

Yamanashi Chuo Bank

Annual Report 2002



The Yamanashi Chuo Bank, Ltd. operates chiefly in Yamanashi Prefecture, which is home to a number of electrical equipment manufacturers and high-tech companies, and the western part of Tokyo. Since its founding over 120 years ago, the Bank has remained firmly committed to the principles of sound management and close ties with the local community on its way to solidifying a position as the most trusted financial institution in the region. As of March 31, 2002, the Bank held an overwhelming share of both deposits and loans & bills discounted in the prefecture, at 42.8% and 35.6%, respectively.

In terms of its business network, Yamanashi Chuo Bank has 85 branches in Yamanashi Prefecture and 13 branches in Tokyo, and has established a representative office in Hong Kong. In addition, we make effective use of the Internet and ATMs as marketing channels to increase customer satisfaction with the services we offers. Together with the close-knit operations of our five consolidated subsidiaries specializing in leasing, credit cards, guarantees, and investments, we are making every effort to provide customers with the comprehensive services they can expect from the region's No.1 bank, as Yamanashi Chuo Bank steps boldly ahead into a new era of finance while striving to further heighten its corporate value.

Contents

Financial Highlights	1
Message from the President	2
Improving Soundness of Management and Enhancing Earning Power	4
Operational Review	6
Financial Review	8
Consolidated Balance Sheets	10
Consolidated Statements of Income	11
Consolidated Statements of Stockholders' Equity	12
Consolidated Statements of Cash Flows	13
Notes to Consolidated Financial Statements	14
Independent Auditors' Report ...	20
Non-Consolidated Balance Sheets	21
Non-Consolidated Statements of Income	22
Non-Consolidated Statements of Retained Earnings	22
Corporate Data	23
Board of Directors and Corporate Auditors	24
Organization	24
Service Network	25



Head Office

Forward-looking statements

Statements contained in this report regarding the Bank's future performance do not constitute statements of historical fact, and are thus subject to a number of risks and uncertainties. Readers are therefore cautioned not to place undue reliance on forward-looking statements, as factors beyond the Bank's control and outside its ability to predict, including general economic conditions and market fluctuations, could cause results to diverge materially from the Company's projections.

Financial Highlights

The Yamanashi Chuo Bank, Ltd. and Subsidiaries
March 31, 2002 and 2001

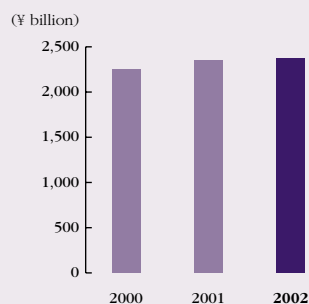
<i>Consolidated</i>	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
For the year:			
Total income	¥ 54,080	¥ 60,756	\$ 405,854
Total expenses	47,587	53,182	357,132
Income before income taxes and minority interests.....	6,492	7,573	48,722
Net income	3,540	4,434	26,573
Per share of common stock (in yen and dollars):			
Net income	¥ 18.65	¥ 23.35	\$ 0.14
Cash dividends applicable to the year	5.00	5.00	0.04
At year-end:			
Deposits	¥2,179,424	¥2,143,185	\$16,355,905
Loans and bills discounted	1,402,893	1,352,522	10,528,278
Investment securities	646,635	669,296	4,852,797
Total assets	2,376,747	2,350,632	17,836,756
Stockholders' equity	131,464	136,432	986,600
<i>Non-Consolidated</i>	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
For the year:			
Total income	¥ 48,192	¥ 55,408	\$ 361,669
Total expenses	42,267	47,992	317,201
Income before income taxes	5,925	7,415	44,467
Net income	3,529	4,444	26,487
Per share of common stock (in yen and dollars):			
Net income	¥ 18.58	¥ 23.40	\$ 0.14
At year-end:			
Deposits	¥2,183,099	¥2,148,726	\$16,383,483
Loans and bills discounted	1,415,501	1,366,986	10,622,900
Investment securities	645,991	668,794	4,847,968
Total assets	2,374,993	2,350,681	17,823,588
Stockholders' equity	131,483	136,462	986,739

Notes: 1. Yen figures are rounded down to the nearest million yen.

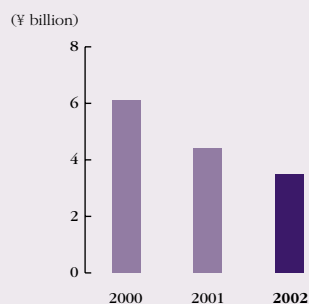
2. U.S. dollar figures have been converted from Japanese yen, solely for convenience, at the rate of ¥133.25=US\$1, the rate prevailing on March 31, 2002.

3. Net income per share is calculated on the basis of the average number of shares of common stock outstanding each year.

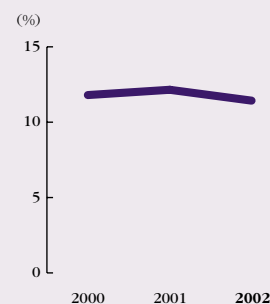
Total assets



Net income



Capital ratio (Domestic standards)



Note: All graphs are on a consolidated basis.

Message from the President

The government's recent decision to lift unlimited guarantees on deposits has made customers much more selective regarding their choice of banks. For Yamanashi Chuo Bank, this situation has resulted in a year-on-year increase in both the balance of deposits and loan and bills discounted during the term under review. With a renewed focus on integrating the customer's perspective in devising ways to set the Bank apart from rival financial institutions, we aim to move ahead in this new era of finance by firmly establishing a solid position as the region's core financial institution.

Operating Environment and Results

The fiscal year under review saw deteriorating corporate earnings as well as further weakening of consumer spending and housing investments, all of which were adversely affected by deflationary trends in Japan as well as the global economic slowdown.

Worsening corporate performance and the lingering effects of the September 11 terrorist attacks on the United States also took their toll, at one point dragging the Nikkei stock average below the ¥10,000 level. Currency markets fared no better, as the deteriorating domestic economy generally pulled the value of the yen lower for the term.

Severe economic conditions also persisted in Yamanashi Prefecture, the Bank's principal business base, with industries in the IT sector suffering drastic falloffs in production. Sluggish performance also continued for non-manufacturing industries, including local industries and retailers, due to intensifying competition from lower-priced imports. In the finance sector, meanwhile, the decision to lift unlimited guarantees on deposits, efforts to eliminate bad debts, and the adoption of fair value accounting and other reform measures continue to move forward, with financial institutions striving harder to achieve greater degrees of financial soundness and customer trust than ever before.

Amid a financial and economic environment of this kind, the Yamanashi Chuo Group renewed its efforts to maintain the prosperity and economic development of the region by offering high-quality banking services and expanding the scope of its leasing and credit card operations. The Group has also made steady progress in implementing the measures detailed in its 7th long-term management plan, "New Challenges—START 21," launched in April 2001, thanks largely to the efforts of employees, who have pulled together to broaden the Group's business scope, streamline its management and improve its overall efficiency. Details of the efforts made are found in the Group's consolidated business results below.

First, deposits (including CDs), consisting mainly of retail deposits, underwent a year-on-year rise of ¥36.2 billion, resulting in a term-end balance of ¥2,179.4 billion (US\$16,355 million). Loans and bills discounted—centered primarily on retail loans—increased by ¥50.3 billion over the previous term, due largely to renewed efforts to respond more actively to the needs of local borrowers. This resulted in a term-end balance of loans and bills discounted of ¥1,402.8 billion (US\$10,528 million).

Earnings declined mainly due to a decrease in yields on marketable securities, which was the main culprit in a decline in earnings from fund operations, despite our concerted effort to increase earnings from fees and commissions and to reduce overall expenses. Moreover, we took proactive steps to prevent an increase in the Bank's level of bad debts, including the provision of reserves to counter devaluation of collateral and other preventive measures, in light of falling land prices and worsening performance from some corporate clients. As a result, net income declined ¥893 million to ¥3,540 million (US\$26 million) for the term. At a time when so many financial institutions are suffering under the combined weight of bad debt and lower earning power, we at Yamanashi Chuo are pleased with the Bank's relatively good performance.

Improving the Soundness of the Asset Portfolio

With the lifting in April 2002 of unlimited guarantees on time deposits, customers have focused their attention more heavily on the soundness of the country's financial institutions. At Yamanashi Chuo, to help customers gain a better understanding of the quality of the Bank's businesses, we call upon third-party rating agencies to objectively evaluate Bank performance. From one such agency, Rating and Investment Information, Inc. (R&I), the Bank received a long-term credit rating of A+ in March 2002. The reasons behind this rating are the soundness of the Bank's credit stance and its asset quality, as well as a very high Tier 1 capital ratio. These points exemplify the exceptional stability of the Bank's financial base, which helped it to earn such a high credit rating.

At Yamanashi Chuo, rather than be satisfied with an exceptional rating, we are striving to improve the Bank's financial position further and to prevent the occurrence of additional bad debts, while writing off certain assets and establishing necessary reserves based on a rigorous self-assessment of asset quality. And although the Bank had basically completed its most critical measures for the elimination of bad debts by the end of the preceding term, we are maintaining a strict bad debt management policy with an eye on preserving the Bank's asset soundness.



Kentaro Ono, *President*

Compliance

Compliance was an important aspect of the Yamanashi Chuo mindset at the Bank's establishment, which has been passed down through the years and continues to be a vital part of consciousness at the Bank today. In recent years, the Bank saw the establishment in 1998 of the Compliance Committee, and assigned Compliance Officers to each branch office and Head Office division as part of a comprehensive system to prevent violations of the law.

In addition to the Bank's corporate principles of sound management and close ties with the local community, the Bank adheres to five basic compliance principles—including establishing relationships of trust and contributing to the region—that are prerequisite to its compliance efforts, in which all staff members are well trained. Each year, the Bank develops a definitive compliance program, which is then applied to its business operations.

"START 21" and Enhanced Earning Power

In 2001, the first year of "START 21"—the Group's 7th long-term management plan—we initiated a thorough review and inspection of operations, and achieved the changes to infrastructure necessary to implement the various measures contained within the Plan. Specifically, in order to have a system in place to further enhance the Group's earning base, we reorganized the Business Promotion Headquarters in July 2001, followed by reorganization of the Head Office administration divisions in September. These are just two of the diverse steps that have been taken towards achieving the Plan's objectives (please refer to page 5 for more details).

In the case of enhanced earning power—the veritable core of the Group's latest long-term management plan—*selectivity* and *focus* will form the basis for improving the efficiency of management resources as we: 1) create a loan portfolio attuned to the changing make-up of industry today; 2) improve loan asset quality through better business support during the founding, growth and restructuring stages; 3) ensure appropriate levels of interest are charged on loans; 4) augment the Bank's consumer loan services; and 5) strengthen operations in the large-scale market of western Tokyo, as we approach the improvement of business at Yamanashi Chuo from a variety of different angles.

In Yamanashi Prefecture, the Bank's primary business base, we will continue to boldly implement measures designed with the distinct qualities of the region in mind, while positioning the western Tokyo area as an indispensable part of the Bank's future growth strategies and further strengthening the promotion of consumer loan services and other important business policies.

Improving Corporate Value

Amid an increasingly prolonged slump in the Japanese economy, financial institutions are in the grip of a business environment in which major Japanese banks are reorganizing, while players from outside the financial sector are entering the banking business in force. Added to these concerns are the ongoing processes of globalization and deregulation, as well as the beginning of moves to implement structural reform of the national economy, all of which has increased the severity of overall economic conditions.

"START 21" is the culmination of the Yamanashi Chuo Group's measures to effectively deal with this difficult operating environment. The plan details the financial posture that the Bank should make every effort to realize as quickly as possible; in other words, Yamanashi Chuo should establish a firm position as the region's core financial institution. From here on, with enhanced earning power as a central theme, we will use the ongoing strengthening, expansion, streamlining and efficiency of the Bank's business base to build a low-cost structure, as we strive to achieve a better degree of staff training and compliance. The increased level of corporate value these actions will generate represents our commitment to crafting the Yamanashi Chuo Group into a business that is ever able to meet the expectations of its shareholders and investors.

Moreover, as is evident in the Bank's recent credit rating, we are working towards greater transparency in disclosing the Bank's business information as we move forward with building a stronger and more secure business structure.

We at the Yamanashi Chuo Group would like to express our sincere gratitude to all stakeholders for their continued understanding, patronage and support.

Kentaro Ono
President

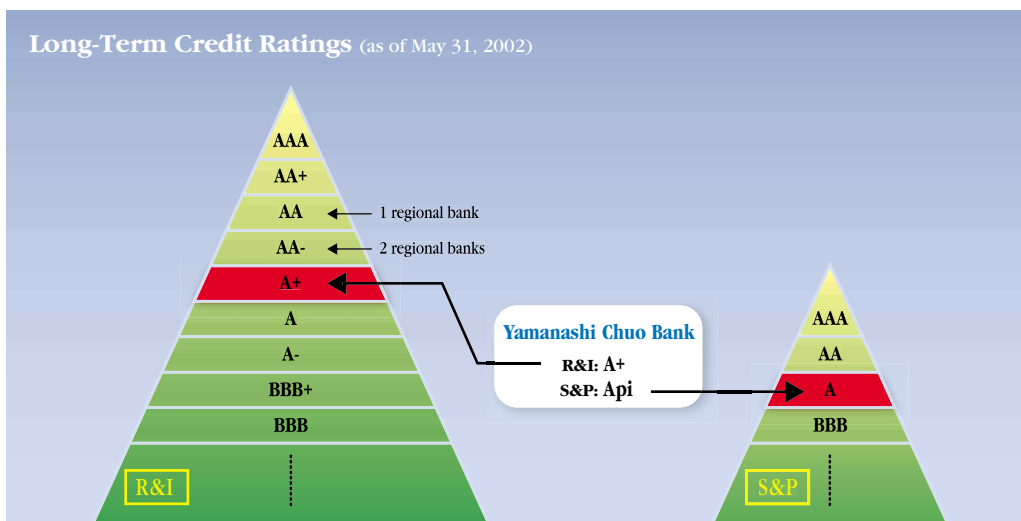
Improving Soundness of Management and Enhancing Earning Power

Maintaining a High Degree of Sound Management

The Bank's A+ Credit Rating

The ability to maintain a sound asset portfolio is directly connected to the creditworthiness of any financial institution, and is ultimately the source of further enhancement of its earning power. Recently, the Bank had its creditworthiness thoroughly evaluated by an independent third party, in this case Rating and Investment Information, Inc.—one of Japan's most influential credit rating agencies—from which Yamanashi Chuo received an impressive

“A+” long-term credit rating. As for how this compares with other regional banks, out of the 33 banks that have acquired credit ratings, Yamanashi Chuo is among the top banks on the list, ranked 4th alongside another bank. Along the same lines, the Bank has also earned, based on the information it publicly discloses, a high “Api” rating from internationally renowned rating agency Standard & Poor's.



Tier 1 Capital Ratio Top among Regional Banks

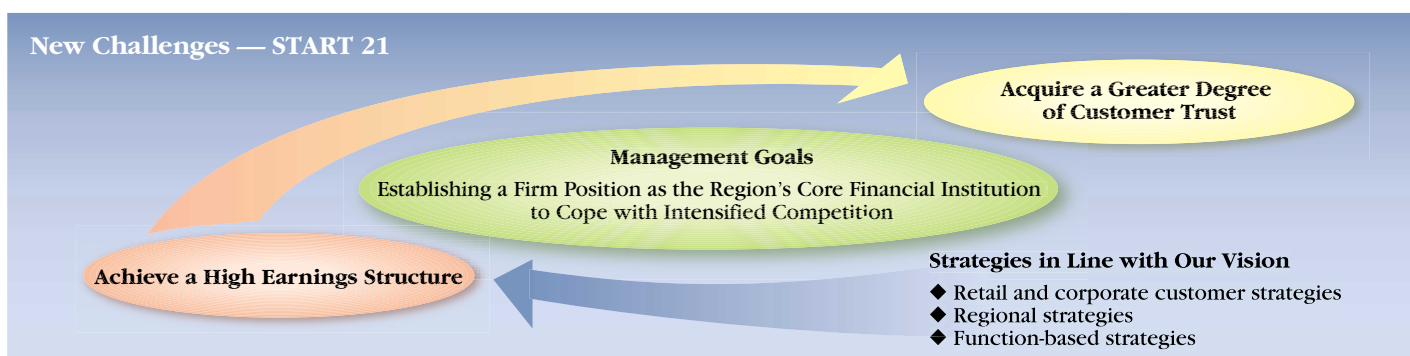
Yamanashi Chuo's financial soundness is also evident in its high capital ratio, the measure of a bank's management soundness as well as its creditworthiness. According to Japan's Banking Law, any bank with a capital ratio falling below 4% is ordered to improve its performance or immediately suspend operations. As of March 31, 2002, Yamanashi Chuo's capital ratio, according to domestic standards was 11.43% on a consolidated basis and 11.37% on a non-consolidated basis, well above the 4% standard. Of particular note was the Bank's Tier 1 capital ratio, which stood at 10.81% on a consolidated basis and 10.75% on a non-consolidated basis for the term under review. Tier 1 capital is the most vital component of capital used for capital ratio calculation. These impressive figures proudly position Yamanashi Chuo at the top of all regional banks, a fact that strongly testifies to the Bank's ability to maintain its sound financial standing.

Countering Bad Debts through Rigorous Asset Self-Assessment

The Bank completed the enactment of measures to counter bad debts, actions that reached a peak in 1998, resulting in a ratio of expenses for bad debt disposal to total credit balance of 0.31% at the end of March 2002. In addition, Yamanashi Chuo has instituted a rigorous program of asset self-assessment, thanks to which the Bank's coverage ratio stood at 91.7% for its term-end total credit balance of ¥112.5 billion, subject to mandatory disclosure under Japan's Financial Revitalization Law.

Strict Impairment Accounting Standards

Yamanashi Chuo has applied stricter impairment accounting standards regarding valuation of available-for-sale securities. Now, any stocks held by the Bank losing over 50% of their value at term-end compared with their acquisition cost are subject to the Bank's impairment measures. Any stocks falling 30 to 50 percent in value, if their value is judged to have fallen more than 30% on both the Balance Sheet date of the reporting term and the final day of the previous term, are also subject to the same measures. Bonds, too, will be evaluated in the same way. For the term under review, this amortization of marketable securities amounted to ¥1,198 million.



Launch of the Corporate Support Group

At Yamanashi Chuo, as the most vital financial institution in the region, we recognize that the Bank's most important task is the revitalization of its corporate clients to spur the economic recovery of the region. To that end, we established a Revitalization Team at the Bank in June 2001, renaming and spinning it off as the Corporate Support Group in April 2002, following the addition of more staff. As moves like this illustrate, Yamanashi Chuo provides not only loans to its customers, but also valuable management reform advice—the kind of powerful support corporate customers need to reinvigorate their businesses.

Increasing Consumer Loans

In contrast to demand for business-use funds, which is currently in a slump, increasing the number of consumer loans Yamanashi Chuo handles has become one of the Bank's most imperative objectives. Raising its percentage of consumer loans above 30% over the next three years is one of the aggressive numerical targets detailed in the Bank's 7th long-term management plan that all efforts are currently directed towards realizing. Aside from engaging in new product development and product upgrades, the Bank established at its Hachioji branch in September 2001 the Yamanashi Chuo Bank Loan Square Hachioji as part of its system for advancing growth in consumer loans, particularly mortgage loans in the western Tokyo area. Through the above measures, the Bank was able to realize a favorable 9.03% annual increase in consumer loans.

Bolstering the Group Management System

To promote the development of a low-cost management structure brought about by major changes in administrative procedures, the Bank established in September 2001 an Administrative Reform Promotion Group as part of its Corporate Planning Division. This move came in addition to amalgamation of the Bank's various risk management departments into the newly established Corporate Auditing Division in order to enhance Yamanashi Chuo's overall risk management structure. In March 2002, these efforts were followed up by the establishment within the Corporate Planning Division of the Public Relations Group, to further bolster the Bank's IR and other public relations activities.

Bolstering Earnings

Yamanashi Chuo has developed and marketed a number of new products, including the *Freestyle Mortgage Loan* and the *Package Asset Management Plan*. The Bank is also active in both insurance sales and defined contribution pension plan management, and has reevaluated and added new handling charges for a variety of its services, including those for money-changing services.

Branch Support and Improving Business Efficiency

In order to augment the business promotion capabilities of the Bank's branches as well as improve the overall efficiency and quality of its services, we oversaw the installation of a Bank-wide local-area network (LAN) as part of the launch of Yamanashi Chuo's new Business Support System, which makes optimal use of the Bank's client database. The Bank also began operation of a Credit Screening Support System (for business loans), and an Automated Credit Screening System (for consumer loans).

Targets (for the term ending March 2004 — the last term of the 7th long-term management plan)

	March 2002	Targets for March 2004
Revised net business profit (Net business profit before general reserves for possible loan losses)	¥12 billion	¥16 billion
Tier 1 capital ratio (domestic standards)	10.75%	Over 11.00%
Ratio of net business profit to total assets	0.52%	Over 0.65%
Return on equity (based on average of daily figures)	2.83%	Over 7.00%
Ratio of expenses to gross business profit	69.91%	Below 63.00%

Note: Figures are on a non-consolidated basis.



The customer service counter at our Head Office

The New Freestyle Mortgage Loan

“Stage Repayment” is the latest concept in loan repayment adopted by Yamanashi Chuo, whereby repayment schedules are more flexible and tailored to a customer’s lifestyle and long-term life plans, and represents a completely new type of mortgage loan offered by the Bank. Stage Repayment is not the only choice available to customers, who may also choose from an array of other options, including fixed-amount principal repayment, equal monthly repayments with interest, borrowing by joint debtors (husband and wife) in a household, and staggered loan disbursement.

The New and Improved My Car Loan

Yamanashi Chuo’s previous *My Car Loan* has been completely revamped, raising its value as one of the Bank’s financial products. The *My Car Loan* borrowing limit has been increased to ¥5 million and the repayment schedule extended to 10 years, in addition to being more accessible to customers who are in search of work or who are currently between jobs. What is more, *My Car Loan* can now be used for cars purchased on Internet auction sites and other person-to-person transactions, while customers may also use the current balance on an existing *My Car Loan* when trading in that vehicle for a new one, greatly expanding the customer needs that the *My Car Loan* is ready to answer.

The Start of the Package Asset Management Plan

In preparation for the complete lifting of unlimited guarantees on deposits and to respond promptly to the diverse fund operation needs of the Bank’s customers, we began offering this service only for a limited period from October 2001. The service combines the functions of a *Super Teiki* specialized time deposit, an investment trust or a foreign currency time deposit, while offering favorable interest rates comparable to those of the existing *Super Teiki* time deposit. By offering a diversified investment service of this type, we assist customers in finding the kind of balanced fund management suited to their specific financial needs.

Four Banks Exclusive Investment Trust Goes on Sale

Yamanashi Chuo, in conjunction with Gunma Bank, Joyo Bank and Hachijuni Bank, the four members of the Kanto Regional Banks’ Business Research Council, have begun the joint sale of the *Four Banks Exclusive Investment Trust*. This trust fund engages in lower-risk diversified investment in Japanese stocks and bonds, with the aim of combining income and capital gains into a profitable total return.

Corporate Banking

Defined Contribution Pension Plan Management Services Begin

In line with the start of company and personal defined contribution plans in Japan, the Bank has begun offering pension plan management services. Yamanashi Chuo has already received a large volume of inquiries from customers regarding services of this kind, with the number of customers taking part in these services rising steadily. From here on, we plan to offer an even wider range of support—from establishment of a plan to fund asset investment—to the Bank's corporate and individual clients.

The Offering of Weather Derivatives

This product is a financial derivative designed as a hedge against damages to corporate clients (i.e. declines in sales, increased expenses, etc.) caused by inclement and abnormal weather conditions. Clients pay a prior premium (or option fee), after which they are eligible for specified compensation payments in the event of periods of excessive rain or snowfall, unusually cold summers or warm winters, and other weather phenomenon that meet certain

pre-determined criteria. Payments will be made automatically whenever such conditions are met, irrespective of whether the customer has incurred actual damages from the weather events in question.



Our Dealing Room

Regional Strategy

Cooperation with the Regional Economy

By meeting the financing needs of local governments and public corporations in Yamanashi Prefecture and dealing in regional bonds, the Bank is aiding in the creation of the public works, residential developments and other projects that make the region a pleasant place to live in. Yamanashi Chuo is also actively involved in a number of ongoing developments in the prefecture, among them projects concerning the region's transportation and telecommunications infrastructure, where the Bank has taken a direct part in conceptual planning, in addition to dispatching personnel and supplying important information as needed.

The Bank has also tailored its loan operations to the financing needs of the local companies, traditional businesses and sole proprietors of the region, and has enhanced its support system to help better foster venture company growth. In the area of management support, Bank efforts are centered largely on the Corporate Support Group and the Corporate Business Promotion Group, through which Yamanashi Chuo is deepening ties between its information technology advisors, outside consultants and specialized agencies while providing clients with a wealth of management expertise and other vital information.

Opening of Loan Square Hachioji

With the aim of uncovering new consumer loan demand in the enormous western Tokyo area market, Yamanashi Chuo opened this new facility in September 2001 on the 2nd floor of its Hachioji branch office. Specially trained staff are ready to answer customer questions regarding mortgage and other types of consumer loans. To better fit with our customers' busy schedules, Loan Square Hachioji has business hours on Saturdays and is open until 7 p.m. on weekdays.



Loan Square Hachioji

Financial Review (on a consolidated basis)

Operating Environment

Against the backdrop of an employment situation that showed no signs of improving, consumer spending and private sector capital investments remained lackluster, accenting the depth of Japan's deflationary trend and keeping severe economic conditions in place for the duration of the term under review. While a brief glimpse of recovery was noted among certain economic indicators towards the end of the term, this was not sufficient to clear away the lingering uncertainty hanging over the Japanese economy. Moreover, the September 11 terrorist attacks against the United States only quickened the pace of the global economic slowdown. These tough economic trends were just as prevalent in the Bank's main operational base of Yamanashi Prefecture as they were across the rest of Japan.

The financial sector remains unpredictable as well, as evidenced by the continuation of record low interest rates, sluggish corporate demand for funds, and increases in non-performing loans due to worsening business conditions. Regional banks, traditionally built upon strong local industry bases and sound management policies, are also feeling the effects of this prolonged economic hardship. Of Japan's 64 regional banks, the need to post valuation losses on marketable securities (caused by stagnant stock market conditions) under impairment accounting, as well as rapidly increasing costs for the disposal of non-performing loans, have caused as many as one-third of these institutions to end the reporting term with performance figures in the red. The likely outcome of such performance in the current term—in which unlimited guarantees on deposits will have been partially lifted—is leading to a focus on overall financial soundness, and the earning power that underscores it, as the most crucial points of selection for bank customers.

Earnings Overview

While steps taken during the term to restructure the Bank's handling charge system led to an increase in fees and commission business revenues, the persistence of low interest rates—which caused a decline in interest income from loans—and a decline in returns from marketable securities dragged total income 10.9% lower than the previous term, to ¥54,080 million (US\$405 million). Total expenses, excluding one-off retirement

benefit costs for the previous term, fell by 10.5% year-on-year to ¥47,587 million (US\$357 million), as substantial declines in fund procurement costs and reductions in business expenses proved unable to absorb an increase in additional provisions to reserves for possible loan losses (specific reserve) and rising costs for the amortization of Bank-held stocks. These combined factors resulted in net income for the term that was 20.2% lower than the previous year at ¥3,540 million (US\$26 million), with earnings per share of ¥18.65 (US\$0.14), or ¥4.70 lower than the previous term. Although the capital ratio at the term-end declined by 0.72 percentage points year-on-year to 11.43%, it remains one of the top ratios in the regional banking sector.

Segment Performance

The Yamanashi Chuo Bank Group consists of the parent company (the Bank) and five consolidated subsidiaries. Centered on banking services, the Group's businesses are divided into three broad segments: leasing, card businesses and other financial services.

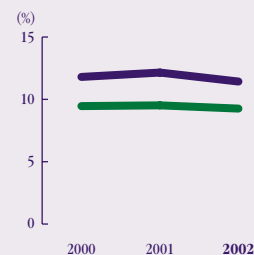
Banking Business

Operating income from the banking business (hereinafter to include internal transactions) decreased ¥3,158 million from the previous term to ¥48,542 million (US\$364 million). Operating expenses, due to an increase in provisions to reserves for possible loan losses (specific reserve) and rising costs for the amortization of Bank-held stocks, climbed ¥3,380 million from the previous term to ¥42,459 million (US\$318 million). As a result, operating profit for this segment ended the term 51.8% lower at ¥6,082 million (US\$45 million). On a non-consolidated basis, net business profit for this segment declined 18.4% to ¥12,745 million (US\$95 million).

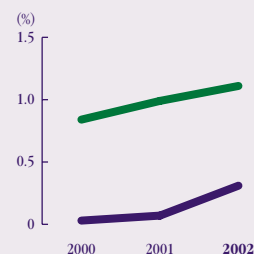
Leasing and Other Financial Services

Operating income from leasing activities (including internal transactions) came to ¥5,661 million (US\$42 million), with operating expenses of ¥5,593 million (US\$41 million). Operating profit for this segment rose ¥22 million year-on-year to ¥68 million (US\$0.5 million). Operating income from other financial services (including internal transactions) was ¥931 million (US\$6 million), with operating expenses of ¥880 million (US\$6 million) and operating profit of ¥51 million (US\$0.3 million).

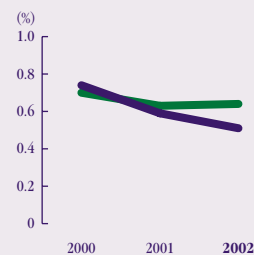
Capital ratio (Domestic standards)



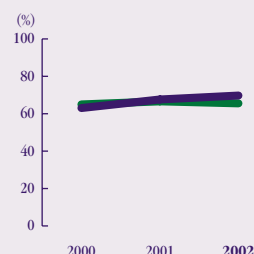
Ratio of expenses for bad debt disposal to total credit balance*



ROA*



OHR*



*on a non-consolidated basis
 — Yamanashi Chuo
 — Average of Japanese regional banks

Principal Business Indicators

Deposits

The balance of deposits (including CDs), due largely to positive growth in personal deposits, increased ¥36,239 million to ¥2,179,424 million (US\$16,355 million) on a consolidated basis. By type, an increase was noted in liquid deposits, while CDs declined.

Loans

The term-end balance of loans and bills discounted increased ¥50,370 million year-on-year to ¥1,402,893 million (US\$10,528 million) on a consolidated basis. This rise, particularly among mortgage loans, was attributed to our intensified promotion of consumer loans, the launch of new mortgage loan products and the help of a greatly improved marketing network.

Securities

A decline in the balance of regional bonds and available-for-sale securities resulted in a balance of investment securities for the term of ¥646,635 million (US\$4,852 million) on a consolidated basis, or ¥22,661 million lower than the previous term. While keeping a close watch on market interest rate trends during the term under review, a great deal of effort was directed at achieving more effective management of national and local government bonds in order to better diversify the Bank's fund operations.

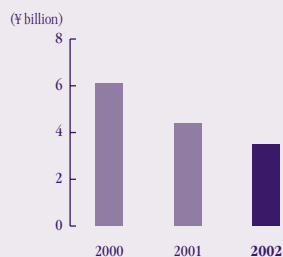
Lingering stock market stagnation resulted in the posting of costs for the amortization of marketable securities of ¥1,198 million under impairment accounting, while unrealized gains on available-for-sale securities fell ¥12,814 million to end the term at ¥17,010 million (US\$127 million).

Cash Flows

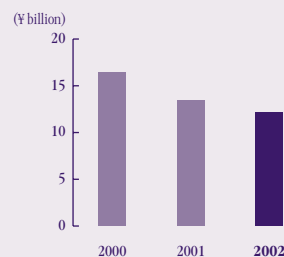
Cash and cash equivalents rose ¥5,641 million to end the term at ¥37,091 million (US\$278 million). A detailed breakdown of cash flows follows.

In cash flows from operating activities, a notable increase in deposits was countered by an increase in loans, resulting in a net cash outflow of ¥201 million (US\$1.5 million). In cash flows from investing activities, the sale and redemption of marketable securities resulted in a net cash inflow of ¥6,721 million (US\$50 million). Cash flows from financing activities, due to dividend payments and other matters, ended in a net cash outflow of ¥961 million (US\$7 million).

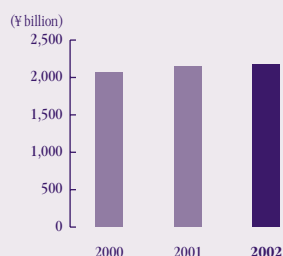
Net income



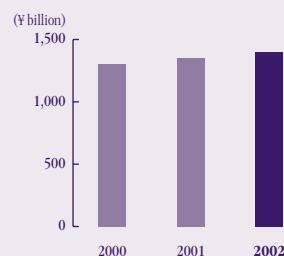
Core net business profit**†



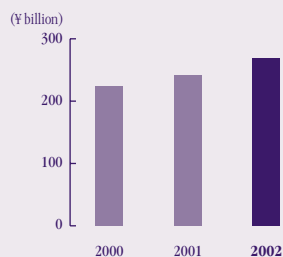
Deposits



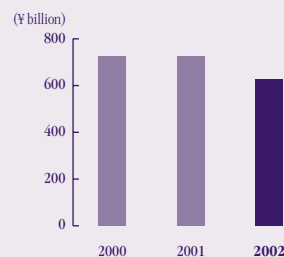
Loans and bills discounted



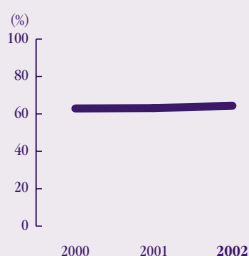
Mortgage loans*



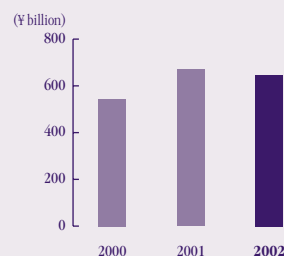
Loans to small and medium-sized companies*



Loan-deposit ratio



Investment securities



*on a non-consolidated basis

†Net business profit excluding transfer to general reserve for possible loan losses and gains/losses on bonds

Consolidated Balance Sheets

The Yamanashi Chuo Bank, Ltd. and Subsidiaries
March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Assets:			
Cash and due from banks (Note 9)	¥ 75,571	¥ 92,296	\$ 567,143
Call loans	160,880	171,862	1,207,355
Monetary claims bought	41,960	20,333	314,897
Trading securities (Notes 3 and 9)	391	593	2,936
Investment securities (Notes 4 and 9)	646,635	669,296	4,852,797
Loans and bills discounted (Notes 5, 6 and 7)	1,402,893	1,352,522	10,528,278
Foreign exchanges	197	330	1,478
Other assets	19,641	19,657	147,401
Premises and equipment (Note 8)	28,543	28,823	214,212
Deferred tax assets (Note 15)	16,453	9,948	123,476
Customers' liabilities for acceptances and guarantees (Note 10)	25,069	27,510	188,138
Reserve for possible loan losses	(41,488)	(42,543)	(311,360)
Total	¥2,376,747	¥2,350,632	\$17,836,756
Liabilities:			
Deposits (Notes 9 and 11)	¥2,179,424	¥2,143,185	\$16,355,905
Call money	7,554	4,289	56,691
Borrowed money (Note 9)	1,197	1,404	8,988
Foreign exchanges	77	121	578
Other liabilities	20,070	26,733	150,625
Liability for employees' retirement benefits (Note 12)	10,940	10,236	82,107
Reserve for possible losses on collateralized real estate loans sold	377	289	2,830
Acceptances and guarantees (Note 10)	25,069	27,510	188,138
Total liabilities	2,244,711	2,213,771	16,845,866
Minority interests	571	427	4,288
Stockholders' equity:			
Common stock—authorized, 398,000,000 shares; issued, 189,915,000 shares in 2002 and 2001 (Note 13)	15,400	15,400	115,572
Capital surplus	8,287	8,287	62,194
Retained earnings (Note 14)	97,841	95,313	734,270
Unrealized gain on available-for-sale securities (Note 4)	9,945	17,431	74,638
Total	131,474	136,432	986,676
Treasury stock—at cost, 27,323 shares in 2002 and 315 shares in 2001 ...	(10)		(75)
Total stockholders' equity	131,464	136,432	986,600
Total	¥2,376,747	¥2,350,632	\$17,836,756

See notes to consolidated financial statements.

Consolidated Statements of Income

The Yamanashi Chuo Bank, Ltd. and Subsidiaries
Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of
	2002	2001	U.S. dollars (Note 1)
			2002
Income:			
Interest income:			
Interest on loans and discounts	¥31,234	¥32,990	\$234,405
Interest and dividends on securities	10,400	12,137	78,051
Other interest income	380	496	2,852
Fees and commissions	6,181	5,681	46,389
Other operating income (Note 17)	4,800	5,032	36,023
Other income (Note 18)	1,083	4,417	8,132
Total income	54,080	60,756	405,854
Expenses:			
Interest expense:			
Interest on deposits	2,118	3,826	15,895
Interest on borrowings and rediscounts	142	261	1,071
Other interest expense	3,479	3,651	26,113
Fees and commissions	1,471	1,310	11,042
Other operating expenses (Note 19)	5,232	5,137	39,265
General and administrative expenses	27,775	28,298	208,444
Other expenses (Note 20)	7,368	10,697	55,297
Total expenses	47,587	53,182	357,132
Income before income taxes and minority interests	6,492	7,573	48,722
Income taxes:			
Current	3,981	3,726	29,877
Deferred	(1,173)	(688)	(8,807)
Total income taxes	2,807	3,038	21,069
Minority interests	143	100	1,078
Net income	¥ 3,540	¥ 4,434	\$ 26,573
		Yen	U.S. dollars
Net income per share	¥18.65	¥23.35	\$0.14
Cash dividends per share (Note 16)	5.00	5.00	0.04

See notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

The Yamanashi Chuo Bank, Ltd. and Subsidiaries
Years ended March 31, 2002 and 2001

	Millions of yen					
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Unrealized gain on available-for-sale securities	Treasury stock
Balance, April 1, 2000	189,915,000	¥15,400	¥8,287	¥91,899		
Cash dividends:						
Final for prior year, ¥2.50 per share				(474)		
Interim for current year, ¥2.50 per share				(474)		
Bonuses to directors and corporate auditors				(70)		
Net income				4,434		
Net increase in unrealized gain on available-for-sale securities					¥17,431	
Balance, March 31, 2001	189,915,000	15,400	8,287	95,313	17,431	
Cash dividends (Note 16):						
Final for prior year, ¥2.50 per share				(474)		
Interim for current year, ¥2.50 per share				(474)		
Bonuses to directors and corporate auditors				(63)		
Increase in treasury stock (27,008 shares)						¥ (9)
Net income				3,540		
Net decrease in unrealized gain on available-for-sale securities					(7,485)	
Balance, March 31, 2002	189,915,000	¥15,400	¥8,287	¥97,841	¥ 9,945	¥(10)

	Thousands of U.S. dollars (Note 1)				
	Common stock	Capital surplus	Retained earnings	Unrealized gain on available-for-sale securities	Treasury stock
Balance, March 31, 2001	\$115,572	\$62,194	\$715,300	\$130,816	
Cash dividends (Note 16):					
Final for prior year, \$0.02 per share			(3,563)		
Interim for current year, \$0.02 per share			(3,563)		
Bonuses to directors and corporate auditors			(477)		
Increase in treasury stock (27,008 shares)					\$(74)
Net income			26,573		
Net decrease in unrealized gain on available-for-sale securities				(56,177)	
Balance, March 31, 2002	\$115,572	\$62,194	\$734,270	\$ 74,638	\$(75)

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Yamanashi Chuo Bank, Ltd. and Subsidiaries
Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Operating activities:			
Income before income taxes and minority interests	¥ 6,492	¥ 7,573	\$ 48,722
Depreciation	1,647	1,581	12,365
Depreciation (lease assets)	4,004	3,929	30,048
Goodwill amortization		26	
Increase in reserve for possible loan losses	4,540	494	34,075
Increase in reserve for possible losses on loans sold collateralized by real estate	87	196	657
Increase in liability for retirement benefits	704	4,247	5,287
Interest income recognized on statements of income	(42,014)	(45,625)	(315,308)
Interest expenses recognized on statements of income	5,740	7,738	43,081
Investment securities losses	1,278	281	9,597
Foreign exchange gains	(97)	(670)	(730)
Losses on sales of premises and equipment	373	214	2,805
Net increase in loans	(56,107)	(58,861)	(421,068)
Net increase (decrease) in deposits	93,569	(15,131)	702,213
Net (decrease) increase in negotiable certificates of deposit	(57,130)	90,555	(428,747)
Net (decrease) increase in borrowing money (excluding subordinated borrowings)	(206)	290	(1,551)
Net decrease in due from banks (excluding cash equivalents)	22,366	81,100	167,853
Net decrease (increase) in call loans and other	10,982	(66,832)	82,417
Net increase (decrease) in call money and other	3,264	(367)	24,496
Net decrease in foreign exchanges (asset)	132	62	998
Net decrease in foreign exchanges (liabilities)	(44)	(16)	(333)
Interest income (cash basis)	43,134	45,068	323,712
Interest expenses (cash basis)	(7,267)	(8,660)	(54,537)
Other	(31,583)	20,124	(237,024)
Subtotal	3,868	67,319	29,031
Income tax paid	(4,070)	(2,846)	(30,546)
Net cash (used in) provided by operating activities	(201)	64,473	(1,515)
Investing activities:			
Purchases of investment securities	(183,172)	(218,513)	(1,374,651)
Proceeds from sale of investment securities	57,370	45,072	430,545
Proceeds from maturities of investment securities	134,263	76,916	1,007,608
Purchases of premises and equipment	(1,846)	(1,823)	(13,853)
Proceeds from sales of premises and equipment	105	109	792
Net cash provided by (used in) investing activities	6,721	(98,239)	50,441
Financing activities:			
Dividends paid	(949)	(949)	(7,126)
Payment of dividends to minority interests	(2)		(18)
Purchases of treasury stock	(9)		(74)
Net cash used in financing activities	(961)	(949)	(7,219)
Effect of exchange rate changes on cash and cash equivalents	84	67	630
Net increase (decrease) in cash and cash equivalents	5,641	(34,648)	42,337
Cash and cash equivalents, beginning of year	31,450	66,098	236,024
Cash and cash equivalents, end of year (Note 21)	¥ 37,091	¥ 31,450	\$ 278,361

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Yamanashi Chuo Bank, Ltd. and Subsidiaries
Years ended March 31, 2002 and 2001

1. Basis of presenting the consolidated financial statements

The accompanying consolidated financial statements of The Yamanashi Chuo Bank, Ltd. (the "Bank") and subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

Certain reclassifications have been made in the 2001 consolidated financial statements to conform to the 2002 consolidated financial statements.

All yen figures are rounded down to millions of yen except for per share data. Accordingly, totals and subtotals may differ slightly with the sum of the individual account amounts.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are given solely for the convenience of readers outside Japan and have been made at the rate of ¥133.25 to \$1, the exchange rate prevailing on March 31, 2002. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of significant accounting policies

Consolidation—The consolidated financial statements include the accounts of the Bank and all subsidiaries.

Under the control or influence concept, those companies in which the Parent, directly or indirectly, is able to exercise control over operations are fully consolidated.

All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and cash equivalents—For the purpose of reporting cash flows, cash and cash equivalents are defined as cash and demand deposits with The Bank of Japan.

Trading and investment securities—All applicable securities are classified and accounted for, depending on management's intent, as follows:

(1) trading securities, which are held for the purpose of earning capital gains in near term, are reported at fair value, and the related unrealized gains and losses are included in the earnings, (2) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of stockholders' equity. Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. The cost of securities sold is determined based on the moving-average method.

Premises and equipment—Premises and equipment are stated at cost less accumulated depreciation. Deferred profit arising from the sale and replacement of real estate is deducted from the cost of the related assets acquired as permitted under the provisions of the Japanese tax regulations. Depreciation of premises and equipment is computed using the declining-balance method at rates based on the estimated useful lives of the assets while the straight-line method is applied to buildings acquired after April 1, 1998. The range of useful lives is from 3 to 50 years for buildings, and from 2 to 20 years for equipment.

Foreign currency items—Foreign currency assets and liabilities are translated into yen at the exchange rates prevailing at the balance sheet date. In the prior year, the Bank adopted a "New Foreign Exchange

Accounting Standard," pursuant to "Temporary Auditing Treatment for Continuous Application of the 'New Foreign Exchange Accounting Standard' in the Banking Industry" (the Japanese Institute of Certified Public Accountants, "JICPA," April 10, 2000). However, effective April 1, 2001, the Bank has adopted a revised accounting standard for foreign currency transactions ("Opinion Report Concerning Amendment of Accounting Standards Applied for Foreign Currency Transactions," issued by the Business Accounting Deliberation Council, October 22, 1999), except for the accounting treatment stipulated in "Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee, Report No. 20). The impact of this change was immaterial.

Derivatives—Derivative transactions are measured at market value.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value.

Reserve for possible loan losses—Reserve for possible loan losses is stated in amounts considered to be appropriate based on management's judgment and assessment of future losses estimated through its self assessment of the quality of all loans.

The Bank has the credit rating system and the self assessment system. These systems are used to assess its asset quality based on past experience of credit losses, possible credit losses, analysis of customer's conditions, such as business conditions, character, quality and performance of the portfolio. All loans are subject to asset quality assessment conducted by the business-related divisions in accordance with the Self-Assessment Standards, and the results of the assessments are reviewed by the Asset Audit Division, which is independent from business-related divisions, before the reserve amount is finally determined. All loans are classified into one of the five categories for self assessment purposes such as "normal," "caution," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy."

Reserve for possible loan losses is calculated based on the specific actual past loss ratio for "normal" and "caution" categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency including value of future cash flows for other self assessment categories.

The policy for reserve for possible loan losses of subsidiaries is similar to the Bank.

Retirement and pension plans—Employees whose service with the Bank and subsidiaries are terminated are, under most circumstances, entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs. The Bank and subsidiaries have a contributory funded pension plan covering most of their employees.

The Bank and its subsidiaries accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.

Reserve for possible losses on loans sold collateralized by real estate—The reserve for possible losses on loans collateralized by real estate sold to the Cooperative Credit Purchasing Company ("CCPC") is provided at an amount deemed necessary to cover possible losses which may incur at CCPC based on the estimated fair value of collateralized real estate. In accordance with the terms of the loan sales contracts, which loans are collateralized by real estate, the Bank is required to cover certain portions of losses incurred as defined in the contract, when CCPC disposes of real estate in satisfaction of debt.

Leases—All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

Income taxes—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

Appropriations of retained earnings—Appropriations of retained earnings are reflected in the financial statements for the following year upon stockholders' approval.

Net income per share—Net income per share is calculated on the basis of the average number of shares of common stock outstanding each year.

Changing an accounting method—This year, Yamanashi Chuo Guarantee Co., Ltd. (a consolidated subsidiary), changed its method of recognizing

advanced guarantee fees over the allocation period. The full amount of such fees is typically received at the beginning of the guarantee period. Historically, Yamanashi Chuo Guarantee Co., Ltd. used the simple interest method, however, beginning in the current year, it uses the compound interest calculation method.

This change did not have a material effect both on the consolidated financial statements and segment information.

3. Market value of trading securities

Trading securities at March 31, 2002 and 2001, consisted of national government bonds.

Market value and fair value changes of trading securities at March 31, 2002 and 2001, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Fair value of trading securities	¥391	¥593	\$2,936
Fair value (loss) gain included in income before income taxes and other	(2)	2	(17)

4. Investment securities

Investment securities at March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Government bonds	¥250,188	¥225,761	\$1,877,587
Municipal bonds	209,612	232,550	1,573,073
Corporate bonds	104,117	92,898	781,371
Stocks	53,458	59,939	401,187
Other securities	29,258	58,147	219,576
Total	¥646,635	¥669,296	\$4,852,797

Difference between amount in the balance sheet and cost or market value—These differences of investment securities at March 31, 2002 and 2001, are as follows. Securities listed below include commercial paper and beneficial interest in trust.

Marketable held-to-maturity debt securities

	Millions of yen										Thousands of U.S. dollars				
	2002					2001					2002				
	Amount in the balance sheet	Market value	Differences	Gain	Loss	Amount in the balance sheet	Market value	Differences	Gain	Loss	Amount in the balance sheet	Market value	Differences	Gain	Loss
Other securities	¥7,992	¥7,998	¥5	¥5		¥8,994	¥8,998	¥3	¥3		\$59,984	\$60,027	\$43	\$43	

Marketable available-for-sale securities

	Millions of yen										Thousands of U.S. dollars				
	2002					2001					2002				
	Cost	Amount in the balance sheet	Valuation differences	Gain	Loss	Cost	Amount in the balance sheet	Valuation differences	Gain	Loss	Cost	Amount in the balance sheet	Valuation differences	Gain	Loss
Stocks	¥ 52,026	¥ 52,667	¥ 640	¥ 7,799	¥7,159	¥ 49,070	¥ 59,050	¥ 9,979	¥13,220	¥3,241	\$ 390,445	\$ 395,251	\$ 4,806	\$ 58,535	\$53,729
Bonds	546,122	562,651	16,528	16,775	247	529,487	549,628	20,141	20,173	31	4,098,481	4,222,522	124,041	125,897	1,856
Government bonds	245,431	250,188	4,757	4,827	70	220,005	225,761	5,756	5,757	1	1,841,886	1,877,587	35,701	36,227	526
Municipal bonds	199,484	209,612	10,128	10,129	1	220,604	232,550	11,945	11,973	27	1,497,066	1,573,073	76,007	76,021	14
Corporate bonds	101,207	102,850	1,643	1,818	175	88,877	91,317	2,439	2,442	3	759,528	771,861	12,332	13,648	1,315
Other	31,433	31,274	(158)	142	301	52,832	52,536	(296)	263	560	235,896	234,704	(1,191)	1,067	2,259
Total	¥629,582	¥646,592	¥17,010	¥24,718	¥7,707	¥631,390	¥661,215	¥29,824	¥33,657	¥3,833	\$4,724,823	\$4,852,478	\$127,655	\$185,501	\$57,845

Available-for-sale securities sold—Available-for-sale securities sold during the fiscal years ended March 31, 2002 and 2001, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Proceeds from sale	¥2,953	¥19,744	\$22,164
Gross realized gain	10	4	81
Gross realized loss	128	103	965

Securities for which fair value is not readily determinable—Principal items in securities for which fair value is not readily determinable at March 31, 2002 and 2001, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Held-to-maturity debt securities:			
Non-listed municipal bonds		¥7,632	
Non-listed corporate bonds	¥869	1,308	\$6,527
Available-for-sale securities:			
Non-listed stocks	790	889	5,935
Non-listed corporate bonds	397	272	2,982

Redemption schedule of bonds held—The redemption schedule of bonds classified as securities available for sale and being held to maturity at March 31, 2002, is as follows:

	Millions of yen				Thousands of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bond	¥123,144	¥237,426	¥148,234	¥55,112	\$ 924,159	\$1,781,815	\$1,112,456	\$413,602
Government bonds	74,327	67,068	53,679	55,112	557,804	503,330	402,850	413,602
Municipal bonds	32,581	99,908	77,121		244,516	749,784	578,773	
Corporate bonds	16,234	70,449	17,433		121,837	528,700	130,833	
Other	11,799	2,759	1,511	4,713	88,551	20,709	11,340	35,372
Total	¥134,943	¥240,186	¥149,745	¥59,825	\$1,012,710	\$1,802,525	\$1,123,796	\$448,974

Details of net gain/loss—The details of net unrealized gain/loss on available-for-sale securities at March 31, 2002 and 2001, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Valuation difference (amount in the balance sheet—cost)—available-for-sale securities	¥17,010	¥29,824	\$127,655
Deferred tax liability	(7,076)	(12,407)	(53,105)
Net unrealized gain/loss on valuation (before adjustment)	9,933	17,417	74,549
Minority interest	11	14	88
Net unrealized gain/loss on valuation	¥ 9,945	¥17,431	\$ 74,638

5. Loans and bills discounted

Loans and bills discounted at March 31, 2002 and 2001, included the following loans:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Loans to customers in bankruptcy ...	¥ 5,512	¥ 7,619	\$ 41,367
Past due loans	89,969	78,276	675,190
Accruing loans contractually			
past due three months or more	295	269	2,216
Restructured loans	15,847	16,758	118,929
Total	¥111,624	¥102,924	\$837,703

Loans to customers in bankruptcy represent nonaccrual loans to debtors who are legally bankrupt, which are defined in Article 96, Paragraph 1, Subparagraphs 3 and 4 of Enforcement Ordinance for the Corporation Tax Law, and past due loans are defined as nonaccrual loans except for loans to customer in bankruptcy and loans of which the interest payments are deferred in order to assist in the financial recovery of a debtor in financial difficulties.

Accruing loans contractually past due three months or more, are loans which the principal or interest is three months or more past due.

Restructured loans are loans for which the Bank is relaxing lending conditions, such as: reduction of the original interest rate, deferral of interest payment, extension of maturity date, or reduction of the amount of the debt or accrued interest.

The reserve for possible loan losses is not deducted from the loan amounts shown in the above table.

6. Bills purchased

The total of the face value of commercial bills purchased is ¥35,156 million (\$263,840 thousand).

7. Loan commitments

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to the prescribed amount as long as there is no violation of any condition established in the contract. The amount of unused commitments as of March 31, 2002 is ¥359,863 million (\$2,700,660 thousand) which includes commitments of ¥356,363 million (\$2,674,394 thousand) whose original contract terms are within one year or unconditionally cancelable at any time. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that allow the Bank to withdraw the commitment line offer or reduce the contract amounts in situations where economic conditions are changed, the Bank needs to secure claims, or other conditions are triggered. In addition, the Bank requires the customers to pledge collateral such as premises and securities, and takes necessary measures such as seizing the customers' financial positions, revising contracts when need arises and securing claims after conclusion of the contracts.

8. Premises and equipment

Accumulated depreciation at March 31, 2002 and 2001, amounted to ¥27,365 million (\$205,368 thousand) and ¥27,670 million, respectively.

9. Assets pledged

Assets pledged as collateral at March 31, 2002, are as follows:

	Millions of yen	Thousands of U.S. dollars
Investment securities	¥555	\$4,171

Liabilities related to the above pledged assets at March 31, 2002, are as follows:

	Millions of yen	Thousands of U.S. dollars
Deposits	¥1,254	\$9,414
Borrowed money	310	2,326

In addition, trading and investment securities totaling ¥81,866 million (\$614,386 thousand) and cash totaling ¥33 million (\$252 thousand) are pledged as collateral for settlement of exchange and derivative transactions, or as margin on forward contracts at March 31, 2002.

10. Customers' liabilities for acceptances and guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees" are shown on the asset side representing the Bank's right of indemnity from the applicants.

11. Deposits

Deposits at March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Current deposits	¥ 63,436	¥ 70,533	\$ 476,073
Ordinary deposits	768,240	619,717	5,765,410
Saving deposits	33,285	35,840	249,794
Deposits at notice	17,127	20,614	128,536
Time deposits	1,179,245	1,218,606	8,849,871
Certificates of deposit	61,724	118,855	463,223
Other	56,364	59,017	422,995
Total	¥2,179,424	¥2,143,185	\$16,355,905

12. Employees' retirement benefits

The liability for employees' retirement benefits at March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Projected benefit obligation	¥(29,877)	¥(28,847)	\$(224,221)
Fair value of plan assets	15,294	16,083	114,779
Unrecognized actuarial loss	3,642	2,526	27,335
Net liabilities	¥(10,940)	¥(10,236)	\$(82,107)

The components of net periodic retirement benefit costs for the years ended March 31, 2002 and 2001, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Service cost	¥1,070	¥ 1,076	\$ 8,033
Interest cost	865	835	6,494
Expected return on plan assets	(373)	(391)	(2,806)
Amortization of actuarial loss	252		1,896
Charge for transitional obligations for retirement benefits		8,785	
Net periodic retirement benefit costs	¥1,814	¥10,304	\$13,618

Assumptions used for the years ended March 31, 2002 and 2001, are set forth as follows:

Discount rate	3.0%
Expected rate of return on plan assets	3.0%
Recognition period of actuarial gain/loss	10 years commencing from start of the subsequent fiscal year

13. Common stock

Information with respect to common stock at March 31, 2002 and 2001, was as follows:

	2002	2001
Number of shares:		
Authorized	398,000,000	398,000,000
Outstanding	189,915,000	189,915,000

Japanese companies are subject to the Japanese Commercial Code (the "Code") to which certain amendments became effective from October 1, 2001.

Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were credited to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

14. Retained earnings

Prior to October 1, 2001, the Banking Law of Japan provided that an amount at least equal to 20% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 100% of stated capital.

Effective October 1, 2001, the revised Banking Law of Japan allows for such appropriations to be set aside as a legal reserve until the total capital surplus and legal reserve equals 100% of stated capital. The amount of total capital surplus and legal reserve which exceeds 100% of stated capital can be transferred to retained earnings by resolution of the stockholders, which may be available for dividends. The Bank's legal reserve amount, which is included in retained earnings, totals ¥9,405 million (\$70,583 thousand) and ¥9,105 million as of March 31, 2002 and 2001, respectively.

15. Income taxes

The Bank and subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 41.60% for the years ended March 31, 2002 and 2001. The tax effects of significant temporary differences and loss carryforwards which result in deferred tax assets at March 31, 2002 and 2001, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Deferred tax assets:			
Reserve for possible loan losses	¥15,864	¥15,275	\$119,059
Reserve for retirement allowances	5,881	5,507	44,136
Unrealized losses on available-for-sale securities	3,206	1,594	24,062
Depreciation	989	1,084	7,423
Other	2,499	2,058	18,756
Valuation allowance	(152)	(17)	(1,142)
Total deferred tax assets.....	28,288	25,502	212,295
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	10,282	14,001	77,168
Other	1,552	1,552	11,650
Total deferred tax liabilities	11,835	15,554	88,819
Net of deferred tax assets	¥16,453	¥ 9,948	\$123,476

16. Dividends

Year-end dividends are paid after approval at the general stockholders meeting held subsequent to the year end, while interim dividends may be paid after the end of the semiannual period, by resolution of the Board of Directors.

17. Other operating income

Other operating income for the years ended March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Gain on foreign exchange transactions...	¥ 196	¥ 210	\$ 1,476
Other	4,603	4,821	34,547
Total	¥4,800	¥5,032	\$36,023

18. Other income

Other income for the years ended March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Gain on securities contributed to employees' retirement benefit trust....		¥3,731	
Compensation for expropriation		205	
The effect of changing an accounting method relating to guarantee fee allocation	¥ 548		\$4,113
Other	535	480	4,020
Total	¥1,083	¥4,417	\$8,133

19. Other operating expenses

Other operating expenses for the years ended March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Loss on sales of bonds	¥ 103	¥ 103	\$ 779
Other	5,128	5,034	38,487
Total	¥5,232	¥5,137	\$39,266

20. Other expenses

Other expenses for the years ended March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Provision for reserve for possible loan losses	¥4,540	¥ 494	\$34,075
Provision for reserve for possible losses on loans sold collateralized by real estate	87	196	658
Loss on devaluation of stocks and other securities	1,198	213	8,992
Loss on disposal of premises and equipment	281	231	2,116
Retirement benefits costs of securities contributed to employees' retirement benefit trusts		4,799	
Transitional obligation for employees' retirement benefits		3,985	
Other	1,260	776	9,456
Total	¥7,368	¥10,697	\$55,298

21. Reconciliation of cash and cash equivalents

The reconciliation of the cash and due from banks in the consolidated balance sheets to the cash and cash equivalents at March 31, 2002 and 2001, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Cash and due from banks.....	¥75,571	¥92,296	\$567,143
Time deposits and negotiable certificates of deposit in other banks.....	(38,480)	(60,846)	(288,781)
Cash and cash equivalents.....	¥37,091	¥31,450	\$278,361

22. Lease transactions

Lessor

The subsidiary leases certain equipment and other assets.

Total lease receipts under finance leases for the years ended March 31, 2002 and 2001, were ¥2,756 million (\$20,684 thousand) and ¥2,823 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, lease receivable under finance leases, depreciation expense, and interest income of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2002 and 2001, was as follows:

For the year ended March 31, 2002

	Millions of yen			Thousands of U.S. dollars		
	Equipment	Other	Total	Equipment	Other	Total
Acquisition cost	¥11,315	¥1,933	¥13,248	\$84,917	\$14,509	\$99,427
Accumulated depreciation	5,796	1,114	6,910	43,497	8,366	51,864
Net leased property	¥ 5,519	¥ 818	¥ 6,337	\$41,419	\$ 6,143	\$47,563

Obligations under finance leases:

	Millions of yen		Thousands of U.S. dollars
Due within one year	¥2,101		\$15,769
Due after one year	4,531		34,008
Total	¥6,632		\$49,777

For the year ended March 31, 2001

	Millions of yen		
	Equipment	Other	Total
Acquisition cost	¥11,471	¥2,159	¥13,631
Accumulated depreciation	5,938	1,297	7,235
Net leased property	¥ 5,533	¥ 862	¥ 6,395

Lease receivables under finance leases:

	Millions of yen	
Due within one year	¥2,201	
Due after one year	4,514	
Total	¥6,715	

The imputed interest income portion which is computed using the interest method is excluded from the above lease receivables under finance leases. Depreciation expense and interest income for the year ended March 31, 2002, were ¥2,388 million (\$17,922 thousand) and ¥360 million (\$2,701 thousand), respectively, and for the year ended March 31, 2001, were ¥2,442 million and ¥378 million, respectively.

23. Derivatives

Nature of derivatives—The Bank uses derivative financial instruments including interest rate swaps, foreign exchange forward contracts, interest rate futures, bond futures and options.

The Bank's policy for using derivatives—The Bank uses derivatives carefully to respond to its client's diverse needs and to hedge against market risks such as interest rate and foreign exchange rate fluctuations.

Purpose for derivatives—The Bank enters into derivatives principally to hedge against market risk. The Bank also uses certain derivative financial instruments as a part of its trading activities within the position limit rules.

Risk associated with derivatives—The major risks associated with derivative financial instruments are credit risk and market risk. Credit risk is the possible loss that may result from a counterparty's failure to perform according to the terms and conditions of the contract. To reduce credit risk, the Bank restricts the counterparties through internal regulation.

Market risk is the possible loss that may result from market fluctuations such as interest rates and foreign exchange. The Bank does not anticipate significant losses because the main purpose of the Bank's derivative transactions is to hedge market fluctuations. The amount of exposure related to credit risk on foreign exchange forward contracts as of March 31, 2002 and 2001, was ¥849 million (\$6,374 thousand) and ¥904 million, respectively. (Figures as of March 31, 2002 and 2001, are computed using the current exposure method.)

Risk control system for derivatives—The Bank manages derivatives strictly in accordance with internal risk management regulations, including position limits and loss-cut rules, so as not to have a significant impact on the Bank's operational results.

The contract or notional amounts and fair value of derivatives as of March 31, 2002 and 2001, consisted of the following:

Fund related swaps which are accrued and realized or amortized over the life of the related swap transaction

	Millions of yen		
	2002		
	Contract or notional amount	Fair value	Unrealized gain (loss)
Fund related swaps	¥82,746	¥(1,030)	¥(1,030)

	Millions of yen		
	2001		
	Contract or notional amount	Fair value	Unrealized gain (loss)
Fund related swaps	¥80,686	¥(4,377)	¥(4,377)

	Thousands of U.S. dollars		
	2002		
	Contract or notional amount	Fair value	Unrealized gain (loss)
Fund related swaps	\$620,987	\$(7,729)	\$(7,729)

Foreign exchange forward contracts which are measured at fair value

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Forward contracts:			
Selling	¥270	¥518	\$2,029
Buying	413	467	3,102

The contract or notional amounts of derivatives which are shown in the above table do not present the Bank's exposure to credit or market risk.

24. Subsequent event

The payment of year-end dividends of ¥3.5 (\$0.03) per share totaling of ¥664 million (\$4,987 thousand) and bonuses to directors and corporate auditors on a totaling of ¥49 million (\$373 thousand) were approved at the general stockholders meeting held on June 27, 2002.

25. Segment information

(1) Business segment information

The Bank and its subsidiaries are engaged in commercial banking, leasing and other businesses.

Information about business segments of the Bank and subsidiaries for the year ended March 31, 2002, is as follows:

	Millions of yen					
	2002					
	Banking	Leasing	Other	Total	Eliminations/ corporate	Consolidated
a. Operating income and operating profit (loss):						
Operating income	¥ 48,542	¥ 5,661	¥ 931	¥ 55,135	¥ (1,645)	¥ 53,490
(1) Operating income from customers	48,226	4,566	698	53,490		53,490
(2) Internal operating income among segment	315	1,095	233	1,645	(1,645)	
Operating expenses	42,459	5,593	880	48,934	(1,650)	47,284
Operating profit	6,082	68	51	6,201	4	6,206
b. Assets, depreciation and capital expenditures:						
Assets	2,375,599	13,847	11,392	2,400,839	(24,091)	2,376,747
Depreciation	1,636	4,014		5,651		5,651
Capital expenditures	1,819	4,358		6,178		6,178

	Thousands of U.S. dollars					
	2002					
	Banking	Leasing	Other	Total	Eliminations/ corporate	Consolidated
a. Operating income and operating profit (loss):						
Operating income	\$ 364,293	\$ 42,491	\$ 6,993	\$ 413,778	\$ (12,346)	\$ 401,431
(1) Operating income from customers	361,925	34,267	5,239	401,431		401,431
(2) Internal operating income among segment	2,368	8,224	1,754	12,346	(12,346)	
Operating expenses	318,648	41,978	6,610	367,237	(12,383)	354,854
Operating profit	45,644	512	382	46,540	37	46,577
b. Assets, depreciation and capital expenditures:						
Assets	17,828,142	103,920	85,495	18,017,558	(180,802)	17,836,756
Depreciation	12,280	30,130	2	42,414		42,414
Capital expenditures	13,652	32,711	5	46,368		46,368

Information about business segments of the Bank and subsidiaries for the year ended March 31, 2001, is as follows:

	Millions of yen					
	2001					
	Banking	Leasing	Other	Total	Eliminations/ corporate	Consolidated
a. Operating income and operating profit (loss):						
Operating income	¥ 51,700	¥ 5,576	¥ 865	¥ 58,141	¥ (1,324)	¥ 56,816
(1) Operating income from customers	51,374	4,792	649	56,816		56,816
(2) Internal operating income among segment	325	783	215	1,324	(1,324)	
Operating expenses	39,079	5,529	791	45,400	(1,389)	44,011
Operating profit	12,620	46	73	12,740	64	12,804
b. Assets, depreciation and capital expenditures:						
Assets	2,351,192	16,112	2,318	2,369,623	(18,991)	2,350,632
Depreciation	1,567	3,941		5,510		5,510
Capital expenditures	1,998	5,418		7,418		7,418

(2) Geographic segment information

As the Bank has neither branch offices nor subsidiaries in foreign countries, geographic segment information has not been provided.

(3) Operating income from international operations

As the operating income from international operations is not significant compared to the consolidated operating income, information about the operating income from international operations has been omitted.

Tohatsu & Co.

MS Shibaura Building
13-23, Shibaura 4-chome
Minato-ku, Tokyo 108-8530, Japan

Tel :+81 -3-3457-7321
Fax :+81 -3-3457-1694
www.tohatsu.co.jp



Independent Auditors' Report

To the Board of Directors and Stockholders of
The Yamanashi Chuo Bank, Ltd.:

We have examined the consolidated balance sheets of The Yamanashi Chuo Bank, Ltd. and subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of The Yamanashi Chuo Bank, Ltd. and subsidiaries as of March 31, 2002 and 2001, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

Our examinations also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 27, 2002

Non-Consolidated Balance Sheets

The Yamanashi Chuo Bank, Ltd.
March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Assets:			
Cash and due from banks	¥ 75,554	¥ 92,275	\$ 567,011
Call loans	160,880	171,862	1,207,355
Monetary claims bought	40,458	18,865	303,630
Trading securities	391	593	2,936
Investment securities	645,991	668,794	4,847,968
Loans and bills discounted	1,415,501	1,366,986	10,622,900
Foreign exchanges	197	330	1,478
Other assets	6,296	6,334	47,254
Premises and equipment	28,523	28,744	214,057
Deferred tax assets	15,692	9,131	117,768
Customers' liabilities for acceptances and guarantees	25,069	27,510	188,138
Reserve for possible loan losses	(39,563)	(40,747)	(296,911)
Total	¥2,374,993	¥2,350,681	\$17,823,588
Liabilities:			
Deposits	¥2,183,099	¥2,148,726	\$16,383,483
Call money	7,554	4,289	56,691
Foreign exchanges	77	121	578
Other liabilities	16,392	23,043	123,020
Liability for employees' retirement benefits	10,940	10,236	82,107
Reserve for possible losses on collateralized real estate loans sold	377	289	2,830
Acceptances and guarantees	25,069	27,510	188,138
Total liabilities	2,243,510	2,214,218	16,836,849
Stockholders' equity:			
Common stock—authorized, 398,000,000 shares; issued, 189,915,000 shares in 2002 and 2001	15,400	15,400	115,572
Capital surplus	8,287	8,287	62,194
Legal reserve	9,405	9,105	70,583
Retained earnings	88,453	86,237	663,815
Unrealized gain on available-for-sale securities	9,947	17,432	74,650
Total	131,493	136,462	986,815
Treasury stock—at cost, 27,323 shares in 2002 and 315 shares in 2001 ...	(10)		(75)
Total stockholders' equity	131,483	136,462	986,739
Total	¥2,374,993	¥2,350,681	\$17,823,588

Notes: 1. Yen figures are rounded down to the nearest million yen.

2. U.S. dollar figures have been converted from Japanese yen, solely for convenience, at the rate of ¥133.25=US\$1, the rate prevailing on March 31, 2002.

Non-Consolidated Statements of Income

The Yamanashi Chuo Bank, Ltd.
Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Income:			
Interest income:			
Interest on loans and discounts	¥31,337	¥33,111	\$235,181
Interest and dividends on securities	10,385	12,126	77,943
Other interest income	380	496	2,852
Fees and commissions	5,308	4,997	39,842
Other operating income	233	247	1,751
Other income	546	4,428	4,098
Total income	48,192	55,408	361,669
Expenses:			
Interest expense:			
Interest on deposits	2,118	3,828	15,901
Interest on borrowings and rediscounts	142	261	1,071
Other interest expense	3,476	3,646	26,091
Fees and commissions	1,733	1,555	13,009
Other operating expenses	103	103	779
General and administrative expenses	28,016	28,192	210,256
Other expenses	6,674	10,404	50,090
Total expenses	42,267	47,992	317,201
Income before income taxes	5,925	7,415	44,467
Income taxes:			
Current	3,624	3,617	27,201
Deferred	(1,228)	(646)	(9,220)
Total income taxes	2,395	2,971	17,980
Net income	¥ 3,529	¥ 4,444	\$ 26,487
Net income per share	¥18.58	¥23.40	\$0.14

Non-Consolidated Statements of Retained Earnings

The Yamanashi Chuo Bank, Ltd.
Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Balance, beginning of year	¥86,237	¥83,207	\$647,183
Appropriations:			
Transfer to legal reserve	300	394	2,251
Dividends paid (¥5.00—\$0.04 per share)	949	949	7,126
Bonuses to directors and corporate auditors	63	70	477
Total appropriations	1,313	1,415	9,855
Net income	3,529	4,444	26,487
Balance, end of year	¥88,453	¥86,237	\$663,815

Notes: 1. Yen figures are rounded down to the nearest million yen.
2. U.S. dollar figures have been converted from Japanese yen, solely for convenience, at the rate of ¥133.25=US\$1, the rate prevailing on March 31, 2002.
3. Net income per share is calculated on the basis of the average number of shares of common stock outstanding each year.

Common Stock: ¥15,400 million

Stockholders

	Shares (1 trading unit: 1,000 shares)						Total	Odd lots
	Financial institutions	Securities companies	Other corporations	Foreigners (Individuals)	Individuals and others			
Number of stockholders	96	32	455	36 (0)	8,025	8,644	—	
Number of shares held (trading units)	90,240	2,048	36,822	1,394 (0)	56,754	187,258	2,657,000 shares	
Percentage of all shares (%)	48.19	1.09	19.66	0.75 (0)	30.31	100.00	—	

Notes: 1. The columns "Individuals and others" and "Odd lots" contain treasury stock in the number of 27 trading units of shares and 323 shares, respectively.
2. "Other corporations" contains 11 trading units of shares held under the Japan Securities Depository Center.

Major Stockholders

Name	Number of shares held (thousand)	Percentage of all shares issued
The Bank of Tokyo-Mitsubishi, Ltd.	9,495	4.99
The Yamanashi Chuo Bank, Ltd. Employees' Stockholdings	6,241	3.28
Meiji Life Insurance Company	6,047	3.18
The Tokio Marine and Fire Insurance Company, Limited	4,600	2.42
The Industrial Bank of Japan, Limited*	3,959	2.08
The Yasuda Fire and Marine Insurance Company, Limited	3,756	1.97
Sumitomo Mitsui Banking Corporation	3,731	1.96
Teikyo University	3,617	1.90
The Fuji Bank, Limited*	3,512	1.84
UFJ Bank Limited	3,327	1.75
Total	48,289	25.42

Note: On April 1, 2002 the two banks marked with an asterisk in the above table and the Dai-Ichi Kangyo Bank, Limited were merged and reorganized as Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd.

Subsidiaries

	Capital (Millions of yen)	Yamanashi Chuo Bank's share (%)	Lines of business
Yamanashi Chuo Guarantee Co., Ltd.	20	5	Loan guarantees, credit investigation
Yamanashi Chugin Lease Co., Ltd.	20	5	Leasing
Yamanashi Chugin DC Card Co., Ltd.	20	5	Credit cards
Yamanashi Chugin Business Service Co., Ltd.	10	100	Banking-related clerical services
Yamanashi Chugin Capital Co., Ltd.	100	5	Investment in venture businesses

Board of Directors and Corporate Auditors (as of June 30, 2002)

Chairman

Nobukazu Yoshizawa

President

Kentaro Ono

Senior Managing Director

Kazuo Hosoda

Managing Directors

Motohiro Ishikawa

Yasuhiko Ashizawa

Takahiro Fujimaki

Masahiko Mukouyama

Directors

Akio Hosoda

Masahiko Furuya

Toshihisa Ashizawa

Masahiro Shibamura

Yasuhiko Imamura

Takatoshi Kikushima

Koji Dobashi

Toshio Ishikawa

Standing Corporate Auditors

Tadaaki Haibara

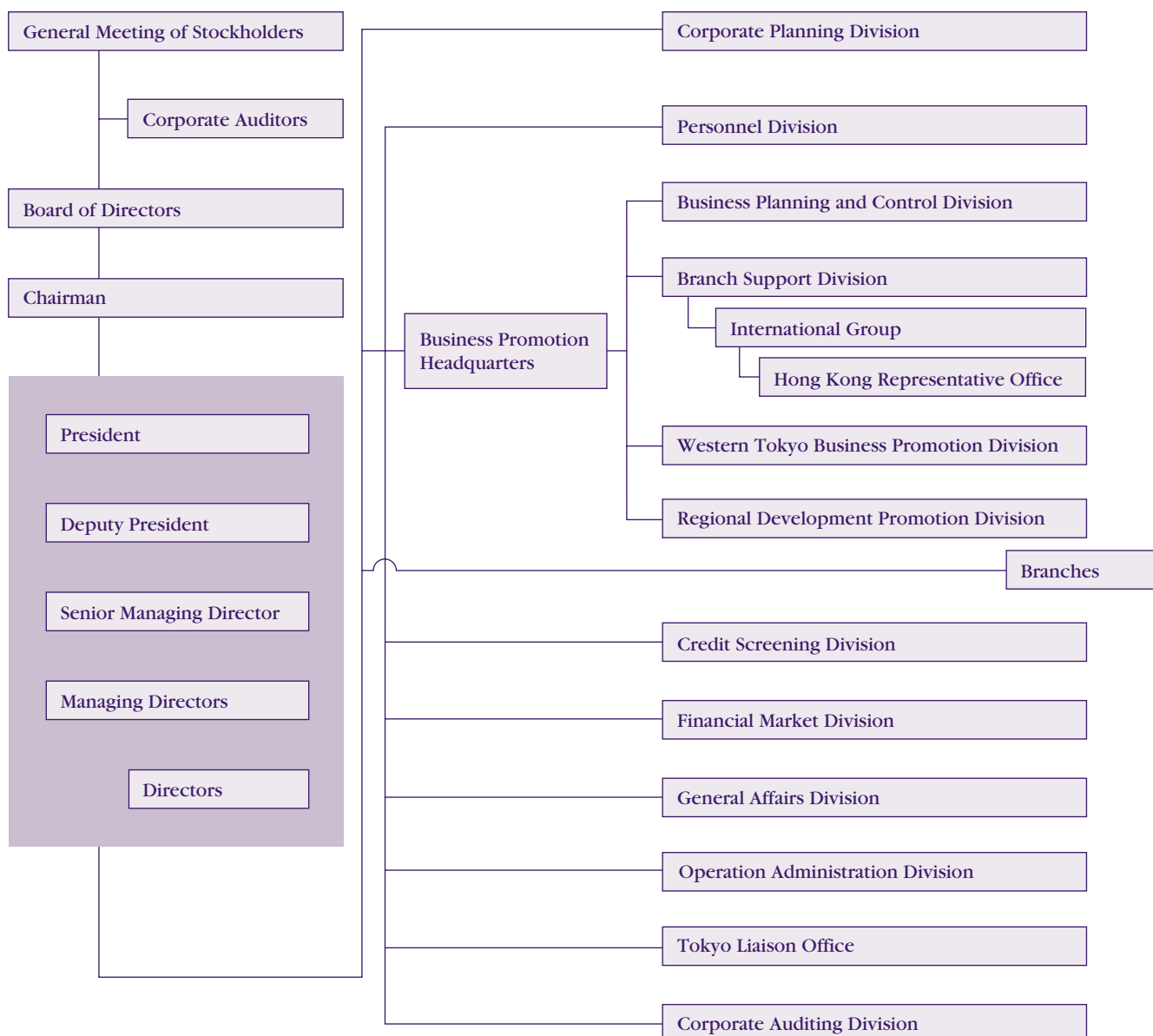
Takehiko Sano

Corporate Auditors

Takashige Takusagawa

Tomomitsu Takeda

Organization (as of May 31, 2002)



HEAD OFFICE

20-8, Marunouchi 1-chome, Kofu, Yamanashi 400-8601
Phone: 055-233-2111

INTERNATIONAL GROUP, BRANCH SUPPORT DIVISION

20-8, Marunouchi 1-chome, Kofu, Yamanashi 400-8601
Phone: 055-224-1164
Telex: 2225023 YMCHFD J
Cable Address: YMCHBANKFD
SWIFT Address: YCHB JPJT

HONG KONG REPRESENTATIVE OFFICE

2020 Hutchison House, 10 Harcourt Road, Central, Hong Kong
Phone: 852-2801-7010

FOREIGN EXCHANGE OFFICES

Head Office Business Division

20-8, Marunouchi 1-chome, Kofu, Yamanashi 400-8601
Phone: 055-233-2111

Tokyo Branch

6-10, Kajicho 1-chome, Chiyoda-ku, Tokyo 101-8691
Phone: 03-3256-3131

Shinjuku Branch

24-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 163-8691
Phone: 03-3342-2231

Yanagimachi Branch

7-13, Chuo 4-chome, Kofu, Yamanashi 400-8691
Phone: 055-233-4141

Higashi Branch

15-12, Joto 1-chome, Kofu, Yamanashi 400-0861
Phone: 055-233-6141

Minami Branch

24-6, Otamachi, Kofu, Yamanashi 400-0865
Phone: 055-232-3401

Kokubo Branch

2-36, Kokubo 6-chome, Kofu, Yamanashi 400-0043
Phone: 055-226-1821

Aonuma Branch

11-6, Aonuma 2-chome, Kofu, Yamanashi 400-0867
Phone: 055-232-5731

Kita Branch

1-4, Asahi 4-chome, Kofu, Yamanashi 400-0025
Phone: 055-252-4817

Yumura Branch

10-11, Shiobe 4-chome, Kofu, Yamanashi 400-0026
Phone: 055-252-3428

Kofu-Ekimae Branch

16-2, Marunouchi 2-chome, Kofu, Yamanashi 400-0031
Phone: 055-224-3445

Takeda-Dori Branch

11-1, Takeda 2-chome, Kofu, Yamanashi 400-0016
Phone: 055-253-2135

Kugawa Branch

13-8, Kugawahoncho, Kofu, Yamanashi 400-0048
Phone: 055-228-3355

Kusakabe Branch

1222-1, Kami-Kanogawa, Yamanashi, Yamanashi 405-9100
Phone: 0553-22-1711

Enzan Branch

1106-4, Kamiozo, Enzan, Yamanashi 404-8691
Phone: 0553-33-3211

Ichikawa Branch

1289-5, Ichikawa-Daimoncho, Nishi-Yatsushiro-gun,
Yamanashi 409-3601
Phone: 055-272-1121

Nirasaki Branch

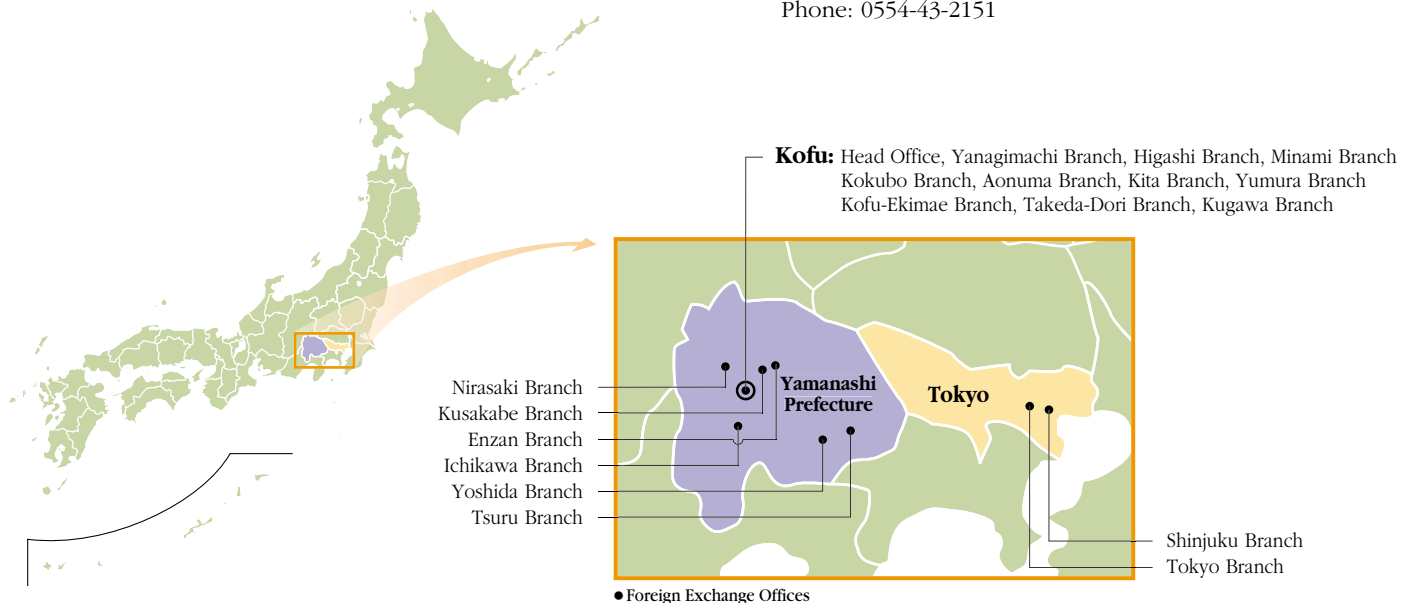
9-33, Honcho 2-chome, Nirasaki, Yamanashi 407-8601
Phone: 0551-22-2211

Yoshida Branch

500-1, Shimo-Yoshida, Fuji-Yoshida, Yamanashi 403-0004
Phone: 0555-22-3100

Tsuru Branch

2-15, Chuo 2-chome, Tsuru, Yamanashi 402-0052
Phone: 0554-43-2151



THE YAMANASHI CHUO BANK,LTD.

20-8, Marunouchi 1-chome,

Kofu, Yamanashi 400-8601, Japan

Phone: 055-233-2111

URL: <http://www.yamanashibank.co.jp/>