

Consolidated Financial Statements

Financial statements for the previous fiscal year was audited and certified by Deloitte Touche Tohmatsu, an independent accounting firm, and for the current fiscal year was audited and certified by Deloitte Touche Tohmatsu LLC under the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act.

Consolidated Balance Sheets

(Assets)	Millions of Yen		Thousands of US Dollars
	FY 2009	FY 2010	FY 2010
Cash and due from banks	41,622	35,884	385,684
Call loans and bills bought	–	62,046	666,874
Other debt purchased	3,658	2,268	24,377
Trading account securities	45	38	408
Money held in trust	2,000	2,000	21,496
Securities	549,245	609,204	6,547,764
Loans and bills discounted	1,205,245	1,194,271	12,836,103
Foreign exchange	981	1,261	13,553
Lease receivables and lease investment assets	9,256	8,299	89,198
Other assets	14,155	11,055	118,820
Tangible fixed assets	24,580	23,761	255,385
Buildings	7,162	7,326	78,740
Land	14,350	13,979	150,247
Construction in progress	537	220	2,365
Other tangible fixed assets	2,529	2,233	24,000
Intangible fixed assets	1,721	2,776	29,837
Software	1,616	1,289	13,854
Other intangible fixed assets	105	1,486	15,972
Deferred income tax assets	19,951	16,066	172,678
Guaranty endorsement	4,270	4,469	48,033
Allowance for bad debts	–22,603	–22,570	–242,584
Reserve against investment losses	–94	–83	–892
Total assets	1,854,037	1,950,750	20,966,788

(Liabilities and Net Assets)

Millions of Yen

Thousands of
US Dollars

	FY 2009	FY 2010	FY 2010
Deposits	1,630,722	1,709,647	18,375,398
Negotiable deposit	67,610	84,119	904,117
Call money and bills sold	25,189	–	–
Borrowed fund	23,258	24,454	262,833
Foreign exchange	14	37	398
Corporate bonds	15,000	15,000	161,221
Other liabilities	13,480	11,750	126,290
Reserve for bonus for directors and corporate auditors	–	20	215
Reserve for retirement allowances	6,997	7,162	76,978
Reserve for officers' retirement bonuses	507	524	5,632
Reserve for losses from sleeping account withdrawal	310	200	2,150
Reserve for contingent losses	104	214	2,300
Revaluation deferred tax liabilities	3,567	3,375	36,275
Acceptances and guarantees	4,270	4,469	48,033
Total liabilities	1,791,032	1,860,976	20,001,892
Common stock	10,662	14,697	157,964
Capital surplus	4,761	8,795	94,529
Earned surplus	47,464	55,631	597,926
Common stock held in treasury	–71	–76	–817
Total owners' equity	62,817	79,047	849,602
Other securities revaluation excess	–5,516	4,865	52,289
Net deferred gains (losses) on hedging instruments, net of taxes	–16	–2	–21
Land revaluation excess	2,871	2,602	27,966
Total valuation and translation adjustments	–2,661	7,465	80,234
Minority interest	2,847	3,260	35,039
Total net assets	63,004	89,774	964,897
Total liabilities and net assets	1,854,037	1,950,750	20,966,788

Consolidated Statements of Income and Retained Earnings

	Millions of Yen		Thousands of US Dollars
	FY 2009	FY 2010	FY 2010
Income	48,014	48,758	524,054
Capital investment income	32,853	31,205	335,393
Loan interest	25,906	24,462	262,919
Interest and dividend on marketable securities	6,652	6,648	71,453
Interest on call loan and bills bought	229	33	355
Interest on deposits	7	0	0
Other interest receivable	57	62	666
Service revenue	6,854	6,782	72,893
Other transaction revenue	7,637	8,755	94,099
Other operating income	669	2,015	21,657
Expenses	72,134	39,155	420,840
Cost of raising funds	4,924	3,554	38,199
Interest on deposits	3,770	2,379	25,570
Interest on negotiable deposits	278	205	2,203
Interest on call money and bills sold	479	13	140
Interest on borrowed funds	97	349	3,751
Interest on bonds	230	231	2,483
Other interest payable	67	375	4,031
Expenses on service revenue	1,853	1,797	19,314
Other transaction expenses	19,264	5,689	61,146
Operating expenses	24,959	24,510	263,435
Other operating expenses	21,133	3,604	38,736
Transfer to allowance for bad debt	9,692	2,323	24,968
Other expenses	11,440	1,280	13,758
Ordinary income	-24,119	9,603	103,214
Extraordinary income	306	791	8,502
Gains on dispositions of fixed assets	6	4	43
Recoveries of written off	270	724	7,782
Gain on reversal of reserves for possible losses on investments	28	10	107
Provision to reserve for losses from sleeping account withdrawal	-	51	548
Extraordinary loss	46	550	5,911
Losses on dispositions of fixed assets	46	282	3,031
Impairment losses	-	267	2,870
Income before income taxes	-23,859	9,844	105,804
Income, inhabitant and business taxes	380	297	3,192
Income and other tax adjustments	-1,805	355	3,816
Income taxes-current	-1,425	653	7,018
Minority shareholders' income	-623	414	4,450
Net income	-21,810	8,776	94,325

Consolidated Statement of Changes in Net Asset

	Millions of Yen		Thousands of US Dollars
	FY 2009	FY 2010	FY 2010
Owners' equity			
Common stock			
Balance at the end of previous period	10,662	10,662	114,596
Changes of items during the period			
Issuance of new shares	–	4,034	43,358
Total changes of items during the period	–	4,034	43,358
Balance at the end of current period	10,662	14,697	157,964
Capital surplus			
Balance at the end of previous period	4,765	4,761	51,172
Changes of items during the period			
Issuance of new shares	–	4,034	43,358
Disposal of treasury stock	–3	0	0
Total changes of items during the period	–3	4,034	43,358
Balance at the end of current period	4,761	8,795	94,529
Earned surplus			
Balance at the end of previous period	70,143	47,464	510,146
Changes of items during the period			
Dividends from surplus	–879	–879	–9,448
Net income	–21,810	8,776	94,325
Land revaluation profit appropriated	11	269	2,891
Total changes of items during the period	–22,678	8,166	87,769
Balance at the end of current period	47,464	55,631	597,926
Common stock held in treasury			
Balance at the end of previous period	–41	–71	–763
Changes of items during the period			
Acquisition of treasury stock	–55	–6	–64
Disposal of treasury stock	25	1	11
Total changes of items during the period	–30	–5	–54
Balance at the end of current period	–71	–76	–817
Total owners' equity			
Balance at the end of previous period	85,530	62,817	675,161
Changes of items during the period			
Issuance of new shares	–	8,068	86,715
Dividends from surplus	–879	–879	–9,448
Net income	–21,810	8,776	94,325
Acquisition of treasury stock	–55	–6	–64
Disposal of treasury stock	21	1	11
Land revaluation profit appropriated	11	269	2,891
Total changes of items during the period	–22,712	16,229	174,430
Balance at the end of current period	62,817	79,047	849,602
Valuation and translation adjustment			
Other securities revaluation excess			
Balance at the end of previous period	–2,149	–5,516	–59,286
Changes of items during the period			
Net changes of items other than owners' equity	–3,367	10,382	111,586
Total changes of items during the period	–3,367	10,382	111,586
Balance at the end of current period	–5,516	4,865	52,289
Net deferred gains (losses) on hedging instruments, net of taxes			
Balance at the end of previous period	–17	–16	–172
Changes of items during the period			
Net changes of items other than owners' equity	1	13	140
Total changes of items during the period	1	13	140
Balance at the end of current period	–16	–2	–21

Land revaluation excess			
Balance at the end of previous period	2,883	2,871	30,858
Changes of items during the period			
Net changes of items other than owners' equity	-11	-269	-2,891
Total changes of items during the period	-11	-269	-2,891
Balance at the end of current period	2,871	2,602	27,966
Total valuation and translation adjustment			
Balance at the end of previous period	716	-2,661	-28,601
Changes of items during the period			
Net changes of items other than owners' equity	-3,377	10,126	108,835
Total changes of items during the period	-3,377	10,126	108,835
Balance at the end of current period	-2,661	7,465	80,234
Minority interest			
Balance at the end of previous period	3,471	2,847	30,600
Changes of items during the period			
Net changes of items other than owners' equity	-624	413	4,439
Total changes of items during the period	-624	413	4,439
Balance at the end of current period	2,847	3,260	35,039
Total net assets			
Balance at the end of previous period	89,718	63,004	677,171
Changes of items during the period			
Issuance of new shares	-	8,068	86,715
Dividends from surplus	-879	-879	-9,448
Net income	-21,810	8,776	94,325
Acquisition of treasury stock	-55	-6	-64
Disposal of treasury stock	21	1	11
Land revaluation profit appropriated	11	269	2,891
Net changes of items other than owners' equity	-4,001	10,540	113,285
Total changes of items during the period	-26,713	26,770	287,726
Balance at the end of current period	63,004	89,774	964,897

Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of US Dollars
	FY 2009	FY 2010	FY 2010
I. Cash flows from operating activities			
Income before income taxes and other adjustments	-23,859	9,844	105,804
Depreciation and amortization	2,887	2,601	27,956
Impairment losses	-	267	2,870
Increase (decrease) in allowance for bad debts	7,832	-33	-355
Increase (decrease) in amount of the reserve against investment losses	-28	-10	-107
Increase (decrease) in Reserve for bonus for directors and corporate auditors	-20	20	215
Decrease (increase) in accrued retirement allowances	-45	165	1,773
Increase (decrease) in reserve for officers' retirement bonuses	-4	16	172
Increase (decrease) in reserve for losses from sleeping account withdrawal	-60	-109	-1,172
Increase (decrease) in reserve for contingent losses	53	109	1,172
Interest income	-32,853	-31,205	-335,393
Interest expenses	4,924	3,554	38,199
Gain on securities transactions	12,257	-2,399	-25,785
Loss on money trust	132	-20	-215
Foreign exchange losses	36	-3	-32
Profit or loss on disposal of fixed assets	39	278	2,988
Net increase (decrease) in loans	-18,751	7,880	84,695
Net increase in deposits	33,442	79,036	849,484
Net increase (decrease) in negotiable deposits	-17,951	16,509	177,440
Net increase in borrowed fund (excluding subordinated borrowed ones)	9,009	-803	-8,631
Net increase in deposit with banks (excluding deposit with the Bank of Japan)	1,038	14	150
Net decrease (increase) in call loan and others	80,207	-60,657	-651,945
Net decrease (increase) in call money and others	-5,776	-25,038	-269,110
Net increase (decrease) in foreign exchange (assets)	-430	-307	-3,300
Net increase in foreign exchange (liabilities)	-33	23	247
Interest and dividends received	33,232	31,672	340,413
Interest paid	-4,615	-3,417	-36,726
Others	15,333	4,680	50,301
Subtotal	95,994	32,669	351,129
Corporate tax and others paid	-6,331	-439	-4,718
Net cash provided by (used in) operating activities	89,663	32,229	346,399
II. Cash flows from investing activities			
Purchases of securities	-185,357	-188,112	-2,021,840
Proceeds from sales of securities	40,477	51,857	557,362
Proceeds from maturities of securities	55,688	92,532	994,540
Proceeds from decrease in cash trust	3,867	20	215
Expenditure for acquisition of tangible fixed assets	-2,371	-1,847	-19,852
Proceeds from sales of tangible fixed assets	111	166	1,784
Expenditures for acquisition of intangible fixed assets	-275	-1,751	-18,820
Net cash provided by (used in) investing activities	-87,859	-47,134	-506,599
III. Cash flows from financing activities			
Proceeds from issuance of common stock	-	8,068	86,715
Expenditure for repayment of subordinate loans with special conditions	8,000	2,000	21,496
Proceeds from minority interests for additional shares	3	-	-
Dividends paid	-879	-879	-9,448
Dividends paid to minority shareholders	-4	-4	-43
Purchase of treasury stocks	-55	-6	-64
Proceeds from sales of treasury stocks	21	1	11
Net cash used in financing activities	7,085	9,179	98,656
IV. Foreign exchange difference of cash and cash equivalents	-13	2	21
V. Net increase (decrease) in cash and cash equivalents	8,875	-5,722	-61,500
VI. Cash and cash equivalents at beginning of the term	32,494	41,370	444,647
VII. Cash and cash equivalents at end of the term	41,370	35,647	383,136