

Financial Results for 1st Quarter of FY2020



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I . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2020 1st Quarter		FY 2019 1st Quarter
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	21,346	(1,982)	23,329
Net interest income	12,401	(227)	12,629
Net fees and commissions	1,959	(12)	1,971
Net trading income	(766)	(2,559)	1,792
Net other ordinary income	7,752	817	6,934
General and administrative expenses	(12,814)	(501)	(12,313)
Gains (losses) on equity method investments	-	-	-
Business profit ※2	8,531	(2,484)	11,016
Credit-related expenses	196	(4,285)	4,481
Write-off of loans	(639)	(629)	(10)
Provision of specific allowance for loan losses	(1,819)	(728)	(1,091)
Provision of general allowance for loan losses	2,802	(2,459)	5,262
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(283)	(272)	(10)
Recoveries of written-off receivables	25	(201)	227
Provision of reserve for credit losses on off-balance-sheet instruments	110	5	104
Gains (losses) on stock transactions	1,046	(55)	1,101
Other	(1,000)	(1,228)	227
Ordinary profit	8,773	(8,053)	16,827
Extraordinary profit (loss)	-	(0)	0
Profit before income taxes and non-controlling interests	8,773	(8,053)	16,827
Income taxes-current	(1,549)	3,536	(5,086)
Income taxes-deferred	(389)	(1)	(387)
Profit	6,834	(4,518)	11,353
Loss attributable to non-controlling interests	616	83	533
Profit attributable to owners of parent	7,450	(4,435)	11,886

※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 + Gains (losses) on equity method investments
(Note) The amounts are rounded down to the nearest million yen.

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	June 30, 2020		June 30, 2019
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	25	2	23
Subsidiaries and affiliated companies applying equity-method	1	1	0

【Non-consolidated】

(million yen)

	FY 2020		FY 2019 1st Quarter (B)
	1st Quarter (A)	(A)-(B)	
Net revenue	20,489	(923)	21,413
(Excluding gains (losses) on bond transactions)	12,500	(4,049)	16,549
Net interest income	11,783	438	11,344
Net fees and commissions ※	1,902	(84)	1,986
Net trading income	(741)	(1,837)	1,095
Net other ordinary income	7,546	559	6,986
(Gains (losses) on bond transactions)	7,989	3,125	4,863
General and administrative expenses	(10,472)	(281)	(10,191)
Personnel	(4,989)	(249)	(4,739)
Property and equipment	(4,709)	(142)	(4,567)
Taxes	(773)	110	(884)
Core net business profit	10,016	(1,205)	11,221
Core net business profit excluding gains(losses) on bonds	2,027	(4,330)	6,358
Core net business profit excluding gains(losses) on bonds and cancellation on investment trusts	2,019	(3,945)	5,964
Credit-related expenses	110	(4,741)	4,851
Written-off of loans	(860)	(860)	-
Provision of specific allowance for loan losses	(1,821)	(1,143)	(678)
Provision of general allowance for loan losses	2,660	(2,619)	5,279
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off receivables	21	(106)	127
Provision of reserve for credit losses on off-balance-sheet instruments	111	(12)	123
Gains (losses) on stock transactions	1,046	(55)	1,101
Other	(1,127)	(1,002)	(125)
Ordinary profit	10,046	(7,004)	17,050
Extraordinary profit (loss)	-	(0)	0
Profit before income taxes	10,046	(7,004)	17,050
Income taxes-current	(1,658)	3,306	(4,965)
Income taxes-deferred	(281)	291	(572)
Profit	8,106	(3,406)	11,512
Business profit	10,016	(1,205)	11,221

※ 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, 2020			March 31, 2020			September 30, 2019		
	Cost	Book Value	Difference	Cost	Book Value	Difference	Cost	Book Value	Difference
Stocks	3,304	16,698	13,394	3,334	13,466	10,132	6,164	43,083	36,919
Bonds	120,355	120,983	628	97,559	98,154	595	93,485	94,611	1,125
Government bonds	-	-	-	-	-	-	-	-	-
Local government bonds	58,018	58,106	87	37,746	37,859	113	34,282	34,503	220
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	62,337	62,877	540	59,813	60,294	481	59,203	60,108	904
Others	920,371	924,091	3,720	956,674	927,309	(29,364)	1,107,761	1,120,448	12,687
Total	1,044,031	1,061,774	17,743	1,057,568	1,038,931	(18,637)	1,207,411	1,258,144	50,732

(Note) 1. Certain amounts shown in the tables include negotiable certificates of deposit in 'Cash and due from banks' and 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, 2020			March 31, 2020	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	4,725	324	1,502	4,400	3,222
Doubtful credit	24,518	2,817	8,516	21,700	16,001
Special attention credit	2,811	527	1,402	2,284	1,409
Total (a)	32,054	3,669	11,421	28,385	20,633
Normal assets	2,950,095	(1,411)	76,780	2,951,507	2,873,314
Grand total (b)	2,982,150	2,257	88,202	2,979,892	2,893,947
Non-performing loans ratio (a/b)	1.1%	0.1%	0.4%	1.0%	0.7%

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

【Non-consolidated】

(million yen)

	June 30, 2020			March 31, 2020	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	30,957	3,389	11,930	27,568	19,026
Allowance for loan losses (d)	13,969	(1,294)	3,687	15,263	10,281
Collateral / guarantee coverage (e)	16,988	4,683	8,243	12,304	8,744

(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, 2020			March 31, 2020	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	96.6%	(0.5%)	4.4%	97.1%	92.2%

Allowance Ratio d/(a-e)

	June 30, 2020			March 31, 2020	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	92.7%	(2.2%)	6.2%	94.9%	86.5%