

Consolidated Statement of Income and Retained Earnings

Kiyo Holdings, Inc. and its consolidated subsidiaries

	Year ended March 31, 2006	
	Millions of yen (Note 1)	Thousands of U.S. dollars (Note 1)
Income:		
Interest income:		
Interest on loans and discounts	¥38,508	\$327,817
Interest and dividends on securities	11,361	96,719
Other interest income	346	2,946
Fees and commissions	10,939	93,122
Other operating income	5,408	46,043
Other income (Note 13)	19,641	167,207
Total income	<u>86,205</u>	<u>733,854</u>
Expenses:		
Interest expenses:		
Interest on deposits	1,203	10,242
Interest on borrowings	438	3,731
Interest on payables under securities lending transactions	890	7,583
Other interest expenses	1,659	14,131
Fees and commissions.....	3,272	27,855
Other operating expenses	4,684	39,879
General and administrative expenses	34,870	296,850
Other expenses (Note 14)	28,127	239,442
Total expenses	<u>75,147</u>	<u>639,713</u>
Income before income taxes and minority interests	11,058	94,141
Income taxes (Note 15):		
Current	274	2,337
Deferred	7,420	63,174
Minority interests in net income	66	563
Net income	3,297	28,067
Retained earnings at beginning of year	13,856	117,954
Decrease:		
Cash dividends	934	7,957
Retained earnings at end of year	<u>¥16,218</u>	<u>\$138,064</u>
	Yen	U.S. dollars (Note 1)
Net income per share:		
Basic	¥6.78	\$0.058
Diluted	5.70	0.049

See accompanying notes.