

## Consolidated Financial Statements

Documents in accordance with Article 20-2 of the Banking Act were audited by Deloitte Touche Tohmatsu LLC under the provisions of Article 396-1 of the Companies Act.

In addition, the consolidated balance sheets, the consolidated statements of income and retained earnings, the consolidated statements of comprehensive income, the consolidated statement of changes in net assets and the consolidated statements of cash flows were 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 2010	FY 2011	FY 2011
Cash and due from banks	35,884	26,605	319,964
Call loans and bills bought	62,046	31,351	377,041
Other debt purchased	2,268	1,402	16,861
Trading account securities	38	4	48
Money held in trust	2,000	2,000	24,053
Securities	609,204	681,337	8,194,071
Loans and bills discounted	1,194,271	1,283,123	15,431,425
Foreign exchange	1,261	1,244	14,961
Lease receivables and lease investment assets	8,299	7,963	95,767
Other assets	11,055	13,040	156,825
Tangible fixed assets	23,761	23,559	283,331
Buildings	7,326	7,677	92,327
Land	13,979	13,896	167,120
Construction in progress	220	-	-
Other tangible fixed assets	2,233	1,985	23,873
Intangible fixed assets	2,776	4,828	58,064
Software	1,289	4,712	56,669
Other intangible fixed assets	1,486	116	1,395
Deferred income tax assets	16,066	14,635	176,007
Guaranty endorsement	4,469	3,922	47,168
Allowance for bad debts	-22,570	-19,691	-236,813
Reserve against investment losses	-83	-62	-746
Total assets	1,950,750	2,075,267	24,958,112

**(Liabilities and Net Assets)**

Millions of Yen

Thousands of  
US Dollars

	FY 2010	FY 2011	FY 2011
Deposits	1,709,647	1,712,601	20,596,524
Negotiable deposit	84,119	124,989	1,503,175
Borrowed fund	24,454	104,512	1,256,909
Foreign exchange	37	79	950
Corporate bonds	15,000	12,000	144,317
Other liabilities	11,750	9,753	117,294
Reserve for bonus for directors and corporate auditors	20	20	241
Reserve for retirement allowances	7,162	7,327	88,118
Reserve for officers' retirement bonuses	524	587	7,060
Reserve for losses from sleeping account withdrawal	200	185	2,225
Reserve for contingent losses	214	231	2,778
Revaluation deferred tax liabilities	3,375	3,352	40,313
Acceptances and guarantees	4,469	3,922	47,168
Total liabilities	1,860,976	1,979,563	23,807,132
Common stock	14,697	14,697	176,753
Capital surplus	8,795	8,795	105,773
Earned surplus	55,631	61,271	736,873
Common stock held in treasury	-76	-77	-926
Total owners' equity	79,047	84,685	1,018,461
Other securities revaluation excess	4,865	4,193	50,427
Net deferred gains (losses) on hedging instruments, net of taxes	-2	-	-
Land revaluation excess	2,602	2,573	30,944
Total accumulated other comprehensive income	7,465	6,766	81,371
Minority interest	3,260	4,251	51,124
Total net assets	89,774	95,703	1,150,968
Total liabilities and net assets	1,950,750	2,075,267	24,958,112

## Consolidated Statements of Income and Retained Earnings

	Millions of Yen		Thousands of US Dollars
	FY 2010	FY 2011	FY 2011
Income	48,758	47,138	566,903
Capital investment income	31,205	31,106	374,095
Loan interest	24,462	23,820	286,470
Interest and dividend on marketable securities	6,648	7,177	86,314
Interest on call loan and bills bought	33	65	782
Interest on deposits	0	0	0
Other interest receivable	62	42	505
Service revenue	6,782	7,035	84,606
Other transaction revenue	8,755	8,220	98,857
Other operating income	2,015	775	9,321
Expenses	39,155	39,174	471,124
Cost of raising funds	3,554	2,821	33,927
Interest on deposits	2,379	1,492	17,943
Interest on negotiable deposits	205	173	2,081
Interest on call money and bills sold	13	4	48
Interest on borrowed funds	349	359	4,317
Interest on bonds	231	258	3,103
Other interest payable	375	532	6,398
Expenses on service revenue	1,797	1,712	20,589
Other transaction expenses	5,689	5,133	61,732
Operating expenses	24,510	25,490	306,554
Other operating expenses	3,604	4,016	48,298
Transfer to allowance for bad debt	2,323	-	-
Other expenses	1,280	4,016	48,298
Ordinary income	9,603	7,963	95,767
Extraordinary income	791	2,384	28,671
Gains on dispositions of fixed assets	4	8	96
Gain on reversal of allowance for doubtful receivables	-	2,092	25,159
Recoveries of written off	724	262	3,151
Gain on reversal of reserves for possible losses on investments	10	20	241
Provision to reserve for losses from sleeping account withdrawal	51	-	-
Extraordinary loss	550	230	2,766
Losses on dispositions of fixed assets	282	59	710
Impairment losses	267	48	577
Effect of the application of the accounting standard for asset retirement obligations	-	123	1,479
Income before income taxes	9,844	10,117	121,672
Income, inhabitant and business taxes	297	571	6,867
Income and other tax adjustments	355	1,885	22,670
Income taxes-current	653	2,457	29,549
Income before minority interests	-	7,660	92,123
Minority shareholders' income	414	992	11,930
Net income	8,776	6,667	80,180

## Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of US Dollars
	FY 2010	FY 2011	FY 2011
Income before minority interests	–	7,660	92,123
Other comprehensive income	–	–668	–8,034
Valuation difference on available-for-sale securities	–	–670	–8,058
Deferred gains or losses on hedges	–	2	24
Comprehensive income	–	6,991	84,077
Comprehensive income attributable to owners of the parent	–	5,997	72,123
Comprehensive income attributable to minority interests	–	994	11,954

## Consolidated Statement of Changes in Net Assets

	Millions of Yen		Thousands of US Dollars
	FY 2010	FY 2011	FY 2011
Owners' equity			
Common stock			
Balance at the end of previous period	10,662	14,697	176,753
Changes of items during the period			
Issuance of new shares	4,034	-	-
Total changes of items during the period	4,034	-	-
Balance at the end of current period	14,697	14,697	176,753
Capital surplus			
Balance at the end of previous period	4,761	8,795	105,773
Changes of items during the period			
Issuance of new shares	4,034	-	-
Disposal of treasury stock	0	-0	-0
Total changes of items during the period	4,034	-0	-0
Balance at the end of current period	8,795	8,795	105,773
Earned surplus			
Balance at the end of previous period	47,464	55,631	669,044
Changes of items during the period			
Dividends from surplus	-879	-1,056	-12,700
Net income	8,776	6,667	80,180
Land revaluation profit appropriated	269	28	337
Total changes of items during the period	8,166	5,639	67,817
Balance at the end of current period	55,631	61,271	736,873
Common stock held in treasury			
Balance at the end of previous period	-71	-76	-914
Changes of items during the period			
Acquisition of treasury stock	-6	-1	-12
Disposal of treasury stock	1	0	0
Total changes of items during the period	-5	-1	-12
Balance at the end of current period	-76	-77	-926
Total owners' equity			
Balance at the end of previous period	62,817	79,047	950,655
Changes of items during the period			
Issuance of new shares	8,068	-	-
Dividends from surplus	-879	-1,056	-12,700
Net income	8,776	6,667	80,180
Acquisition of treasury stock	-6	-1	-12
Disposal of treasury stock	1	0	0
Land revaluation profit appropriated	269	28	337
Total changes of items during the period	16,229	5,638	67,805
Balance at the end of current period	79,047	84,685	1,018,461
Valuation and translation adjustment			
Other securities revaluation excess			
Balance at the end of previous period	-5,516	4,865	58,509
Changes of items during the period			
Net changes of items other than owners' equity	10,382	-672	-8,082
Total changes of items during the period	10,382	-672	-8,082
Balance at the end of current period	4,865	4,193	50,427
Net deferred gains (losses) on hedging instruments, net of taxes			
Balance at the end of previous period	-16	-2	-24
Changes of items during the period			
Net changes of items other than owners' equity	13	2	24
Total changes of items during the period	13	2	24
Balance at the end of current period	-2	-	-

Land revaluation excess			
Balance at the end of previous period	2,871	2,602	31,293
Changes of items during the period			
Net changes of items other than owners' equity	-269	-28	-337
Total changes of items during the period	-269	-28	-337
Balance at the end of current period	2,602	2,573	30,944
Total accumulated other comprehensive income			
Balance at the end of previous period	-2,661	7,465	89,778
Changes of items during the period			
Net changes of items other than owners' equity	10,126	-698	-8,394
Total changes of items during the period	10,126	-698	-8,394
Balance at the end of current period	7,465	6,766	81,371
Minority interest			
Balance at the end of previous period	2,847	3,260	39,206
Changes of items during the period			
Net changes of items other than owners' equity	413	990	11,906
Total changes of items during the period	413	990	11,906
Balance at the end of current period	3,260	4,251	51,124
Total net assets			
Balance at the end of previous period	63,004	89,774	1,079,663
Changes of items during the period			
Issuance of new shares	8,068	-	-
Dividends from surplus	-879	-1,056	-12,700
Net income	8,776	6,667	80,180
Acquisition of treasury stock	-6	-1	-12
Disposal of treasury stock	1	0	0
Land revaluation profit appropriated	269	28	337
Net changes of items other than owners' equity	10,540	291	3,500
Total changes of items during the period	26,770	5,929	71,305
Balance at the end of current period	89,774	95,703	1,150,968

## Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of US
	FY 2010	FY 2011	Dollars FY 2011
<b>I. Cash flows from operating activities</b>			
Income before income taxes and other adjustments	9,844	10,117	121,672
Depreciation and amortization	2,601	2,527	30,391
Impairment losses	267	48	577
Increase (decrease) in allowance for bad debts	-33	-2,878	-34,612
Increase (decrease) in amount of the reserve against investment losses	-10	-20	-241
Increase (decrease) in Reserve for bonus for directors and corporate auditors	20	-	-
Decrease (increase) in accrued retirement allowances	165	164	1,972
Increase (decrease) in reserve for officers' retirement bonuses	16	63	758
Increase (decrease) in reserve for losses from sleeping account withdrawal	-109	-14	-168
Increase (decrease) in reserve for contingent losses	109	17	204
Interest income	-31,205	-31,106	-374,095
Interest expenses	3,554	2,821	33,927
Gain on securities transactions	-2,399	1,521	18,292
Loss on money trust	-20	-11	-132
Foreign exchange losses	-3	2	24
Profit or loss on disposal of fixed assets	278	50	601
Net increase (decrease) in loans	7,880	-90,095	-1,083,524
Net increase in deposits	79,036	3,220	38,725
Net increase (decrease) in negotiable deposits	16,509	40,869	491,509
Net increase in borrowed fund (excluding subordinated borrowed ones)	-803	80,057	962,802
Net increase in deposit with banks (excluding deposit with the Bank of Japan)	14	18	216
Net decrease (increase) in call loan and others	-60,657	31,343	376,945
Net decrease (increase) in call money and others	-25,038	-	-
Net increase (decrease) in foreign exchange (assets)	-307	-31	-373
Net increase in foreign exchange (liabilities)	23	44	529
Interest and dividends received	31,672	31,455	378,292
Interest paid	-3,417	-3,077	-37,005
Others	4,680	-2,273	-27,336
Subtotal	32,669	74,833	899,976
Corporate tax and others paid	-439	-240	-2,886
Net cash provided by (used in) operating activities	32,229	74,593	897,090
<b>II. Cash flows from investing activities</b>			
Purchases of securities	-188,112	-224,420	-2,698,978
Proceeds from sales of securities	51,857	83,948	1,009,597
Proceeds from maturities of securities	92,532	65,017	781,924
Proceeds from decrease in cash trust	20	11	132
Expenditure for acquisition of tangible fixed assets	-1,847	-1,551	-18,653
Proceeds from sales of tangible fixed assets	166	33	397
Expenditures for acquisition of intangible fixed assets	-1,751	-2,831	-34,047
Net cash provided by (used in) investing activities	-47,134	-79,792	-959,615
<b>III. Cash flows from financing activities</b>			
Proceeds from issuance of subordinated bonds	-	12,000	144,317
Redemption of subordinated bonds	-	-15,000	-180,397
Expenditure for repayment of subordinate loans with special conditions	2,000	-	-
Proceeds from issuance of common stock	8,068	-	-
Dividends paid	-879	-1,056	-12,700
Dividends paid to minority shareholders	-4	-4	-48
Purchase of treasury stocks	-6	-1	-12
Proceeds from sales of treasury stocks	1	0	0
Net cash used in financing activities	9,179	-4,062	-48,851
IV. Foreign exchange difference of cash and cash equivalents	2	2	24
V. Net increase (decrease) in cash and cash equivalents	-5,722	-9,260	-111,365
VI. Cash and cash equivalents at beginning of the term	41,370	35,647	428,707
VII. Cash and cash equivalents at end of the term	35,647	26,387	317,342