

# SURUGA bank, Ltd.

## Consolidated financial results for the six months ended September 30, 2020

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)  
 URL: <https://www.surugabank.co.jp>  
 Representative: Kosuke Saga, President  
 Dividend payment date: —

(Amounts and percentages are rounded down to the nearest million yen and first decimal places, respectively.)

### 1. Consolidated financial results for the six months ended September 30, 2020

(1) Consolidated operating results (% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2020	50,916	(20.5)	10,460	(47.9)	5,482	(65.6)
September 30, 2019	64,062	(14.6)	20,099	-	15,972	-

(Note) Comprehensive income:

(a) Six months ended Sep. 30, 2020: ¥6,957 million [(38.8)%]; (b) Six months ended Sep. 30, 2019: ¥11,386 million [- %]

	Earnings per share	Earnings per share (diluted)
Six months ended September 30, 2020	yen 23.66	yen -
September 30, 2019	68.95	-

(Note) Earnings per share for the six months ended September 30, 2019 and 2020 are not provided because there are no potentially shares.

### (2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2020	3,466,121	262,691	7.5
March 31, 2020	3,481,579	256,892	7.3

(Reference) Shareholders' equity:

(a) As of September 30, 2020: ¥262,582 million; (b) As of March 31, 2020: ¥256,781 million

(Note) Net assets ratio = (Total net assets - Non-controlling interests) / Total assets × 100

This ratio is not calculated based on the "Capital Adequacy Ratio Notification".

### 2. Dividends on common stock

	Dividends per share				
	1 <sup>st</sup> quarter -end	2 <sup>nd</sup> quarter -end	3 <sup>rd</sup> quarter -end	Fiscal year -end	Total
Fiscal year ended March 31, 2020	yen -	yen 0.00	yen -	yen 5.00	yen 5.00
ending March 31, 2021	-	0.00			
ending March 31, 2021 (forecast)			-	5.00	5.00

(Note) Revision of dividend forecast from the latest announcement: No

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2021

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending March 31, 2021	96,000	(18.6)	8,000	(80.8)	6,000	(76.3)	25.90

(Note) Revision of earnings forecast from the latest announcement: No

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that caused changes in the scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatements

(A) Changes in accounting policies due to revision of accounting standards: No

(B) Changes in accounting policies due to reasons other than (A): No

(C) Changes in accounting estimates: No

(D) Restatements: No

(3) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of Sep. 30, 2020	232,139,248 shares	As of Mar. 31, 2020	232,139,248 shares
(B) Number of treasury shares:	As of Sep. 30, 2020	489,753 shares	As of Mar. 31, 2020	489,165 shares
(C) Average number of shares:	Six months ended Sep. 30, 2020	231,649,801 shares	Six months ended Sep. 30, 2019	231,650,754 shares

(Summary of non-consolidated financial results)

1. Non-consolidated financial results for the six months ended September 30, 2020

(1) Non-consolidated operating results (% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2020	45,146	(20.9)	8,723	(55.0)	4,196	(73.1)
September 30, 2019	57,133	(18.6)	19,388	-	15,638	-

	Earnings per share
Six months ended September 30, 2020	yen 18.11
September 30, 2019	67.50

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2020	3,453,377	249,406	7.2
March 31, 2020	3,469,060	245,218	7.0

(Reference) Shareholders' equity:

(a) As of September 30, 2020: ¥249,406 million; (b) As of March 31, 2020: ¥245,218 million

(Note) Net assets ratio = Total net assets / Total assets × 100

This ratio is not calculated based on the "Capital Adequacy Ratio Notification".

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2021

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending March 31, 2021	85,000	(18.6)	7,000	(82.4)	5,000	(79.5)	21.58

(Note) This report is outside the scope of audit procedures by certified public accountants or audit firms.

(Note) Explanation on appropriate use of forecast and other special items

- The company is a "Specified business company" under the Article 17-15-2 of the "Cabinet Office Ordinance regarding Disclosure of Corporate Information, etc." and prepares its interim consolidated and interim non-consolidated financial statements for the six months ended September 30, 2020.
- The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

(Appendix)

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\* Financial results for the six months ended September 30, 2020 supplementary information

## 1. Qualitative information on financial results

### (1) Details of operating results

As for the consolidated operating results for the six months ended September 30, 2020, ordinary income decreased by ¥13.146 billion year-on-year to ¥50.916 billion. This was primarily due to the decline in interest income. Meanwhile, ordinary expenses decreased by ¥3.507 billion year-on-year to ¥40.455 billion, mainly due to the fall in general and administrative expenses.

As a result, ordinary profit decreased by ¥9.639 billion year-on-year to ¥10.460 billion. Profit attributable to owners of parent decreased by ¥10.490 billion year-on-year to ¥5.482 billion.

### (2) Details of financial position

As for the consolidated major account balances as of September 30, 2020, loans and bills discounted came in at ¥2,423.322 billion, down by ¥79,516 billion from March 31, 2020. This was primarily due to the decrease (¥96.138 billion) in consumer loans (non-consolidated).

Securities amounted to ¥208.597 billion, rose by ¥74.737 billion from March 31, 2020.

Deposits amounted to ¥3,180.667 billion, down by ¥24.124 billion from March 31, 2020, despite an increase (¥64.330 billion) in individual deposits.

### (3) Details of forecast information, including consolidated earnings forecast

For the non-consolidated earnings forecast for the fiscal year ending March 31, 2021, the forecasted net operating profit has been revised in consideration of the effect of a reduction in the provision for general allowance for loan losses (before revision: ¥27,000 million; after revision: ¥42,000 million).

No changes have been made to all other figures announced on August 14, 2020.

Consolidated	(Billions of yen)
	Fiscal year ending March 31, 2021
Ordinary income	96.0
Ordinary profit	8.0
Profit attributable to owners of parent	6.0

Non-consolidated	(Billions of yen)
	Fiscal year ending March 31, 2021
Ordinary income	85.0
Core net operating profit	27.0
Net operating profit	42.0
Ordinary profit	7.0
Net income	5.0
Actual credit costs	20.0

(Note1) The earning forecast for the fiscal year ending March 31, 2021 was calculated with thought to impacts of the coronavirus (COVID-19) pandemic foreseeable at the present time. However, if the impacts continue for a long time, the earnings forecast may be revised, for instance, due to further increase in net credit costs. If matters to be disclosed arise, such matters will be promptly disclosed.

(Note2) The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

## 2. Consolidated financial statements and notes

## (1) Consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2020	As of Sep. 30, 2020
<b>Assets</b>		
Cash and due from banks	876,301	876,635
Call loans and bills bought	65	158
Trading account securities	180	156
Money held in trust	978	200
Securities	133,860	208,597
Loans and bills discounted	2,502,838	2,423,322
Foreign exchanges	2,215	2,383
Lease receivables and investment assets	6,439	5,696
Other assets	52,980	46,822
Tangible fixed assets	37,507	37,571
Intangible fixed assets	21,569	20,765
Net defined benefit asset	12,660	13,251
Deferred tax assets	15,897	14,397
Customers' liabilities for acceptances and guarantees	2,062	2,254
Allowance for loan losses	(183,979)	(186,092)
<b>Total assets</b>	<b>3,481,579</b>	<b>3,466,121</b>
<b>Liabilities</b>		
Deposits	3,204,791	3,180,667
Borrowed money	3	23
Foreign exchanges	15,663	18,243
Other liabilities	491	488
Provision for bonuses	35	-
Net defined benefit liability	275	271
Provision for directors' retirement benefits	270	293
Provision for reimbursement of deposits	245	189
Provision for contingent losses	139	87
Deferred tax liabilities	707	911
Acceptances and guarantees	2,062	2,254
<b>Total liabilities</b>	<b>3,224,686</b>	<b>3,203,429</b>
<b>Net assets</b>		
Capital stock	30,043	30,043
Capital surplus	2,045	2,045
Retained earnings	218,587	222,911
Treasury shares	(561)	(561)
<b>Total shareholders' equity</b>	<b>250,115</b>	<b>254,439</b>
Net unrealized gains (losses) on available-for-sale securities	6,276	7,795
Deferred gains (losses) on hedges	(23)	(31)
Remeasurements of defined benefit plans	412	379
Total accumulated other comprehensive income	6,665	8,143
Non-controlling interests	111	108
<b>Total net assets</b>	<b>256,892</b>	<b>262,691</b>
<b>Total liabilities and net assets</b>	<b>3,481,579</b>	<b>3,466,121</b>

(2) Consolidated statements of income and Consolidated statements of comprehensive income  
Consolidated statements of income

	(Millions of yen)	
	For the six months ended Sep. 30, 2019	For the six months ended Sep. 30, 2020
Ordinary income	64,062	50,916
Interest income	48,559	42,504
Interest on loans and bills discounted	47,858	41,667
Interest and dividends on securities	458	428
Fees and commissions	5,397	4,411
Other operating income	3,970	2,114
Other income	6,134	1,885
Ordinary expenses	43,962	40,455
Interest expenses	777	791
Interest on deposits	610	741
Fees and commissions payments	8,023	5,921
Other operating expenses	1,524	1,595
General and administrative expenses	24,385	22,150
Other expenses	9,251	9,997
Ordinary profit	20,099	10,460
Extraordinary gains	47	364
Gains on disposal of non-current assets	34	364
Gain on reversal of subscription rights to shares	12	-
Extraordinary losses	253	293
Losses on disposal of non-current assets	251	281
Impairment loss	2	11
Income before income taxes	19,892	10,531
Income taxes - current	7,171	4,005
Income taxes - deferred	(3,269)	1,045
Total income taxes	3,902	5,051
Profit	15,990	5,480
Profit attributable to non-controlling interests	17	(2)
Profit attributable to owners of parent	15,972	5,482

## Consolidated statements of comprehensive income

	(Millions of yen)	
	For the six months ended Sep. 30, 2019	For the six months ended Sep. 30, 2020
Profit	15,990	5,480
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(4,301)	1,518
Deferred gains (losses) on hedges	2	(7)
Remeasurements of defined benefit plans, net of tax	(305)	(33)
Total other comprehensive income	(4,604)	1,477
Comprehensive income	11,386	6,957
(Breakdown)		
Comprehensive income attributable to owners of parent	11,342	6,960
Comprehensive income attributable to non-controlling interests	43	(2)

## (3) Consolidated statements of changes in net assets

For the six months ended September 30, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	1,202	193,263	(560)	223,948
Changes of items during period					
Profit attributable to owners of parent			15,972		15,972
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	15,972	(0)	15,972
Balance at end of current period	30,043	1,202	209,236	(560)	239,921

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	13,352	(35)	3,750	17,067	12	1,280	242,308
Changes of items during period							
Profit attributable to owners of parent							15,972
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	(4,327)	2	(305)	(4,630)	(12)	43	(4,599)
Total changes of items during period	(4,327)	2	(305)	(4,630)	(12)	43	11,373
Balance at end of current period	9,024	(33)	3,444	12,436	-	1,324	253,681



For the six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	2,045	218,587	(561)	250,115
Changes of items during period					
Dividends of surplus			(1,158)		(1,158)
Profit attributable to owners of parent			5,482		5,482
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	4,324	(0)	4,323
Balance at end of current period	30,043	2,045	222,911	(561)	254,439

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,276	(23)	412	6,665	111	256,892
Changes of items during period						
Dividends of surplus						(1,158)
Profit attributable to owners of parent						5,482
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	1,518	(7)	(33)	1,477	(2)	1,475
Total changes of items during period	1,518	(7)	(33)	1,477	(2)	5,799
Balance at end of current period	7,795	(31)	379	8,143	108	262,691

(4) Notes regarding consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

(Changes in accounting policies, changes in accounting estimates and restatements)

Not applicable.

(Additional information)

(Key Assumptions on Estimated Impact from Further Spread of the Coronavirus (COVID-19) Pandemic)

With regard to financial estimates that relate to impact from the coronavirus (COVID-19) pandemic in the first half of the current consolidated fiscal year, and assumptions that were used for these estimates, there have been no material changes from the information listed in the (Additional information) section of the securities report of the previous consolidated fiscal year.

As such assumptions have a high level of uncertainty, if circumstances concerning the spread of the coronavirus (COVID-19) pandemic and its impact on the economy vary from the original assumptions, financial results could be impacted from the third quarter of the current consolidated fiscal year (third quarter of the fiscal year ending March, 2021).

## 3. Non-consolidated financial statements

## (1) Non-consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2020	As of Sep. 30, 2020
<b>Assets</b>		
Cash and due from banks	875,425	875,550
Call loans	65	158
Trading account securities	180	156
Money held in trust	978	200
Securities	137,729	211,929
Loans and bills discounted	2,496,157	2,418,417
Foreign exchanges	2,215	2,383
Other assets	45,272	39,446
Other	45,272	39,446
Tangible fixed assets	36,466	36,525
Intangible fixed assets	19,752	18,952
Prepaid pension cost	12,069	12,707
Deferred tax assets	14,831	13,628
Customers' liabilities for acceptances and guarantees	2,062	2,254
Allowance for loan losses	(174,146)	(178,933)
<b>Total assets</b>	<b>3,469,060</b>	<b>3,453,377</b>
<b>Liabilities</b>		
Deposits	3,210,823	3,187,132
Foreign exchanges	3	23
Other liabilities	9,816	13,546
Income taxes payable	-	4,234
Lease obligations	355	287
Other	9,460	9,025
Provision for bonuses	446	444
Provision for directors' bonuses	35	-
Provision for directors' retirement benefits	270	293
Provision for reimbursement of deposits	245	189
Provision for contingent losses	139	87
Acceptances and guarantees	2,062	2,254
<b>Total liabilities</b>	<b>3,223,842</b>	<b>3,203,970</b>

(Millions of yen)

	As of Mar. 31, 2020	As of Sep. 30, 2020
Net assets		
Capital stock	30,043	30,043
Capital surplus	18,589	18,589
Legal capital surplus	18,585	18,585
Other capital surplus	3	3
Retained earnings	192,116	195,154
Legal retained earnings	30,043	30,043
Other retained earnings	162,072	165,111
Reserve for advanced depreciation of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	58,981	62,019
Treasury shares	(561)	(561)
Total shareholders' equity	240,187	243,226
Net unrealized gains (losses) on available-for-sale securities	5,054	6,211
Deferred gains (losses) on hedges	(23)	(31)
Total valuation and translation adjustments	5,030	6,180
Total net assets	245,218	249,406
Total liabilities and net assets	3,469,060	3,453,377

## (2) Non-consolidated statements of income

	(Millions of yen)	
	For the six months ended Sep. 30, 2019	For the six months ended Sep. 30, 2020
Ordinary income	57,133	45,146
Interest income	44,814	39,314
Interest on loans and bills discounted	44,143	38,507
Interest and dividends on securities	428	398
Fees and commissions	4,209	3,823
Other operating income	2,216	519
Other income	5,892	1,489
Ordinary expenses	37,744	36,423
Interest expenses	796	790
Interest on deposits	610	741
Fees and commissions payments	7,968	5,900
Other operating expenses	58	94
General and administrative expenses	21,994	20,515
Other expenses	6,928	9,122
Ordinary profit	19,388	8,723
Extraordinary gains	12	364
Gains on disposal of non-current assets	-	364
Reversal provision for directors' retirement benefits	12	-
Extraordinary losses	226	271
Losses on disposal of non-current assets	223	271
Impairment loss	2	-
Income before income taxes	19,174	8,816
Income taxes - current	6,887	3,913
Income taxes - deferred	(3,352)	705
Total income taxes	3,535	4,619
Net income	15,638	4,196

(3) Non-consolidated statements of changes in net assets  
For the six months ended September 30, 2019

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of current period	30,043	18,585	3	18,589	30,043	59	103,032	34,506
Changes of items during period								
Net income								15,638
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(0)	(0)	-	-	-	15,638
Balance at end of current period	30,043	18,585	3	18,589	30,043	59	103,032	50,145

	Shareholders' equity			Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
	Total retained earnings							
Balance at beginning of current period	167,641	(560)	215,714	12,250	(29)	12,221	12	227,947
Changes of items during period								
Net income	15,638		15,638					15,638
Purchase of treasury shares		(0)	(0)					(0)
Disposal of treasury shares		0	0					0
Net changes of items other than shareholders' equity				(4,491)	2	(4,489)	(12)	(4,501)
Total changes of items during period	15,638	(0)	15,638	(4,491)	2	(4,489)	(12)	11,136
Balance at end of current period	183,280	(560)	231,352	7,759	(27)	7,731	-	239,084

For the six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	30,043	18,585	3	18,589	30,043	59	103,032	58,981
Changes of items during period								
Dividends of surplus								(1,158)
Net income								4,196
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(0)	(0)	-	-	-	3,038
Balance at end of current period	30,043	18,585	3	18,589	30,043	59	103,032	62,019

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at beginning of current period	192,116	(561)	240,187	5,054	(23)	5,030	245,218
Changes of items during period							
Dividends of surplus	(1,158)		(1,158)				(1,158)
Net income	4,196		4,196				4,196
Purchase of treasury shares		(0)	(0)				(0)
Disposal of treasury shares		0	0				0
Net changes of items other than shareholders' equity				1,157	(7)	1,150	1,150
Total changes of items during period	3,038	(0)	3,038	1,157	(7)	1,150	4,188
Balance at end of current period	195,154	(561)	243,226	6,211	(31)	6,180	249,406

# Financial Results

For the six months ended September 30, 2020

- Supplementary Information -

**SURUGA bank, Ltd.**



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	8. Deposits and loans	Non-consolidated	
	9. Number of branches	Non-consolidated	
IV.	Unrealized gains (losses) on securities		
	1. Unrealized gains (losses)	Non-consolidated, Consolidated	22
V.	Retirement benefits		
	1. Retirement benefit expenses	Non-consolidated, Consolidated	22

## I . Financial highlights for the six months ended September 30, 2020

## 1. Financial results (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2020		Six months ended Sep. 30, 2019
	(a)	(a) - (b)	(b)
Gross operating profit	36,871	(5,547)	42,418
Net interest income	38,524	(5,494)	44,018
Net fees and commissions	(2,076)	1,682	(3,758)
Net other operating income (Note1)	15	(1,988)	2,003
Core gross operating profit	36,462	(5,802)	42,264
Expenses (-)	20,532	(1,907)	22,439
Core net operating profit (Note2)	15,930	(3,894)	19,824
Excluding gains (loss) on cancellation of investment trusts	15,859	(3,965)	19,824
Gains (losses) on bonds	409	255	154
Actual net operating profit (Note3)	16,339	(3,640)	19,979
Provision for general allowance for loan losses (-)	(21,638)	(23,277)	1,639
Net operating profit	37,977	19,637	18,340
Disposal of non-performing loans (-)	30,575	25,529	5,046
Recoveries of written-off claims	1,144	854	290
Gains (losses) on stocks	(0)	(5,270)	5,270
Ordinary profit	8,723	(10,665)	19,388
Gains (losses) on disposal of non-current assets	92	315	(223)
Impairment loss (-)	-	(2)	2
Net income	4,196	(11,442)	15,638
Net credit costs	8,937	2,252	6,685
Actual credit costs (Note4)	7,792	1,398	6,394

(Note1) Excludes gains (losses) on bonds.

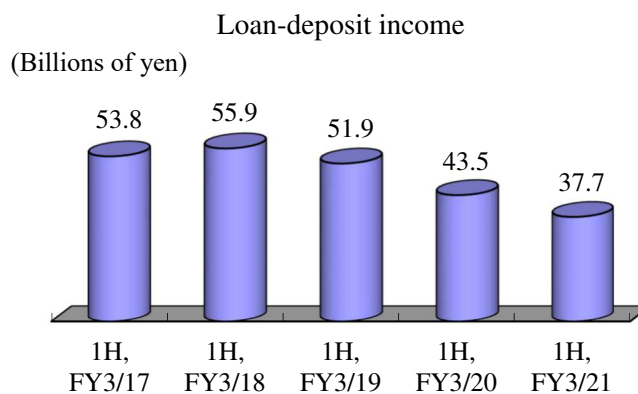
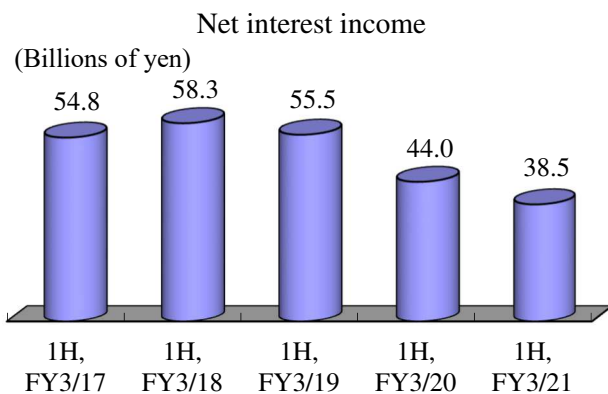
(Note2) Core net operating profit = Net operating profit + Provision for general allowance for loan losses  
- Gains (losses) on bonds

(Note3) Actual net operating profit = Net operating profit + Provision for general allowance for loan losses

(Note4) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans)  
- Recoveries of written-off claims

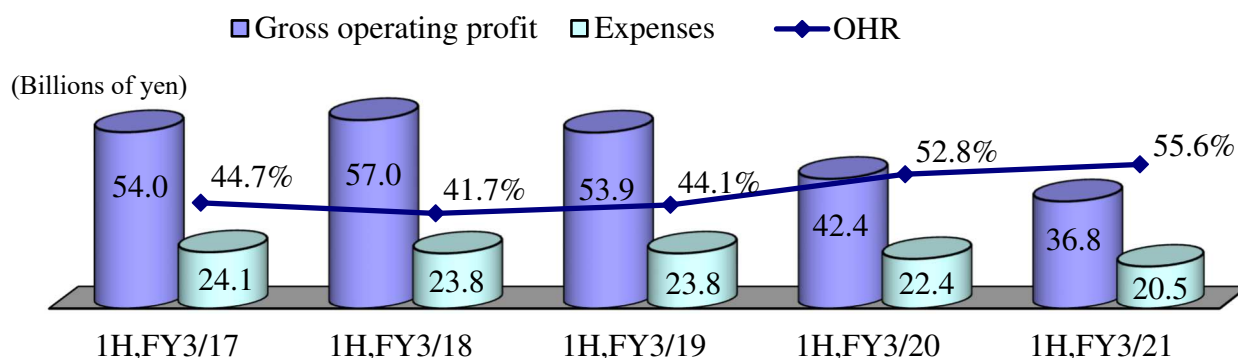
(1) Gross operating profit: ¥36.8 billion

<ul style="list-style-type: none"> <li>• Net interest income decreased by ¥5.4 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.</li> <li>• Loan-deposit income decreased by ¥5.8 billion year-on-year.</li> <li>• Core gross operating profit decreased by ¥5.8 billion year-on-year, mainly due to a decrease in net interest income.</li> <li>• Gross operating profit decreased by ¥5.5 billion year-on-year.</li> </ul>
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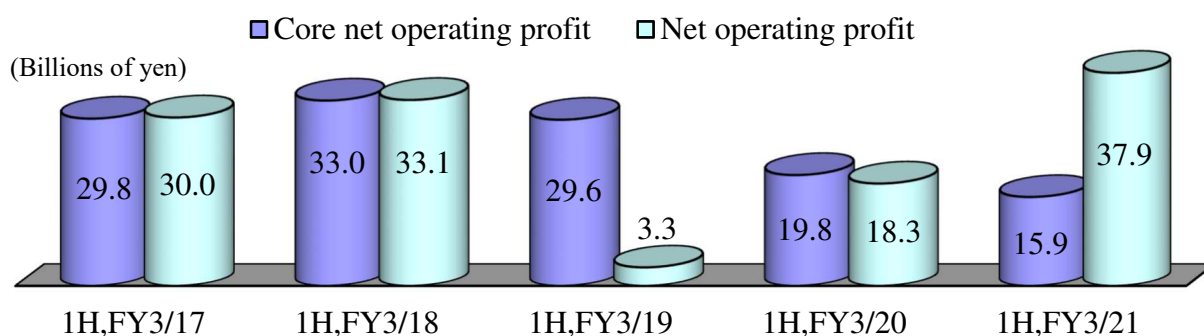
## (2) Expenses; OHR: 55.6%

- Expenses decreased by ¥1.9 billion year-on-year.
- OHR rose year-on-year to 55.6%, mainly due to a decrease in gross operating profit.  
(OHR(%) = Expenses / Gross operating profit × 100)



## (3) Core net operating profit: ¥15.9 billion, Net operating profit: ¥37.9 billion

- Core net operating profit decreased by ¥3.8 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit increased by ¥19.6 billion year-on-year, mainly due to a decrease in provision for general allowance for loan losses.



## (4) Ordinary profit: ¥8.7 billion

- Ordinary profit decreased by ¥10.6 billion year-on-year, mainly due to an increase in disposal of non-performing loans.

## (5) Net income: ¥4.1 billion

- Net income decreased by ¥11.4 billion year-on-year, mainly due to a decrease in ordinary profit.

## (6) Actual credit costs: ¥7.7 billion

- Net credit costs increased by ¥2.2 billion year-on-year, mainly due to a decrease (¥23.2 billion) in provision for general allowance for loan losses and an increase (¥25.5 billion) in disposal of non-performing loans.
- Actual credit costs, calculated as net credit costs (¥8.9 billion) minus the amount of recoveries of written-off claims (¥1.1 billion) amounted to ¥7.7 billion.

## 2. Major accounts (Non-consolidated)

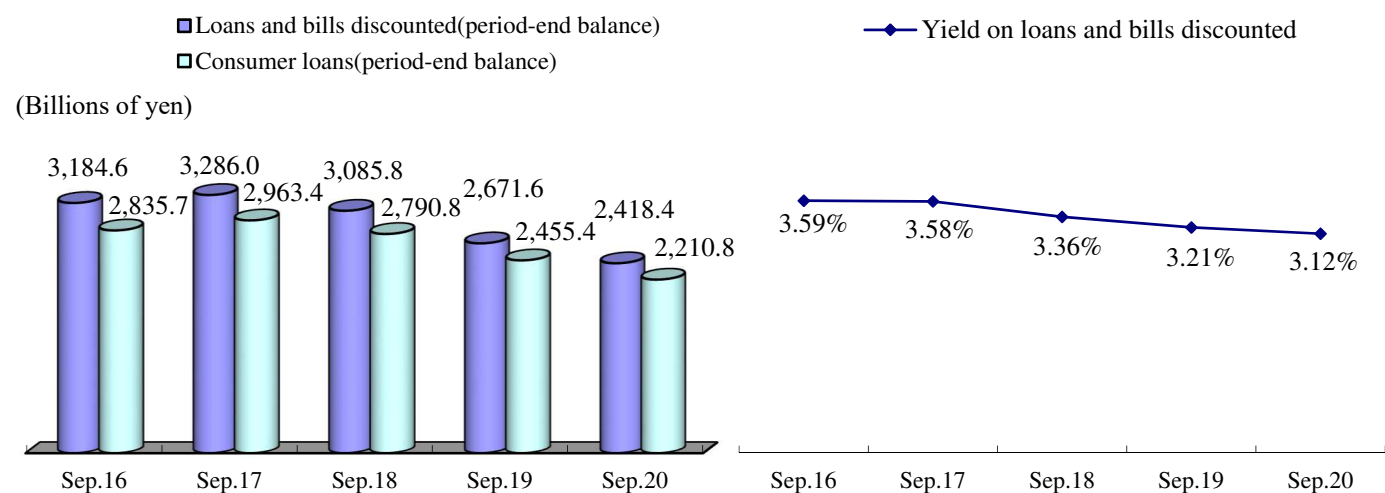
## (1) Loans and bills discounted

- Loans and bills discounted decreased by ¥253.2 billion, or 9.4% year-on-year.
- Consumer loans decreased by ¥244.6 billion, or 9.9% year-on-year.
- Yield on loans and bills discounted dropped by 9 basis points year-on-year to 3.12%.

	Sep. 30, 2020 (a)	(a) – (b)	Sep. 30, 2019 (b)	(Billions of yen) Mar. 30, 2020
Loans and bills discounted (period-end balance)	2,418.4	(253.2)	2,671.6	2,496.1
Consumer loans	2,210.8	(244.6)	2,455.4	2,307.0
Secured loans	2,025.4	(206.1)	2,231.5	2,099.0
Unsecured loans	185.4	(38.4)	223.8	207.9
Loans and bills discounted (average balance)	2,457.0	(282.3)	2,739.3	2,664.7

## (Reference)

	Sep. 30, 2020 (a)	(a) – (b)	Sep. 30, 2019 (b)	(Billions of yen)
New consumer loans	8.7	6.0	2.7	
New asset management company loans for property investment	4.5	4.5	-	
Subtotal	13.2	10.5	2.7	
New asset finance	9.7	9.7	-	
Total	22.9	20.2	2.7	



## Consumer loans

## Outstanding balance, yield, delinquency rate by loan category

Sep. 30, 2020

(Billions of yen)

Loan category	Sep. 30, 2020			Jun. 30, 2020		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	2,025.4	3.07%	5.81%	2,065.5	3.09%	4.70%
Housing loans	522.7	2.85%	0.51%	537.7	2.86%	0.79%
Studio apartment loans	180.8	3.40%	1.79%	188.9	3.40%	1.92%
Single building apartment loans	1,129.8	3.26%	3.80%	1,144.8	3.28%	3.68%
Share house loans	153.4	1.46%	45.87%	153.9	1.46%	31.34%
Other secured loans	38.5	4.81%	1.15%	39.9	4.85%	1.29%
Unsecured loans	185.4	10.26%	2.13%	195.7	10.23%	1.93%
Card loans	122.4	11.61%	0.83%	129.2	11.56%	0.78%
Unsecured certificate loans	63.0	7.64%	4.66%	66.4	7.65%	4.15%
Consumer loans	2,210.8	3.66%	5.51%	2,261.2	3.69%	4.47%

Consumer loans (excluding share house-related loans)	2,021.8	-	2.32%	2,070.9	-	2.34%
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Asset management company loans for property investment	17.8	2.25%	-	9.9	2.23%	-
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(Note1) Delinquency rate = Loans past due 3 months or more / Loans

(Note2) Yield: Yield for customers (excluding guarantee fee, accrued interest), period-end balance basis

(Note3) Yield and delinquency rate of Studio apartment loans, secured loans and consumer loans are calculated based on originals claims before securitization.

(Note4) Corporate loans for property investment : Asset management company loans for property investment and asset finance that are defined as new business fields in the mid-term management plan.

## Share house loans (Non-performing loans based on the Financial Reconstruction Law)

(Billions of yen)

	Total credit balance	Claims			Subtotal (Non-performing loans)	Normal assets
		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention		
Sep. 30, 2019	246.1	89.9	41.1	97.7	228.8	17.3
Dec. 31, 2019	244.4	91.3	36.2	99.8	227.4	17.0
Mar. 31, 2020	192.1	45.9	28.9	100.7	175.5	16.5
Jun. 30, 2020	190.4	50.2	38.3	87.4	176.0	14.4
Sep. 30, 2020	189.1	56.1	58.3	62.4	177.0	12.1

(Billions of yen)

	Total credit balance		Collateral or guarantees, etc	Unsecured portion	Allowance	Coverage ratio (B + D) / A
	A	Share house claims				
Sep. 30, 2019	246.1	199.3	90.6	155.5	135.1	91.74%
Dec. 31, 2019	244.4	198.4	91.1	153.2	133.1	91.79%
Mar. 31, 2020	192.1	154.7	72.7	119.3	102.5	91.29%
Jun. 30, 2020	190.4	154.0	72.1	118.2	103.7	92.36%
Sep. 30, 2020	189.1	153.5	71.8	117.3	106.5	94.31%

(Note1) Based on obligors of share house loans

(Note2) Covered amount: Estimated amount, calculated by multiplying the covered amount including collateral, etc. with a certain ratio.

(Note3) Total credit balance, share house loan receivables: Loans and bills discounted, suspense payments equivalent to loans and bills discounted, and accrued interest on loans and bills discounted.

## Actual credit costs and Allowance for loan losses

Sep. 30, 2020

(Billions of yen)

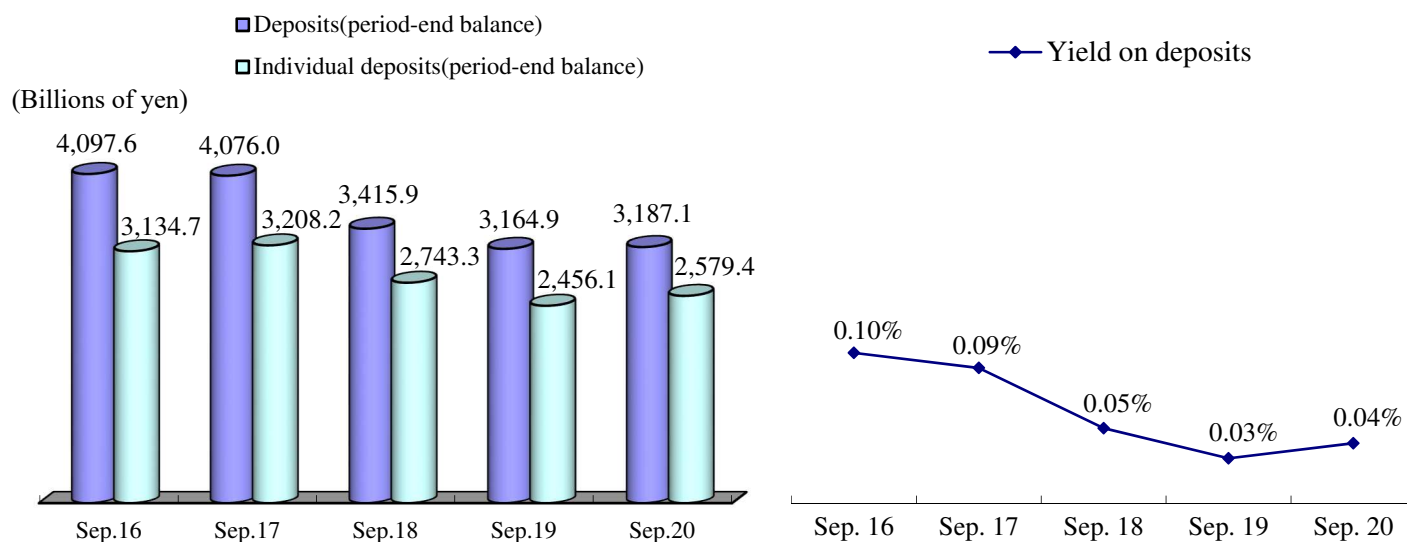
Item	Actual credit costs	Allowance
Share house-related loans	4.1	106.5
Investment property loans	2.9	55.8
Housing loans	0.0	4.5
Unsecured loans	0.1	2.6
Business financing loans, etc.	0.4	9.3
Total	7.7	178.9

(Note) Investment property loans: Studio apartment loans, Single building apartment loans, Other secured loans

## (2) Deposits

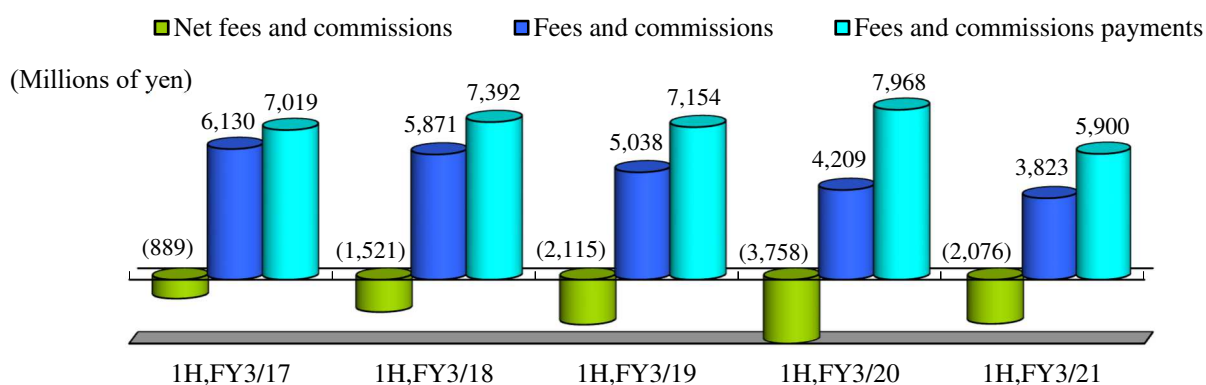
- Deposits increased by ¥22.2 billion, or 0.7% year-on-year.
- Individual deposits increased by ¥123.3 billion, or 5.0% year-on-year.
- Yield on deposits rose by 1 basis points year-on-year to 0.04%.

	Sep. 30, 2020 (a)	(a) – (b)	Sep. 30, 2019 (b)	(Billions of yen)	
Deposits (period-end balance)	3,187.1	22.2	3,164.9	Mar. 30, 2020	3,210.8
Individual deposits	2,579.4	123.3	2,456.1		2,515.1
Deposits (average balance)	3,189.7	110.8	3,078.9		3,099.2



## (3) Net fees and commissions

- Net fees and commissions decreased by ¥1.6 billion year-on-year, mainly due to a decrease (¥0.3 billion) in fees and commissions, a decrease (¥2.0 billion) in fee and commissions payments.



## (4) Individual deposit assets

- Individual deposit assets increased by ¥104.6 billion year-on-year.
- The ratio of investment products to total individual deposit assets dropped by 90 basis points year-on-year to 4.0%.

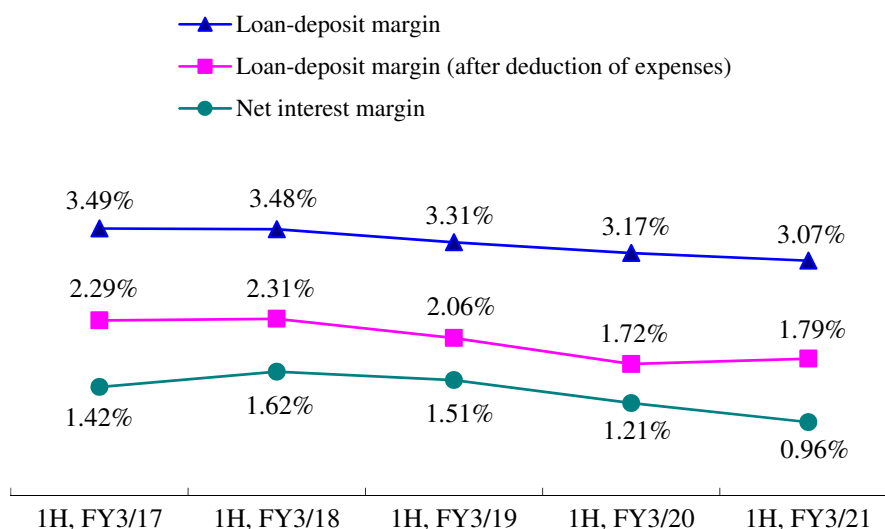
	Sep. 30, 2020 (a)	(a) - (b)	Sep. 30, 2019 (b)	(Millions of yen) Mar. 31, 2020
Individual deposit assets	2,683,959	104,604	2,579,355	2,618,226
Yen deposits	2,575,551	123,410	2,452,141	2,511,282
Investment products	108,407	(18,807)	127,214	106,943
Foreign currency deposits	3,918	(61)	3,979	3,857
Public bonds	6,568	(1,315)	7,883	7,195
Mutual funds	63,655	(13,108)	76,763	59,885
Personal pension plans	19,919	(3,476)	23,395	21,312
Single premium life insurance	14,345	(847)	15,192	14,693
The ratio of investment products to total individual deposit assets	4.0%	(0.9%)	4.9%	4.0%

## 3. Management indices (Non-consolidated)

## (1) Interest margins

- Loan-deposit margin (after deduction of expenses) expanded by 7 basis points year-on-year to 1.79%.
- Net interest margin shrunk by 25 basis points year-on-year to 0.96%, mainly due to the decline in yield on interest earning assets.

	Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)	(%) FY3/2020
Loan-deposit margin	3.07	(0.10)	3.17	3.15
Loan-deposit margin (after deduction of expenses)	1.79	0.07	1.72	1.74
Net interest margin	0.96	(0.25)	1.21	1.14





## 4. Own capital (Non-consolidated)

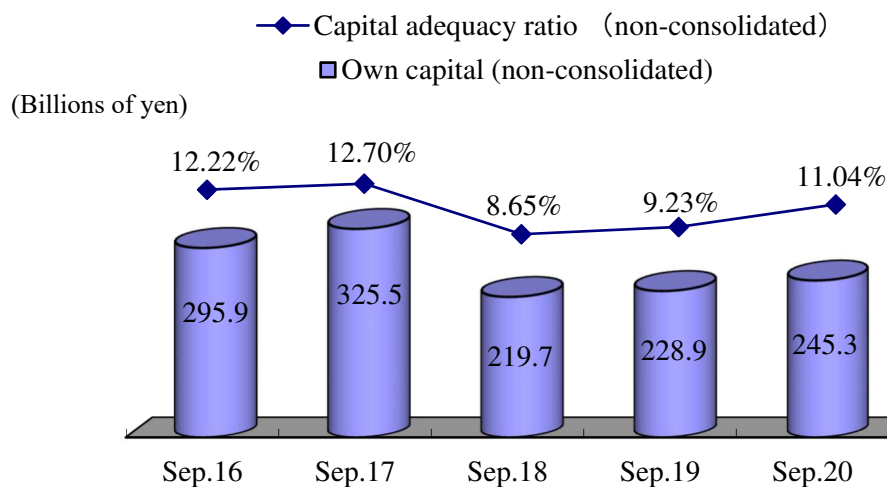
• Capital adequacy ratio rose by 181 basis points year-on-year to 11.04%.
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Non-consolidated (Millions of yen)

	Sep 30, 2020	Sep 30, 2019
Capital adequacy ratio	11.04%	9.23%
Own capital (Core capital)	245,379	228,920
Core capital: instruments and reserves	268,684	259,723
Core capital: regulatory adjustments (-)	23,304	30,802
Risk-weighted assets	2,221,267	2,479,648
Total required capital	85,552	95,777

Consolidated (Millions of yen)

	Sep 30, 2020	Sep 30, 2019
Capital adequacy ratio	11.25%	9.33%
Own capital (Core capital)	254,520	235,739
Core capital: instruments and reserves	280,446	272,539
Core capital: regulatory adjustments (-)	25,926	36,800
Risk-weighted assets	2,262,296	2,524,020
Total required capital	87,193	97,552



## 5. Unrealized gains (losses) on securities (Non-consolidated)

• Net unrealized gains on securities decreased by ¥2.1 billion year-on-year.
--

	Sep. 30, 2020 (a)	(a) - (b)	Sep. 30, 2019 (b)	(Millions of yen) Mar. 31, 2020
Available-for-sale securities	8,535	(2,197)	10,732	6,785
Stocks	6,960	(2,341)	9,301	5,850
Bonds	417	(286)	703	276
Others	1,158	431	727	659

## 6. Earnings forecast for the fiscal year ending March 31, 2021

Consolidated (Millions of yen)

	Fiscal year ending Mar. 31, 2021 (forecast)
Ordinary income	96,000
Ordinary profit	8,000
Profit attributable to owners of parent	6,000

Non-consolidated (Millions of yen)

	Fiscal year ending Mar. 31, 2021 (forecast)
Ordinary income	85,000
Core net operating profit	27,000
Net operating profit	42,000
Ordinary profit	7,000
Net income	5,000
Actual credit costs	20,000

(Note1) The earning forecast for the fiscal year ending March 31, 2021 was calculated with thought to impacts of the coronavirus (COVID-19) pandemic foreseeable at the present time. However, if the impacts continue for a long time, the earnings forecast may be revised, for instance, due to further increase in net credit costs. If matters to be disclosed arise, such matters will be promptly disclosed.

(Note2) The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

## 7. Asset quality (Non-consolidated)

## (1) Non-performing loans based on the Financial Reconstruction Law

• Non-performing loans based on the Financial Reconstruction Law increased by ¥27.6 billion year-on-year.  
Non-performing loan ratio rose by 158 basis points year-on-year to 15.48%.

Outstanding balance		(Millions of yen, %)				
		Sep. 30, 2020 (a)	(a) - (b)	(a) - (c)	Mar. 31, 2020 (b)	Sep. 30, 2019 (c)
	Claims against bankrupt and substantially bankrupt obligors	100,725	8,086	(41,612)	92,639	142,337
	Claims with collection risk	118,573	37,897	19,361	80,676	99,212
	Claims for special attention	157,576	(18,347)	82	175,923	157,494
Total	(A)	376,875	27,637	(22,169)	349,238	399,044
Total claims	(B)	2,433,372	(78,707)	(255,731)	2,512,079	2,689,103
Non-performing loan ratio	(A/B)	15.48	1.58	0.65	13.90	14.83

Status of coverage		(Millions of yen, %)				
		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Total	Change from Mar. 31, 2020
Non-performing loans	(A)	100,725	118,573	157,576	376,875	27,637
Covered amount (C+D)	(B)	100,725	94,707	84,656	280,089	14,888
	Portion secured by collateral or guarantees, etc.	(C)	37,427	45,497	125,269	6,661
	Allowance for loan losses	(D)	63,298	42,312	154,820	8,227
Coverage ratio (B/A)		100.00	79.87	53.72	74.31	(1.62)
Unsecured portion (A-C)	(E)	63,298	73,076	115,232	251,606	20,976
	Allowance ratio for unsecured portion (D/E)	100.00	67.34	36.71	61.53	(2.03)

(Reference) As of Mar. 31, 2020

Unsecured portion	56,945	49,427	124,260	230,630
Allowance ratio for unsecured portion	100.00	58.94	48.69	63.56

(2) Risk-monitored loans		(Millions of yen, %)				
		Sep.30,2020 (a)	(a) - (b)	(a) - (c)	Mar.31,2020 (b)	Sep.30,2019 (c)
	Loans to bankrupt obligors	1,682	153	(1,275)	1,529	2,957
	Non-accrual delinquent loans	215,533	45,552	(23,006)	169,981	238,539
	Loans past due 3 months or more	8,348	1,826	(854)	6,522	9,202
	Restructured loans	149,227	(20,173)	935	169,400	148,292
Total		374,792	27,359	(24,199)	347,433	398,991
Coverage ratio		74.72	(1.59)	(7.34)	76.31	82.06

## 8. Credit costs (Non-consolidated)

(Millions of yen, %)

		Six months ended Sep. 30, 2020		Six months ended Sep. 30, 2019
		(a)	(a) - (b)	(b)
Provision for general allowance for loan losses	(1)	(21,638)	(23,277)	1,639
Disposal of non-performing loans	(2)	30,575	25,529	5,046
Write-off of loans		770	401	369
Provision for specific allowance for loan losses		29,208	24,927	4,281
Losses on sales of delinquent loans		628	228	400
Provision for allowance for contingent losses		(31)	(26)	(5)
Recoveries of written-off claims	A	1,144	854	290
Net credit costs	(3) (=1)+(2)	8,937	2,252	6,685
Actual credit costs	(3)- A	7,792	1,398	6,394
Loans and bills discounted (average balance)		2,457,070	(282,299)	2,739,369
Net credit costs ratio		0.72	0.24	0.48
Actual credit costs ratio		0.63	0.17	0.46

(Note1) Net credit costs ratio = Net credit costs / The average balance of Loans and bills discounted (annualized)

(Note2) Actual credit costs ratio = Actual credit costs / The average balance of Loans and bills discounted (annualized)

## 9. Dividends

•The company has decided to not pay an interim dividends.
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(yen)

	Fiscal year ending Mar. 31, 2021	Fiscal year ended Mar. 31, 2020 (result)
Annual dividend per share	5.00	5.00
Interim dividend	0.00	0.00

(Note) Annual dividend per share for the fiscal year ending March 31, 2021 is a forecast.

## II. Financial data for the six months ended September 30, 2020

## 1. Details of financial results (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Gross operating profit (excluding gains (losses) on bonds)	36,871	(5,547)	42,418
Domestic gross operating profit (excluding gains (losses) on bonds)	( 36,462 )	(5,802)	42,264 )
Net interest income	36,779	(5,501)	42,280
Net fees and commissions	36,370	(5,756)	42,126 )
Net other operating income (of which, Gains (losses) on bonds)	408 ( 409 )	(1,734) 255	2,142 154 )
International gross operating profit (excluding gains (losses) on bonds)	92	(46)	138
Net interest income	( 92 )	(46)	138 )
Net fees and commissions	65	(45)	110
Net other operating income (of which, Gains (losses) on bonds)	10 16 ( - )	(1) 0 -	11 16 - )
Expenses (excluding non-recurring losses)	20,532	(1,907)	22,439
Personnel expenses	7,460	26	7,434
Non-personnel expenses	11,349	(1,637)	12,986
Taxes	1,721	(297)	2,018
Actual net operating profit	16,339	(3,640)	19,979
Core net operating profit	15,930	(3,894)	19,824
Excluding gains (loss) on cancellation of investment trust	15,859	(3,965)	19,824
Provision for general allowance for loan losses	(21,638)	(23,277)	1,639
Net operating profit	37,977	19,637	18,340
Gains (losses) on bonds	409	255	154
Non-recurring gains (losses)	(29,254)	(30,302)	1,048
Recoveries of written-off claims	1,144	854	290
Gains (losses) on stocks	(0)	(5,270)	5,270
Ordinary profit	8,723	(10,665)	19,388
Extraordinary gains (losses)	92	306	(214)
Gains (losses) on disposal of non-current assets	92	315	(223)
Impairment loss (-)	-	(2)	2
Income before income taxes	8,816	(10,358)	19,174
Income taxes-current	3,913	(2,974)	6,887
Income taxes-deferred	705	4,057	(3,352)
Total income taxes	4,619	1,084	3,535
Net income	4,196	(11,442)	15,638

(1)Provision for general allowance for loan losses	(21,638)	(23,277)	1,639
(2)Disposal of non-performing loans	30,575	25,529	5,046
Write-off of loans	770	401	369
Provision for specific allowance for loan losses	29,208	24,927	4,281
Losses on sales of delinquent loans	628	228	400
Provision for allowance for contingent losses	(31)	(26)	(5)
(3)Net credit costs (1)+(2)	8,937	2,252	6,685
(4)Recoveries of written-off claims	1,144	854	290
(5)Actual credit costs (3)-(4)	7,792	1,398	6,394

## Details of financial results (Consolidated)

	(Millions of yen)		
	Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Consolidated gross profit	40,722	(6,880)	47,602
Net interest income	41,712	(6,069)	47,781
Net fees and commissions	(1,509)	1,117	(2,626)
Net other operating income	519	(1,927)	2,446
Expenses (excluding non-recurring losses)	22,167	(2,663)	24,830
Actual credit costs	8,386	(134)	8,520
Gains (losses) on stocks	(0)	(5,316)	5,316
Equity in gains (losses) of affiliates	-	(1)	1
Others	291	(239)	530
Ordinary profit	10,460	(9,639)	20,099
Extraordinary gains (losses)	70	276	(206)
Income before income taxes	10,531	(9,361)	19,892
Income taxes-current	4,005	(3,166)	7,171
Income taxes-deferred	1,045	4,314	(3,269)
Total income taxes	5,051	1,149	3,902
Profit attributable to non-controlling interests	(2)	(19)	17
Profit attributable to owners of parent	5,482	(10,490)	15,972

(1)Provision for general allowance for loan losses	(22,258)	(23,838)	1,580
(2)Disposal of non-performing loans	32,014	24,548	7,466
Write-off of loans	975	(121)	1,096
Provision for specific allowance for loan losses	29,104	23,931	5,173
Losses on sales of delinquent loans	1,966	764	1,202
Provision for allowance for contingent losses	(31)	(26)	(5)
(3)Net credit costs (1)+(2)	9,756	710	9,046
(4)Recoveries of written-off claims	1,369	843	526
(5)Actual credit costs (3)-(4)	8,386	(134)	8,520

(Note) Consolidated gross profit = (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments) + (Other operating income - Other operating expenses)

	(Millions of yen)		
	Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Consolidated net operating profit	40,814	19,623	21,191

(Note) Consolidated net operating profit = Consolidated gross profit - Consolidated expenses - Consolidated provision for general allowance for loan losses

	(Companies)		
	Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Consolidated subsidiaries	8	(1)	9
Equity-method accounted affiliates	-	(1)	1

## 2. Net operating profit (Non-consolidated)

	(Millions of yen)		
	Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Net operating profit	37,977	19,637	18,340
Per employee (Thousands of yen)	26,101	13,980	12,121

## 3. Interest margins (Non-consolidated)

Overall		(%)		
		Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Yield on interest earning assets	(A)	2.29	(0.42)	2.71
Yield on loans and bills discounted		3.12	(0.09)	3.21
Yield on securities		0.47	(0.21)	0.68
Yield on interest bearing liabilities	(B)	1.33	(0.17)	1.50
Yield on deposits		0.04	0.01	0.03
Loan-deposit margin (after deduction of expenses)		1.79	0.07	1.72
Net interest margin	(A) - (B)	0.96	(0.25)	1.21

Domestic		(%)		
		Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Yield on interest earning assets	(A)	2.29	(0.41)	2.70
Yield on loans and bills discounted		3.13	(0.08)	3.21
Yield on securities		0.46	(0.23)	0.69
Yield on interest bearing liabilities	(B)	1.29	(0.15)	1.44
Yield on deposits		0.04	0.01	0.03
Loan-deposit margin (after deduction of expenses)		1.83	0.07	1.76
Net interest margin	(A) - (B)	0.99	(0.26)	1.25

## 4. ROA and ROE (Non-consolidated)

		(%)		
		Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
ROA	Net operating profit basis	2.19	1.09	1.10
	Net income basis	0.24	(0.69)	0.93
ROE	Net operating profit basis	31.60	14.66	16.94
	Net income basis	3.49	(10.96)	14.45

## 5. Gains (losses) on securities (Non-consolidated)

		(Millions of yen)		
		Six months ended Sep. 30, 2020 (a)	(a) - (b)	Six months ended Sep. 30, 2019 (b)
Gains (losses) on bonds		409	255	154
	Gains on sales	73	67	6
	Gains on redemptions	430	225	205
	Losses on sales	-	-	-
	Losses on redemptions	94	37	57
	Losses on devaluation	-	-	-
Gains (losses) on stocks		(0)	(5,270)	5,270
	Gains on sales	-	(5,439)	5,439
	Losses on sales	-	(117)	117
	Losses on devaluation	0	(52)	52

## 6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Sep. 30, 2020		Mar. 31, 2020 (b)
	(a)	(a) - (b)	
Capital adequacy ratio	11.04%	0.76%	10.28%
Own capital (Core capital)	245,379	3,941	241,438
Core capital : instruments and reserves	268,684	2,785	265,899
Core capital : regulatory adjustments (-)	23,304	(1,157)	24,461
Risk-weighted assets	2,221,267	(126,315)	2,347,582
Total required capital	85,552	(5,022)	90,574

Consolidated

(Millions of yen)

	Sep. 30, 2020		Mar. 31, 2020 (b)
	(a)	(a) - (b)	
Capital adequacy ratio	11.25%	0.83%	10.42%
Own capital (Core capital)	254,520	5,292	249,228
Core capital : instruments and reserves	280,446	4,028	276,418
Core capital : regulatory adjustments (-)	25,926	(1,263)	27,189
Risk-weighted assets	2,262,296	(128,274)	2,390,570
Total required capital	87,193	(5,100)	92,293



## 7. Composition of own capital (domestic standard)

(Millions of yen)

	September 30, 2020	
	Non-consolidated	Consolidated
<b>Core capital: instruments and reserves (1)</b>		
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings	243,226	254,439
Capital and capital surplus	48,632	32,089
Retained earnings	195,154	222,911
Treasury shares (-)	561	561
Earnings to be distributed (-)	-	-
Accumulated other comprehensive income included in Core capital	-	379
Remeasurements of defined benefit plans	-	379
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock	-	-
Adjusted non-controlling interests (amount allowed to be included in Core capital)	-	-
Reserves included in Core capital: instruments and reserves	25,458	25,583
General allowance for loan losses	25,458	25,583
Eligible non-cumulative perpetual preferred stock subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Eligible capital instrument subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Capital instrument issued through the measures for strengthening capital by public institutions included in Core capital: instruments and reserves	-	-
45% of revaluation reserve for land included in Core capital: instruments and reserves	-	-
Non-controlling interests included in Core capital subject to transitional arrangements	-	43
Core capital: instruments and reserves (A)	268,684	280,446
<b>Core capital: regulatory adjustments (2)</b>		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	13,228	14,943
Goodwill (including those equivalent)	-	1,488
Other intangible fixed assets other than goodwill and mortgage servicing rights	13,228	13,454
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	310
Shortfall of eligible provisions to expected losses	-	-
Gains on sale related to securitization transactions	-	-
Gains (losses) due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	8,870	-
Net defined benefit asset	-	9,249
Investments in own shares (excluding those reported in the net assets)	-	-
Reciprocal cross-holdings in relevant capital instruments issued by other financial institutions	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (“Other financial institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-
Amount exceeding the 10% threshold on specified items	1,205	1,422
Significant investments in the common stock of Other financial institutions, net of eligible short positions	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	1,205	1,422
Amount exceeding the 15% threshold on specified items	-	-
Core capital: regulatory adjustments (B)	23,304	25,926
<b>Total capital</b>		
Total capital (A-B) (C)	245,379	254,520
<b>Risk-weighted assets (3)</b>		
Credit risk-weighted assets	2,036,657	2,046,717
Total of items included in risk-weighted assets subject to transitional arrangements	-	-
Amount equivalent to market risk × 12.5	-	-
Amount equivalent to operational risk × 12.5	184,609	215,578
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	2,221,267	2,262,296
<b>Capital adequacy ratio (non-consolidated)</b>		
Capital adequacy ratio (non-consolidated) (C/D)	11.04%	-
<b>Capital adequacy ratio (consolidated)</b>		
Capital adequacy ratio (consolidated) (C/D)	-	11.25%

### III. Status of loans, etc.

#### Comparison of asset disclosure by standard

Non-consolidated (As of September 30, 2020)

Classification and status of coverage by disclosure standard

Self-assessment result (by obligor classification)					Non-performing loans based on the Financial Reconstruction Law				(Millions of yen) Risk-monitored loans	
* Includes total claims.					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).				* Includes loans and bills discounted.	
Category	Classification				Category	Collateral or guarantees, etc.	Allowance	Coverage ratio	Category	Out-standing balance
	Credit balance	Non-classification	Classification II	Classification III						
Bankrupt obligors	1,701 [537]	567	1,134	-	-				Loans to bankrupt obligors	1,682
Effectively bankrupt obligors	99,024 [62,760]	63,395	35,628	-	-				Non-accrual delinquent loans	215,533
Potentially bankrupt obligors	118,573 [49,209]	53,544	41,162	23,866 [49,209]	-				Loans past due 3 months or more	8,348
Obligors requiring caution	Sub-standard obligors	224	190,044	-	-				Restructured loans	149,227
	Other obligors requiring caution	909,275	12,530	896,745	-	-			Total	374,792
Normal obligors	1,114,529	1,114,529	-	-	-					
Total	2,433,372 [112,508]	1,244,791	1,164,714	23,866 [49,209]	-					
					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).					
					Normal assets					
					2,056,496					
					Total					
					2,433,372					

(Note1) “Total claims” includes “Loans and bills discounted”, “Customers’ liabilities for acceptances and guarantees”, “Foreign exchanges”, “Securities lent”, “Suspense payment” and “Accrued interest”.

(Note2) Numbers shown in brackets under “Self-assessment result” represent the reserved amount for each category.

## 1. Risk-monitored loans

The following table shows figures after partial direct write-off of loans.

The amounts of partial direct write-off of loans for the six months ended September 30, 2020 were as follows:

(a) Non-consolidated: ¥2,711 million; (b) Consolidated: ¥2,711 million

Loans to “Potentially bankrupt obligors”, “Effectively bankrupt obligors” and “Bankrupt obligors” under self-assessment are placed on non-accrual status.

### Non-consolidated

(Millions of yen, %)

		Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	1,682	153	(1,275)	1,529	2,957
	Non-accrual delinquent loans	215,533	45,552	(23,006)	169,981	238,539
	Loans past due 3 months or more	8,348	1,826	(854)	6,522	9,202
	Restructured loans	149,227	(20,173)	935	169,400	148,292
	Total	374,792	27,359	(24,199)	347,433	398,991
Loans and bills discounted (period-end balance)		2,418,417	(77,740)	(253,225)	2,496,157	2,671,642
% to loans and bills discounted	Loans to bankrupt obligors	0.06	0.00	(0.05)	0.06	0.11
	Non-accrual delinquent loans	8.91	2.11	(0.01)	6.80	8.92
	Loans past due 3 months or more	0.34	0.08	0.00	0.26	0.34
	Restructured loans	6.17	(0.61)	0.62	6.78	5.55
	Total	15.49	1.58	0.56	13.91	14.93

### Consolidated

(Millions of yen, %)

		Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	2,237	(1,922)	(1,528)	4,159	3,765
	Non-accrual delinquent loans	220,554	44,500	(25,826)	176,054	246,380
	Loans past due 3 months or more	8,348	1,826	(854)	6,522	9,202
	Restructured loans	149,227	(20,173)	935	169,400	148,292
	Total	380,368	24,232	(27,272)	356,136	407,640
Loans and bills discounted (period-end balance)		2,423,322	(79,516)	(254,364)	2,502,838	2,677,686
% to loans and bills discounted	Loans to bankrupt obligors	0.09	(0.07)	(0.05)	0.16	0.14
	Non-accrual delinquent loans	9.10	2.07	(0.10)	7.03	9.20
	Loans past due 3 months or more	0.34	0.08	0.00	0.26	0.34
	Restructured loans	6.15	(0.61)	0.62	6.76	5.53
	Total	15.69	1.47	0.47	14.22	15.22

## 2. Allowance ratio for risk-monitored loans

Non-Consolidated		(Millions of yen, %)			
		Sep. 30, 2020		Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)
Risk-monitored loans	(A)	374,792	27,359	(24,199)	347,433
Collateral or guarantees, etc.	(B)	125,236	6,648	(28,507)	118,588
Allowance for loan losses	(C)	154,844	8,291	(18,862)	146,553
Allowance ratio	(C/A)	41.31	(0.87)	(2.22)	42.18
Coverage ratio	(B+C)/(A)	74.72	(1.59)	(7.34)	76.31

Consolidated		(Millions of yen, %)			
		Sep. 30, 2020		Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)
Risk-monitored loans	(A)	380,368	24,232	(27,272)	356,136
Collateral or guarantees, etc.	(B)	126,613	6,025	(29,560)	120,588
Allowance for loan losses	(C)	157,392	5,763	(21,013)	151,629
Allowance ratio	(C/A)	41.37	(1.20)	(2.39)	42.57
Coverage ratio	(B+C)/(A)	74.66	(1.77)	(7.41)	76.43

## 3. Allowance for loan losses

Non-consolidated		(Millions of yen)			
		Sep. 30, 2020		Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)
Allowance for loan losses		178,933	4,787	(23,409)	174,146
General allowance for loan losses		66,425	(21,638)	(17,328)	88,063
Specific allowance for loan losses		112,508	26,425	(6,081)	86,083

Consolidated		(Millions of yen)			
		Sep. 30, 2020		Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)
Allowance for loan losses		186,092	2,113	(26,046)	183,979
General allowance for loan losses		70,191	(22,259)	(17,971)	92,450
Specific allowance for loan losses		115,900	24,371	(8,075)	91,529

## 4. Non-performing loans based on the Financial Reconstruction Law

Non-consolidated		(Millions of yen)			
		Sep. 30, 2020		Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)
Claims against bankrupt and substantially bankrupt obligors		100,725	8,086	(41,612)	92,639
Claims with collection risk		118,573	37,897	19,361	80,676
Claims for special attention		157,576	(18,347)	82	175,923
Total	(A)	376,875	27,637	(22,169)	349,238

## 5. Status of coverage of non-performing loans based on the Financial Reconstruction Law

Non-consolidated		(Millions of yen, %)			
		Sep. 30, 2020		Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)
Total coverage	(B)	280,089	14,888	(47,414)	265,201
Allowance for loan losses		154,820	8,227	(18,920)	146,593
Collateral or guarantees, etc.		125,269	6,661	(28,494)	118,608
Coverage ratio	(B/A)	74.31	(1.62)	(7.76)	75.93

## 6. Loan breakdown by industry, etc.

## (1) Loan breakdown by industry (Non-consolidated)

(Millions of yen)

	Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	2,418,417	(77,740)	(253,225)	2,496,157	2,671,642
Manufacturing	41,655	3,670	4,319	37,985	37,336
Agriculture and forestry	4,341	(75)	(230)	4,416	4,571
Fishery	4	(3)	4	7	0
Mining, quarrying and gravel	251	2	(4)	249	255
Construction	11,404	(883)	2,656	12,287	8,748
Utilities	179	47	(877)	132	1,056
Information and communication	1,163	(13)	(62)	1,176	1,225
Transportation and postal service	14,562	647	4,733	13,915	9,829
Wholesale and retail trade	29,759	(930)	(1,844)	30,689	31,603
Finance and insurance	20,138	(170)	(7,124)	20,308	27,262
Real estate, goods rental and leasing	39,429	12,001	(14,306)	27,428	53,735
Services	30,189	2,992	2,509	27,197	27,680
Government and municipal government	6,519	2,349	2,893	4,170	3,626
Others	2,218,814	(97,375)	(245,891)	2,316,189	2,464,705

## (2) Breakdown of risk-monitored loans by industry (Non-consolidated)

(Millions of yen)

	Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	374,792	27,359	(24,199)	347,433	398,991
Manufacturing	6,927	(273)	5,486	7,200	1,441
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel	-	-	-	-	-
Construction	850	(3)	(269)	853	1,119
Utilities	4	0	0	4	4
Information and communication	121	(2)	(29)	123	150
Transportation and postal service	4	0	(76)	4	80
Wholesale and retail trade	6,137	(168)	4,054	6,305	2,083
Finance and insurance	800	330	(6,079)	470	6,879
Real estate, goods rental and leasing	139	0	(36,890)	139	37,029
Services	1,161	(728)	(527)	1,889	1,688
Government and municipal government	-	-	-	-	-
Others	358,646	28,204	10,132	330,442	348,514

(Note) "Others" includes real estate financing for rent to individuals.

## (3) Consumer loans (Non-consolidated)

(Millions of yen)

	Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Consumer loans	2,210,878	(96,138)	(244,605)	2,307,016	2,455,483
Housing loans	522,778	(28,609)	(59,270)	551,387	582,048
Other loans	1,688,100	(67,529)	(185,334)	1,755,629	1,873,434

## (4) The ratio of loans to small- and medium-sized enterprises, etc. (Non-consolidated)

(%)

	Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
The ratio of loans to small- and medium-sized enterprises, etc.	97.57	(0.35)	(0.89)	97.92	98.46

(Note)“Loans to small- and medium-sized enterprises” includes consumer loans which comprise 91.41% of this total.

## 7. Loan breakdown by country

## (1) Loans to specific foreign countries (Non-consolidated)

Not applicable.

## (2) Loans to Asian countries (Non-consolidated)

Not applicable.

## 8. Deposits and loans (Non-consolidated)

(Millions of yen)

		Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits	period-end balance	3,187,132	(23,691)	22,191	3,210,823	3,164,941
	average balance	3,189,765	90,473	110,766	3,099,292	3,078,999
Loans	period-end balance	2,418,417	(77,740)	(253,225)	2,496,157	2,671,642
	average balance	2,457,070	(207,694)	(282,299)	2,664,764	2,739,369

## 9. Number of branches (Non-consolidated)

(Branches)

	Sep. 30, 2020			Mar. 31, 2020	Sep. 30, 2019
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Number of branches	126	(4)	(4)	130	130

## IV. Unrealized gains (losses) on securities

### 1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Sep. 30, 2020				Mar. 31, 2020				Sep. 30, 2019			
	Fair value	Net unrealized gains(losses)		Fair value	Net unrealized gains(losses)		Fair value	Net unrealized gains(losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Available-for-sale securities	193,730	8,535	8,948	412	118,691	6,785	7,386	600	113,579	10,732	11,167	435
Stocks	15,235	6,960	7,172	212	14,125	5,850	6,193	343	17,577	9,301	9,596	294
Bonds	116,584	417	458	41	103,146	276	368	92	94,509	703	705	2
Others	61,910	1,158	1,316	158	1,419	659	824	165	1,493	727	865	138

(Note1) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note2) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

Consolidated

(Millions of yen)

	Sep. 30, 2020				Mar. 31, 2020				Sep. 30, 2019			
	Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Available-for-sale securities	196,874	11,459	11,871	412	121,297	9,171	9,772	600	116,261	13,192	13,627	435
Stocks	16,102	7,730	7,943	212	14,844	6,472	6,816	343	18,261	9,888	10,182	294
Bonds	116,584	417	458	41	103,146	276	368	92	94,509	703	705	2
Others	64,187	3,311	3,469	158	3,306	2,422	2,587	165	3,491	2,600	2,738	138

(Note1) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note2) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

## V. Retirement benefits

### 1. Retirement benefit expenses

Non-consolidated

(Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2019
Service cost	247	253
Interest cost	51	52
Expected returns on plan assets	(400)	(439)
Amortization of unrecognized net actuarial gains (losses)	(48)	(438)
Others (non-recurring extra retirement payments, etc.) (Note)	107	107
Retirement benefit expenses	(40)	(464)

(Note) "Others (non-recurring extra retirement payments, etc.)" includes the contribution to a defined contribution pension plan.

Consolidated

(Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2019
Service cost (Note1)	267	264
Interest cost	51	52
Expected returns on plan assets	(400)	(439)
Amortization of unrecognized net actuarial gains (losses)	(48)	(438)
Others (non-recurring extra retirement payments, etc.) (Note2)	103	113
Retirement benefit expenses	(25)	(446)

(Note1) Retirement benefit expenses of consolidated subsidiaries adopting a simplified method are included in "Service cost".

(Note2) "Others (non-recurring extra retirement payments, etc.)" includes the contribution to a defined contribution pension plan.