

NON-CONSOLIDATED FINANCIAL STATEMENTS

The Fuji Bank, Limited

Balance Sheet

March 31,	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
ASSETS			
Cash and Due from Banks	¥ 2,749,927	¥ 4,320,845	\$ 20,817,012
Call Loans and Bills Purchased	265,542	1,018,094	2,010,167
Commercial Paper and Other Debt Purchased.....	29,858	55,897	226,032
Trading Assets	2,273,891	—	17,213,413
Trading Account Securities.....	—	64,899	—
Money Held in Trust.....	85,432	117,271	646,723
Securities.....	6,250,780	5,774,496	47,318,553
Loans and Bills Discounted.....	32,030,589	34,037,300	242,472,293
Foreign Exchange	549,415	524,653	4,159,090
Other Assets	2,263,624	1,759,101	17,135,691
Premises and Equipment.....	673,037	342,876	5,094,911
Customers' Liabilities for Acceptances and Guarantees.....	3,915,992	4,051,392	29,644,149
Total Assets	¥51,088,094	¥52,066,828	\$386,738,034

The accompanying notes are an integral part of these statements.

March 31,	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits	¥34,442,706	¥38,279,142	\$260,732,073
Call Money and Bills Sold	2,256,587	2,943,951	17,082,422
Trading Liabilities	1,458,546	—	11,041,232
Borrowed Money	3,339,624	2,442,739	25,281,033
Foreign Exchange.....	125,762	96,415	952,029
Bonds.....	100,000	—	757,002
Convertible Bonds and Notes.....	12,582	12,582	95,247
Other Liabilities.....	2,888,177	1,476,390	21,863,566
Reserve for Possible Loan Losses.....	857,491	983,607	6,491,232
Reserve for Retirement Allowances	48,241	48,816	365,193
*Other Reserves.....	175,065	59,726	1,325,250
Acceptances and Guarantees	3,915,992	4,051,392	29,644,149
Land Revaluation Account	326,529	—	2,471,834
Total Liabilities	49,947,308	50,394,764	378,102,262
Stockholders' Equity			
Capital Stock	529,087	529,087	4,005,201
Capital Surplus.....	419,954	419,954	3,179,063
Legal Reserve.....	89,216	86,616	675,369
Voluntary Reserve.....	589,900	580,900	4,465,556
Special Reserves	21	26	162
Unappropriated Profit (Loss).....	(487,393)	55,480	(3,689,579)
Total Stockholders' Equity	1,140,785	1,672,064	8,635,772
Total Liabilities and Stockholders' Equity	¥51,088,094	¥52,066,828	\$386,738,034

* Includes "Reserve for Specific Borrowers under Support," the balance of which as of March 31, 1998 was ¥122,300 million.

**NON-CONSOLIDATED
FINANCIAL STATEMENTS**

The Fuji Bank, Limited

Statement of Income

Years ended March 31,	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
INCOME			
Interest Income:			
Interest on Loans and Discounts.....	¥1,011,179	¥ 995,864	\$ 7,654,653
Interest and Dividends on Securities.....	152,901	125,479	1,157,465
Other Interest Income.....	844,525	1,000,584	6,393,079
	2,008,606	2,121,928	15,205,197
Fees and Commissions.....	109,787	107,584	831,097
Trading Revenue.....	19,060	—	144,289
Other Operating Income.....	126,928	92,535	960,851
Other Income.....	340,906	331,859	2,580,671
Total Income.....	2,605,290	2,653,908	19,722,105
EXPENSES			
Interest Expenses:			
Interest on Deposits.....	688,618	679,350	5,212,856
Interest on Borrowings and Rediscounts.....	110,991	98,880	840,208
Other Interest Expenses.....	705,985	744,216	5,344,326
	1,505,595	1,522,447	11,397,390
Fees and Commissions.....	44,776	42,941	338,960
Trading Expenses.....	517	—	3,917
Other Operating Expenses.....	44,614	55,296	337,729
General and Administrative Expenses.....	385,780	380,434	2,920,371
Other Expenses.....	1,138,801	598,004	8,620,756
Total Expenses.....	3,120,086	2,599,125	23,619,123
Income (Loss) before Income Taxes.....	(514,796)	54,783	(3,897,018)
Provision for Income Taxes.....	3,905	787	29,566
Net Income (Loss).....	¥ (518,701)	¥ 53,995	\$ (3,926,584)

Statement of Appropriation of Profit

Years ended March 31,	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
Net Income (Loss).....	¥(518,701)	¥ 53,995	\$ (3,926,584)
Unappropriated Profit at Beginning of Year.....	55,480	(407,427)	419,987
Transfer from Special Reserves.....	7	435,007	53
Total.....	(463,214)	81,574	(3,506,544)
Appropriations:			
Legal Reserve.....	2,600	4,362	19,682
Voluntary Reserve.....	9,000	—	68,130
Special Reserves.....	1	—	12
Dividends.....	12,577	21,731	95,211
Total.....	24,179	26,094	183,035
Unappropriated Profit (Loss) at End of Year.....	¥(487,393)	¥ 55,480	\$ (3,689,579)

The accompanying notes are an integral part of these statements.

**NON-CONSOLIDATED
FINANCIAL STATEMENTS**

The Fuji Bank, Limited

Statement of Cash Flows

Years ended March 31,	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest on Loans and Discounts Received.....	¥ 993,666	¥ 956,422	\$ 7,522,081
Interest and Dividends on Securities Received.....	155,559	129,538	1,177,590
Interest on Call Loans.....	16,419	19,356	124,294
Interest on Bills Purchased.....	180	209	1,368
Interest on Due from Banks.....	156,364	179,706	1,183,681
Interest on Interest Rate Swaps, etc.....	597,961	706,366	4,526,583
Fees and Commissions Received.....	109,739	107,190	830,727
Other Operating Revenue.....	34,547	57,998	261,523
Total.....	2,064,438	2,156,789	15,627,847
Interest on Deposits Paid.....	692,706	693,909	5,243,803
Interest on Call Money Paid.....	28,119	31,571	212,865
Interest on Bills Sold Paid, etc.....	77,249	68,093	584,777
Interest on Bonds Paid.....	—	—	—
Interest on Convertible Bonds Paid.....	191	178	1,449
Interest on Interest Rate Swaps Paid.....	550,709	639,876	4,168,881
Fees and Commissions Paid.....	47,537	42,645	359,861
Other Operating Expenditures.....	13,547	7,035	102,553
General and Administrative Expenses Paid.....	343,381	339,085	2,599,405
Total.....	1,753,441	1,822,395	13,273,594
Net Decrease in Due from Banks (excluding Deposits with the Bank of Japan).....	1,378,454	969,351	10,434,931
Net Decrease (Increase) in Call Loans.....	353,251	(51,660)	2,674,119
Net Decrease (Increase) in Bills Purchased.....	399,300	(116,400)	3,022,710
Net Decrease in Commercial Paper and Other Debt Purchased.....	26,038	26,150	197,110
Net Increase in Trading Accounts.....	(732,334)	—	(5,543,788)
Net Proceeds from Trading Account Securities Transactions.....	—	331,992	—
Net Proceeds from (Expenditures of) National Government Bonds and Other Transactions.....	(160,096)	182,423	(1,211,931)
Net Decrease (Increase) in Loans and Bills Discounted.....	1,486,641	(1,858,538)	11,253,910
Net Increase in Foreign Exchange.....	(25,057)	(76,996)	(189,684)
Net Decrease in Domestic Exchange Settlement Debits.....	551	4,812	4,176
Net Increase in Other Assets.....	(503,938)	(234,920)	(3,814,822)
Total.....	2,222,811	(823,784)	16,826,731
Net Increase (Decrease) in Deposits and Other.....	(3,836,435)	1,314,045	(29,041,903)
Net Decrease in Call Money and Borrowed Money.....	(516,950)	(855,339)	(3,913,325)
Net Increase (Decrease) in Bills Sold.....	726,472	(635,057)	5,499,412
Net Increase in Foreign Exchange.....	29,347	12,454	222,162
Net Decrease in Domestic Exchange Settlement Credits.....	(593)	(4,672)	(4,492)
Net Increase in Other Liabilities.....	1,251,823	276,102	9,476,329
Total.....	(2,346,336)	107,531	(17,761,817)
Net Cash Provided by (Used in) Operating Activities.....	187,471	(381,859)	1,419,167
CASH FLOWS FROM OTHER ACTIVITIES			
Proceeds from Sales of Stocks and Other.....	1,302,161	1,326,568	9,857,390
Proceeds from Settlements of Money Held in Trust.....	239,591	82,316	1,813,712
Proceeds from Sales of Premises and Equipment.....	55,390	37,847	419,306
Other Proceeds.....	4,923	6,800	37,271
Total.....	1,602,066	1,453,532	12,127,679
Purchases of Stocks and Other.....	1,330,997	1,344,613	10,075,678
Investments on Money Held in Trust.....	209,136	47,519	1,583,165
Purchases of Premises and Equipment.....	48,607	53,876	367,959
Other Payments.....	477,370	96,794	3,613,706
Total.....	2,066,111	1,542,804	15,640,508
Net Cash Used in Other Activities.....	(464,044)	(89,272)	(3,512,829)
DIVIDENDS, INCOME TAXES AND OTHER PAYMENTS			
Dividends Paid.....	12,577	21,731	95,211
Income Taxes Paid.....	3,313	767	25,085
Total.....	15,891	22,499	120,296
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of Preferred Stock.....	—	210,000	—
Issuance of Bonds and Notes.....	100,000	—	757,002
Net Decrease in Cash and Cash Equivalents.....	(192,463)	(283,631)	(1,456,956)
Cash and Cash Equivalents at Beginning of Year.....	1,226,758	1,510,389	9,286,590
Cash and Cash Equivalents at End of Year.....	¥1,034,294	¥1,226,758	\$ 7,829,634

The accompanying notes are an integral part of these statements.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

The Fuji Bank, Limited

1. Basis of Presentation

The Fuji Bank, Limited ("Fuji Bank") maintains its accounting records and prepares its financial statements in accordance with accounting principles and practices generally accepted in Japan, the Commercial Code of Japan, the Banking Law of Japan and the Rules for Bank Accounting issued by the Ministry of Finance and the accompanying non-consolidated financial statements have been prepared from the non-consolidated financial statements filed with the Minister of Finance as required by the Banking Law of Japan and the Securities and Exchange Law of Japan.

For the convenience of readers outside Japan, certain items presented in the original financial statements have been reclassified and rearranged.

As permitted by the Securities and Exchange Law of Japan, amounts less than one million yen have been omitted. As a result, the totals in yen shown in the accompanying non-consolidated financial statements for the years ended March 31, 1998 and 1997 do not necessarily agree with the sum of the individual amounts.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥132.10 = U.S.\$1, the rate of exchange on March 31, 1998, has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at that rate or any other rate.

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2. Significant Accounting Policies of The Fuji Bank, Limited

(a) Securities

Securities are stated at the moving average cost method.

Effective April 1, 1997, the Bank changed its method of valuation of listed securities and listed securities held in separately managed trusts, including in the securities account from the lower of cost or market to the moving average cost method. Japanese government bonds have been stated at the moving average cost method prior to this change. The effect of this change in accounting for securities resulted in a decrease of loss before income taxes of ¥433,195 million.

(b) Other Significant Accounting Policies

Refer to Notes to Consolidated Financial Statements.

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3. Loans and Bills Discounted

In accordance with the Rules for Bank Accounting in Japan, the balance of "Loans and Bills Discounted" at March 31, 1998 includes the following nonaccrual loans; loans to customers under bankruptcy procedures, amounting to ¥257,512 million, and loans past due for 6 months or more as to interest payment, amounting to ¥733,762 million.

The balance of renegotiated loans at the end of March, 1998 was ¥186,390 million. Renegotiated loans include loans of which the interest rates were cut to or below the official discount rate at the time of restructuring, or loans extended on a negative spread basis in order to support borrowers' rehabilitation, and nonaccrual loans which were approved as such by the National Tax Agency. Items which until now have been classified as restructured loans are now called renegotiated loans.

The balance of loans to companies under support programs as of March 31, 1998 was ¥40,770 million. Loans to companies under support programs refers to loans extended to borrowers which have encountered economic difficulty and which the Bank supports in various ways with the approval of the National Tax Agency.

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4. Net Income (Loss) per Share

The information of net income (loss) per share of common stock is as follows:

Years ended March 31,	Yen	
	1998	1997
Net Income (Loss)	¥(179.19)	¥ 18.54

Net income (loss) per share of common stock is computed based on the average number of shares of common stock outstanding during the year, adjusted for the preferred stock dividend.

Report of Independent Certified Public Accountants on the Non-Consolidated Financial Statements

The Board of Directors
The Fuji Bank, Limited

We have examined the non-consolidated balance sheets of The Fuji Bank, Limited as of March 31, 1998 and 1997, and the related non-consolidated statements of income, appropriation of profit and cash flows for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards generally accepted 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 financial statements referred to above, expressed in Japanese yen, present fairly the non-consolidated financial position of The Fuji Bank, Limited at March 31, 1998 and 1997, and the non-consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in Japan consistently applied during the period except for the change, with which we concur, in the method of accounting for securities as described in Note 2 (a) to the non-consolidated financial statements.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 1998 are presented solely for convenience. Our examination also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 of the Notes to the non-consolidated financial statements.

Tokyo, Japan
June 26, 1998

Showa Ota & Co.

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