

# Consolidated Financial Statements

## CONSOLIDATED BALANCE SHEETS

March 31, 2019 and 2018

ASSETS		Millions of yen	Millions of yen	Thousands of
		2019	2018	U.S. dollars (Note 1)
<b>Assets</b>	Cash and due from banks (Notes 3, 4 and 9)	¥ 1,043,994	¥ 985,503	\$ 9,406,199
	Call loans and bills purchased (Note 4)	39,042	77,437	351,761
	Monetary claims bought	7,055	8,404	63,564
	Trading assets (Notes 4 and 6)	1,465	1,514	13,199
	Money held in trust (Notes 4 and 6)	30,565	40,924	275,385
	Securities (Notes 4, 5, 6 and 9)	1,398,014	1,727,836	12,595,855
	Loans and bills discounted (Notes 4, 7 and 8)	7,408,387	7,157,837	66,748,239
	Foreign exchanges	18,550	17,852	167,132
	Lease receivables and investment assets	18,109	16,035	163,159
	Other assets (Notes 4, 6 and 9)	205,258	189,612	1,849,339
	Tangible fixed assets (Notes 10, 11, 15 and 20)	93,233	94,503	840,013
	Intangible fixed assets (Note 20)	10,927	10,944	98,450
	Net defined benefit asset (Note 14)	38,675	44,705	348,455
	Deferred tax assets (Note 21)	1,367	1,084	12,316
	Customers' liabilities for acceptances and guarantees (Note 16)	46,547	44,048	419,380
	Allowance for loan losses	(57,048)	(51,690)	(513,992)
	<b>Total assets</b>	<b>¥ 10,304,140</b>	<b>¥ 10,366,548</b>	<b>\$ 92,838,454</b>

## LIABILITIES AND NET ASSETS

<b>Liabilities</b>	Deposits (Notes 4 and 9)	¥ 9,230,773	¥ 9,355,750	\$ 83,167,610
	Call money and bills sold (Note 9)	133,466	62,288	1,202,505
	Payables under securities lending transactions (Note 9)	67,711	46,884	610,064
	Trading liabilities (Notes 4 and 6)	568	493	5,118
	Borrowed money (Notes 9 and 13)	29,553	29,799	266,267
	Foreign exchanges	295	127	2,658
	Bonds with warrants	33,297	63,744	300,000
	Other liabilities (Notes 4 and 6)	75,448	67,773	679,772
	Provision for bonuses	2,590	3,232	23,335
	Net defined benefit liability (Note 14)	2,906	1,797	26,183
	Provision for directors' retirement benefits	293	279	2,640
	Provision for loss on interest repayments	15	23	135
	Provision for reimbursement of deposits	1,281	1,673	11,542
	Provision for customers point services	71	72	640
	Provision for directors' stock benefits	300	252	2,703
	Reserves under special laws	28	28	252
	Deferred tax liabilities (Note 21)	7,171	16,963	64,609
	Deferred tax liabilities for land revaluation (Notes 15 and 21)	10,869	10,872	97,928
	Acceptances and guarantees (Note 16)	46,547	44,048	419,380
	<b>Total liabilities</b>	<b>9,643,182</b>	<b>9,706,097</b>	<b>86,883,341</b>
<b>Net Assets</b> (Notes 22 and 23)	Capital stock	50,000	50,000	450,491
	Capital surplus	58,685	60,882	528,741
	Retained earnings	488,620	470,697	4,402,379
	Treasury stock	(14,795)	(22,107)	(133,300)
	<b>Total shareholders' equity</b>	<b>582,510</b>	<b>559,472</b>	<b>5,248,311</b>
	Unrealized gains on available-for-sale securities (Note 6)	45,710	59,927	411,839
	Deferred losses on hedges	(1,270)	(168)	(11,442)
	Revaluation reserve for land (Note 15)	24,526	24,533	220,975
	Remeasurements of defined benefit plans	3,009	10,350	27,111
	<b>Total accumulated other comprehensive income</b>	<b>71,975</b>	<b>94,642</b>	<b>648,483</b>
	Stock options (Note 24)	209	359	1,883
Non-controlling interests	6,264	5,978	56,436	
<b>Total net assets</b>	<b>660,958</b>	<b>660,451</b>	<b>5,955,113</b>	
<b>Total liabilities and net assets</b>	<b>¥ 10,304,140</b>	<b>¥ 10,366,548</b>	<b>\$ 92,838,454</b>	

See accompanying notes.

## CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of
	2019	2018	U.S. dollars (Note 1) 2019
<b>Income</b>			
Interest income:			
Interest on loans and discounts	¥ 77,264	¥ 74,483	\$ 696,135
Interest and dividends on securities	19,995	23,189	180,151
Other interest income	1,340	1,102	12,073
Trust fees	1	1	9
Fees and commissions	23,898	27,351	215,317
Trading income	2,316	3,535	20,867
Other operating income	24,584	16,231	221,497
Recoveries of written-off claims	25	29	225
Gain on returns of retirement benefit trust	—	376	—
Compensation for branch relocation	—	414	—
Other income (Note 17)	13,170	15,362	118,660
<b>Total income</b>	<b>162,593</b>	<b>162,072</b>	<b>1,464,934</b>
<b>Expenses</b>			
Interest expense:			
Interest on deposits	6,544	5,039	58,960
Interest on borrowings and rediscounts	2,381	1,898	21,452
Interest on bonds payable	664	294	5,983
Other interest expense	997	801	8,983
Fees and commissions	9,057	8,869	81,602
Other operating expenses	25,909	18,147	233,435
General and administrative expenses (Notes 18 and 24)	71,325	72,585	642,625
Impairment losses (Note 12)	14	225	126
Other expenses (Note 19)	12,385	5,896	111,588
<b>Total expenses</b>	<b>129,276</b>	<b>113,754</b>	<b>1,164,754</b>
<b>Income before income taxes</b>	<b>33,317</b>	<b>48,318</b>	<b>300,180</b>
Income taxes (Note 21):			
Current	10,637	13,360	95,837
Deferred	(646)	1,518	(5,820)
<b>Net income</b>	<b>23,326</b>	<b>33,440</b>	<b>210,163</b>
<b>Net income attributable to non-controlling interests</b>	<b>177</b>	<b>523</b>	<b>1,595</b>
<b>Net income attributable to owners of the parent</b>	<b>¥ 23,149</b>	<b>¥ 32,917</b>	<b>\$ 208,568</b>

Amounts per share of common stock:	Yen		U.S. dollars (Note 1)
	2019	2018	2019
Net income attributable to owners of the parent (Note 29)	¥ 94.65	¥ 133.65	\$ 0.85

See accompanying notes.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of
	2019	2018	U.S. dollars (Note 1) 2019
<b>Net income</b>	<b>¥ 23,326</b>	<b>¥ 33,440</b>	<b>\$ 210,163</b>
<b>Other comprehensive income (Note 26)</b>	<b>(22,674)</b>	<b>13,829</b>	<b>(204,289)</b>
Unrealized gains (losses) on available-for-sale securities	(14,232)	4,411	(128,228)
Deferred gains (losses) on hedges	(1,102)	49	(9,929)
Remeasurements of defined benefit plans	(7,340)	9,369	(66,132)
Share of other comprehensive income in affiliated companies accounted for using equity method	—	(0)	—
<b>Comprehensive income (Note 26)</b>	<b>¥ 652</b>	<b>¥ 47,269</b>	<b>\$ 5,874</b>
Comprehensive income attributable to owners of the parent	489	46,738	4,406
Comprehensive income attributable to non-controlling interests	163	531	1,468

See accompanying notes.

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended March 31, 2019 and 2018

	Millions of yen												
	Shareholders' Equity					Accumulated other comprehensive income					Stock options	Non-controlling Interests	Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Unrealized gains on available-for-sale securities	Deferred losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
<b>Balance at March 31, 2017</b>	¥50,000	¥60,765	¥442,259	¥(22,702)	¥530,322	¥ 55,524	¥ (217)	¥24,533	¥ 981	¥ 80,821	¥ 513	¥5,397	¥617,053
Changes of items during the year													
Dividend paid			(4,460)		(4,460)								(4,460)
Net income attributable to owners of the parent			32,917		32,917								32,917
Purchase of treasury stock				(30)	(30)								(30)
Disposal of treasury stock		117		625	742								742
Reversal of revaluation reserve for land													—
Effect to capital surplus resulting from changes in ownership interest in a subsidiary													—
Decrease in retained earnings from decrease of entities accounted for by the equity method			(19)		(19)								(19)
Net changes of items other than shareholders' equity						4,403	49		9,369	13,821	(154)	581	14,248
Total changes of items during the year	—	117	28,438	595	29,150	4,403	49	—	9,369	13,821	(154)	581	43,398
<b>Balance at March 31, 2018</b>	¥50,000	¥60,882	¥470,697	¥(22,107)	¥559,472	¥ 59,927	¥ (168)	¥24,533	¥10,350	¥ 94,642	¥ 359	¥5,978	¥660,451
Changes of items during the year													
Dividend paid			(5,232)		(5,232)								(5,232)
Net income attributable to owners of the parent			23,149		23,149								23,149
Purchase of treasury stock				(20,161)	(20,161)								(20,161)
Disposal of treasury stock		(2,468)		27,473	25,005								25,005
Reversal of revaluation reserve for land			6		6								6
Effect to capital surplus resulting from changes in ownership interest in a subsidiary		271			271								271
Decrease in retained earnings from decrease of entities accounted for by the equity method													—
Net changes of items other than shareholders' equity						(14,217)	(1,102)	(7)	(7,341)	(22,667)	(150)	286	(22,531)
Total changes of items during the year	—	(2,197)	17,923	7,312	23,038	(14,217)	(1,102)	(7)	(7,341)	(22,667)	(150)	286	507
<b>Balance at March 31, 2019</b>	¥50,000	¥58,685	¥488,620	¥(14,795)	¥582,510	¥ 45,710	¥(1,270)	¥24,526	¥ 3,009	¥ 71,975	¥ 209	¥6,264	¥660,958

	Thousands of U.S. dollars (Note 1)												
	Shareholders' Equity					Accumulated other comprehensive income					Stock options	Non-controlling Interests	Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Unrealized gains on available-for-sale securities	Deferred losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
<b>Balance at March 31, 2018</b>	\$450,491	\$548,544	\$4,240,887	\$(199,180)	\$5,040,742	\$ 539,932	\$ (1,514)	\$221,038	\$ 93,252	\$ 852,708	\$ 3,235	\$53,860	\$5,950,545
Changes of items during the year													
Dividend paid			(47,139)		(47,139)								(47,139)
Net income attributable to owners of the parent			208,568		208,568								208,568
Purchase of treasury stock				(181,647)	(181,647)								(181,647)
Disposal of treasury stock		(22,245)		247,527	225,282								225,282
Reversal of revaluation reserve for land			63		63								63
Effect to capital surplus resulting from changes in ownership interest in a subsidiary		2,442			2,442								2,442
Decrease in retained earnings from decrease of entities accounted for by the equity method													—
Net changes of items other than shareholders' equity						(128,093)	(9,928)	(63)	(66,141)	(204,225)	(1,352)	2,576	(203,001)
Total changes of items during the year		(19,803)	161,492	65,880	207,569	(128,093)	(9,928)	(63)	(66,141)	(204,225)	(1,352)	2,576	4,568
<b>Balance at March 31, 2019</b>	\$450,491	\$528,741	\$4,402,379	\$(133,300)	\$5,248,311	\$ 411,839	\$(11,442)	\$220,975	\$ 27,111	\$ 648,483	\$ 1,883	\$56,436	\$5,955,113

See accompanying notes.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2019 and 2018

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 1)
	2019	2018	2019
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥ 33,318	¥ 48,318	\$ 300,189
Depreciation	6,472	4,889	58,312
Impairment losses	14	225	126
Amortization of goodwill	353	395	3,180
Equity in earnings of affiliates	(10)	(8)	(90)
Net change in allowance for loan losses	5,358	(2,704)	48,275
Net change in provision for bonuses	(642)	79	(5,784)
Net change in defined benefit asset	6,029	(15,109)	54,320
Net change in defined benefit liability	1,109	(81)	9,992
Net change in provision for directors' retirement benefits	14	20	126
Net change in provision for directors' stock benefits	48	143	432
Net change in provision for loss on interest repayments	(8)	8	(72)
Net change in provision for reimbursement of deposits	(391)	132	(3,523)
Net change in provision for customers point services	(1)	(6)	(9)
Net change in reserves under special laws	—	4	—
Interest income	(98,599)	(98,773)	(888,359)
Interest expenses	10,586	8,032	95,378
Net gains related to securities transactions	(11,485)	(11,501)	(103,478)
Net losses (gains) from money held in trust	816	1,224	7,352
Net exchange losses (gains)	(676)	3,012	(6,091)
Net losses (gains) from disposition of fixed assets	99	68	892
Gain on returns of retirement benefit trust	—	(376)	—
Net change in trading assets	49	1,285	441
Net change in trading liabilities	75	(1,681)	676
Net change in loans and bills discounted	(250,551)	(406,459)	(2,257,420)
Net change in deposits	138,786	285,255	1,250,437
Net change in negotiable certificates of deposits	(263,763)	(159,300)	(2,376,457)
Net change in borrowed money excluding subordinated loans	(246)	(1,596)	(2,216)
Net change in deposits with bank	(279)	(5,337)	(2,514)
Net change in call loans and bills purchased	39,744	201,773	358,086
Net change in call money and bills sold	71,178	(20,378)	641,301
Net change in payables under securities lending transactions	20,827	14,023	187,648
Net change in foreign exchanges (asset account)	(699)	(1,799)	(6,298)
Net change in foreign exchanges (liability account)	168	(349)	1,514
Net change in lease receivables and investment assets	(2,075)	(1,749)	(18,695)
Interest received	93,106	89,446	838,868
Interest paid	(10,769)	(9,051)	(97,027)
Other, net	(17,623)	(55,383)	(158,780)
<b>Subtotal</b>	<b>(229,668)</b>	<b>(133,309)</b>	<b>(2,069,268)</b>
Income taxes paid	(18,200)	(7,501)	(163,978)
Income taxes refunds	—	37	—
<b>Net cash used in operating activities</b>	<b>(247,868)</b>	<b>(140,773)</b>	<b>(2,233,246)</b>
<b>Cash flows from investing activities:</b>			
Purchases of securities	(2,610,787)	(2,150,355)	(23,522,722)
Proceeds from sales of securities	2,779,979	2,068,943	25,047,112
Proceeds from maturity of securities	166,812	251,047	1,502,946
Purchases of money held in trust	(10,260)	(6,610)	(92,441)
Proceeds from sales of money held in trust	19,936	11,763	179,620
Purchases of tangible fixed assets	(3,106)	(6,498)	(27,985)
Proceeds from sales of tangible fixed assets	8	108	72
Purchases of intangible fixed assets	(2,849)	(4,512)	(25,669)
Proceeds from sales of shares of entities accounted for by the equity method	—	34	—
<b>Net cash provided by investing activities</b>	<b>339,733</b>	<b>163,920</b>	<b>3,060,933</b>
<b>Cash flows from financing activities:</b>			
Payments for redemption of bonds with subscription rights to shares	(9,034)	—	(81,395)
Dividends paid	(5,232)	(4,460)	(47,139)
Dividends paid to non-controlling shareholders	(3)	(3)	(27)
Purchases of treasury stock	(20,114)	(30)	(181,224)
Proceeds from disposal of treasury stock	395	546	3,559
Proceeds from sales of shares of parent held by subsidiaries	1	588	9
Payments for acquiring additional shares of a subsidiary that do not result in change in scope of consolidation	(53)	—	(478)
Proceeds from selling shares of a subsidiary that do not result in change in scope of consolidation	381	—	3,433
<b>Net cash used in financing activities</b>	<b>(33,659)</b>	<b>(3,359)</b>	<b>(303,262)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>7</b>	<b>(9)</b>	<b>63</b>
Net change in cash and cash equivalents	58,213	19,779	524,488
Cash and cash equivalents at the beginning of fiscal year	957,345	937,566	8,625,507
<b>Cash and cash equivalents at the end of fiscal year (Note 3)</b>	<b>¥ 1,015,558</b>	<b>¥ 957,345</b>	<b>\$ 9,149,995</b>

See accompanying notes.