

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2002 AND 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
ASSETS:			
Cash and due from banks (Note 3)	¥ 86,872	¥ 54,707	\$ 651,947
Call loans (Note 4)	782	46,115	5,869
Notes and other debt purchased	-	7,800	-
Trading securities (Note 5)	699	387	5,246
Money held in trust (Note 6)	1,930	1,924	14,484
Securities (Notes 5 and 12)	226,766	207,041	1,701,809
Loans and bills discounted (Note 7)	1,183,712	1,185,018	8,883,392
Foreign exchanges (Note 8)	3,662	3,888	27,482
Other assets (Note 9)	13,231	14,195	99,294
Premises and equipment (Notes 10 and 13)	27,047	27,922	202,979
Deferred tax assets (Note 14)	10,592	11,832	79,490
Customers' liabilities for acceptances and guarantees (Note 11)	27,488	30,627	206,289
Reserve for possible loan losses	(44,325)	(26,309)	(332,645)
Total assets	<u>¥ 1,538,456</u>	<u>¥ 1,565,147</u>	<u>\$ 11,545,636</u>
LIABILITIES:			
Deposits (Notes 12 and 15)	¥ 1,399,636	¥ 1,421,478	\$ 10,503,835
Borrowed money (Note 16)	22,798	27,231	171,092
Foreign exchanges (Note 8)	35	12	263
Other liabilities (Note 18)	14,052	16,008	105,456
Liability for retirement benefits (Note 17)	3,757	3,051	28,195
Reserve for possible losses on collateralized real estate loans sold	177	269	1,328
Deferred tax liabilities (Note 14)	12	11	90
Deferred tax liabilities for land revaluation excess (Notes 13 and 14)	4,226	4,343	31,715
Acceptances and guarantees (Note 11)	27,488	30,627	206,289
Total liabilities	<u>1,472,181</u>	<u>1,503,030</u>	<u>11,048,263</u>
MINORITY INTERESTS	<u>1,429</u>	<u>1,045</u>	<u>10,724</u>
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 19, 24 and 25)			
SHAREHOLDERS' EQUITY (Note 20):			
Common stock:			
Preferred shares, 30,000 thousand shares authorized; none issued			
Common shares, authorized; 470,000 thousand shares in 2002 and 2001, respectively issued; 217,459 thousand shares in 2002 and 138,359 thousand shares in 2001	31,844	16,815	238,979
Capital surplus	27,945	12,995	209,719
Land revaluation excess (Note 13)	6,114	6,283	45,884
(Accumulated deficit) Retained earnings (Note 21)	(3,995)	25,927	(29,981)
Net unrealized gain (loss) on available-for-sale securities	2,977	(503)	22,341
Total	<u>64,885</u>	<u>61,517</u>	<u>486,942</u>
Treasury stock, at cost			
90 thousand shares in 2002 and 1,075 thousand shares in 2001	(39)	(445)	(293)
Total shareholders' equity	<u>64,846</u>	<u>61,072</u>	<u>486,649</u>
Total liabilities and shareholders' equity	<u>¥ 1,538,456</u>	<u>¥ 1,565,147</u>	<u>\$ 11,545,636</u>

(Concluded)

See notes to consolidated financial statements.

ANNUAL REPORT 2002

Fiscal Year Ended March 31, 2002

**CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED MARCH 31, 2002 AND 2001**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
INCOME:			
Interest on:			
Loans and discounts	¥ 26,730	¥ 28,745	\$ 200,601
Securities	3,636	4,478	27,287
Other	165	258	1,238
Fees and commissions	5,184	5,006	38,904
Other operating income	405	2,149	3,040
Gain on sales of real estate	749	96	5,621
Collection of previously unrecoverable debts	20	12	150
Other income (Note 22)	914	3,671	6,859
Total income	37,803	44,415	283,700
EXPENSES:			
Interest on:			
Deposits	2,554	4,102	19,167
Borrowings and rediscounts	424	776	3,182
Other	447	815	3,355
Fees and commissions	1,834	1,737	13,764
Other operating expenses	2,061	132	15,467
General and administrative expenses	22,761	23,933	170,814
Provision for possible loan losses	23,325	9,214	175,047
Loss on sales of real estate	126	167	945
Other expenses (Note 23)	14,900	2,331	111,820
Total expenses	68,432	43,207	513,561
(LOSS) INCOME BEFORE INCOME TAXES AND MINORITY INTEI	(30,629)	1,208	(229,861)
INCOME TAXES (Note 14):			
Current	106	334	796
Deferred	(1,206)	119	(9,051)
Total income taxes	(1,100)	453	(8,255)
MINORITY INTERESTS IN NET INCOME	113	78	848
NET (LOSS) INCOME	¥ (29,642)	¥ 677	\$ (222,454)
PER SHARE OF COMMON STOCK (Note 2(p)):			
Net (loss) income	¥ (208.36)	¥ 4.93	\$ (1.56)
Cash dividends applicable to the year	-	5.00	-

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

YEARS ENDED MARCH 31, 2002 AND 2001

	Thousands	Millions of Yen					
	Issued Number of Shares of Common Stock	Common Stock	Capital Surplus	Land Revaluation Excess	Accumulated Deficit / Retained Earnings	Net Unrealized Gain (Loss) on Available-for-sale Securities	Treasury Stock
BALANCE AT APRIL 1, 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, ¥5 per share	-	-	-	-	(685)		-
Bonuses to directors and corporate auditors	-	-	-	-	(28)		-
Revaluation of available-for-sale securities	-	-	-	-	-	¥ (503)	-
Net decrease in treasury stock (243 thousand shares)	-	-	-	-	-	-	101
BALANCE AT MARCH 31, 2001	138,359	16,815	12,995	6,283	25,927	(503)	(445)
Reversal of land revaluation excess due to sales and writes	-	-	-	(169)	63	-	-
Net loss	-	-	-	-	(29,642)	-	-
Issuance of common stock	79,100	15,029	14,950	-	-	-	-
Cash dividends, ¥2.5 per share	-	-	-	-	(343)	-	-
Revaluation of available-for-sale securities	-	-	-	-	-	3,480	-
Net decrease in treasury stock (985 thousand shares)	-	-	-	-	-	-	406
BALANCE AT MARCH 31, 2002	217,459	¥ 31,844	¥ 27,945	¥ 6,114	¥ (3,995)	¥ 2,977	¥ (39)

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Capital Surplus	Land Revaluation Excess	Accumulated Deficit / Retained Earnings	Net Unrealized Gain (Loss) on Available-for-sale Securities	Treasury Stock
BALANCE AT MARCH 31, 2001	\$ 126,191	\$ 97,524	\$ 47,152	\$ 194,574	\$ (3,775)	\$ (3,340)
Reversal of land revaluation excess due to sales and writedown	-	-	(1,268)	473	-	-
Net loss	-	-	-	(222,454)	-	-
Issuance of common stock	112,788	112,195	-	-	-	-
Cash dividends, \$0.02 per share	-	-	-	(2,574)	-	-
Revaluation of available-for-sale securities	-	-	-	-	26,116	-
Net decrease in treasury stock (985 thousand shares)	-	-	-	-	-	3,047
BALANCE AT MARCH 31, 2002	\$ 238,979	\$ 209,719	\$ 45,884	\$ (29,981)	\$ 22,341	\$ (293)

See notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2002 AND 2001**

	Millions of Yen		Thousands of
	2002	2001	U.S. Dollars (Note 1) 2002
OPERATING ACTIVITIES:			
(Loss) income before income taxes and minority interests	¥ (30,629)	¥ 1,208	\$ (229,861)
Adjustments for:			
Income taxes, paid	(281)	(1,762)	(2,109)
Depreciation and amortization	815	907	6,116
Equity in earnings of an associated company	(65)	(62)	(488)
Net loss (gain) on sales and redemption of securities	14,266	(2,034)	107,062
Net (gain) loss on money held in trust	(11)	71	(83)
Gain on discount of subordinated loan due to early repayment	-	(2,300)	-
Net foreign exchange gain	(362)	(741)	(2,717)
Net (gain) loss on disposal of premises and equipment	(623)	43	(4,675)
Bonuses to directors and corporate auditors	-	(28)	-
Stock issuance costs	150	-	1,126
Changes in assets and liabilities			
Net decrease in loans and bills discounted	1,306	32,331	9,801
Net decrease in deposits	(21,842)	(19,073)	(163,917)
Net decrease in borrowed money (excluding subordinated borrowings of the	(2,433)	(223)	(18,259)
Net decrease in due from banks (excluding due from the Bank of Japan)	3,225	18,998	24,203
Net decrease (increase) in call loans, notes and other debt purchased	53,133	(33,119)	398,747
Net decrease (increase) in foreign exchange, debit	226	(892)	1,696
Net increase (decrease) in foreign exchange, credit	23	(25)	173
Net increase (decrease) in reserve for possible loan losses	18,016	(7,244)	135,205
Net (decrease) increase in reserve for possible loan losses on collateralized real estate loans sold	(93)	17	(698)
Net increase in liability for retirement benefits	706	842	5,298
Net increase in interest receivable	(3,665)	(4,529)	(27,505)
Net decrease in interest payable	(218)	(211)	(1,636)
Net decrease (increase) in other assets	609	(2,993)	4,570
Net (decrease) increase in other liabilities	(1,543)	1,286	(11,580)
Total adjustments	61,339	(20,741)	460,330
Net cash provided by (used in) operating activities	30,710	(19,533)	230,469
FORWARD	¥ 30,710	¥ (19,533)	\$ 230,469

(Continued)

**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2001 AND 2000**

	Millions of Yen		Thousands of
	2002	2001	U.S. Dollars (Note 1) 2002
FORWARD	¥ 30,710	¥ (19,533)	\$ 230,469
INVESTING ACTIVITIES:			
Purchases of securities	(119,791)	(83,450)	(898,994)
Proceeds from sales of securities	17,783	72,396	133,456
Proceeds from maturities of securities	74,967	56,439	562,604
Increase in money held in trust	-	(800)	-
Decrease in money held in trust	-	209	-
Dividends and interest received from investing activities	3,528	4,851	26,476
Purchases of premises and equipment	(831)	(1,137)	(6,236)
Proceeds from sales and disposals of premises and equipment	1,407	343	10,559
Net decrease (increase) in other assets	73	(306)	548
Net cash (used in) provided by investing activities	(22,864)	48,545	(171,587)
FINANCING ACTIVITIES:			
Proceeds from issuance of common shares	29,829	-	223,857
Proceeds from subordinated loans	3,000	3,000	22,514
Repayment of subordinated loans	(5,000)	(7,700)	(37,523)
Interest paid on subordinated loans	(353)	(608)	(2,649)
Dividends paid	(343)	(685)	(2,574)
Dividends paid by subsidiaries to minority shareholders	(3)	(3)	(23)
Acquisition of treasury stock	(49)	(38)	(368)
Proceeds from sales of treasury stock	475	139	3,565
Proceeds from issuance of a consolidated subsidiary's common stock	-	40	-
Net cash provided by (used in) financing activities	27,556	(5,855)	206,799
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(12)	(13)	(90)
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,390	23,144	265,591
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	50,331	27,187	377,719
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	¥ 85,721	¥ 50,331	\$ 643,310

(Concluded)

See notes to consolidated financial statements.