

## Financial Statements

Financial statements for the previous term were audited and certified by Shigetaka Otsuka and Koichi Otsuka, certified public accountants, as well as by ChuoAoyama PricewaterhouseCoopers, an independent accounting firm, under the provisions of Article 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.

Financial statements for the current year were audited and certified by PricewaterhouseCoopers Arata, an independent accounting firm, under the provisions of Article 396 item 1 of the Company Act and Article 193-2 of the Securities Exchange Law.

The independent accounting auditors retained by the Company changed as follows:

Previous year: Shigetaka Otsuka and Koichi Otsuka, public accountants, and ChuoAoyama PricewaterhouseCoopers, an independent accounting firm

Current year: PricewaterhouseCoopers Arata

## Non-Consolidated Balance Sheets (Assets)

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2006	FY 2007	FY 2007
Cash and due from banks	35,399	41,303	349,877
Cash	28,321	23,190	196,442
Due from banks	7,077	18,113	153,435
Call loans	31,174	20,078	170,080
Other dept purchased	17,966	12,552	106,328
Trading account securities	38	198	1,677
Trading account government bonds	38	39	330
Local government bonds	-	159	1,347
Money held in trust	9,000	9,000	76,239
Securities	516,539	568,509	4,815,832
Government bonds	135,167	184,383	1,561,906
Local government bonds	59,282	65,596	555,663
Corporate bonds	181,815	177,180	1,500,889
Shares	44,909	45,319	383,897
Other kinds of securities	95,364	96,029	813,460
Loans	1,083,854	1,149,130	9,734,265
Bills discounted	18,582	20,721	175,527
Loans by bills	87,600	83,563	707,861
Loans on deed	820,341	889,449	7,534,511
Cash credit	157,329	155,396	1,316,357
Foreign exchange	566	590	4,998
Due to foreign banks	437	474	4,015
Foreign exchange purchased	45	59	500
Foreign exchange receivable	83	55	466
Other assets	9,083	8,297	70,284
Prepaid expense	4	13	110
Accrued income	2,294	2,719	23,033
Derivatives	263	127	1,076
Loss on deferred hedge	125	-	-
Other assets	6,395	5,437	1,701,875
Premises and equipment	24,493	-	-
Land and buildings	24,045	-	-

Guarantees and deposits	447	-	-
Tangible fixed assets	-	23,717	200,906
Buildings	-	6,893	58,391
Land	-	14,477	122,634
Construction in progress	-	0	0
Other tangible fixed assets	-	2,345	19,864
Intangible fixed assets	-	1,859	15,748
Software	-	1,792	15,180
Other intangible fixed assets	-	66	559
Deferred income tax asset	10,959	7,215	61,118
Guaranty endorsement	16,129	9,877	83,668
Allowance for bad debts	16,832	14,373	121,753
Reserve against investment losses	130	112	949
Total assets	1,738,240	1,837,846	15,568,369

**(Liabilities and Shareholders' Equity)**  
**(Total liabilities and net assets )**

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2006	FY 2007	FY 2007
Deposits	1,501,331	1,558,504	13,202,067
Demand	33,921	42,928	363,643
Ordinary	865,527	926,768	7,850,640
Savings	29,649	27,455	232,571
At notice	938	7,369	62,423
Time	487,708	495,241	4,195,180
Installment savings	276	192	1,626
Others	83,310	58,548	495,959
Negotiable deposit	64,969	77,321	654,985
Call money	28,314	63,053	534,121
Borrowed fund	5,000	-	-
Debt loan	5,000	-	-
Foreign exchange	29	19	161
Foreign exchange sold	18	8	68
Foreign exchange payable	10	10	85
Corporate bonds	15,000	15,000	127,065
Other liabilities	3,431	4,709	39,890
Domestic exchange settlement	105	104	881
Accrued income tax and others	14	379	3,211
Accrued expenses payable	929	1,467	12,427
Unearned revenue	1,164	1,070	9,064
Deposits received from employees	368	365	3,092
Benefit and coverage reserve	0	0	0
Delivertives	277	66	559
Other liabilities	571	1,255	10,631
Reserve for bonus for directors and corporate auditors	-	40	339
Reserve for retirement allowances	8,191	7,600	64,380
Revaluation deferred tax liabilities	3,726	3,662	31,021
Acceptances and guarantees	16,129	9,877	83,668

Total liabilities	1,646,124	1,739,789	14,737,730
(Shareholders' equity)			
Common stock	10,662	-	-
Capital surplus	4,737	-	-
Capital reserve	4,737	-	-
Other capital surplus	0	-	-
Surplus from transaction in treasury stock	0	-	-
Earned surplus	64,530	-	-
Profit reserve	6,473	-	-
Unappropriated reserve	54,601	-	-
Contingent reserve	54,601	-	-
Unappropriated retained earnings at the term end	3,455	-	-
Land revaluation excess	3,093	-	-
Other securities revaluation excess	9,273	-	-
Common stock held in treasury	181	-	-
Total shareholders' equity	92,116	-	-
Total liabilities and shareholders' equity	1,738,240	-	-
Common stock	-	10,662	90,318
Capital surplus	-	4,764	40,356
Capital reserve	-	4,737	40,127
Other capital surplus	-	27	229
Earned surplus	-	68,338	578,890
Profit reserve	-	6,473	54,833
Other retained earnings	-	61,864	524,049
Contingent reserve	-	56,601	479,466
Earned surplus brought forward	-	5,263	44,583
Common stock held in treasury	-	14	119
Total owners' equity	-	83,751	709,454
Other securities revaluation excess	-	11,337	96,036
Net deferred gains (losses) on hedging instruments, net of taxes	-	35	296
Land revaluation excess	-	3,003	25,438
Total valuation and translation adjustments	-	14,305	121,177
Total net assets	-	98,057	830,640
Total liabilities and net assets	-	1,837,846	15,568,369

## Non-Consolidated Statements of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2006	FY 2007	FY 2007
Income	39,628	40,512	343,177
Capital investment income	29,386	30,709	260,136
Loan interest	22,906	23,625	200,127
Interest and dividend on marketable securities	6,242	6,879	58,272
Interest on call loan	96	45	381
Interest on deposits	4	16	136
Other interest receivable	136	141	1,194
Service revenue	7,765	7,930	67,175
Charges for remittance received	2,642	2,578	21,838
Other service revenue	5,122	5,351	45,328
Other transaction revenue	446	70	593
Profit on securities	15	16	136
Profit on government bonds	126	53	449
Profit on derivatives	304	-	-
Other transaction revenue	0	0	0
Other operating income	2,030	1,802	15,265
Profit from sales of stocks	939	847	7,175
Profit from money trust	589	53	449
Other income	500	901	7,632
Expenses	34,616	33,856	286,794
Cost of raising funds	1,982	3,123	26,455
Interest on deposits	293	1,297	10,987
Interest on negotiable deposits	19	70	593
Interest on call money	935	1,206	10,216
Interest on borrowed funds	139	93	788
Interest on bonds	20	230	1,948
Interest-swap transaction	572	218	1,847
Other interest payable	2	6	51
Expenses on service revenue	1,507	1,602	13,571
Charges for remittance paid	483	477	4,041
Other service expenses	1,024	1,125	9,530
Other transaction expenses	877	1,773	15,019
Loss from foreign exchange	482	86	729
Loss from government bonds sold	241	1,285	10,885
Loss from government bonds repaid	105	172	1,457
Amortization of national bonds and other bonds	47	28	237
Loss from derivatives	-	201	-
Sales expenses	23,403	23,552	199,509
Other operating expenses	6,844	3,803	32,215

Transfer to allowance for bad debt	2,034	46	390
Loan money charged off	2,337	3,330	28,208
Loss from stocks sold	53	25	212
Stocks charged off	160	0	0
Lesses on money held in trust	-	109	923
Other expenses	2,259	291	2,465
Ordinary income	5,012	6,656	56,383
Extraordinary income	808	827	7,006
Profit on disposal of property	33	-	-
Gains on dispositions of fixed assets	-	33	280
Recoveries of writtenoff	744	776	6,573
Other extraordinary profits	-	17	144
Extraordinary loss	1,245	242	2,050
Loss on disposal of property	256	-	-
Lssese on dispositions of fixed assets	-	242	2,050
Impairment loss	988	-	-
Income before income taxes	4,575	7,241	61,338
Income, inhabitant and business taxes	156	460	3,897
Adjusted income and other taxes	2,321	2,303	19,509
Net income	2,096	4,477	37,925
Retained earnings brought forward	1,099	-	-
Land revaluation profit appropriated	624	-	-
Interim dividend payment	365	-	-
Unappropriated retained earnings	3,455	-	-

## Statement of Appropriations

	Millions of Japanese Yen	Thousands of US Dollars
	General meeting approved date June 29, 2006	General meeting approved date June 29, 2006
Unappropriated retained earnings	3,455	29,267
Appropriations of retained earnings	2,395	20,288
Dividend (¥2.5 per share)	365	3,092
Bonuses to directors and corporate auditors	30	254
(Including auditors' bonuses)	(7)	(59)
Voluntary reserve	2,000	16,942
Contingent reserve	2,000	16,942
Retained earnings carried forward	1,060	8,979