

## Consolidated Financial Statements

Consolidated 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 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.

Consolidated 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

## Consolidated Balance Sheets

(Assets)	Millions of Yen		Thousands of US Dollars
	FY 2007	FY 2008	FY 2008
Cash and due from banks	41,385	33,784	337,199
Call loans and bills bought	20,078	77,646	774,988
Other debt purchased	12,552	7,176	71,624
Trading account securities	198	35	349
Money held in trust	9,000	6,000	59,886
Securities	569,540	477,198	4,762,930
Loans and bills discounted	1,142,939	1,197,107	11,948,368
Foreign exchange	590	584	5,829
Other assets	12,580	13,753	137,269
Tangible fixed assets	34,786	33,881	338,167.4818
Buildings	6,916	6,722	67,093
Land	14,477	14,467	144,396
Construction in progress	0	205	2,046
Other tangible fixed assets	13,391	12,485	124,613
Intangible fixed assets	2,825	3,101	30,951
Software	1,838	2,080	20,761
Others intangible fixed assets	986	1,021	10,191
Deferred income tax assets	7,641	19,554	195,169
Guaranty endorsement	9,877	5,744	57,331
Allowance for bad debts	15,272	14,771	147,430
Reserve against investment losses	113	122	1,218
Total assets	1,848,612	1,860,673	18,571,444

**(Liabilities, Minority Interest and Shareholders' Equity)**  
**(liabilities and net assets)**

	FY 2007	FY 2008	FY 2008
Deposits	1,555,263	1,597,333	15,943,038
Negotiable deposit	77,321	85,562	853,997
Call money and bills sold	63,053	33,587	335,233
Borrowed fund	6,602	6,249	62,371
Foreign exchange	19	36	359
Corporate bonds	15,000	15,000	149,716
Other liabilities	8,634	15,866	158,359
Reserve for bonus for directors and corporate auditors	40	20	200
Reserve for retirement allowances	7,671	7,043	70,296
Reserve for officers' retirement bonuses	-	512	5,110
Reserve for losses from sleeping account withdrawal	-	370	3,693
Reserve for contingent losses	-	51	509
Revaluation deferred tax liabil	3,662	3,577	35,702
Acceptances and guarantees	9,877	5,744	57,331
Total liabilities	1,747,146	1,770,955	17,675,966
Common stock	10,662	10,662	106,418
Capital surplus	4,765	4,765	47,560
Earned surplus	68,682	70,143	700,100
Common stock held in treasury	14	41	409
Total owners' equity	84,096	85,530	853,678
Other securities revaluation excess	11,337	2,149	-21,449
Net deferred gains (losses) on hedging instruments, net of taxes	35	17	170
Land revaluation excess	3,003	2,883	28,775
Total valuation and translation adjustments	14,305	716	7,146
Minority interest	3,064	3,471	34,644
Total net assets	101,466	89,718	895,479
Total liabilities and net assets	1,848,612	1,860,673	18,571,444

## Consolidated Statements of Income and Retained Earnings

	Millions of Yen		Thousands of US Dollars
	FY 2007	FY 2008	FY 2008
Income	47,982	60,593	604,781
Capital investment income	30,861	34,310	342,449
Loan interest	23,769	25,978	259,287
Interest and dividend on marketable securities	6,887	7,955	79,399
Interest on call loan bills bought	45	207	2,066
Interest on deposits	17	18	180
Other interest receivable	141	150	1,497
Service revenue	7,903	7,811	77,962
Other transaction revenue	7,321	10,268	102,485
Other operating income	1,895	8,202	81,864
Expenses	40,618	55,649	555,435
Cost of raising funds	3,190	5,533	55,225
Interest on deposits	1,292	3,676	36,690
Interest on negotiable deposits	70	259	2,585
Interest on call money and bills sold	1,206	1,245	12,426
Interest on borrowed funds	165	75	749
Interest on bonds	230	231	2,306
Other interest payable	224	45	449
Expenses on service revenue	1,602	1,932	19,283
Other transaction expenses	7,597	18,463	184,280
Operating expenses	24,342	24,923	248,757
Other operating expenses	3,885	4,796	47,869
Transfer to allowance for bad debt	93	2,307	23,026
Other expenses	3,791	2,489	24,843
Ordinary income	7,363	4,944	49,346
Extraordinary income	827	493	4,921
Gains on dispositions of fixed assets	33	19	190
Recoveries of written off	776	474	4,731
Other extraordinary profits	17	-	-
Extraordinary loss	242	901	8,993
Losses on dispositions of fixed assets	242	170	1,697
Provision (for past years) to reserve for officers' retirement bonuses	-	416	4,152
Provision to reserve for losses from sleeping account withdrawal	-	314	3,134
Income before income taxes	7,948	4,535	45,264
Income, inhabitant and business taxes	729	4,766	47,570
Adjusted income and other taxes	2,323	2,931	29,254
Minority shareholders' income	336	406	4,052
Net income	4,559	2,294	22,896

## Consolidated Statement of Changes in Net Asset

	FY 2007										Millions of Japanese Yen
	Owners' equity					Valuation and translation adjustment				Minority interest	Total net assets
Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total owners' equity	Other securities revaluation excess	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation excess	Total valuation and translation adjustment			
Balance at the end of previous period	10,662	4,737	64,792	185	80,007	9,273	-	3,093	12,366	2,564	94,938
Changes of items during the period											
Dividends from surplus (Note)			364		364						364
Dividends from surplus			365		365						365
Bonuses to directors and corporate auditors (Note)			30		30						30
Net income			4,559		4,559						4,559
Acquisition of treasury stock				35	35						35
Disposal of treasury stock		27		205	233						233
Land revaluation profit appropriated			91		91						91
Net changes of items other than owners' equity						2,064	35	90	1,938	500	2,439
Total changes of items during the period	-	27	3,890	170	4,088	2,064	35	90	1,938	500	6,528
Balance at the end of current period	10,662	4,765	68,682	14	84,096	11,337	35	3,003	14,305	3,064	101,466

	FY 2007										Thousands of US Dollars
	Owners' equity					Valuation and translation adjustment				Minority interest	Total net assets
Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total owners' equity	Other securities revaluation excess	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation excess	Total valuation and translation adjustment			
Balance at the end of previous period	106,418	47,280	646,691	1,846	798,553	92,554	-	30,871	123,425	25,591	947,580
Changes of items during the period											
Dividends from surplus (Note)			3,633		3,633						3,633
Dividends from surplus			3,643		3,643						3,643
Bonuses to directors and corporate auditors (Note)			299		299						299
Net income			45,504		45,504						45,504
Acquisition of treasury stock				349	349						349
Disposal of treasury stock		269		2,046	2,326						2,326
Land revaluation profit appropriated			908		908						908
Net changes of items other than owners' equity						20,601	349	898	19,343	4,991	24,344
Total changes of items during the period	-	269	38,826	1,697	40,802	20,601	349	898	19,343	4,991	65,156
Balance at the end of current period	106,418	47,560	685,518	140	839,365	113,155	349	29,973	142,779	30,582	1,012,736

(Note) These are items included in the proposal of appropriation of profit presented at the general meeting of shareholders held in June 2006.

**Consolidated Statement of Changes in Net Asset**

FY 2008

Millions of Japanese Yen

	Owners' equity					Valuation and translation adjustment				Minority interest	Total net assets
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total owners' equity	Other securities revaluation excess	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation excess	Total valuation and translation adjustment		
Balance at the end of previous period	10,662	4,765	68,682	14	84,096	11,337	35	3,003	14,305	3,064	101,466
Changes of items during the period											
Dividends from surplus			953		953						953
Net income			2,294		2,294						2,294
Acquisition of treasury stock				29	29						29
Disposal of treasury stock		0		2	2						2
Land revaluation profit appropriated			119		119						119
Net changes of items other than owners' equity						13,487	17	119	13,589	406	13,182
Total changes of items during the period	-	0	1,460	26	1,433	13,487	17	119	13,589	406	11,748
Balance at the end of current period	10,662	4,765	70,143	41	85,530	2,149	17	2,883	716	3,471	89,718

FY 2008

Thousands of US Dollars

	Owners' equity					Valuation and translation adjustment				Minority interest	Total net assets
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total owners' equity	Other securities revaluation excess	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation excess	Total valuation and translation adjustment		
Balance at the end of previous period	106,418	47,560	685,518	140	839,365	113,155	-	29,973	142,779	30,582	1,012,736
Changes of items during the period											
Dividends from surplus			9,512		9,512						9,512
Net income			22,896		22,896						22,896
Acquisition of treasury stock				289	289						289
Disposal of treasury stock		0		20	20						20
Land revaluation profit appropriated			1,188		1,188						1,188
Net changes of items other than owners' equity						134,614	170	1,188	135,632	4,052	131,570
Total changes of items during the period	-	0	14,572	260	14,303	134,614	170	1,188	135,632	4,052	117,257
Balance at the end of current period	106,418	47,560	700,100	409	853,678	21,449	170	28,775	7,146	34,644	895,479

## Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of US Dollars
	FY 2007	FY 2008	FY 2008
<b>I. Cash flows from operating activities</b>			
Income before income taxes and other adjustments	7,948	4,535	45,264
Depreciation and amortization	6,585	6,045	60,335
Increase (decrease) in allowance for bad debts	2,555	501	5,000
Increase in amount of the reserve against investment losses	17	9	90
Increase in Reserve for bonus for directors and corporate au	40	20	
Decrease (increase) in accrued retirement allowances	592	628	6,268
Increase in reserve for officers' retirement bonuses	-	512	5,110
Increase in reserve for losses from sleeping account withdrawal	-	370	3,693
Increase in reserve for contingent losses	-	51	509
Interest income	30,861	34,310	342,449
Interest expenses	3,190	5,533	55,225
Gain (loss) on securities transactions	50	304	3,034
Loss on money trust	47	111	1,108
Foreign exchange losses	263	204	2,036
Profit or loss on disposal of fixed assets	209	151	
Net increase (decrease) in loans	69,140	57,860	577,503
Net increase in deposits	56,657	42,233	421,529
Net increase (decrease) in negotiable deposits	12,351	8,240	82,244
Net increase in borrowed fund (excluding subordinated borrowed ones)	744	353	3,523
Net increase in deposit with banks (excluding deposit with the Bank of Japan)	135	949	9,472
Net decrease (increase) in call loan and others	16,514	52,190	520,910
Net decrease (increase) in call money and others	34,209	26,738	266,873
Net increase (decrease) in foreign exchange (assets)	4	19	190
Net increase in foreign exchange (liabilities)	10	35	349
Interest and dividends received	30,433	34,609	345,434
Interest paid	2,720	4,673	46,641
Others	2,975	5,564	55,534
Subtotal	64,770	67,832	677,034
Corporate tax and others paid	211	1,097	10,949
Net cash provided by (used in) operating activities	64,559	68,930	687,993
<b>II. Cash flows from investing activities</b>			
Purchases of securities	231,848	187,640	1,872,842
Proceeds from sales of securities	41,969	183,565	1,832,169
Proceeds from maturities of securities	141,938	70,036	699,032
Proceeds from decrease in cash trust	47	2,888	28,825
Expenditure for acquisition of tangible fixed assets	6,111	5,330	53,199
Proceeds from sales of tangible fixed assets	798	1,060	10,580
Expenditures for acquisition of intangible fixed assets	-	1,298	12,955
Net cash provided by (used in) investing activities	53,205	63,281	631,610
<b>III. Cash flows from financing activities</b>			
Expenditure for repayment of subordinate loans with special conditions	5,000	-	-
Dividends paid	730	953	9,512
Dividends paid to minority shareholders	4	4	40
Purchase of treasury stocks	35	29	289
Proceeds from sales of treasury stocks	444	2	20
Net cash used in financing activities	5,324	984	9,821
IV. Foreign exchange difference of cash and cash equivalents	0	18	180
V. Net increase in cash and cash equivalents	6,028	6,651	66,384
VI. Cash and cash equivalents at beginning of the term	33,117	39,146	390,718
VII. Cash and cash equivalents at end of the term	39,146	32,494	324,324