

Financial Statements

Financial Statements for the previous term and the term under review have been audited by Shigetaka Otsuka and Koichi Otsuka, Public Accountants, as well as by ChuoAoyama PricewaterhouseCoopers, Independent Certified Public Accountant under the provisions of Article 2 of the Law concerning special exceptions for the commercial code on auditing of a company limited by shares and Article 193-2 of the Securities Exchange Law.

Non-Consolidated Balance Sheets (Assets)

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2005	FY 2006	FY 2006
Cash and due from banks	95,001	35,399	301,345
Cash	40,637	28,321	241,091
Due from banks	54,364	7,077	60,245
Call loans	-	31,174	265,378
Other dept purchased	10,504	17,966	152,941
Trading account securities	45	38	323
Trading account government bonds	45	38	323
Money held in trust	6,000	9,000	76,615
Securities	519,654	516,539	4,397,199
Government bonds	168,394	135,167	1,150,651
Local government bonds	46,886	59,282	504,657
Corporate bonds	171,334	181,815	1,547,757
Shares	31,311	44,909	382,302
Other kinds of securities	101,727	95,364	811,816
Loans	1,045,181	1,083,854	9,226,645
Bills discounted	21,141	18,582	158,185
Loans by bills	98,834	87,600	745,722
Loans on deed	766,116	820,341	6,983,409
Cash credit	159,089	157,329	1,339,312
Foreign exchange	647	566	4,818
Due to foreign banks	557	437	3,720
Foreign exchange purchased	40	45	383
Foreign exchange receivable	50	83	707
Other assets	8,321	9,083	77,322
Prepaid expense	2	4	34
Accrued income	2,388	2,294	19,528
Derivatives	0	263	2,239
Loss on deferred hedge	472	125	1,064
Other assets	5,457	6,395	54,439
Premises and equipment	25,227	24,493	208,504
Land and buildings	24,653	24,045	204,691
Construction suspense payments	126	-	-
Guarantees and deposits	447	447	3,805
Deferred income tax asset	13,476	10,959	93,292
Guaranty endorsement	11,125	16,129	137,303
Allowance for bad debts	21,332	16,832	143,288
Reserve against investment losses	-	130	1,107

Total assets	1,713,853	1,738,240	14,797,310
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(Liabilities and Shareholders' Equity)

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2005	FY 2006	FY 2006
Deposits	1,506,535	1,501,331	12,780,548
Demand	33,158	33,921	288,763
Ordinary	811,246	865,527	7,368,068
Savings	32,343	29,649	252,396
At notice	1,327	938	7,985
Time	529,127	487,708	4,151,766
Installment savings	431	276	2,350
Others	98,899	83,310	709,202
Negotiable deposit	50,531	64,969	553,069
Call money	30,308	28,314	241,032
Borrowed fund	5,000	5,000	42,564
Debt loan	5,000	5,000	42,564
Foreign exchange	14	29	247
Foreign exchange sold	9	18	153
Foreign exchange payable	5	10	85
Corporate bonds	-	15,000	127,692
Other liabilities	6,504	3,431	29,207
Domestic exchange settlement	124	105	894
Accrued income tax and others	2,421	14	119
Accrued expenses payable	848	929	7,908
Unearned revenue	1,157	1,164	9,909
Deposits received from employees	372	368	3,133
Benefit and coverage reserve	1	0	0
Deliveratives	1,185	277	2,358
Other liabilities	393	571	4,861
Reserve for retirement allowances	8,549	8,191	69,728
Revaluation deferred tax liabilities	3,181	3,726	31,719
Acceptances and guarantees	11,125	16,129	137,303
Total liabilities	1,621,749	1,646,124	14,013,144
(Shareholders' equity)			
Common stock	10,662	10,662	90,764
Capital surplus	4,737	4,737	40,325
Capital reserve	4,737	4,737	40,325
Other capital surplus	0	0	0
Surplus from transaction in treasury stock	0	0	0
Earned surplus	62,560	64,530	549,332
Profit reserve	6,473	6,473	55,103
Unappropriated reserve	53,001	54,601	464,808
Contingent reserve	53,001	54,601	464,808
Unappropriated retained earnings at the term end	3,085	3,455	29,412
Land revaluation excess	4,687	3,093	26,330
Other securities revaluation excess	9,609	9,273	78,939
Common stock held in treasury	153	181	1,541

Total shareholders' equity	92,103	92,116	784,166
Total liabilities and shareholders' equity	1,713,853	1,738,240	14,797,310

Non-Consolidated Statements of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2005	FY 2006	FY 2006
Income	41,038	39,628	337,346
Capital investment income	30,517	29,386	250,157
Loan interest	23,828	22,906	194,994
Interest and dividend on marketable securities	6,622	6,242	53,137
Interest on call loan	49	96	817
Interest on deposits	0	4	34
Other interest receivable	17	136	1,158
Service revenue	6,808	7,765	66,102
Charges for remittance received	2,726	2,642	22,491
Other service revenue	4,081	5,122	43,603
Other transaction revenue	548	446	3,797
Profit on securities	31	15	128
Profit on government bonds	517	126	1,073
Profit on derivatives	-	304	2,588
Other transaction revenue	0	0	0
Other operating income	3,164	2,030	17,281
Profit from sales of stocks	2,270	939	7,994
Profit from money trust	170	589	5,014
Other income	723	500	4,256
Expenses	37,946	34,616	294,679
Cost of raising funds	1,654	1,982	16,872
Interest on deposits	286	293	2,494
Interest on negotiable deposits	17	19	162
Interest on call money	528	935	7,959
Interest on borrowed funds	141	139	1,183
Interest on bonds	-	20	170
Interest-swap transaction	678	572	4,869
Other interest payable	2	2	17
Expenses on service revenue	1,249	1,507	12,829
Charges for remittance paid	492	483	4,112
Other service expenses	757	1,024	8,717
Other transaction expenses	845	877	7,466
Loss from foreign exchange	265	482	4,103
Loss from government bonds sold	279	241	2,052
Loss from government bonds repaid	6	105	894
Amortization of national bonds and other bonds	-	47	400
Loss from derivatives	293	-	-

Sales expenses	23,070	23,403	199,225
Other operating expenses	11,125	6,844	58,262
Transfer to allowance for bad debt	4,815	2,034	17,315
Loan money charged off	5,779	2,337	19,894
Loss from stocks sold	0	53	451
Stocks charged off	126	160	1,362
Other expenses	403	2,259	19,230
Ordinary income	3,092	5,012	42,666
Extraordinary income	987	808	6,878
Profit on disposal of property	39	33	281
Recoveries of written off	948	774	6,589
Extraordinary loss	450	1,245	10,598
Loss on disposal of property	110	256	2,179
Impairment loss	-	988	8,411
Accrued retirement allowances	340	-	-
Income before income taxes	3,629	4,575	38,946
Income, inhabitant and business taxes	2,810	156	1,328
Adjusted income and other taxes	1,502	2,321	19,758
Net income	2,321	2,096	17,843
Retained earnings brought forward	1,048	1,099	9,356
Land revaluation profit appropriated	80	624	5,312
Interim dividend payment	365	365	3,107
Unappropriated retained earnings	3,085	3,455	29,412

Statement of Appropriations

	Millions of Japanese Yen		Thousands of US Dollars
	General meeting approved date June 29, 2005	General meeting approved date June 29, 2006	General meeting approved date June 29, 2006
Unappropriated retained earnings	3,085	3,455	29,412
Appropriations of retained earnings	1,985	2,395	20,388
Dividend (¥2.5 per share)	365	365	3,107
Bonuses to directors and corporate auditors	20	30	255
(Including auditors' bonuses)	(6)	(7)	(60)
Voluntary reserve	1,600	2,000	17,026
Contingent reserve	1,600	2,000	17,026
Retained earnings carried forward	1,099	1,060	9,024