

SURUGA bank, Ltd.

Consolidated financial results for the six months ended September 30, 2019

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)
 URL: <https://www.surugabank.co.jp>
 Representative: Michio Arikuni, 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, 2019

(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, 2019	64,062	(14.6)	20,099	-	15,972	-
September 30, 2018	75,027	(0.9)	(85,726)	-	(100,785)	-

(Note) Comprehensive income:

(a) Six months ended Sep. 30, 2019: ¥11,386 million [-%]; (b) Six months ended Sep. 30, 2018: ¥(103,360) million [- %]

	Earnings per share	Earnings per share (diluted)
Six months ended September 30, 2019	yen 68.95	yen -
September 30, 2018	(435.08)	-

(Note1) Earnings per share for the six months ended September 30, 2019 is not provided because there are no potentially shares.

(Note2) Earnings per share for the six months ended September 30, 2018 is not provided although there was a potential share, a loss was recorded.

(2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2019	3,441,501	253,681	7.3
March 31, 2019	3,428,327	242,308	7.0

(Reference) Shareholders' equity:

(a) As of September 30, 2019: ¥252,357 million; (b) As of March 31, 2019: ¥241,015 million

(Note) Net assets ratio = {(Total net assets - Subscription rights to shares - 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 st quarter -end	2 nd quarter -end	3 rd quarter -end	Fiscal year -end	Total
Fiscal year ended March 31, 2019	yen -	yen 0.00	yen -	yen 0.00	yen 0.00
ending March 31, 2020	-	0.00			
ending March 31, 2020 (forecast)			-	-(not decided)	-(not decided)

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

3. Consolidated earnings forecast for the fiscal year ending March 31, 2020

(% 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, 2020	116,500	(16.5)	23,000	-	15,500	-	66.91

(Note) Revision of earnings forecast from the latest announcement: Yes

* 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, 2019	232,139,248 shares	As of Mar. 31, 2019	232,139,248 shares
(B) Number of treasury shares:	As of Sep. 30, 2019	488,639 shares	As of Mar. 31, 2019	488,242 shares
(C) Average number of shares:	Six months ended Sep. 30, 2019	231,650,754 shares	Six months ended Sep. 30, 2018	231,646,282 shares

(Summary of non-consolidated financial results)

1. Non-consolidated financial results for the six months ended September 30, 2019

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

Six months ended	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2019	57,133	(18.6)	19,388	-	15,638	-
September 30, 2018	70,239	2.7	(83,737)	-	(98,280)	-

Earnings per share	
Six months ended	yen
September 30, 2019	67.50
September 30, 2018	(424.26)

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2019	3,424,637	239,084	6.9
March 31, 2019	3,412,017	227,947	6.6

(Reference) Shareholders' equity:

(a) As of September 30, 2019: ¥239,084 million; (b) As of March 31, 2019: ¥227,935 million

(Note) Net assets ratio = {(Total net assets - Subscription rights to shares) / 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, 2020

(% represents the change from the previous fiscal year)

Fiscal year ending	Ordinary income		Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
March 31, 2020	103,000	(19.1)	22,000	-	15,000	-	64.75

(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, 2019.
- 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)

Table of contents

1. Qualitative information on financial results	2
(1) Details of operating results	2
(2) Details of financial position	2
(3) Details of forecast information, including consolidated earnings forecast	2
2. Consolidated financial statements and notes	3
(1) Consolidated balance sheets	3
(2) Consolidated statements of income and Consolidated statements of comprehensive income	4
(3) Consolidated statements of changes in net assets	6
(4) Notes regarding consolidated financial statements	8
(Notes on going-concern assumption)	8
(Changes in accounting policies, changes in accounting estimates and restatements)	8
3. Non-consolidated financial statements	9
(1) Non-consolidated balance sheets	9
(2) Non-consolidated statements of income	11
(3) Non-consolidated statements of changes in net assets	12

* Financial results for the six months ended September 30, 2019 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, 2019, ordinary income decreased by ¥10.965 billion year-on-year to ¥64.062 billion. The decrease in interest on loans is due to a decrease in loans and bills discounted and a drop yield on loans and bills discounted. This was primarily due to the decline in interest income reflecting the drop in interest on loans and bills discounted. Meanwhile, ordinary expenses increased by ¥116.791 billion year-on-year to ¥43.962 billion, mainly due to the fall in net credit costs.

As a result, ordinary profit increased by ¥105.825 billion year-on-year to ¥20.099 billion. Profit attributable to owners of parent increased by ¥116.757 billion year-on-year to ¥15.972 billion.

(2) Details of financial position

As for the consolidated major account balances as of September 30, 2019, loans and bills discounted came in at ¥2,677.686 billion, down by ¥226.701 billion from March 31, 2019. This was primarily due to the decrease (¥209.371 billion) in consumer loans (non-consolidated).

Securities amounted to ¥129.889 billion, down by ¥3.297 billion from March 31, 2019.

Deposits amounted to ¥3,159.046 billion, down by ¥0.558 billion from March 31, 2019, mainly due to a decrease (¥49.630 billion) in individual deposits.

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

The Bank has revised its earnings forecast for the fiscal year ending March 31, 2020 from that announced on August 14, 2019. For details, please refer to the document disclosed separately today (November 14, 2019) titled “Announcement Regarding the Difference between the Forecast and Actual Results for the Six Months Ended September 30, 2019 and a Revision to the Earnings Forecast for the Fiscal year ending March 31, 2020”.

Consolidated (Billions of yen)

	Fiscal year ending March 31, 2020
Ordinary income	116.5
Ordinary profit	23.0
Profit attributable to owners of parent	15.5

Non-consolidated (Billions of yen)

	Fiscal year ending March 31, 2020
Ordinary income	103.0
Core net operating profit	36.0
Net operating profit	33.0
Ordinary profit	22.0
Net income	15.0
Actual credit costs	19.0

(Note) 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, 2019	As of Sep. 30, 2019
Assets		
Cash and due from banks	424,073	679,381
Call loans and bills bought	561	551
Trading account securities	167	157
Money held in trust	515	416
Securities	133,186	129,889
Loans and bills discounted	2,904,387	2,667,686
Foreign exchanges	2,407	2,501
Lease receivables and investment assets	6,368	6,599
Other assets	62,493	48,513
Tangible fixed assets	48,311	47,721
Intangible fixed assets	24,601	22,948
Net defined benefit asset	15,376	15,968
Deferred tax assets	13,400	18,805
Customers' liabilities for acceptances and guarantees	2,551	2,499
Allowance for loan losses	(210,076)	(212,138)
Total assets	3,428,327	3,441,501
Liabilities		
Deposits	3,159,604	3,159,046
Borrowed money	740	605
Foreign exchanges	16	11
Other liabilities	20,999	23,559
Provision for bonuses	482	511
Net defined benefit liability	295	286
Provision for directors' retirement benefits	246	238
Provision for reimbursement of deposits	398	285
Provision for contingent losses	111	86
Deferred tax liabilities	572	688
Acceptances and guarantees	2,551	2,499
Total liabilities	3,186,019	3,187,819
Net assets		
Capital stock	30,043	30,043
Capital surplus	1,202	1,202
Retained earnings	193,263	209,236
Treasury shares	(560)	(560)
Total shareholders' equity	223,948	239,921
Net unrealized gains (losses) on available-for-sale securities	13,352	9,024
Deferred gains (losses) on hedges	(35)	(33)
Remeasurements of defined benefit plans	3,750	3,444
Total accumulated other comprehensive income	17,067	12,436
Subscription rights to shares	12	-
Non-controlling interests	1,280	1,324
Total net assets	242,308	253,681
Total liabilities and net assets	3,428,327	3,441,501

(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, 2018	For the six months ended Sep. 30, 2019
Ordinary income	75,027	64,062
Interest income	58,512	48,559
Interest on loans and bills discounted	57,190	47,858
Interest and dividends on securities	921	458
Fees and commissions	6,105	5,397
Other operating income	2,283	3,970
Other income	8,125	6,134
Ordinary expenses	160,753	43,962
Interest expenses	1,185	777
Interest on deposits	1,027	610
Fees and commissions payments	7,170	8,023
Other operating expenses	1,537	1,524
General and administrative expenses	25,856	24,385
Other expenses	125,002	9,251
Ordinary profit	(85,726)	20,099
Extraordinary gains	2,311	47
Gains on disposal of non-current assets	0	34
Gain on reversal of subscription rights to shares	-	12
Reversal provision for directors' retirement benefits	2,311	-
Extraordinary losses	2,739	253
Losses on disposal of non-current assets	143	251
Impairment loss	2,595	2
Income before income taxes	(86,153)	19,892
Income taxes - current	10,132	7,171
Income taxes - deferred	4,551	(3,269)
Total income taxes	14,684	3,902
Profit	(100,837)	15,990
Profit attributable to non-controlling interests	(52)	17
Profit attributable to owners of parent	(100,785)	15,972

Consolidated statements of comprehensive income

	(Millions of yen)	
	For the six months ended Sep. 30, 2018	For the six months ended Sep. 30, 2019
Profit	(100,837)	15,990
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(2,425)	(4,301)
Deferred gains (losses) on hedges	17	2
Remeasurements of defined benefit plans, net of tax	(114)	(305)
Total other comprehensive income	(2,522)	(4,604)
Comprehensive income	(103,360)	11,386
(Breakdown)		
Comprehensive income attributable to owners of parent	(103,307)	11,342
Comprehensive income attributable to non-controlling interests	(52)	43

(3) Consolidated statements of changes in net assets

For the six months ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	489	292,841	(582)	322,791
Changes of items during period					
Dividends of surplus			(2,432)		(2,432)
Profit attributable to owners of parent			(100,785)		(100,785)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		23	22
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	(103,217)	22	(103,195)
Balance at end of current period	30,043	488	189,624	(560)	219,595

	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	18,489	(15)	1,402	19,876	17	2,078	344,763
Changes of items during period							
Dividends of surplus							(2,432)
Profit attributable to owners of parent							(100,785)
Purchase of treasury shares							(0)
Disposal of treasury shares							22
Net changes of items other than shareholders' equity	(2,425)	17	(114)	(2,522)	(5)	(52)	(2,580)
Total changes of items during period	(2,425)	17	(114)	(2,522)	(5)	(52)	(105,776)
Balance at end of current period	16,063	2	1,288	17,354	12	2,025	238,987

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					
Dividends of surplus					
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							
Dividends of surplus							
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

(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.

3. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2019	As of Sep. 30, 2019
Assets		
Cash and due from banks	423,646	678,601
Call loans	561	551
Trading account securities	167	157
Money held in trust	515	416
Securities	136,166	132,544
Loans and bills discounted	2,898,864	2,671,642
Foreign exchanges	2,407	2,501
Other assets	54,445	40,230
Other	54,445	40,230
Tangible fixed assets	47,082	46,672
Intangible fixed assets	22,546	21,035
Prepaid pension cost	9,995	11,032
Deferred tax assets	13,774	19,093
Customers' liabilities for acceptances and guarantees	2,551	2,499
Allowance for loan losses	(200,708)	(202,342)
Total assets	3,412,017	3,424,637
Liabilities		
Deposits	3,165,680	3,164,941
Foreign exchanges	16	11
Other liabilities	14,632	17,028
Income taxes payable	7,556	7,349
Lease obligations	434	410
Other	6,641	9,268
Provision for bonuses	434	463
Provision for directors' retirement benefits	245	236
Provision for reimbursement of deposits	398	285
Provision for contingent losses	111	86
Acceptances and guarantees	2,551	2,499
Total liabilities	3,184,070	3,185,553

(Millions of yen)

	As of Mar. 31, 2019	As of Sep. 30, 2019
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	167,641	183,280
Legal retained earnings	30,043	30,043
Other retained earnings	137,598	153,237
Reserve for advanced depreciation of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	34,506	50,145
Treasury shares	(560)	(560)
Total shareholders' equity	215,714	231,352
Net unrealized gains (losses) on available-for-sale securities	12,250	7,759
Deferred gains (losses) on hedges	(29)	(27)
Total valuation and translation adjustments	12,221	7,731
Subscription rights to shares	12	-
Total net assets	227,947	239,084
Total liabilities and net assets	3,412,017	3,424,637

(2) Non-consolidated statements of income

	(Millions of yen)	
	For the six months ended Sep. 30, 2018	For the six months ended Sep. 30, 2019
Ordinary income	70,239	57,133
Interest income	56,771	44,814
Interest on loans and bills discounted	52,930	44,143
Interest and dividends on securities	3,440	428
Fees and commissions	5,038	4,209
Other operating income	543	2,216
Other income	7,886	5,892
Ordinary expenses	153,977	37,744
Interest expenses	1,194	796
Interest on deposits	1,027	610
Fees and commissions payments	7,154	7,968
Other operating expenses	30	58
General and administrative expenses	23,497	21,994
Other expenses	122,100	6,928
Ordinary profit	(83,737)	19,388
Extraordinary gains	2,311	12
Gain on reversal of subscription rights to shares	-	12
Reversal provision for directors' retirement benefits	2,311	-
Extraordinary losses	2,734	226
Losses on disposal of non-current assets	138	223
Impairment loss	2,595	2
Income before income taxes	(84,160)	19,174
Income taxes - current	9,860	6,887
Income taxes - deferred	4,259	(3,352)
Total income taxes	14,119	3,535
Net income	(98,280)	15,638

(3) Non-consolidated statements of changes in net assets
For the six months ended September 30, 2018

(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	4	18,590	30,043	59	103,032	133,955
Changes of items during period								
Dividends of surplus								(2,432)
Net income								(98,280)
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)	-	-	-	(100,712)
Balance at end of current period	30,043	18,585	3	18,589	30,043	59	103,032	33,243

	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	267,090	(582)	315,141	17,563	(10)	17,552	17	332,711
Changes of items during period								
Dividends of surplus	(2,432)		(2,432)					(2,432)
Net income	(98,280)		(98,280)					(98,280)
Purchase of treasury shares		(0)	(0)					(0)
Disposal of treasury shares		23	22					22
Net changes of items other than shareholders' equity				(2,779)	19	(2,760)	(5)	(2,765)
Total changes of items during period	(100,712)	22	(100,690)	(2,779)	19	(2,760)	(5)	(103,456)
Balance at end of current period	166,378	(560)	214,450	14,784	8	14,792	12	229,255

For the six months ended September 30, 2019

(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	34,506
Changes of items during period								
Dividends of surplus								
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								
Dividends of surplus								-
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

Financial Results

For the six months ended September 30, 2019

- Supplementary Information -

SURUGA bank, Ltd.

Table of contents

I. Financial highlights for the six months ended September 30, 2019			
1. Financial results	Non-consolidated	••••••••	1
2. Major accounts	Non-consolidated	••••••••	3
3. Management indices	Non-consolidated	••••••••	7
4. Own capital	Non-consolidated	••••••••	8
5. Unrealized gains (losses) on securities	Non-consolidated	••••••~	9
6. Earnings forecast for the fiscal year ending March 31, 2020	Non-consolidated, Consolidated		
7. Asset quality	Non-consolidated	••••~	10
8. Credit costs	Non-consolidated	••••~	11
9. Dividends	Non-consolidated		
II. Financial data for the six months ended September 30, 2019			
1. Details of financial results	Non-consolidated	••••~	12
	Consolidated	••••~	13
2. Net operating profit	Non-consolidated		
3. Interest margins	Non-consolidated	••••~	14
4. ROA and ROE	Non-consolidated		
5. Gains (losses) on securities	Non-consolidated		
6. Capital adequacy ratio (domestic standard)	Non-consolidated, Consolidated	••••~	15
7. Composition of own capital (domestic standard)	Non-consolidated, Consolidated	••••~	16
III. Status of Loans, etc.			
Comparison of asset disclosure by standard	Non-consolidated	••••~	17
1. Risk-monitored loans	Non-consolidated, Consolidated	••••~	18
2. Allowance ratio for risk-monitored loans	Non-consolidated, Consolidated	••••~	19
3. Allowance for loan losses	Non-consolidated, Consolidated		
4. Non-performing loans based on the Financial Reconstruction Law	Non-consolidated		
5. Status of coverage of non-performing loans based on the Financial Reconstruction Law	Non-consolidated		
6. Loan breakdown by industry, etc.			
(1) Loan breakdown by industry	Non-consolidated	••••~	20
(2) Breakdown of risk-monitored loans by industry	Non-consolidated		
(3) Consumer loans	Non-consolidated	••••~	21
(4) The ratio of loans to small- and medium-sized enterprises, etc.	Non-consolidated		
7. Loan breakdown by country			
(1) Loans to specific foreign countries	Non-consolidated		
(2) Loans to Asian countries	Non-consolidated		
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, 2019

1. Financial results (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2019		Six months ended Sep. 30, 2018
	(a)	(a) - (b)	
Gross operating profit	42,418	(11,556)	53,974
Net interest income	44,018	(11,559)	55,577
Net fees and commissions	(3,758)	(1,643)	(2,115)
Net other operating income (Note1)	2,003	1,977	26
Core gross operating profit	42,264	(11,224)	53,488
Expenses (-)	22,439	(1,380)	23,819
Core net operating profit (Note2)	19,824	(9,844)	29,668
Excluding gains (loss) on cancellation of investment trusts	19,824	(9,540)	29,364
Gains (losses) on bonds	154	(332)	486
Actual net operating profit (Note3)	19,979	(10,176)	30,155
Provision for general allowance for loan losses (-)	1,639	(25,191)	26,830
Net operating profit	18,340	15,016	3,324
Disposal of non-performing loans (-)	5,046	(88,308)	93,354
Recoveries of written-off claims	290	(258)	548
Gains (losses) on stocks	5,270	(66)	5,336
Ordinary profit	19,388	103,125	(83,737)
Reversal of provision for directors' retirement benefits	—	(2,311)	2,311
Gains (losses) on disposal of non-current assets	(223)	(85)	(138)
Impairment loss (-)	2	(2,593)	2,595
Net income	15,638	113,918	(98,280)
Net credit costs	6,685	(113,500)	120,185
Actual credit costs (Note4)	6,394	(113,242)	119,636

(Note1) Excludes gains (losses) on bonds.

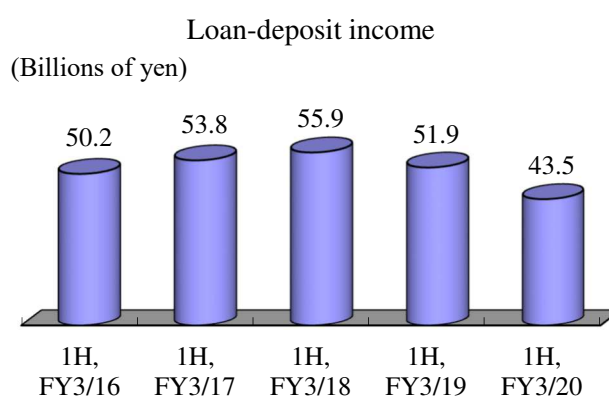
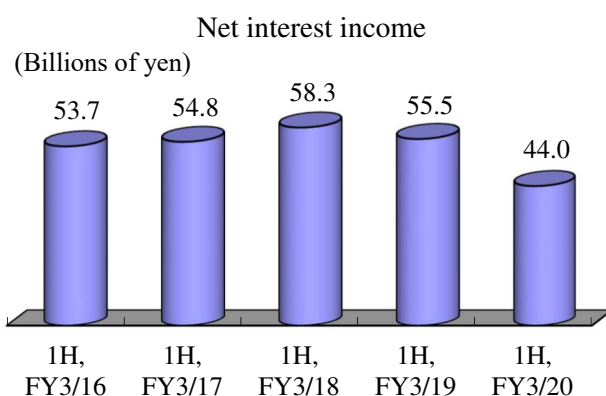
(Note2) Core net operating profit = Net operating profit + Provision for general allowance for loan losses
- Gains (losses) on bonds

(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

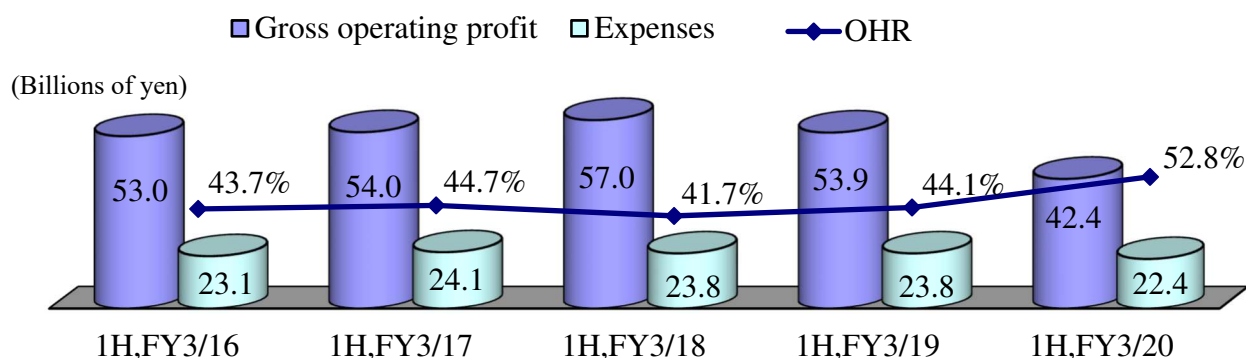
(1) Gross operating profit: ¥42.4 billion

• Net interest income decreased by ¥11.5 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
• Loan-deposit income decreased by ¥8.4 billion year-on-year.
• Core gross operating profit decreased by ¥11.2 billion year-on-year, mainly due to a decrease in net interest income.
• Gross operating profit decreased by ¥11.5 billion year-on-year.



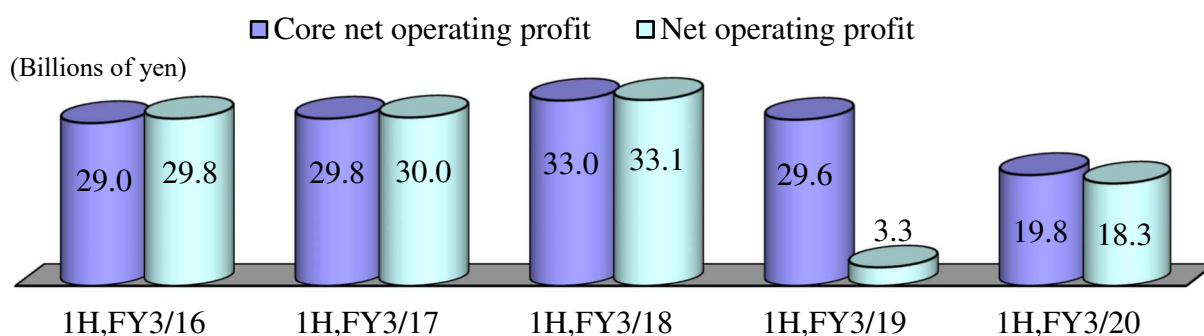
(2) Expenses; OHR: 52.8%

- Expenses decreased by ¥1.3 billion year-on-year.
- OHR rose year-on-year to 52.8%, mainly due to a decrease in gross operating profit.
(OHR(%) = Expenses / Gross operating profit × 100)



(3) Core net operating profit: ¥19.8 billion, Net operating profit: ¥18.3 billion

- Core net operating profit decreased by ¥9.8 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit increased by ¥15.0 billion year-on-year, mainly due to an decrease in provision for general allowance for loan losses.



(4) Ordinary profit: ¥19.3 billion

- Ordinary profit increased by ¥103.1 billion year-on-year, mainly due to a decrease in net credit costs.

(5) Net income: ¥15.6 billion

- Net income increased by ¥113.9 billion year-on-year, mainly due to an increase in ordinary profit.

(6) Actual credit costs: ¥6.3 billion

- Net credit costs decreased by ¥113.5 billion year-on-year, mainly due to a decrease (¥25.1 billion) in provision for general allowance for loan losses and a decrease (¥88.3 billion) in disposal of non-performing loans.
- Actual credit costs, calculated as net credit costs (¥6.6 billion) minus the amount of recoveries of written-off claims (¥0.2 billion) amounted to ¥6.3 billion.

2. Major accounts (Non-consolidated)

(1) Loans and bills discounted

- Loans and bills discounted decreased by ¥227.2 billion, or 7.8% from March 31, 2019.
- Consumer loans decreased by ¥209.4 billion, or 7.8% from March 31, 2019.
- Yield on loans and bills discounted (overall) dropped by 11 basis points from March 31, 2019 to 3.21%.

(Billions of yen)

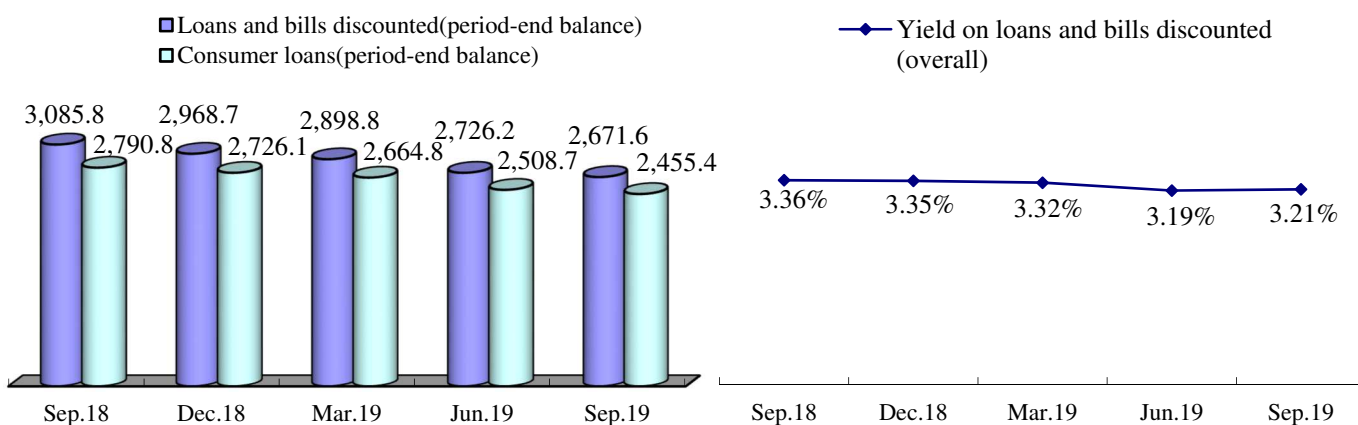
	Sep.30, 2019(a)	(a)-(b)	Jun.30, 2019(b)	(b)-(c)	Mar.31 2019(c)	(c)-(d)	Dec.31 2019(d)	(d)-(e)	Sep.30, 2018(e)
Loans and bills discounted (period-end balance)	2,671.6	(54.6)	2,726.2	(172.6)	2,898.8	(69.9)	2,968.7	(117.1)	3,085.8
Consumer loans	2,455.4	(53.3)	2,508.7	(156.1)	2,664.8	(61.3)	2,726.1	(64.7)	2,790.8
Secured loans	2,231.5	(45.3)	2,276.8	(147.6)	2,424.4	(53.5)	2,477.9	(55.4)	2,533.3
Unsecured loans	223.8	(8.0)	231.8	(8.5)	240.3	(7.8)	248.1	(9.4)	257.5

(Reference)

(Billions of yen)

	Six months ended Sep. 30, 2019 (a)	(a) - (b)	Six months ended Sep. 30, 2018 (b)
New consumer loans	2.7	(25.4)	28.1

(Billions of yen)



(Note)Based on cumulative period.

Consumer loans

Outstanding balance, yield, delinquency rate by loan category

Sep. 30, 2019

(Billions of yen)

Loan category	Sep. 30, 2019			Jun. 30, 2019		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	2,231.5	3.17%	5.03%	2,276.8	3.21%	4.55%
Housing loans	582.0	2.88%	0.46%	600.7	2.88%	0.32%
Studio apartment loans	213.0	3.42%	1.32%	220.0	3.43%	1.03%
Single building apartment loans	1,193.0	3.41%	2.38%	1,209.5	3.45%	1.85%
Share house loans	199.2	1.83%	40.66%	200.5	1.89%	39.93%
Other secured loans	44.3	4.89%	0.91%	46.0	4.87%	0.61%
Unsecured loans	223.8	10.16%	1.69%	231.8	10.12%	1.64%
Card loans	147.6	11.45%	0.69%	152.2	11.40%	0.71%
Unsecured certificate loans	76.2	7.66%	3.63%	79.5	7.66%	3.41%
Consumer loans	2,455.4	3.79%	4.74%	2,508.7	3.82%	4.29%

(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.

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

(Billions of yen)

	Total credit balance	Claims against bankrupt and substantially bankrupt obligors			Subtotal (Non-performing loans)	Normal assets
		Claims with collection risk	Claims for special attention			
Sep. 30, 2018	253.7	31.8	101.6	56.8	190.3	63.4
Dec. 31, 2018	251.5	69.5	65.0	76.2	210.9	40.5
Mar. 31, 2019	250.3	86.5	51.0	88.0	225.6	24.6
Jun. 30, 2019	248.0	88.3	45.0	93.4	226.8	21.2
Sep. 30, 2019	246.1	89.9	41.1	97.7	228.8	17.3

(Billions of yen)

	Total credit balance		Collateral or guarantees, etc.	Unsecured portion	Allowance	Coverage ratio (B + D) / A
	A	Share house claims				
Sep. 30, 2018	253.7	203.4	95.2	158.4	136.2	91.25%
Dec. 31, 2018	251.5	202.2	94.9	156.5	136.9	92.21%
Mar. 31, 2019	250.3	201.9	91.4	158.8	139.3	92.20%
Jun. 30, 2019	248.0	200.6	91.0	157.0	137.3	92.05%
Sep. 30, 2019	246.1	199.3	90.6	155.5	135.1	91.74%

(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, 2019

(Billions of yen)

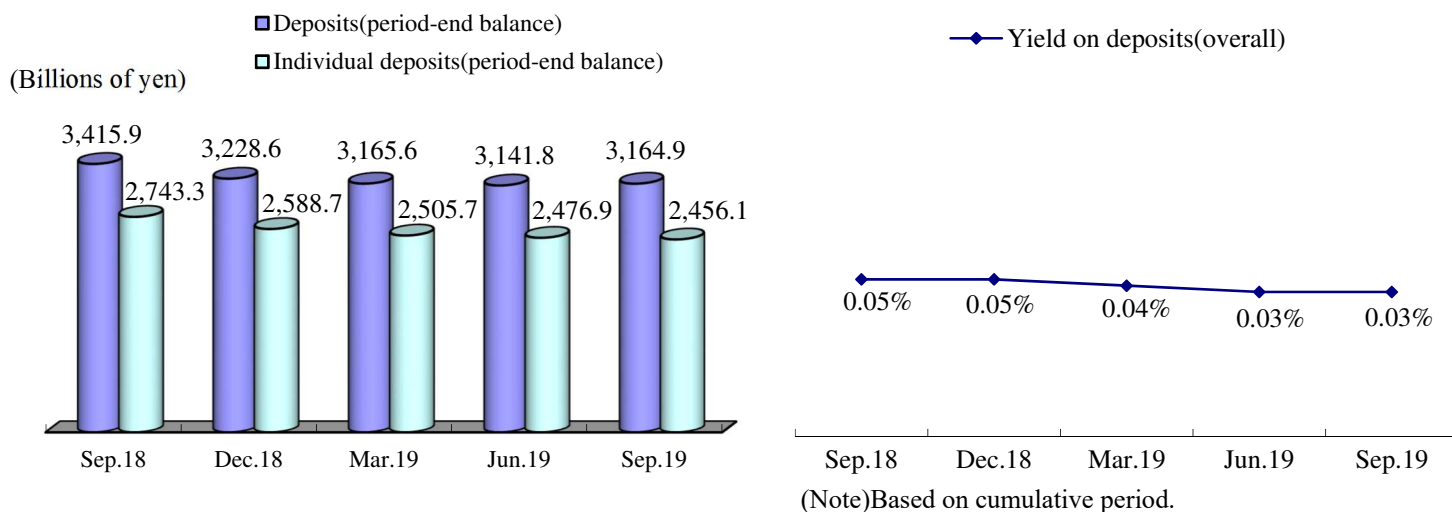
Item	Actual credit costs	Allowance
Share house-related loans	(2.8)	135.1
Investment property loans ※1	8.1	46.9
Housing loans	0.3	2.0
Unsecured loans	0.1	0.8
Loans to founder-affiliated companies	0	13.4
Business financing other than loans to founder-affiliated companies	0.5	3.7
Total	6.3	202.3

(Note1)Investment property loans: Studio apartment loans, Single building apartment loans, Other secured loans

(2) Deposits

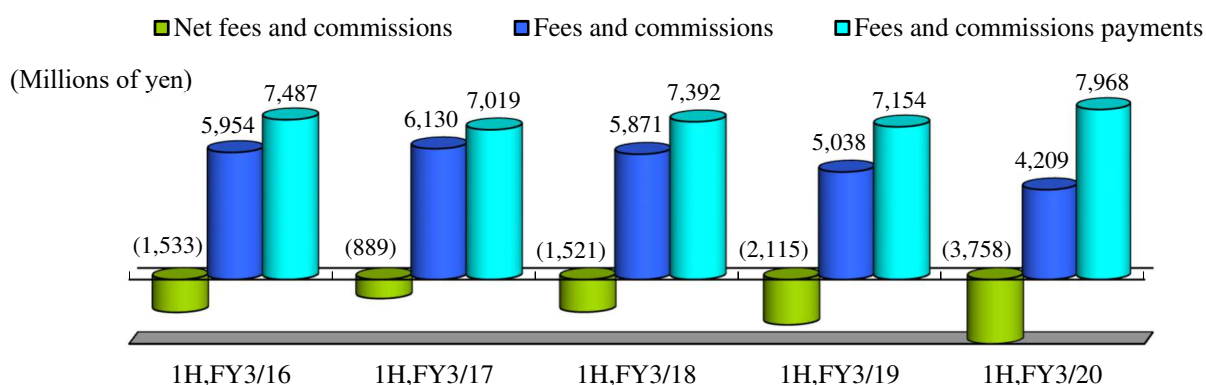
- Deposits decreased by ¥0.7 billion from March 31, 2019.
- Individual deposits decreased by ¥49.6 billion, or 1.9% from March 31, 2019.
- Yield on deposits (overall) dropped by 1 basis points from March 31, 2019 to 0.03%.

	(Billions of yen)									
	Sep.30, 2019(a)	(a)-(b)	Jun.30, 2019(b)	(b)-(c)	Mar.31, 2019(c)	(c)-(d)	Dec.31, 2018(d)	(d)-(e)	Sep.30, 2018(e)	
Loans and bills discounted (period-end balance)	3,164.9	23.1	3,141.8	(23.8)	3,165.6	(63.0)	3,228.6	(187.3)	3,415.9	
Consumer loans	2,456.1	(20.8)	2,476.9	(28.8)	2,505.7	(83.0)	2,588.7	(154.6)	2,743.3	



(3) Net fees and commissions

- Net fees and commissions decreased by ¥1.6 billion year-on-year, mainly due to a decrease (¥0.8 billion) in fees and commissions, an increase (¥0.8 billion) in fee and commissions payments.



(4) Individual deposit assets

- Individual deposit assets decreased by ¥55.9 billion from March 31, 2019.
- The ratio of investment products to total individual deposit assets dropped by 10 basis points from March 31, 2019 to 4.9%.

(Millions of yen)

	Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Individual deposit assets	2,579,355	(55,917)	(309,406)	2,635,272	2,888,761
Yen deposits	2,452,141	(49,501)	(286,332)	2,501,642	2,738,473
Investment products	127,214	(6,416)	(23,074)	133,630	150,288
Foreign currency deposits	3,979	(129)	(865)	4,108	4,844
Public bonds	7,883	(420)	(574)	8,303	8,457
Mutual funds	76,763	(3,674)	(11,365)	80,437	88,128
Personal pension plans	23,395	(2,007)	(9,984)	25,402	33,379
Single premium life insurance	15,192	(184)	(285)	15,376	15,477
The ratio of investment products to total individual deposit assets	4.9%	(0.1%)	(0.3%)	5.0%	5.2%

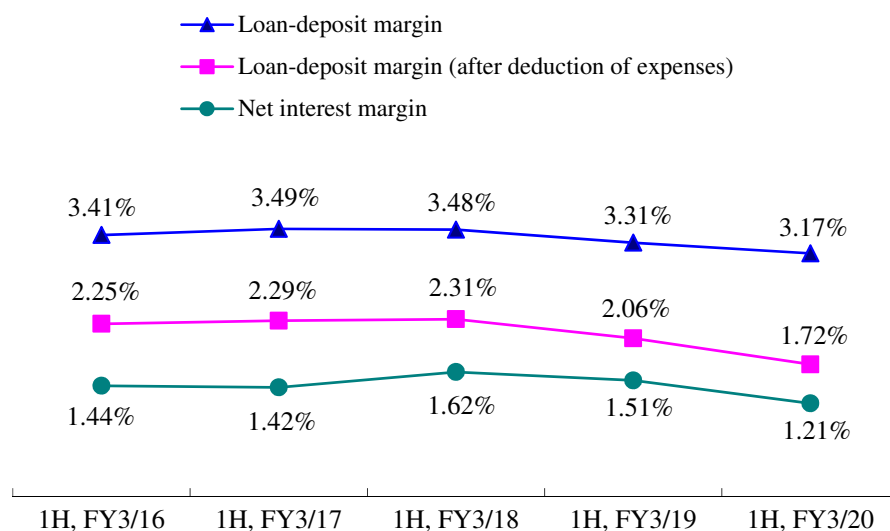
3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin (after deduction of expenses) shrunk by 34 basis points year-on-year to 1.72%.
- Net interest margin shrunk by 30 basis points year-on-year to 1.21%, mainly due to the decline in yield on interest earning assets.

(%)

	Six months ended Sep. 30, 2019		Six months ended Sep. 30, 2018
	(a)	(a) - (b)	(b)
Loan-deposit margin	3.17	(0.14)	3.31
Loan-deposit margin (after deduction of expenses)	1.72	(0.34)	2.06
Net interest margin	1.21	(0.30)	1.51



4. Own capital (Non-consolidated)

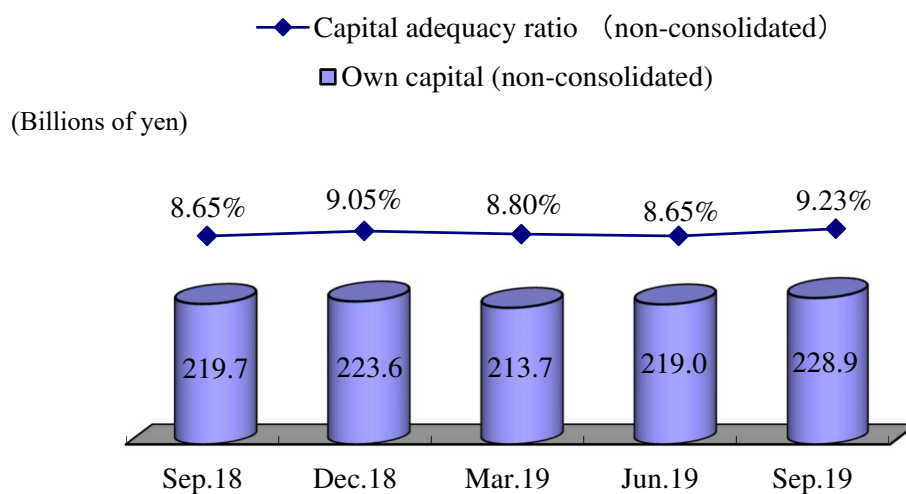
• Capital adequacy ratio rose by 58 basis points from June 30, 2019 to 9.23%.

Non-consolidated (Millions of yen)

	Sep 30, 2019	Jun 30, 2019
Capital adequacy ratio	9.23%	8.65%
Own capital (Core capital)	228,920	219,081
Core capital: instruments and reserves	259,723	248,110
Core capital: regulatory adjustments (-)	30,802	29,029
Risk-weighted assets	2,479,648	2,531,616
Total required capital	95,777	98,064

Consolidated (Millions of yen)

	Sep 30, 2019	Jun 30, 2019
Capital adequacy ratio	9.33%	8.76%
Own capital (Core capital)	235,739	225,803
Core capital: instruments and reserves	272,539	261,152
Core capital: regulatory adjustments (-)	36,800	35,349
Risk-weighted assets	2,524,020	2,575,073
Total required capital	97,552	99,802



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

•Net unrealized gains on securities decreased by ¥6.5 billion from March 31, 2019, mainly due to an elimination of cross shareholdings.

(Millions of yen)

	Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Other securities	10,732	(6,522)	(10,195)	17,254	20,927
Stocks	9,301	(6,610)	(11,182)	15,911	20,483
Bonds	703	45	947	658	(244)
Others	727	44	40	683	687

6. Earnings forecast for the fiscal year ending March 31, 2020

Consolidated (Millions of yen)

	Fiscal year ending Mar. 31, 2020 (forecast)
Ordinary income	116,500
Ordinary profit	23,000
Profit attributable to owners of parent	15,500

Non-consolidated (Millions of yen)

	Fiscal year ending Mar. 31, 2020 (forecast)
Ordinary income	103,000
Core net operating profit	36,000
Net operating profit	33,000
Ordinary profit	22,000
Net income	15,000
Actual credit costs	19,000

(Note) 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 ¥29.0 billion from March 31, 2019.
Non-performing loan ratio rose by 215 basis points from March 31, 2019 to 14.83%.

Outstanding balance (Millions of yen, %)

		Sep. 30, 2019			Mar. 31, 2019 (b)	Sep. 30, 2018 (c)
		(a)	(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors		142,337	33,946	96,971	108,391	45,366
Claims with collection risk		99,212	(37,265)	(54,667)	136,477	153,879
Claims for special attention		157,494	32,395	81,648	125,099	75,846
Total	(A)	399,044	29,076	123,952	369,968	275,092
Total claims	(B)	2,689,103	(227,846)	(415,600)	2,916,949	3,104,703
Non-performing loan ratio	(A/B)	14.83	2.15	5.97	12.68	8.86

Status of coverage (Millions of yen, %)

		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Total	Change from
						Sep. 30, 2018
Non-performing loans	(A)	142,337	99,212	157,494	399,044	123,952
Covered amount (C+D)	(B)	142,337	82,414	102,751	327,503	88,039
Portion secured by collateral or guarantees, etc.	(C)	55,921	50,374	47,466	153,763	52,433
Allowance for loan losses	(D)	86,416	32,039	55,284	173,740	35,607
Coverage ratio (B/A)		100.00	83.06	65.24	82.07	(4.97)
Unsecured portion (A-C)	(E)	86,416	48,838	110,027	245,281	71,519
Allowance ratio for unsecured portion (D/E)		100.00	65.60	50.24	70.83	(8.66)

(Reference) As of Mar. 31, 2019

Unsecured portion	67,862	67,018	87,408	222,289
Allowance ratio for unsecured portion	100.00	75.51	57.51	75.91

(2) Risk-monitored loans (Millions of yen, %)

	Sep.30,2019			Mar.31,2019 (b)	Sep.30,2018 (c)
	(a)	(a) - (b)	(a) - (c)		
Loans to bankrupt obligors	2,957	(1,775)	295	4,732	2,662
Non-accrual delinquent loans	238,539	(1,525)	42,016	240,064	196,523
Loans past due 3 months or more	9,202	4,132	6,574	5,070	2,628
Restructured loans	148,292	28,263	75,074	120,029	73,218
Total	398,991	29,094	123,959	369,897	275,032
Coverage ratio	82.06	(3.46)	(4.98)	85.52	87.04

8. Credit costs (Non-consolidated)

(Millions of yen, %)

		Six months ended		Six months ended Sep. 30, 2018 (b)
		Sep. 30, 2019 (a)	(a) - (b)	
Provision for general allowance for loan losses	(1)	1,639	(25,191)	26.830
Disposal of non-performing loans	(2)	5,046	(88,308)	93.354
Write-off of loans		369	(1,606)	1.975
Provision for specific allowance for loan losses		4,281	(86,100)	90.381
Losses on sales of delinquent loans		400	(622)	1,022
Provision for allowance for contingent losses		(5)	19	(24)
Recoveries of written-off claims	A	290	(258)	548
Net credit costs	(3) (=1)+(2)	6,685	(113,500)	120,185
Actual credit costs	(3)- A	6,394	(113,242)	119,636
Loans and bills discounted (average balance)		2,739,369	(395,516)	3,134,885
Net credit costs ratio		0.48	(7.16)	7.64
Actual credit costs ratio		0.46	(7.15)	7.61

(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

- In consideration of capital loss due to losses posted in the previous fiscal year, the company has regrettably decided to not pay an interim dividends in order to strengthen its financial structure and internal reserves.
- The forecast for fiscal year-end dividends remains undecided at this time. It will be determined after comprehensive consideration of the annual financial results and adequacy of internal reserves.

(yen)

	Fiscal year ending Mar. 31, 2020 (a)	Fiscal year ended Mar. 31, 2019 (result) (b)
Annual dividend per share	—(not decided)	0.00
Interim dividend	0.00	0.00

(Note) Annual dividend per share for the fiscal year ending March 31, 2020 is a forecast.

II . Financial data for the six months ended September 30, 2019

1. Details of financial results (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2019 (a)	(a) - (b)	Six months ended Sep. 30, 2018 (b)
Gross operating profit (excluding gains (losses) on bonds)	42,418	(11,556)	53,974
Domestic gross operating profit (excluding gains (losses) on bonds)	(42,264)	(11,224)	53,488)
Net interest income	42,280	(11,519)	53,799
Net fees and commissions	(42,126)	(11,187)	53,313)
Net other operating income (of which, Gains (losses) on bonds)	43,908	(11,533)	55,441
Net interest income	(3,769)	(1,640)	(2,129)
Net fees and commissions	2,142	1,655	487
Net other operating income (of which, Gains (losses) on bonds)	(154)	(332)	486)
International gross operating profit (excluding gains (losses) on bonds)	138	(37)	175
Net interest income	(138)	(37)	175)
Net fees and commissions	110	(26)	136
Net other operating income	11	(2)	13
Net other operating income (of which, Gains (losses) on bonds)	16	(9)	25
Net interest income	(-)	-	-)
Expenses (excluding non-recurring losses)	22,439	(1,380)	23,819
Personnel expenses	7,434	(1,144)	8,578
Non-personnel expenses	12,986	(201)	13,187
Taxes	2,018	(35)	2,053
Actual net operating profit	19,979	(10,176)	30,155
Core net operating profit	19,824	(9,844)	29,668
Excluding gains (loss) on cancellation of investment trust	19,824	(9,540)	29,364
Provision for general allowance for loan losses	1,639	(25,191)	26,830
Net operating profit	18,340	15,016	3,324
Gains (losses) on bonds	154	(332)	486
Non-recurring gains (losses)	1,048	88,109	(87,061)
Recoveries of written-off claims	290	(258)	548
Gains (losses) on stocks	5,270	(66)	5,336
Ordinary profit	19,388	103,125	(83,737)
Extraordinary gains (losses)	(214)	208	(422)
Gains (losses) on disposal of non-current assets	(223)	(85)	(138)
Impairment loss (-)	2	(2,593)	2,595
Reversal provision for directors' retirement benefits	-	(2,311)	2,311
Income before income taxes	19,174	103,334	(84,160)
Income taxes-current	6,887	(2,973)	9,860
Income taxes-deferred	(3,352)	(7,611)	4,259
Total income taxes	3,535	(10,584)	14,119
Net income	15,638	113,918	(98,280)

(1)Provision for general allowance for loan losses	1,639	(25,191)	26,830
(2)Disposal of non-performing loans	5,046	(88,308)	93,354
Write-off of loans	369	(1,606)	1,975
Provision for specific allowance for loan losses	4,281	(86,100)	90,381
Losses on sales of delinquent loans	400	(622)	1,022
Provision for allowance for contingent losses	(5)	19	(24)
(3)Net credit costs (1)+(2)	6,685	(113,500)	120,185
(4)Recoveries of written-off claims	290	(258)	548
(5)Actual credit costs (3)-(4)	6,394	(113,242)	119,636

Details of financial results (Consolidated)

	Six months ended		Six months ended Sep. 30, 2018 (b)
	Sep. 30, 2019 (a)	(a) - (b)	
Consolidated gross profit	47,602	(9,405)	57,007
Net interest income	47,781	(9,546)	57,327
Net fees and commissions	(2,626)	(1,561)	(1,065)
Net other operating income	2,446	1,701	745
Expenses (excluding non-recurring losses)	24,830	(1,348)	26,178
Actual credit costs	8,520	(115,581)	124,101
Gains (losses) on stocks	5,316	(1,821)	7,137
Equity in gains (losses) of affiliates	1	4	(3)
Others	530	118	412
Ordinary profit	20,099	105,825	(85,726)
Extraordinary gains (losses)	(206)	221	(427)
Income before income taxes	19,892	106,045	(86,153)
Income taxes-current	7,171	(2,961)	10,132
Income taxes-deferred	(3,269)	(7,820)	4,551
Total income taxes	3,902	(10,782)	14,684
Profit attributable to non-controlling interests	17	69	(52)
Profit attributable to owners of parent	15,972	116,757	(100,785)

(1)Provision for general allowance for loan losses	1,580	(25,689)	27,269
(2)Disposal of non-performing loans	7,466	(90,144)	97,610
Write-off of loans	1,096	(1,852)	2,948
Provision for specific allowance for loan losses	5,173	(87,874)	93,047
Losses on sales of delinquent loans	1,202	(437)	1,639
Provision for allowance for contingent losses	(5)	19	(24)
(3)Net credit costs (1)+(2)	9,046	(115,833)	124,879
(4)Recoveries of written-off claims	526	(251)	777
(5)Actual credit costs (3)-(4)	8,520	(115,581)	124,101

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

	(Millions of yen)		
Consolidated net operating profit	21,191	17,632	3,559

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

	(Companies)		
Consolidated subsidiaries	9	-	9
Equity-method accounted affiliates	1	-	1

2. Net operating profit (Non-consolidated)

	Six months ended		Six months ended Sep. 30, 2018 (b)
	Sep. 30, 2019 (a)	(a) - (b)	
Net operating profit	18,340	15,016	3,324
Per employee (Thousands of yen)	12,121	9,957	2,164

3. Interest margins (Non-consolidated)

Overall		(%)		
		Six months ended Sep. 30, 2019 (a)	(a) - (b)	Six months ended Sep. 30, 2018 (b)
Yield on interest earning assets	(A)	2.71	(0.11)	2.82
Yield on loans and bills discounted		3.21	(0.15)	3.36
Yield on securities		0.68	(4.69)	5.37
Yield on interest bearing liabilities	(B)	1.50	0.19	1.31
Yield on deposits		0.03	(0.02)	0.05
Loan-deposit margin (after deduction of expenses)		1.72	(0.34)	2.06
Net interest margin	(A) - (B)	1.21	(0.30)	1.51

Domestic		(%)		
		Six months ended Sep. 30, 2019 (a)	(a) - (b)	Six months ended Sep. 30, 2018 (b)
Yield on interest earning assets	(A)	2.70	(0.11)	2.81
Yield on loans and bills discounted		3.21	(0.15)	3.36
Yield on securities		0.69	(4.83)	5.52
Yield on interest bearing liabilities	(B)	1.44	0.18	1.26
Yield on deposits		0.03	(0.02)	0.05
Loan-deposit margin (after deduction of expenses)		1.76	(0.33)	2.09
Net interest margin	(A) - (B)	1.25	(0.30)	1.55

4. ROA and ROE (Non-consolidated)

		(%)		
		Six months ended Sep. 30, 2019 (a)	(a) - (b)	Six months ended Sep. 30, 2018 (b)
ROA	Net operating profit basis	1.10	0.95	0.15
	Net income basis	0.93	5.64	(4.71)
ROE	Net operating profit basis	16.94	14.88	2.06
	Net income basis	14.45	75.55	(61.10)

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

		(Millions of yen)		
		Six months ended Sep. 30, 2019 (a)	(a) - (b)	Six months ended Sep. 30, 2018 (b)
Gains (losses) on bonds		154	(332)	486
	Gains on sales	6	6	-
	Gains on redemptions	205	(312)	517
	Losses on sales	-	-	-
	Losses on redemptions	57	27	30
	Losses on devaluation	-	-	-
Gains (losses) on stocks		5,270	(66)	5,336
	Gains on sales	5,439	(1,714)	7,153
	Losses on sales	117	117	-
	Losses on devaluation	52	(1,765)	1,817

6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Sep. 30, 2019 (a)	(a) - (b)	Mar. 31, 2019 (b)
Capital adequacy ratio	9.23%	0.43%	8.80%
Own capital (Core capital)	228,920	15,124	213,796
Core capital : instruments and reserves	259,723	16,365	243,358
Core capital : regulatory adjustments (-)	30,802	1,241	29,561
Risk-weighted assets	2,479,648	52,597	2,427,051
Total required capital	95,777	(1,305)	97,082

Consolidated

(Millions of yen)

	Sep. 30, 2019 (a)	(a) - (c)	Mar. 31, 2019 (b)
Capital adequacy ratio	9.33%	0.43%	8.90%
Own capital (Core capital)	235,739	15,738	220,001
Core capital : instruments and reserves	272,539	16,409	256,130
Core capital : regulatory adjustments (-)	36,800	671	36,129
Risk-weighted assets	2,524,020	53,140	2,470,880
Total required capital	97,552	(1,283)	98,835

7. Composition of own capital (domestic standard)

(Millions of yen)

	September 30, 2019	
	Non-consolidated	Consolidated
Core capital: instruments and reserves (1)		
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings	231,352	239,921
Capital and capital surplus	48,632	31,245
Retained earnings	183,280	209,236
Treasury shares (-)	560	560
Earnings to be distributed (-)	-	-
Accumulated other comprehensive income included in Core capital	-	3,444
Remeasurements of defined benefit plans	-	3,444
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	28,370	28,511
General allowance for loan losses	28,370	28,511
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	-	662
Core capital: instruments and reserves (A)	259,723	272,539
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	14,682	16,506
Goodwill (including those equivalent)	-	1,618
Other intangible fixed assets other than goodwill and mortgage servicing rights	14,682	14,888
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	233
Shortfall of eligible provisions to expected losses	-	-
Gains on sale related to securitization transactions	26	26
Gains (losses) due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	7,700	-
Net defined benefit asset	-	11,145
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	8,392	8,887
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)	8,392	8,887
Amount exceeding the 15% threshold on specified items	-	-
Core capital: regulatory adjustments (B)	30,802	36,800
Total capital		
Total capital (A-B) (C)	228,920	235,739
Risk-weighted assets (3)		
Credit risk-weighted assets	2,269,651	2,280,930
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	209,997	243,090
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	2,479,648	2,524,020
Capital adequacy ratio (non-consolidated)		
Capital adequacy ratio (non-consolidated) (C/D)	9.23%	-
Capital adequacy ratio (consolidated)		
Capital adequacy ratio (consolidated) (C/D)	-	9.33%

III. Status of loans, etc.

Comparison of asset disclosure by standard

Non-consolidated (As of September 30, 2019)

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	Credit balance	Classification				Category	Collateral or guarantees, etc.	Allowance	Coverage ratio	Category	Out-standing balance
		Non-classification	Classification II	Classification III	Classification IV						
Bankrupt obligors	2,965 [1,035]	1,035	1,930	-	-	Claims against bankrupt and substantially bankrupt obligors	55,921	86,416	100%	Loans to bankrupt obligors	2,957
Effectively bankrupt obligors	139,372 [85,380]	94,873	44,498	-	-	Claims with collection risk	50,374	32,039	83.06%	Non-accrual delinquent loans	238,539
Potentially bankrupt obligors	99,212 [32,039]	39,598	42,815	16,798 [32,039]	-	Claims for special attention	47,466	55,284	65.24%	Loans past due 3 months or more	9,202
Obligors requiring caution	Sub-standard obligors 186,196	244	185,951	-	-	Subtotal	153,763	173,740	82.07%	Restructured loans	148,292
	Other obligors requiring caution 1,044,949	11,701	1,033,247	-	-	Normal assets				Total	398,991
Normal obligors	1,216,407	1,216,407	-	-	-	Total					
Total	2,689,103 [118,455]	1,363,860	1,308,444	16,798 [32,039]	- [86,416]						

(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, 2019 were as follows:

(a) Non-consolidated: ¥3,960 million; (b) Consolidated: ¥4,705 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, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	2,957	(1,775)	295	4,732	2,662
	Non-accrual delinquent loans	238,539	(1,525)	42,016	240,064	196,523
	Loans past due 3 months or more	9,202	4,132	6,574	5,070	2,628
	Restructured loans	148,292	28,263	75,074	120,029	73,218
	Total	398,991	29,094	123,959	369,897	275,032
Loans and bills discounted (period-end balance)		2,671,642	(227,222)	(414,232)	2,898,864	3,085,874
% to loans and bills discounted	Loans to bankrupt obligors	0.11	(0.05)	0.03	0.16	0.08
	Non-accrual delinquent loans	8.92	0.64	2.56	8.28	6.36
	Loans past due 3 months or more	0.34	0.17	0.26	0.17	0.08
	Restructured loans	5.55	1.41	3.18	4.14	2.37
	Total	14.93	2.17	6.02	12.76	8.91

Consolidated

(Millions of yen, %)

		Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	3,765	(2,673)	(299)	6,438	4,064
	Non-accrual delinquent loans	246,380	74	43,584	246,306	202,796
	Loans past due 3 months or more	9,202	4,132	6,574	5,070	2,628
	Restructured loans	148,292	28,263	75,074	120,029	73,218
	Total	407,640	29,796	124,933	377,844	282,707
Loans and bills discounted (period-end balance)		2,677,686	(226,701)	(413,299)	2,904,387	3,090,985
% to loans and bills discounted	Loans to bankrupt obligors	0.14	(0.08)	0.01	0.22	0.13
	Non-accrual delinquent loans	9.20	0.72	2.64	8.48	6.56
	Loans past due 3 months or more	0.34	0.17	0.26	0.17	0.08
	Restructured loans	5.53	1.40	3.17	4.13	2.36
	Total	15.22	2.22	6.08	13.00	9.14

2. Allowance ratio for risk-monitored loans

Non-Consolidated		(Millions of yen, %)				
		Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	398,991	29,094	123,959	369,897	275,032
Collateral or guarantees, etc.	(B)	153,743	6,083	52,422	147,660	101,321
Allowance for loan losses	(C)	173,706	5,012	35,624	168,694	138,082
Allowance ratio	(C/A)	43.53	(2.07)	(6.67)	45.60	50.20
Coverage ratio	(B+C)/(A)	82.06	(3.46)	(4.98)	85.52	87.04

Consolidated		(Millions of yen, %)				
		Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	407,640	29,796	124,933	377,844	282,707
Collateral or guarantees, etc.	(B)	156,173	5,752	52,114	150,421	104,059
Allowance for loan losses	(C)	178,405	5,960	36,816	172,445	141,589
Allowance ratio	(C/A)	43.76	(1.87)	(6.32)	45.63	50.08
Coverage ratio	(B+C)/(A)	82.07	(3.37)	(4.82)	85.44	86.89

3. Allowance for loan losses

Non-consolidated		(Millions of yen)				
		Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		202,342	1,634	16,247	200,708	186,095
General allowance for loan losses		83,753	1,640	1,519	82,113	82,234
Specific allowance for loan losses		118,589	(5)	14,729	118,594	103,860

Consolidated		(Millions of yen)				
		Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		212,138	2,062	15,409	210,076	196,729
General allowance for loan losses		88,162	1,528	1,103	86,634	87,059
Specific allowance for loan losses		123,975	534	14,306	123,441	109,669

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

Non-consolidated		(Millions of yen)				
		Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		142,337	33,946	96,971	108,391	45,366
Claims with collection risk		99,212	(37,265)	(54,667)	136,477	153,879
Claims for special attention		157,494	32,395	81,648	125,099	75,846
Total	(A)	399,044	29,076	123,952	369,968	275,092

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

Non-consolidated		(Millions of yen, %)				
		Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage	(B)	327,503	11,077	88,039	316,426	239,464
Allowance for loan losses		173,740	4,993	35,607	168,747	138,133
Collateral or guarantees, etc.		153,763	6,085	52,433	147,678	101,330
Coverage ratio	(B/A)	82.07	(3.45)	(4.97)	85.52	87.04

6. Loan breakdown by industry, etc.

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

(Millions of yen)

	Sep. 30, 2019			Mar. 31, 2019 (b)	Sep. 30, 2018 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding Japan offshore banking accounts)	2,671,642	(227,222)	(414,232)	2,898,864	3,085,874
Manufacturing	37,336	(1,309)	(10,792)	38,645	48,128
Agriculture and forestry	4,571	(90)	(198)	4,661	4,769
Fishery	0	(35)	(36)	35	36
Mining, quarrying and gravel	255	5	1	250	254
Construction	8,748	(3,968)	(4,432)	12,716	13,180
Utilities	1,056	(24)	(135)	1,080	1,191
Information and communication	1,225	(91)	(130)	1,316	1,355
Transportation and postal service	9,829	(165)	(2,931)	9,994	12,760
Wholesale and retail trade	31,603	542	(9)	31,061	31,612
Finance and insurance	27,262	(553)	(43,401)	27,815	70,663
Real estate, goods rental and leasing	53,735	(10,347)	(13,861)	64,082	67,596
Services	27,680	(1,145)	(3,308)	28,825	30,988
Government and municipal government	3,626	(1,089)	(557)	4,715	4,183
Others	2,464,705	(208,955)	(334,441)	2,673,660	2,799,146

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

(Millions of yen)

	Sep. 30, 2019			Mar. 31, 2019 (b)	Sep. 30, 2018 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding Japan offshore banking accounts)	398,991	29,094	123,959	369,897	275,032
Manufacturing	1,441	155	77	1,286	1,364
Agriculture and forestry	-	-	-	-	0
Fishery	-	(33)	(33)	33	33
Mining, quarrying and gravel	-	-	-	-	-
Construction	1,119	(87)	(62)	1,206	1,181
Utilities	4	(1)	(1)	5	5
Information and communication	150	25	25	125	125
Transportation and postal service	80	(1)	(3)	81	83
Wholesale and retail trade	2,083	81	168	2,002	1,915
Finance and insurance	6,879	(191)	6,879	7,070	-
Real estate, goods rental and leasing	37,029	(4,094)	18,520	41,123	18,509
Services	1,688	344	177	1,344	1,511
Government and municipal government	-	-	-	-	-
Others ※	348,514	32,898	98,213	315,616	250,301

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

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Consumer loans	2,455,483	(209,371)	(335,401)	2,664,854	2,790,884
Secured loans	2,231,597	(192,881)	(301,744)	2,424,478	2,533,341
Unsecured loans	223,885	(16,490)	(33,658)	240,375	257,543

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

(%)

	Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
The ratio of loans to small- and medium-sized enterprises, etc.	98.46	0.06	1.58	98.40	96.88

(Note)“Loans to small- and medium-sized enterprises” includes consumer loans which comprise 91.90% 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, 2019			Mar. 31, 2019	Sep. 30, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits	period-end balance	3,164,941	(739)	(250,989)	3,165,680	3,415,930
	average balance	3,078,999	(425,214)	(712,322)	3,504,213	3,791,321
Loans	period-end balance	2,671,642	(227,222)	(414,232)	2,898,864	3,085,874
	average balance	2,739,369	(315,391)	(395,516)	3,054,760	3,134,885

9. Number of branches (Non-consolidated)

(Branches)

	Sep. 30, 2019			Mar. 31, 2019	Sep. 30, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Number of branches	130	(1)	(2)	131	132

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Sep. 30, 2019				Mar. 31, 2019				Sep. 30, 2018			
	Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Other securities	113,579	10,732	11,167	435	117,364	17,254	17,625	371	128,203	20,927	21,381	454
Stocks	17,577	9,301	9,596	294	26,170	15,911	16,160	249	33,524	20,483	20,551	67
Bonds	94,509	703	705	2	86,734	658	662	3	89,070	(244)	43	287
Others	1,493	727	865	138	4,459	683	802	118	5,608	687	787	99

(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, 2019				Mar. 31, 2019				Sep. 30, 2018			
	Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Other securities	116,261	13,192	13,627	435	119,768	19,436	19,808	371	130,797	23,299	23,754	454
Stocks	18,261	9,888	10,182	294	26,709	16,352	16,601	249	34,284	21,145	21,213	67
Bonds	94,509	703	705	2	86,734	658	662	3	89,070	(244)	43	287
Others	3,491	2,600	2,738	138	6,325	2,424	2,543	118	7,442	2,397	2,497	99

(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, 2019	Six months ended Sep. 30, 2018
Service cost	253	264
Interest cost	52	54
Expected returns on plan assets	(439)	(386)
Amortization of unrecognized net actuarial gains (losses)	(438)	(164)
Others (non-recurring extra retirement payments, etc.) (Note1)	107	106
Retirement benefit expenses	(464)	(124)

(Note1) "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, 2019	Six months ended Sep. 30, 2018
Service cost (Note1)	264	274
Interest cost	52	54
Expected returns on plan assets	(439)	(386)
Amortization of unrecognized net actuarial gains (losses)	(438)	(164)
Others (non-recurring extra retirement payments, etc.) (Note2)	113	112
Retirement benefit expenses	(446)	(108)

(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.