3. Performance

1. Overview of Consolidated Performance for Fiscal 2000

(a) Profit and Loss

Operating expense decreased because both income and expense relating to derivative transactions to which hedge accounting is applied are recognized by net amount on each account applying the new accounting standards for financial instruments. The decrease of operating income was comparatively limited because a consolidated subsidiary in the U.S. recognized gains on sales of stocks, and moreover, net income/loss from unconsolidated entities by the equity method was improved. Consequently, operating income becomes to 2,725.9 billion yen (down 9.2% from fiscal 1999) and operating expense becomes to 2,415.2 billion yen (down

12.7%).

In summary, operating profit becomes to 310.7 billion yen (up 31.0%) and net income becomes to 83.4 billion yen (up 34.9%).

(b) Assets and Liabilities

Deposits become 31,045.0 billion yen (up 2,682.9 billion yen from fiscal 1999) and negotiable certificates of deposit become 7,025.9 billion yen (up 156.6 billion yen).

Loans and bills discounted become 32,630.3 billion yen (down 310.4 billion yen). Securities increased by 7,877.1 billion yen to 16,845.9 billion yen because the negative effect from sales of cross-shareholdings was outweighed by the positive effect from increase of pledged securities due to introduction of RTGS and the change of accounting method for repo transactions due to application of the new accounting standards for financial instruments.

Total assets become 67,392.9 billion yen (up 13,625.4 billion yen).

(c) Stockholders' Equity

Stockholders' equity becomes 1,837.1 billion yen (up 32.7 billion yen from fiscal 1999) because retained earnings increased though minus 32.1 billion yen of foreign currency translation adjustments that are newly recognized on stockholders' equity made a negative impact on stockholders' equity.

(d) Cash Flows

The amount of cash and cash equivalents becomes 868.1 billion yen (down 455.0 billion yen from fiscal 1999).

Cash flows from operating activities become 3,557.7 billion yen and Cash flows from investing activities become minus 3,913.7 billion yen.

(e) Segments

In terms of business segments, the share of total assets before elimination of internal transactions becomes 92% (up 2 points from fiscal 1999) for banking business, 2% (the same point) for leasing business, and 6% (down 2 points) for other business. The share of operating income before elimination of internal transactions becomes 66% (down 5 points from fiscal 1999) for banking business, 18% (up 1 point) for leasing business, and 16% (up 4 points) for other business.

In terms of geographic segments, the share of total assets before elimination of internal transactions becomes 86% (up 1 point from fiscal 1999) for Japan, 7% (the same point) for the Americas, 4% (up 1 point) for Europe, and 3% (down 2 points) for Asia and Oceania. The share of operating income before elimination of internal transactions becomes 73% (down 3 points from fiscal 1999) for Japan, 14% (up 3 points) for the Americas, 8% (up 2 points) for Europe, and 5% (down 2 points) for Asia and Oceania.

(f) Capital Ratio (BIS Guideline) (for immediate release)

Capital ratio becomes 10.94% by consolidated basis, and 11.80% by nonconsolidated basis.

2. Performance Forecast for Fiscal 2001

(1) Performance Forecast

Through the fiscal 2001, which is the first fiscal year for the new bank, by efficient management of assets and liabilities in domestic and international market and by restructuring of every aspect of business, the Bank will aim to enhance its profitability and resolve problem assets. As for financial forecast by consolidated basis, operating income, operating profit and net income is projected to be 3,650 billion yen, 410 billion yen, and 180 billion yen, respectively. By nonconsolidated basis, operating income, operating profit and net income is projected to be 2,650 billion yen, 295 billion yen, and 150 billion yen, respectively.

(2) Forecast of Dividend

In view of enriching capital with appropriate retained earnings through controlling cash outflows, the Bank will maintain the dividend on common share at 3.00 yen per share and 6.00 yen on annual basis, which are the same as the last year-end and this interim one. The dividend on preferred share will be kept as prescribed: 10.50 yen annually per share for First Series Type 1, 28.50 yen annually per share for Second Series Type 1, 13.70 yen annually per share for Type 5, and 7.50 yen annually per share for Type 6.