



Summary of the 1st Half Financial Statements for the First Six Months of FY2018 [JGAAP] (Consolidated)

November 14, 2018

Company Name	Aozora Bank, Ltd.	Listed Exchange	TSE
TSE Code	8304	URL	http://www.aozorabank.co.jp/
Representative	Shinsuke Baba, Representative Director and President		
Contact Person	Yoshinari Takasaki, Joint General Manager of Financial Control Division		
Scheduled Filing Date of Security Report	Nov. 27, 2018	Dividend payable date	Dec. 17, 2018
Reference Material	Affirmative	Trading Accounts	Affirmative
Investor Meeting	Affirmative	TEL	(03)6752-1111

(Unit: JPY millions, rounded down)

1. Business highlights for the first six months of FY2018

(1) Consolidated business results

(Note: Percentages show year-on-year rates of change)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%
Six months ended Sep. 30, 2018	83,753	15.0	29,639	(2.4)	21,377	(7.8)
Sep. 30, 2017	72,827	10.4	30,375	9.1	23,180	(10.4)

(Note) Comprehensive income JPY 11,225 million (-58.6%) (Six months ended Sep. 30, 2018)
JPY 27,116 million (-6.8%) (Six months ended Sep. 30, 2017)

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
Six months ended Sep. 30, 2018	183.23	183.09
Sep. 30, 2017	198.71	198.57

(Note) Aozora Bank, Ltd. (Aozora) consolidated every ten common shares into one common share on October 1, 2017. "Net income per common share (basic)" and "Net income per common share (diluted)" are presented as if the share consolidation was effective at the beginning of the previous accounting period.

(2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Million Yen	Million Yen	%	Yen
Sep. 30, 2018	4,996,070	437,585	8.7	3,743.61
Mar. 31, 2018	4,912,792	437,234	8.9	3,735.00

(Ref.) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 436,796 million (Sep. 30, 2018)
JPY 435,719 million (Mar. 31, 2018)

(Note) Net assets to total assets ratio = (Total net assets - Share acquisition rights - Non-controlling interests) / Total assets

2. Dividend

	Annual dividend				
	1Q end	2Q end	3Q end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2017 (common share)	4.00	4.00	50.00	54.00	—
FY2018 (common share)	40.00	40.00			
FY2018 (common share) (Forecast)			—	—	184.00

(Note) Revision of dividends forecast to the latest announcement None

(Note) On October 1, 2017, Aozora consolidated every ten common shares into one common share. As the above dividend payments for the 1st quarter and the 2nd quarter of FY2017 are actual amounts before the share consolidation, the annual dividend for FY2017 is shown as "—". For more details on dividend payments for each quarter assuming that the share consolidation was effective at the beginning of the previous accounting period, please refer to "(Reference) Dividend payments per common share."

(Note) The dividend payment forecast for FY2018 was calculated by dividing the total dividend amount, which is set at 50% of Profit attributable to owners of parent for forecast FY2018, by the total number of common share issued, excluding treasury shares, as of September 30, 2018. Aozora will continue to pay dividends on a quarterly basis, although dividend payment forecast was announced only on an annual basis.

3. Consolidated earnings forecast for the year ending March 31, 2019 (FY2018)

(Note: Percentages show year-on-year rates of change)

	Ordinary profit		Profit attributable to owners of parent		Net income per common share
	Million Yen	%	Million Yen	%	Yen
FY2018 (Full Year)	58,500	0.9	43,000	(0.1)	368.53

(Note) Revision of consolidated earnings forecast to the latest announcement None

*Notes

(1) Changes in material subsidiaries during the first half (changes in specified subsidiaries which affect the scope of consolidation) None

(2) Changes in accounting policy, accounting estimates, or retrospective restatements

(a) Changes with revisions of accounting standards	None
(b) Changes other than (a) above	None
(c) Changes in accounting estimates	None
(d) Retrospective restatements	None

(3) The number of common shares issued

	Sep. 30, 2018	Mar. 31, 2018
(a) The number of common shares issued (including treasury shares)	118,289,418	118,289,418
(b) The number of treasury shares	1,611,667	1,631,067

	Six months ended Sep. 30, 2018	Six months ended Sep. 30, 2017
(c) The average number of common shares outstanding (6 months)	116,667,859	116,649,828

(Note) Aozora consolidated every ten common shares into one common share on October 1, 2017. "The average number of common shares outstanding" is presented as if the share consolidation was effective at the beginning of the previous accounting period.

(Summary of non-consolidated financial statements)

1. Business highlights for the first six months of FY2018

(1) Business results

(Note: Percentages show year-on-year rates of change)

	Ordinary income		Ordinary profit		Profit	
	Million Yen	%	Million Yen	%	Million Yen	%
Six months ended Sep. 30, 2018	83,256	18.4	30,535	1.0	21,958	(4.7)
Sep. 30, 2017	70,323	10.1	30,247	10.1	23,047	(12.9)

	Net income per common share (basic)
Six months ended	Yen
Sep. 30, 2018	188.21
Sep. 30, 2017	197.57

(Note) Aozora consolidated every ten common shares into one common share on October 1, 2017. "Net income per common share (basic)" is presented as if the share consolidation was effective at the beginning of the previous accounting period.

(2) Financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Million Yen	Million Yen	%	Yen
Sep. 30, 2018	4,962,067	429,650	8.7	3,679.29
Mar. 31, 2018	4,907,226	429,092	8.7	3,675.35

(Ref.) Total net assets (less Share acquisition rights): JPY 429,292 million (Sep. 30, 2018) JPY 428,760 million (Mar. 31, 2018)

(Note) Net assets to total assets ratio = (Total net assets - Share acquisition rights) / Total assets

2. Non-consolidated earnings forecast for the year ending March 31, 2019 (FY2018)

(Note: Percentages show year-on-year rates of change)

	Ordinary profit		Profit		Net income per common share
	Million Yen	%	Million Yen	%	Yen
FY2018 (Full Year)	59,000	3.6	42,000	0.0	359.96

※Summary of 1st half financial statements is out of scope of interim audit (by CPAs or audit firms) .

※Notes and remarks for the proper use of earnings projection

The above earnings forecast involves certain risks and uncertainties since the calculations are based on management's assumptions and beliefs in light of information currently available. This should not be interpreted as a promise or guarantee that the forecast will be achieved. Please be aware that actual results may be materially different from the forecast presented herein due to various factors.

(Reference) Dividend payments per common share

Aozora consolidated every ten common shares into one common share on October 1, 2017. Assuming that the share consolidation was effective at the beginning of the previous accounting period, dividend payments per common share are as follows.

	Annual dividend				
	1Q end	2Q end	3Q end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2017 (common share)	40.00	40.00	50.00	54.00	184.00
FY2018 (common share)	40.00	40.00			
FY2018 (common share) (Forecast)			-	-	184.00

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1. Qualitative information

(1) Operating results

In the first half of FY2018, Aozora reported consolidated net revenue of 44.8 billion yen, an increase of 0.7 billion yen, or 1.8% year on year. Consolidated business profit was 21.2 billion yen, a decrease of 0.1 billion yen, or 0.5%. Profit attributable to owners of parent was 21.3 billion yen, a decrease of 1.8 billion yen, or 7.8%.

Net interest income was 27.0 billion yen, an increase of 2.1 billion yen or 8.5% year on year, due to expanded net interest margins compared to the previous year as well as an increase in average asset balances, as the Bank maintained its focus on risk and return.

Non-interest income was 17.7 billion yen, a decrease of 1.3 billion yen, or 6.9% year on year. Net fees and commissions decreased by 1.1 billion yen, or 19.1% year-on-year, and net trading revenues decreased by 2.2 billion yen or 29.2%, while net other ordinary income, excluding gains/losses on bond transactions, increased by 1.4 billion yen, or 34.1%, due to gains on limited partnerships.

General and administrative expenses were 23.6 billion yen, a year-on-year increase of 0.9 billion yen, or 4.0%, mainly due to incremental expenses associated with the Bank's business areas of focus and new internet banking operations, but represented only 45.4% of the full-year budget of 52.0 billion yen.

Consolidated business profit was 21.2 billion yen, a decrease of 0.1 billion yen, or 0.5% year on year.

Credit-related expenses were a net reversal of 3.0 billion yen, mainly due to the reversal of general loan loss reserves. Gains/losses on stock transactions were a gain of 5.1 billion yen.

Ordinary profit and profit before income taxes were both 29.6 billion yen, a decrease of 0.7 billion yen, or 2.4% year on year. Taxes were a net expense of 9.0 billion yen.

Taxes (corporation tax, resident tax, business tax and deferred income taxes) were a net expense of 9.0 billion yen.

As a result of the above factors, profit attributable to owners of parent for the first half of FY2018 was 21.3 billion yen, a decrease of 1.8 billion yen, or 7.8% year on year, representing progress of 49.7% of the full-year forecast of 43.0 billion yen. Net income per share (basic) was 183.23 yen, as compared to 198.71 yen per share (basic) in the first half of FY2017.

(2) Financial condition

Total assets were 4,996.0 billion yen as of September 30, 2018, an increase of 83.2 billion yen, or 1.7%, compared to March 31, 2018. Loans were 2,654.4 billion yen, an increase of 43.1 billion yen, or 1.7%, from March 31, 2018. Domestic loans decreased 31.9 billion yen, while overseas loans increased 75.1 billion yen. Securities increased by 141.8 billion yen, or 12.4%, from March 31, 2018, to 1,281.6 billion yen.

Total liabilities were 4,558.4 billion yen, an increase of 82.9 billion yen, or 1.9%, compared to March 31, 2018. The Bank continued to flexibly manage its funding position in light of its asset requirements. Total core funding (deposits, negotiable certificates of deposit, debentures and bonds) was 3,383.6 billion yen, an increase of 155.1 billion yen, or 4.8%, from March 31, 2018.

Net assets were 437.5 billion yen, representing an increase of 0.3 billion yen, or 0.1%, from March 31, 2018. Net assets per common share were 3,743.61 yen, as compared to 3,735.00 yen per common share as of March 31, 2018.

(3) Consolidated earnings forecast

No change has been made to the full-year consolidated earnings forecast of FY2018 announced on May 14, 2018 (net revenue of 92.0 billion yen, consolidated business profit of 40.0 billion yen, ordinary profit of 58.5 billion yen and profit attributable to owners of parent of 43.0 billion yen).

(Note 1) Figures are rounded down to the nearest unit specified.

(Note 2) Aozora consolidated every ten common shares into one common share on October 1, 2017. "Net income per common share (basic)" is presented as if the share consolidation was effective at the beginning of the previous accounting period.

(Reference)

Summary of consolidated revenue and expenses (JPY 100 million)

	FY2017 1 st Half	FY2018 1 st Half	Change
Net revenue ※1	440	448	7
Net interest income	249	270	21
Net fees and commissions	57	46	(11)
Net trading income	76	54	(22)
Gains/losses on bond transactions	15	21	6
Net other ordinary income excluding gains/losses on bond transactions	41	55	14
General and administrative expenses	(227)	(236)	(9)
Business profit ※2	213	212	(1)
Credit-related expenses	54	30	(24)
Gains/losses on stock transactions	41	51	10
Other	(5)	2	7
Ordinary profit	303	296	(7)
Extraordinary profit	(0)	-	0
Profit before income taxes	303	296	(7)
Total income taxes	(74)	(90)	(15)
Profit	229	206	(22)
Loss attributable to non-controlling interests	2	7	4
Profit attributable to owners of parent	231	213	(18)

※1 Net revenue = (Interest income – Interest expenses) + (Fees and commissions income – Fees and commissions expenses) + (Trading income – Trading expenses) + (Other ordinary income – Other ordinary expenses)

※2 Business profit = Net revenue – General and administrative expenses

※3 Regardless of nature of accounts, income or profits are shown as positive and expenses or losses are shown as negative amount on the table above.

2. Interim consolidated financial statements and main notes

(1) Interim consolidated balance sheet

(In millions of yen)

	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets		
Cash and due from banks	543,173	519,392
Call loans and bills bought	26,567	—
Receivables under securities borrowing transactions	—	479
Monetary claims bought	45,733	42,515
Trading assets	179,671	152,556
Money held in trust	30,815	26,906
Securities	1,139,803	1,281,615
Loans and bills discounted	2,611,278	2,654,463
Foreign exchanges	42,576	47,794
Other assets	246,703	225,449
Tangible fixed assets	24,628	24,174
Intangible fixed assets	16,907	18,534
Deferred debenture discounts	36	26
Net defined benefit asset	2,720	2,980
Deferred tax assets	18,541	18,563
Customers' liabilities for acceptances and guarantees	27,433	22,006
Allowance for loan losses	(43,495)	(40,639)
Allowance for investment loss	(302)	(748)
Total assets	4,912,792	4,996,070
Liabilities		
Deposits	2,846,878	2,973,633
Negotiable certificates of deposit	124,060	111,540
Debentures	64,710	51,360
Call money and bills sold	90,998	52,529
Payables under repurchase agreements	9,823	52,750
Payables under securities lending transactions	431,309	409,582
Trading liabilities	130,201	151,655
Borrowed money	315,250	300,301
Bonds payable	192,853	247,125
Other liabilities	227,275	173,152
Provision for bonuses	3,735	2,072
Provision for directors' bonuses	87	37
Net defined benefit liability	9,533	9,429
Provision for directors' retirement benefits	2	2
Provision for credit losses on off-balance-sheet instruments	994	895
Provision for contingent loss	391	389
Reserves under special laws	8	8
Deferred tax liabilities	10	9
Acceptances and guarantees	27,433	22,006
Total liabilities	4,475,557	4,558,484
Net assets		
Capital stock	100,000	100,000
Capital surplus	87,345	87,377
Retained earnings	243,190	253,602
Treasury shares	(3,351)	(3,311)
Total shareholders' equity	427,184	437,668
Valuation difference on available-for-sale securities	35,343	34,939
Deferred gains or losses on hedges	(25,581)	(35,739)
Foreign currency translation adjustment	(1,070)	133
Remeasurements of defined benefit plans	(156)	(206)
Total accumulated other comprehensive income	8,535	(872)
Share acquisition rights	331	357
Non-controlling interests	1,183	431
Total net assets	437,234	437,585
Total liabilities and net assets	4,912,792	4,996,070

(2) Interim consolidated statement of income and Interim consolidated statement of comprehensive income
(Interim consolidated statement of income)

(In millions of yen)

	For the six months ended Sep. 30, 2017	For the six months ended Sep. 30, 2018
Ordinary income	72,827	83,753
Interest income	38,790	48,330
Interest on loans and discounts	22,987	28,185
Interest and dividends on securities	14,702	19,171
Fees and commissions	6,428	5,453
Trading income	7,641	8,799
Other ordinary income	9,090	11,802
Other income	10,876	9,368
Ordinary expenses	42,452	54,114
Interest expenses	13,831	21,246
Interest on deposits	2,841	3,573
Fees and commissions payments	646	777
Trading expenses	—	3,385
Other ordinary expenses	3,426	4,128
General and administrative expenses	22,452	23,592
Other expenses	2,095	982
Ordinary profit	30,375	29,639
Extraordinary losses	21	—
Loss on disposal of non-current assets	21	—
Profit before income taxes	30,354	29,639
Income taxes - current	6,518	7,852
Income taxes - deferred	906	1,153
Total income taxes	7,425	9,005
Profit	22,929	20,633
Loss attributable to non-controlling interests	(250)	(744)
Profit attributable to owners of parent	23,180	21,377

(Interim consolidated statement of comprehensive income)

(In millions of yen)

	For the six months ended Sep. 30, 2017	For the six months ended Sep. 30, 2018
Profit	22,929	20,633
Other comprehensive income	4,187	(9,407)
Valuation difference on available-for-sale securities	13,994	(404)
Deferred gains or losses on hedges	(9,670)	(10,157)
Foreign currency translation adjustment	79	1,204
Remeasurements of defined benefit plans, net of tax	(216)	(49)
Comprehensive income	27,116	11,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,368	11,970
Comprehensive income attributable to non-controlling interests	(251)	(744)

(3) Interim consolidated statement of changes in net assets
For the six months ended Sep. 30, 2017

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	100,000	87,315	221,940	(3,387)	405,867
Changes of items during period					
Dividends of surplus			(11,314)		(11,314)
Profit attributable to owners of parent			23,180		23,180
Disposal of treasury shares		30		40	70
Net changes of items other than shareholders' equity					
Total changes of items during period	—	30	11,865	40	11,936
Balance at end of current period	100,000	87,345	233,805	(3,347)	417,804

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	23,757	(11,052)	(84)	(199)	12,421	296	1,759	420,345
Changes of items during period								
Dividends of surplus								(11,314)
Profit attributable to owners of parent								23,180
Disposal of treasury shares								70
Net changes of items other than shareholders' equity	13,995	(9,670)	79	(216)	4,187	35	(259)	3,963
Total changes of items during period	13,995	(9,670)	79	(216)	4,187	35	(259)	15,900
Balance at end of current period	37,753	(20,722)	(4)	(416)	16,609	331	1,500	436,245

For the six months ended Sep. 30, 2018

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	100,000	87,345	243,190	(3,351)	427,184
Changes of items during period					
Dividends of surplus			(10,965)		(10,965)
Profit attributable to owners of parent			21,377		21,377
Disposal of treasury shares		31		40	71
Net changes of items other than shareholders' equity					
Total changes of items during period	—	31	10,411	40	10,483
Balance at end of current period	100,000	87,377	253,602	(3,311)	437,668

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	35,343	(25,581)	(1,070)	(156)	8,535	331	1,183	437,234
Changes of items during period								
Dividends of surplus								(10,965)
Profit attributable to owners of parent								21,377
Disposal of treasury shares								71
Net changes of items other than shareholders' equity	(404)	(10,157)	1,204	(49)	(9,407)	25	(751)	(10,133)
Total changes of items during period	(404)	(10,157)	1,204	(49)	(9,407)	25	(751)	350
Balance at end of current period	34,939	(35,739)	133	(206)	(872)	357	(431)	437,585

(4) Notes to interim consolidated financial statements
(Information on going concern assumption)

None

3. Interim non-consolidated financial statements

(1) Interim non-consolidated balance sheet

(In millions of yen)

	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets		
Cash and due from banks	503,885	460,352
Call loans	26,567	—
Receivables under securities borrowing transactions	—	479
Monetary claims bought	19,246	18,065
Trading assets	179,646	152,529
Money held in trust	11,868	13,022
Securities	1,209,919	1,340,259
Loans and bills discounted	2,624,742	2,665,432
Foreign exchanges	42,576	47,794
Other assets	246,858	224,791
Other	246,858	224,791
Tangible fixed assets	23,916	23,376
Intangible fixed assets	12,549	12,656
Deferred debenture discounts	36	26
Prepaid pension cost	2,571	2,957
Deferred tax assets	19,028	19,224
Customers' liabilities for acceptances and guarantees	27,353	21,949
Allowance for loan losses	(43,236)	(40,101)
Allowance for investment loss	(302)	(748)
Total assets	4,907,226	4,962,067
Liabilities		
Deposits	2,856,291	2,955,453
Negotiable certificates of deposit	124,060	111,540
Debentures	64,710	51,360
Call money	90,998	52,529
Payables under repurchase agreements	9,823	52,750
Payables under securities lending transactions	431,309	409,582
Trading liabilities	130,201	151,655
Borrowed money	313,660	298,438
Bonds payable	192,853	247,125
Other liabilities	223,271	168,193
Income taxes payable	8,236	5,403
Lease obligations	171	95
Asset retirement obligations	1,888	1,897
Other	212,975	160,797
Provision for bonuses	3,531	1,952
Provision for directors' bonuses	77	37
Provision for retirement benefits	9,015	8,965
Provision for credit losses on off-balance-sheet instruments	975	883
Acceptances and guarantees	27,353	21,949
Total liabilities	4,478,133	4,532,417

(In millions of yen)

	As of Mar. 31, 2018	As of Sep. 30, 2018
Net assets		
Capital stock	100,000	100,000
Capital surplus	87,345	87,377
Legal capital surplus	87,313	87,313
Other capital surplus	32	64
Retained earnings	235,094	246,087
Legal retained earnings	12,686	12,686
Other retained earnings	222,407	233,400
Retained earnings brought forward	222,407	233,400
Treasury shares	(3,351)	(3,311)
Total shareholders' equity	419,088	430,153
Valuation difference on available-for-sale securities	35,253	34,878
Deferred gains or losses on hedges	(25,581)	(35,739)
Total valuation and translation adjustments	9,672	(860)
Share acquisition rights	331	357
Total net assets	429,092	429,650
Total liabilities and net assets	4,907,226	4,962,067

(2) Interim non-consolidated statement of income

(In millions of yen)

	For the six months ended Sep. 30, 2017	For the six months ended Sep. 30, 2018
Ordinary income	70,323	83,256
Interest income	37,876	47,725
Interest on loans and discounts	22,130	27,650
Interest and dividends on securities	14,690	19,160
Fees and commissions	7,048	5,979
Trading income	5,975	8,799
Other ordinary income	9,059	11,659
Other income	10,363	9,091
Ordinary expenses	40,076	52,720
Interest expenses	13,820	21,233
Interest on deposits	2,841	3,572
Fees and commissions payments	1,007	1,948
Trading expenses	—	4,333
Other ordinary expenses	3,460	4,496
General and administrative expenses	20,115	19,948
Other expenses	1,671	759
Ordinary profit	30,247	30,535
Extraordinary losses	21	—
Loss on disposal of non-current assets	21	—
Profit before income taxes	30,226	30,535
Income taxes - current	6,346	7,588
Income taxes - deferred	832	989
Total income taxes	7,178	8,577
Profit	23,047	21,958

(3) Interim non-consolidated statement of changes in net assets
For the six months ended Sep. 30, 2017

(In millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of current period	100,000	87,313	1	87,315	12,686	202,206	214,892	(3,387)	398,820
Changes of items during period									
Dividends of surplus						(11,314)	(11,314)		(11,314)
Profit						23,047	23,047		23,047
Disposal of treasury shares			30	30				40	70
Net changes of items other than shareholders' equity									
Total changes of items during period	—	—	30	30	—	11,732	11,732	40	11,803
Balance at end of current period	100,000	87,313	32	87,345	12,686	213,938	226,625	(3,347)	410,623

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	23,613	(11,052)	12,561	296	411,678
Changes of items during period					
Dividends of surplus					(11,314)
Profit					23,047
Disposal of treasury shares					70
Net changes of items other than shareholders' equity	14,028	(9,670)	4,358	35	4,393
Total changes of items during period	14,028	(9,670)	4,358	35	16,196
Balance at end of current period	37,641	(20,722)	16,919	331	427,875

For the six months ended Sep. 30, 2018

(In millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of current period	100,000	87,313	32	87,345	12,686	222,407	235,094	(3,351)	419,088
Changes of items during period									
Dividends of surplus						(10,965)	(10,965)		(10,965)
Profit						21,958	21,958		21,958
Disposal of treasury shares			31	31				40	71
Net changes of items other than shareholders' equity									
Total changes of items during period	—	—	31	31	—	10,992	10,992	40	11,064
Balance at end of current period	100,000	87,313	64	87,377	12,686	233,400	246,087	(3,311)	430,153

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	35,253	(25,581)	9,672	331	429,092
Changes of items during period					
Dividends of surplus					(10,965)
Profit					21,958
Disposal of treasury shares					71
Net changes of items other than shareholders' equity	(375)	(10,157)	(10,533)	25	(10,507)
Total changes of items during period	(375)	(10,157)	(10,533)	25	557
Balance at end of current period	34,878	(35,739)	(860)	357	429,650