

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 Japanese Yen		Thousands of US Dollars
	FY 2012	FY 2013	FY 2013
Cash and due from banks	26,143	26,514	281,914
Call loans and bills bought	34,430	85,346	907,453
Other debt purchased	879	349	3,711
Trading account securities	-	-0	-0
Money held in trust	2,000	3,000	31,898
Securities	648,569	636,855	6,771,451
Loans and bills discounted	1,364,557	1,430,258	15,207,422
Foreign exchange	774	879	9,346
Lease receivables and lease investment assets	8,617	8,523	90,622
Other assets	11,677	11,547	122,775
Tangible fixed assets	23,567	23,258	247,294
Buildings	7,516	7,480	79,532
Land	14,120	13,898	147,772
Construction in progress	169	1	11
Other tangible fixed assets	1,761	1,878	19,968
Intangible fixed assets	4,349	3,528	37,512
Software	4,240	3,438	36,555
Other intangible fixed assets	108	90	957
Deferred income tax assets	7,366	1,608	17,097
Guaranty endorsement	4,005	3,919	41,669
Allowance for bad debts	-12,670	-12,006	-127,656
Reserve against investment losses	-33	-31	-330
Total assets	2,124,234	2,223,554	23,642,254

(Liabilities and Net Assets)

Millions of Japanese Yen

Thousands of
US Dollars

	FY 2012	FY 2013	FY 2013
Liabilities:			
Deposits	1,762,749	1,847,586	19,644,721
Negotiable deposit	152,114	137,278	1,459,628
Call money and bills sold	–	940	9,995
Borrowed fund	67,174	83,374	886,486
Foreign exchange	27	70	744
Corporate bonds	12,000	12,000	127,592
Other liabilities	9,313	10,157	107,996
Reserve for bonus for directors and corporate auditors	30	30	319
Reserve for retirement allowances	7,355	7,715	82,031
Reserve for officers' retirement bonuses	556	516	5,486
Reserve for losses from sleeping account withdrawal	363	434	4,615
Reserve for contingent losses	236	285	3,030
Revaluation deferred tax liabilities	2,928	2,855	30,356
Acceptances and guarantees	4,005	3,919	41,669
Total liabilities	2,018,856	2,107,165	22,404,732
Net assets:			
Common stock	14,697	14,697	156,268
Capital surplus	8,795	8,795	93,514
Earned surplus	65,301	69,443	738,363
Common stock held in treasury	–79	–81	–861
Total owners' equity	88,714	92,854	987,283
Other securities revaluation excess	8,538	15,058	160,106
Land revaluation excess	2,982	2,858	30,388
Total accumulated other comprehensive income	11,521	17,917	190,505
Minority interest	5,141	5,617	59,724
Total net assets	105,377	116,389	1,237,523
Total liabilities and net assets	2,124,234	2,223,554	23,642,254

Consolidated Statements of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2012	FY 2013	FY 2013
Income	51,126	47,661	506,762
Capital investment income	31,799	31,312	332,929
Loan interest	24,265	24,268	258,033
Interest and dividend on marketable securities	7,465	6,988	74,301
Interest on call loan and bills bought	42	46	489
Interest on deposits	0	0	0
Other interest receivable	26	8	85
Service revenue	6,911	7,168	76,215
Other transaction revenue	6,446	7,442	79,128
Other operating income	5,968	1,737	18,469
Gain on reversal of allowance for doubtful accounts	3,662	–	–
Recoveries of write-off	643	637	6,773
Others	1,662	1,099	11,685
Expenses	39,277	38,840	412,972
Cost of raising funds	2,346	2,013	21,404
Interest on deposits	1,052	745	7,921
Interest on negotiable deposits	152	166	1,765
Interest on call money and bills sold	10	11	117
Interest payment bond lending transactions	0	0	0
Interest on borrowed funds	389	373	3,966
Interest on bonds	143	142	1,510
Other interest payable	597	574	6,103
Expenses on service revenue	2,327	2,705	28,761
Other transaction expenses	5,163	5,283	56,172
Operating expenses	25,651	25,737	273,652
Other operating expenses	3,788	3,098	32,940
Provision of allowance for doubtful accounts	–	1,707	18,150
Other expenses	3,788	1,391	14,790
Ordinary income	11,848	8,821	93,791
Extraordinary income	2	195	2,073
Gains on dispositions of fixed assets	2	195	2,073
Extraordinary loss	32	106	1,127
Losses on dispositions of fixed assets	32	106	1,127
Income before income taxes	11,817	8,910	94,737
Income, inhabitant and business taxes	390	988	10,505
Income and other tax adjustments	5,455	2,189	23,275
Income taxes-current	5,845	3,177	33,780
Income before minority interests	5,972	5,732	60,946
Minority shareholders' income	893	481	5,114
Net income	5,078	5,250	55,821

Consolidated Statements of Comprehensive Income

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2012	FY 2013	FY 2013
Income before minority interests	5,972	5,732	60,946
Other comprehensive income	4,764	6,517	69,293
Valuation difference on available-for-sale securities	4,346	6,517	69,293
Land revaluation excess	417	-	-
Comprehensive income	10,736	12,250	130,250
Comprehensive income attributable to owners of the parent	9,842	11,770	125,146
Comprehensive income attributable to minority interests	894	479	5,093

Consolidated Statement of Changes in Net Assets

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2012	FY 2013	FY 2013
Owners' equity			
Common stock			
Balance at beginning of the period	14,697	14,697	156,268
Changes of items during the period			
Total changes of items during the period	-	-	-
Balance at the end of current period	14,697	14,697	156,268
Capital surplus			
Balance at beginning of the period	8,795	8,795	93,514
Changes of items during the period			
Disposal of treasury stock	-	-0	-0
Total changes of items during the period	-	-0	-0
Balance at the end of current period	8,795	8,795	93,514
Earned surplus			
Balance at beginning of the period	61,271	65,301	694,322
Changes of items during the period			
Dividends from surplus	-1,056	-1,232	-13,099
Net income	5,078	5,250	55,821
Land revaluation profit appropriated	8	123	1,308
Total changes of items during the period	4,030	4,141	44,030
Balance at the end of current period	65,301	69,443	738,363
Common stock held in treasury			
Balance at beginning of the period	-77	-79	-840
Changes of items during the period			
Acquisition of treasury stock	-1	-1	-11
Disposal of treasury stock	-	0	0
Total changes of items during the period	-1	-1	-11
Balance at the end of current period	-79	-81	-861
Total owners' equity			
Balance at beginning of the period	84,685	88,714	943,264
Changes of items during the period			
Dividends from surplus	-1,056	-1,232	-13,099
Net income	5,078	5,250	55,821
Acquisition of treasury stock	-1	-1	-11
Disposal of treasury stock	-	0	0
Land revaluation profit appropriated	8	123	1,308
Total changes of items during the period	4,028	4,140	44,019
Balance at the end of current period	88,714	92,854	987,283
Valuation and translation adjustment			
Other securities revaluation excess			
Balance at beginning of the period	4,193	8,538	90,781
Changes of items during the period			
Net changes of items other than owners' equity	4,345	6,519	69,314
Total changes of items during the period	4,345	6,519	69,314
Balance at the end of current period	8,538	15,058	160,106
Net deferred gains (losses) on hedging instruments, net of taxes			
Land revaluation excess			
Balance at beginning of the period	2,573	2,982	31,707
Changes of items during the period			
Net changes of items other than owners' equity	409	-123	-1,308
Total changes of items during the period	409	-123	-1,308
Balance at the end of current period	2,982	2,858	30,388
Total accumulated other comprehensive income			
Balance at beginning of the period	6,766	11,521	122,499

Changes of items during the period			
Net changes of items other than owners' equity	4,754	6,395	67,996
Total changes of items during the period	4,754	6,395	67,996
Balance at the end of current period	11,521	17,917	190,505
Minority interest			
Balance at beginning of the period	4,251	5,141	54,662
Changes of items during the period			
Net changes of items other than owners' equity	890	475	5,051
Total changes of items during the period	890	475	5,051
Balance at the end of current period	5,141	5,617	59,724
Total net assets			
Balance at beginning of the period	95,703	105,377	1,120,436
Changes of items during the period			
Dividends from surplus	-1,056	-1,232	-13,099
Net income	5,078	5,250	55,821
Acquisition of treasury stock	-1	-1	-11
Disposal of treasury stock	-	0	0
Land revaluation profit appropriated	8	123	1,308
Net changes of items other than owners' equity	5,645	6,871	73,057
Total changes of items during the period	9,673	11,011	117,076
Balance at the end of current period	105,377	116,389	1,237,523

Consolidated Statements of Cash Flows

	Millions of Japanese Yen		Thousands of US Dollars
	FY 2012	FY 2013	FY 2013
I. Cash flows from operating activities			
Income before income taxes and other adjustments	11,817	8,910	94,737
Depreciation and amortization	2,819	2,514	26,730
Increase (decrease) in allowance for bad debts	-7,021	-664	-7,060
Increase (decrease) in amount of the reserve against investment losses	-28	-2	-21
Increase (decrease) in Reserve for bonus for directors and corporate auditors	10	-	-
Increase (decrease) in accrued retirement allowances	28	359	3,817
Increase (decrease) in reserve for officers' retirement bonuses	-31	-40	-425
Increase (decrease) in reserve for losses from sleeping account withdrawal	177	70	744
Increase (decrease) in reserve for contingent losses	4	48	510
Interest income	-31,799	-31,312	-332,929
Interest expenses	2,346	2,013	21,404
Gain on securities transactions	2,702	-665	-7,071
Loss on money trust	7	-136	-1,446
Foreign exchange losses	-140	-85	-904
Profit or loss on disposal of fixed assets	30	-88	-936
Net decrease (increase) in loans	-84,489	-67,866	-721,595
Net increase (decrease) in deposits	50,202	84,353	896,895
Net increase (decrease) in negotiable deposits	27,125	-14,836	-157,746
Net increase (decrease) in borrowed fund (excluding subordinated borrowed ones)	-37,337	16,200	172,249
Net decrease (increase) in deposit with banks (excluding deposit with the Bank of Japan)	22	-1,151	-12,238
Net decrease (increase) in call loan and others	-2,594	-50,330	-535,141
Net decrease (increase) in call money and others	-	940	9,995
Net decrease (increase) in foreign exchange (assets)	448	-45	-478
Net increase (decrease) in foreign exchange (liabilities)	-51	41	436
Interest and dividends received	32,092	31,935	339,553
Interest paid	-2,473	-2,882	-30,643
Others	3,949	2,396	25,476
Subtotal	-32,183	-20,323	-216,087
Corporate tax and others paid	-703	-365	-3,881
Net cash provided by (used in) operating activities	-32,886	-20,689	-219,979
II. Cash flows from investing activities			
Purchases of securities	-206,281	-327,778	-3,485,146
Proceeds from sales of securities	163,932	256,117	2,723,200
Proceeds from maturities of securities	78,203	94,798	1,007,953
Purchases of increase in cash trust	-7	-863	-9,176
Expenditure for acquisition of tangible fixed assets	-806	-1,078	-11,462
Proceeds from sales of tangible fixed assets	20	401	4,264
Expenditures for acquisition of intangible fixed assets	-1,549	-460	-4,891
Net cash provided by (used in) investing activities	33,512	21,136	224,732
III. Cash flows from financing activities			
Dividends paid	-1,056	-1,232	-13,099
Dividends paid to minority shareholders	-4	-4	-43
Purchase of treasury stocks	-1	-1	-11
Proceeds from sales of treasury stocks	-	0	0
Net cash used in financing activities	-1,062	-1,238	-13,163
IV. Foreign exchange difference of cash and cash equivalents	-2	10	106
V. Net increase (decrease) in cash and cash equivalents	-439	-780	-8,293
VI. Cash and cash equivalents at beginning of the term	26,387	25,948	275,896
VII. Cash and cash equivalents at end of the term	25,948	25,167	267,592