

SURUGA Bank LTD.

Consolidated Financial Results for the fiscal year ended March 31, 2014

<under Japanese GAAP>

Stock Exchange: Tokyo (code:8358)
 URL: <http://www.surugabank.co.jp>
 Representative: President Mitsuyoshi Okano
 Date of Payment of Year-End Dividends: June 2, 2014

(Japanese yen amounts of less than one million and the first decimal place have been rounded down.)

1. Consolidated Financial Results (for fiscal year ended March 31, 2014)

(1) Operating Results

(Unit: Millions of Yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Net Income	
Fiscal year ended						
March 31, 2014	121,292	9.0%	46,110	27.2%	27,607	29.9%
March 31, 2013	111,241	3.6%	36,247	21.9%	21,241	36.5%

(Note1) Comprehensive Income: Fiscal year ended March 31, 2014: ¥30,605 million (7.9%); Fiscal year ended March 31, 2013: ¥28,349 million (63.6%)

(Note2) Percentages shown in Ordinary Income, Ordinary Profit and Net Income and Comprehensive Income are the increase (decrease) from the same period pervious year.

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
Fiscal year ended					
March 31, 2014	¥116.76	¥116.60	11.7%	1.1%	38.0%
March 31, 2013	¥90.11	¥90.10	10.2%	0.9%	32.5%

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2014: (¥27million); Fiscal year ended March 31, 2013: ¥22million

(2) Financial Position

(Unit: Millions of Yen, except percentages)

	Total Assets	Total Net Assets	Own Capital Ratio	Net Assets per Share
March 31, 2014	4,098,552	251,816	6.0%	1,055.00
March 31, 2013	3,769,657	222,450	5.8%	933.04

(Reference) Own Capital: March 31, 2014: ¥249,595 million; March 31, 2013: ¥219,990 million

(Note) Own Capital Ratio = (Total Net Assets - Subscription Rights to Shares - Minority Interests) / Total Assets * 100

(3) Cash Flows

(Unit: Millions of Yen)

	Cash Flows from Operating activities	Cash Flows from Investing activities	Cash Flows from Financing activities	Cash and cash equivalents at year-end
Fiscal year ended				
March 31, 2014	589,220	5,076	△2,821	697,472
March 31, 2013	△35,060	99,478	△3,221	105,988

2. Dividend on Common Stock

	Annual Cash Dividends par Share					Total Cash Dividends (Annual)	Dividends Pay-out Ratio (Consolidated basis)	Dividends on Net Assets (Consolidate basis)
	1 st Quarter -End	2 nd Quarter -End	3 rd Quarter -End	Fiscal Year -End	Total			
Fiscal year						Million yen		
Ended March 31, 2013	—	¥6.50	—	¥8.50	¥15.00	3,536	16.6%	1.7%
Ended March 31, 2014	—	¥7.50	—	¥9.50	¥17.00	4,021	14.5%	1.7%
Ending March 31, 2015 (Forecasts)	—	¥8.50	—	¥8.50	¥17.00		14.0%	

3. Earnings Forecasts (for the fiscal year ending March 31, 2015)

(Unit: Millions of Yen, except per share data)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
Six month ending September 30, 2014	61,500	4.8%	22,700	1.3%	14,000	1.1%	¥59.17
Fiscal year ending March 31, 2015	124,000	2.2%	46,000	(0.2%)	28,600	3.5%	¥120.88

(Note) Percentages shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the same period pervious year.

※Note

(1) Changes in the scope of consolidated significant subsidiaries in the fiscal year ended March 31, 2014: No

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

(A) Changes due to revision of accounting standards:	yes
(B) Changes due to reasons other than (A):	No
(C) Changes in accounting estimates:	No
(D) Restatements:	No

(3) Number of common shares issued at the end of period

(A) Number of stocks issued (including treasury stocks):	March 31, 2014	258,139,248 shares	March 31, 2013	258,139,248 shares
(B) Number of treasury stocks:	March 31, 2014	21,557,594 shares	March 31, 2013	22,361,833 shares
(C) Average outstanding stocks for the fiscal year ended:	March 31, 2014	236,426,646 shares	March 31, 2013	235,716,965 shares

(Reference) Non-Consolidated Financial Highlight

1. Non-Consolidated Financial Results (for the fiscal year ended March 31, 2014)

(1) Operating Results

(Unit: Millions of Yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Net Income	
Fiscal year ended						
March 31, 2014	113,062	9.5%	45,363	28.0%	27,553	30.7%
March 31, 2013	103,160	3.5%	35,417	27.3%	21,069	42.2%

(Note) Percentages Shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the same period previous year.

	Net Income per Share	Net Income per Share (Diluted)
Fiscal year ended		
March 31, 2014	¥116.54	¥116.37
March 31, 2013	¥89.38	¥89.37

(2) Financial Position

(Unit: Millions of Yen, except per share data and percentages)

	Total Assets	Total Net Assets	Own Capital Ratio	Net Assets per Share
March 31, 2014	4,089,021	245,210	5.9%	¥1,034.75
March 31, 2013	3,760,471	217,768	5.7%	¥920.28

(Reference) Own Capital: March 31, 2014: ¥244,803 million; March 31, 2013: ¥216,983 million

(Note) Own Capital Ratio = (Total Net Assets - Subscription Rights to Shares) / Total Assets * 100

2. Earnings Forecasts (for the fiscal year ending March 31, 2015)

(Unit: Millions of Yen, except per share data)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
Six month ending September 30, 2014	57,500	4.8%	22,500	1.8%	14,000	1.2%	¥59.17
Fiscal year ending March 31, 2015	116,000	2.5%	45,500	0.3%	28,500	3.4%	¥120.46

(Note) Percentages shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the same period previous year.

(Statement relating to the status of the audit procedures)

This report is not subject to the audit procedures, which are based on the Financial Instruments and Exchange Law.

The audit procedures are not finished at the time of release of these financial statements.

(Notes for using forecasts information etc.)

The description of future performance of this report is based on information, which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance. Please take note that future performance may differ from forecasts. Regarding the assumptions for financial forecasts of this report, please refer to P2 of attached documents.

[Attachment]

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1. Operating Results

(1) Analysis of business performance

The Japanese economy during the consolidated period continued to improve modestly as corporate earnings improved and domestic demand including personal consumption remained strong thanks to easy monetary policy and the other economic measures.

With regard to the profit and loss situation on a consolidated basis ordinary income was up ¥10.051 billion from the same period of the previous year to ¥121.292 billion owing to factors such as gains from increase in interest on loans and discounts.

Ordinary expenses totaled ¥75.181 billion, up ¥188 million year-on-year owing to factors such as increase in general and administrative expenses, while loan-loss allowance decreased.

As a result, ordinary profit increased ¥9.863 billion from a year earlier to ¥46.110 billion.

Net income during the period performed a year-on-year increase of ¥6.366 billion to ¥27.607 billion.

(2) Analysis of financial position

With regard to our main accounts on a consolidated basis at the end of the period, balance of loans and bills discounted totaled ¥2.878723 trillion, up ¥ 123.822 billion from the same period of the previous year as the personal loan balance steadily increased.

Balance of securities totaled ¥218.890 billion, down ¥11.902 billion compared to the end of the previous fiscal year.

The balance of deposits was up ¥299.567 billion to ¥3.809658 trillion from the end of the previous fiscal year.

(3) Description of forward-looking information such as consolidated earnings forecast

Consolidated

	Millions of Yen	
	Six month ending September 30, 2014	Fiscal year ending March 31, 2015
O r d i n a r y i n c o m e	61,500	124,000
O r d i n a r y p r o f i t	22,700	46,000
N e t i n c o m e	14,000	28,600

Non-consolidated

	Millions of Yen	
	Six month ending September 30, 2014	Fiscal year ending March 31, 2015
O r d i n a r y i n c o m e	57,500	116,000
N e t b u s i n e s s p r o f i t	24,000	48,500
O r d i n a r y p r o f i t	22,500	45,500
N e t i n c o m e	14,000	28,500
Credit-related expenses in real terms	500	1,000

(Note) The earnings forecast was created based on the information available as of the date of this announcement and actual results may differ from the forecast figures owing to various factors in the future.

2. Consolidated financial statements

(1) Consolidated balance sheets

Millions of Yen

	As of March 31, 2013	As of March 31, 2014
Assets		
Cash and due from banks	109,970	700,543
Call loans and bills bought	570,064	183,295
Trading account securities	34	39
Money held in trust	1,000	905
Securities	230,792	218,890
Loans and bills discounted	2,754,901	2,878,723
Foreign exchanges	3,927	3,858
Lease receivables and investment assets	5,652	5,558
Other assets	38,635	39,580
Tangible fixed assets	48,953	48,971
Buildings, net	11,830	11,569
Land	24,951	24,902
Lease assets, net	152	101
Construction in progress	355	262
Other tangible fixed assets	11,663	12,135
Intangible fixed assets	23,919	30,995
Software	4,283	27,108
Goodwill	2,459	2,330
Lease assets	45	30
Software in progress	16,709	1,109
Other intangible fixed assets	420	417
Net defined benefit asset	—	5,268
Deferred tax assets	7,917	3,222
Customers' liabilities for acceptances and guarantees	4,170	4,108
Allowance for loan losses	△30,282	△25,410
Total assets	3,769,657	4,098,552
Liabilities		
Deposits	3,510,091	3,809,658
Borrowed money	3,265	2,805
Foreign exchanges	17	5
Other liabilities	25,024	25,189
Provision for bonus	648	667
Provision for directors' bonus	80	140
Provision for retirement benefits	261	—
Net defined benefit liability	—	278
Provision for directors' retirement benefits	2,701	2,902
Provision for reimbursement of deposits	274	282
Provision for contingent loss	552	523
Deferred tax liabilities	119	174
Acceptances and guarantees	4,170	4,108
Total liabilities	3,547,207	3,846,735

	As of March 31, 2013	As of March1, 2014
Net assets		
Capital stock	30,043	30,043
Capital surplus	19,547	20,278
Retained earnings	179,511	203,340
Treasury stock	△17,194	△16,626
Total shareholders' equity	211,908	237,035
Valuation difference on available-for-sale securities	8,097	10,955
Deferred gains or losses on hedges	△15	△13
Remeasurements of defined benefit plans	—	1,617
Total accumulated other comprehensive income	8,082	12,560
Subscription rights to shares	784	406
Minority interests	1,675	1,813
Total net assets	222,450	251,816
Total liabilities and net assets	3,769,657	4,098,552

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

Millions of Yen

	For the year ended March 31, 2013	For the year ended March 31, 2014
Ordinary income	111,241	121,292
Interest income	91,528	100,075
Interest on loans and discounts	89,659	97,304
Interest and dividends on securities	1,132	1,973
Interest on call loans and bills bought	542	399
Interest on deposits with banks	0	307
Other interest income	194	90
Fees and commissions	12,204	12,216
Other ordinary income	4,754	4,569
Gains on sales of bonds	85	26
Gains on redemption of bonds	1,019	753
Other	3,649	3,789
Other income	2,754	4,431
Reversal of allowance for loan losses	528	2,619
Recoveries of written off claims	1,264	1,043
Gain on sales of stocks and other securities	98	53
Equity in earnings of affiliates	22	—
Other	840	714
Ordinary expenses	74,993	75,181
Interest expenses	3,047	3,438
Interest on deposits	2,967	3,386
Interest on call money and bills sold	0	—
Interest on borrowings and rediscount	33	27
Other interest expenses	46	23
Fees and commissions payments	13,300	13,103
Other ordinary expenses	3,157	3,885
Loss on sales of bonds	0	187
Loss on redemption of bonds	204	490
Other	2,951	3,207
General and administrative expenses	44,723	46,638
Other expenses	10,765	8,115
Written-off of loans	4,580	3,885
Losses on sales of stocks and other securities	75	19
Losses on devaluation of stocks and other securities	503	9
Equity in losses of affiliates	—	27
Other	5,605	4,174
Ordinary profit	36,247	46,110
Extraordinary income	26	140
Gain on disposal of noncurrent assets	26	52
Reversal of subscription rights to shares gain	—	88
Extraordinary loss	258	309
Loss on disposal of noncurrent assets	254	309
Impairment loss	3	—
Income before income taxes and minority interests	36,015	45,941
Income taxes—current	10,770	15,936
Income taxes—deferred	3,767	2,298
Total income taxes	14,538	18,234
Income before minority interests	21,477	27,707
Income attributable to minority interests	235	100
Net income	21,241	27,607

Consolidated statements of comprehensive income

Millions of Yen

	For the year ended March 31, 2013	For the year ended March 31, 2014
Income before minority interests	21,477	27,707
Other comprehensive income		
Valuation difference on available-for-sale securities	6,903	2,896
Deferred gains or losses on hedges	△31	1
Total other comprehensive income	6,871	2,898
Comprehensive income	28,349	30,605
(Breakdown)		
Comprehensive income attributable to owners of the parent	28,078	30,467
Comprehensive income attributable to minority interests	270	138

(3) Consolidated statements of changes in net assets

For the year ended March 31, 2013

Millions of Yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	30,043	19,501	161,336	△17,018	193,862
Changes of items during the period					
Dividends from surplus			△3,065		△3,065
Net income			21,241		21,241
Purchase of treasury shares				△255	△255
Disposal of treasury shares		45		79	125
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	45	18,175	△176	18,045
Balance at the end of current period	30,043	19,547	179,511	△17,194	211,908

	Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,227	16	1,243	760	1,404	197,271
Changes of items during the period						
Dividends from surplus						△3,065
Net income						21,241
Purchase of treasury shares						△255
Disposal of treasury shares						125
Net changes of items other than shareholders' equity	6,870	△31	6,838	23	270	7,133
Total changes of items during the period	6,870	△31	6,838	23	270	25,178
Balance at the end of current period	8,097	△15	8,082	784	1,675	222,450

For the year ended March 31, 2014

Millions of Yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	30,043	19,547	179,511	△17,194	211,908
Changes of items during the period					
Dividends from surplus			△3,778		△3,778
Net income			27,607		27,607
Purchase of treasury shares				△91	△91
Disposal of treasury shares		730		660	1,390
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	730	23,829	568	25,127
Balance at the end of current period	30,043	20,278	203,340	△16,626	237,035

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	8,097	△15	—	8,082	784	1,675	222,450
Changes of items during the period							
Dividends from surplus							△3,778
Net income							27,607
Purchase of treasury shares							△91
Disposal of treasury shares							1,390
Net changes of items other than shareholders' equity	2,858	1	1,617	4,477	△377	138	4,238
Total changes of items during the period	2,858	1	1,617	4,477	△377	138	29,366
Balance at the end of current period	10,955	△13	1,617	12,560	406	1,813	251,816

(4) Consolidated statements of cash flows

Millions of Yen

	For the year ended March 31, 2013	For the year ended March 31, 2014
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	36,015	45,941
Depreciation and amortization	4,138	4,389
Impairment loss	3	—
Amortization of goodwill	129	129
Increase (decrease) in allowance for loan losses	△3,266	△4,871
Increase (decrease) in provision for bonuses	1	18
Increase (decrease) in provision for directors' bonuses	20	60
Increase (decrease) in provision for retirement benefits	△60	—
Increase (decrease) in net defined benefit liability	—	△759
Increase (decrease) in provision for directors' retirement benefits	△22	201
Increase (decrease) in provision for reimbursement of deposits	△8	7
Increase (decrease) in provision for contingent loss	72	△28
Gain on fund management	△91,528	△100,075
Financing expenses	3,047	3,438
Loss (gain) related to securities	△418	△127
Loss (gain) on money held in trust	△11	25
Loss (gain) on disposal of noncurrent assets	228	257
Net decrease (increase) in trading account securities	15	△4
Net decrease (increase) in loans and bills discounted	△142,571	△123,821
Net increase (decrease) in deposit	251,856	299,566
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	150	△460
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	△845	910
Net decrease (increase) in call loans	△178,678	386,769
Net increase (decrease) in call money	△42	—
Net decrease (increase) in foreign exchanges—assets	△493	69
Net increase (decrease) in foreign exchanges—liabilities	16	△12
Net decrease (increase) in lease receivables and investment assets	178	93
Proceeds from fund management	91,194	99,677
Payments for finance	△3,623	△3,407
Other, net	811	△4,284
Subtotal	△33,691	603,704
Income taxes paid	△1,368	△14,483
Net cash provided by (used in) operating activities	△35,060	589,220
Net cash provided by (used in) investing activities		
Purchase of securities	△101,594	△57,355
Proceeds from sales of securities	31,948	32,277
Proceeds from redemption of securities	180,151	41,846
Decrease in money held in trust	124	69
Purchase of tangible fixed assets	△3,505	△2,965
Proceeds from sales of tangible fixed assets	49	234
Purchase of intangible fixed assets	△7,696	△9,029
Net cash provided by (used in) investing activities	99,478	5,076
Net cash provided by (used in) financing activities		
Cash dividends paid	△3,065	△3,778
Purchase of treasury stock	△255	△91
Proceeds from sales of treasury stock	99	1,048
Net cash provided by (used in) financing activities	△3,221	△2,821
Effect of exchange rate change on cash and cash equivalents	△4	8
Net increase (decrease) in cash and cash equivalents	61,192	591,484
Cash and cash equivalents at beginning of period	44,796	105,988
Cash and cash equivalents at end of period	105,988	697,472

(5) Note for the assumption of going concern

Not applicable.

(6) Changes in accounting policies, accounting estimates and restatement

(Application of accounting standard for retirement benefits, etc.)

Suruga Bank has adopted the accounting standard for retirement benefits (ASBJ Statement No. 26, May 17, 2012, hereinafter referred to as the "Retirement Benefits Statement") and the guidance on accounting standard for retirement benefits (ASBJ Guidance No.25, May 17, 2012, hereinafter referred to as the "Retirement Benefits Guidance") from the end of fiscal year ended March 31, 2014(excluding as otherwise provided in the main clause of Retirement Benefits Statement Article 35 and the Retirement Benefits Guidance Article 67).The difference between Retirement benefit obligations and Plan assets at fair value was recorded as Net defined benefit asset or Net defined benefit liability.

The Accounting standard for retirement benefits, etc. was applied in accordance with the transitional measures provided by the Retirement Benefits Statement Article 37.Unrecognized actuarial gains or losses after tax effect adjustments were recorded as Remeasurements of defined benefit plans in Total accumulated other comprehensive income, as of the end of financial year ended March 31, 2014.

As a result, Net defined benefit asset was ¥5.268 billion and Net defined benefit liability was ¥278 million as end of the financial year ended March 31, 2014.Also, Deferred tax assets decreased by ¥878 million and Total accumulated other comprehensive income increased by ¥1.617 billion.

3. Non-consolidated financial statements

(1) Non-consolidated balance sheets

Millions of Yen

	As of March 31, 2013	As of March 31, 2014
Assets		
Cash and due from banks	109,215	700,300
Cash	38,541	28,268
Due from banks	70,673	672,031
Call loans	570,064	183,295
Trading account securities	34	39
Trading government bonds	—	0
Trading local government bonds	34	38
Money held in trust	1,000	905
Securities	235,432	223,371
Government bonds	150,345	145,262
Local government bonds	8,514	171
Corporate bonds	7,648	2,538
Stocks	45,692	49,408
Other securities	23,231	25,989
Loans and bills discounted	2,755,395	2,880,085
Bills discounted	2,365	1,794
Loans on bills	47,030	38,250
Loans on deeds	2,411,415	2,524,543
Overdrafts	294,584	315,496
Foreign exchanges	3,927	3,858
Due from foreign banks (our accounts)	1,788	1,201
Foreign bills bought	0	0
Foreign bills receivable	2,139	2,656
Other assets	28,780	31,293
Prepaid expenses	1,117	1,799
Accrued income	7,986	8,260
Initial margins of futures markets	—	200
Derivatives other than for trading-assets	476	1,076
Other	19,200	19,956
Tangible fixed assets	47,566	47,575
Buildings, net	11,199	10,906
Land	24,314	24,313
Lease assets, net	657	725
Construction in progress	353	262
Other tangible fixed assets	11,042	11,367
Intangible fixed assets	21,272	28,389
Software	4,135	26,855
Lease assets	45	30
Software in progress	16,680	1,095
Other intangible fixed assets	411	408
Prepaid pension cost	1,996	2,772
Deferred tax assets	7,513	3,623
Customers' liabilities for acceptances and guarantees	4,176	4,114
Allowance for loan losses	△25,906	△20,603
Total assets	3,760,471	4,089,021

Millions of Yen

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Deposits	3,514,877	3,816,373
Current deposits	58,179	66,456
Ordinary deposits	1,056,149	1,162,129
Saving deposits	21,204	19,859
Deposits at notice	100,368	92,916
Time deposits	2,053,035	2,280,868
Other deposits	225,941	194,142
Foreign exchanges	17	5
Foreign bills sold	17	5
Foreign bills payable	—	0
Other liabilities	19,417	18,857
Income taxes payable	9,511	10,582
Accrued expenses	3,521	3,572
Unearned revenue	129	171
Deposits received from employees	824	759
Lease obligations	644	717
Derivatives other than for trading—liabilities	2,210	307
Other	2,575	2,746
Provision for bonus	607	614
Provision for directors' bonus	80	140
Provision for directors' retirement benefits	2,699	2,899
Provision for reimbursement of deposits	274	282
Provision for contingent loss	552	523
Acceptances and guarantees	4,176	4,114
Total liabilities	3,542,703	3,843,810
Net assets		
Capital stock	30,043	30,043
Capital surplus	18,631	19,362
Legal capital surplus	18,585	18,585
Other capital surplus	45	776
Retained earnings	177,646	201,421
Legal retained earnings	30,043	30,043
Other retained earnings	147,603	171,378
Reserve for advanced depreciation of noncurrent assets	55	55
General reserve	103,032	103,032
Retained earnings brought forward	44,516	68,291
Treasury stock	△17,194	△16,626
Total shareholders' equity	209,127	234,200
Valuation difference on available-for-sale securities	7,869	10,614
Deferred gains or losses on hedges	△13	△12
Valuation and translation adjustments	7,856	10,614
Subscription rights to shares	784	406
Total net assets	217,768	245,210
Total liabilities and net assets	3,760,471	4,089,021

(2) Non-consolidated statements of income

Millions of Yen

	For the year ended March 31, 2013	For the year ended March 31, 2014
Ordinary income	103,160	113,062
Interest income	88,134	95,848
Interest on loans and discounts	86,269	93,085
Interest and dividends on securities	1,122	1,960
Interest on call loans	542	399
Interest on deposits with banks	—	307
Interest on interest swaps	0	—
Other interest income	200	95
Trust fees	0	0
Fees and commissions	11,503	11,382
Fees and commissions on domestic and foreign exchanges	2,893	2,444
Other fees and commissions	8,610	8,938
Other ordinary income	1,196	892
Gains on foreign exchange transactions	88	112
Gain on trading account securities transactions	3	—
Gains on sales of bonds	85	26
Gains on redemption of bonds	1,019	753
Other income	2,324	4,939
Reversal of allowance for loan losses	410	3,422
Recoveries of written off claims	1,025	771
Gain on sales of stocks and other securities	98	53
Gain on money held in trust	15	0
Other	775	691
Ordinary expenses	67,742	67,698
Interest expenses	3,015	3,411
Interest on deposits	2,968	3,387
Interest on call money	0	—
Interest on interest swaps	7	2
Other interest expenses	39	21
Fees and commissions payments	13,562	13,167
Fees and commissions on domestic and foreign exchanges	880	876
Other fees and commissions	12,681	12,290
Other ordinary expenses	205	678
Loss on trading account securities transactions	—	0
Loss on sales of bonds	0	187
Loss on redemption of bonds	204	490
General and administrative expenses	41,861	43,764
Other expenses	9,098	6,677
Written-off of loans	3,197	2,734
Losses on sales of stocks and other securities	75	2
Losses on devaluation of stocks and other securities	503	—
Loss on money held in trust	4	26
Other	5,318	3,914
Ordinary profit	35,417	45,363
Extraordinary income	5	121
Gain on disposal of noncurrent assets	5	33
Reversal of subscription rights to shares gain	—	88
Extraordinary loss	245	309
Loss on disposal of noncurrent assets	245	309
Income before income taxes	35,176	45,175
Income taxes—current	10,376	15,224
Income taxes—deferred	3,730	2,398
Total income taxes	14,106	17,622
Net income	21,069	27,553

(3) Non-consolidated statements of changes in net assets

For the year ended March 31, 2013

Millions of Yen

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at the beginning of current period	30,043	18,585	—	18,585	30,043
Changes of items during the period					
Dividends from surplus					
Net income					
Purchase of treasury shares					
Disposal of treasury shares			45	45	
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	45	45	—
Balance at the end of current period	30,043	18,585	45	18,631	30,043

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Other retained earnings			Total Retained earnings		
	Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward			
Balance at the beginning of current period	55	103,032	26,512	159,642	△17,018	191,253
Changes of items during the period						
Dividends from surplus			△3,065	△3,065		△3,065
Net income			21,069	21,069		21,069
Purchase of treasury shares					△255	△255
Disposal of treasury shares					79	125
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	18,004	18,004	△176	17,873
Balance at the end of current period	55	103,032	44,516	177,646	△17,194	209,127

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of current period	1,102	19	1,121	760	193,135
Changes of items during the period					
Dividends from surplus					△3,065
Net income					21,069
Purchase of treasury shares					△255
Disposal of treasury shares					125
Net changes of items other than shareholders' equity	6,767	△32	6,734	23	6,758
Total changes of items during the period	6,767	△32	6,734	23	24,632
Balance at the end of current period	7,869	△13	7,856	784	217,768

For the year ended March 31, 2014

Millions of Yen

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at the beginning of current period	30,043	18,858	45	18,631	30,043
Changes of items during the period					
Dividends from surplus					
Net income					
Purchase of treasury shares					
Disposal of treasury shares			730	730	
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	730	730	—
Balance at the end of current period	30,043	18,585	776	19,362	30,043

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Other retained earnings			Total Retained earnings		
	Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward			
Balance at the beginning of current period	55	103,032	44,516	177,646	△17,194	209,127
Changes of items during the period						
Dividends from surplus			△3,778	△3,778		△3,778
Net income			27,553	27,553		27,553
Purchase of treasury shares					△91	△91
Disposal of treasury shares					660	1,390
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	23,775	23,775	568	25,073
Balance at the end of current period	55	103,032	68,291	201,421	△16,626	234,200

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of current period	7,869	△13	7,856	784	217,768
Changes of items during the period					
Dividends from surplus					△3,778
Net income					27,553
Purchase of treasury shares					△91
Disposal of treasury shares					1,390
Net changes of items other than shareholders' equity	2,745	0	2,746	△377	2,368
Total changes of items during the period	2,745	0	2,746	△377	27,442
Balance at the end of current period	10,614	△12	10,602	406	245,210

(Reference data)

【Non-consolidated】

(1) Interest margin

All operations

(%)

		March 31, 2014		March 31, 2013
		(a)	(a) - (b)	(b)
Yield on outstanding loans	A	3.38	0.09	3.29
Yield on deposits	B	0.09	0.01	0.08
Loan - deposit margin (Yield on outstanding loans - Yield on deposits)	A - B	3.28	0.08	3.20
Loan - deposit margin (after deduction from expense ratio)		2.06	0.12	1.94
Net interest margin		1.31	0.07	1.24

Domestic operations

(%)

		March 31, 2014		March 31, 2013
		(a)	(a) - (b)	(b)
Yield on outstanding loans	A	3.40	0.07	3.33
Yield on deposits	B	0.09	0.01	0.08
Loan - deposit margin (Yield on outstanding loans - Yield on deposits)	A - B	3.30	0.05	3.25
Loan - deposit margin (after deduction from expense ratio)		2.08	0.10	1.98
Net interest margin		1.35	0.06	1.29

(2) OHR

(%)

	March 31, 2014		March 31, 2013
	(a)	(a) - (b)	(b)
OHR	47.6	△1.8	49.4

(3) The capital adequacy ratio

(%)

	As of March 31, 2014		As of March 31, 2013
	(a)	(a) - (b)	(b)
The capital adequacy ratio (Domestic standard)	11.42	0.64	10.78

The capital adequacy ratio has been calculated based on the new domestic standard from the fiscal year ended March 31, 2014.

(4) ROE, ROA

(%)

	March 31, 2014		March 31, 2013
	(a)	(a) - (b)	(b)
ROE	13.22	2.12	11.10
ROA	0.72	0.13	0.59

* ROE: Net income per average own capital

ROA: Net income per average total assets