

Financial Results for 1st Quarter of FY2017



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I . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2017 1st Quarter		FY 2016 1st Quarter
	(A)	(A)-(B)	
Consolidated net revenue ※1	21,694	(266)	21,960
Net interest income	12,949	2,774	10,174
Net fees and commissions	1,888	(318)	2,207
Net trading income	3,699	(792)	4,492
Net other ordinary income	3,156	(1,929)	5,086
General and administrative expenses	(11,593)	(331)	(11,261)
Business profit ※2	10,101	(597)	10,698
Credit-related expenses	4,621	4,012	609
Write-off of loans	(29)	(8)	(20)
Provision of specific allowance for loan losses	2,802	2,745	56
Provision of general allowance for loan losses	1,006	152	854
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	81	(81)
Recoveries of written-off claims	543	(66)	609
Provision of reserve for credit losses on off-balance-sheet instruments	297	1,106	(809)
Gains (losses) on stock transactions	3,336	2,931	404
Income from interests in associated undertakings	-	-	-
Other	(481)	(640)	158
Ordinary profit	17,576	5,705	11,870
Extraordinary profit (loss)	-	-	-
Profit before income taxes	17,576	5,705	11,870
Income taxes-current	(2,569)	(1,645)	(923)
Income taxes-deferred	(620)	(3,535)	2,914
Profit	14,386	524	13,861
Profit (loss) attributable to non-controlling interests	138	166	(28)
Profit attributable to owners of parent	14,524	691	13,832

※1 Consolidated net revenue = (Interest income - Interest expenses) + (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, 2017		June 30, 2016
	(A)	(A)-(B)	
Consolidated subsidiaries	20	2	18
Affiliated companies applying equity-method	0	0	0

【Non-consolidated】

(million yen)

	FY 2017		FY 2016 1st Quarter (B)
	1st Quarter (A)	(A)-(B)	
Net revenue	20,696	(358)	21,054
(Excluding gains (losses) on bond transactions)	19,676	875	18,801
Net interest income	12,561	2,749	9,811
Net fees and commissions	2,254	129	2,124
Net trading income	2,689	(1,412)	4,101
Net other ordinary income	3,190	(1,825)	5,016
(Gains (losses) on bond transactions)	1,019	(1,233)	2,253
General and administrative expenses	(10,459)	(64)	(10,395)
Personnel	(4,782)	(349)	(4,433)
Property and equipment	(4,477)	458	(4,936)
Taxes	(1,200)	(174)	(1,025)
Business profit before general allowance for loan losses	10,236	(422)	10,659
Excluding gains (losses) on bond transactions	9,216	810	8,405
Credit-related expenses	4,631	4,064	566
Written-off of loans	(0)	12	(12)
Provision of specific allowance for loan losses	2,802	2,745	56
Provision of general allowance for loan losses	1,107	586	521
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	(269)	269
Recoveries of written-off claims	446	(96)	542
Provision of reserve for credit losses on off-balance-sheet instruments	276	1,087	(811)
Gains (losses) on stock transactions	3,336	2,931	404
Other	(547)	(640)	92
Ordinary profit	17,657	5,933	11,723
Extraordinary profit (loss)	-	-	-
Profit before income taxes	17,657	5,933	11,723
Income taxes-current	(2,510)	(1,626)	(884)
Income taxes-deferred	(549)	(4,424)	3,875
Profit	14,597	(116)	14,714
Business profit	10,236	388	9,848

(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, 2017			March 31, 2017			September 30, 2016		
	Cost	Book Value	Difference	Cost	Book Value	Difference	Cost	Book Value	Difference
Stocks	14,110	59,273	45,162	14,110	58,022	43,911	14,131	43,423	29,292
Bonds	73,852	73,999	147	62,917	63,136	218	63,320	63,841	520
Government bonds	13,068	13,058	(9)	8,058	8,050	(8)	8,065	8,050	(15)
Local government bonds	28,910	28,981	70	26,524	26,652	128	20,524	20,824	299
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	31,873	31,959	86	28,334	28,433	99	34,730	34,966	236
Others	902,411	899,134	(3,277)	762,753	758,294	(4,458)	738,309	743,197	4,887
Total	990,374	1,032,406	42,032	839,781	879,453	39,671	815,761	850,462	34,700

(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, 2017			March 31, 2017	September 30, 2016
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	11	(0)	(113)	11	125
Doubtful credit	2,122	(9,345)	(12,779)	11,467	14,901
Special attention credit	1,409	-	(679)	1,409	2,088
Total (a)	3,542	(9,346)	(13,572)	12,888	17,115
Normal assets	2,563,726	4,779	54,900	2,558,946	2,508,825
Grand total (b)	2,567,268	(4,567)	41,328	2,571,835	2,525,940
Non-performing loans ratio (a/b)	0.1%	(0.4%)	(0.5%)	0.5%	0.7%

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

【Non-consolidated】

(million yen)

	June 30, 2017			March 31, 2017	September 30, 2016
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	3,542	(9,346)	(11,294)	12,888	14,837
Allowance for loan losses (d)	2,754	(2,758)	(5,003)	5,513	7,757
Collateral / guarantee coverage (e)	787	(6,587)	(6,291)	7,375	7,079

(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, 2017			March 31, 2017	September 30, 2016
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	100.0%	-	13.3%	100.0%	86.7%

Allowance Ratio d/(a-e)

	June 30, 2017			March 31, 2017	September 30, 2016
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	100.0%	-	22.7%	100.0%	77.3%