

Consolidated Financial Statements

The Financial Statements for the previous consolidation term and for the term under review have been audited by Shigetaka Otsuka and Koichi Otsuka, Public Accountants, as well as by ChuoAoyama PricewaterhouseCoopers, Independent Certified Public Accountants under the provisions of Article 193-2 of the Securities Exchange Law and of Article 19-2 of the Law concerning special exceptions for the commercial code on auditing of a company limited by shares, and Article 193-2 of the Securities Exchange Law, respectively.

Consolidated Balance Sheets

(Assets)	Millions of Yen		Thousands of US Dollars
	FY 2004	FY 2005	FY 2005
Cash and due from banks	59,930	95,092	885,483
Call loans and bills bought	55,000	-	-
Other debt purchased	195	10,504	97,812
Trading account securities	230	45	419
Money held in trust	4,000	6,000	55,871
Securities	484,219	520,831	4,849,902
Loans and bills discounted	1,024,298	1,039,283	9,677,652
Foreign exchange	523	647	6,025
Other assets	10,534	11,708	109,023
Premises and equipment	37,958	37,772	351,727
Deferred income tax assets	13,108	13,932	129,733
Guaranty endorsement	10,870	11,125	103,594
Allowance for bad debts	24,148	22,245	207,142
Total assets	1,676,720	1,724,698	16,060,136
(Liabilities, Minority Interest and Shareholders' Equity)			
	FY 2004	FY 2005	FY 2005
Deposits	1,457,145	1,503,608	14,001,378
Negotiable deposit	61,077	50,531	470,537
Call money and bills sold	23,983	30,308	282,224
Borrowed fund	12,372	12,704	118,298
Foreign exchange	38	14	130
Other liabilities	7,703	9,906	92,243
Reserve for retirement allowances	8,208	8,617	80,240
Revaluation deferred tax liability	3,236	3,181	29,621
Acceptances and guarantees	10,870	11,125	103,594
Total liabilities	1,584,635	1,629,998	15,178,303
Minority interest	2,029	2,348	21,864
Common stock	10,662	10,662	99,283
Capital surplus	4,737	4,737	44,110
Earned surplus	61,105	62,811	584,887
Land revaluation excess	4,768	4,687	43,645
Other securities revaluation excess	8,809	9,609	89,478
Common stock held in treasury	27	156	1,453
Total shareholders' equity	90,056	92,351	859,959
Total liabilities minority interest and shareholders' equity	1,676,720	1,724,698	16,060,136

Consolidated Statements of Income and Retained Earnings

	Millions of Yen		Thousands of US Dollars
	FY 2004	FY 2005	FY 2005
Income	45,255	47,679	443,980
Capital investment income	30,828	30,590	284,850
Loan interest	24,094	23,891	222,470
Interest and dividend on marketable securities	6,704	6,632	61,756
Interest on call loan bills bought	6	49	456
Interest on deposits	0	0	0
Other interest receivable	23	17	158
Service revenue	6,423	6,787	63,200
Other transaction revenue	6,794	6,930	64,531
Other operating income	1,209	3,369	31,372
Expenses	42,398	43,937	409,135
Cost of raising funds	1,706	1,733	16,137
Interest on deposits	389	286	2,663
Interest on negotiable deposits	7	17	158
Interest on call money and bills sold	350	528	4,917
Interest on borrowed funds	222	220	2,049
Other interest payable	736	680	6,332
Expenses on service revenue	1,249	1,249	11,631
Other transaction expenses	2,414	2,026	18,866
Operating expenses	28,265	27,845	259,289
Other operating expenses	8,762	11,082	103,194
Transfer to allowance for bad debt	5,554	4,739	44,129
Other expenses	3,208	6,343	59,065
Ordinary income	2,856	3,741	34,836
Extraordinary income	3,461	987	9,191
Profit on disposal of property	6	39	363
Recoveries of written off	369	948	8,828
Profit on discontinuation of welfare pension fund	3,085	-	-
Extraordinary loss	666	453	4,218
Loss on disposal of property	186	112	1,043
Accrued retirement allowances	480	340	3,166
Income before income taxes	5,651	4,276	39,817
Income, inhabitant and business taxes	1,473	2,984	27,787
Adjusted income and other taxes	1,073	1,423	13,251
Minority shareholders' income	230	331	3,082
Net income	2,874	2,384	22,199

Consolidated Statements of Earned Surplus

	Millions of Yen		Thousands of US Dollars
	FY 2004	FY 2005	FY 2005
(Capital surplus)			
Capital surplus at beginning of the term	4,737	4,737	44,110
Increase in capital surplus	-	0	0
Surplus from transaction in treasury stock	-	0	0
Decrease in capital surplus	-	-	-
Balance at end of the term	4,737	4,737	44,110
(Profit surplus)			
Profit surplus at beginning of the term	60,141	61,105	569,001
Increase in profit surplus	2,914	2,465	22,954
Net profit for the term under review	2,874	2,384	22,199
Land revaluation profit appropriated	39	80	745
Decrease in profit surplus	1,951	759	7,068
Dividend payment	736	730	6,798
Bonuses to directors and corporate auditors	28	28	261
Treasury stocks charged off	1,186	-	-
Loss from treasury stocks sold	0	-	-
Unappropriated income at end of the term	61,105	62,811	584,887

Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of US Dollars
	FY 2004	FY 2005	FY 2005
I. Cash flows from operating activities			
Income before income taxes and other adjustments	5,651	4,276	39,817
Depreciation and amortization	5,572	5,894	54,884
Increase (decrease) in allowance for bad debts	2,209	1,903	17,720
Decrease (increase) in accrued retirement allowances	1,396	409	3,809
Interest income	30,828	30,590	284,850
Interest expenses	1,706	1,733	16,137
Gain (loss) on securities transactions	2,390	2,262	21,063
Loss on money trust	17	49	456
Foreign exchange losses	249	138	1,285
Gain on disposal of premises and equipment	179	73	680
Net increase (decrease) in loans	23,013	26,114	243,170
Net increase in deposits	19,148	46,435	432,396
Net increase (decrease) in negotiable deposits	13,131	10,546	98,203
Net increase in borrowed fund (excluding subordinated borrowed ones)	174	331	3,082
Net increase in deposit with banks (excluding deposit with the Bank of Japan)	124	14	130
Net decrease (increase) in call loan and others	54,532	44,691	416,156
Net decrease (increase) in call money and others	24,000	5,699	53,068
Net increase (decrease) in foreign exchange (assets)	296	116	1,080
Net increase in foreign exchange (liabilities)	23	30	279
Interest and dividends received	32,527	31,398	292,374
Interest paid	1,965	1,757	16,361
Others	4,686	10,630	98,985
Subtotal	2,154	78,139	727,619
Corporate tax and others paid	1,201	1,282	11,938
Net cash provided by (used in) operating activities	3,355	76,857	715,681
II. Cash flows from investing activities			
Purchases of securities	159,497	210,104	1,956,458
Proceeds from sales of securities	84,655	68,300	636,000
Proceeds from maturities of securities	96,737	108,719	1,012,375
Expenditure for money trust increased	1,982	1,950	18,158
Expenditure for premises and equipment	6,633	6,343	59,065
Proceeds from sales of premises and equipment	319	561	5,224
Net cash provided by (used in) investing activities	13,599	40,816	380,073
III. Cash flows from financing activities			
Proceeds from payment by minority shareholders for establishing a subsidiary	5	-	-
Dividends paid	736	730	6,798
Dividends paid to minority shareholders	4	4	37
Purchase of treasury stocks	481	131	1,220
Proceeds from sales of treasury stocks	2	1	9
Net cash used in financing activities	1,214	864	8,045
IV. Foreign exchange difference of cash and cash equivalents	11	0	0
V. Net increase in cash and cash equivalents	9,017	35,175	327,544
VI. Cash and cash equivalents at beginning of the term	50,525	59,543	554,456
VII. Cash and cash equivalents at end of the term	59,543	94,719	882,009