

## 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 2011	FY 2012	FY 2012
Cash and due from banks	26,605	26,143	318,080
Call loans and bills bought	31,351	34,430	418,907
Other debt purchased	1,402	879	10,695
Trading account securities	4	-	-
Money held in trust	2,000	2,000	24,334
Securities	681,337	648,569	7,891,094
Loans and bills discounted	1,283,123	1,364,557	16,602,470
Foreign exchange	1,244	774	9,417
Lease receivables and lease investment assets	7,963	8,617	104,842
Other assets	13,040	11,677	142,073
Tangible fixed assets	23,559	23,567	286,738
Buildings	7,677	7,516	91,447
Land	13,896	14,120	171,797
Construction in progress	-	169	2,056
Other tangible fixed assets	1,985	1,761	21,426
Intangible fixed assets	4,828	4,349	52,914
Software	4,712	4,240	51,588
Other intangible fixed assets	116	108	1,314
Deferred income tax assets	14,635	7,366	89,622
Guaranty endorsement	3,922	4,005	48,729
Allowance for bad debts	-19,691	-12,670	-154,155
Reserve against investment losses	-62	-33	-402
Total assets	2,075,267	2,124,234	25,845,407

**(Liabilities and Net Assets)**

Millions of Yen

Thousands of  
US Dollars

	FY 2011	FY 2012	FY 2012
<b>Liabilities:</b>			
Deposits	1,712,601	1,762,749	21,447,244
Negotiable deposit	124,989	152,114	1,850,760
Borrowed fund	104,512	67,174	817,301
Foreign exchange	79	27	329
Corporate bonds	12,000	12,000	146,003
Other liabilities	9,753	9,313	113,311
Reserve for bonus for directors and corporate auditors	20	30	365
Reserve for retirement allowances	7,327	7,355	89,488
Reserve for officers' retirement bonuses	587	556	6,765
Reserve for losses from sleeping account withdrawal	185	363	4,417
Reserve for contingent losses	231	236	2,871
Revaluation deferred tax liabilities	3,352	2,928	35,625
Acceptances and guarantees	3,922	4,005	48,729
Total liabilities	1,979,563	2,018,856	24,563,280
<b>Net assets:</b>			
Common stock	14,697	14,697	178,817
Capital surplus	8,795	8,795	107,008
Earned surplus	61,271	65,301	794,513
Common stock held in treasury	-77	-79	-961
Total owners' equity	84,685	88,714	1,079,377
Other securities revaluation excess	4,193	8,538	103,881
Land revaluation excess	2,573	2,982	36,282
Total accumulated other comprehensive income	6,766	11,521	140,175
Minority interest	4,251	5,141	62,550
Total net assets	95,703	105,377	1,282,115
Total liabilities and net assets	2,075,267	2,124,234	25,845,407

## Consolidated Statements of Income and Retained Earnings

	Millions of Yen		Thousands of US Dollars
	FY 2011	FY 2012	FY 2012
Income	47,138	51,126	622,046
Capital investment income	31,106	31,799	386,896
Loan interest	23,820	24,265	295,231
Interest and dividend on marketable securities	7,177	7,465	90,826
Interest on call loan and bills bought	65	42	511
Interest on deposits	0	0	0
Other interest receivable	42	26	316
Service revenue	7,035	6,911	84,086
Other transaction revenue	8,220	6,446	78,428
Other operating income	775	5,968	72,612
Gain on reversal of allowance for doubtful accounts	–	3,662	44,555
Recoveries of write-off	–	643	7,823
Others	775	1,662	20,221
Expenses	39,174	39,277	477,881
Cost of raising funds	2,821	2,346	28,544
Interest on deposits	1,492	1,052	12,800
Interest on negotiable deposits	173	152	1,849
Interest on call money and bills sold	4	10	122
Interest payment bond lending transactions	–	0	0
Interest on borrowed funds	359	389	4,733
Interest on bonds	258	143	1,740
Other interest payable	532	597	7,264
Expenses on service revenue	1,712	2,327	28,312
Other transaction expenses	5,133	5,163	62,818
Operating expenses	25,490	25,651	312,094
Other operating expenses	4,016	3,788	46,088
Other expenses	4,016	3,788	46,088
Ordinary income	7,963	11,848	144,154
Extraordinary income	2,384	2	24
Gains on dispositions of fixed assets	8	2	24
Gain on reversal of allowance for doubtful receivables	2,092	–	–
Recoveries of written off	262	–	–
Gain on reversal of reserves for possible losses on investments	20	–	–
Extraordinary loss	230	32	389
Losses on dispositions of fixed assets	59	32	389
Impairment losses	48	–	–
Effect of the application of the accounting standard for asset retirement obligations	123	–	–
Income before income taxes	10,117	11,817	143,777
Income, inhabitant and business taxes	571	390	4,745
Income and other tax adjustments	1,885	5,455	66,371
Income taxes-current	2,457	5,845	71,116
Income before minority interests	7,660	5,972	72,661
Minority shareholders' income	992	893	10,865
Net income	6,667	5,078	61,784

## Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of US Dollars
	FY 2011	FY 2012	FY 2012
Income before minority interests	7,660	5,972	72,661
Other comprehensive income	-668	4,764	57,963
Valuation difference on available-for-sale securities	-670	4,346	52,877
Deferred gains or losses on hedges	2	-	-
Land revaluation excess	-	417	5,074
Comprehensive income	6,991	10,736	130,624
Comprehensive income attributable to owners of the parent	5,997	9,842	119,747
Comprehensive income attributable to minority interests	994	894	10,877

## Consolidated Statement of Changes in Net Assets

	Millions of Yen		Thousands of US Dollars
	FY 2011	FY 2012	FY 2012
Owners' equity			
Common stock			
Balance at beginning of the period	14,697	14,697	178,817
Changes of items during the period			
Total changes of items during the period	-	-	-
Balance at the end of current period	14,697	14,697	178,817
Capital surplus			
Balance at beginning of the period	8,795	8,795	107,008
Changes of items during the period			
Disposal of treasury stock	-0	-	-
Total changes of items during the period	-0	-	-
Balance at the end of current period	8,795	8,795	107,008
Earned surplus			
Balance at beginning of the period	55,631	61,271	745,480
Changes of items during the period			
Dividends from surplus	-1,056	-1,056	-12,848
Net income	6,667	5,078	61,784
Land revaluation profit appropriated	28	8	97
Total changes of items during the period	5,639	4,030	49,033
Balance at the end of current period	61,271	65,301	794,513
Common stock held in treasury			
Balance at beginning of the period	-76	-77	-937
Changes of items during the period			
Acquisition of treasury stock	-1	-1	-12
Disposal of treasury stock	0	-	-
Total changes of items during the period	-1	-1	-12
Balance at the end of current period	-77	-79	-961
Total owners' equity			
Balance at beginning of the period	79,047	84,685	1,030,356
Changes of items during the period			
Dividends from surplus	-1,056	-1,056	-12,848
Net income	6,667	5,078	61,784
Acquisition of treasury stock	-1	-1	-12
Disposal of treasury stock	0	-	-
Land revaluation profit appropriated	28	8	97
Total changes of items during the period	5,638	4,028	49,008
Balance at the end of current period	84,685	88,714	1,079,377
Valuation and translation adjustment			
Other securities revaluation excess			
Balance at beginning of the period	4,865	4,193	51,016
Changes of items during the period			
Net changes of items other than owners' equity	-672	4,345	52,865
Total changes of items during the period	-672	4,345	52,865
Balance at the end of current period	4,193	8,538	103,881
Net deferred gains (losses) on hedging instruments, net of taxes			
Balance at beginning of the period	-2	-	-
Changes of items during the period			
Net changes of items other than owners' equity	2	-	-
Total changes of items during the period	2	-	-
Balance at the end of current period	-	-	-
Land revaluation excess			
Balance at beginning of the period	2,602	2,573	31,306
Changes of items during the period			

Net changes of items other than owners' equity	-28	409	4,976
Total changes of items during the period	-28	409	4,976
Balance at the end of current period	2,573	2,982	36,282
Total accumulated other comprehensive income			
Balance at beginning of the period	7,465	6,766	82,321
Changes of items during the period			
Net changes of items other than owners' equity	-698	4,754	57,842
Total changes of items during the period	-698	4,754	57,842
Balance at the end of current period	6,766	11,521	140,175
Minority interest			
Balance at beginning of the period	3,260	4,251	51,722
Changes of items during the period			
Net changes of items other than owners' equity	990	890	10,829
Total changes of items during the period	990	890	10,829
Balance at the end of current period	4,251	5,141	62,550
Total net assets			
Balance at beginning of the period	89,774	95,703	1,164,412
Changes of items during the period			
Dividends from surplus	-1,056	-1,056	-12,848
Net income	6,667	5,078	61,784
Acquisition of treasury stock	-1	-1	-12
Disposal of treasury stock	0	-	-
Land revaluation profit appropriated	28	8	97
Net changes of items other than owners' equity	291	5,645	68,682
Total changes of items during the period	5,929	9,673	117,691
Balance at the end of current period	95,703	105,377	1,282,115

## Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of US Dollars
	FY 2011	FY 2012	FY 2012
<b>I. Cash flows from operating activities</b>			
Income before income taxes and other adjustments	10,117	11,817	143,777
Depreciation and amortization	2,527	2,819	34,299
Impairment losses	48	-	-
Increase (decrease) in allowance for bad debts	-2,878	-7,021	-85,424
Increase (decrease) in amount of the reserve against investment losses	-20	-28	-341
Increase (decrease) in Reserve for bonus for directors and corporate auditors	-	10	122
Increase (decrease) in accrued retirement allowances	164	28	341
Increase (decrease) in reserve for officers' retirement bonuses	63	-31	-377
Increase (decrease) in reserve for losses from sleeping account withdrawal	-14	177	2,154
Increase (decrease) in reserve for contingent losses	17	4	49
Interest income	-31,106	-31,799	-386,896
Interest expenses	2,821	2,346	28,544
Gain on securities transactions	1,521	2,702	32,875
Loss on money trust	-11	7	85
Foreign exchange losses	2	-140	-1,703
Profit or loss on disposal of fixed assets	50	30	365
Net decrease (increase) in loans	-90,095	-84,489	-1,027,972
Net increase (decrease) in deposits	3,220	50,202	610,804
Net increase (decrease) in negotiable deposits	40,869	27,125	330,028
Net increase (decrease) in borrowed fund (excluding subordinated borrowed ones)	80,057	-37,337	-454,277
Net decrease (increase) in deposit with banks (excluding deposit with the Bank of Japan)	18	22	268
Net decrease (increase) in call loan and others	31,343	-2,594	-31,561
Net decrease (increase) in foreign exchange (assets)	-31	448	5,451
Net increase (decrease) in foreign exchange (liabilities)	44	-51	-621
Interest and dividends received	31,455	32,092	390,461
Interest paid	-3,077	-2,473	-30,089
Others	-2,273	3,949	48,047
Subtotal	74,833	-32,183	-391,568
Corporate tax and others paid	-240	-703	-8,553
Net cash provided by (used in) operating activities	74,593	-32,886	-400,122
<b>II. Cash flows from investing activities</b>			
Purchases of securities	-224,420	-206,281	-2,509,807
Proceeds from sales of securities	83,948	163,932	1,994,549
Proceeds from maturities of securities	65,017	78,203	951,490
Purchases of increase in cash trust	-	-7	-85
Proceeds from decrease in cash trust	11	-	-
Expenditure for acquisition of tangible fixed assets	-1,551	-806	-9,807
Proceeds from sales of tangible fixed assets	33	20	243
Expenditures for acquisition of intangible fixed assets	-2,831	-1,549	-18,847
Net cash provided by (used in) investing activities	-79,792	33,512	407,738
<b>III. Cash flows from financing activities</b>			
Redemption of subordinated bonds	-15,000	-	-
Proceeds from issuance of subordinated bonds	12,000	-	-
Dividends paid	-1,056	-1,056	-12,848
Dividends paid to minority shareholders	-4	-4	-49
Purchase of treasury stocks	-1	-1	-12
Proceeds from sales of treasury stocks	0	-	-
Net cash used in financing activities	-4,062	-1,062	-12,921
IV. Foreign exchange difference of cash and cash equivalents	2	-2	-24
V. Net increase (decrease) in cash and cash equivalents	-9,260	-439	-5,341
VI. Cash and cash equivalents at beginning of the term	35,647	26,387	321,049
VII. Cash and cash equivalents at end of the term	26,387	25,948	315,708