

Kitakyushu Bank Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

March 31, 2018 and 2017

| ASSETS | | Millions of yen | Millions of yen | Thousands of |
|--------|---|--------------------|--------------------|----------------------|
| | | 2018 | 2017 | U.S. dollars |
| Assets | Cash and due from banks | ¥ 101,525 | ¥ 90,029 | \$ 955,619 |
| | Call loans and bills purchased | 770 | 1,036 | 7,248 |
| | Securities | 48,837 | 35,895 | 459,686 |
| | Loans and bills discounted | 1,132,205 | 1,039,473 | 10,657,050 |
| | Foreign exchanges | 5,097 | 6,467 | 47,976 |
| | Other assets | 5,349 | 7,116 | 50,348 |
| | Tangible fixed assets | 19,916 | 19,545 | 187,462 |
| | Intangible fixed assets | 1,003 | 684 | 9,441 |
| | Prepaid pension cost | 840 | 843 | 7,907 |
| | Customers' liabilities for acceptances and guarantees | 11,394 | 11,522 | 107,248 |
| | Allowance for loan losses | (8,691) | (9,842) | (81,805) |
| | Total assets | ¥ 1,318,245 | ¥ 1,202,768 | \$ 12,408,180 |

LIABILITIES AND NET ASSETS (SHAREHOLDERS' EQUITY)

| | | | | |
|--|---|--------------------|----------------------|-------------------|
| Liabilities: | Deposits | ¥ 1,166,349 | ¥ 1,073,128 | \$ 10,978,436 |
| | Call money and bills sold | 14,767 | 5,610 | 138,997 |
| | Borrowed money | 881 | 971 | 8,293 |
| | Foreign exchanges | 30 | 102 | 282 |
| | Other liabilities | 6,503 | 8,309 | 61,210 |
| | Provision for bonuses | 1 | 2 | 9 |
| | Provision for retirement benefits | 1,154 | 1,155 | 10,862 |
| | Provision for directors' stock benefits | 60 | 25 | 565 |
| | Provision for reimbursement of deposits | 106 | 86 | 998 |
| | Deferred tax liabilities | 5,765 | 1,888 | 54,264 |
| | Deferred tax liabilities for land revaluation | 3,458 | 3,458 | 32,549 |
| | Acceptances and guarantees | 11,394 | 11,522 | 107,248 |
| | Total liabilities | 1,210,468 | 1,106,256 | 11,393,713 |
| | Net assets: | Capital stock | 10,000 | 10,000 |
| Retained earnings | | 71,052 | 67,602 | 668,787 |
| Total shareholders' equity | | 81,052 | 77,602 | 762,914 |
| Net unrealized gains on securities | | 18,958 | 11,143 | 178,445 |
| Revaluation reserve for land | | 7,767 | 7,767 | 73,108 |
| Total valuation and translation adjustments | | 26,725 | 18,910 | 251,553 |
| Total net assets | | 107,777 | 96,512 | 1,014,467 |
| Total liabilities, and net assets | ¥ 1,318,245 | ¥ 1,202,768 | \$ 12,408,180 | |

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Years ended March 31, 2018 and 2017

| | Millions of yen 2018 | Millions of yen 2017 | Thousands of U.S. dollars 2018 |
|--------------------------------------|-------------------------|-------------------------|--------------------------------------|
| Income | | | |
| Interest income: | | | |
| Interest on loans and discounts | ¥ 11,023 | ¥ 10,764 | \$ 103,756 |
| Interest and dividends on securities | 541 | 450 | 5,092 |
| Other interest income | 54 | 48 | 508 |
| Fees and commissions | 1,732 | 1,551 | 16,303 |
| Other ordinary income | 206 | 0 | 1,939 |
| Other income | 1,335 | 1,372 | 12,566 |
| Total income | 14,891 | 14,185 | 140,164 |

| | | | |
|--|----------------|----------------|------------------|
| Expenses | | | |
| Interest expense: | | | |
| Interest on deposits | 543 | 670 | 5,111 |
| Other interest expense | 250 | 19 | 2,353 |
| Fees and commissions payments | 973 | 826 | 9,159 |
| Other operating expenses | — | 12 | — |
| General and administrative expenses | 8,303 | 9,321 | 78,153 |
| Other expenses | 107 | 115 | 1,007 |
| Total expenses | 10,176 | 10,963 | 95,783 |
| Income before income taxes and minority interests | 4,715 | 3,222 | 44,381 |
| Income taxes: | | | |
| Current | 790 | 320 | 7,436 |
| Deferred | 475 | 682 | 4,471 |
| Net income | ¥ 3,450 | ¥ 2,220 | \$ 32,474 |

| | Yen 2018 | Yen 2017 | U.S. dollars 2018 |
|---|-------------|-------------|----------------------|
| Amounts per share of common stock: | | | |
| Net income | ¥ 3,449,640 | ¥ 2,220,377 | \$ 32,470.26 |