

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

March 31, 2020 and 2019

ASSETS		Millions of yen	Millions of yen	Thousands of
		2020	2019	U.S. dollars (Note 1)
				2020
Assets	Cash and due from banks (Notes 3, 4 and 9)	¥ 971,777	¥ 1,043,994	\$ 8,929,312
	Call loans and bills purchased (Note 4)	1,088	39,042	9,997
	Monetary claims bought	5,487	7,055	50,418
	Trading assets (Notes 4 and 6)	1,542	1,465	14,169
	Money held in trust (Notes 4 and 6)	48,412	30,565	444,841
	Securities (Notes 4, 5, 6 and 9)	1,512,748	1,398,014	13,900,101
	Loans and bills discounted (Notes 4, 7 and 8)	7,652,626	7,408,387	70,317,247
	Foreign exchanges	20,693	18,550	190,141
	Lease receivables and investment assets	19,763	18,109	181,595
	Other assets (Notes 4, 6 and 9)	234,539	205,258	2,155,094
	Tangible fixed assets (Notes 10, 11, 15 and 20)	92,300	93,233	848,112
	Intangible fixed assets (Note 20)	10,679	10,927	98,126
	Net defined benefit asset (Note 14)	35,042	38,675	321,988
	Deferred tax assets (Note 21)	18,425	1,367	169,301
	Customers' liabilities for acceptances and guarantees (Note 16)	46,098	46,547	423,578
	Allowance for loan losses	(65,803)	(57,048)	(604,640)
	Total assets	¥ 10,605,416	¥ 10,304,140	\$ 97,449,380

LIABILITIES AND NET ASSETS

Liabilities	Deposits (Notes 4 and 9)	¥ 9,525,935	¥ 9,230,773	\$ 87,530,414
	Call money and bills sold (Note 9)	91,992	133,466	845,282
	Payables under securities lending transactions (Note 9)	161,466	67,711	1,483,653
	Trading liabilities (Notes 4 and 6)	742	568	6,818
	Borrowed money (Notes 9 and 13)	27,999	29,553	257,273
	Foreign exchanges	197	295	1,810
	Bonds with warrants	—	33,297	—
	Other liabilities (Notes 4 and 6)	101,336	75,448	931,142
	Provision for bonuses	2,765	2,590	25,407
	Net defined benefit liability (Note 14)	3,930	2,906	36,111
	Provision for directors' retirement benefits	294	293	2,701
	Provision for loss on interest repayments	10	15	92
	Provision for reimbursement of deposits	1,029	1,281	9,455
	Provision for customers point services	70	71	643
	Provision for directors' stock benefits	389	300	3,574
	Reserves under special laws	28	28	257
	Deferred tax liabilities (Note 21)	53	7,171	487
	Deferred tax liabilities for land revaluation (Notes 15 and 21)	10,838	10,869	99,587
	Acceptances and guarantees (Note 16)	46,098	46,547	423,578
	Total liabilities	9,975,171	9,643,182	91,658,284
Net Assets	Capital stock	50,000	50,000	459,432
(Notes 22 and 23)	Capital surplus	58,656	58,685	538,969
	Retained earnings	508,212	488,620	4,669,779
	Treasury stock	(14,321)	(14,795)	(131,591)
	Total shareholders' equity	602,547	582,510	5,536,589
	Unrealized gains on available-for-sale securities (Note 6)	9,689	45,710	89,029
	Deferred losses on hedges	(10,657)	(1,270)	(97,923)
	Revaluation reserve for land (Note 15)	24,455	24,526	224,707
	Remeasurements of defined benefit plans	(2,022)	3,009	(18,579)
	Total accumulated other comprehensive income	21,465	71,975	197,234
	Stock options (Note 24)	127	209	1,167
	Non-controlling interests	6,106	6,264	56,106
	Total net assets	630,245	660,958	5,791,096
	Total liabilities and net assets	¥ 10,605,416	¥ 10,304,140	\$ 97,449,380

See accompanying notes.

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2020 and 2019

	Millions of yen 2020	Millions of yen 2019	Thousands of U.S. dollars (Note 1) 2020
Income			
Interest income:			
Interest on loans and discounts	¥ 75,941	¥ 77,264	\$ 697,795
Interest and dividends on securities	21,527	19,995	197,804
Other interest income	899	1,340	8,261
Trust fees	1	1	9
Fees and commissions	23,029	23,898	211,605
Trading income	1,304	2,316	11,982
Other operating income	34,146	24,584	313,755
Recoveries of written-off claims	15	25	138
Compensation for branch relocation	4	—	37
Other income (Note 17)	18,557	13,170	170,513
Total income	175,423	162,593	1,611,899
Expenses			
Interest expense:			
Interest on deposits	5,110	6,544	46,954
Interest on borrowings and rediscounts	3,042	2,381	27,952
Interest on bonds payable	572	664	5,256
Other interest expense	1,487	997	13,664
Fees and commissions	9,282	9,057	85,289
Other operating expenses	31,639	25,909	290,719
General and administrative expenses (Notes 18 and 24)	69,272	71,325	636,516
Impairment losses (Note 12)	144	14	1,323
Other expenses (Note 19)	18,517	12,385	170,146
Total expenses	139,065	129,276	1,277,819
Income before income taxes	36,358	33,317	334,080
Income taxes (Note 21):			
Current	13,250	10,637	121,750
Deferred	(2,137)	(646)	(19,636)
Net income	25,245	23,326	231,966
Net income attributable to non-controlling interests	(146)	177	(1,342)
Net income attributable to owners of the parent	¥ 25,391	¥ 23,149	\$ 233,308

Amounts per share of common stock:	Yen 2020	Yen 2019	U.S. dollars (Note 1) 2020
Net income attributable to owners of the parent (Note 29)	¥ 100.07	¥ 94.65	\$ 0.92

See accompanying notes.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended March 31, 2020 and 2019

	Millions of yen 2020	Millions of yen 2019	Thousands of U.S. dollars (Note 1) 2020
Net income	¥ 25,245	¥ 23,326	\$ 231,966
Other comprehensive income (Note 26)	(50,449)	(22,674)	(463,557)
Unrealized gains (losses) on available-for-sale securities	(36,031)	(14,232)	(331,075)
Deferred gains (losses) on hedges	(9,387)	(1,102)	(86,254)
Remeasurements of defined benefit plans	(5,031)	(7,340)	(46,228)
Comprehensive income (Note 26)	¥ (25,204)	¥ 652	\$ (231,591)
Comprehensive income attributable to owners of the parent	(25,049)	489	(230,166)
Comprehensive income attributable to non-controlling interests	(155)	163	(1,425)

See accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended March 31, 2020 and 2019

	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			
Balance at March 31, 2018	¥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
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
Balance at March 31, 2019	¥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
Changes of items during the year													
Dividend paid			(5,870)		(5,870)								(5,870)
Net income attributable to owners of the parent			25,391		25,391								25,391
Purchase of treasury stock				(339)	(339)								(339)
Disposal of treasury stock		(29)		813	784								784
Reversal of revaluation reserve for land			71		71								71
Effect to capital surplus resulting from changes in ownership interest in a subsidiary													—
Net changes of items other than shareholders' equity						(36,021)	(9,387)	(71)	(5,031)	(50,510)	(82)	(158)	(50,750)
Total changes of items during the year	—	(29)	19,592	474	20,037	(36,021)	(9,387)	(71)	(5,031)	(50,510)	(82)	(158)	(30,713)
Balance at March 31, 2020	¥50,000	¥58,656	¥508,212	¥(14,321)	¥602,547	¥ 9,689	¥(10,657)	¥24,455	¥ (2,022)	¥ 21,465	¥ 127	¥6,106	¥630,245

	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			
Balance at March 31, 2019	\$459,432	\$539,235	\$4,489,765	\$(135,946)	\$5,352,486	\$ 420,114	\$(11,669)	\$225,360	\$ 27,649	\$ 661,454	\$ 1,920	\$57,549	\$6,073,409
Changes of items during the year													
Dividend paid			(53,937)		(53,937)								(53,937)
Net income attributable to owners of the parent			233,308		233,308								233,308
Purchase of treasury stock				(3,115)	(3,115)								(3,115)
Disposal of treasury stock		(266)		7,470	7,204								7,204
Reversal of revaluation reserve for land			643		643								643
Effect to capital surplus resulting from changes in ownership interest in a subsidiary													0
Net changes of items other than shareholders' equity						(331,085)	(86,254)	(653)	(46,228)	(464,220)	(753)	(1,443)	(466,416)
Total changes of items during the year		(266)	180,014	4,355	184,103	(331,085)	(86,254)	(653)	(46,228)	(464,220)	(753)	(1,443)	(282,313)
Balance at March 31, 2020	\$459,432	\$538,969	\$4,669,779	\$(131,591)	\$5,536,589	\$ 89,029	\$(97,923)	\$224,707	\$(18,579)	\$ 197,234	\$ 1,167	\$56,106	\$5,791,096

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2020 and 2019

	Millions of yen	Millions of yen	Thousands of
	2020	2019	U.S. dollars (Note 1)
	2020		
Cash flows from operating activities:			
Income before income taxes	¥ 36,358	¥ 33,318	\$ 334,081
Depreciation	6,142	6,472	56,437
Impairment losses	144	14	1,323
Amortization of goodwill	355	353	3,262
Equity in earnings of affiliates	(3)	(10)	(28)
Net change in allowance for loan losses	8,754	5,358	80,437
Net change in provision for bonuses	175	(642)	1,608
Net change in defined benefit asset	3,633	6,029	33,382
Net change in defined benefit liability	1,024	1,109	9,409
Net change in provision for directors' retirement benefits	1	14	9
Net change in provision for directors' stock benefits	89	48	818
Net change in provision for loss on interest repayments	(5)	(8)	(46)
Net change in provision for reimbursement of deposits	(252)	(391)	(2,316)
Net change in provision for customers point services	(1)	(1)	(9)
Interest income	(98,367)	(98,599)	(903,859)
Interest expenses	10,211	10,586	93,825
Net gains related to securities transactions	(15,667)	(11,485)	(143,958)
Net losses (gains) from money held in trust	(969)	816	(8,904)
Net exchange losses (gains)	5,869	(676)	53,928
Net losses (gains) from disposition of fixed assets	105	99	965
Net change in trading assets	(77)	49	(708)
Net change in trading liabilities	174	75	1,599
Net change in loans and bills discounted	(244,239)	(250,551)	(2,244,225)
Net change in deposits	128,682	138,786	1,182,413
Net change in negotiable certificates of deposits	166,480	(263,763)	1,529,725
Net change in borrowed money excluding subordinated loans	(1,554)	(246)	(14,279)
Net change in deposits with bank	1,444	(279)	13,268
Net change in call loans and bills purchased	39,522	39,744	363,154
Net change in call money and bills sold	(41,474)	71,178	(381,090)
Net change in payables under securities lending transactions	93,755	20,827	861,481
Net change in foreign exchanges (asset account)	(2,143)	(699)	(19,691)
Net change in foreign exchanges (liability account)	(98)	168	(900)
Net change in lease receivables and investment assets	(1,654)	(2,075)	(15,198)
Interest received	92,591	93,106	850,786
Interest paid	(10,785)	(10,769)	(99,100)
Other, net	(35,671)	(17,623)	(327,767)
Subtotal	142,549	(229,668)	1,309,832
Income taxes paid	(9,857)	(18,200)	(90,572)
Income taxes refunds	1,359	—	12,487
Net cash used in operating activities	134,051	(247,868)	1,231,747
Cash flows from investing activities:			
Purchases of securities	(3,489,606)	(2,610,787)	(32,064,743)
Proceeds from sales of securities	3,221,245	2,779,979	29,598,870
Proceeds from maturity of securities	126,090	166,812	1,158,596
Purchases of money held in trust	(64,810)	(10,260)	(595,516)
Proceeds from sales of money held in trust	46,914	19,936	431,076
Purchases of tangible fixed assets	(2,899)	(3,106)	(26,638)
Proceeds from sales of tangible fixed assets	28	8	257
Purchases of intangible fixed assets	(2,720)	(2,849)	(24,993)
Net cash provided by investing activities	(165,758)	339,733	(1,523,091)
Cash flows from financing activities:			
Payments for redemption of bonds with subscription rights to shares	(33,246)	(9,034)	(305,486)
Dividends paid	(5,870)	(5,232)	(53,937)
Dividends paid to non-controlling shareholders	(3)	(3)	(28)
Purchases of treasury stock	(339)	(20,114)	(3,115)
Proceeds from disposal of treasury stock	393	395	3,612
Proceeds from sales of shares of parent held by subsidiaries	—	1	—
Payments for acquiring additional shares of a subsidiary that do not result in change in scope of consolidation	—	(53)	—
Proceeds from selling shares of a subsidiary that do not result in change in scope of consolidation	—	381	—
Net cash used in financing activities	(39,065)	(33,659)	(358,954)
Effect of exchange rate changes on cash and cash equivalents	(2)	7	(19)
Net change in cash and cash equivalents	(70,774)	58,213	(650,317)
Cash and cash equivalents at the beginning of fiscal year	1,015,558	957,345	9,331,600
Cash and cash equivalents at the end of fiscal year (Note 3)	¥ 944,784	¥ 1,015,558	\$ 8,681,283

See accompanying notes.