

Financial Results for 1st Quarter of FY2018



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I . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2018 1st Quarter		FY 2017 1st Quarter
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	22,057	362	21,694
Net interest income	14,025	1,076	12,949
Net fees and commissions	1,615	(273)	1,888
Net trading income	2,279	(1,420)	3,699
Net other ordinary income	4,136	980	3,156
General and administrative expenses	(11,631)	(38)	(11,593)
Business profit ※2	10,425	324	10,101
Credit-related expenses	797	(3,823)	4,621
Write-off of loans	(168)	(139)	(29)
Provision of specific allowance for loan losses	(170)	(2,972)	2,802
Provision of general allowance for loan losses	799	(206)	1,006
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off claims	200	(343)	543
Provision of reserve for credit losses on off-balance-sheet instruments	136	(160)	297
Gains (losses) on stock transactions	5,182	1,845	3,336
Income from interests in associated undertakings	-	-	-
Other	202	684	(481)
Ordinary profit	16,608	(967)	17,576
Extraordinary profit (loss)	-	-	-
Profit before income taxes and non-controlling interests	16,608	(967)	17,576
Income taxes-current	(4,676)	(2,106)	(2,569)
Income taxes-deferred	(794)	(173)	(620)
Profit	11,137	(3,248)	14,386
Loss attributable to non-controlling interests	236	97	138
Profit attributable to owners of parent	11,373	(3,150)	14,524

※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, 2018		June 30, 2017
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	23	3	20
Affiliated companies applying equity-method	0	0	0

【Non-consolidated】

(million yen)

	FY 2018		FY 2017 1st Quarter (B)
	1st Quarter (A)	(A)-(B)	
Net revenue	20,649	(46)	20,696
(Excluding gains (losses) on bond transactions)	19,127	(549)	19,676
Net interest income	13,795	1,233	12,561
Net fees and commissions	949	(1,305)	2,254
Net trading income	2,073	(616)	2,689
Net other ordinary income	3,832	641	3,190
(Gains (losses) on bond transactions)	1,522	502	1,019
General and administrative expenses	(10,138)	321	(10,459)
Personnel	(4,849)	(66)	(4,782)
Property and equipment	(4,402)	74	(4,477)
Taxes	(886)	313	(1,200)
Business profit before general allowance for loan losses	10,511	274	10,236
Excluding gains (losses) on bond transactions	8,988	(228)	9,216
Credit-related expenses	1,016	(3,615)	4,631
Written-off of loans	(149)	(149)	(0)
Provision of specific allowance for loan losses	(170)	(2,972)	2,802
Provision of general allowance for loan losses	1,043	(64)	1,107
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off claims	158	(287)	446
Provision of reserve for credit losses on off-balance-sheet instruments	135	(141)	276
Gains (losses) on stock transactions	5,182	1,845	3,336
Other	113	660	(547)
Ordinary profit	16,823	(833)	17,657
Extraordinary profit (loss)	-	-	-
Profit before income taxes	16,823	(833)	17,657
Income taxes-current	(4,545)	(2,034)	(2,510)
Income taxes-deferred	(671)	(122)	(549)
Profit	11,606	(2,990)	14,597
Business profit	10,511	274	10,236

(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, 2018			March 31, 2018			September 30, 2017		
	Cost	Book Value	Difference	Cost	Book Value	Difference	Cost	Book Value	Difference
Stocks	17,273	77,562	60,288	14,399	79,694	65,294	14,110	73,340	59,229
Bonds	76,004	76,269	265	74,406	74,670	263	74,053	74,242	188
Government bonds	8,010	8,020	9	8,014	8,020	5	8,051	8,050	(1)
Local government bonds	32,873	32,992	118	32,335	32,445	109	31,150	31,236	86
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	35,120	35,257	136	34,056	34,204	148	34,852	34,955	102
Others	1,002,757	984,693	(18,063)	940,435	933,366	(7,068)	962,995	962,470	(525)
Total	1,096,035	1,138,526	42,490	1,029,241	1,087,730	58,489	1,051,160	1,110,053	58,892

(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, 2018			March 31, 2018	September 30, 2017
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	-	(177)	(153)	177	153
Doubtful credit	4,639	16	2,871	4,623	1,768
Special attention credit	2,157	-	-	2,157	2,157
Total (a)	6,796	(161)	2,717	6,958	4,078
Normal assets	2,679,292	25,784	77,704	2,653,508	2,601,588
Grand total (b)	2,686,089	25,622	80,422	2,660,466	2,605,667
Non-performing loans ratio (a/b)	0.3%	(0.0%)	0.1%	0.3%	0.2%

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

【Non-consolidated】

(million yen)

	June 30, 2018			March 31, 2018	September 30, 2017
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	5,859	41	2,444	5,818	3,414
Allowance for loan losses (d)	4,988	193	2,712	4,795	2,275
Collateral / guarantee coverage (e)	870	(152)	(268)	1,022	1,138

(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, 2018			March 31, 2018	September 30, 2017
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	86.2%	2.6%	2.5%	83.6%	83.7%

Allowance Ratio d/(a-e)

	June 30, 2018			March 31, 2018	September 30, 2017
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	84.2%	3.4%	6.8%	80.8%	77.4%