

## CONSOLIDATED BALANCE SHEETS

Notes and other debt purchased	7,800	-	62,954
Trading securities (Note 5)	387	189	3,124
Money held in trust (Note 6)	1,924	1,497	15,529
Securities (Notes 5 and 12)	207,041	249,377	1,671,033
Loans and bills discounted (Notes 7 and 26)	1,185,018	1,217,349	9,564,310
Foreign exchanges (Note 8)	3,888	2,996	31,380
Other assets (Note 9)	14,195	12,402	114,568
Premises and equipment (Notes 10 and 13)	27,922	28,074	225,359
Deferred tax assets (Note 14)	11,832	11,634	95,496
Customers' liabilities for acceptances and guarantees (Note 11)	30,627	32,079	247,191
Reserve for possible loan losses	(26,309)	(33,553)	(212,340)
Total assets	¥ 1,565,147	¥ 1,593,401	\$ 12,632,341
<b>LIABILITIES:</b>			
Deposits (Notes 12 and 15)	¥ 1,421,478	¥ 1,440,551	\$ 11,472,785
Borrowed money (Notes 12 and 16)	27,231	34,454	219,782
Foreign exchanges (Note 8)	12	37	97
Other liabilities (Note 18)	16,008	17,010	129,201
Liability for Retirement Benefits (Note 17)	3,051	2,209	24,625
Reserve for possible losses on collateralized real estate loans sold	269	252	2,171
Deferred tax liabilities (Note 14)	11	-	89
Deferred tax liabilities for land revaluation excess (Notes 13 and 14)	4,343	4,382	35,052
Acceptances and guarantees (Note 11)	30,627	32,079	247,191
Total liabilities	1,503,030	1,530,974	12,130,993
<b>MINORITY INTERESTS</b>	1,045	949	8,434
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>			
<b>(Notes 19, 24 and 26)</b>			
<b>SHAREHOLDERS' EQUITY (Note 20):</b>			
Common stock:			
Preferred shares, 30,000 thousand shares authorized; none issued			
Common shares (¥50 par value), 470,000 thousand shares authorized;			
138,359 thousand shares issued and outstanding at March 31, 2001 and 2000			
	16,815	16,815	135,714
Capital surplus	12,995	12,995	104,883
Land revaluation excess (Note 13)	6,283	6,339	50,710
Retained earnings (Note 21)	25,927	25,875	209,257
Net unrealized loss on available-for-sale securities	(503)	-	(4,059)
Total	61,517	62,024	496,505
Treasury stock, at cost (Note 12)	(445)	(546)	(3,591)
Total shareholders' equity	61,072	61,478	492,914
Total liabilities and shareholders' equity	¥ 1,565,147	¥ 1,593,401	\$ 12,632,341

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED MARCH 31, 2001 AND 2000

	Millions of Yen		Thousands of
	2001	2000	U.S. Dollars (Note 1) 2001
<b>INCOME:</b>			
Interest on:			
Loans and discounts (Note 26)	¥ 28,745	¥ 29,928	\$ 232,002
Securities	4,478	6,364	36,142
Other	258	218	2,082
Fees and commissions	5,006	4,742	40,403
Other operating income	2,149	950	17,344
Gain on sales of real estate	96	76	775
Collection of previously unrecoverable debts	12	10	97
Other income (Note 22)	3,671	2,703	29,629
<b>Total income</b>	<b>44,415</b>	<b>44,991</b>	<b>358,474</b>
<b>EXPENSES:</b>			
Interest on:			
Deposits	4,102	4,740	33,107
Borrowings and rediscounts	776	849	6,263
Other	815	1,112	6,578
Fees and commissions	1,737	1,703	14,019
Other operating expenses	132	1,687	1,065
General and administrative expenses (Note 26)	23,933	25,032	193,164
Provision for possible loan losses	9,214	4,365	74,366
Loss on sales of real estate	167	269	1,348
Other expenses (Note 23)	2,331	2,988	18,814
<b>Total expenses</b>	<b>43,207</b>	<b>42,745</b>	<b>348,724</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>1,208</b>	<b>2,246</b>	<b>9,750</b>
<b>INCOME TAXES (Note 14):</b>			
Current	334	2,142	2,696
Deferred	119	(1,167)	960
<b>Total income taxes</b>	<b>453</b>	<b>975</b>	<b>3,656</b>
<b>MINORITY INTERESTS IN NET INCOME</b>	<b>78</b>	<b>74</b>	<b>630</b>
<b>NET INCOME</b>	<b>¥ 677</b>	<b>¥ 1,197</b>	<b>\$ 5,464</b>
<b>PER SHARE OF COMMON STOCK (Note 2(o)):</b>			
	Yen		U.S. Dollars
Net income	¥ 4.93	¥ 8.76	\$ 0.04
Cash dividends applicable to the year	5.00	5.00	0.04

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

YEARS ENDED MARCH 31, 2001 AND 2000

	Thousands	Millions of Yen					
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Land Revaluation Excess	Retained Earnings	Net Unrealized Loss on Available-for-sale Securities	Treasury Stock
BALANCE AT APRIL 1, 1999	138,359	¥ 16,815	¥ 12,995	¥ 6,373	¥ 25,352	-	¥ (901)
Reversal of land revaluation excess	-	-	-	(34)	34	-	-
Net income	-	-	-	-	1,197	-	-
Cash dividends, interim and year-end	-	-	-	-	(682)	-	-
Bonuses to directors and corporate auditors	-	-	-	-	(26)	-	-
Sales of treasury stock, net	-	-	-	-	-	-	355
BALANCE AT MARCH 31, 2000	138,359	16,815	12,995	6,339	25,875	-	(546)
Reversal of land revaluation excess	-	-	-	(56)	56	-	-
Issuance of a consolidated subsidiary's common stock	-	-	-	-	32	-	-
Net income	-	-	-	-	677	-	-
Cash dividends, interim and year-end	-	-	-	-	(685)	-	-
Bonuses to directors and corporate auditors	-	-	-	-	(28)	-	-
Revaluation of available-for-sale securities	-	-	-	-	-	¥ (503)	-
Sales of treasury stock, net	-	-	-	-	-	-	101
BALANCE AT MARCH 31, 2001	138,359	¥ 16,815	¥ 12,995	¥ 6,283	¥ 25,927	¥ (503)	¥ (445)

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Capital Surplus	Land Revaluation Excess	Retained Earnings	Net Unrealized Loss on Available-for-sale Securities	Treasury Stock
BALANCE AT MARCH 31, 2000	\$ 135,714	\$ 104,883	\$ 51,162	\$ 208,838	-	\$ (4,406)
Reversal of land revaluation excess	-	-	(452)	452	-	-
Issuance of a consolidated subsidiary's common stock	-	-	-	258	-	-
Net income	-	-	-	5,464	-	-
Cash dividends, interim and year-end	-	-	-	(5,529)	-	-
Bonuses to directors and corporate auditors	-	-	-	(226)	-	-
Revaluation of available-for-sale securities	-	-	-	-	\$ (4,059)	-
Sales of treasury stock, net	-	-	-	-	-	815
BALANCE AT MARCH 31, 2001	\$ 135,714	\$ 104,883	\$ 50,710	\$ 209,257	\$ (4,059)	\$ (3,591)

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2001 AND 2000

	Millions of Yen		Thousands of
	2001	2000	U.S. Dollars (Note 1) 2001
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes and minority interests	¥ 1,208	¥ 2,246	\$ 9,750
Adjustments for:			
Income taxes, paid	(1,762)	(628)	(14,221)
Depreciation and amortization	907	105	7,320
Gain on changes in equities of an associated company	(62)	(22)	(500)
Interest income recognized on statements of income	(33,481)	(36,510)	(270,226)
Interest expenses recognized on statements of income	5,693	6,702	45,948
Net (gain) loss on sales and redemption of securities	(2,034)	928	(16,416)
Net loss (gain) on money held in trust	71	(112)	573
Gain on discount of subordinated loan due to early repayment	(2,300)	-	(18,563)
Net foreign exchange (gain) loss	(741)	1,139	(5,980)
Net loss on disposal of premises and equipment	43	192	347
Bonuses to directors and corporate auditors	(28)	(26)	(226)
Interest income (cash basis)	28,952	30,821	233,672
Interest expenses (cash basis)	(5,904)	(6,495)	(47,651)
Changes in assets and liabilities			
Net decrease in loans and bills discounted	32,331	29,903	260,944
Net decrease in deposits	(19,073)	(54,208)	(153,939)
Net decrease in borrowed money (excluding subordinated borrowings of the Bank)	(223)	(1,272)	(1,800)
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	18,998	(5,740)	153,333
Net (increase) decrease in call loans, notes and other debt purchased	(33,119)	64,940	(267,304)
Net decrease in call money	-	(5,000)	-
Net (increase) decrease in foreign exchange, debit	(892)	398	(7,199)
Net (decrease) increase in foreign exchange, credit	(25)	15	(202)
Net (decrease) increase in reserve for possible loan losses	(7,244)	1,275	(58,466)
Net increase in reserve for possible loan losses on collateralized real estate loans sold	17	79	137
Net Increase (decrease) in liability for retirement benefits	842	(218)	6,795
Net Increase in other assets	(2,993)	(18)	(24,156)
Net Increase in other liabilities	1,286	255	10,379
Total adjustments	(20,741)	26,503	(167,401)
Net cash (used in) provided by operating activities	(19,533)	28,749	(157,651)
<b>FORWARD</b>	¥ (19,533)	¥ 28,749	\$ (157,651)

(Continued)

## CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2001 AND 2000

	Thousands of		
	Millions of Yen	U.S. Dollars (Note 1)	
	2001	2000	
<b>FORWARD</b>	<u>¥ (19,533)</u>	<u>¥ 28,749</u>	<u>\$ (157,651)</u>
<b>INVESTING ACTIVITIES:</b>			
Purchases of securities	(83,450)	(75,754)	(673,527)
Proceeds from sales of securities	72,396	19,231	584,310
Proceeds from maturities of securities	56,439	20,893	455,521
Increase in money held in trust	(800)	(1,000)	(6,457)
Decrease in money held in trust	209	202	1,687
Dividends and interest received from investments in securities	4,851	6,465	39,153
Purchases of premises and equipment	(1,137)	(1,726)	(9,177)
Proceeds from sales and disposal of premises and equipment	343	897	2,768
Net (increase) decrease in other assets	(306)	51	(2,470)
Net cash provided by (used in) investing activities	<u>48,545</u>	<u>(30,741)</u>	<u>391,808</u>
<b>FINANCING ACTIVITIES:</b>			
Proceeds from subordinated loans	3,000	-	24,213
Repayment of subordinated loans	(7,700)	-	(62,147)
Interest paid on subordinated loans	(608)	(665)	(4,907)
Dividends paid	(685)	(682)	(5,529)
Dividends paid by subsidiaries to minority shareholders	(3)	(3)	(24)
Acquisition of treasury stock	(38)	(36)	(307)
Proceeds from sales of treasury stock	139	391	1,122
Proceeds from issuance of a consolidated subsidiary's common stock	40	-	323
Net cash used in financing activities	<u>(5,855)</u>	<u>(995)</u>	<u>(47,256)</u>
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b>	<u>(13)</u>	<u>(8)</u>	<u>(105)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	23,144	(2,995)	186,796
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>27,187</u>	<u>30,182</u>	<u>219,427</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)</b>	<u>¥ 50,331</u>	<u>¥ 27,187</u>	<u>\$ 406,223</u>

(Concluded)

See notes to consolidated financial statements.