231	53	285
Net leased property	¥145	¥ 62	¥207

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Due within one year	**¥ 61**	¥ 85	**$ 574**
Due after one year	**107**	129	**1,004**
Total	**¥169**	¥214	**$1,578**

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Depreciation expense	**¥101**	¥82	**$ 943**
Interest expense	**13**	12	**121**
Total	**¥114**	¥95	**$1,064**

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, were computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancelable operating leases as of March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Due within one year	**¥ 6**	¥5	**$ 57**
Due after one year	**8**		**75**
Total	**¥14**	¥5	**$132**

26. Segment Information

a. Business Segment Information

The Bank and consolidated subsidiaries are engaged in the business of banking and other related activities such as credit guarantee, venture capital and other. Ordinary income, ordinary profit and total assets as of and for the years ended March 31, 2005 and 2004 were primarily concentrated in the business of banking. Accordingly, the presentation of segment information by business segment is not required under the related regulations for these fiscal years.

Note: Ordinary profit means ordinary income less ordinary expenses. Ordinary income and expenses mean total income and expenses less certain special income and expenses included in other income and expenses in the accompanying consolidated statements of income.

b. Segment Information by Geographic Area

Ordinary income and total assets as of and for the years ended March 31, 2005 and 2004 were primarily concentrated in Japan. Accordingly, the presentation of segment information by geographic area is not required under the related regulations for these fiscal years.

c. Ordinary Income from International Operations

Ordinary income arising from international operations both in and outside Japan was minor in relation to the total ordinary income for the years ended March 31, 2005 and 2004. Accordingly, the presentation of ordinary income from international operations is not required under the related regulations for these fiscal years.

27. Derivative Information

The Bank uses swap, futures, forward and option contracts, and other similar types of contracts based on either interest rates, foreign exchange rates or securities prices. These financial instruments are used in trading activities to generate trading revenues and fee income and are also used in Asset and Liability Management (“ALM”) activities to control exposure to fluctuations in such market rates or prices.

The Bank uses derivatives to provide customers with risk hedging methods, to complement their ALM activities, to hedge market risks, and to strengthen earnings. The Bank carefully studies the risks involved with derivatives transactions and maintains a policy of limiting the volume of the risks within a range which they are capable of controlling based on their financial strength.

Derivatives used for hedging purposes are recorded on the basis of hedge accounting in accordance with the Japanese accounting standard for financial instruments. Such derivatives are currency swaps, forward exchange contracts, interest rate swaps and others, which are utilized to control the risks from foreign-currency monetary claims and debt, borrowed money and other financial instruments. The Bank reviews the effectiveness of hedging activities by the methods permitted under the accounting standard.

Similar to other market transactions, derivatives transactions are subject to a variety of risks, including market, credit, liquidity, operational and legal risks. Among those risks, the Bank emphasizes establishing the risk management structure to comprehend and manage market risk and credit risk. As of March 31, 2005 and 2004, the estimated amount of derivative-related credit risk exposure of the Bank was ¥48.1 billion ($449 million) and ¥29.6 billion, respectively.

The Bank has adopted an integrated management approach in developing a comprehensive risk management system that is based on global standards. The Bank has established the Corporate Administration Department (“CAD”) to perform the integrated management of all market, credit and operational risks. With their middle office function, teams from CAD are monitoring the transaction execution department ("front office") of the Treasury and Capital Markets Department on a daily basis.

The volume of risk associated with interest rate, currency, securities and other transactions is gathered and managed on an integrated basis. The ultimate decision on market risk position limits is made by the Executive Committee. Based on this limit, each department establishes loss-cutting rules and maximum risk exposures for each type of derivative transaction and product. The middle office ensures that risk exposure limits and other rules are observed while using value-at-risk (VaR), basis points value, and other methods to calculate quantitative measures of risk volume. The CAD reports the total volume of the Bank's market risk to the ALM Committee. Credit risk associated with derivatives transactions is managed in conjunction with other off-balance-sheet as well as on-balance-sheet transactions. The ultimate decision on credit risk is made by a credit department and definitely separated from the front office. The middle office calculates and monitors the estimated amount of derivative-related credit risk daily or monthly. The CAD calculates the Bank's total credit exposure and reports this amount to the Credit Portfolio Committee.

The Bank had the following derivatives contracts that were quoted on listed exchanges, outstanding as of March 31, 2005 and 2004:

	Millions of Yen			Thousands of U.S. Dollars		
	2005			**2005**		
	Contract or Notional Amount	Fair Value (Loss)	Valuation Gain (Loss)	Contract or Notional Amount	Fair Value (Loss)	Valuation Gain (Loss)
Interest rate contracts —Futures:						
Written	**¥63,933**	**¥(43)**	**¥(43)**	**$595,398**	**$(409)**	**$(409)**
Purchased	**9,014**	**(33)**	**(33)**	**83,946**	**(312)**	**(312)**
Bond contracts —Futures:						
Written	**11,055**	**(97)**	**(97)**	**102,955**	**(908)**	**(908)**
Purchased	**694**	**2**	**2**	**6,465**	**26**	**26**

	Millions of Yen		
	2004		
	Contract or Notional Amount	Fair Value (Loss)	Valuation Gain (Loss)
Interest rate contracts —Interest rate futures written	¥ 49		
Bond contracts —Futures:			
Written	5,255	¥28	¥28
Purchased	1,246	(8)	(8)
Bond contracts —Future options:			
Written	2,000	(4)	(2)
Purchased	1,000	1	

The Bank had the following derivatives contracts that were not quoted on listed exchanges, outstanding as of March 31, 2005 and 2004:

	Millions of Yen						Thousands of U.S. Dollars		
	2005			2004			2005		
	Contract or Notional Amount	Fair Value (Loss)	Valuation Gain (Loss)	Contract or Notional Amount	Fair Value (Loss)	Valuation Gain (Loss)	Contract or Notional Amount	Fair Value (Loss)	Valuation Gain (Loss)
Interest rate contracts:									
Interest rate swaps:									
Receive fixed and pay floating	**¥1,422,199**	**¥13,092**	**¥10,250**	¥812,253	¥8,732	¥2,759	**$13,244,551**	**$121,925**	**$95,462**
Receive floating and pay fixed	**1,381,132**	**(10,860)**	**(6,483)**	769,699	(7,002)	2,588	**12,862,102**	**(101,138)**	**(60,378)**
Receive floating and pay floating	**100**	**2**	**2**	107	2	2	**931**	**24**	**24**
Caps written	**109,321**	**(225)**	**1,565**	88,077	(174)	1,106	**1,018,084**	**(2,098)**	**14,581**
Caps purchased	**4,720**		**(52)**	6,720	6	(90)	**43,956**	**4**	**(493)**
Foreign exchange:									
Currency swaps	**272,487**	**396**	**396**	102,895	(674)	(674)	**2,537,596**	**3,689**	**3,689**
Forward exchange contracts written	**14,187**	**(304)**	**(304)**	16,682	197	197	**132,122**	**(2,840)**	**(2,840)**
Forward exchange contracts purchased	**12,221**	**266**	**266**	22,513	(115)	(115)	**113,818**	**2,480**	**2,480**
Options written	**10,041**	**(91)**	**28**	3,922	(17)	15	**93,515**	**(854)**	**267**
Options purchased	**11,223**	**110**	**14**	7,854	71	38	**104,517**	**1,027**	**134**

Notes: 1. Derivatives which qualify for hedge accounting are excluded in the above table.
2. The difference between fair value (loss) and valuation gain (loss) in interest rate swaps as of March 31, 2005 and 2004 is the unamortized balance of deferred gains or losses attributable to macro-hedge accounting.

28. Stock Option Plan

The Bank's stock option plans provided for granting options to directors and others to purchase certain shares of the Bank's common stock in the respective exercise periods. The exercise prices are subject to adjustments for stock issuances below fair value and stock splits.

The Bank's stock option plans as of March 31, 2005 are as follows:

		Thousands of shares		Yen
	Exercise period	Number of shares subject to options	Number of shares subject to options not exercised as of March 31, 2005	Exercise price
Stock option plan for directors and executive officers, approved at the stockholders meeting held on June 25, 1999	June 26, 2001 to June 25, 2009	310	165	¥369
Stock option plan for directors, executive officers and managers, approved at the stockholders meeting held on June 28, 2000	June 29, 2002 to June 28, 2010	1,504	1,346	498
Stock option plan for directors, executive officers and managers, approved at the stockholders meeting held on June 27, 2001	June 28, 2003 to June 27, 2011	1,489	1,456	502
Stock option plan for directors and employees, approved at the stockholders meeting held on June 26, 2002	June 27, 2004 to June 26, 2012	1,473	1,427	520
Stock option plan for directors and employees, approved at the stockholders meeting held on June 26, 2003	June 27, 2005 to June 26, 2013	1,407	1,407	437
Stock option plan for directors and employees, approved at the stockholders meeting held on June 25, 2004	June 26, 2006 to June 25, 2014	2,186	2,186	624

Another stock option plan was approved at the stockholders meeting held on June 28, 2005. (See Note 29 (2) b.)

29. Subsequent Events

(1) On May 10, 2005, the Board of Directors of the Bank resolved to retire treasury stock, which consisted of 8,000 thousand shares of common stock and 30,000 thousand shares of first series preferred stock amounting to ¥22,279 million ($207,487 thousand) effective as of May 13, 2005.

(2) At the general stockholders meeting held on June 28, 2005, the Bank's stockholders approved the following appropriations of retained earnings and stock option plan:

a. Appropriation of Retained Earnings as of March 31, 2005

	Millions of Yen	Thousands of U.S. Dollars
Transfer to legal reserve	¥ 1,018	$ 9,487
Dividends—Common stock (¥8.50—$0.08 per share)	11,994	111,702
Bonuses:		
Directors	37	346
Corporate auditors	11	111

b. Stock Option Plan

The plan provides for granting options to directors and employees to purchase up to 4,674 thousand shares of the Bank's common stock in the period from June 29, 2007 to June 28, 2015. The options will be granted at an exercise price of 105% of the average market price for a certain period before the date of option grant. The exercise price is subject to adjustments for stock issuances below fair value and stock splits.

Non-Consolidated Financial Statements

Non-consolidated Balance Sheets (Unaudited)

The Bank of Yokohama, Ltd.

March 31, 2005 and 2004	Millions of Yen 2005	Millions of Yen 2004	Thousands of U.S. Dollars 2005
Assets:			
Cash and due from banks	**¥ 566,482**	¥ 556,756	**$ 5,275,495**
Call loans	**86,959**	28,002	**809,827**
Other debt purchased	**200,976**	149,257	**1,871,640**
Trading assets	**50,925**	121,130	**474,256**
Securities	**1,431,209**	1,294,971	**13,328,458**
Loans and bills discounted	**7,792,435**	7,948,935	**72,568,782**
Foreign exchange assets	**6,261**	8,080	**58,316**
Other assets	**89,293**	109,183	**831,569**
Premises and equipment	**144,620**	148,119	**1,346,813**
Deferred tax assets	**42,507**	67,697	**395,862**
Customers' liabilities for acceptances and guarantees	**138,809**	154,390	**1,292,690**
Allowance for possible loan losses	**(66,872)**	(77,153)	**(622,765)**
Total	**¥10,483,610**	¥10,509,372	**$97,630,943**
Liabilities:			
Deposits	**¥ 9,326,373**	¥ 9,202,366	**$86,853,912**
Call money and bills sold	**168,186**	908	**1,566,275**
Trading liabilities	**2,165**	2,617	**20,166**
Borrowed money	**34,439**	115,004	**320,722**
Foreign exchange liabilities	**60**	105	**559**
Subordinated bonds	**85,000**	85,000	**791,581**
Convertible bonds		53,176	
Other liabilities	**107,927**	316,560	**1,005,103**
Deferred tax liabilities for land revaluation surplus	**22,773**	23,011	**212,086**
Acceptances and guarantees	**138,809**	154,390	**1,292,690**
Total liabilities	**9,885,735**	9,953,141	**92,063,094**
Stockholders' equity:			
Capital stock—common stock—authorized, 2,600,000 thousand shares; issued, 1,419,977 thousand shares in 2005 and 1,154,928 thousand shares in 2004; preferred stock—authorized, 230,000 thousand shares in 2005 and 400,000 thousand shares in 2004; issued, 30,000 thousand shares in 2005 and 200,000 thousand shares in 2004	**214,862**	188,223	**2,000,954**
Capital surplus:			
Additional paid-in capital	**176,479**	149,839	**1,643,501**
Other capital surplus	**2**		**27**
Retained earnings:			
Legal reserve	**37,364**	35,934	**347,967**
Unappropriated	**133,909**	119,534	**1,247,058**
Land revaluation surplus	**32,048**	32,289	**298,458**
Net unrealized gain on available-for-sale securities	**26,024**	30,806	**242,363**
Treasury stock—common stock—at cost, 8,854 thousand shares in 2005 and 839 thousand shares in 2004; preferred stock—at cost, 30,000 thousand shares in 2005	**(22,815)**	(396)	**(212,479)**
Total stockholders' equity	**597,875**	556,231	**5,567,849**
Total	**¥10,483,610**	¥10,509,372	**$97,630,943**

Non-consolidated Statements of Income (Unaudited)

The Bank of Yokohama, Ltd.

	Millions of Yen		Thousands of U.S. Dollars
Years Ended March 31, 2005 and 2004	**2005**	2004	**2005**
Income:			
Interest income:			
Interest on loans and discounts	**¥155,175**	¥159,722	**$1,445,105**
Interest and dividends on securities	**16,272**	14,559	**151,540**
Other interest income	**2,672**	1,483	**24,889**
Fees and commissions	**43,495**	40,764	**405,057**
Trading profits	**924**	771	**8,606**
Other operating income	**19,039**	20,169	**177,313**
Other income	**19,655**	15,089	**183,042**
Total income	**257,234**	252,560	**2,395,552**
Expenses:			
Interest expenses:			
Interest on deposits	**2,388**	2,600	**22,242**
Interest on borrowings and rediscounts	**1,340**	3,492	**12,479**
Other interest expenses	**2,214**	2,712	**20,627**
Fees and commissions	**11,870**	11,492	**110,542**
Trading losses	**143**		**1,340**
Other operating expenses	**12,331**	13,536	**114,839**
General and administrative expenses	**85,638**	90,264	**797,526**
Provision for possible loan losses	**18,684**	8,747	**174,000**
Other expenses	**24,359**	39,143	**226,855**
Total expenses	**158,970**	171,991	**1,480,450**
Income before income taxes	**98,263**	80,569	**915,102**
Income taxes:			
Current	**12,503**	3,596	**116,438**
Deferred	**28,224**	29,562	**262,845**
Total income taxes	**40,727**	33,159	**379,283**
Net income	**¥ 57,536**	¥ 47,409	**$ 535,819**

	Yen		U.S. Dollars
Basic net income per share	**¥42.09**	¥40.46	**$0.39**
Diluted net income per share	**39.52**	32.69	**0.37**

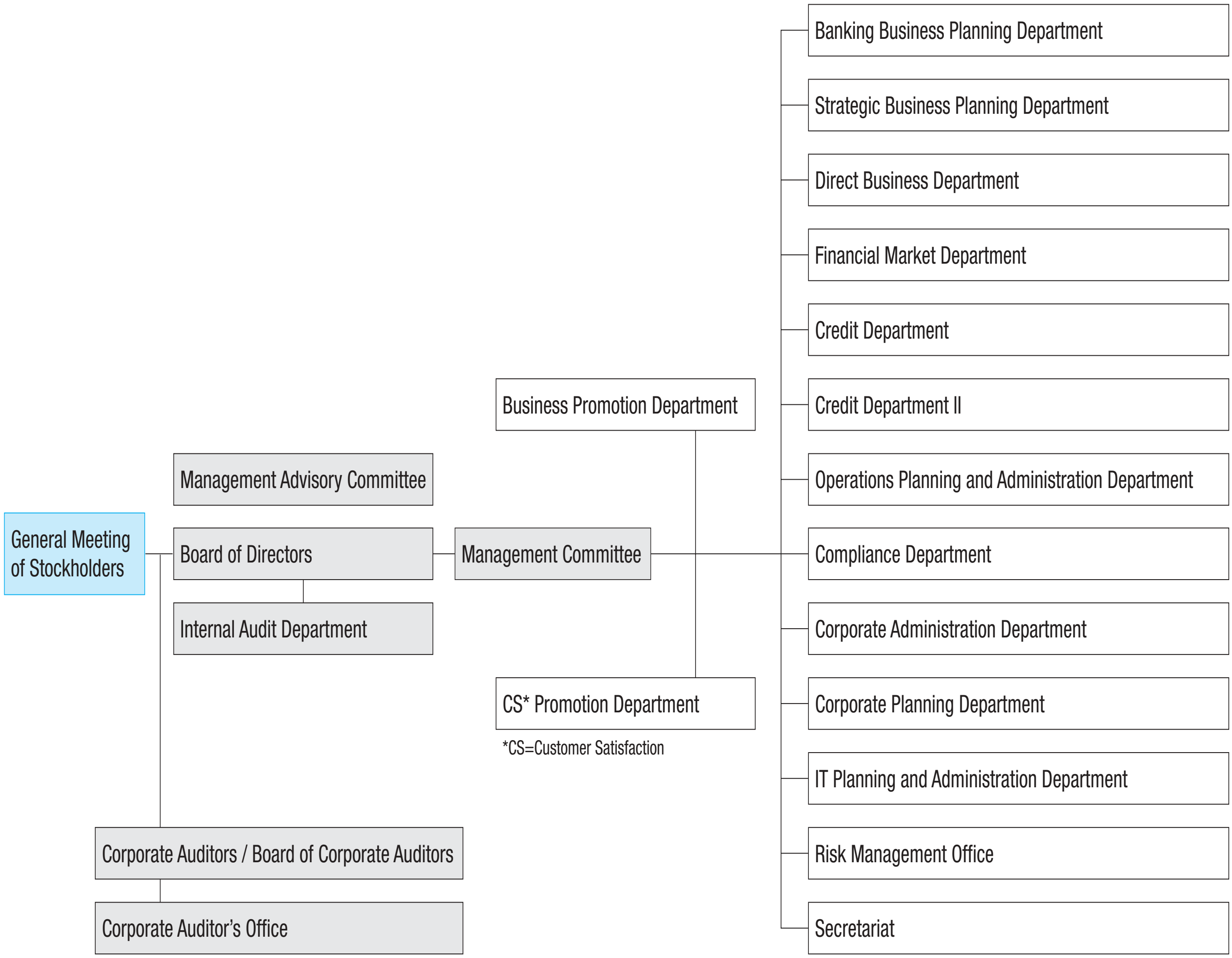
Non-consolidated Statements of Stockholders' Equity (Unaudited)

The Bank of Yokohama, Ltd.

	Thousands Outstanding Number of Shares		Millions of Yen							
				Capital Surplus		Retained Earnings				
Years Ended March 31, 2005 and 2004	Common Stock	Preferred Stock	Capital Stock	Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated	Land Revaluation Surplus	Net Unrealized Gain (Loss) on Available-for-sale Securities	Treasury Stock
Balance, April 1, 2003	1,137,950	200,000	¥184,803	¥146,281		¥34,512	¥ 73,706	¥33,206	¥(20,297)	¥ (330)
Net income							47,409			
Cash dividends, ¥5.00 per share for common stock, ¥5.66 per share for first series preferred stock and ¥9.46 per share for second series preferred stock							(7,049)			
Transfer to legal reserve						1,420	(1,420)			
Reversal of land revaluation surplus							262	(916)		
Increase due to merger				138		2	6,625			
Net increase in treasury stock (145,172 shares)	(145)						(1)			(66)
Exercise of warrants	37		7	7						
Conversion of convertible bonds	16,247		3,411	3,411						
Net increase in unrealized gain on available-for-sale securities									51,103	
Balance, March 31, 2004	1,154,089	200,000	188,223	149,839		35,934	119,534	32,289	30,806	(396)
Net income							**57,536**			
Cash dividends, ¥5.00 per share for common stock, ¥5.66 per share for first series preferred stock and ¥9.46 per share for second series preferred stock							**(7,130)**			
Transfer to legal reserve						**1,430**	**(1,430)**			
Reversal of land revaluation surplus							**241**	**(241)**		
Conversion of first series preferred stock into common stock	**138,225**	**(110,000)**								
Retirement of second series preferred stock		**(60,000)**					**(34,842)**			
Net increase in treasury stock (8,015,038 shares of common stock and 30,000,000 shares of first series preferred stock)	**(8,015)**	**(30,000)**			**¥2**					**(22,419)**
Exercise of warrants	**325**		**74**	**74**						
Conversion of convertible bonds	**126,497**		**26,564**	**26,564**						
Net decrease in unrealized gain on available-for-sale securities									**(4,781)**	
Balance, March 31, 2005	**1,411,122**		**¥214,862**	**¥176,479**	**¥2**	**¥37,364**	**¥133,909**	**¥32,048**	**¥ 26,024**	**¥(22,815)**

	Thousands of U.S. Dollars							
		Capital Surplus		Retained Earnings				
	Capital Stock	Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated	Land Revaluation Surplus	Net Unrealized Gain on Available-for-sale Securities	Treasury Stock
Balance, March 31, 2004	$1,752,870	$1,395,417		$334,650	$1,113,187	$300,705	$286,892	$ (3,696)
Net income					**535,819**			
Cash dividends, $0.05 per share for common stock, $0.05 per share for first series preferred stock and $0.09 per share for second series preferred stock					**(66,404)**			
Transfer to legal reserve				**13,317**	**(13,317)**			
Reversal of land revaluation surplus					**2,247**	**(2,247)**		
Conversion of first series preferred stock into common stock								
Retirement of second series preferred stock					**(324,474)**			
Net increase in treasury stock (8,015,038 shares of common stock and 30,000,000 shares of first series preferred stock)			**$27**					**(208,783)**
Exercise of warrants	**696**	**696**						
Conversion of convertible bonds	**247,388**	**247,388**						
Net decrease in unrealized gain on available-for-sale securities							**(44,529)**	
Balance, March 31, 2005	**$2,000,954**	**$1,643,501**	**$27**	**$347,967**	**$1,247,058**	**$298,458**	**$242,363**	**$(212,479)**

Organization As of June 1, 2005



International Network As of June 30, 2005

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Board of Directors, Executive Officers and Corporate Auditors

As of July 19, 2005

Chairman
Sadaaki Hirasawa

President
Tadashi Ogawa

Management Section

Representative Director (Head of Corporate Planning)
Chiyuki Okubo

Representative Director (Head of Corporate Administration)
Yoshio Ota

Director
Shinobu Suzuki

Executive Officer
Masaki Ito

Marketing Section

Representative Director (Hard of Business Promotion)
Toshiyuki Nakamura

Director and Managing Executive Officer
Kazutaka Tsumura

Managing Executive Officers
Soichi Ushijima
Toshiyuki Mimura

Executive Officers
Yasuhiko Teramura
Tetsunobu Ikeda
Hiroshi Kono
Ryuichi Kaneko
Masayuki Ishii
Takashi Yoshikawa
Hideya Shimoyama

Corporate Auditors

Hiroshi Hayakawa
Jun Okura
Shinsuke Kobayashi
Masahiro Hoshino

Corporate Data

As of March 31, 2005

Date of Establishment
December 16, 1920

Number of Branches and Offices
192
Domestic: 188
Overseas: 4

Number of Employees
3,382

Authorized Stocks
2,830,000 thousand
Common stock: 2,600,000 thousand
Preferred stock: 230,000 thousand

Note: Based on a resolution of the Board of Directors on May 10, 2005, 8 million ordinary shares of common stock and 30 million shares of preferred stock held in treasury were retired. Consequently, the number of shares authorized to be issued by the Bank is 2,792 million (2,592 million ordinary shares of common stock; 200 million shares of preferred stock).

Outstanding Stocks
1,449,977 thousand
Common stock: 1,419,977 thousand
Preferred stock: 30,000 thousand (First Preferred Stock)
Thirty million shares of first preferred stock have been acquired for inclusion in treasury stock.

Note: Based on a resolution of the Board of Directors on May 10, 2005, 8 million ordinary shares of common stock and 30 million shares of preferred stock held in treasury were retired.

Paid-in Capital
¥214,862 million

Capital Adequacy Ratio (Consolidated)
10.95%

Number of Stockholders
28,858
(Incomplete stock units are not included)

Stock Listing
First Section of the Tokyo Stock Exchange

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1-1, Minatomirai 3-chome, Nishi-ku, Yokohama, Kanagawa 220-8611, Japan
Tel: 81 (45) 225-1111
Fax: 81 (45) 225-1160

Major Stockholders (Common Stocks)

	Number of stocks held (thousand)	Voting rights(%)
The Master Trust Bank of Japan, Ltd.	80,856	5.69
Japan Trustee Services Bank, Ltd.	73,682	5.18
Meiji Yasuda Life Insurance Company	36,494	2.57
The Dai-ichi Mutual life Insurance Company	36,494	2.57
Trust & Custody Services Bank, Ltd.(Meiji Yasuda Life Insurance Company Retirement Benefit trust Account re-entrusted by Mizuho trust and banking co., Ltd.)	36,494	2.57
State Street Bank and Trust Company	31,151	2.19
State Street Bank and Trust Company 505103	29,901	2.10
Nippon Life Insurance Company	26,710	1.88
State Street Bank and Trust Company 505041	22,477	1.58
The Chase Manhattan Bank, N.A. London SEC8 Lending Omnibus Account	20,311	1.43

Classification of Stockholders by Area (Common Stocks)

	Number of stockholders	Number of stocks held (thousand)	%
Kanagawa	17,025	239,208	16.91
Tokyo	3,485	661,918	46.81
Osaka	672	13,630	0.96
Other areas	7,182	44,280	3.13
Overseas	494	454,988	32.17
Total	28,858	1,414,024	100.00

THE BANK OF YOKOHAMA, LTD.

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