

Financial Results for 1st Quarter of FY2019



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I . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2019 1st Quarter		FY 2018 1st Quarter
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	23,329	1,271	22,057
Net interest income	12,629	(1,396)	14,025
Net fees and commissions	1,971	356	1,615
Net trading income	1,792	(486)	2,279
Net other ordinary income	6,934	2,798	4,136
General and administrative expenses	(12,313)	(681)	(11,631)
Business profit ※2	11,016	590	10,425
Credit-related expenses	4,481	3,683	797
Write-off of loans	(10)	157	(168)
Provision of specific allowance for loan losses	(1,091)	(921)	(170)
Provision of general allowance for loan losses	5,262	4,463	799
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(10)	(10)	-
Recoveries of written-off claims	227	26	200
Provision of reserve for credit losses on off-balance-sheet instruments	104	(32)	136
Gains (losses) on stock transactions	1,101	(4,080)	5,182
Income from interests in associated undertakings	-	-	-
Other	227	24	202
Ordinary profit	16,827	218	16,608
Extraordinary profit (loss)	0	0	-
Profit before income taxes and non-controlling interests	16,827	218	16,608
Income taxes-current	(5,086)	(409)	(4,676)
Income taxes-deferred	(387)	406	(794)
Profit	11,353	215	11,137
Loss attributable to non-controlling interests	533	297	236
Profit attributable to owners of parent	11,886	512	11,373

※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)

	June 30, 2019		June 30, 2018
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	23	0	23
Affiliated companies applying equity-method	0	0	0

【Non-consolidated】

(million yen)

	FY 2019		FY 2018 1st Quarter (B)
	1st Quarter (A)	(A)-(B)	
Net revenue	21,413	763	20,649
(Excluding gains (losses) on bond transactions)	16,549	(2,577)	19,127
Net interest income	11,344	(2,450)	13,795
Net fees and commissions ※	1,986	1,037	949
Net trading income	1,095	(977)	2,073
Net other ordinary income	6,986	3,154	3,832
(Gains (losses) on bond transactions)	4,863	3,340	1,522
General and administrative expenses	(10,191)	(52)	(10,138)
Personnel	(4,739)	109	(4,849)
Property and equipment	(4,567)	(164)	(4,402)
Taxes	(884)	1	(886)
Business profit before general allowance for loan losses	11,221	710	10,511
Excluding gains (losses) on bond transactions	6,358	(2,630)	8,988
Credit-related expenses	4,851	3,835	1,016
Written-off of loans	-	149	(149)
Provision of specific allowance for loan losses	(678)	(507)	(170)
Provision of general allowance for loan losses	5,279	4,236	1,043
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off claims	127	(30)	158
Provision of reserve for credit losses on off-balance-sheet instruments	123	(12)	135
Gains (losses) on stock transactions	1,101	(4,080)	5,182
Other	(125)	(238)	113
Ordinary profit	17,050	227	16,823
Extraordinary profit (loss)	0	0	-
Profit before income taxes	17,050	227	16,823
Income taxes-current	(4,965)	(420)	(4,545)
Income taxes-deferred	(572)	99	(671)
Profit	11,512	(94)	11,606
Business profit	11,221	710	10,511

※ 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)

	June 30, 2019			March 31, 2019			September 30, 2018		
	Cost	Book Value	Difference	Cost	Book Value	Difference	Cost	Book Value	Difference
Stocks	6,744	52,819	46,075	12,972	61,488	48,515	17,267	93,481	76,213
Bonds	91,803	92,789	986	86,744	87,273	529	83,796	83,917	120
Government bonds	4,001	4,000	(0)	5,002	5,003	0	13,013	13,025	12
Local government bonds	33,553	33,796	242	31,587	31,811	223	34,105	34,117	12
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	54,248	54,993	744	50,154	50,459	304	36,678	36,774	95
Others	1,090,311	1,092,433	2,122	1,040,395	1,029,330	(11,064)	1,058,544	1,043,593	(14,950)
Total	1,188,859	1,238,043	49,183	1,140,112	1,178,092	37,979	1,159,608	1,220,992	61,383

(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)

	June 30, 2019			March 31, 2019	September 30, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	3,216	3,216	3,216	-	-
Doubtful credit	12,398	(1,803)	5,496	14,201	6,902
Special attention credit	1,409	-	(748)	1,409	2,157
Total (a)	17,023	1,413	7,964	15,610	9,059
Normal assets	2,821,171	16,163	131,141	2,805,007	2,690,029
Grand total (b)	2,838,195	17,576	139,106	2,820,618	2,699,088
Non-performing loans ratio (a/b)	0.6%	0.0%	0.3%	0.6%	0.3%

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

【Non-consolidated】

(million yen)

	June 30, 2019			March 31, 2019	September 30, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	16,039	1,433	7,927	14,605	8,111
Allowance for loan losses (d)	8,749	(87)	3,599	8,837	5,150
Collateral / guarantee coverage (e)	7,289	1,521	4,327	5,767	2,961

(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

	June 30, 2019			March 31, 2019	September 30, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	94.2%	0.6%	4.7%	93.6%	89.5%

Allowance Ratio d/(a-e)

	June 30, 2019			March 31, 2019	September 30, 2018
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	89.9%	0.1%	5.4%	89.8%	84.5%