

Consolidated Statements of Income

Kiyo Holdings, Inc. and its consolidated subsidiaries

Years ended March 31, 2007 and 2006

	Millions of yen (Note 1)	2006	Thousands of U.S. dollars (Note 1)
	2007	2006	2007
Income:			
Interest income:			
Interest on loans and discounts	¥44,718	¥38,508	\$378,813
Interest and dividends on securities	12,830	11,361	108,684
Other interest income	1,031	346	8,740
Fees and commissions	12,621	10,939	106,913
Other operating income	7,306	5,408	61,897
Other income (Note 12)	7,257	19,641	61,481
Total income	85,766	86,205	726,528
Expenses:			
Interest expenses:			
Interest on deposits	3,508	1,203	29,718
Interest on borrowings	664	438	5,627
Interest on payables under securities lending transactions....	1,122	890	9,505
Other interest expenses	1,989	1,659	16,849
Fees and commissions	4,054	3,272	34,343
Other operating expenses	7,984	4,684	67,638
General and administrative expenses	39,794	34,870	337,100
Other expenses (Note 13)	14,930	28,127	126,477
Total expenses	74,047	75,147	627,257
Income before income taxes and minority interests	11,718	11,058	99,271
Income taxes (Note 14):			
Current	975	274	8,264
Deferred	2,556	7,420	21,656
Minority interests in net income	6	66	54
Net income	¥ 8,180	¥ 3,297	\$ 69,297
Retained earnings at beginning of year	—	¥13,856	—
Increase:			
Net income	—	3,297	—
Decrease:			
Cash dividends	—	934	—
Retained earnings at end of year	—	¥16,218	—
		Yen	U.S. dollars (Note 1)
Net income per share:			
Basic	¥12.46	¥6.78	\$0.106
Diluted	10.78	5.70	0.091

See accompanying notes.