

Consolidated Financial Statements

Consolidated financial statements for the previous and current year were audited and certified by Deloitte Touche Toumatsu, an independent accounting firm, under the provisions of Article 396-1 of the Companies Act and Article 193-2 of the Financial Instruments and Exchange Law.

Consolidated Balance Sheets

(Assets)	Millions of Yen		Thousands of US Dollars
	FY 2008	FY 2009	FY 2009
Cash and due from banks	33,784	41,622	423,720
Call loans and bills bought	77,646	—	—
Other dept purchased	7,176	3,658	37,239
Trading account securities	35	45	458
Money held in trust	6,000	2,000	20,360
Securities	477,198	549,245	5,591,418
Loans and bills discounted	1,197,107	1,205,245	12,269,622
Foreign exchange	584	981	9,987
Lease receivables and lease investment assets	—	9,256	94,228
Other assets	13,753	14,155	144,101
Tangible fixed assets	33,881	24,580	250,229
Buildings	6,722	7,162	72,911
Land	14,467	14,350	146,086
Construction in progress	205	537	5,467
Other tangible fixed assets	12,485	2,529	25,746
Intangible fixed assets	3,101	1,721	17,520
Software	2,080	1,616	16,451
Others intangible fixed assets	1,021	105	1,069
Deferred income tax assets	19,554	19,951	203,105
Guaranty endorsement	5,744	4,270	43,469
Allowance for bad debts	-14,771	-22,603	-230,103
Reserve against investment losses	-122	-94	-957
Total assets	1,860,673	1,854,037	18,874,448

(Liabilities and Net Assets)

Millions of Yen

Thousands of
US Dollars

	FY 2008	FY 2009	FY 2009
Deposits	1,597,333	1,630,722	16,601,059
Negotiable deposit	85,562	67,610	688,283
Call money and bills sold	33,587	25,189	256,429
Borrowed fund	6,249	23,258	236,771
Foreign exchange	36	14	143
Corporate bonds	15,000	15,000	152,703
Other liabilities	15,866	13,480	137,229
Reserve for bonus for directors and corporate auditors	20	—	—
Reserve for retirement allowances	7,043	6,997	71,231
Reserve for officers' retirement bonuses	512	507	5,161
Reserve for losses from sleeping account withdrawal	370	310	3,156
Reserve for contingent losses	51	104	1,059
Revaluation deferred tax liabil	3,577	3,567	36,313
Acceptances and guarantees	5,744	4,270	43,469
Total liabilities	1,770,955	1,791,032	18,233,045
Common stock	10,662	10,662	108,541
Capital surplus	4,765	4,761	48,468
Earned surplus	70,143	47,464	483,193
Common stock held in treasury	-41	-71	-723
Total owners' equity	85,530	62,817	639,489
Other securities revaluation excess	-2,149	-5,516	-56,154
Net deferred gains (losses) on hedging instruments, net of taxes	-17	-16	-163
Land revaluation excess	2,883	2,871	29,227
Total valuation and translation adjustments	716	-2,661	-27,089
Minority interest	3,471	2,847	28,983
Total net assets	89,718	63,004	641,393
Total liabilities and net assets	1,860,673	1,854,037	18,874,448

Consolidated Statements of Income and Retained Earnings

	Millions of Yen		Thousands of US Dollars
	FY 2008	FY 2009	FY 2009
Income	60,593	48,014	488,792
Capital investment income	34,310	32,853	334,450
Loan interest	25,978	25,906	263,728
Interest and dividend on marketable securities	7,955	6,652	67,719
Interest on call loan bills bought	207	229	2,331
Interest on deposits	18	7	71
Other interest receivable	150	57	580
Service revenue	7,811	6,854	69,775
Other transaction revenue	10,268	7,637	77,746
Other operating income	8,202	669	6,811
Expenses	55,649	72,134	734,338
Cost of raising funds	5,533	4,924	50,127
Interest on deposits	3,676	3,770	38,379
Interest on negotiable deposits	259	278	2,830
Interest on call money and bills sold	1,245	479	4,876
Interest on borrowed funds	75	97	987
Interest on bonds	231	230	2,341
Other interest payable	45	67	682
Expenses on service revenue	1,932	1,853	18,864
Other transaction expenses	18,463	19,264	196,111
Operating expenses	24,923	24,959	254,087
Other operating expenses	4,796	21,133	215,138
Transfer to allowance for bad debt	2,307	9,692	98,666
Other expenses	2,489	11,440	116,461
Ordinary income	4,944	-24,119	-245,536
Extraordinary income	493	306	3,115
Gains on dispositions of fixed assets	19	6	61
Recoveries of written off	474	270	2,749
Gain on reversal of reserves for possible losses on investments	—	28	—
Extraordinary loss	901	46	468
Losses on dispositions of fixed assets	170	46	468
Provision (for past years) to reserve for officers' retirement bonuses	416	—	—
Provision to reserve for losses from sleeping account withdrawal	314	—	—
Income before income taxes	4,535	-23,859	-242,889
Income, inhabitant and business taxes	4,766	380	3,868
Income and other tax adjustments	-2,931	-1,805	-18,375
Income taxes-current		-1,425	-14,507
Minority shareholders' income	406	-623	-6,342
Net income	2,294	-21,810	-222,030

Consolidated Statement of Changes in Net Asset

	Millions of Yen		Thousands of US Dollars
	FY 2008	FY 2009	FY 2009
Owners' equity			
Common stock			
Balance at the end of previous period	10,662	10,662	108,541
Changes of items during the period			
Total changes of items during the period	-	-	-
Balance at the end of current period	10,662	10,662	108,541
Capital surplus			
Balance at the end of previous period	4,765	4,765	48,509
Changes of items during the period			
Disposal of treasury stock	0	-3	-31
Total changes of items during the period	0	-3	-31
Balance at the end of current period	4,765	4,761	48,468
Earned surplus			
Balance at the end of previous period	68,682	70,143	714,069
Changes of items during the period			
Dividends from surplus	-953	-879	-8,948
Net income	2,294	-21,810	-222,030
Land revaluation profit appropriated	119	11	112
Total changes of items during the period	1,460	-22,678	-230,866
Balance at the end of current period	70,143	47,464	483,193
Common stock held in treasury			
Balance at the end of previous period	-14	-41	-417
Changes of items during the period			
Acquisition of treasury stock	-29	-55	-560
Disposal of treasury stock	2	25	255
Total changes of items during the period	-26	-30	-305
Balance at the end of current period	-41	-71	-723
Total owners' equity			
Balance at the end of previous period	84,096	85,530	870,712
Changes of items during the period			
Dividends from surplus	-953	-879	-8,948
Net income	2,294	-21,810	-222,030
Acquisition of treasury stock	-29	-55	-560
Disposal of treasury stock	2	21	214
Land revaluation profit appropriated	119	11	112
Total changes of items during the period	1,433	-22,712	-231,212
Balance at the end of current period	85,530	62,817	639,489
Valuation and translation adjustment			
Other securities revaluation excess			
Balance at the end of previous period	11,337	-2,149	-21,877
Changes of items during the period			
Net changes of items other than owners' equity	-13,487	-3,367	-34,277
Total changes of items during the period	-13,487	-3,367	-34,277
Balance at the end of current period	-2,149	-5,516	-56,154
Net deferred gains (losses) on hedging instruments, net of taxes			
Balance at the end of previous period	-35	-17	-173
Changes of items during the period			
Net changes of items other than owners' equity	17	1	10
Total changes of items during the period	17	1	10
Balance at the end of current period	-17	-16	-163
Land revaluation excess			
Balance at the end of previous period	3,003	2,883	29,349
Changes of items during the period			

Net changes of items other than owners' equity	-119	-11	-112
Total changes of items during the period	-119	-11	-112
Balance at the end of current period	2,883	2,871	29,227
Total valuation and translation adjustment			
Balance at the end of previous period	14,305	716	7,289
Changes of items during the period			
Net changes of items other than owners' equity	-13,589	-3,377	-34,378
Total changes of items during the period	-13,589	-3,377	-34,378
Balance at the end of current period	716	-2,661	-27,089
Minority interest			
Balance at the end of previous period	3,064	3,471	35,335
Changes of items during the period			
Net changes of items other than owners' equity	406	-624	-6,352
Total changes of items during the period	406	-624	-6,352
Balance at the end of current period	3,471	2,847	28,983
Total net assets			
Balance at the end of previous period	101,466	89,718	913,346
Changes of items during the period			
Dividends from surplus	-953	-879	-8,948
Net income	2,294	-21,810	-222,030
Acquisition of treasury stock	-29	-55	-560
Disposal of treasury stock	2	21	214
Land revaluation profit appropriated	119	11	112
Net changes of items other than owners' equity	-13,182	-4,001	-40,731
Total changes of items during the period	-11,748	-26,713	-271,943
Balance at the end of current period	89,718	63,004	641,393

Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of US
	FY 2008	FY 2009	Dollars FY 2009
I. Cash flows from operating activities			
Income before income taxes and other adjustments	4,535	-23,859	-242,889
Depreciation and amortization	6,045	2,887	29,390
Increase (decrease) in allowance for bad debts	-501	7,832	79,731
Increase (decrease) in amount of the reserve against investment losses	9	-28	-285
Increase (decrease) in Reserve for bonus for directors and corporate auditors	-20	-20	-204
Decrease (increase) in accrued retirement allowances	-628	-45	-458
Increase (decrease) in reserve for officers' retirement bonuses	512	-4	-41
Increase (decrease) in reserve for losses from sleeping account withdrawal	370	-60	-611
Increase (decrease) in reserve for contingent losses	51	53	540
Interest income	-34,310	-32,853	-334,450
Interest expenses	5,533	4,924	50,127
Gain on securities transactions	304	12,257	124,779
Loss on money trust	111	132	1,344
Foreign exchange losses	204	36	366
Profit or loss on disposal of fixed assets	151	39	397
Net increase (decrease) in loans	-57,860	-18,751	-190,889
Net increase in deposits	42,233	33,442	340,446
Net increase (decrease) in negotiable deposits	8,240	-17,951	-182,745
Net increase in borrowed fund (excluding subordinated borrowed ones)	-353	9,009	91,713
Net increase in deposit with banks (excluding deposit with the Bank of Japan)	949	1,038	10,567
Net decrease (increase) in call loan and others	-52,190	80,207	816,522
Net decrease (increase) in call money and others	-26,738	-5,776	-58,801
Net increase (decrease) in foreign exchange (assets)	-19	-430	-4,377
Net increase in foreign exchange (liabilities)	35	-33	-336
Interest and dividends received	34,609	33,232	338,308
Interest paid	-4,673	-4,615	-46,982
Others	5,564	15,333	156,093
Subtotal	-67,832	95,994	977,237
Corporate tax and others paid	-1,097	-6,331	-64,451
Net cash provided by (used in) operating activities	-68,930	89,663	912,786
II. Cash flows from investing activities			
Purchases of securities	-187,640	-185,357	-1,886,969
Proceeds from sales of securities	183,565	40,477	412,064
Proceeds from maturities of securities	70,036	55,688	566,914
Proceeds from decrease in cash trust	2,888	3,867	39,367
Expenditure for acquisition of tangible fixed assets	-5,330	-2,371	-24,137
Proceeds from sales of tangible fixed assets	1,060	111	1,130
Expenditures for acquisition of intangible fixed assets	-1,298	-275	-2,800
Net cash provided by (used in) investing activities	63,281	-87,859	-894,421
III. Cash flows from financing activities			
Expenditure for repayment of subordinate loans with special conditions	—	8,000	—
Proceeds from minority interests for additional shares	—	3	—
Dividends paid	-953	-879	-8,948
Dividends paid to minority shareholders	-4	-4	-41
Purchase of treasury stocks	-29	-55	-560
Proceeds from sales of treasury stocks	2	21	214
Net cash used in financing activities	-984	7,085	72,127
IV. Foreign exchange difference of cash and cash equivalents	-18	-13	-132
V. Net increase (decrease) in cash and cash equivalents	-6,651	8,875	90,349
VI. Cash and cash equivalents at beginning of the term	39,146	32,494	330,795
VII. Cash and cash equivalents at end of the term	32,494	41,370	421,154