



Annual Report 2002

HYAKUGO BANK

PROFILE

Since its establishment in 1878, Hyakugo Bank has conducted sound business as a leading bank in its home region of Mie Prefecture. Hyakugo Bank's high asset quality is well recognized even among other Japanese banks.

On a consolidated basis, as of March 31, 2002, the Bank had total assets of ¥3,662.3 billion, total deposits of ¥3,293.3 billion, and loans and bills discounted of ¥1,999.3 billion.

Hyakugo Bank serves its customers through a network of 112 branches, 25 sub-branches and two overseas representative offices.

Mie Prefecture, the Bank's main region of business, is situated between Nagoya and Osaka, two of Japan's largest cities. The principal industries of the prefecture include traditional ceramics, metal castings, petrochemicals and automobiles, as well as pearl cultivation, fishing and tourism.

While maintaining close ties with the communities it serves, Hyakugo Bank will work to enhance its business and profitability by providing financial products and services that contribute to the region's economic development.



CORPORATE PHILOSOPHY

Hyakugo Bank's corporate philosophy reconfirms the basic points by which we have grown and earned the trust of customers, shareholders and society. The following standards apply to all future judgments and conduct of employees throughout Hyakugo Bank.

▶ **Mission**

We dedicate ourselves to helping develop a society that places the highest value on mutual trust, and conduct our business in ways to contribute toward building a better society where warmth and respect prevail.

▶ **Management**

We manage the Bank in a manner deemed fair and responsible against broader social standards. Hence, we attach the greatest importance to sound banking practices in harmony with the ethics and integrity of the public. We believe our independence and solid growth are sustained and valued only in pursuit of such managerial practices.

▶ **Behavior**

We try to always display our sincerity in both business and individual activities, guided by our conscience and common sense. We express our deep appreciation for the society by achieving excellence in what we do, while constantly striving to expand our knowledge and challenging the future.

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MESSAGE FROM THE PRESIDENT



Hajimu Maeda
President

Business Environment

In fiscal 2001, the year ended March 31, 2002, the economic slump in Japan persisted, marked by a series of bankruptcies of major corporations. The lackluster economy also had a negative effect on household budgets, which was reflected in weak consumer spending.

In the area of finance, the Bank of Japan decided in August 2001 to enhance its relaxed monetary policy, and in September, a coordinated interest rate reduction was implemented as a measure to combat the worldwide economic slowdown. As a result, the official discount rate was reduced to an all-time low of 0.1 percent.

In Hyakugo Bank's principal market of Mie Prefecture, with the exception of certain industrial sectors such as automobile sales, signs of recovery were scarce, as weak conditions prevailed in sectors including distribution, construction and tourism.

Hyakugo Bank's Competitive Strengths

Even in the midst of these challenging economic conditions, Hyakugo Bank is highly regarded for its sound, healthy management.

At the end of March 2002, the Bank's consolidated capital adequacy ratio was 8.81 percent, significantly higher than the domestic standard of 4 percent. (For reference, the ratio using international standards was 10.37 percent.) The Tier I capital ratio, which excludes subordinated debt, which can be a component in calculating the capital adequacy ratio, was a solid 7.98 percent.

Hyakugo Bank has received A ratings on its long-term debt from Standard & Poor's and Moody's Investors Service, and is one of only three Japanese banks with A ratings from both of these rating agencies (as of April 30; does not include the Pi rating from Standard & Poor's).

	S&P	Moody's
Long-term	A-	A3
Short-term	A-2	P-2

Hyakugo Bank is also known for its exceptionally low ratio of nonperforming loans to total loans and bills discounted. One reason for this is the Bank's traditional policy of diversifying credit. This policy was codified in the credit policy we established in April 1996, which sets maximum credit limits for individual companies, corporate groups and industries at fixed percentages of the Bank's capital. In this way, we are able to disperse and manage credit risk.

Nonperforming loans are generally defined under the Financial Reconstruction Law as bankrupt and quasi-bankrupt assets, doubtful assets and substandard loans. Hyakugo Bank's total nonperforming loans as of March 31, 2002 stood at ¥98,190 million, which represented 4.71 percent of total credit, a comparatively low level. On a nonconsolidated basis, this ratio was 4.68 percent, substantially lower than the average of 7.68 percent for other regional banks.

The coverage of nonperforming loans by collateral and guarantees and the reserve for possible loan losses was 86.63 percent. Hyakugo Bank thus maintains a sound balance sheet and is fully prepared to deal with future loan risks.

Business Results

In fiscal 2001, total income decreased 20.1 percent to year-on-year to ¥89,636 million. Factors behind the decrease included a decline in fund management income due to lower investment yields. On the other hand, a decline in funding costs, reflecting lower deposits yields, contributed to a 19.8 percent decrease in total expenses to ¥84,474 million. However, an increase in losses booked on impairment of securities led to a 27.6 percent decline in net income to ¥2,863 million.

Initiatives

The accelerating trend toward restructuring and consolidation in the financial sector, including banks, securities companies and insurance companies, combined with the entry of market players from other industries and the removal of full deposit protection, have ushered in an era of intense, free competition in the banking industry.

In response to these changes in the operating environment, in April 2001, Hyakugo Bank launched a new medium-term management plan, entitled The First Management Plan of the New Century, that promotes participation of all employees in marketing and in public relations. Based on the fundamental concept that a business can only thrive with the support of its customers, the plan is designed to support Hyakugo Bank's commitment to developing together with the region as a bank that is trusted by customers. Numerical targets in the plan are net income of ¥8.0 billion and return on equity of 5 percent by fiscal 2003.

During the year since starting the management plan, we have taken several steps to improve convenience for customers. These include extending bank counter business hours at selected branches, expanding tie-ups for mutual use of ATMs and cash dispensers, and expanding holiday operating hours and days of operation of ATMs and cash dispensers. We also worked to meet the broad funding needs of our customers by enhancing the options available in our loan products, particularly housing loans. These products are now being used by a large number of customers.

In April 2002, the start of the second year of the plan, we shifted to a new business structure, centered on the regional headquarters system.

The regional headquarters system is a business structure in which the Bank's business area, which previously was divided into four regions, is broken down into 11 smaller regions, each with a regional headquarters. This supports our ability to develop and execute business strategies tailored to each region and customer. The shift to the regional headquarters system reduced the number of branches managed by each regional headquarters from approximately 30 to

approximately 10 branches. The result is more focused branch management and guidance, enabling branches to better reflect customer feedback and market trends in their business plans and business activities. In addition, financial planners responsible for business with individual customers are assigned to each regional headquarters to offer customers value-added consultation services, such as asset management advice or proposals for making effective use of idle land. Concentrating financial planners at regional headquarters is also expected to better promote their buildup of skills and expertise.

Meanwhile, as the risks banks face grow increasingly complex, managing risk is becoming more important than ever. Hyakugo Bank has established its Risk Management Policy as the basis for integrated management and control of all types of risk. In addition, the Risk Management Committee, which meets every month, gauges and responds appropriately to risks to maintain the soundness of management. The Audit Division, which is independent from business divisions, conducts audits of business operations to verify the appropriateness and effectiveness of the internal management of divisions.

Compliance is also a top management priority at Hyakugo Bank. In addition to issuing a business guidebook that provides fundamental guidelines for compliance inside the Bank, we have created a Compliance Committee chaired by the president, and assigned compliance officers to all head office departments, regional headquarters and branches. Moreover, a compliance program is formulated every year as a concrete action plan to further promote compliance with laws and regulations and mitigate legal risk.

While carrying out our current medium-term plan, we will also strive to earn the Japan Quality Award, which is modeled after the Malcolm Baldrige National Quality Award, considered a global benchmark of management innovation. By doing so, we will take a fresh look at the Bank's overall management from the perspective of customers, and make a qualitative transformation to a more competitive management structure.

Additionally, with the same motives we had in acquiring ISO 14001 in 1999, we are taking ongoing environmental protection measures, such as reducing electric power and paper consumption and promoting green purchasing.

In fiscal 2001, as a way of thanking our customers in the region, we held a gathering of Hyakugo customers at four locations in Mie Prefecture and in Nagoya. A total of 3,650 customers attended the events, where we explained our way of thinking and our vision of the future. We also held information meetings for investment professionals such as analysts and sales representatives from securities companies. Going forward, we will further reinforce our efforts to increase management transparency.

The entire management of Hyakugo Bank will continue working together to earn the trust of customers and promote the Bank's advancement with the region it serves. We look forward to your support.



Hajimu Maeda
President

STATUS OF NONPERFORMING LOANS

Disposal of Nonperforming Loans

Hyakugo Bank makes appropriate write-offs and provisions according to the possibility of recovery or the risk of impairment of loan assets, as determined by the Bank's self-assessment of credits. The Bank actively works to recover nonperforming loans, both through collection from borrowers and through disposal of collateral through auctions and other means. In addition, the Bank sells nonperforming loans to remove them from the balance sheet.

As a result of these policies, the amount of nonperforming loans on a consolidated basis as of March 31, 2002 was ¥6,928 million, a decline of ¥7,075 million from a year earlier. Although the number of bankruptcies remained high, the Bank has accelerated its disposal of nonperforming loans during the last several years. As a result, even in cases of actual legal bankruptcy of borrowers, the new burden on the Bank is relatively small. In addition, impairment amounts per loan are becoming smaller and large-scale bankruptcies are declining.

Credit Exposure and Risk-Monitored Loans under Financial Reconstruction Law

Loans disclosed under the Financial Reconstruction Law totaled ¥98,190 million on a consolidated basis as of March 31, 2002, an increase of ¥22,210 million from a year earlier. This represented 4.71 percent of total credits, up 0.98 percentage

points compared with the end of the previous fiscal year, but still remaining low (for reference, on a nonconsolidated basis, this ratio was 4.68 percent, compared to an average of 7.68 percent for regional banks in Japan).

In addition, Hyakugo Bank's coverage ratio for nonperforming loans is 86.63 percent, and the Bank maintains appropriate reserves to cover future risks and improve asset quality.

Risk-monitored loans as of March 31, 2002, totaled ¥96,610 million, an increase of ¥21,798 million from a year earlier, and represented 4.81 percent of total loans outstanding.

The increase in nonperforming loans was a result of the Bank's self-assessment of assets with even more rigorous standards in response to the worsening economic environment. Specifically, we carefully scrutinized the financial condition of borrowers, and loans at risk of becoming past due or loans to borrowers whose business conditions are deteriorating were booked as nonperforming loans. As a result, past due loans increased ¥14,543 million and restructured loans increased ¥9,457 million. However, because of the Bank's efforts to recover loans through means such as disposal of collateral and progress in removing nonperforming loans from the balance sheet, loans to borrowers in legal bankruptcy increased by only ¥1,091 million, and loans past due three months or more decreased ¥3,294 million.

Coverage for Credit Exposure under Financial Reconstruction Law Disclosure Standards (Consolidated)

	Millions of yen		
	2002	2001	Increase (decrease)
Loans disclosed according to the Financial Reconstruction Law (normal loans excluded).....	¥98,190	¥75,980	¥22,210
Reserve for possible loan losses.....	35,052	30,486	4,566
Collateral, etc.....	50,015	41,943	8,072
Coverage amount.....	¥85,068	¥72,429	¥12,638
Coverage ratio.....	86.63%	95.32%	(8.69) point

Risk-Monitored Loans (Consolidated)

	Millions of yen		
	2002	2001	Increase (decrease)
Loans to borrowers in legal bankruptcy.....	¥12,697	¥11,605	¥ 1,091
Past due loans.....	55,131	40,587	14,543
Past due three months or more.....	465	3,760	(3,294)
Restructured loans.....	28,315	18,857	9,457
Total.....	¥96,610	¥74,811	¥21,798

Nonperforming Loans under Internal-Assessment Standard (Non-Consolidated)

Fiscal year ended March 31, 2002

(Millions of yen)

Failure	Substantial failure	Possible failure	Loans under Close Observation		Pass	Total
			Substandard	Others		
12,667	16,187	39,871	43,769	148,674	1,820,696	2,081,866

STRENGTHENING PROFITABILITY

Strengthening Business and Profitability

In April 2002, to support the achievement of its current management plan, Hyakugo Bank adopted a new business structure, centered on the introduction of the regional headquarters system. This change is designed to strengthen business by bringing the Bank closer to customers and enabling execution of business strategies and allocation of resources according to the characteristics of each area.

We are also actively developing new banking products. In the highly profitable personal loan sector, we began offering long-term housing loans with low fixed rates and housing loans geared to younger customers, to create a product lineup tailored to customers' ages and asset situations. The amount of these loans has reached ¥27.0 billion in the approximately half a year since we started handling them in November 2001, accounting for almost half of the ¥70.0 billion in total housing loans made during fiscal 2001.

In the area of unsecured loans, we entered new markets and expanded our customer base through measures including tie-ups with a consumer finance company and the introduction of credit card loans that do not require a trip to a bank branch.

Another area of focus is fee-based businesses. During the past fiscal year, we expanded sales of investment trust products, ranging from products designed to limit risk to a new fund for investing in major listed companies of the three prefectures in the Tokai region. In addition, we began offering nonlife insurance and a defined contribution pension plan for individuals.

Enhancing Banking Channels for Greater Convenience

In response to changes in the operating environment, Hyakugo Bank is also working to meet customer needs by expanding delivery channels. In April 2001, we began offering the Internet Mobile Banking Service, which allows customers to make online transactions, from fund transfers and account inquiries to investment trust and foreign-currency deposit transactions, 24 hours a day, 365 days a year. By the end of the fiscal year, the number of subscribers had exceeded 15,000, and more than 40,000 online transactions were being made every month.

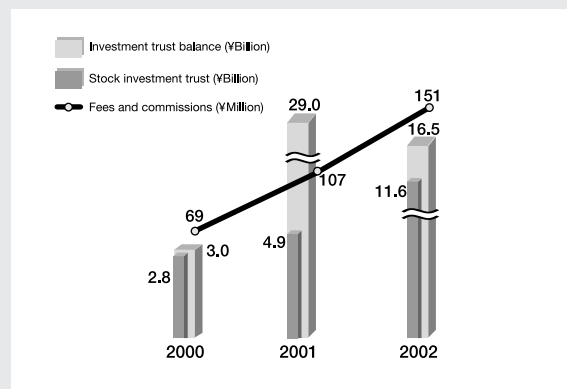
We are also expanding mutual use of ATMs and cash dispensers with other institutions. In addition to existing agreements with Juroku Bank and Bank of Nagoya, during fiscal 2001, we formed mutual-use agreements with Aichi Bank, the Bank of Tokyo-Mitsubishi and the Postal Services Agency. Furthermore, we extended ATM holiday operating hours, and all of Hyakugo Bank's automated machines now operate every day of the year except January 1.

Shifting to a Low Cost System

Hyakugo Bank is streamlining its operations through outsourcing. In June 2001, we established a wholly owned subsidiary, Hyakugo Office Service Company Limited. By outsourcing business to this subsidiary, which specializes in centralizing paperwork operations for banks, we will decrease the time spent on paperwork while increasing accuracy, thus reducing costs for the Bank as a whole.

In May 2002, we signed an eight-year contract to outsource system management operations to Nihon Unisys, Ltd. and NRI Data Services, Ltd. This will lighten the physical, economic and capital investment costs associated with maintaining system resources such as host computers. By leveling off investment in systems and reducing system management costs, we expect this agreement to result in total cost savings of about ¥2.0 billion during the contract period.

Investment Trust Balance & Fees and Commissions



SIX-YEAR SUMMARY

(Consolidated)

The Hyakugo Bank, Ltd. and Consolidated Subsidiaries Years ended March 31

	Millions of yen					
	2002	2001	2000	1999	1998	1997
For the year:						
Total income.....	¥ 89,636	¥ 112,172	¥ 98,291	¥ 109,825	—	—
Total expenses.....	84,474	105,377	93,649	102,095	—	—
Income before income taxes and minority interests.....	5,162	6,794	4,641	7,729	—	—
Net income.....	2,863	3,956	2,658	3,712	—	—
At year-end:						
Total assets.....	¥3,662,386	¥3,553,174	¥3,349,334	¥3,325,832	—	—
Deposits.....	3,293,349	3,134,168	3,018,784	2,975,937	—	—
Loans and bills discounted.....	1,999,393	1,944,222	1,909,946	2,018,500	—	—
Securities.....	1,087,417	1,047,005	872,748	790,329	—	—
Total stockholders' equity.....	190,841	204,695	143,719	143,539	—	—
Common stock.....	20,000	20,000	20,000	20,000	—	—
Per share data:						
Net income per share (in full yen).....	¥ 10.90	¥ 15.04	¥ 10.06	¥ 14.01	—	—
Stockholders' equity per share (in full yen).....	727.70	778.34	546.49	541.68	—	—
Valuation indicators:						
Capital adequacy ratio (%).....	8.81	8.94	8.98	8.76	—	—
Tier I ratio (%).....	7.98	8.10	8.08	7.81	—	—
Return on equity (%).....	1.44	2.27	1.85	—	—	—
Price/earnings ratio (times).....	38.80	29.32	45.72	—	—	—
Cash flow:						
Net cash provided by operating activities.....	¥ 250,608	¥ 97,232	¥ 158,772	—	—	—
Net cash used in investing activities.....	(75,759)	(87,723)	(77,150)	—	—	—
Net cash used in financing activities.....	(4,647)	(4,319)	(2,443)	—	—	—

Note: Figures for the years ended March 31, 1997 and 1998 are not included because the Bank did not prepare consolidated financial statements.

(Non-Consolidated)

The Hyakugo Bank, Ltd. Years ended March 31

	Millions of yen					
	2002	2001	2000	1999	1998	1997
For the year:						
Total income.....	¥ 78,015	¥ 100,479	¥ 86,611	¥ 97,956	¥ 109,315	¥ 100,273
Total expenses.....	73,725	94,412	82,780	90,841	99,953	88,117
Income before income taxes.....	4,289	6,067	3,831	7,114	9,362	12,155
Net income.....	2,745	3,820	2,516	3,753	2,458	8,663
At year-end:						
Total assets.....	¥3,639,822	¥3,530,322	¥3,326,648	¥3,302,326	¥3,303,839	¥3,252,251
Deposits.....	3,294,503	3,135,768	3,019,969	2,977,062	2,946,402	2,929,271
Loans and bills discounted.....	2,005,883	1,950,311	1,915,247	2,023,408	2,013,853	1,966,461
Securities.....	1,087,785	1,047,268	873,117	790,727	790,987	790,953
Total stockholders' equity.....	190,190	204,164	143,334	143,302	124,428	123,343
Per share data:						
Net income per share (in full yen).....	¥ 10.45	¥ 14.51	¥ 9.51	¥ 14.15	¥ 9.26	¥ 32.66
Cash dividends per share (in full yen).....	5.00	5.00	5.00	6.00	5.00	5.00
Stockholders' equity per share (in full yen).....	724.57	775.62	544.53	540.30	469.14	465.05
Valuation indicators:						
Capital adequacy ratio (%).....	8.72	8.88	8.92	8.72	9.97*	9.63*
Tier I ratio (%).....	7.88	8.03	8.02	7.77	7.27	6.36
Return on equity (%).....	1.39	2.19	1.75	—	—	—
Return on assets (%).....	0.08	0.11	0.07	0.11	0.07	0.28
Price/earnings ratio (times).....	40.47	30.39	48.37	—	—	—

*BIS standard

FINANCIAL REVIEW

Income

On a consolidated basis, total income for fiscal 2001, the year ended March 31, 2002, decreased ¥22,536 million (20.1 percent) year-on-year to ¥89,636 million. Total expenses decreased ¥20,903 million (19.8 percent) to ¥84,474 million, primarily because of decreased funding costs due to lower yields on deposits, and a large decline in expenses related to nonperforming loans, a result of accelerated write-offs implemented in the past.

However, factors including an increase in loss on impairment of securities, which reflected the downturn in the stock market, resulted in a ¥1,093 million (27.6 percent) decrease in net income, to ¥2,863 million.

Hyakugo Bank previously wrote off valuation losses on securities based on fair value, but has established a more rigorous standard of booking impairment losses on all securities with value declines of more than 30 percent in order to maintain a sound balance sheet and hedge risks such as declining stock prices.

Net Interest Margin (Non-Consolidated)

	Millions of yen		
	2002	2001	Increase (decrease)
Interest income	¥ 64,179	¥ 68,474	¥ (4,294)
Average interest-earning assets	3,270,831	3,133,155	137,675
Average interest rate of interest-earning assets (%).....	1.96	2.18	(0.22)
Interest expense	11,215	13,480	(2,265)
Average interest-bearing liabilities	3,156,679	3,025,155	131,524
Average interest rate of interest-bearing liabilities (%)....	0.35	0.44	(0.09)
Net interest income	52,964	54,993	(2,028)
Funding cost (%)	1.76	1.90	(0.14)
Net interest margin (%).....	0.20	0.28	(0.08)

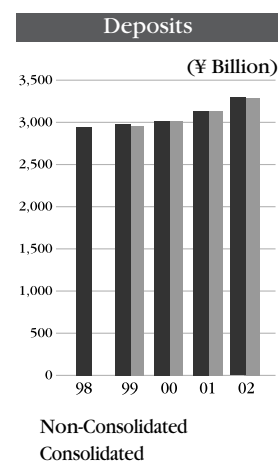
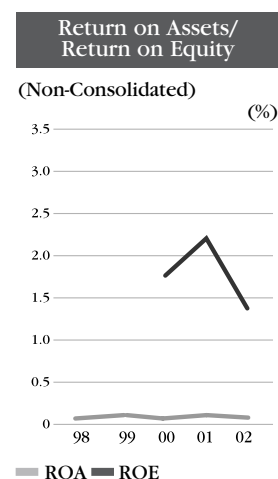
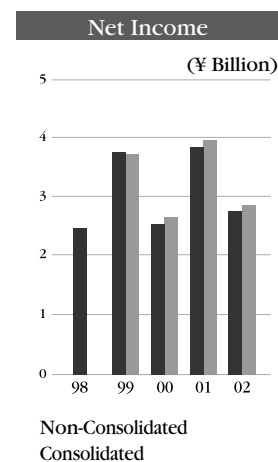
Note: Figures for average interest-bearing liabilities are presented after deducting the average outstanding balance of money held in trust and interests.

Deposits

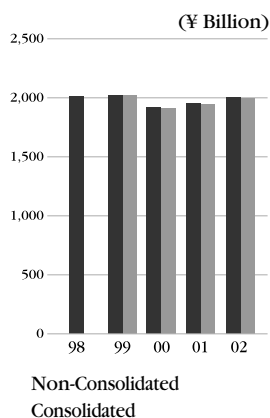
As of March 31, 2002, total deposits, including negotiable deposits, amounted to ¥3,293,349 million, an increase of ¥159,180 million (5.1 percent) from a year earlier. The primary factor behind the increase was strong growth in deposits by individual customers.

Deposits by Depositor (Non-Consolidated)

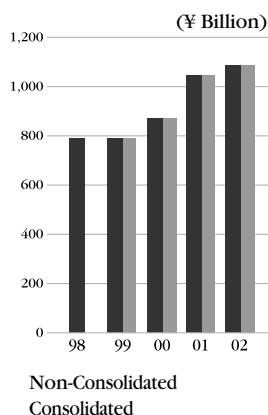
	Millions of yen		
	2002	2001	Increase (decrease)
Individuals.....	¥2,468,207	¥2,288,015	¥180,191
Corporations	568,560	594,587	(26,026)
Local governments	226,054	215,185	10,869
Financial institutions.....	31,680	37,979	(6,299)
Total.....	¥3,294,503	¥3,135,768	¥158,734



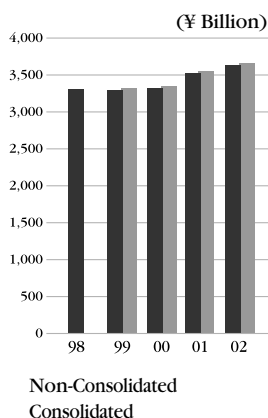
Loans and Bills Discounted



Securities



Total Assets



Loans

The balance of loans and bills discounted at the end of the fiscal year ¥1,999,393 million, a year-on-year increase of ¥55,171 million (2.8 percent), reflecting an increase in loans to individuals, mainly housing loans.

Consumer/Housing Loans (Non-Consolidated)

	Millions of yen		
	2002	2001	Increase (decrease)
Consumer loans.....	¥119,827	¥128,622	¥(8,795)
Housing loans.....	315,473	284,468	31,004
Total.....	¥435,300	¥413,091	¥22,209

Loans to Small and Medium-sized Companies (Non-Consolidated)

	Millions of yen		
	2002	2001	Increase (decrease)
	¥1,455,761	¥1,455,271	¥490

Notes: 1. The above amounts do not include loans from Japan offshore market accounts.

2. Small and medium-sized companies are classified as those having capital of ¥300 million or less (¥100 million or less in the wholesale industry; ¥50 million or less in the retail and service industries) or those having 300 or fewer employees (100 or fewer in the wholesale industry; 50 or fewer in the retail industry and 100 or fewer in the service industry) and include businesses run by individuals.

Loans by Industrial Category (Non-Consolidated)

	Millions of yen		
	2002	2001	Increase (decrease)
Manufacturing.....	¥ 364,322	¥ 365,117	¥ (795)
Wholesale & retail.....	331,408	341,716	(10,308)
Service.....	219,930	224,707	(4,777)
Construction.....	132,473	138,149	(5,676)
Real estate.....	114,928	104,730	10,197
Banking & insurance.....	74,871	104,467	(29,596)
Other.....	766,734	670,095	96,639
Total.....	¥2,004,668	¥1,948,985	¥ 55,683

Note: The above table does not include loans from Japan offshore market accounts.

Securities

The balance of securities was ¥1,087,417 million, a year-on-year increase of ¥40,411 million (3.9 percent).

Capital Adequacy Ratio

Hyakugo Bank has applied domestic standards for determining capital adequacy since the New York Branch was reorganized into a representative office in fiscal 1998. As of March 31, 2002, the Bank's capital adequacy ratio based on domestic standards was 8.81 percent, and the Tier I capital ratio 7.98 percent. Calculated using BIS standards, the capital adequacy ratio was 10.37 percent.

On a non-consolidated basis, the capital adequacy ratio based on domestic standards was 8.72 percent, and the Tier I ratio was 7.88 percent. Using BIS standards the non-consolidated capital adequacy ratio was 10.29 percent.

Capital Adequacy Ratio

March 31	Millions of yen			
	Consolidated		Non-Consolidated	
	2002	2001	2002	2001
Tier I:				
Common stockholders' equity.....	¥ 144,531	¥ 142,855	¥ 141,043	¥ 139,870
Total Tier I capital.....	144,531	142,855	141,043	139,870
Tier II:				
Premises revaluation account, after 55% discount.....	3,937	4,019	3,937	4,019
Reserve for possible loan losses.....	11,293	11,019	11,068	10,878
Total Tier II capital.....	15,230	15,039	15,005	14,898
Deduction from capital.....	101	101	101	101
Total capital.....	159,661	157,794	155,948	154,667
Total risk-adjusted assets.....	1,810,248	1,763,182	1,787,966	1,740,609
Capital adequacy ratio (%).....	8.81	8.94	8.72	8.88

Total Stockholders' Equity

Total stockholders' equity at March 31, 2002 was ¥190,841 million, a decrease of ¥13,853 million (6.8 percent) from a year earlier. This amount included a ¥43,333 million unrealized gain on available-for-sale securities, net of income taxes.

Cash Flows

Cash flows from operating activities increased ¥250,608 million, reflecting an increase in deposits and other factors. Cash flows from investing activities decreased ¥75,759 million, mainly due to purchases of investment securities. Cash flows from financing activities decreased ¥4,647 million due to factors including repayment of subordinated loans and payment of cash dividends.

Cash and cash equivalents at the end of the year increased ¥170,221 million from a year earlier to ¥301,409 million.

