

Financial Results for 3rd Quarter of FY2018



【 INDEX 】

I .	Summary of Revenue and Expenses	【 Consolidated 】	_____	1
		【 Non-consolidated 】	_____	2
II .	Securities	【 Consolidated 】	_____	3
III .	Disclosed Claims under the Financial Reconstruction Law ("FRL Credit")	【 Non-consolidated 】	_____	4
IV .	Allowance and Coverage for FRL Credit	【 Non-consolidated 】	_____	4

I . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2018 3rd Quarter		FY 2017 3rd Quarter
	(A)	(A)-(B)	
Consolidated net revenue ※1	62,786	(6,607)	69,394
Net interest income	39,917	2,141	37,775
Net fees and commissions	7,755	(769)	8,525
Net trading income	5,481	(7,317)	12,799
Net other ordinary income	9,632	(662)	10,294
General and administrative expenses	(35,884)	(1,877)	(34,007)
Business profit ※2	26,902	(8,484)	35,387
Credit-related expenses	1,682	(2,197)	3,879
Write-off of loans	(166)	12	(178)
Provision of specific allowance for loan losses	(403)	(3,468)	3,064
Provision of general allowance for loan losses	972	687	285
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(94)	(94)	-
Recoveries of written-off claims	1,026	(353)	1,380
Provision of reserve for credit losses on off-balance-sheet instruments	346	1,019	(672)
Gains (losses) on stock transactions	11,259	3,832	7,427
Income from interests in associated undertakings	-	-	-
Other	2,126	2,640	(513)
Ordinary profit	41,971	(4,208)	46,180
Extraordinary profit (loss)	-	21	(21)
Profit before income taxes and non-controlling interests	41,971	(4,187)	46,158
Income taxes-current	(11,933)	90	(12,023)
Income taxes-deferred	(1,669)	(690)	(979)
Profit	28,368	(4,787)	33,156
Loss attributable to non-controlling interests	1,355	976	378
Profit attributable to owners of parent	29,723	(3,811)	33,534

※1 Consolidated net revenue = (Interest income - Interest expenses)
+ (Trust fees + Fees and commissions income - Fees and commissions expenses)
+ (Trading income - Trading expenses) + (Other ordinary income - Other ordinary expenses)

※2 Business profit = Consolidated net revenue - General and administrative expenses

(Note) The amounts are rounded down to the nearest million yen.

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	December 31, 2018		December 31, 2017
	(A)	(A)-(B)	
Consolidated subsidiaries	23	3	20
Affiliated companies applying equity-method	0	0	0

【Non-consolidated】

(million yen)

	FY 2018		FY 2017 3rd Quarter (B)
	3rd Quarter (A)	(A)-(B)	
Net revenue	58,380	(6,553)	64,933
(Excluding gains (losses) on bond transactions)	54,214	(9,058)	63,273
Net interest income	37,956	1,611	36,344
Net fees and commissions ※	7,217	(1,012)	8,230
Net trading income	3,927	(6,507)	10,435
Net other ordinary income	9,278	(644)	9,923
(Gains (losses) on bond transactions)	4,166	2,505	1,660
General and administrative expenses	(29,972)	451	(30,423)
Personnel	(14,919)	(187)	(14,732)
Property and equipment	(13,093)	(128)	(12,965)
Taxes	(1,959)	766	(2,726)
Business profit before general allowance for loan losses	28,408	(6,101)	34,510
Excluding gains (losses) on bond transactions	24,242	(8,607)	32,850
Credit-related expenses	1,450	(2,461)	3,912
Written-off of loans	(191)	(165)	(25)
Provision of specific allowance for loan losses	(494)	(3,559)	3,064
Provision of general allowance for loan losses	1,210	898	312
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off claims	568	(690)	1,258
Provision of reserve for credit losses on off-balance-sheet instruments	358	1,055	(697)
Gains (losses) on stock transactions	11,259	3,832	7,427
Other	1,948	2,613	(665)
Ordinary profit	43,067	(2,117)	45,184
Extraordinary profit (loss)	-	21	(21)
Profit before income taxes	43,067	(2,096)	45,163
Income taxes-current	(11,565)	17	(11,582)
Income taxes-deferred	(1,549)	(650)	(899)
Profit	29,953	(2,728)	32,681
Business profit	28,408	(5,404)	33,813

※ Trust fees are included.

(Note) The amounts are rounded down to the nearest million yen.

II . Securities

1. Held-to-maturity bonds that have market prices or reasonably determinable prices

None.

2. Available-for-sale securities that have market prices or reasonably determinable prices

【Consolidated】

(million yen)

	December 31, 2018			September 30, 2018			March 31, 2018		
	Cost	Book Value	Difference	Cost	Book Value	Difference	Cost	Book Value	Difference
Stocks	16,657	62,040	45,382	17,267	93,481	76,213	14,399	79,694	65,294
Bonds	85,847	86,243	395	83,796	83,917	120	74,406	74,670	263
Government bonds	13,007	13,025	17	13,013	13,025	12	8,014	8,020	5
Local government bonds	29,811	29,988	177	34,105	34,117	12	32,335	32,445	109
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	43,028	43,229	201	36,678	36,774	95	34,056	34,204	148
Others	1,048,639	1,000,738	(47,900)	1,058,544	1,043,593	(14,950)	940,435	933,366	(7,068)
Total	1,151,145	1,149,022	(2,122)	1,159,608	1,220,992	61,383	1,029,241	1,087,730	58,489

(Note) 1. Certain amounts shown in the tables include certain beneficiary interests in trust classified as 'Monetary claims bought', in addition to 'Securities' stated in the consolidated balance sheets.

2. Book Value is based on market price or reasonably determinable price at the end of the accounting period.

III. Disclosed Claims under the Financial Reconstruction Law ("FRL Credit")
☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	December 31, 2018			September 30, 2018	March 31, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	-	-	(177)	-	177
Doubtful credit	6,106	(795)	1,482	6,902	4,623
Special attention credit	2,157	-	-	2,157	2,157
Total (a)	8,263	(795)	1,304	9,059	6,958
Normal assets	2,737,465	47,436	83,957	2,690,029	2,653,508
Grand total (b)	2,745,729	46,640	85,262	2,699,088	2,660,466
Non-performing loans ratio (a/b)	0.3%	(0.0%)	0.0%	0.3%	0.3%

IV. Allowance and Coverage for FRL Credit
☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	December 31, 2018			September 30, 2018	March 31, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	7,625	(486)	1,807	8,111	5,818
Allowance for loan losses (d)	5,382	231	586	5,150	4,795
Collateral / guarantee coverage (e)	2,243	(718)	1,220	2,961	1,022

(Note) Allowance for loan losses (d) is the sum of specific allowance for loan losses and general allowance for loan losses for FRL Credit.

Coverage Ratio c/a

	December 31, 2018			September 30, 2018	March 31, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	92.3%	2.8%	8.7%	89.5%	83.6%

Allowance Ratio $d/(a-e)$

	December 31, 2018			September 30, 2018	March 31, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	89.4%	4.9%	8.6%	84.5%	80.8%