

# Summary of Financial Conditions

## 1

### Deposits

The balance of deposits at all Labour Banks throughout Japan (including negotiable certificates of deposits) at the end of fiscal 2004 stood at ¥14,129.5 billion, an increase of ¥299.7 billion over the end of the preceding year. But the rate of increase was 2.16%, down 1.09 percentage points from the growth rate the previous year.

By category, the balance of current deposits was ¥3,515.9 billion, an increase of 2.08%, and the balance of time and savings deposits (including negotiable certificates of deposits) stood at ¥10,613.5 billion, an increase of 2.19%.

## 2

### Loans

The balance of loans at all Labour Banks throughout Japan at the end of fiscal 2004 totalled ¥9,488.7 billion, an increase of ¥222.2 billion over the end of the preceding year. The rate of growth was 2.39%, a drop of 3.79 percentage points from the preceding year.

The loan-deposit ratio at the end of fiscal 2004 was 67.15%, up 0.15 percentage points from the previous year.

Home mortgage loans for individuals continued to increase under the low interest rate policy. Such loans rose by 5.17% over the preceding year to ¥7,696.1 billion, and their balance represented 81.10% of all loans. Loans for living expenses declined 6.11% to ¥1,495.1 billion, the ninth consecutive yearly decrease.

NPO project supporting loans, begun in fiscal 2002, stood at approximately ¥500 million.

## 3

### Profit and loss

Ordinary revenues of all Labour Banks throughout Japan in fiscal 2004 came to ¥284.5 billion, a increase of ¥16.4 billion from the preceding year, and ordinary expenses totaled ¥235.7 billion, a drop of ¥300 million. As a result, combined ordinary profits increased by ¥16.7 billion, or 52.14%, to ¥48.8 billion.

Net operating profits, a yardstick for the performance of the main line, increased by ¥9.2 billion, or 20.80% compared with the preceding year, to ¥53.7 billion.

As a result, net profits for the term under review rose ¥8.4 billion, or 29.77%, to ¥36.6 billion, the second term of continuous growth.

# 4

## Capital adequacy ratios

The weighted average of all Labour Bank's nonconsolidated capital adequacy ratios as of March 31, 2005, was 9.84%, up 0.26 percentage points over the end of the preceding year. The highest nonconsolidated capital

adequacy ratio among Labour Banks was 15.64%. At six of the 13 Labour Banks, the capital adequacy ratio exceeded 10%.

# 5

## Loan claims under special attention

Loan claims under special attention at all Labour Banks throughout Japan as of the end of March 31, 2005, totaled ¥114.3 billion, a drop of ¥4.2 billion over the end of the preceding year, and their percentage to the total loan balance also decreased by 0.07 percentage points to 1.20%.

Loan claims against insolvent borrowers totaled ¥12.0 billion, an increase of ¥2.6 billion; those in arrears amounted to ¥79.6 billion, a decrease of ¥7.9 billion; and those in arrears for three months or more came to ¥6.2 billion, a decrease of ¥100 million. Rescheduled loans totaled ¥16.3 billion, an increase of ¥1.2 billion.

The sum of loan claims against insolvent borrowers and loan claims in arrears totaled ¥91.7 billion. Of that figure, ¥88.3 billion were loan claims backed by collateral, guarantee or appropriations for dubious loans, i.e. ¥3.3 billion, or 0.03%, of the total loan balance.

