

*Financial Results
&
Business Strategies*

November 2000



SAKURA BANK

Contents

.Financial Results in 1st Half, FY2000

Summary of Financial Results in 1st Half, FY2000	3
Summary of Net Operating Profit	4
Gross Operating Profit (1) Summary	5
Gross Operating Profit (2) Improvement of Spread	6
Gross Operating Profit (3) Notional Principal Amount of Interest Rate Swaps	7
Gross Operating Profit (4) Progress on Main Objectives	8
Gross Operating Profit (5) Balance of Housing Loan	9
Gross Operating Profit (6) Sales of Investment Trusts	10
Expense/Progress in Restructuring Plan	11
Profitability Breakdown by DCs	12
Extraordinary Profit/(Loss) (1) Disposal of Problem Loans - Summary	13
Extraordinary Profit/(Loss) (2) Disposal of Problem Loans - Disclosure based on Financial Revitalization Law	14
Extraordinary Profit/(Loss) (3) Gains of Stocks and Other Securities	15
Extraordinary Profit/(Loss) (4) Evaluation Gains/losses of Securities	16
Extraordinary Profit/(Loss) (5) Holding Equity's Composite Weight of Each Industry	17
Extraordinary Profit/Loss	18
Influence by the change of Accounting Standards	19
Capital Ratio	20
Summary of Consolidated Financial Results	21
Performance Projection for FY2000	22

. Progress in the new business strategies

Japan Net Bank (1) - Online	24
Japan Net Bank (2) - Performance/Analysis	25
Japan Net Bank (3) - Products&Services/Schedule	26
Japan Net Bank (4) - “ezp@y”	27
Sakura Loan Partner (1) - Profile	28
Sakura Loan Partner (2) - Expansion Plan	29
Sakura Loan Partner (3) - Business Targets	30
Channel Strategy development (1)	31
Channel Strategy development (2)	32
Channel Strategy development (3)	33
Channel Strategy development (4)	34
Strategic Alliance by Mitsui Group's Three Financial Companies	35
Merger Schedule	36

I. Financial Results in 1st Half, FY2000

Summary of Financial Results in 1st Half, FY2000

Profitability: Core Net Operating Profit = Y168.2bil. (Best performance as Sakura)

Steady improvement in core profitability / core commercial banking business

•Main objectives to increase Gross Operating Profit:

Solid Progress in major areas - Housing Loan, Investment Trust Sales etc.

•Interest Spread:

Keep the upwards trend, although the marginal increase became smaller

Further progress on operating efficiency

•Expense Reduction : Expense Ratio=52.9%, decreased by 3.2%

•Reduction of fixed costs : Further decrease of number of employees & branches

Asset Quality: Balance of problem loans(*) = Y339.4bil.(compared with end of Mar. '00)
Credit Cost = Y98.6bil. (58.7% of Core Net Operating Profit)

(*)Based on the Financial Revitalization Law

Acceleration of the disposal of problem loans

•Further effort to decrease the problem loan balance and improve the asset quality

Summary of Net Operating Profit

		(Billions of Yen)			(Ref.)
		FY99	FY00		FY99
		1st half	1st half	Change	
<i>Gross Operating Profit</i>	1	362.8	354.3	(8.5)	711.9
<i>(Excluding Gains/(Losses) on Bonds)</i>	2	363.2	355.7	(7.5)	709.4
<i>Domestic Operations</i>	3	332.2	346.8	14.6	665.5
<i>(Excluding Gains/(Losses) on Bonds)</i>	4	333.8	347.7	13.9	664.9
<i>International Operations</i>	5	30.6	7.5	(23.1)	46.3
<i>(Excluding Gains/(Losses) on Bonds)</i>	6	29.3	7.9	(21.4)	44.5
<i>Expenses</i>	7	203.7	187.4	(16.3)	397.7
<i>Net Addition to Reserve for Possible Loan Losses</i>	8	(5.0)	(16.7)	(11.7)	(14.6)
<i>Net Operating Profit</i>	9	164.0	183.6	19.6	328.0
<i>Net Operating Profit before Net Addition to Reserve for P.L.L.</i>	10	159.0	166.8	7.8	313.4
<i>Core Net Operating Profit (*)</i>	11	159.4	168.2	8.8	310.9

(*) Gains/(Losses) on Bonds are excluded from Net Operating Profit before General Reserve for Possible Loan Losses.

Gross Operating Profit (1) Summary

(Billions of Yen) (Ref.)

		FY99		FY00		FY99
		1st half	1st half	1st half	Change	
Gross Operating Profit	1	362.8	354.3	(8.5)		711.9
(Excluding Gains/(Losses) on Bonds)	2	363.2	355.7	(7.5)		709.4
Domestic Operations	3	332.2	346.8	14.6		665.5
(Excluding Gains/(Losses) on Bonds)	4	333.8	347.7	13.9		664.9
Net Interest Income	5	306.5	297.1	(9.4)		612.0
Fees & Commissions	6	27.5	31.1	3.6		52.0
Trading	7	0.0	0.8	0.8		0.7
Other Operatings	8	(1.8)	17.6	19.4		0.7
(Excluding Gains/(Losses) on Bonds)	9	(1.6)	(0.9)	0.7		0.6
International Operations	10	30.6	7.5	(23.1)		46.3
(Excluding Gains/(Losses) on Bonds)	11	29.3	7.9	(21.4)		44.5
Net Interest Income	12	13.4	(12.1)	(25.5)		12.7
Fees & Commissions	13	3.9	5.1	1.2		8.1
Trading	14	3.5	8.3	4.8		7.3
Other Operatings	15	9.6	6.1	(3.5)		18.1
(Excluding Gains/(Losses) on Bonds)	16	1.2	(0.4)	(1.6)		1.8

•Decrease in Net Interest Income (Domestic)

-Falling of yield on securities (due to maturity of high yield bonds)

-Sluggishness of loans and bills discounted

< Loans and bills discounted (Domestic) >

(Billions of Yen,%) (Ref.)

		FY99		FY00		FY99
		1st half	1st half	1st half	Change	
Average Balance of Loans	1	28,822.2	28,150.7	(671.5)		28,855.0
Average Rate	2	2.05	2.04	(0.01)		2.05

•Increase in Fees and Commissions

Fees of Investment Trusts :Y3.4bil.
(increased by Y2.7bil. from FY99 1st half)

•Effect of mark-to-market accounting
(Profit of Derivative financial instrument)

Other operatings (Domestic) :+Y18.9bil.

Other operatings (International) : Y4.2bil.

•Decrease of Net Interest Income (International)

Gross Operating Profit (2) Improvement of Spread

<Yield in Domestic Operations, Non-Consolidated>

		(%)			(Ref.)
		FY99	FY00		FY99
		1st half	1st half	Change	
Yield on Total Funds (a)	1	2.41	2.13	(0.28)	2.38
Interest Earned on Loans (b)	2	2.05	2.04	(0.01)	2.05
Interest Earned on Securities	3	1.43	1.15	(0.28)	1.21
Cost of Funds (c)	4	1.71	1.41	(0.30)	1.67
Cost of Deposits etc. (d)	5	1.37	1.26	(0.11)	1.32
Interest Paid on Deposits, etc	6	0.18	0.13	(0.05)	0.17
Expense Ratio	7	1.18	1.12	(0.06)	1.14
Interest Paid on Other Liabilities	8	0.84	0.76	(0.08)	0.85
Overall Interest Spread (a) - (c)	9	0.70	0.72	0.02	0.71
Interest Spread (b) - (d)	10	0.68	0.78	0.10	0.73
Interest Spread (b) - (e)	11	1.87	1.91	0.04	1.88

< Improvement of Spread >

• Overall Interest Spread = 2bp

• Interest Spread = 10bp

• Interest Spread excluding effect of expense ratio = 4bp

(• Spread Increase in Domestic Loans = 5bp)
(Internal management base)

Gross Operating Profit (3) Notional Principal Amount of Interest Rate Swaps

< Consolidated >

(Billions of Yen)

	Mar 31, '00	Sep 30, '00	Change
< Contract Values or Notional Principal Amounts >			
Receive Fixed Rate/Pay Floating Rate(A)	34,478.3	28,324.4	(6,153.9)
Receive Floating Rate/Pay Fixed Rate(B)	24,638.1	18,706.7	(5,931.4)
Receive Floating Rate/Pay Floating Rate, etc.	25.0	27.9	2.9
(A) - (B)	9,840.2	9,617.7	(222.5)
< Due within 1 year >			
Receive Fixed Rate/Pay Floating Rate(C)	19,241.6	15,735.4	(3,506.2)
Receive Floating Rate/Pay Fixed Rate(D)	16,050.0	9,624.0	(6,426.0)
Receive Floating Rate/Pay Floating Rate, etc.	7.3	12.7	5.4
(C) - (D)	3,191.6	6,111.4	2,919.8
< Due after 1 year >			
Receive Fixed Rate/Pay Floating Rate(E)	15,236.7	12,588.9	(2,647.8)
Receive Floating Rate/Pay Fixed Rate(F)	8,588.1	9,082.6	494.5
Receive Floating Rate/Pay Floating Rate, etc.	17.7	15.1	(2.6)
(E) - (F)	6,648.6	3,506.3	(3,142.3)

- Net excess of Receive Fixed, Due after 1 year
Decreased by Y3.1tri. to Y3.5tri., as of Sep. 30, '00

- (Ref.)
Net Swap Interest Margin (Domestic, Parent)

(Billions of yen)

	1H FY99	2H FY99	1H FY00
Net Swap Interest Margin	5.6	11.6	6.7

More than one year to three years : Y2,928.3bil.
Over three years : Y579.9bil.

Gross Operating Profit (4) Progress on Main Objectives

Performance in accordance with “the Plan toward Soundness of Management”
Comparison with FY97 (=Base period for the Plan, semi-annual base)

(Ref.)
"The Plan toward Soundness
of Management"

Billions of Yen

	FY99		FY00				FY2002		
	Ist half	Profit	Ist half	Profit	Progress	Change from FY99 Ist half	Profit	Projection	*Annual Profit
1. Spread Increase in Domestic Loans <i>(Internal Management Base)</i>	+ 23 bp	+25.3	+ 28bp	+30.8	93%	+ 5bp	+5.5	+ 30bp	+66.0
2. Increase in Individual Loans <i>(Ref.) Balance of Housing Loans (Period End)</i>	+ 700.0 bil. 6,432.5	+6.3	+1,000.0 bil. 6,692.3	+9.0	32%	+ 300.0 bil. +259.8	+2.7	+ 3,200.0 bil.	+57.0
3. Sales of New Products / Services <i>(Ref.) Balance of Investment Trusts (Period End)</i> <i>(Ref.) Balance of Foreign Currency Individual Deposits (Period End)</i>		+1.7 (+0.7)		+6.0 (+3.4)	120%		+4.3 (+2.7)		+10.0
		+33.3		+45.8	69%		+12.5		+133.0

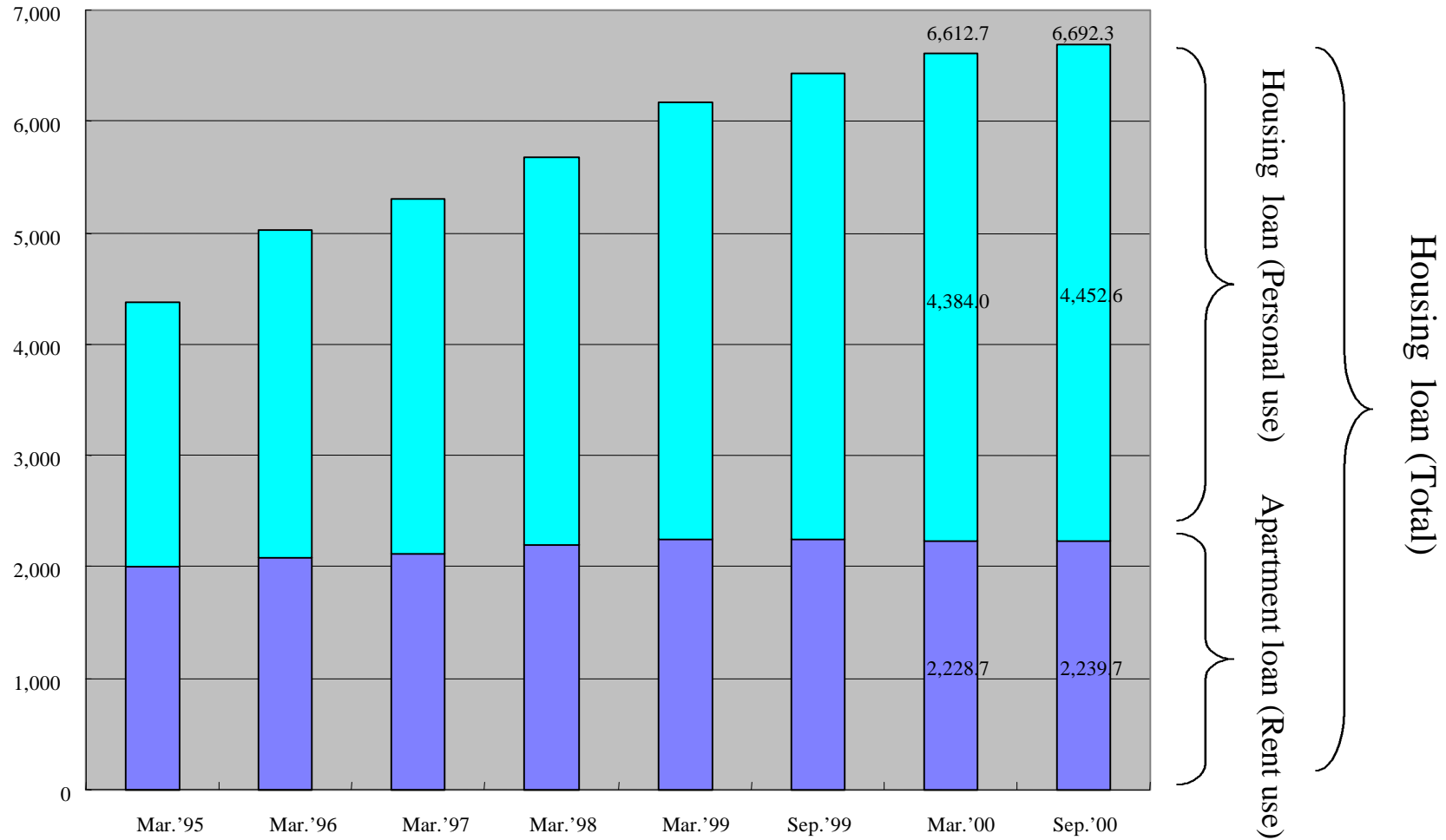
•Progress Rates: converted to annual base

* Contribution to
Gross Operating
Profit Growth

Gross Operating Profit (5) Balance of Housing Loan

< Increase of Housing Loan Balance >

(Billions of Yen)



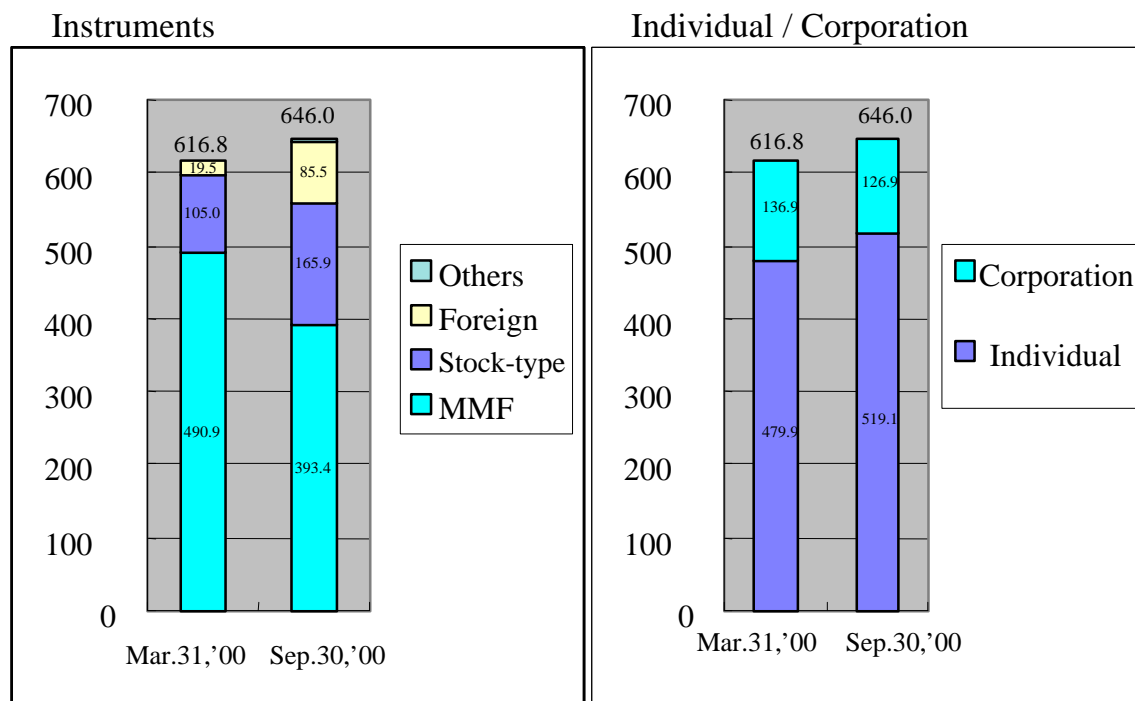
Gross Operating Profit (6) Sales of Investment Trusts

(Billions of Yen)

<Profit>	FY99	FY00		FY99
	1st half	1st half	Change	
Profit	0.7	3.4	+2.7	3.1

• Substantial increase in profit from investment trusts sales, already exceeded the results of FY99.

<Breakdown>



• Pace of increase slowed down, but the balance of Investment Trusts increased continuously.

Breakdown by Instruments

Decrease in MMF and sharp increase in stock-type investment trusts and foreign investment trusts

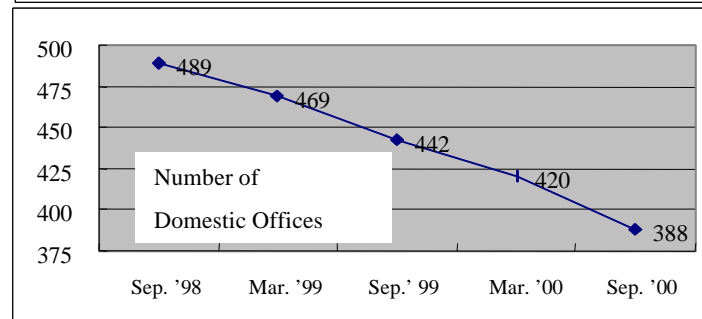
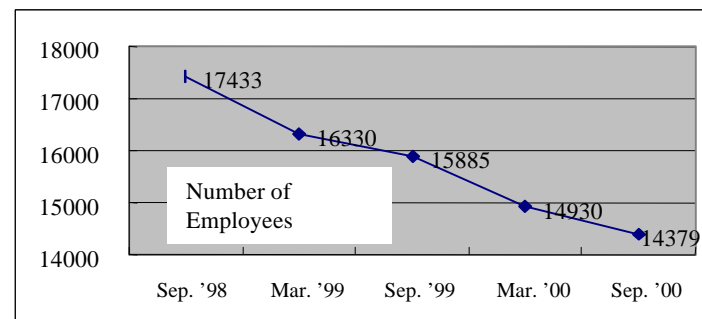
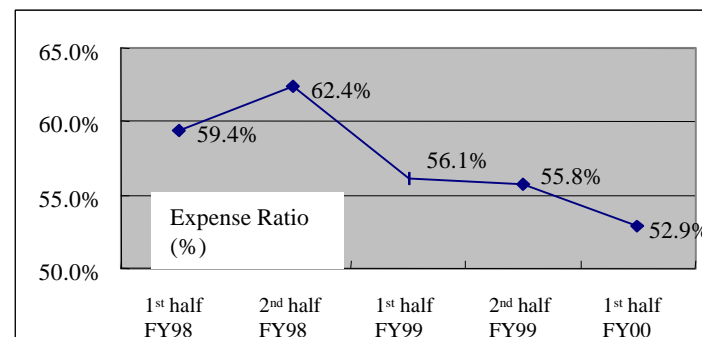
Breakdown by Individual / Corporation

Steady increase in balance for Individual

Expenses / Progress in Restructuring Plan

		<i>(Billions of Yen)</i>			<i>(Ref.)</i>
		<i>FY99</i>	<i>FY00</i>	<i>Change</i>	<i>FY99</i>
		<i>1st half</i>	<i>1st half</i>		
<i>Expenses</i>	1	203.7	187.4	(16.3)	397.7
<i>Personnel</i>	2	83.0	77.0	(6.0)	161.7
<i>Non - Personnel</i>	3	110.0	101.3	(8.7)	216.1
<i>Deposit Insurance Premiums</i>	4	10.7	10.2	(0.5)	21.5
<i>Taxes</i>	5	10.6	8.9	(1.7)	19.8
<i>Expense Ratio</i>	6	56.1	52.9	(3.2)	55.9
<i>Expense Ratio excluding Gains / (Losses) on Bonds</i>	7	56.1	52.7	(3.4)	56.1
		<i>Sep 30, '99 Sep 30, '00</i>			<i>Mar 31, '00</i>
<i>Number of Employees</i>	8	15,885	14,379	(1,506)	14,930
<i>Number of Offices</i>	9	469	412	(57)	446
<i>Domestic Offices</i>	10	442	388	(54)	420
<i>Branches (*1)</i>	11	394	350	(44)	376
<i>Overseas Offices</i>	12	27	24	(3)	26
<i>Branches (*2)</i>	13	18	16	(2)	18
<i>Overseas Subsidiaries</i>	14	22	18	(4)	19

•Sharp decline in Expense Ratio, due to the restructuring effect



(* 1) Sub-branches and Agencies are excluded.

(* 2) Sub-branches and Representative Offices are excluded.

Profitability Breakdown by DCs

		(Billions of Yen)	(Ref.)
		<i>FY00 1st half</i>	<i>FY99 2nd half</i>
Commercial Banking DC	Gross Operating Profit	263.0	252.5
	Expenses	145.0	150.8
	Net Operating Profit (*)	118.0	101.7
	Integrated ROE	23.2%	15.3%
International & Corporate Banking DC	Gross Operating Profit	54.5	50.5
	Expenses	16.2	17.2
	Net Operating Profit (*)	38.3	33.3
	Integrated ROE	9.2%	5.8%
Investment Banking DC, and Treasury Group	Gross Operating Profit	43.2	64.4
	Expenses	9.2	9.6
	Net Operating Profit (*)	34.0	54.8
	Integrated ROE	6.5%	9.0%
Others	Gross Operating Profit	(6.4)	(19.0)
	Expenses	17.1	16.4
	Net Operating Profit (*)	(23.5)	(35.4)
	Integrated ROE	(8.1%)	(10.6%)

(*) Before net addition to General Reserve for Possible Loan Losses

Extraordinary Profit/(Loss) (1) Disposal of Problem Loans - Summery

(Billions of Yen) (Ref.)

		FY99	FY00		FY99
		1st half	1st half	Change	
Net Addition to Reserve for Possible Loan Losses (A)	1	(5.0)	(16.7)	(11.7)	(14.6)
Loan Losses (B)	2	77.2	115.4	38.2	464.5
Direct Written-offs	3	50.7	74.7	24.0	113.3
Net Addition to Specific Reserves	4	12.2	13.1	0.9	194.7
Net Additon to Reserve for Possible Losses from Loans Sold to CCPC	5	8.5	22.8	14.3	55.4
Losses on Sales of Loans to CCPC	6	4.0	1.3	(2.7)	37.1
Net Additon to Reserve for Loans to Restructuring Countries	7	(1.4)	3.2	4.6	(2.6)
Losses on Bulk Sales	8	3.1	0.1	(3.0)	14.1
Losses on Financail Assistace Provided to Supported Companies	9	0.0	0.0	0.0	35.2
Others	10	0.0	0.0	0.0	17.1
Losses on Loans(A)+(B)	11	72.2	98.6	26.4	449.9

- Loan losses (including Net Addition to General Reserve for Possible Loan Losses) = Y98.6bil.
(increase by approx. Y15bil. from initial project)

< Main increased item >

Addition to Reserve for Possible Loan Losses sold to CCPC in order to decrease possible risks in the following years

- General Reserve for Possible Loan Losses:

Net reversals of Y16.7bil.

Due to decrease in the balance of corresponding claims accompanied with change of borrower classification to “Normal ” or “in danger of bankruptcy”

- Assistance to Non-bank Affiliates:

Financial treatment was completed in 2nd half of FY99.

- Disposal for CCPC:

Sold (by bulk sales) approx. Y80bil. of claims already sold to CCPC.

(Ref.)

The balance of back finance to CCPC as of Sep. 30, '00 = Y186.4bil.

Extraordinary Profit/(Loss) (2) Disposal of Problem Loans - Disclosure based on Financial Revitalization Law

(Billions of Yen, %)

	Amount (A)				Secured Amount (B)			
	Sep 30, '99	Mar 31, '00	Sep 30, '00	Change	Sep 30, '99	Mar 31, '00	Sep 30, '00	Change
Bankruptcy Etc.	416.4	394.7	439.9	45.2	416.4	394.7	439.9	45.2
In Danger of Bankruptcy	672.6	880.8	729.1	(151.7)	554.9	720.5	610.8	(109.7)
Special Attention	720.2	448.0	215.0	(233.0)	273.4	178.5	85.7	(92.8)
Non-Bank Affiliates	381.8	248.3	-	(248.3)	116.1	103.8	-	(103.8)
Total	1,809.3	1,723.5	1,384.1	(339.4)	1,244.8	1,293.8	1,136.4	(157.4)

- Substantial decrease in Special Attention
Completion of assisting Sakura Mortgage

- Coverage ratio increased by 7%.

	Coverage Ratio (B/A)			
	Sep 30, '99	Mar 31, '00	Sep 30, '00	Change
Bankruptcy Etc.	100.0%	100.0%	100.0%	0.0%
In Danger of Bankruptcy	82.5%	81.8%	83.8%	2.0%
Special Attention	38.0%	39.8%	39.9%	0.0%
Total	68.8%	75.1%	82.1%	7.0%

< Reverse Ratio >

“Effectively Bankrupt, Bankrupt”:100% for uncovered portion

“In danger of bankruptcy”:Average of 70.3% for uncovered portion

“Needs Attention (Special Attention)”:17.7% for uncovered portion

”Needs Attention (Others)”:Average of 5.2% for uncovered portion (divided in two categories)

”Normal”:0.15% for the amount of claims

Extraordinary Profit/(Loss) (3) Gains of Stocks and Other Securities

(Billions of Yen)

	<i>FY 99</i>	<i>FY 00</i>	<i>FY 99</i>
	<i>1st half</i>	<i>1st half</i>	
Gains/(losses) on Stocks	1.8	(16.5)	341.7
Gains on Sales	21.2	22.8	406.3
Losses on sales	(4.2)	(6.8)	(29.9)
Losses on diminution in value	(15.1)	(32.5)	(34.6)
Income from Equity related Derivative Transactions	0.0	73.2	0.0

Ref. Book value of Stocks with market value

(Billions of Yen)

	<i>Mar.31,'00</i>	<i>Sep.30,'00</i>	<i>Change</i>
Non-consolidated	3,343.6	3,303.3	(40.3)
listed	3,310.4	3,273.1	(37.3)
unlisted	33.1	30.2	(2.9)
Consolidated	3,399.1	3,348.6	(50.5)
listed	3,361.3	3,314.2	(47.1)
unlisted	37.8	34.4	(3.4)

Income from Equity related transactions (unlisted)
Evaluation gains/losses has been reflected in P/L due to the
introduction of mark-to-market accounting (¥10.7bil.)

Extraordinary Profit/(Loss) (4) Evaluation Gains/losses of Securities

【Non- Consolidated】

(Billions of Yen)

	Mar. 31, '00			Sep. 30, '00			
	Evaluation gains/losses			Evaluation gains/losses			
		Gain	Loss	(a)	(a)-(b)	Gain	Loss
Held-to-maturity purpose				-		-	-
Stocks of Subsidiaries and Affiliates				5.6		6.1	0.4
Other Securities				68.7		541.8	473.1
Stock				119.2		532.5	413.3
Bond				(27.1)		5.8	32.9
Other				(23.3)		3.5	26.8
Total	662.7	1,103.8	441.0	74.4	(588.3)	547.9	473.5
Stock	682.9	1,075.6	392.6	124.9	(558.0)	538.6	413.7
Bond	(27.8)	7.2	35.1	(27.1)	0.7	5.8	32.9
Other	7.7	21.0	13.2	(23.3)	(31.0)	3.5	26.8

Evaluation method :
 Stocks = Average market prices in Sep.'00
 (excluding stocks of subsidiaries and affiliates)
 The others = Market prices at the end of Sep.'00

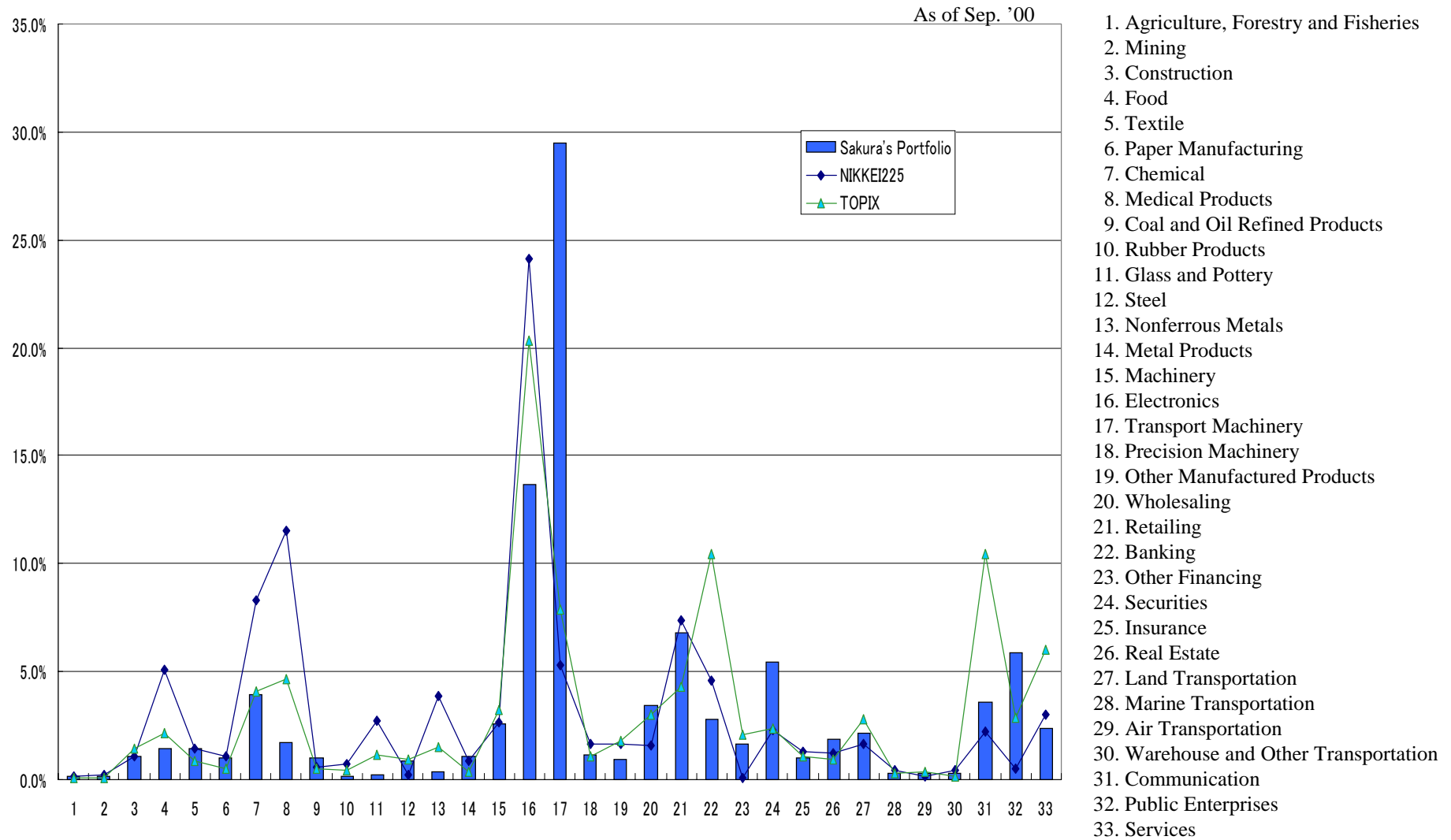
【Consolidated】

(Billions of Yen)

	Mar. 31, '00			Sep. 30, '00			
	Evaluation gains/losses			Evaluation gains/losses			
		Gain	Loss	(a)	(a)-(b)	Gain	Loss
Held-to-maturity purpose				-		-	-
Other Securities				54.9		555.4	500.4
Stock				110.2		544.2	434.0
Bond				(28.4)		7.6	36.0
Other				(26.8)		3.5	30.3
Total	654.7	1,109.4	454.6	54.9	(599.8)	555.4	500.4

Evaluation method :
 The Bank's stocks = Average market prices in
 Sep.'00
 The others = Market prices at the end of Sep.'00

Extraordinary Profit/(Loss) (5) Holding Equity's Composite Weight of Each Industry



Extraordinary Profit/(Loss)

(Billions of Yen) (Ref.)

		FY99	FY00	Change	FY99
		1st half	1st half		
Operating Profit	1	57.4	115.6	58.2	159.9
Extraordinary Profit/(Loss)	2	(3.1)	(22.1)	(19.0)	(5.8)
Gains/(Losses) on Dispositions Premises and Equipment	3	(3.2)	(3.9)	(0.7)	(6.1)
Gains on Dispositon	4	0.0	0.5	0.5	0.6
Losses on Dispositon	5	3.2	4.5	1.3	6.8
Amortizataion of Transition Difference	6	-	18.1	-	-
Interim Income/(Loss) before Income Taxes	7	54.2	93.5	39.3	154.0
Income Taxes (Current)	8	2.1	2.1	0.0	3.9
Income Taxes (Deferred)	9	19.0	39.4	20.4	92.9
Effect by Osaka Municipal by-laws concerning the Special Treatment for the Standard of Business Taxes to Banking Industries	10	-	5.8	-	-
Effect by Tokyo Municipal by-laws concerning the Special Treatment for the Standard of Business Taxes to Banking Industries	11	-	-	-	35.7
Interim Net Income/(Loss)	12	33.0	51.9	18.9	57.1

• Measures for Retirement Benefit

(Billions of Yen)

Market value of Pension Asset	352.1	Balance of Retirement Benefit Liability
Reserve for Retirement Benefit	32.0	
Differences by the change of accounting method	181.8	
		566.0

< Discount Rate >

3.5%

< Period for amortization of transition difference

caused by the new accounting standard >

5 years

Influence by the change of Accounting Standards

Influence by the change of accounting standards

Net Operating Profit

Mark-to-market accounting on financial derivatives: + Y13.4bil., on Retirement benefit: Y2.7bil.

Total + Y10.7bil.

Operating Profit

Mark-to-market accounting on financial derivatives : + Y2.7bil., on Retirement benefit: + Y4.8bil.

Total + Y7.5bil.

Income before income tax

Mark-to-market accounting on financial derivatives : + Y2.7bil., on Retirement benefit: Y13.3bil.

Total Y10.6bil.

Capital Ratio

Consolidated Capital Ratio (BIS Guidelines)

(Billions of Yen, %)

		Sep 30, '99	Mar 31, '00	Sep 30, '00	Change
Capital Ratio	1	12.43	12.53	12.30	(0.23)
Tier 1 Ratio	2	7.33	7.45	7.39	(0.06)
Total Capital	3	4,110.1	4,100.8	4,127.0	26.2
Tier 1	4	2,425.5	2,440.6	2,481.3	40.7
Tier 2	5	1,685.5	1,661.2	1,646.6	(14.6)
Unrealized Appreciation of Land	6	52.2	51.6	50.1	(1.5)
Reserve for Possible Loan Losses	7	242.3	227.3	201.8	(25.5)
Others	8	1,390.9	1,382.2	1,394.6	12.4
Lower Tier 2	9	742.4	735.9	743.4	7.5
Subtraction Item	10	(0.9)	(0.9)	(0.9)	0.0
Risk-Adjusted Assets	11	33,049.5	32,721.5	33,543.4	821.9
Market Risk	12	222.8	220.6	210.9	(9.7)
Nikkei Stoch Average (JPY)	13	17,605	20,337	15,747	(4,590)
JPY/US\$	14	106.95	106.15	108.00	1.85

- Generally, capital ratio and Tier 1 ratio are leveling off.

Summary of Consolidated Financial Results

(Billions of Yen)

	FY00 1st half	Change from FY99 1st half	Difference from Non-consolidated	
<i>Gross Operating Profit</i>	420.1	+0.7	+65.7	
<i>Net Interest Income</i>	309.5	(19.9)	+24.5	Sakura Card
<i>Fees & Commissions</i>	73.0	+13.6	+36.7	
<i>Operation Expenses</i>	228.4	(30.6)	+37.6	Sakura Friend Securities
<i>Loan Losses</i>	155.8	+72.5	+57.2	Sakura Mortgage
<i>Direct Written-offs</i>	90.6	34.2	+15.9	
<i>Net Addition to Specific Reserves</i>	67.9	55.8	+54.8	
<i>Net Addition to Reserve for Possible Loan Losses</i>	(30.6)	(30.3)	(13.9)	
<i>Operating Profit</i>	105.9	+31.9	(9.7)	Sakura Friend Securities
<i>Interim Net Income</i>	31.3	(9.5)	(20.6)	
<i>Net Operating Profit</i>	183.5	+15.0	+16.7	

(Main factors for differences)

Sakura Card

Sakura Friend Securities

Sakura Mortgage

Sakura Friend Securities

(Ref.) Difference from Non-consolidated Basis

	Sep 30, '00	Change from Mar 31, '00	Difference from Non-consolidated
<i>Asset</i>	50,713.0	+2,217.4	+3,835.2
<i>Loan</i>	33,330.3	+997.1	+2,097.8
<i>Other Assets</i>	2,629.5	(118.4)	+1,105.3
<i>Liability</i>	48,139.9	+2,172.1	+3,548.8
<i>Deposit</i>	31,650.6	+1,424.7	+2,564.6

(Minato Bank's profit and loss will be consolidated from 2nd half of FY 2000.)

Minato Bank

Performance Projection for FY 2000

< Non-Consolidated >

(Billions of Yen)

(Ref.)

		FY00		FY99
		1st half	Projection Change from FY99	
Net Operating Profit	1	183.6	340.0	328.0
Net Operating Profit before General Reserve for Possible Loan Losses	2	166.8	310.0	313.4
Operating Profit	3	115.6	245.0	159.9
Net Income	4	51.9	112.0	57.1

- Net Operating Profit :
Increase by Y12bil. to Y340bil.

Losses on Loans	5	98.6	220.0	(229.9)	449.9
-----------------	---	------	-------	---------	-------

- Credit Cost :
Net reversals from General Reserve for Possible Loan Losses = Y30bil.
Net other Specific Reserves and Direct Written-offs = Y250bil.

General Reserve for Possible Loan Losses + Loan as Loss related to Expenses in "Other Expenses"

Total plan = Y220bil.

< Consolidated >

		FY00		FY99
		1st half	Projection Change from FY99	
Operating Profit	6	105.9	225.0	136.4
Net Income	7	31.3	72.0	62.5

- Consolidated Net Income :
Decrease by Y40bil. from non-consolidated.
(Reversals from reverse for Sakura Mortgage, etc.)

Net Operating Profit	8	183.5	330.0	9.8	320.2
----------------------	---	-------	-------	-----	-------

Consolidated Net Operating Profit = Parent's Net Operating Profit + Operating Profit of Consolidated Subsidiaries

+ Operating Profit of Affiliate Companies * % Ownership - Intercompany Elimination

This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.