

To whom it may concern:

Company name: SURUGA bank, Ltd.
 Representative: Akihiro Yoneyama, President
 Stock exchange listings: Tokyo (code:8358)

[Amendments Including Amendments to Numerical Data] Partial Amendment to the
 Consolidated Financial Results for the Fiscal Year Ended March 31, 2018
 (under Japanese GAAP)

Suruga Bank (“the Company”) hereby announces certain amendments to the Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (under Japanese GAAP) disclosed on May 15, 2018. There are also amendments to the numerical data and therefore the updated data are provided.

1. Reason for Amendment

The Company had provisioned for ¥37,224 million in allowance for loan losses based on an assessment regarding the recoverable amount on share house-related loans up to the date of disclosure of the financial results on May 15. However, following an on-going review of the developments on the situation including the investigation on share house-related loans, the Company has decided to provision an additional ¥4,825 million in allowance for loan losses based on a conservative estimate on the recoverable amount on share house-related loans. Furthermore, the Company conducted a detailed review on other investment property-related loans, such as on the attributes of the real estate companies involved and the existence of long-term sublease agreements, to identify any risks that are similar to those associated with share house-related loans. As a result, the Company has decided to account for an additional ¥15,521 million in allowance for loan losses based on a conservative estimate.

It should be noted that there are no changes to the consolidated and non-consolidated earnings forecast for the fiscal year ending March 31, 2019 as a result of the amendment.

2. Details of Amendment

(Consolidated)

(Millions of yen)

Items		June 6, 2018 (After amendment) (A)	May 15, 2018 (Before amendment) (B)	Difference (A - B)
Consolidated statements of income	Ordinary expenses	145,752	125,406	20,346
	Ordinary profit	10,525	30,871	(20,346)
	Income before income taxes	10,105	30,451	(20,346)
	Profit attributable to owners of parent	6,988	21,065	(14,077)
Consolidated balance sheets	Allowance for loan losses	(78,218)	(57,871)	(20,347)
	Deferred tax assets	16,695	10,425	6,270
	Total assets	4,461,576	4,475,653	(14,077)
	Retained earnings	292,841	306,917	(14,076)
	Total shareholders' equity	322,791	336,867	(14,076)
	Total net assets	344,763	358,840	(14,077)
	Total liabilities and net assets	4,461,576	4,475,653	(14,077)
Consolidated statements of cash flows	Income before income taxes	10,105	30,451	(20,346)
	Increase (decrease) in allowance for loan losses	58,912	38,566	20,346

(Non-consolidated)

(Millions of yen)

Items		June 6, 2018 (After amendment) (A)	May 15, 2018 (Before amendment) (B)	Difference (A - B)
Non-consolidated statements of income	Ordinary expenses	132,862	112,516	20,346
	Ordinary profit	8,670	29,017	(20,347)
	Income before income taxes	8,256	28,602	(20,346)
	Net income	5,223	19,299	(14,076)
Non-consolidated balance sheets	Allowance for loan losses	(70,089)	(49,742)	(20,347)
	Deferred tax assets	15,786	9,516	6,270
	Total assets	4,451,689	4,465,765	(14,076)
	Retained earnings	267,090	281,166	(14,076)
	Total shareholders' equity	315,141	329,217	(14,076)
	Total net assets	332,711	346,787	(14,076)
	Total liabilities and net assets	4,451,689	4,465,765	(14,076)

Items		June 6, 2018 (After amendment) (A)	May 15, 2018 (Before amendment) (B)	Difference (A - B)
Provision for allowance for loan losses	Share house	42,049	37,224	4,825
	Other than share house	16,729	1,207	15,521
	Total provision for allowance for loan losses	58,778	38,432	20,346
Provision for general allowance for loan losses	Share house	30,474	25,728	4,746
	Other than share house	16,024	502	15,522
	Total provision for general allowance for loan losses	46,499	26,230	20,269
Provision for specific allowance for loan losses	Share house	11,574	11,496	78
	Other than share house	705	705	0
	Total provision for specific allowance for loan losses	12,279	12,201	78

Given that multiple sections are subject to amendment, the amended portions are underlined in the attached updated version of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 disclosed on May 15, 2018.

- End -

SURUGA bank, Ltd.

Consolidated financial results for the fiscal year ended March 31, 2018

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)

URL: <https://www.surugabank.co.jp>

Representative: Akihiro Yoneyama, President

Dividend payment date: June 13, 2018

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

1. Consolidated financial results for the fiscal year ended March 31, 2018

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

Fiscal year ended	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	156,278	7.2	<u>10,525</u>	<u>(81.9)</u>	<u>6,988</u>	<u>(83.6)</u>
March 31, 2017	145,753	4.5	58,222	3.2	42,627	16.0

(Note) Comprehensive income: (a) Fiscal year ended March 31, 2018: ¥9,646 million [(77.4) %]

(b) Fiscal year ended March 31, 2017: ¥42,776 million [46.1 %]

Fiscal year ended	Earnings per share	Earnings per share (diluted)	Return on net assets	Ordinary profit on total assets	Ordinary profit on ordinary income
	yen	yen	%	%	%
March 31, 2018	<u>30.17</u>	<u>30.16</u>	<u>2.0</u>	<u>0.2</u>	<u>6.7</u>
March 31, 2017	184.10	184.02	13.3	1.3	39.9

(Reference) Equity in gains (losses) of affiliates: (a) Fiscal year ended March 31, 2018: ¥4 million

(b) Fiscal year ended March 31, 2017: ¥1 million

(2) Consolidated financial position

As of	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2018	<u>4,461,576</u>	<u>344,763</u>	<u>7.6</u>	<u>1,479.36</u>
March 31, 2017	4,471,725	340,379	7.5	1,459.48

(Reference) Shareholders' equity: (a) As of March 31, 2018: ¥342,667 million; (b) As of March 31, 2017: ¥338,029 million

(Note) Nets 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".

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	32,724	16,984	(5,262)	968,741
March 31, 2017	(43,542)	78,403	(4,635)	924,300

2. Dividends on common stock

Fiscal year	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1 st quarter -end	2 nd quarter -end	3 rd quarter -end	Fiscal year -end	Total			
ended March 31, 2017	yen -	yen 10.00	yen -	yen 12.00	yen 22.00	Millions of yen 5,094	% 11.9	% 1.5
ended March 31, 2018	-	10.50	-	10.50	21.00	4,864	<u>69.6</u>	1.4
ending March 31, 2019 (forecast)	-	10.50	-	10.50	21.00		19.4	

(Note) Breakdown of fiscal year-end dividend for the fiscal year ended March 31, 2017:

(a) Ordinary dividend: ¥11.00; (b) Special dividend: ¥1.00

3. Consolidated earnings forecast for the fiscal year ending March 31, 2019

(% represents the change from the same period in the previous fiscal year)

Period	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	yen
1H, FY3/2019	17,000	(45.4)	12,000	(43.3)	51.80
FY3/2019	36,500	<u>246.7</u>	25,000	<u>257.7</u>	107.92

(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 Mar. 31, 2018	232,139,248 shares	As of Mar. 31, 2017	232,139,248 shares
(B) Number of treasury shares:	As of Mar. 31, 2018	507,295 shares	As of Mar. 31, 2017	530,965 shares
(C) Average number of shares:	Fiscal year ended Mar. 31, 2018	231,619,388 shares	Fiscal year ended Mar. 31, 2017	231,538,348 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2018

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

Fiscal year ended	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	141,533	5.3	<u>8,670</u>	<u>(84.8)</u>	<u>5,223</u>	<u>(87.4)</u>
March 31, 2017	134,286	5.5	57,160	5.0	41,728	16.5

Fiscal year ended	Earnings per share	Earnings per share (diluted)
	yen	yen
March 31, 2018	<u>22.55</u>	<u>22.54</u>
March 31, 2017	180.22	180.14

(2) Non-consolidated financial position

As of	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2018	<u>4,451,689</u>	<u>332,711</u>	<u>7.4</u>	<u>1,436.30</u>
March 31, 2017	4,465,825	331,551	7.4	1,431.41

(Reference) Shareholders' equity: (a) As of March 31, 2018: ¥332,694 million; (b) As of March 31, 2017: ¥331,527 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, 2019

(% represents the change from the same period in the previous fiscal year)

	Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	yen
1H, FY3/2019	16,500	(44.8)	11,500	(43.8)	49.64
FY3/2019	35,000	<u>303.6</u>	24,000	<u>359.4</u>	103.61

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

(Appendix)

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* Financial results for the fiscal year ended March 31, 2018 supplementary information

1. Overview of operating results, etc.

(1) Overview of operating results

In the fiscal year ended March 31, 2018, the Japanese economy witnessed signs of moderate recovery on the back of the improvement in corporate earnings, supported by the economic recovery in Japan as well as overseas. Japan's real GDP recorded eight consecutive quarters of growth up to the fourth quarter (October-December) of 2017 for the first time in 28 years.

Under such business conditions, consolidated ordinary income increased by ¥10.525 billion year-on-year to ¥156.278 billion. This was mainly due to the growth in interest income reflecting the rise in interest on loans and bills discounted. Meanwhile, ordinary expenses increased by ¥58.222 billion year-on-year to ¥145.752 billion, mainly due to an increase in other expenses. As a result, ordinary profit decreased by ¥47.697 billion year-on-year to ¥10.525 billion, and profit attributable to owners of parent decreased by ¥35.639 billion year-on-year to ¥6.988 billion.

Non-consolidated operating results were as follows:

(A) Gross operating profit

Gross operating profit increased by ¥4.319 billion year-on-year to ¥115.171 billion on the back of the rise (¥5.396 billion) in net interest income.

(B) Expenses

Expenses decreased by ¥0.498 billion year-on-year to ¥46.742 billion.

(C) Net operating profit

Core net operating profit increased by ¥4.703 billion year-on-year to ¥68.148 billion, mainly due to an increase in net interest income.

Net operating profit decreased by ¥41.681 billion year-on-year to ¥21.930 billion, mainly due to an increase in provision for general allowance for loan losses.

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

(D) Ordinary profit

Ordinary profit decreased by ¥48.490 billion year-on-year to ¥8.670 billion, mainly due to an increase in net credit costs.

(E) Net income

Net income decreased by ¥36.505 billion year-on-year to ¥5.223 billion, mainly due to a decrease in ordinary profit and the absence of gains on revision of retirement benefit plan (¥2.134 billion) recorded in the previous fiscal year.

(F) Net credit costs

Provision for general allowance for loan losses increased by ¥46.499 billion year-on-year. Disposal of non-performing loans increased by ¥9.699 billion year-on-year to ¥18.864 billion. Meanwhile, reversal of allowance for loan losses decreased by ¥2.590 billion year-on-year. As a result, net credit costs increased by ¥58.788 billion year-on-year to ¥65.363 billion.

Actual credit costs increased by ¥58.445 billion year-on-year to ¥64.016 billion.

(Note) Net credit costs = Provision for general allowance for loan losses

+ Disposal of non-performing loans - Reversal of allowance for loan losses

(Note) Actual credit costs = Net credit costs - Recoveries on written-off claims

(2) Overview of financial position

As for consolidated major account balances, loans and bills discounted came in at ¥3,248.159 billion, down by ¥5.564 billion year-on-year, despite the growth in consumer loans through continuing to engage primarily in the retail banking business. Securities amounted to ¥131.537 billion, down by ¥16.990 billion year-on-year. Deposits amounted to ¥4,079.972 billion, down by ¥15.537 billion year-on-year.

Non-consolidated major account balances were as follows:

(A) Loans and bills discounted

Loans and bills discounted came in at ¥3,245.978 billion, down by ¥7.812 billion year-on-year, despite the growth in consumer loans. Consumer loans amounted to ¥2,925.991 billion, up by ¥18.642 billion year-on-year. The average balance of loans and bills discounted in the fiscal year amounted to ¥3,229.776 billion, up by ¥93.766 billion year-on-year.

(B) Securities

Securities amounted to ¥136.822 billion, down by ¥17.518 billion year-on-year.

(C) Deferred tax assets (liabilities)

Deferred tax assets amounted to ¥15.786 billion, mainly due to an increase in allowance for loan losses.

(D) Deposits

Deposits amounted to ¥4,089.649 billion, down by ¥15.806 billion year-on-year. Individual deposits amounted to ¥3,191.847 billion, up by ¥1.010 billion year-on-year. The average balance of deposits in the fiscal year amounted to ¥4,047.017 billion, down by ¥7.491 billion year-on-year.

As for consolidated cash flows, cash flow from operating activities was a net inflow of ¥32.724 billion (compared to a net outflow of ¥43.542 billion in the previous fiscal year), given that inflows due mainly to a decrease in loans and bills discounted exceeded outflows due mainly to a decrease in deposits. Cash flow from investing activities was a net inflow of ¥16.984 billion (compared to a net inflow of ¥78.403 billion in the previous fiscal year), mainly due to proceeds from redemption of securities. Cash flow from financing activities was a net outflow of ¥5.262 billion (compared to a net outflow of ¥4.635 billion in the previous fiscal year), mainly due to dividend payments. As a result, cash and cash equivalents as of March 31, 2018 amounted to ¥968.741 billion, up by ¥44.441 billion year-on-year (compared to ¥924.300 billion as of March 31, 2017).

(3) Future outlook

Japan continues on its second-longest postwar period of economic recovery, exceeding the “Izanagi boom” of the high-growth era. Specifically, Japan has recoded 64 months of economic recovery, and the overall assessment of the index of business conditions for March 2018 remained unchanged for the 18th consecutive month. In 2018 and onward, the Japanese economy is expected to further extend the record in terms of postwar expansion, with positive effects of the economic recovery feeding through to domestic demand to achieve a better balance with overseas demand.

In light of such business conditions, Suruga Bank, as a “life and business navigator (DREAM NAVIGATOR)”, will strive to build a trusting relationship with customers, establish a business operation to offer customer-oriented services, and secure a sound financial position.

Earnings forecast for the fiscal year ending March 31, 2019 is as follows:

Consolidated		(Billions of yen)	
	FY3/2019 (Forecast)		
	First half	Full year	
Ordinary profit	17.0	36.5	
Profit attributable to owners of parent	12.0	25.0	

Non-consolidated		(Billions of yen)	
	FY3/2019 (Forecast)		
	First half	Full year	
Net operating profit	22.0	45.0	
Ordinary profit	16.5	35.0	
Net income	11.5	24.0	
Actual credit costs	9.5	19.0	
ROE (Net income basis)	<u>7.32</u> %	<u>7.68</u> %	

(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. Basic approach to the selection of accounting standards

The Suruga Bank group intends to apply Japanese accounting standards for the foreseeable future, taking into consideration the comparability of consolidated financial statements across reporting periods and companies. As for the adoption of International Financial Reporting Standards (IFRS), we will respond appropriately to the various developments in Japan and overseas.

3. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Cash and due from banks	927,519	973,397
Call loans and bills bought	2,276	2,141
Trading account securities	72	86
Money held in trust	1,149	1,571
Securities	148,527	131,537
Loans and bills discounted	3,253,723	3,248,159
Foreign exchanges	2,885	2,514
Lease receivables and investment assets	5,479	5,995
Other assets	56,909	65,076
Tangible fixed assets	51,906	52,120
Buildings, net	13,983	13,835
Land	25,564	25,712
Leased assets, net	12	9
Construction in progress	0	143
Other tangible fixed assets	12,345	12,419
Intangible fixed assets	28,591	27,111
Software	25,681	24,533
Goodwill	1,942	1,812
Leased assets	8	6
Software in progress	571	371
Other intangible fixed assets	388	387
Net defined benefit asset	7,787	10,509
Deferred tax assets	860	<u>16,695</u>
Customers' liabilities for acceptances and guarantees	3,340	2,877
Allowance for loan losses	(19,305)	<u>(78,218)</u>
Total assets	4,471,725	4,461,576
Liabilities		
Deposits	4,095,509	4,079,972
Borrowed money	1,540	1,085
Foreign exchanges	40	23
Other liabilities	25,503	28,300
Provision for bonuses	715	699
Provision for directors' bonuses	173	182
Net defined benefit liability	279	265
Provision for directors' retirement benefits	3,280	2,507
Provision for reimbursement of deposits	287	365
Provision for contingent losses	169	137
Deferred tax liabilities	505	396
Acceptances and guarantees	3,340	2,877
Total liabilities	4,131,346	4,116,813

	(Millions of yen)	
	As of March 31, 2017	As of March 31, 2018
Net assets		
Capital stock	30,043	30,043
Capital surplus	4	489
Retained earnings	291,063	292,841
Treasury shares	(606)	(582)
Total shareholders' equity	<u>320,504</u>	<u>322,791</u>
Net unrealized gains (losses) on available-for-sale securities	17,153	18,489
Deferred gains (losses) on hedges	(61)	(15)
Remeasurements of defined benefit plans	433	1,402
Total accumulated other comprehensive income	<u>17,525</u>	<u>19,876</u>
Subscription rights to shares	24	17
Non-controlling interests	2,325	2,078
Total net assets	<u>340,379</u>	<u>344,763</u>
Total liabilities and net assets	<u>4,471,725</u>	<u>4,461,576</u>

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Ordinary income	145,753	156,278
Interest income	124,718	130,751
Interest on loans and bills discounted	121,045	125,367
Interest and dividends on securities	2,578	4,107
Interest on call loans and bills bought	38	32
Interest on deposits with banks	805	814
Other interest income	250	429
Fees and commissions	13,443	13,283
Other operating income	4,393	4,118
Gains on sales of bonds	2	0
Gains on redemption of bonds	473	396
Other	3,917	3,720
Other income	3,198	8,125
Reversal of allowance for loan losses	927	-
Recoveries on written-off claims	1,339	1,793
Gains on sales of stocks and other securities	129	5,465
Equity in gains of affiliates	1	4
Other	800	861
Ordinary expenses	87,530	<u>145,752</u>
Interest expenses	4,287	3,670
Interest on deposits	4,069	3,439
Interest on borrowings and rediscounts	14	10
Other interest expenses	203	220
Fees and commissions payments	14,326	14,981
Other operating expenses	3,647	3,302
Losses on redemption of bonds	310	116
Other	3,336	3,186
General and administrative expenses	51,500	51,945
Other expenses	13,768	<u>71,853</u>
Provision for allowance for loan losses	-	<u>60,546</u>
Write-off of loans	9,381	5,938
Losses on sales of stocks and other securities	7	0
Losses on devaluation of stocks and other securities	636	10
Other	3,744	5,357
Ordinary profit	<u>58,222</u>	<u>10,525</u>
Extraordinary gains	2,170	64
Gains on disposal of non-current assets	36	64
Gains on revision of retirement benefit plan	2,134	-
Extraordinary losses	335	484
Losses on disposal of non-current assets	335	484
Income before income taxes	<u>60,057</u>	<u>10,105</u>
Income taxes - current	15,781	19,927
Income taxes - deferred	1,488	<u>(17,020)</u>
Total income taxes	17,270	2,906
Profit	<u>42,787</u>	<u>7,198</u>
Profit attributable to non-controlling interests	159	209
Profit attributable to owners of parent	<u>42,627</u>	<u>6,988</u>

Consolidated statements of comprehensive income

	(Millions of yen)	
	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	42,787	<u>7,198</u>
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	1,052	1,432
Deferred gains (losses) on hedges	21	46
Remeasurements of defined benefit plans, net of tax	(1,084)	969
Total other comprehensive income	(10)	2,448
Comprehensive income	42,776	<u>9,646</u>
(Breakdown)		
Comprehensive income attributable to owners of parent	42,596	<u>9,340</u>
Comprehensive income attributable to non-controlling interests	180	306

(3) Consolidated statements of changes in net assets

For the fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	-	253,182	(750)	282,475
Changes of items during period					
Dividends of surplus			(4,745)		(4,745)
Profit attributable to owners of parent			42,627		42,627
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		4		148	152
Net changes of items other than shareholders' equity					
Total changes of items during period	-	4	37,881	143	38,029
Balance at end of current period	30,043	4	291,063	(606)	320,504

	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	16,121	(83)	1,517	17,556	61	2,144	302,237
Changes of items during period							
Dividends of surplus							(4,745)
Profit attributable to owners of parent							42,627
Purchase of treasury shares							(4)
Disposal of treasury shares							152
Net changes of items other than shareholders' equity	1,031	21	(1,084)	(31)	(36)	180	112
Total changes of items during period	1,031	21	(1,084)	(31)	(36)	180	38,141
Balance at end of current period	17,153	(61)	433	17,525	24	2,325	340,379

For the fiscal year ended March 31, 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	4	291,063	(606)	320,504
Changes of items during period					
Dividends of surplus			(5,211)		(5,211)
Change in ownership interest of parent due to transactions with non-controlling interests		484			484
Profit attributable to owners of parent			<u>6,988</u>		<u>6,988</u>
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		29	30
Net changes of items other than shareholders' equity					
Total changes of items during period	-	485	<u>1,777</u>	23	<u>2,286</u>
Balance at end of current period	30,043	489	<u>292,841</u>	(582)	<u>322,791</u>

	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	17,153	(61)	433	17,525	24	2,325	340,379
Changes of items during period							
Dividends of surplus							(5,211)
Change in ownership interest of parent due to transactions with non-controlling interests							484
Profit attributable to owners of parent							<u>6,988</u>
Purchase of treasury shares							(5)
Disposal of treasury shares							30
Net changes of items other than shareholders' equity	1,335	46	969	2,351	(6)	(247)	2,097
Total changes of items during period	1,335	46	969	2,351	(6)	(247)	<u>4,384</u>
Balance at end of current period	18,489	(15)	1,402	19,876	17	2,078	<u>344,763</u>

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from operating activities		
Income before income taxes	60,057	10,105
Depreciation	6,819	6,958
Amortization of goodwill	129	129
Increase (decrease) in allowance for loan losses	(2,959)	58,912
Increase (decrease) in provision for bonuses	0	(15)
Increase (decrease) in provision for directors' bonuses	20	9
Increase (decrease) in net defined benefit liability	(5,260)	(1,505)
Increase (decrease) in provision for directors' retirement benefits	31	(772)
Increase (decrease) in provision for reimbursement of deposits	11	77
Increase (decrease) in provision for contingent losses	(92)	(32)
Interest income	(124,718)	(130,751)
Interest expenses	4,287	3,670
Losses (gains) on securities	348	(5,735)
Losses (gains) on money held in trust	(150)	12
Losses (gains) on disposal of non-current assets	298	420
Net decrease (increase) in trading account securities	(22)	(13)
Net decrease (increase) in loans and bills discounted	(116,558)	5,564
Net increase (decrease) in deposit	46,015	(15,537)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(545)	(455)
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(219)	(1,437)
Net decrease (increase) in call loans	729	135
Net decrease (increase) in foreign exchanges - assets	648	370
Net increase (decrease) in foreign exchanges - liabilities	27	(17)
Net decrease (increase) in lease receivables and investment assets	51	(515)
Net decrease (increase) in cash collateral paid for financial instruments assets	(10,057)	(10,897)
Interest received	124,157	130,486
Interest paid	(3,373)	(3,527)
Gains on revision of retirement benefit plan	(2,134)	-
Other, net	(2,235)	3,139
Subtotal	(24,694)	48,777
Income taxes paid	(18,848)	(16,052)
Net cash provided by (used in) operating activities	(43,542)	32,724
Cash flows from investing activities		
Purchase of securities	(44,964)	(91,584)
Proceeds from sales of securities	2,041	14,418
Proceeds from redemption of securities	127,912	100,410
Increase in money held in trust	-	(434)
Decrease in money held in trust	49	-
Purchase of property, plant and equipment	(4,193)	(3,452)
Proceeds from sales of property, plant and equipment	37	246
Purchase of intangible assets	(2,479)	(2,619)
Net cash provided by (used in) investing activities	78,403	16,984
Cash flows from financing activities		
Cash dividends paid	(4,745)	(5,211)
Purchase of treasury shares	(4)	(5)
Proceeds from sales of treasury shares	115	23
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(68)
Net cash provided by (used in) financing activities	(4,635)	(5,262)
Effect of exchange rate change on cash and cash equivalents	(0)	(4)
Net increase (decrease) in cash and cash equivalents	30,225	44,440
Cash and cash equivalents at beginning of period	894,075	924,300
Cash and cash equivalents at year-end	924,300	968,741

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

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

Not applicable.

(Segment information)

1. Summary of reportable segment

The reportable segments of the Suruga Bank group are components for which discrete financial information is available, and that are subject to regular review to allocate management resources and to evaluate their results.

The group consists of Suruga Bank, which mainly engages in the banking business, and its consolidated subsidiaries that engage in businesses such as money lending, leasing, clerical agency services, credit card services and credit guarantee. Of the reportable segments, Suruga Bank represents the “banking” segment, which includes businesses such as deposits, loans, exchange and credit card services.

2. Method of calculating ordinary income, profit or loss, assets and other items by reportable segment

Segment profit is reported on an ordinary profit-basis.

Inter-segment internal ordinary income is based on arm’s length prices.

3. Information on ordinary income, profit or loss, assets and other items by reportable segment

For the fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segment	Others	Total	Adjustments	Amount recorded in the consolidated financial statements
	Banking				
Ordinary income					
Ordinary income to external customers	141,333	14,939	156,273	4	156,278
Inter-segment internal ordinary income	200	1,736	1,936	(1,936)	-
Total	141,533	16,675	158,209	(1,931)	156,278
Segment profit	<u>8,670</u>	1,980	<u>10,650</u>	(125)	<u>10,525</u>
Segment assets	<u>4,451,689</u>	49,437	<u>4,501,126</u>	(39,549)	<u>4,461,576</u>
Other items					
Depreciation	6,747	211	6,958	-	6,958
Increase in tangible fixed assets and intangible fixed assets	5,778	294	6,072	-	6,072

(Note1) Ordinary income is equivalent to net sales reported by companies in other industries.

(Note2) “Others” consists of businesses operated by consolidated subsidiaries (such as money lending, leasing, clerical agency services, credit card services and credit guarantee) which are not included in the reportable segments.

(Note3) “Adjustments” are as follows:

- (1) The adjustment of ¥4 million in ordinary income to external customers consists of the following: equity in gains of affiliates (¥4 million).
- (2) The negative adjustment of ¥125 million in segment profit consists of the following: amortization of goodwill (- ¥129 million), equity in gains of affiliates (¥4 million) and deduction of inter-segment transactions (- ¥0 million).
- (3) The negative adjustment of ¥39,549 million in segment assets consists of the following: deduction of inter-segment transactions (- ¥41,613 million), adjustment of net defined benefit assets (¥2,012 million) and adjustment of shares in equity-method affiliates (¥51 million).

(Note4) Segment profit is adjusted to ordinary profit as reported in the consolidated statements of income.

(Per share data)

		For the fiscal year ended March 31, 2018
Net assets per share	yen	<u>1,479.36</u>
Earnings per share	yen	<u>30.17</u>
Earnings per share (diluted)	yen	<u>30.16</u>

(Note) The basis for calculation is as shown in the tables below.

1. Net assets per share

		As of March 31, 2018
Total net assets	Millions of yen	<u>344,763</u>
Amount deducted from total net assets	Millions of yen	2,095
of which, Subscription rights to shares	Millions of yen	17
of which, Non-controlling interests	Millions of yen	2,078
Net assets attributable to common stock at the fiscal year-end	Millions of yen	<u>342,667</u>
Number of common stock at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	231,631

2. Earnings per share and Earnings per share (diluted)

		For the fiscal year ended March 31, 2018
Earnings per share		
Profit attributable to owners of parent	Millions of yen	<u>6,988</u>
Amount not attributable to common shareholders	Millions of yen	-
Profit attributable to common shareholders of parent	Millions of yen	<u>6,988</u>
Average number of common stock for the fiscal year	Thousands of shares	231,619
Earnings per share (diluted)		
Adjustment for profit attributable to owners of parent	Millions of yen	-
Increase in number of common stock	Thousands of shares	50
of which, Subscription rights to shares	Thousands of shares	50
Antidilutive securities which were not included in the calculation of Earnings per share (diluted)		-

(Significant subsequent events)

Not applicable.

4. Non-consolidated financial statements

(1) Non-consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2017	As of March 31, 2018
Assets		
Cash and due from banks	926,783	972,082
Cash	26,917	31,326
Due from banks	899,866	940,755
Call loans	2,276	2,141
Trading account securities	72	86
Trading government bonds	2	2
Trading municipal bonds	70	84
Money held in trust	1,149	1,571
Securities	154,340	136,822
Government bonds	45,001	-
Municipal bonds	28,243	58,283
Corporate bonds	2,666	4,567
Stocks	57,426	51,311
Other securities	21,002	22,659
Loans and bills discounted	3,253,790	3,245,978
Bills discounted	1,676	2,060
Loans on bills	22,047	20,604
Loans on deeds	2,844,173	2,860,414
Overdrafts	385,892	362,898
Foreign exchanges	2,885	2,514
Due from foreign banks (our accounts)	1,834	1,130
Foreign bills bought	0	0
Foreign bills receivable	1,050	1,383
Other assets	48,611	56,990
Prepaid expenses	2,779	2,615
Accrued income	9,723	9,933
Initial margins of futures markets	200	200
Derivatives other than for trading - assets	846	100
Other	35,062	44,139
Tangible fixed assets	50,569	50,963
Buildings, net	13,335	13,252
Land	24,991	25,186
Leased assets, net	496	517
Construction in progress	0	143
Other tangible fixed assets	11,744	11,864
Intangible fixed assets	26,212	24,855
Software	25,309	24,178
Software in progress	523	298
Other intangible fixed assets	379	378
Prepaid pension cost	7,165	8,497
Deferred tax assets	-	15,786
Customers' liabilities for acceptances and guarantees	3,951	3,487
Allowance for loan losses	(11,983)	(70,089)
Total assets	4,465,825	4,451,689

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Deposits	4,105,455	4,089,649
Current deposits	63,147	58,891
Ordinary deposits	1,265,642	1,345,693
Saving deposits	17,297	17,441
Deposits at notice	76,239	172,045
Time deposits	2,557,174	2,455,082
Other deposits	125,954	40,494
Foreign exchanges	40	23
Foreign bills sold	40	22
Foreign bills payable	-	0
Other liabilities	20,232	21,977
Income taxes payable	8,000	11,971
Accrued expenses	6,730	6,830
Unearned revenue	104	68
Deposits received from employees	798	780
Lease obligations	497	518
Derivatives other than for trading - liabilities	867	66
Other	3,233	1,741
Provision for bonuses	667	648
Provision for directors' bonuses	173	182
Provision for directors' retirement benefits	3,277	2,506
Provision for reimbursement of deposits	287	365
Provision for contingent losses	169	137
Deferred tax liabilities	18	-
Acceptances and guarantees	3,951	3,487
Total liabilities	4,134,274	4,118,977
Net assets		
Capital stock	30,043	30,043
Capital surplus	18,590	18,590
Legal capital surplus	18,585	18,585
Other capital surplus	4	4
Retained earnings	267,078	<u>267,090</u>
Legal retained earnings	30,043	30,043
Other retained earnings	237,034	<u>237,047</u>
Reserve for advanced depreciation of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	133,943	<u>133,955</u>
Treasury shares	(606)	(582)
Total shareholders' equity	315,104	<u>315,141</u>
Net unrealized gains (losses) on available-for-sale securities	16,480	17,563
Deferred gains (losses) on hedges	(58)	(10)
Total valuation and translation adjustments	16,422	<u>17,552</u>
Subscription rights to shares	24	17
Total net assets	331,551	<u>332,711</u>
Total liabilities and net assets	4,465,825	<u>4,451,689</u>

(2) Non-consolidated statements of income

	(Millions of yen)	
	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Ordinary income	134,286	141,533
Interest income	117,238	122,017
Interest on loans and bills discounted	113,588	116,660
Interest and dividends on securities	2,558	4,080
Interest on call loans	38	32
Interest on deposits with banks	804	814
Other interest income	248	429
Trust fees	1	0
Fees and commissions	12,001	11,417
Fees and commissions on domestic and foreign exchanges	2,441	2,434
Other fees and commissions	9,559	8,983
Other operating income	546	459
Gains on foreign exchange transactions	70	62
Gains on sales of bonds	2	0
Gains on redemption of bonds	473	396
Other income	4,497	7,638
Reversal of allowance for loan losses	2,590	-
Recoveries on written-off claims	1,004	1,346
Gains on sales of stocks and other securities	129	5,465
Gains on money held in trust	150	47
Other	622	779
Ordinary expenses	77,125	132,862
Interest expenses	4,299	3,682
Interest on deposits	4,069	3,439
Interest on interest swaps	8	7
Other interest expenses	221	235
Fees and commissions payments	14,327	14,925
Fees and commissions on domestic and foreign exchanges	885	912
Other fees and commissions	13,441	14,012
Other operating expenses	310	116
Losses on trading account securities transactions	0	0
Losses on redemption of bonds	310	116
General and administrative expenses	47,436	47,596
Other expenses	10,752	66,541
Provision for allowance for loan losses	-	58,778
Write-off of loans	7,160	3,827
Losses on sales of stocks and other securities	-	0
Losses on devaluation of stocks and other securities	636	10
Losses on money held in trust	-	59
Other	2,955	3,865
Ordinary profit	57,160	8,670
Extraordinary gains	2,170	59
Gains on disposal of non-current assets	36	59
Gains on revision of retirement benefit plan	2,134	-
Extraordinary losses	316	474
Losses on disposal of non-current assets	316	474
Income before income taxes	59,013	8,256
Income taxes - current	15,214	19,328
Income taxes - deferred	2,071	(16,296)
Total income taxes	17,285	3,032
Net income	41,728	5,223

(3) Non-consolidated statements of changes in net assets
For the fiscal Year ended March 31, 2017

(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	-	18,585	30,043	59	103,032	96,961
Changes of items during period								
Dividends of surplus								(4,745)
Net income								41,728
Purchase of treasury shares								
Disposal of treasury shares			4	4				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	4	4	-	-	-	36,982
Balance at end of current period	30,043	18,585	4	18,590	30,043	59	103,032	133,943

	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	230,096	(750)	277,974	15,525	(78)	15,446	61	293,482
Changes of items during period								
Dividends of surplus	(4,745)		(4,745)					(4,745)
Net income	41,728		41,728					41,728
Purchase of treasury shares		(4)	(4)					(4)
Disposal of treasury shares		148	152					152
Net changes of items other than shareholders' equity				954	20	975	(36)	938
Total changes of items during period	36,982	143	37,129	954	20	975	(36)	38,068
Balance at end of current period	267,078	(606)	315,104	16,480	(58)	16,422	24	331,551

For the fiscal year ended March 31, 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	133,943
Changes of items during period								
Dividends of surplus								(5,211)
Net income								<u>5,223</u>
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	-	-	-	<u>12</u>
Balance at end of current period	30,043	18,585	4	18,590	30,043	59	103,032	<u>133,955</u>

	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	267,078	(606)	315,104	16,480	(58)	16,422	24	331,551
Changes of items during period								
Dividends of surplus	(5,211)		(5,211)					(5,211)
Net income	<u>5,223</u>		<u>5,223</u>					<u>5,223</u>
Purchase of treasury shares		(5)	(5)					(5)
Disposal of treasury shares		29	30					30
Net changes of items other than shareholders' equity				1,082	47	1,130	(6)	1,123
Total changes of items during period	<u>12</u>	23	<u>36</u>	1,082	47	1,130	(6)	<u>1,160</u>
Balance at end of current period	<u>267,090</u>	(582)	<u>315,141</u>	17,563	(10)	17,552	17	<u>332,711</u>

Financial Results

For the fiscal year ended March 31, 2018

- Supplementary Information -

SURUGA bank, Ltd.

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I . Financial highlights for the fiscal year ended March 31, 2018

1. Financial results (Non-consolidated)

(Millions of yen)

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Gross operating profit	115,171	4,319	110,852
Net interest income	118,336	5,396	112,940
Net fees and commissions	(3,507)	(1,183)	(2,324)
Net other operating income (Note1)	61	(9)	70
Core gross operating profit	114,890	4,204	110,686
Expenses (-)	46,742	(498)	47,240
Core net operating profit (Note2)	68,148	4,703	63,445
Gains (losses) on bonds	281	116	165
Actual net operating profit (Note3)	68,429	4,818	63,611
Provision for general allowance for loan losses (-) (Note4)	<u>46,499</u>	<u>46,499</u>	-
Net operating profit	<u>21,930</u>	<u>(41,681)</u>	63,611
Disposal of non-performing loans (-)	<u>18,864</u>	<u>9,699</u>	9,165
Reversal of allowance for loan losses (Note4)	-	(2,590)	2,590
Recoveries on written-off claims	1,346	342	1,004
Gains (losses) on stocks	5,454	5,960	(506)
Ordinary profit	<u>8,670</u>	<u>(48,490)</u>	57,160
Gains (losses) on disposal of non-current assets	(414)	(134)	(280)
Gains on revision of retirement benefit plan	-	(2,134)	2,134
Net income	<u>5,223</u>	<u>(36,505)</u>	41,728
Net credit costs	<u>65,363</u>	<u>58,788</u>	6,575
Actual credit costs (Note5)	<u>64,016</u>	<u>58,445</u>	5,571

(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

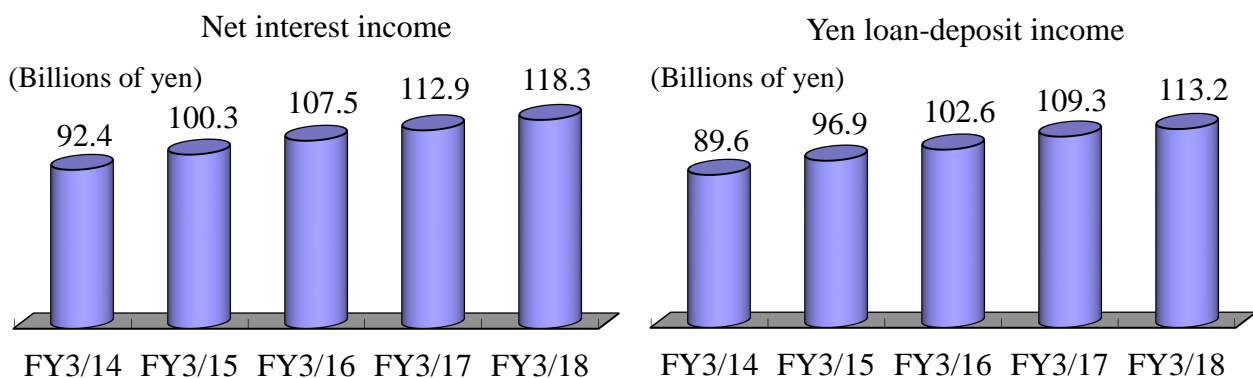
(Note3) Actual net operating profit = Net operating profit + Provision for general allowance for loan losses

(Note4) For the fiscal year ended March 31, 2017, the net amount of Reversal of general allowance for loan losses and Provision for specific allowance for loan losses is recorded in Reversal of allowance for loan losses, given that the former exceeded the latter during the period.

(Note5) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans
- Reversal of allowance for loan losses) - Recoveries on written-off claims

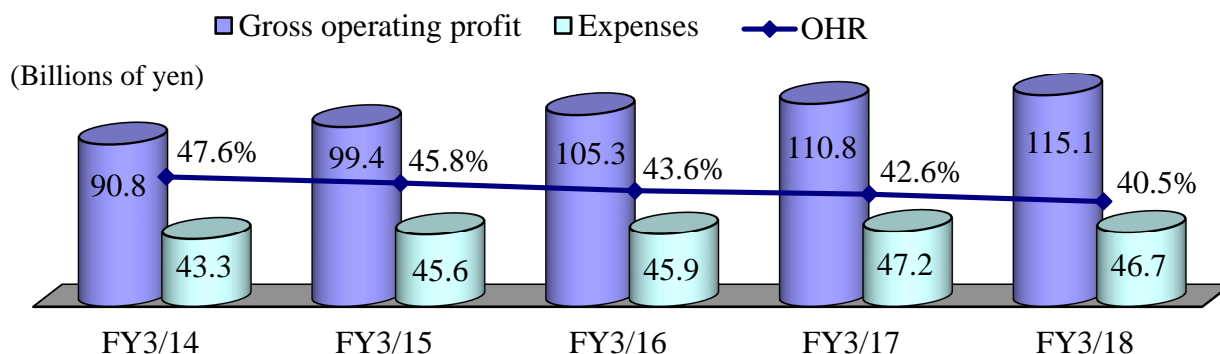
(1) Gross operating profit: ¥115.1 billion

- Net interest income increased by ¥5.3 billion year-on-year, mainly due to an increase in interest on loans and bills discounted.
- Yen loan-deposit income increased by ¥3.8 billion year-on-year.
- Core gross operating profit increased by ¥4.2 billion year-on-year, mainly due to an increase in net interest income.
- Gross operating profit increased by ¥4.3 billion year-on-year.



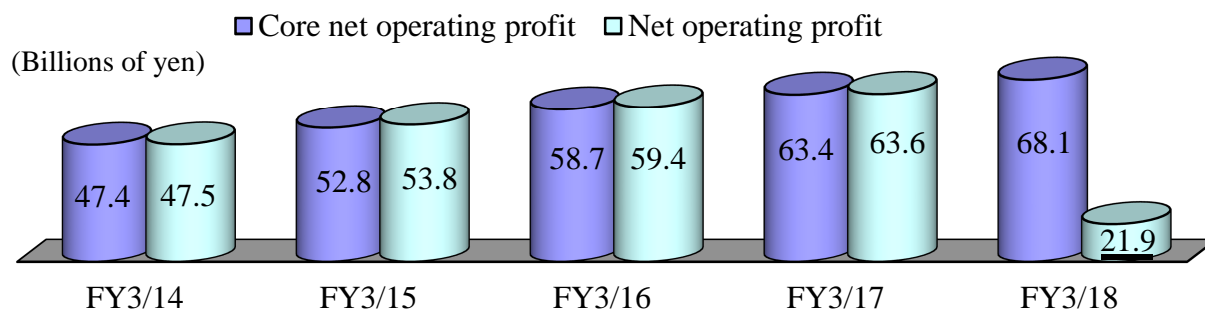
(2) Expenses; OHR: 40.5%

- Expenses decreased by ¥0.4 billion year-on-year.
- OHR improved year-on-year to 40.5%, mainly due to a decrease in expenses and an increase in gross operating profit.
(OHR(%)) = Expenses / Gross operating profit × 100



(3) Core net operating profit: ¥68.1 billion, Net operating profit: ¥21.9 billion

- Core net operating profit increased by ¥4.7 billion year-on-year, mainly due to an increase in net interest income.
- Net operating profit decreased by ¥41.6 billion year-on-year, mainly due to an increase in provision for general allowance for loan losses.



(4) Ordinary profit: ¥8.6 billion

- Ordinary profit decreased by ¥48.4 billion year-on-year, mainly due to an increase in net credit costs.

(5) Net income: ¥5.2 billion

- Net income decreased by ¥36.5 billion year-on-year, mainly due to a decrease in ordinary profit and the absence of gains on revision of retirement benefit plan (¥2.1 billion) recorded in the previous fiscal year.

(6) Actual credit costs: ¥64.0 billion

- Net credit costs increased by ¥58.7 billion year-on-year, mainly due to an increase (¥46.4 billion) in provision for general allowance for loan losses, an increase (¥9.6 billion) in disposal of non-performing loans and a decrease (¥2.5 billion) in reversal of allowance for loan losses.
- Actual credit costs, calculated as net credit costs (¥65.3 billion) minus the amount of recoveries on written-off claims (¥1.3 billion) amounted to ¥64.0 billion.

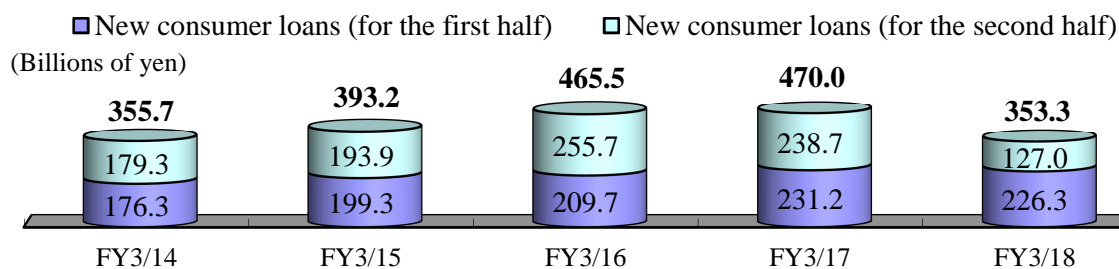
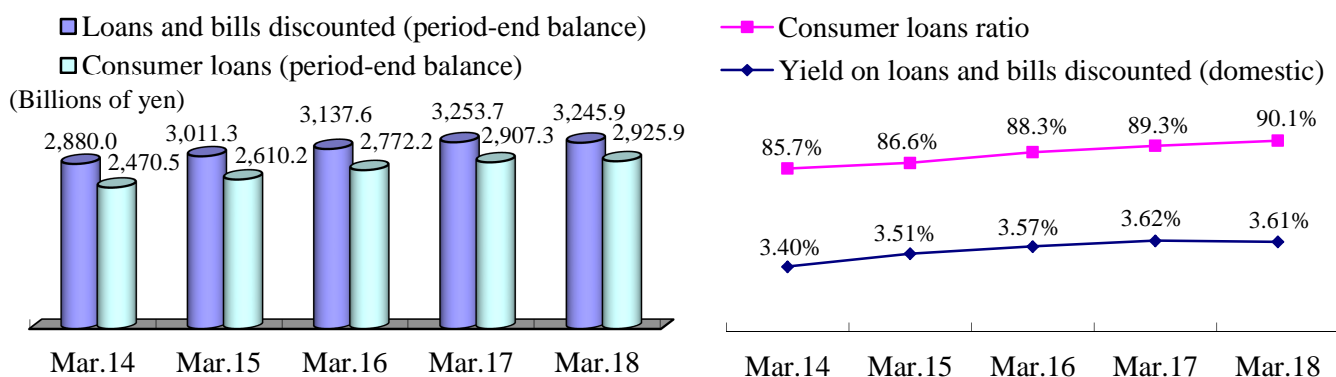
2. Major accounts (Non-consolidated)

(1) Loans and bills discounted

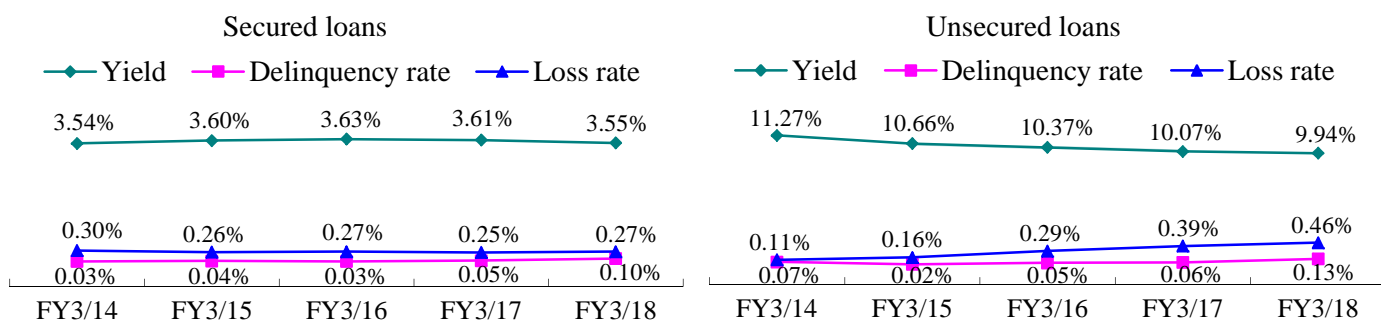
- Loans and bills discounted decreased by ¥7.8 billion, or 0.2% year-on-year.
- New consumer loans for the fiscal year ended March 31, 2018 amounted to ¥353.3 billion, and the balance of consumer loans as of March 31, 2018 increased by ¥18.6 billion, or 0.6% year-on-year.
- Yield on loans and bills discounted (domestic) dropped by 1 basis point year-on-year to 3.61%.

	(Millions of yen)			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	Mar. 31, 2018 (a)	(a) - (b)	(a) - (c)		
Loans and bills discounted (period-end balance)	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
Consumer loans	2,925,991	(37,454)	18,642	2,963,445	2,907,349
Secured loans	2,654,576	(38,361)	4,390	2,692,937	2,650,186
Unsecured loans	271,414	906	14,252	270,508	257,162
Loans and bills discounted (average balance)	3,229,776	6,608	93,766	3,223,168	3,136,010
Loan-deposit ratio (period-end balance basis)	79.3%	(1.3)%	0.1%	80.6%	79.2%
Loan-deposit ratio (average balance basis)	79.8%	0.3%	2.5%	79.5%	77.3%

Business alliance with Japan Post Bank	(Billions of yen)		FY3/2017 (b)
	FY3/2018 (a)	(a) - (b)	
New housing loans (cumulative total)	35.6	(4.3)	39.9



(Delinquency rate and loss rate of consumer loans)



(Note1) Delinquency rate = Loans past due 3 months or more / Loans

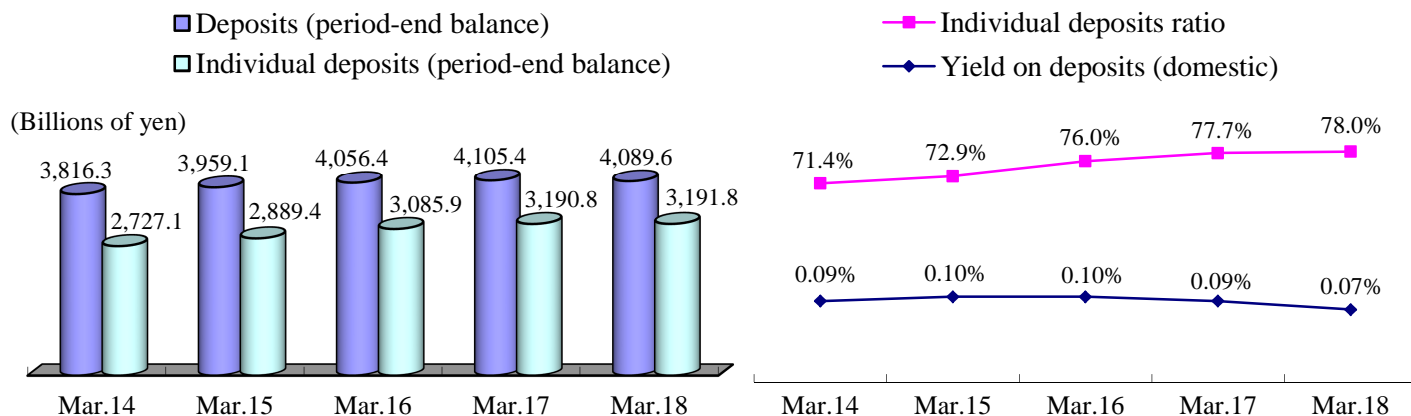
(Note2) Loss rate = Default ratio × (1 - Recovery rate)

(2) Deposits

- Deposits decreased by ¥15.8 billion, or 0.3% year-on-year.
- Individual deposits increased by ¥1.0 billion, or 0.0% year-on-year.
- Yield on deposits (domestic) dropped by 2 basis points year-on-year to 0.07%.

(Millions of yen)

	Mar. 31, 2018 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
Deposits (period-end balance)	4,089,649	13,573	(15,806)	4,076,076	4,105,455
Individual deposits	3,191,847	(16,422)	1,010	3,208,269	3,190,837
Deposits (average balance)	4,047,017	(3,105)	(7,491)	4,050,122	4,054,508

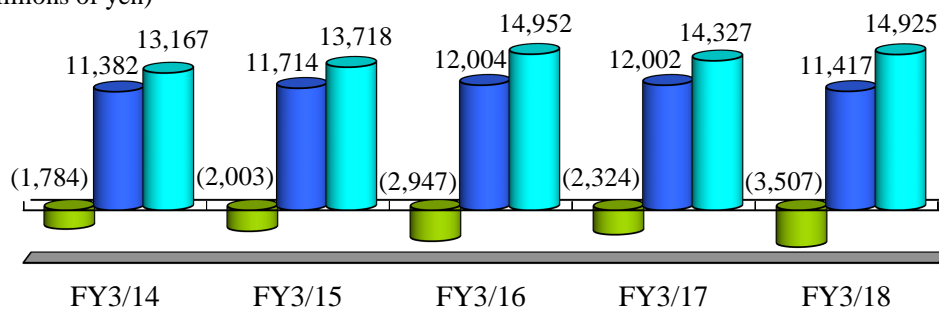


(3) Net fees and commissions

- Net fees and commissions decreased by ¥1.1 billion year-on-year, mainly due to an increase (¥0.5 billion) in fees and commissions payments.

■ Net fees and commissions ■ Fees and commissions ■ Fees and commissions payments

(Millions of yen)



(4) Individual deposit assets

- Individual deposit assets decreased by ¥21.8 billion year-on-year.
- The ratio of investment products to total individual deposit assets dropped by 70 basis points year-on-year to 4.7%.

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Individual deposit assets	3,345,282	(29,431)	(21,840)	3,374,713	3,367,122
Yen deposits	3,185,938	(15,948)	1,487	3,201,886	3,184,451
Investment products	159,344	(13,483)	(23,326)	172,827	182,670
Foreign currency deposits	5,908	(475)	(478)	6,383	6,386
Public bonds	8,837	(382)	(1,387)	9,219	10,224
Mutual funds	93,654	(10,828)	(14,334)	104,482	107,988
Personal pension plans	35,697	(2,343)	(8,084)	38,040	43,781
Single premium life insurance	15,245	543	955	14,702	14,290
The ratio of investment products to total individual deposit assets	4.7%	(0.4)%	(0.7)%	5.1%	5.4%

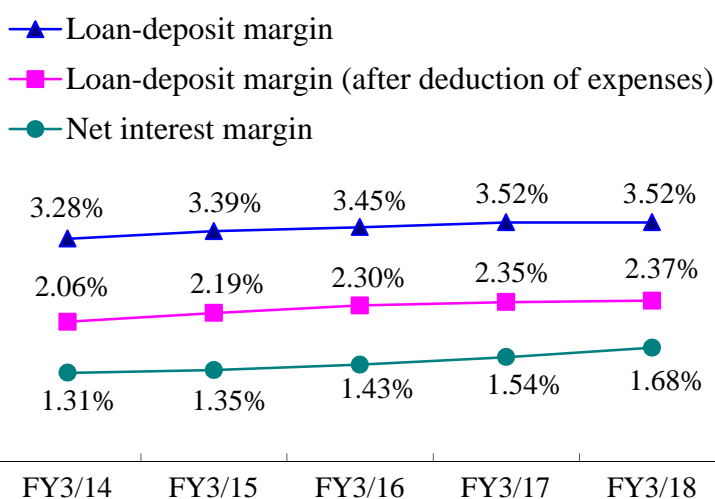
3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin (after deduction of expenses) rose by 2 basis points year-on-year to 2.37%.
- Net interest margin rose by 14 basis points year-on-year to 1.68%, mainly due to the rise in return on investments.

(%)

	FY3/2018		FY3/2017 (b)
	(a)	(a) - (b)	
Loan-deposit margin	3.52	0.00	3.52
Loan-deposit margin (after deduction of expenses)	2.37	0.02	2.35
Net interest margin	1.68	0.14	1.54



4. Own capital (Non-consolidated)

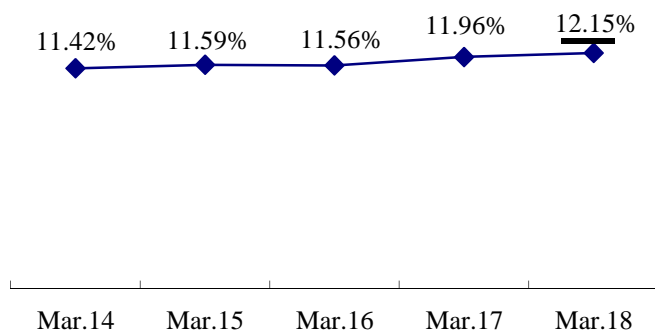
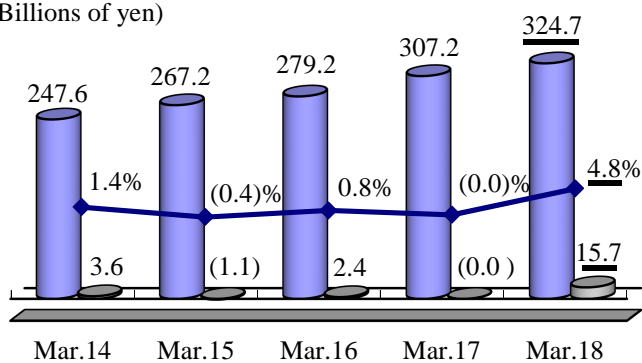
• Capital adequacy ratio rose by 19 basis points year-on-year to 12.15%.

	Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Capital adequacy ratio (domestic standard)	<u>12.15</u>	<u>(0.55)</u>	<u>0.19</u>	12.70	11.96

■ Own capital ■ Deferred tax assets
◆ Deferred tax assets / Own capital

◆ Capital adequacy ratio

(Billions of yen)



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

• Net unrealized gains (losses) on securities increased by ¥1.4 billion year-on-year, mainly due to an increase in unrealized gains on stocks.

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Other securities	24,818	(3,306)	1,465	28,124	23,353
Stocks	24,604	(2,102)	2,649	26,706	21,955
Bonds	(7)	150	108	(157)	(115)
Others	221	(1,354)	(1,291)	1,575	1,512

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Held-to-maturity bonds (net unrealized gains (losses))	-	-	(22)	-	22

6. Earnings forecast for the fiscal year ending March 31, 2019

Consolidated (Billions of yen)

	FY3/2019 (forecast)	
	First half	Full year
Ordinary profit	17.0	36.5
Profit attributable to owners of parent	12.0	25.0

Non-consolidated (Billions of yen)

	FY3/2019 (forecast)	
	First half	Full year
Net operating profit	22.0	45.0
Ordinary profit	16.5	35.0
Net income	11.5	24.0
Actual credit costs	9.5	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.

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 ¥43.2 billion year-on-year.
Non-performing loan ratio rose by 132 basis points year-on-year to 2.20%.

Outstanding balance

(Millions of yen, %)

	Mar. 31, 2018 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2017	Mar. 31, 2017
				(b)	(c)
Claims against bankrupt and substantially bankrupt obligors	10,573	1,311	2,852	9,262	7,721
Claims with collection risk	47,722	35,807	34,998	11,915	12,724
Claims for special attention	13,874	6,271	5,362	7,603	8,512
Total (A)	72,170	43,388	43,213	28,782	28,957
Total claims (B)	3,266,815	(39,829)	(7,682)	3,306,644	3,274,497
Non-performing loan ratio (A/B)	2.20	1.33	1.32	0.87	0.88

Status of coverage

(Millions of yen, %)

		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Total	Change from
						Mar. 31, 2017
Non-performing loans (A)	10,573	47,722	13,874	72,170	43,213	
Covered amount (C+D) (B)	10,573	<u>33,205</u>	<u>8,171</u>	<u>51,951</u>	<u>27,904</u>	
Portion secured by collateral or guarantees, etc. (C)	6,557	22,600	5,777	34,935	14,363	
Allowance for loan losses (D)	4,016	<u>10,604</u>	<u>2,394</u>	<u>17,015</u>	<u>13,540</u>	
Coverage ratio (B/A)	100.00	<u>69.58</u>	<u>58.89</u>	<u>71.98</u>	<u>(11.06)</u>	
Unsecured portion (A-C) (E)	4,016	25,121	8,097	37,234	28,849	
Allowance ratio for unsecured portion (D/E)	100.00	<u>42.21</u>	<u>29.56</u>	<u>45.69</u>	<u>4.25</u>	

(Reference) As of Mar. 31, 2017

Unsecured portion	2,303	2,253	3,828	8,385
Allowance ratio for unsecured portion	100.00	31.42	12.09	41.44

(Note1) Category IV claims against bankrupt and substantially bankrupt obligors (corresponding to bankrupt and effectively bankrupt obligors based on self-assessment) which are not covered by collateral or guarantees, etc., are partially written off. Specific allowance for loan losses is provisioned against claims for which the unrecoverable amounts cannot be determined due to potential rehabilitation measures, etc.

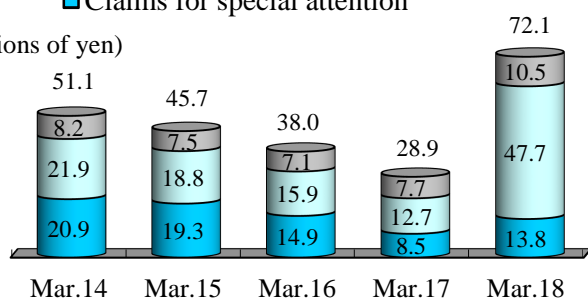
(Note2) Specific allowance for loan losses against claims with collection risk (corresponding to potentially bankrupt obligors based on self-assessment) is calculated by multiplying the amount of category III claims not covered by collateral or guarantees, etc., by an estimated loan loss ratio based on historical loan loss ratios for the previous three reporting periods.

(Note3) General allowance for loan losses against claims for special attention is calculated by multiplying the total amount of such claims (categories I and II) by an estimated loan loss ratio based on historical loan loss ratios for the previous three reporting periods.

(Note4) As for large claims against potentially bankrupt and substandard obligors, for which the future cash flow can be reasonably estimated, allowance for loan losses is calculated using the Discounted Cash Flow method.

- Claims against bankrupt and substantially bankrupt obligors
- Claims with collection risk
- Claims for special attention

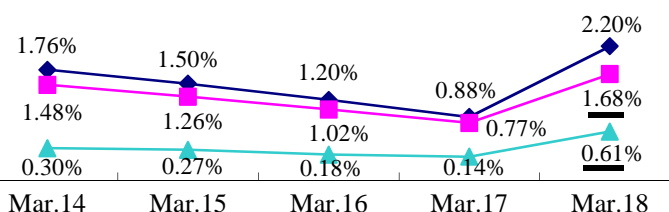
(Billions of yen)



◆ Non-performing loan ratio

■ Non-performing loan ratio (after deduction of allowance)

▲ Non-performing loan ratio (after deduction of collateral, guarantees and allowance)



(2) Risk-monitored loans

(Millions of yen, %)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Loans to bankrupt obligors	1,970	1,198	1,070	772	900
Non-accrual delinquent loans	56,249	35,936	36,754	20,313	19,495
Loans past due 3 months or more	1,295	623	1,100	672	195
Restructured loans	12,578	5,648	4,261	6,930	8,317
Total	72,094	43,405	43,186	28,689	28,908
Coverage ratio	72.11	(13.25)	(10.90)	85.36	83.01

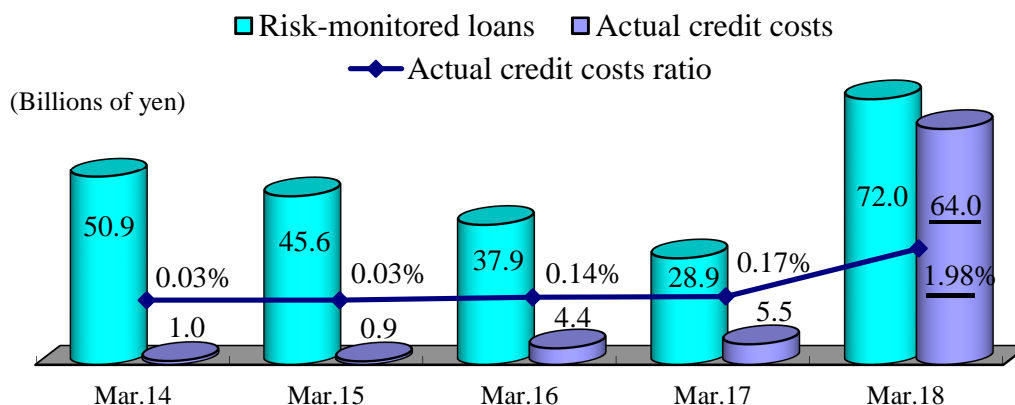
8. Credit costs (Non-consolidated)

(Millions of yen, %)

		FY3/2018		FY3/2017 (b)
		(a)	(a) - (b)	
Provision for general allowance for loan losses	(1)	46,499	46,499	-
Disposal of non-performing loans	(2)	18,864	9,699	9,165
Write-off of loans		3,827	(3,333)	7,160
Provision for specific allowance for loan losses		12,279	12,279	-
Losses on sales of delinquent loans		2,745	831	1,914
Provision for allowance for contingent losses		11	(79)	90
Reversal of allowance for loan losses	(3)	-	(2,590)	2,590
Recoveries on written-off claims	A	1,346	342	1,004
Net credit costs	(4) (= (1)+(2)- (3))	65,363	58,788	6,575
Actual credit costs	(4)- A	64,016	58,445	5,571
Loans and bills discounted (average balance)		3,229,776	93,766	3,136,010
Net credit costs ratio		2.02	1.82	0.20
Actual credit costs ratio		1.98	1.81	0.17

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

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



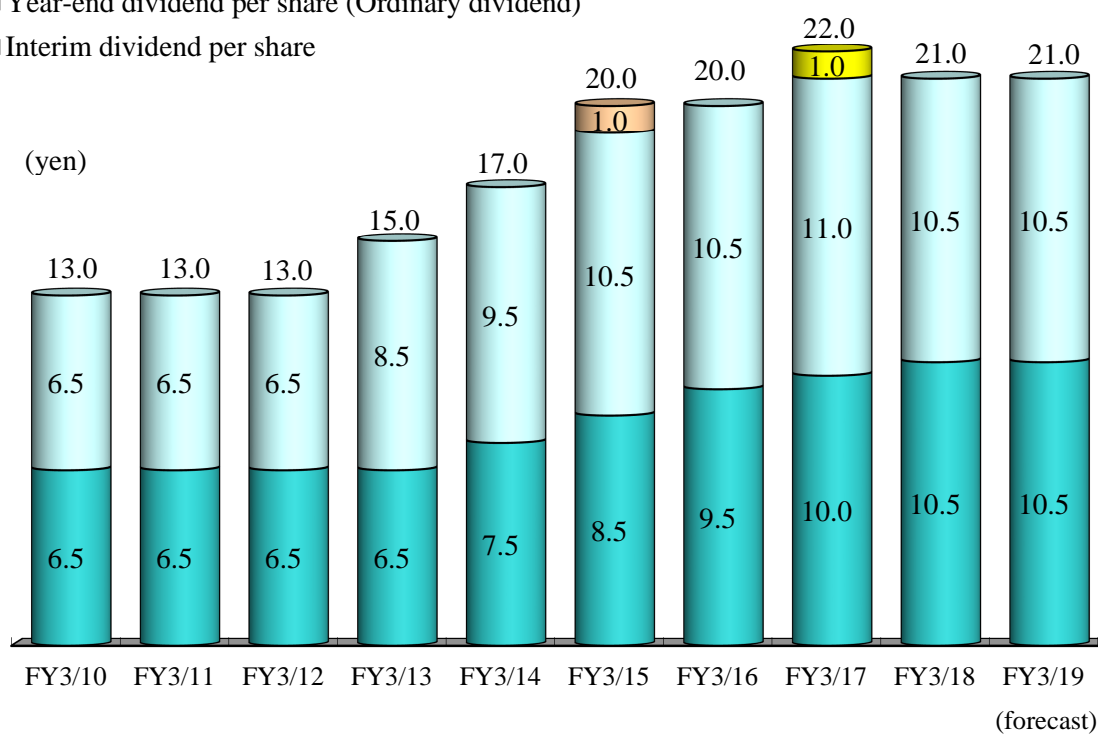
9. Dividends

•The company has decided to pay a year-end dividend of ¥10.5 per share and an annual dividend of ¥21.0 per share with the aim of enhancing shareholder returns.

For the fiscal year ending March 31, 2019, the company is forecasting an annual dividend of ¥21.0 per share in light of the company's earnings forecast and other factors.

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(result) (b)
Annual dividend per share	21.00	(1.00)	22.00
Interim dividend	10.50	0.50	10.00
Year-end dividend	10.50	(1.50)	12.00
Ordinary dividend	10.50	(0.50)	11.00
Special dividend	-	(1.00)	1.00

- Year-end dividend per share (Special dividend)
- Year-end dividend per share (Commemorative dividend)
- Year-end dividend per share (Ordinary dividend)
- Interim dividend per share



II . Financial data for the fiscal year ended March 31, 2018

1. Details of financial results (Non-consolidated)

	(Millions of yen)		
	FY3/2018	FY3/2017	
	(a)	(a) - (b)	
	(a)	(b)	
Gross operating profit	115,171	4,319	110,852
(excluding gains (losses) on bonds)	(114,890)	4,204	110,686)
Domestic gross operating profit	114,776	4,180	110,596
(excluding gains (losses) on bonds)	(114,495)	4,204	110,291)
Net interest income	118,025	5,389	112,636
Net fees and commissions	(3,529)	(1,185)	(2,344)
Net other operating income	280	(24)	304
(of which, Gains (losses) on bonds)	(281)	(23)	304)
International gross operating profit	395	140	255
(excluding gains (losses) on bonds)	(395)	0	395)
Net interest income	310	6	304
Net fees and commissions	22	2	20
Net other operating income	62	130	(68)
(of which, Gains (losses) on bonds)	(-)	139	(139))
Expenses (excluding non-recurring losses)	46,742	(498)	47,240
Personnel expenses	17,777	(585)	18,362
Non-personnel expenses	25,078	(53)	25,131
Taxes	3,886	139	3,747
Net operating profit	68,429	4,818	63,611
(before provision for general allowance for loan losses)			
(excluding gains (losses) on bonds)	68,148	4,703	63,445
Provision for general allowance for loan losses (Note)	46,499	46,499	-
Net operating profit	21,930	(41,681)	63,611
Gains (losses) on bonds	281	116	165
Non-recurring gains (losses)	(13,258)	(6,808)	(6,450)
Reversal of allowance for loan losses (Note)	-	(2,590)	2,590
Recoveries on written-off claims	1,346	342	1,004
Gains (losses) on stocks	5,454	5,960	(506)
Ordinary profit	8,670	(48,490)	57,160
Extraordinary gains (losses)	(414)	(2,267)	1,853
Gains (losses) on disposal of non-current assets	(414)	(134)	(280)
Gains on disposal of non-current assets	59	23	36
Losses on disposal of non-current assets	474	158	316
Gains on revision of retirement benefit plan	-	(2,134)	2,134
Income before income taxes	8,256	(50,757)	59,013
Income taxes-current	19,328	4,114	15,214
Income taxes-deferred	(16,296)	(18,367)	2,071
Total income taxes	3,032	(14,253)	17,285
Net income	5,223	(36,505)	41,728

(1)Provision for general allowance for loan losses (Note)	46,499	46,499	-
(2)Disposal of non-performing loans	18,864	9,699	9,165
Write-off of loans	3,827	(3,333)	7,160
Provision for specific allowance for loan losses (Note)	12,279	12,279	-
Losses on sales of delinquent loans	2,745	831	1,914
Provision for allowance for contingent losses	11	(79)	90
(3)Reversal of allowance for loan losses (Note)	-	(2,590)	2,590
(4)Net credit costs (1)+(2)-(3)	65,363	58,788	6,575
(5)Recoveries on written-off claims	1,346	342	1,004
(6)Actual credit costs (4)-(5)	64,016	58,445	5,571

(Note) For the fiscal year ended March 31, 2017, the net amount of Reversal of general allowance for loan losses and Provision for specific allowance for loan losses is recorded in Reversal of allowance for loan losses, given that the former exceeded the latter during the period.

Details of financial results (Consolidated)

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Consolidated gross profit	126,199	5,905	120,294
Net interest income	127,082	6,651	120,431
Net fees and commissions	(1,698)	(815)	(883)
Net other operating income	815	70	745
Expenses (excluding non-recurring losses)	51,090	(213)	51,303
Actual credit costs	<u>68,863</u>	<u>58,975</u>	9,888
Gains (losses) on stocks	5,454	5,967	(513)
Equity in gains (losses) of affiliates	4	3	1
Others	(1,178)	(810)	(368)
Ordinary profit	<u>10,525</u>	<u>(47,697)</u>	58,222
Extraordinary gains (losses)	(420)	(2,255)	1,835
Income before income taxes	<u>10,105</u>	<u>(49,952)</u>	60,057
Income taxes-current	19,927	4,146	15,781
Income taxes-deferred	<u>(17,020)</u>	<u>(18,508)</u>	1,488
Total income taxes	<u>2,906</u>	<u>(14,364)</u>	17,270
Profit attributable to non-controlling interests	209	50	159
Profit attributable to owners of parent	<u>6,988</u>	<u>(35,639)</u>	42,627

(1)Provision for general allowance for loan losses	<u>47,283</u>	<u>47,283</u>	-
(2)Disposal of non-performing loans	<u>23,374</u>	<u>11,219</u>	12,155
Write-off of loans	5,938	(3,443)	9,381
Provision for specific allowance for loan losses	<u>13,262</u>	<u>13,262</u>	-
Losses on sales of delinquent loans	4,161	1,478	2,683
Provision for allowance for contingent losses	11	(79)	90
(3)Reversal of allowance for loan losses	-	(927)	927
(4)Net credit costs (1)+(2)-(3)	<u>70,657</u>	<u>59,429</u>	11,228
(5)Recoveries on written-off claims	1,793	454	1,339
(6)Actual credit costs (4)-(5)	<u>68,863</u>	<u>58,975</u>	9,888

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

(Reference)	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Consolidated net operating profit	<u>27,825</u>	<u>(41,166)</u>	68,991

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

(Number of consolidated subsidiaries and affiliates)	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Consolidated subsidiaries	9	-	9
Equity-method accounted affiliates	1	-	1

2. Net operating profit (Non-consolidated)

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Net operating profit	<u>21,930</u>	<u>(41,681)</u>	63,611
Per employee (Thousands of yen)	<u>14,333</u>	<u>(26,235)</u>	40,568

3. Interest margins (Non-consolidated)

Overall		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
Return on investments (A)		2.93	0.12	2.81
Yield on loans and bills discounted		3.61	(0.01)	3.62
Yield on securities		3.63	2.37	1.26
Yield on interest bearing liabilities (B)		1.24	(0.03)	1.27
Yield on deposits		0.08	(0.02)	0.10
Loan-deposit margin (after deduction of expenses)		2.37	0.02	2.35
Net interest margin (A) - (B)		1.68	0.14	1.54

Domestic		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
Return on investments (A)		2.92	0.11	2.81
Yield on loans and bills discounted		3.61	(0.01)	3.62
Yield on securities		3.74	2.46	1.28
Yield on interest bearing liabilities (B)		1.20	(0.03)	1.23
Yield on deposits		0.07	(0.02)	0.09
Loan-deposit margin (after deduction of expenses)		2.40	0.02	2.38
Net interest margin (A) - (B)		1.72	0.14	1.58

4. ROA and ROE (Non-consolidated)

		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
ROA	Net operating profit basis	0.49	(0.96)	1.45
	Net income basis	0.11	(0.84)	0.95
ROE	Net operating profit basis	7.02	(16.06)	23.08
	Net income basis	1.67	(13.47)	15.14

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

		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
(Millions of yen)				
Gains (losses) on bonds		281	116	165
Gains on sales		0	(2)	2
Gains on redemptions		396	(77)	473
Losses on sales		-	-	-
Losses on redemptions		116	(194)	310
Losses on devaluation		-	-	-
Gains (losses) on stocks		5,454	5,960	(506)
Gains on sales		5,465	5,336	129
Losses on sales		0	0	-
Losses on devaluation		10	(626)	636

6. Capital adequacy ratio (domestic standard)

Non-consolidated (Millions of yen)

	Mar. 31, 2018 (a)	(a) - (b)	Mar. 31, 2017 (b)
Capital adequacy ratio	<u>12.15%</u>	<u>0.19%</u>	11.96%
Own capital (Core capital)	<u>324,772</u>	<u>17,479</u>	307,293
Core capital: instruments and reserves	<u>343,370</u>	<u>22,116</u>	321,254
Core capital: regulatory adjustments (-)	18,597	4,637	13,960
Risk-weighted assets	<u>2,671,108</u>	<u>103,616</u>	2,567,492

Consolidated (Millions of yen)

	Mar. 31, 2018 (a)	(a) - (b)	Mar. 31, 2017 (b)
Capital adequacy ratio	<u>12.22%</u>	<u>0.05%</u>	12.17%
Own capital (Core capital)	<u>331,014</u>	<u>15,121</u>	315,893
Core capital: instruments and reserves	<u>353,473</u>	<u>21,235</u>	332,238
Core capital: regulatory adjustments (-)	<u>22,459</u>	<u>6,114</u>	16,345
Risk-weighted assets	<u>2,708,022</u>	<u>113,323</u>	2,594,699

7. Composition of own capital (domestic standard)

(Millions of yen)

	Mar. 31, 2018			
	Non-consolidated		Consolidated	
		Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
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	312,709		320,359	
Capital and capital surplus	48,633		30,532	
Retained earnings	267,090		292,841	
Treasury shares (-)	582		582	
Earnings to be distributed (-)	2,432		2,432	
Accumulated other comprehensive income included in Core capital	-		1,122	
Remeasurements of defined benefit plans	-		1,122	
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock	17		17	
Adjusted non-controlling interests (amount allowed to be included in Core capital)	-		-	
Reserves included in Core capital: instruments and reserves	30,643		30,727	
General allowance for loan losses	30,643		30,727	
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	-		1,246	
Core capital: instruments and reserves (A)	343,370		353,473	
Core capital: regulatory adjustments (2)				
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	13,859	3,464	15,919	3,526
Goodwill (including those equivalent)	-	-	1,812	-
Other intangible fixed assets other than goodwill and mortgage servicing rights	13,859	3,464	14,106	3,526
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	581	-
Shortfall of eligible provisions to expected losses	-	-	-	-
Gains on sale related to securitization transactions	-	-	-	-
Gains (losses) due to changes in own credit risk on fair valued liabilities	-	-	-	-
Prepaid pension cost	4,738	1,184	-	-
Net defined benefit asset	-	-	5,860	1,465
Investments in own shares (excluding those reported in the net assets)	0	-	0	-
Reciprocal cross-holdings in relevant capital instruments issued by other financial institutions	-	-	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other financial institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-	-	-
Amount exceeding the 10% threshold on specified items	-	1,512	97	912
Significant investments in the common stock of Other financial institutions, net of eligible short positions	-	-	-	-
Mortgage servicing rights	-	-	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	1,512	97	912
Amount exceeding the 15% threshold on specified items	-	-	-	-
Core capital: regulatory adjustments (B)	18,597		22,459	
Total capital				
Total capital (A-B) (C)	324,772		331,014	
Risk-weighted assets (3)				
Credit risk-weighted assets	2,451,486		2,458,203	
Total of items included in risk-weighted assets subject to transitional arrangements	22,457		23,856	
Intangible fixed assets other than goodwill and mortgage servicing rights (net of related tax liability)	4,971		5,059	
Deferred tax assets (net of related tax liability)	15,786		16,695	
Prepaid pension cost	1,699		-	
Net defined benefit asset	-		2,101	
Amount equivalent to market risk × 12.5	-		-	
Amount equivalent to operational risk × 12.5	219,621		249,818	
Credit risk-weighted assets adjustments	-		-	
Amount equivalent to operational risk adjustments	-		-	
Total amount of risk-weighted assets (D)	2,671,108		2,708,022	
Capital adequacy ratio (non-consolidated)				
Capital adequacy ratio (non-consolidated) (C/D)	12.15%		-	
Capital adequacy ratio (consolidated)				
Capital adequacy ratio (consolidated) (C/D)	-		12.22%	

III. Status of loans, etc.

Comparison of asset disclosure by standard

Non-consolidated (As of March 31, 2018)

Classification and status of coverage by disclosure standard

Self-assessment result (by obligor classification)					Non-performing loans based on the Financial Reconstruction Law				(Millions of yen) Risk-monitored loans	
* Includes total claims.					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).				* Includes loans and bills discounted.	
Category	Classification				Category	Collateral or guarantees, etc.	Allowance	Coverage ratio	Category	Out-standing balance
	Credit balance	Non-classification	Classification II	Classification III						
Bankrupt obligors	1,971 [796]	1,113	858	-	-	-	-	-	Loans to bankrupt obligors	1,970
Effectively bankrupt obligors	8,601 [3,219]	3,647	4,954	-	-	-	-	-	Non-accrual delinquent loans	56,249
Potentially bankrupt obligors	47,722 [10,604]	<u>15,390</u>	17,815	<u>14,516</u> [10,604]	-	-	-	-	Loans past due 3 months or more	1,295
Obligors requiring caution	Sub-standard obligors	449	19,077	-	-	-	-	-	Restructured loans	12,578
	Other obligors requiring caution	19,527	20,770	273,259	-	-	-	-	Total	72,094
Normal obligors	2,894,961	2,894,961	-	-	-	-	-	-		
Total	3,266,815 [14,621]	<u>2,936,332</u>	315,965	<u>14,516</u> [10,604]	-	-	-	-		
					Claims against bankrupt and substantially bankrupt obligors	6,557	4,016	100%		
					Claims with collection risk	22,600	<u>10,604</u>	<u>69.58%</u>		
					Claims for special attention	5,777	<u>2,394</u>	<u>58.89%</u>		
					Subtotal	34,935	<u>17,015</u>	<u>71.98%</u>		
					Normal assets					
					Total					
					3,194,644					
					3,266,815					

(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 deduction of partial direct write-off of loans.

The amounts of partial direct write-off of loans for the fiscal year ended March 31, 2018 were as follows:

(a) Non-consolidated: ¥4,128 million; (b) Consolidated: ¥5,885 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, %)

		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	1,970	1,198	1,070	772	900
	Non-accrual delinquent loans	56,249	35,936	36,754	20,313	19,495
	Loans past due 3 months or more	1,295	623	1,100	672	195
	Restructured loans	12,578	5,648	4,261	6,930	8,317
	Total	72,094	43,405	43,186	28,689	28,908

Loans and bills discounted (period-end balance)	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
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% to loans and bills discounted	Loans to bankrupt obligors	0.06	0.04	0.04	0.02	0.02
	Non-accrual delinquent loans	1.73	1.12	1.14	0.61	0.59
	Loans past due 3 months or more	0.03	0.01	0.03	0.02	0.00
	Restructured loans	0.38	0.17	0.13	0.21	0.25
	Total	2.22	1.35	1.34	0.87	0.88

Consolidated (Millions of yen, %)

		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	2,987	1,492	1,353	1,495	1,634
	Non-accrual delinquent loans	62,346	35,885	36,743	26,461	25,603
	Loans past due 3 months or more	1,295	623	1,100	672	195
	Restructured loans	12,578	5,648	4,261	6,930	8,317
	Total	79,207	43,648	43,457	35,559	35,750

Loans and bills discounted (period-end balance)	3,248,159	(38,743)	(5,564)	3,286,902	3,253,723
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% to loans and bills discounted	Loans to bankrupt obligors	0.09	0.05	0.04	0.04	0.05
	Non-accrual delinquent loans	1.91	1.11	1.13	0.80	0.78
	Loans past due 3 months or more	0.03	0.01	0.03	0.02	0.00
	Restructured loans	0.38	0.17	0.13	0.21	0.25
	Total	2.43	1.35	1.34	1.08	1.09

2. Allowance ratio for risk-monitored loans

Non-Consolidated		(Millions of yen, %)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	72,094	43,405	43,186	28,689	28,908
Collateral or guarantees, etc.	(B)	34,894	13,878	14,352	21,016	20,542
Allowance for loan losses	(C)	<u>17,092</u>	<u>13,617</u>	<u>13,635</u>	3,475	3,457
Allowance ratio	(C/A)	<u>23.70</u>	<u>11.59</u>	<u>11.75</u>	12.11	11.95
Coverage ratio	(B+C)/(A)	<u>72.11</u>	<u>(13.25)</u>	<u>(10.90)</u>	85.36	83.01

Consolidated		(Millions of yen, %)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	79,207	43,648	43,457	35,559	35,750
Collateral or guarantees, etc.	(B)	37,403	13,944	14,456	23,459	22,947
Allowance for loan losses	(C)	<u>20,342</u>	<u>13,802</u>	<u>13,691</u>	6,540	6,651
Allowance ratio	(C/A)	<u>25.68</u>	<u>7.29</u>	<u>7.08</u>	18.39	18.60
Coverage ratio	(B+C)/(A)	<u>72.90</u>	<u>(11.46)</u>	<u>(9.89)</u>	84.36	82.79

3. Allowance for loan losses

Non-consolidated		(Millions of yen)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		70,089	57,898	58,106	12,191	11,983
General allowance for loan losses		55,403	46,420	46,499	8,983	8,904
Specific allowance for loan losses		<u>14,685</u>	<u>11,478</u>	<u>11,607</u>	3,207	3,078

Consolidated		(Millions of yen)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		<u>78,218</u>	<u>58,510</u>	<u>58,913</u>	19,708	19,305
General allowance for loan losses		59,832	46,881	47,231	12,951	12,601
Specific allowance for loan losses		<u>18,385</u>	<u>11,629</u>	<u>11,682</u>	6,756	6,703

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

Non-consolidated		(Millions of yen)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		10,573	1,311	2,852	9,262	7,721
Claims with collection risk		47,722	35,807	34,998	11,915	12,724
Claims for special attention		13,874	6,271	5,362	7,603	8,512
Total	(A)	<u>72,170</u>	43,388	43,213	28,782	28,957

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

Non-consolidated		(Millions of yen, %)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage	(B)	<u>51,951</u>	<u>27,367</u>	<u>27,904</u>	24,584	24,047
Allowance for loan losses		<u>17,015</u>	<u>13,512</u>	<u>13,540</u>	3,503	3,475
Collateral or guarantees, etc.		34,935	13,855	14,363	21,080	20,572
Coverage ratio	(B/A)	<u>71.98</u>	<u>(13.43)</u>	<u>(11.06)</u>	85.41	83.04

6. Loan breakdown by industry, etc.

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

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
Manufacturing	54,276	(6)	(12,463)	54,282	66,739
Agriculture and forestry	4,949	(101)	(201)	5,050	5,150
Fishery	37	(1)	(3)	38	40
Mining, quarrying and gravel	-	-	-	-	-
Construction	15,409	201	(1,273)	15,208	16,682
Utilities	1,001	(2,125)	(4,018)	3,126	5,019
Information and communication	1,655	164	150	1,491	1,505
Transportation and postal service	13,847	610	330	13,237	13,517
Wholesale and retail trade	35,852	(1,633)	(3,136)	37,485	38,988
Finance and insurance	74,773	742	(15)	74,031	74,788
Real estate, goods rental and leasing	69,358	(982)	(2,064)	70,340	71,422
Services	33,646	(2,033)	(2,610)	35,679	36,256
Government and municipal government	7,295	1,609	(2,406)	5,686	9,701
Others	2,933,868	(36,516)	19,896	2,970,384	2,913,972

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

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	72,094	43,405	43,186	28,689	28,908
Manufacturing	1,549	(4)	(1,763)	1,553	3,312
Agriculture and forestry	-	-	(29)	-	29
Fishery	33	0	0	33	33
Mining, quarrying and gravel	-	-	-	-	-
Construction	1,518	(40)	(293)	1,558	1,811
Utilities	10	(1)	10	11	-
Information and communication	125	0	0	125	125
Transportation and postal service	93	(8)	(38)	101	131
Wholesale and retail trade	2,601	(244)	(369)	2,845	2,970
Finance and insurance	-	-	-	-	-
Real estate, goods rental and leasing	2,158	(285)	(451)	2,443	2,609
Services	1,757	(35)	(139)	1,792	1,896
Government and municipal government	-	-	-	-	-
Others	62,245	44,024	46,259	18,221	15,986

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	2,925,991	(37,454)	18,642	2,963,445	2,907,349
Secured loans	2,654,576	(38,361)	4,390	2,692,937	2,650,186
Unsecured loans	271,414	906	14,252	270,508	257,162

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

(%)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
The ratio of loans to small- and medium-sized enterprises, etc.	96.65	(0.09)	0.54	96.74	96.11

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)

		Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
		(a)	(a) - (b)	(a) - (c)		
Deposits	period-end balance	4,089,649	13,573	(15,806)	4,076,076	4,105,455
	average balance	4,047,017	(3,105)	(7,491)	4,050,122	4,054,508
Loans	period-end balance	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
	average balance	3,229,776	6,608	93,766	3,223,168	3,136,010

9. Number of branches (Non-consolidated)

(Branches)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Number of branches	132	-	(1)	132	133

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	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	116,151	24,818	25,400	581	111,220	28,124	28,530	406	90,702	23,353	23,840	487
Stocks	41,275	24,604	24,699	95	46,085	26,706	26,813	106	47,380	21,955	22,088	132
Bonds	62,850	(7)	90	98	55,477	(157)	55	213	30,910	(115)	62	178
Others	12,025	221	609	388	9,657	1,575	1,661	85	12,411	1,512	1,689	176

(Note1) Amounts less than one million yen are rounded down.

(Note2) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note3) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

(Note4) Unrealized gains (losses) on held-to-maturity bonds were as shown in the table below.

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)		
		Gains	Losses			Gains	Losses			Gains	Losses	
Held-to-maturity bonds	-	-	-	-	-	-	-	-	45,001	22	22	-

Consolidated

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	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	118,214	26,659	27,241	581	113,177	29,860	30,266	406	92,250	24,680	25,167	487
Stocks	41,970	25,201	25,296	95	46,765	27,289	27,396	106	47,855	22,334	22,466	132
Bonds	62,850	(7)	90	98	55,477	(157)	55	213	30,910	(115)	62	178
Others	13,393	1,464	1,853	388	10,934	2,728	2,814	85	13,484	2,461	2,637	176

(Note1) Amounts less than one million yen are rounded down.

(Note2) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note3) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

(Note4) Unrealized gains (losses) on held-to-maturity bonds were as shown in the table below.

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)		
		Gains	Losses			Gains	Losses			Gains	Losses	
Held-to-maturity bonds	-	-	-	-	-	-	-	-	45,001	22	22	-

V. Retirement benefits

1. Retirement benefit expenses

Non-consolidated

(Millions of yen)

	FY3/2018	FY3/2017
Service cost	553	782
Interest cost	113	126
Expected returns on plan assets	(731)	(749)
Amortization of unrecognized prior service cost	-	8
Amortization of unrecognized net actuarial gains (losses)	(159)	(270)
Others (non-recurring extra retirement payments, etc.) (Note1)	233	16
Retirement benefit expenses	8	(86)

(Note1) "Others (non-recurring extra retirement payments, etc.)" for the fiscal year ended March 31, 2018 includes contribution to a defined contribution pension plan.

Consolidated

(Millions of yen)

	FY3/2018	FY3/2017
Service cost (Note1)	576	824
Interest cost	113	126
Expected returns on plan assets	(731)	(749)
Amortization of unrecognized prior service cost	-	8
Amortization of unrecognized net actuarial gains (losses)	(159)	(270)
Others (non-recurring extra retirement payments, etc.) (Note2)	245	16
Retirement benefit expenses	44	(43)

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

(Note2) "Others (non-recurring extra retirement payments, etc.)" for the fiscal year ended March 31, 2018 includes contribution to a defined contribution pension plan.

SURUGA bank, Ltd.

Consolidated financial results for the fiscal year ended March 31, 2018

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)

URL: <https://www.surugabank.co.jp>

Representative: Akihiro Yoneyama, President

Dividend payment date: June 13, 2018

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

1. Consolidated financial results for the fiscal year ended March 31, 2018

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

Fiscal year ended	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	156,278	7.2	<u>30,871</u>	<u>(46.9)</u>	<u>21,065</u>	<u>(50.5)</u>
March 31, 2017	145,753	4.5	58,222	3.2	42,627	16.0

(Note) Comprehensive income: (a) Fiscal year ended March 31, 2018: ¥23,723 million [(44.5) %]

(b) Fiscal year ended March 31, 2017: ¥42,776 million [46.1 %]

Fiscal year ended	Earnings per share	Earnings per share (diluted)	Return on net assets	Ordinary profit on total assets	Ordinary profit on ordinary income
	yen	yen	%	%	%
March 31, 2018	<u>90.94</u>	<u>90.92</u>	<u>6.0</u>	<u>0.6</u>	<u>19.7</u>
March 31, 2017	184.10	184.02	13.3	1.3	39.9

(Reference) Equity in gains (losses) of affiliates: (a) Fiscal year ended March 31, 2018: ¥4 million

(b) Fiscal year ended March 31, 2017: ¥1 million

(2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2018	<u>4,475,653</u>	<u>358,840</u>	<u>7.9</u>	<u>1,540.13</u>
March 31, 2017	4,471,725	340,379	7.5	1,459.48

(Reference) Shareholders' equity: (a) As of March 31, 2018: ¥356,744 million; (b) As of March 31, 2017: ¥338,029 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".

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	32,724	16,984	(5,262)	968,741
March 31, 2017	(43,542)	78,403	(4,635)	924,300

2. Dividends on common stock

Fiscal year	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1 st quarter -end	2 nd quarter -end	3 rd quarter -end	Fiscal year -end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
ended March 31, 2017	-	10.00	-	12.00	22.00	5,094	11.9	1.5
ended March 31, 2018	-	10.50	-	10.50	21.00	4,864	<u>23.0</u>	1.4
ending March 31, 2019 (forecast)	-	10.50	-	10.50	21.00		19.4	

(Note) Breakdown of fiscal year-end dividend for the fiscal year ended March 31, 2017:

(a) Ordinary dividend: ¥11.00; (b) Special dividend: ¥1.00

3. Consolidated earnings forecast for the fiscal year ending March 31, 2019

(% represents the change from the same period in the previous fiscal year)

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	yen
1H, FY3/2019	17,000	(45.4)	12,000	(43.3)	51.80
FY3/2019	36,500	<u>18.2</u>	25,000	<u>18.6</u>	107.92

(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 Mar. 31, 2018	232,139,248 shares	As of Mar. 31, 2017	232,139,248 shares
(B) Number of treasury shares:	As of Mar. 31, 2018	507,295 shares	As of Mar. 31, 2017	530,965 shares
(C) Average number of shares:	Fiscal year ended Mar. 31, 2018	231,619,388 shares	Fiscal year ended Mar. 31, 2017	231,538,348 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2018

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

Fiscal year ended	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	141,533	5.3	<u>29,017</u>	<u>(49.2)</u>	<u>19,299</u>	<u>(53.7)</u>
March 31, 2017	134,286	5.5	57,160	5.0	41,728	16.5

Fiscal year ended	Earnings per share	Earnings per share (diluted)
	yen	yen
March 31, 2018	<u>83.32</u>	<u>83.30</u>
March 31, 2017	180.22	180.14

(2) Non-consolidated financial position

As of	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2018	<u>4,465,765</u>	<u>346,787</u>	<u>7.7</u>	<u>1,497.07</u>
March 31, 2017	4,465,825	331,551	7.4	1,431.41

(Reference) Shareholders' equity: (a) As of March 31, 2018: ¥346,770 million; (b) As of March 31, 2017: ¥331,527 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, 2019

(% represents the change from the same period in the previous fiscal year)

	Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	yen
1H, FY3/2019	16,500	(44.8)	11,500	(43.8)	49.64
FY3/2019	35,000	<u>20.6</u>	24,000	<u>24.3</u>	103.61

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

(Appendix)

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* Financial results for the fiscal year ended March 31, 2018 supplementary information

1. Overview of operating results, etc.

(1) Overview of operating results

In the fiscal year ended March 31, 2018, the Japanese economy witnessed signs of moderate recovery on the back of the improvement in corporate earnings, supported by the economic recovery in Japan as well as overseas. Japan's real GDP recorded eight consecutive quarters of growth up to the fourth quarter (October-December) of 2017 for the first time in 28 years.

Under such business conditions, consolidated ordinary income increased by ¥10.525 billion year-on-year to ¥156.278 billion. This was mainly due to the growth in interest income reflecting the rise in interest on loans and bills discounted. Meanwhile, ordinary expenses increased by ¥37.876 billion year-on-year to ¥125.406 billion, mainly due to an increase in other expenses. As a result, ordinary profit decreased by ¥27.351 billion year-on-year to ¥30.871 billion, and profit attributable to owners of parent decreased by ¥21.562 billion year-on-year to ¥21.065 billion.

Non-consolidated operating results were as follows:

(A) Gross operating profit

Gross operating profit increased by ¥4.319 billion year-on-year to ¥115.171 billion on the back of the rise (¥5.396 billion) in net interest income.

(B) Expenses

Expenses decreased by ¥0.498 billion year-on-year to ¥46.742 billion.

(C) Net operating profit

Core net operating profit increased by ¥4.703 billion year-on-year to ¥68.148 billion, mainly due to an increase in net interest income.

Net operating profit decreased by ¥21.413 billion year-on-year to ¥42.198 billion, mainly due to an increase in provision for general allowance for loan losses.

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

(D) Ordinary profit

Ordinary profit decreased by ¥28.143 billion year-on-year to ¥29.017 billion, mainly due to an increase in net credit costs.

(E) Net income

Net income decreased by ¥22.429 billion year-on-year to ¥19.299 billion, mainly due to a decrease in ordinary profit and the absence of gains on revision of retirement benefit plan (¥2.134 billion) recorded in the previous fiscal year.

(F) Net credit costs

Provision for general allowance for loan losses increased by ¥26.230 billion year-on-year. Disposal of non-performing loans increased by ¥9.620 billion year-on-year to ¥18.785 billion. Meanwhile, reversal of allowance for loan losses decreased by ¥2.590 billion year-on-year. As a result, net credit costs increased by ¥38.441 billion year-on-year to ¥45.016 billion.

Actual credit costs increased by ¥38.099 billion year-on-year to ¥43.670 billion.

(Note) Net credit costs = Provision for general allowance for loan losses

+ Disposal of non-performing loans - Reversal of allowance for loan losses

(Note) Actual credit costs = Net credit costs - Recoveries on written-off claims

(2) Overview of financial position

As for consolidated major account balances, loans and bills discounted came in at ¥3,248.159 billion, down by ¥5.564 billion year-on-year, despite the growth in consumer loans through continuing to engage primarily in the retail banking business. Securities amounted to ¥131.537 billion, down by ¥16.990 billion year-on-year. Deposits amounted to ¥4,079.972 billion, down by ¥15.537 billion year-on-year.

Non-consolidated major account balances were as follows:

(A) Loans and bills discounted

Loans and bills discounted came in at ¥3,245.978 billion, down by ¥7.812 billion year-on-year, despite the growth in consumer loans. Consumer loans amounted to ¥2,925.991 billion, up by ¥18.642 billion year-on-year. The average balance of loans and bills discounted in the fiscal year amounted to ¥3,229.776 billion, up by ¥93.766 billion year-on-year.

(B) Securities

Securities amounted to ¥136.822 billion, down by ¥17.518 billion year-on-year.

(C) Deferred tax assets (liabilities)

Deferred tax assets amounted to ¥9.516 billion, mainly due to an increase in allowance for loan losses.

(D) Deposits

Deposits amounted to ¥4,089.649 billion, down by ¥15.806 billion year-on-year. Individual deposits amounted to ¥3,191.847 billion, up by ¥1.010 billion year-on-year. The average balance of deposits in the fiscal year amounted to ¥4,047.017 billion, down by ¥7.491 billion year-on-year.

As for consolidated cash flows, cash flow from operating activities was a net inflow of ¥32.724 billion (compared to a net outflow of ¥43.542 billion in the previous fiscal year), given that inflows due mainly to a decrease in loans and bills discounted exceeded outflows due mainly to a decrease in deposits. Cash flow from investing activities was a net inflow of ¥16.984 billion (compared to a net inflow of ¥78.403 billion in the previous fiscal year), mainly due to proceeds from redemption of securities. Cash flow from financing activities was a net outflow of ¥5.262 billion (compared to a net outflow of ¥4.635 billion in the previous fiscal year), mainly due to dividend payments. As a result, cash and cash equivalents as of March 31, 2018 amounted to ¥968.741 billion, up by ¥44.441 billion year-on-year (compared to ¥924.300 billion as of March 31, 2017).

(3) Future outlook

Japan continues on its second-longest postwar period of economic recovery, exceeding the “Izanagi boom” of the high-growth era. Specifically, Japan has recoded 64 months of economic recovery, and the overall assessment of the index of business conditions for March 2018 remained unchanged for the 18th consecutive month. In 2018 and onward, the Japanese economy is expected to further extend the record in terms of postwar expansion, with positive effects of the economic recovery feeding through to domestic demand to achieve a better balance with overseas demand.

In light of such business conditions, Suruga Bank, as a “life and business navigator (DREAM NAVIGATOR)”, will strive to build a trusting relationship with customers, establish a business operation to offer customer-oriented services, and secure a sound financial position.

Earnings forecast for the fiscal year ending March 31, 2019 is as follows:

Consolidated	(Billions of yen)	
	FY3/2019 (Forecast)	
	First half	Full year
Ordinary profit	17.0	36.5
Profit attributable to owners of parent	12.0	25.0

Non-consolidated	(Billions of yen)	
	FY3/2019 (Forecast)	
	First half	Full year
Net operating profit	22.0	45.0
Ordinary profit	16.5	35.0
Net income	11.5	24.0
Actual credit costs	9.5	19.0
ROE (Net income basis)	<u>7.00</u> %	<u>7.35</u> %

(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. Basic approach to the selection of accounting standards

The Suruga Bank group intends to apply Japanese accounting standards for the foreseeable future, taking into consideration the comparability of consolidated financial statements across reporting periods and companies. As for the adoption of International Financial Reporting Standards (IFRS), we will respond appropriately to the various developments in Japan and overseas.

3. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Cash and due from banks	927,519	973,397
Call loans and bills bought	2,276	2,141
Trading account securities	72	86
Money held in trust	1,149	1,571
Securities	148,527	131,537
Loans and bills discounted	3,253,723	3,248,159
Foreign exchanges	2,885	2,514
Lease receivables and investment assets	5,479	5,995
Other assets	56,909	65,076
Tangible fixed assets	51,906	52,120
Buildings, net	13,983	13,835
Land	25,564	25,712
Leased assets, net	12	9
Construction in progress	0	143
Other tangible fixed assets	12,345	12,419
Intangible fixed assets	28,591	27,111
Software	25,681	24,533
Goodwill	1,942	1,812
Leased assets	8	6
Software in progress	571	371
Other intangible fixed assets	388	387
Net defined benefit asset	7,787	10,509
Deferred tax assets	860	10,425
Customers' liabilities for acceptances and guarantees	3,340	2,877
Allowance for loan losses	(19,305)	(57,871)
Total assets	4,471,725	4,475,653
Liabilities		
Deposits	4,095,509	4,079,972
Borrowed money	1,540	1,085
Foreign exchanges	40	23
Other liabilities	25,503	28,300
Provision for bonuses	715	699
Provision for directors' bonuses	173	182
Net defined benefit liability	279	265
Provision for directors' retirement benefits	3,280	2,507
Provision for reimbursement of deposits	287	365
Provision for contingent losses	169	137
Deferred tax liabilities	505	396
Acceptances and guarantees	3,340	2,877
Total liabilities	4,131,346	4,116,813

	(Millions of yen)	
	As of March 31, 2017	As of March 31, 2018
Net assets		
Capital stock	30,043	30,043
Capital surplus	4	489
Retained earnings	291,063	306,917
Treasury shares	(606)	(582)
Total shareholders' equity	320,504	336,867
Net unrealized gains (losses) on available-for-sale securities	17,153	18,489
Deferred gains (losses) on hedges	(61)	(15)
Remeasurements of defined benefit plans	433	1,402
Total accumulated other comprehensive income	17,525	19,876
Subscription rights to shares	24	17
Non-controlling interests	2,325	2,078
Total net assets	340,379	358,840
Total liabilities and net assets	4,471,725	4,475,653

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Ordinary income	145,753	156,278
Interest income	124,718	130,751
Interest on loans and bills discounted	121,045	125,367
Interest and dividends on securities	2,578	4,107
Interest on call loans and bills bought	38	32
Interest on deposits with banks	805	814
Other interest income	250	429
Fees and commissions	13,443	13,283
Other operating income	4,393	4,118
Gains on sales of bonds	2	0
Gains on redemption of bonds	473	396
Other	3,917	3,720
Other income	3,198	8,125
Reversal of allowance for loan losses	927	-
Recoveries on written-off claims	1,339	1,793
Gains on sales of stocks and other securities	129	5,465
Equity in gains of affiliates	1	4
Other	800	861
Ordinary expenses	87,530	<u>125,406</u>
Interest expenses	4,287	3,670
Interest on deposits	4,069	3,439
Interest on borrowings and rediscounts	14	10
Other interest expenses	203	220
Fees and commissions payments	14,326	14,981
Other operating expenses	3,647	3,302
Losses on redemption of bonds	310	116
Other	3,336	3,186
General and administrative expenses	51,500	51,945
Other expenses	13,768	<u>51,507</u>
Provision for allowance for loan losses	-	40,199
Write-off of loans	9,381	5,938
Losses on sales of stocks and other securities	7	0
Losses on devaluation of stocks and other securities	636	10
Other	3,744	5,357
Ordinary profit	<u>58,222</u>	<u>30,871</u>
Extraordinary gains	2,170	64
Gains on disposal of non-current assets	36	64
Gains on revision of retirement benefit plan	2,134	-
Extraordinary losses	335	484
Losses on disposal of non-current assets	335	484
Income before income taxes	<u>60,057</u>	<u>30,451</u>
Income taxes - current	15,781	19,927
Income taxes - deferred	1,488	<u>(10,750)</u>
Total income taxes	17,270	9,176
Profit	<u>42,787</u>	<u>21,274</u>
Profit attributable to non-controlling interests	159	209
Profit attributable to owners of parent	<u>42,627</u>	<u>21,065</u>

Consolidated statements of comprehensive income

	(Millions of yen)	
	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	42,787	<u>21,274</u>
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	1,052	1,432
Deferred gains (losses) on hedges	21	46
Remeasurements of defined benefit plans, net of tax	(1,084)	969
Total other comprehensive income	(10)	2,448
Comprehensive income	42,776	<u>23,723</u>
(Breakdown)		
Comprehensive income attributable to owners of parent	42,596	<u>23,416</u>
Comprehensive income attributable to non-controlling interests	180	306

(3) Consolidated statements of changes in net assets

For the fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	-	253,182	(750)	282,475
Changes of items during period					
Dividends of surplus			(4,745)		(4,745)
Profit attributable to owners of parent			42,627		42,627
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		4		148	152
Net changes of items other than shareholders' equity					
Total changes of items during period	-	4	37,881	143	38,029
Balance at end of current period	30,043	4	291,063	(606)	320,504

	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	16,121	(83)	1,517	17,556	61	2,144	302,237
Changes of items during period							
Dividends of surplus							(4,745)
Profit attributable to owners of parent							42,627
Purchase of treasury shares							(4)
Disposal of treasury shares							152
Net changes of items other than shareholders' equity	1,031	21	(1,084)	(31)	(36)	180	112
Total changes of items during period	1,031	21	(1,084)	(31)	(36)	180	38,141
Balance at end of current period	17,153	(61)	433	17,525	24	2,325	340,379

For the fiscal year ended March 31, 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	4	291,063	(606)	320,504
Changes of items during period					
Dividends of surplus			(5,211)		(5,211)
Change in ownership interest of parent due to transactions with non-controlling interests		484			484
Profit attributable to owners of parent			<u>21,065</u>		<u>21,065</u>
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		29	30
Net changes of items other than shareholders' equity					
Total changes of items during period	-	485	<u>15,853</u>	23	<u>16,362</u>
Balance at end of current period	30,043	489	<u>306,917</u>	(582)	<u>336,867</u>

	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	17,153	(61)	433	17,525	24	2,325	340,379
Changes of items during period							
Dividends of surplus							(5,211)
Change in ownership interest of parent due to transactions with non-controlling interests							484
Profit attributable to owners of parent							<u>21,065</u>
Purchase of treasury shares							(5)
Disposal of treasury shares							30
Net changes of items other than shareholders' equity	1,335	46	969	2,351	(6)	(247)	2,097
Total changes of items during period	1,335	46	969	2,351	(6)	(247)	<u>18,460</u>
Balance at end of current period	18,489	(15)	1,402	19,876	17	2,078	<u>358,840</u>

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from operating activities		
Income before income taxes	60,057	30,451
Depreciation	6,819	6,958
Amortization of goodwill	129	129
Increase (decrease) in allowance for loan losses	(2,959)	38,566
Increase (decrease) in provision for bonuses	0	(15)
Increase (decrease) in provision for directors' bonuses	20	9
Increase (decrease) in net defined benefit liability	(5,260)	(1,505)
Increase (decrease) in provision for directors' retirement benefits	31	(772)
Increase (decrease) in provision for reimbursement of deposits	11	77
Increase (decrease) in provision for contingent losses	(92)	(32)
Interest income	(124,718)	(130,751)
Interest expenses	4,287	3,670
Losses (gains) on securities	348	(5,735)
Losses (gains) on money held in trust	(150)	12
Losses (gains) on disposal of non-current assets	298	420
Net decrease (increase) in trading account securities	(22)	(13)
Net decrease (increase) in loans and bills discounted	(116,558)	5,564
Net increase (decrease) in deposit	46,015	(15,537)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(545)	(455)
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(219)	(1,437)
Net decrease (increase) in call loans	729	135
Net decrease (increase) in foreign exchanges - assets	648	370
Net increase (decrease) in foreign exchanges - liabilities	27	(17)
Net decrease (increase) in lease receivables and investment assets	51	(515)
Net decrease (increase) in cash collateral paid for financial instruments assets	(10,057)	(10,897)
Interest received	124,157	130,486
Interest paid	(3,373)	(3,527)
Gains on revision of retirement benefit plan	(2,134)	-
Other, net	(2,235)	3,139
Subtotal	(24,694)	48,777
Income taxes paid	(18,848)	(16,052)
Net cash provided by (used in) operating activities	(43,542)	32,724
Cash flows from investing activities		
Purchase of securities	(44,964)	(91,584)
Proceeds from sales of securities	2,041	14,418
Proceeds from redemption of securities	127,912	100,410
Increase in money held in trust	-	(434)
Decrease in money held in trust	49	-
Purchase of property, plant and equipment	(4,193)	(3,452)
Proceeds from sales of property, plant and equipment	37	246
Purchase of intangible assets	(2,479)	(2,619)
Net cash provided by (used in) investing activities	78,403	16,984
Cash flows from financing activities		
Cash dividends paid	(4,745)	(5,211)
Purchase of treasury shares	(4)	(5)
Proceeds from sales of treasury shares	115	23
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(68)
Net cash provided by (used in) financing activities	(4,635)	(5,262)
Effect of exchange rate change on cash and cash equivalents	(0)	(4)
Net increase (decrease) in cash and cash equivalents	30,225	44,440
Cash and cash equivalents at beginning of period	894,075	924,300
Cash and cash equivalents at year-end	924,300	968,741

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

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

Not applicable.

(Segment information)

1. Summary of reportable segment

The reportable segments of the Suruga Bank group are components for which discrete financial information is available, and that are subject to regular review to allocate management resources and to evaluate their results.

The group consists of Suruga Bank, which mainly engages in the banking business, and its consolidated subsidiaries that engage in businesses such as money lending, leasing, clerical agency services, credit card services and credit guarantee. Of the reportable segments, Suruga Bank represents the “banking” segment, which includes businesses such as deposits, loans, exchange and credit card services.

2. Method of calculating ordinary income, profit or loss, assets and other items by reportable segment

Segment profit is reported on an ordinary profit-basis.

Inter-segment internal ordinary income is based on arm’s length prices.

3. Information on ordinary income, profit or loss, assets and other items by reportable segment

For the fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segment	Others	Total	Adjustments	Amount recorded in the consolidated financial statements
	Banking				
Ordinary income					
Ordinary income to external customers	141,333	14,939	156,273	4	156,278
Inter-segment internal ordinary income	200	1,736	1,936	(1,936)	-
Total	141,533	16,675	158,209	(1,931)	156,278
Segment profit	<u>29,017</u>	1,980	<u>30,997</u>	(125)	<u>30,871</u>
Segment assets	<u>4,465,765</u>	49,437	<u>4,515,203</u>	(39,549)	<u>4,475,653</u>
Other items					
Depreciation	6,747	211	6,958	-	6,958
Increase in tangible fixed assets and intangible fixed assets	5,778	294	6,072	-	6,072

(Note1) Ordinary income is equivalent to net sales reported by companies in other industries.

(Note2) “Others” consists of businesses operated by consolidated subsidiaries (such as money lending, leasing, clerical agency services, credit card services and credit guarantee) which are not included in the reportable segments.

(Note3) “Adjustments” are as follows:

- (1) The adjustment of ¥4 million in ordinary income to external customers consists of the following: equity in gains of affiliates (¥4 million).
- (2) The negative adjustment of ¥125 million in segment profit consists of the following: amortization of goodwill (- ¥129 million), equity in gains of affiliates (¥4 million) and deduction of inter-segment transactions (- ¥0 million).
- (3) The negative adjustment of ¥39,549 million in segment assets consists of the following: deduction of inter-segment transactions (- ¥41,613 million), adjustment of net defined benefit assets (¥2,012 million) and adjustment of shares in equity-method affiliates (¥51 million).

(Note4) Segment profit is adjusted to ordinary profit as reported in the consolidated statements of income.

(Per share data)

		For the fiscal year ended March 31, 2018
Net assets per share	yen	<u>1,540.13</u>
Earnings per share	yen	<u>90.94</u>
Earnings per share (diluted)	yen	<u>90.92</u>

(Note) The basis for calculation is as shown in the tables below.

1. Net assets per share

		As of March 31, 2018
Total net assets	Millions of yen	<u>358,840</u>
Amount deducted from total net assets	Millions of yen	2,095
of which, Subscription rights to shares	Millions of yen	17
of which, Non-controlling interests	Millions of yen	2,078
Net assets attributable to common stock at the fiscal year-end	Millions of yen	<u>356,744</u>
Number of common stock at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	231,631

2. Earnings per share and Earnings per share (diluted)

		For the fiscal year ended March 31, 2018
Earnings per share		
Profit attributable to owners of parent	Millions of yen	<u>21,065</u>
Amount not attributable to common shareholders	Millions of yen	-
Profit attributable to common shareholders of parent	Millions of yen	<u>21,065</u>
Average number of common stock for the fiscal year	Thousands of shares	231,619
Earnings per share (diluted)		
Adjustment for profit attributable to owners of parent	Millions of yen	-
Increase in number of common stock	Thousands of shares	50
of which, Subscription rights to shares	Thousands of shares	50
Antidilutive securities which were not included in the calculation of Earnings per share (diluted)		-

(Significant subsequent events)

Not applicable.

4. Non-consolidated financial statements

(1) Non-consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2017	As of March 31, 2018
Assets		
Cash and due from banks	926,783	972,082
Cash	26,917	31,326
Due from banks	899,866	940,755
Call loans	2,276	2,141
Trading account securities	72	86
Trading government bonds	2	2
Trading municipal bonds	70	84
Money held in trust	1,149	1,571
Securities	154,340	136,822
Government bonds	45,001	-
Municipal bonds	28,243	58,283
Corporate bonds	2,666	4,567
Stocks	57,426	51,311
Other securities	21,002	22,659
Loans and bills discounted	3,253,790	3,245,978
Bills discounted	1,676	2,060
Loans on bills	22,047	20,604
Loans on deeds	2,844,173	2,860,414
Overdrafts	385,892	362,898
Foreign exchanges	2,885	2,514
Due from foreign banks (our accounts)	1,834	1,130
Foreign bills bought	0	0
Foreign bills receivable	1,050	1,383
Other assets	48,611	56,990
Prepaid expenses	2,779	2,615
Accrued income	9,723	9,933
Initial margins of futures markets	200	200
Derivatives other than for trading - assets	846	100
Other	35,062	44,139
Tangible fixed assets	50,569	50,963
Buildings, net	13,335	13,252
Land	24,991	25,186
Leased assets, net	496	517
Construction in progress	0	143
Other tangible fixed assets	11,744	11,864
Intangible fixed assets	26,212	24,855
Software	25,309	24,178
Software in progress	523	298
Other intangible fixed assets	379	378
Prepaid pension cost	7,165	8,497
Deferred tax assets	-	9,516
Customers' liabilities for acceptances and guarantees	3,951	3,487
Allowance for loan losses	(11,983)	(49,742)
Total assets	4,465,825	4,465,765

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Deposits	4,105,455	4,089,649
Current deposits	63,147	58,891
Ordinary deposits	1,265,642	1,345,693
Saving deposits	17,297	17,441
Deposits at notice	76,239	172,045
Time deposits	2,557,174	2,455,082
Other deposits	125,954	40,494
Foreign exchanges	40	23
Foreign bills sold	40	22
Foreign bills payable	-	0
Other liabilities	20,232	21,977
Income taxes payable	8,000	11,971
Accrued expenses	6,730	6,830
Unearned revenue	104	68
Deposits received from employees	798	780
Lease obligations	497	518
Derivatives other than for trading - liabilities	867	66
Other	3,233	1,741
Provision for bonuses	667	648
Provision for directors' bonuses	173	182
Provision for directors' retirement benefits	3,277	2,506
Provision for reimbursement of deposits	287	365
Provision for contingent losses	169	137
Deferred tax liabilities	18	-
Acceptances and guarantees	3,951	3,487
Total liabilities	4,134,274	4,118,977
Net assets		
Capital stock	30,043	30,043
Capital surplus	18,590	18,590
Legal capital surplus	18,585	18,585
Other capital surplus	4	4
Retained earnings	267,078	<u>281,166</u>
Legal retained earnings	30,043	30,043
Other retained earnings	237,034	<u>251,123</u>
Reserve for advanced depreciation of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	133,943	<u>148,032</u>
Treasury shares	(606)	(582)
Total shareholders' equity	315,104	<u>329,217</u>
Net unrealized gains (losses) on available-for-sale securities	16,480	17,563
Deferred gains (losses) on hedges	(58)	(10)
Total valuation and translation adjustments	16,422	<u>17,552</u>
Subscription rights to shares	24	17
Total net assets	331,551	<u>346,787</u>
Total liabilities and net assets	4,465,825	<u>4,465,765</u>

(2) Non-consolidated statements of income

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Ordinary income	134,286	141,533
Interest income	117,238	122,017
Interest on loans and bills discounted	113,588	116,660
Interest and dividends on securities	2,558	4,080
Interest on call loans	38	32
Interest on deposits with banks	804	814
Other interest income	248	429
Trust fees	1	0
Fees and commissions	12,001	11,417
Fees and commissions on domestic and foreign exchanges	2,441	2,434
Other fees and commissions	9,559	8,983
Other operating income	546	459
Gains on foreign exchange transactions	70	62
Gains on sales of bonds	2	0
Gains on redemption of bonds	473	396
Other income	4,497	7,638
Reversal of allowance for loan losses	2,590	-
Recoveries on written-off claims	1,004	1,346
Gains on sales of stocks and other securities	129	5,465
Gains on money held in trust	150	47
Other	622	779
Ordinary expenses	77,125	112,516
Interest expenses	4,299	3,682
Interest on deposits	4,069	3,439
Interest on interest swaps	8	7
Other interest expenses	221	235
Fees and commissions payments	14,327	14,925
Fees and commissions on domestic and foreign exchanges	885	912
Other fees and commissions	13,441	14,012
Other operating expenses	310	116
Losses on trading account securities transactions	0	0
Losses on redemption of bonds	310	116
General and administrative expenses	47,436	47,596
Other expenses	10,752	46,195
Provision for allowance for loan losses	-	38,432
Write-off of loans	7,160	3,827
Losses on sales of stocks and other securities	-	0
Losses on devaluation of stocks and other securities	636	10
Losses on money held in trust	-	59
Other	2,955	3,865
Ordinary profit	57,160	29,017
Extraordinary gains	2,170	59
Gains on disposal of non-current assets	36	59
Gains on revision of retirement benefit plan	2,134	-
Extraordinary losses	316	474
Losses on disposal of non-current assets	316	474
Income before income taxes	59,013	28,602
Income taxes - current	15,214	19,328
Income taxes - deferred	2,071	(10,026)
Total income taxes	17,285	9,302
Net income	41,728	19,299

(3) Non-consolidated statements of changes in net assets
For the fiscal Year ended March 31, 2017

(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	-	18,585	30,043	59	103,032	96,961
Changes of items during period								
Dividends of surplus								(4,745)
Net income								41,728
Purchase of treasury shares								
Disposal of treasury shares			4	4				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	4	4	-	-	-	36,982
Balance at end of current period	30,043	18,585	4	18,590	30,043	59	103,032	133,943

	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	230,096	(750)	277,974	15,525	(78)	15,446	61	293,482
Changes of items during period								
Dividends of surplus	(4,745)		(4,745)					(4,745)
Net income	41,728		41,728					41,728
Purchase of treasury shares		(4)	(4)					(4)
Disposal of treasury shares		148	152					152
Net changes of items other than shareholders' equity				954	20	975	(36)	938
Total changes of items during period	36,982	143	37,129	954	20	975	(36)	38,068
Balance at end of current period	267,078	(606)	315,104	16,480	(58)	16,422	24	331,551

For the fiscal year ended March 31, 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	133,943
Changes of items during period								
Dividends of surplus								(5,211)
Net income								19,299
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	-	-	-	14,088
Balance at end of current period	30,043	18,585	4	18,590	30,043	59	103,032	148,032

	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	267,078	(606)	315,104	16,480	(58)	16,422	24	331,551
Changes of items during period								
Dividends of surplus	(5,211)		(5,211)					(5,211)
Net income	19,299		19,299					19,299
Purchase of treasury shares		(5)	(5)					(5)
Disposal of treasury shares		29	30					30
Net changes of items other than shareholders' equity				1,082	47	1,130	(6)	1,123
Total changes of items during period	14,088	23	14,112	1,082	47	1,130	(6)	15,236
Balance at end of current period	281,166	(582)	329,217	17,563	(10)	17,552	17	346,787

Financial Results

For the fiscal year ended March 31, 2018

- Supplementary Information -

SURUGA bank, Ltd.

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I . Financial highlights for the fiscal year ended March 31, 2018

1. Financial results (Non-consolidated)

(Millions of yen)

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Gross operating profit	115,171	4,319	110,852
Net interest income	118,336	5,396	112,940
Net fees and commissions	(3,507)	(1,183)	(2,324)
Net other operating income (Note1)	61	(9)	70
Core gross operating profit	114,890	4,204	110,686
Expenses (-)	46,742	(498)	47,240
Core net operating profit (Note2)	68,148	4,703	63,445
Gains (losses) on bonds	281	116	165
Actual net operating profit (Note3)	68,429	4,818	63,611
Provision for general allowance for loan losses (-) (Note4)	<u>26,230</u>	<u>26,230</u>	-
Net operating profit	<u>42,198</u>	<u>(21,413)</u>	63,611
Disposal of non-performing loans (-)	<u>18,785</u>	<u>9,620</u>	9,165
Reversal of allowance for loan losses (Note4)	-	(2,590)	2,590
Recoveries on written-off claims	1,346	342	1,004
Gains (losses) on stocks	5,454	5,960	(506)
Ordinary profit	<u>29,017</u>	<u>(28,143)</u>	57,160
Gains (losses) on disposal of non-current assets	(414)	(134)	(280)
Gains on revision of retirement benefit plan	-	(2,134)	2,134
Net income	<u>19,299</u>	<u>(22,429)</u>	41,728
Net credit costs	<u>45,016</u>	<u>38,441</u>	6,575
Actual credit costs (Note5)	<u>43,670</u>	<u>38,099</u>	5,571

(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

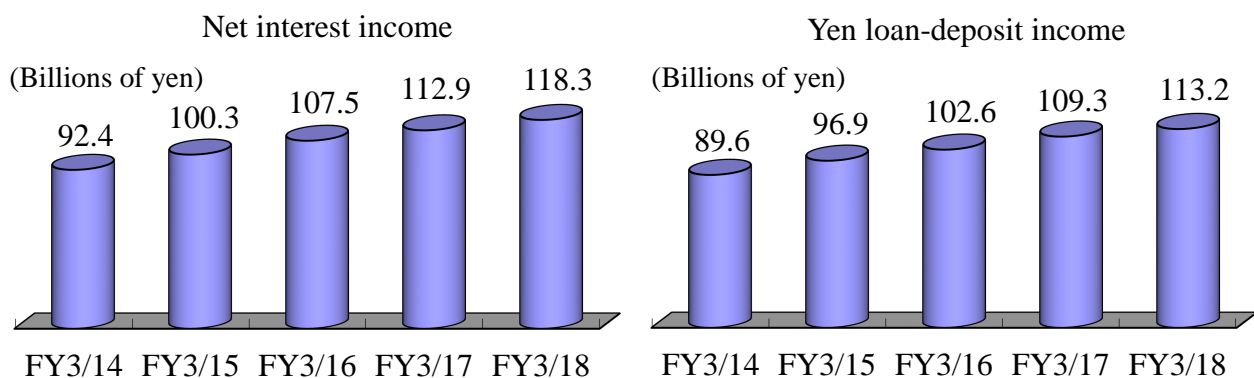
(Note3) Actual net operating profit = Net operating profit + Provision for general allowance for loan losses

(Note4) For the fiscal year ended March 31, 2017, the net amount of Reversal of general allowance for loan losses and Provision for specific allowance for loan losses is recorded in Reversal of allowance for loan losses, given that the former exceeded the latter during the period.

(Note5) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans
- Reversal of allowance for loan losses) - Recoveries on written-off claims

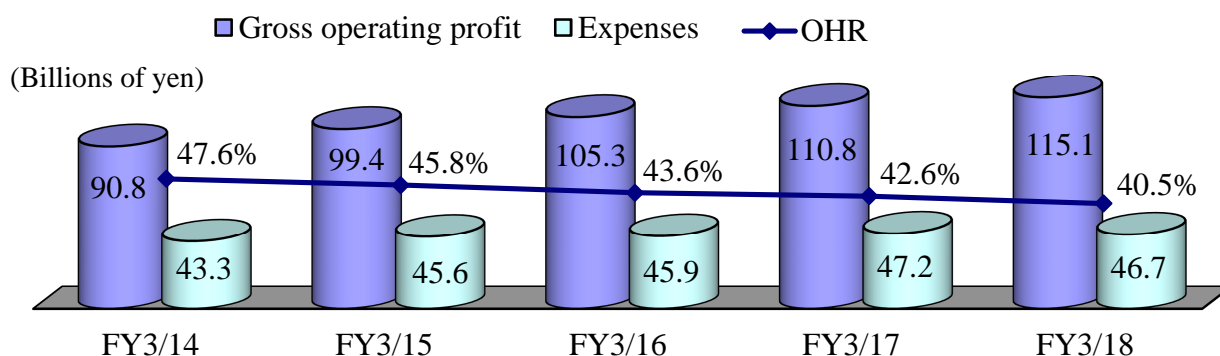
(1) Gross operating profit: ¥115.1 billion

• Net interest income increased by ¥5.3 billion year-on-year, mainly due to an increase in interest on loans and bills discounted.
• Yen loan-deposit income increased by ¥3.8 billion year-on-year.
• Core gross operating profit increased by ¥4.2 billion year-on-year, mainly due to an increase in net interest income.
• Gross operating profit increased by ¥4.3 billion year-on-year.

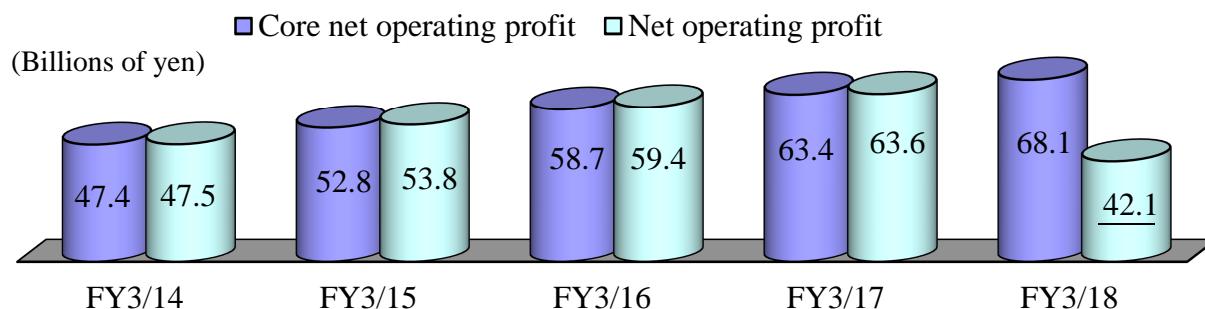


(2) Expenses; OHR: 40.5%

- Expenses decreased by ¥0.4 billion year-on-year.
- OHR improved year-on-year to 40.5%, mainly due to a decrease in expenses and an increase in gross operating profit.
(OHR(%)) = Expenses / Gross operating profit × 100

(3) Core net operating profit: ¥68.1 billion, Net operating profit: ¥42.1 billion

- Core net operating profit increased by ¥4.7 billion year-on-year, mainly due to an increase in net interest income.
- Net operating profit decreased by ¥21.4 billion year-on-year, mainly due to an increase in provision for general allowance for loan losses.

(4) Ordinary profit: ¥29.0 billion

- Ordinary profit decreased by ¥28.1 billion year-on-year, mainly due to an increase in net credit costs.

(5) Net income: ¥19.2 billion

- Net income decreased by ¥22.4 billion year-on-year, mainly due to a decrease in ordinary profit and the absence of gains on revision of retirement benefit plan (¥2.1 billion) recorded in the previous fiscal year.

(6) Actual credit costs: ¥43.6 billion

- Net credit costs increased by ¥38.4 billion year-on-year, mainly due to an increase (¥26.2 billion) in provision for general allowance for loan losses, an increase (¥9.6 billion) in disposal of non-performing loans and a decrease (¥2.5 billion) in reversal of allowance for loan losses.
- Actual credit costs, calculated as net credit costs (¥45.0 billion) minus the amount of recoveries on written-off claims (¥1.3 billion) amounted to ¥43.6 billion.

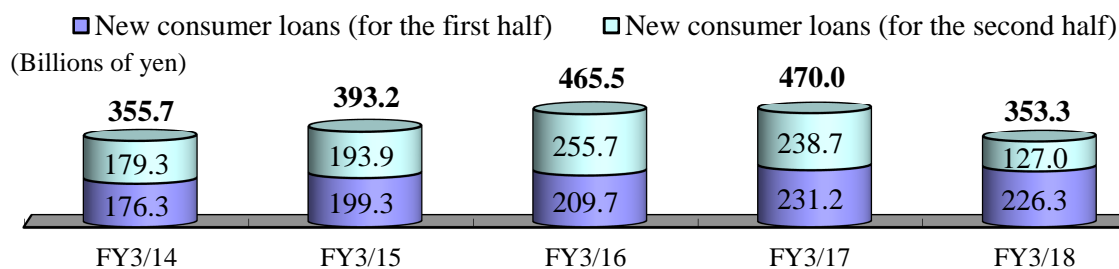
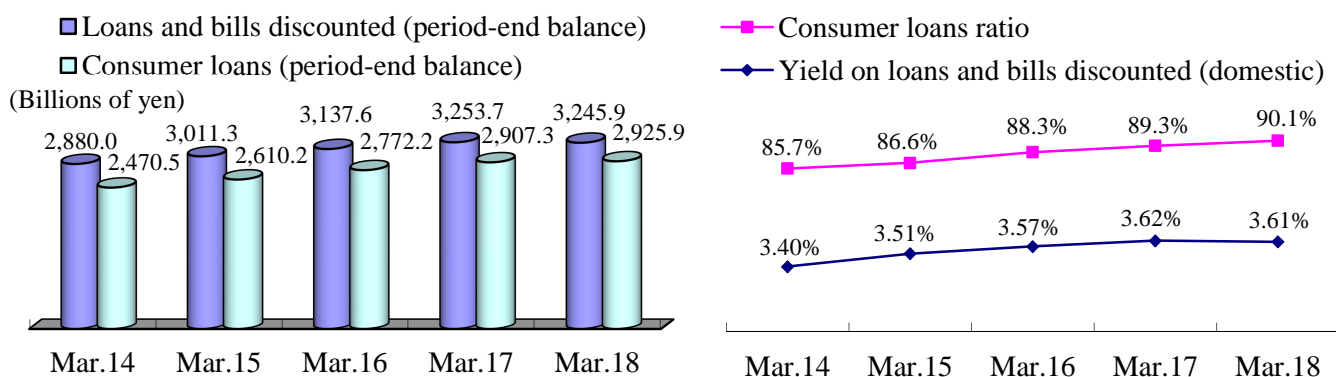
2. Major accounts (Non-consolidated)

(1) Loans and bills discounted

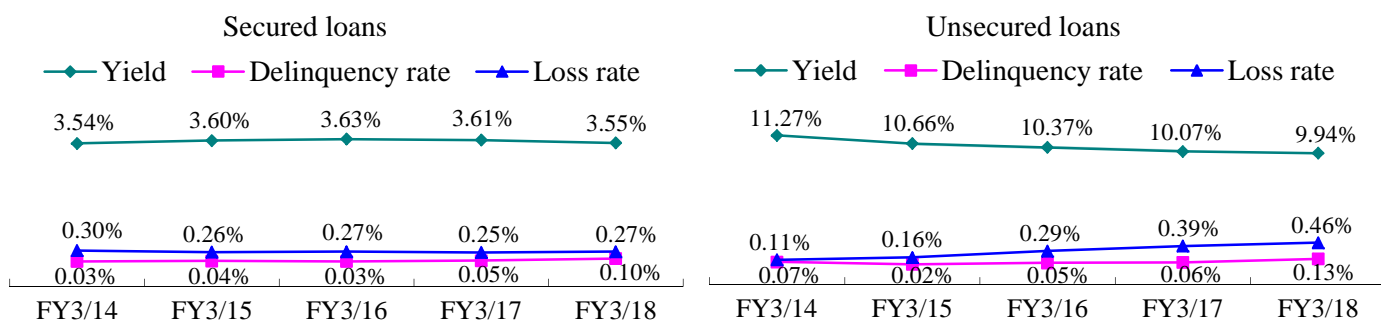
- Loans and bills discounted decreased by ¥7.8 billion, or 0.2% year-on-year.
- New consumer loans for the fiscal year ended March 31, 2018 amounted to ¥353.3 billion, and the balance of consumer loans as of March 31, 2018 increased by ¥18.6 billion, or 0.6% year-on-year.
- Yield on loans and bills discounted (domestic) dropped by 1 basis point year-on-year to 3.61%.

	(Millions of yen)				
	Mar. 31, 2018 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
Loans and bills discounted (period-end balance)	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
Consumer loans	2,925,991	(37,454)	18,642	2,963,445	2,907,349
Secured loans	2,654,576	(38,361)	4,390	2,692,937	2,650,186
Unsecured loans	271,414	906	14,252	270,508	257,162
Loans and bills discounted (average balance)	3,229,776	6,608	93,766	3,223,168	3,136,010
Loan-deposit ratio (period-end balance basis)	79.3%	(1.3)%	0.1%	80.6%	79.2%
Loan-deposit ratio (average balance basis)	79.8%	0.3%	2.5%	79.5%	77.3%

	(Billions of yen)		
	FY3/2018 (a)	(a) - (b)	FY3/2017 (b)
Business alliance with Japan Post Bank			
New housing loans (cumulative total)	35.6	(4.3)	39.9



(Delinquency rate and loss rate of consumer loans)



(Note1) Delinquency rate = Loans past due 3 months or more / Loans

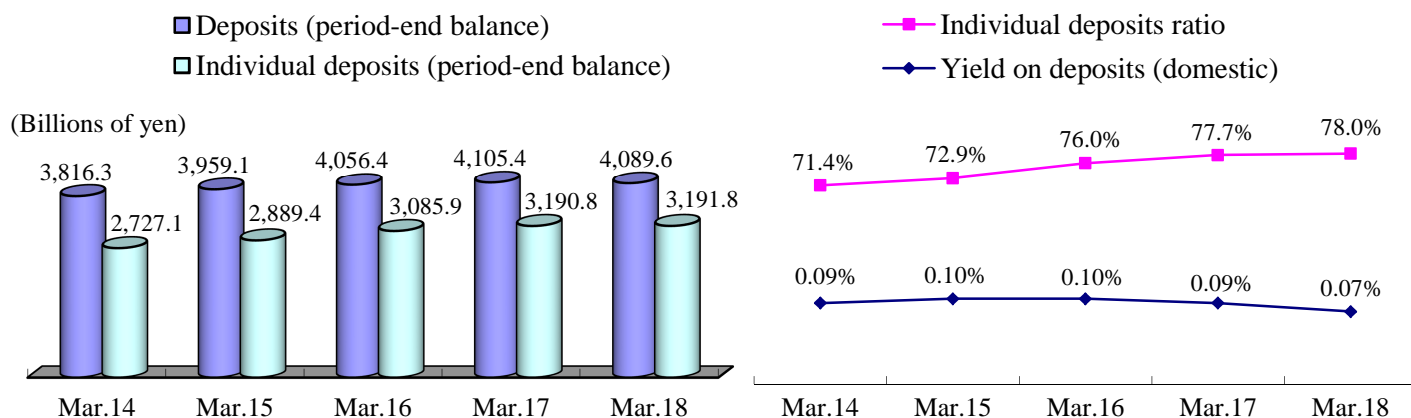
(Note2) Loss rate = Default ratio × (1 - Recovery rate)

(2) Deposits

- Deposits decreased by ¥15.8 billion, or 0.3% year-on-year.
- Individual deposits increased by ¥1.0 billion, or 0.0% year-on-year.
- Yield on deposits (domestic) dropped by 2 basis points year-on-year to 0.07%.

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits (period-end balance)	4,089,649	13,573	(15,806)	4,076,076	4,105,455
Individual deposits	3,191,847	(16,422)	1,010	3,208,269	3,190,837
Deposits (average balance)	4,047,017	(3,105)	(7,491)	4,050,122	4,054,508

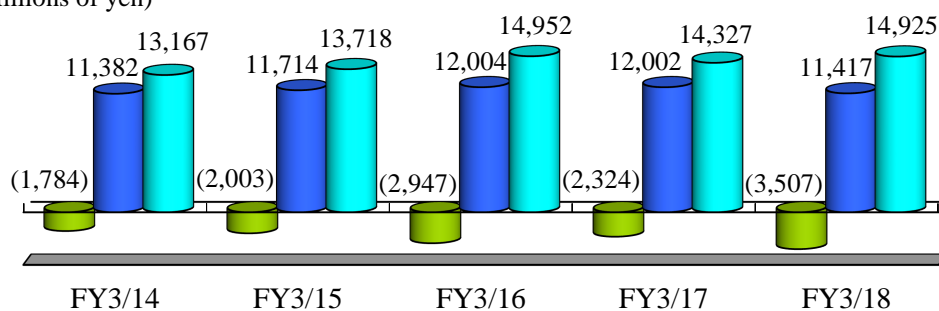


(3) Net fees and commissions

- Net fees and commissions decreased by ¥1.1 billion year-on-year, mainly due to an increase (¥0.5 billion) in fees and commissions payments.

■ Net fees and commissions ■ Fees and commissions ■ Fees and commissions payments

(Millions of yen)



(4) Individual deposit assets

- Individual deposit assets decreased by ¥21.8 billion year-on-year.
- The ratio of investment products to total individual deposit assets dropped by 70 basis points year-on-year to 4.7%.

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Individual deposit assets	3,345,282	(29,431)	(21,840)	3,374,713	3,367,122
Yen deposits	3,185,938	(15,948)	1,487	3,201,886	3,184,451
Investment products	159,344	(13,483)	(23,326)	172,827	182,670
Foreign currency deposits	5,908	(475)	(478)	6,383	6,386
Public bonds	8,837	(382)	(1,387)	9,219	10,224
Mutual funds	93,654	(10,828)	(14,334)	104,482	107,988
Personal pension plans	35,697	(2,343)	(8,084)	38,040	43,781
Single premium life insurance	15,245	543	955	14,702	14,290
The ratio of investment products to total individual deposit assets	4.7%	(0.4)%	(0.7)%	5.1%	5.4%

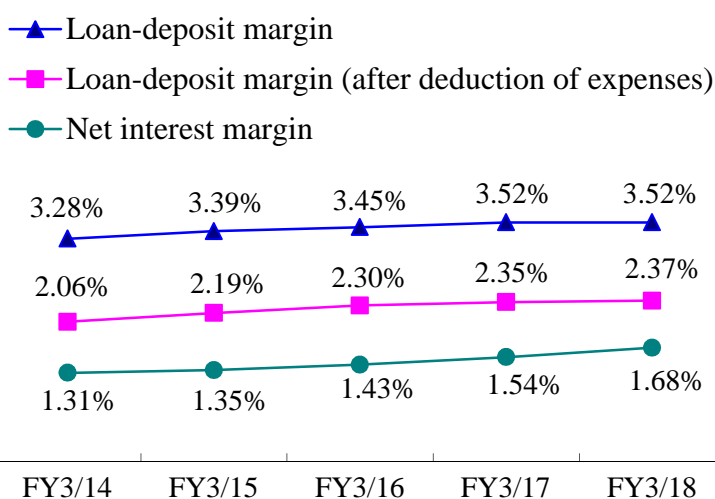
3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin (after deduction of expenses) rose by 2 basis points year-on-year to 2.37%.
- Net interest margin rose by 14 basis points year-on-year to 1.68%, mainly due to the rise in return on investments.

(%)

	FY3/2018		FY3/2017 (b)
	(a)	(a) - (b)	
Loan-deposit margin	3.52	0.00	3.52
Loan-deposit margin (after deduction of expenses)	2.37	0.02	2.35
Net interest margin	1.68	0.14	1.54



4. Own capital (Non-consolidated)

• Capital adequacy ratio rose by 79 basis points year-on-year to 12.75%.

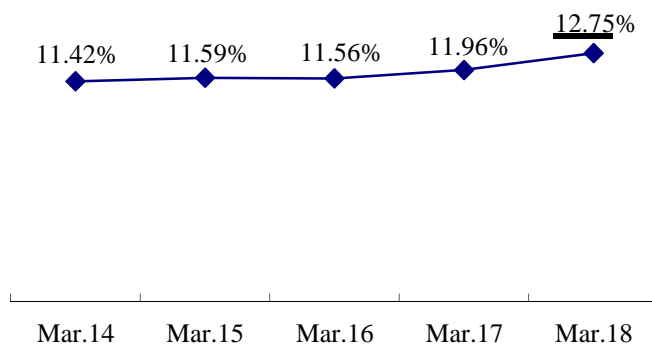
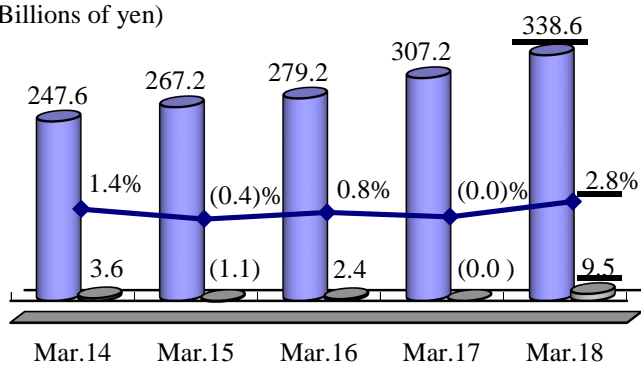
	Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Capital adequacy ratio (domestic standard)	<u>12.75</u>	<u>0.05</u>	<u>0.79</u>	12.70	11.96

(%)

■ Own capital ■ Deferred tax assets
 ◆ Deferred tax assets / Own capital

◆ Capital adequacy ratio

(Billions of yen)



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

• Net unrealized gains (losses) on securities increased by ¥1.4 billion year-on-year, mainly due to an increase in unrealized gains on stocks.

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Other securities	24,818	(3,306)	1,465	28,124	23,353
Stocks	24,604	(2,102)	2,649	26,706	21,955
Bonds	(7)	150	108	(157)	(115)
Others	221	(1,354)	(1,291)	1,575	1,512

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Held-to-maturity bonds (net unrealized gains (losses))	-	-	(22)	-	22

6. Earnings forecast for the fiscal year ending March 31, 2019

Consolidated (Billions of yen)

	FY3/2019 (forecast)	
	First half	Full year
Ordinary profit	17.0	36.5
Profit attributable to owners of parent	12.0	25.0

Non-consolidated (Billions of yen)

	FY3/2019 (forecast)	
	First half	Full year
Net operating profit	22.0	45.0
Ordinary profit	16.5	35.0
Net income	11.5	24.0
Actual credit costs	9.5	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.

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 ¥43.2 billion year-on-year.
Non-performing loan ratio rose by 132 basis points year-on-year to 2.20%.

Outstanding balance

(Millions of yen, %)

	Mar. 31, 2018 (a)	(a) - (b)	(a) - (c)	Mar. 31, 2017	Mar. 31, 2017
				Sep. 30, 2017 (b)	(c)
Claims against bankrupt and substantially bankrupt obligors	10,573	1,311	2,852	9,262	7,721
Claims with collection risk	47,722	35,807	34,998	11,915	12,724
Claims for special attention	13,874	6,271	5,362	7,603	8,512
Total (A)	72,170	43,388	43,213	28,782	28,957
Total claims (B)	3,266,815	(39,829)	(7,682)	3,306,644	3,274,497
Non-performing loan ratio (A/B)	2.20	1.33	1.32	0.87	0.88

Status of coverage

(Millions of yen, %)

		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Total	Change from Mar. 31, 2017
Non-performing loans (A)	10,573	47,722	13,874	72,170	43,213	
Covered amount (C+D) (B)	10,573	33,127	8,172	51,874	27,827	
Portion secured by collateral or guarantees, etc. (C)	6,557	22,600	5,777	34,935	14,363	
Allowance for loan losses (D)	4,016	10,526	2,395	16,938	13,463	
Coverage ratio (B/A)	100.00	69.41	58.90	71.87	(11.17)	
Unsecured portion (A-C) (E)	4,016	25,121	8,097	37,234	28,849	
Allowance ratio for unsecured portion (D/E)	100.00	41.90	29.57	45.49	4.05	

(Reference) As of Mar. 31, 2017

Unsecured portion	2,303	2,253	3,828	8,385
Allowance ratio for unsecured portion	100.00	31.42	12.09	41.44

(Note1) Category IV claims against bankrupt and substantially bankrupt obligors (corresponding to bankrupt and effectively bankrupt obligors based on self-assessment) which are not covered by collateral or guarantees, etc., are partially written off. Specific allowance for loan losses is provisioned against claims for which the unrecoverable amounts cannot be determined due to potential rehabilitation measures, etc.

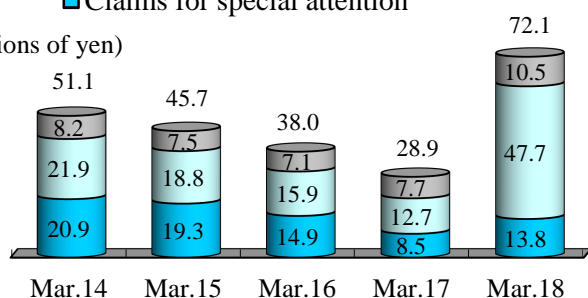
(Note2) Specific allowance for loan losses against claims with collection risk (corresponding to potentially bankrupt obligors based on self-assessment) is calculated by multiplying the amount of category III claims not covered by collateral or guarantees, etc., by an estimated loan loss ratio based on historical loan loss ratios for the previous three reporting periods.

(Note3) General allowance for loan losses against claims for special attention is calculated by multiplying the total amount of such claims (categories I and II) by an estimated loan loss ratio based on historical loan loss ratios for the previous three reporting periods.

(Note4) As for large claims against potentially bankrupt and substandard obligors, for which the future cash flow can be reasonably estimated, allowance for loan losses is calculated using the Discounted Cash Flow method.

- Claims against bankrupt and substantially bankrupt obligors
- Claims with collection risk
- Claims for special attention

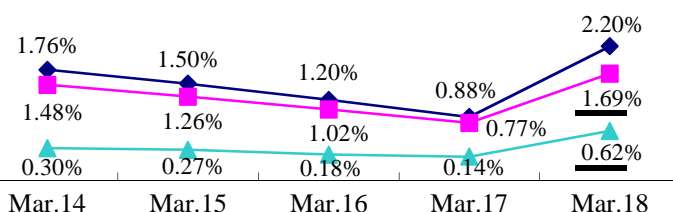
(Billions of yen)



◆ Non-performing loan ratio

■ Non-performing loan ratio (after deduction of allowance)

▲ Non-performing loan ratio (after deduction of collateral, guarantees and allowance)



(2) Risk-monitored loans

(Millions of yen, %)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Loans to bankrupt obligors	1,970	1,198	1,070	772	900
Non-accrual delinquent loans	56,249	35,936	36,754	20,313	19,495
Loans past due 3 months or more	1,295	623	1,100	672	195
Restructured loans	12,578	5,648	4,261	6,930	8,317
Total	72,094	43,405	43,186	28,689	28,908
Coverage ratio	72.00	(13.36)	(11.01)	85.36	83.01

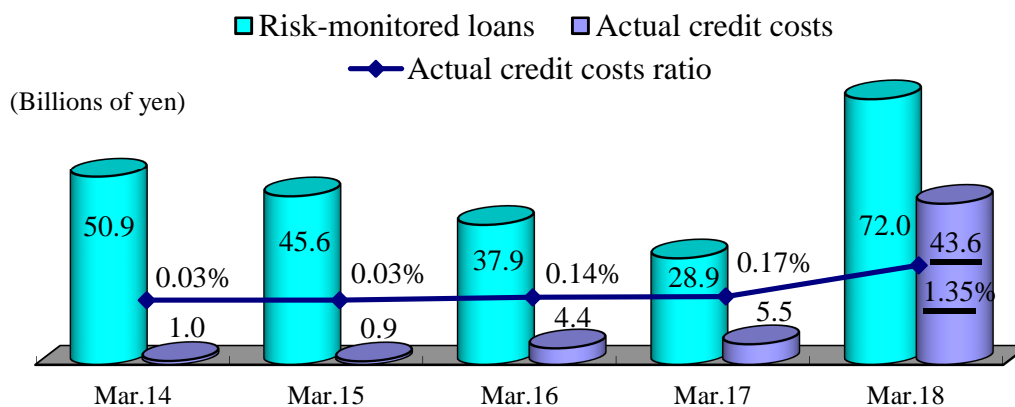
8. Credit costs (Non-consolidated)

(Millions of yen, %)

		FY3/2018		FY3/2017 (b)
		(a)	(a) - (b)	
Provision for general allowance for loan losses	(1)	<u>26,230</u>	<u>26,230</u>	-
Disposal of non-performing loans	(2)	<u>18,785</u>	<u>9,620</u>	9,165
Write-off of loans		3,827	(3,333)	7,160
Provision for specific allowance for loan losses		<u>12,201</u>	<u>12,201</u>	-
Losses on sales of delinquent loans		2,745	831	1,914
Provision for allowance for contingent losses		11	(79)	90
Reversal of allowance for loan losses	(3)	-	(2,590)	2,590
Recoveries on written-off claims	A	1,346	342	1,004
Net credit costs	(4) (= (1)+(2)- (3))	<u>45,016</u>	<u>38,441</u>	6,575
Actual credit costs	(4)- A	<u>43,670</u>	<u>38,099</u>	5,571
Loans and bills discounted (average balance)		3,229,776	93,766	3,136,010
Net credit costs ratio		<u>1.39</u>	<u>1.19</u>	0.20
Actual credit costs ratio		<u>1.35</u>	<u>1.18</u>	0.17

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

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



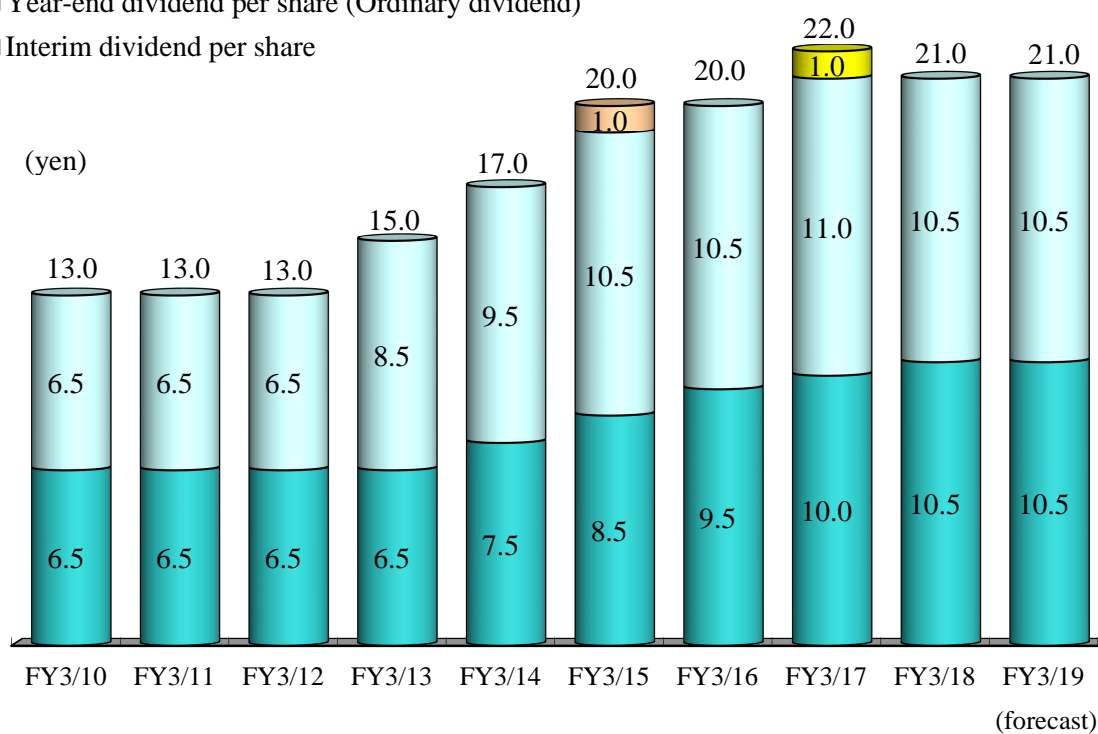
9. Dividends

•The company has decided to pay a year-end dividend of ¥10.5 per share and an annual dividend of ¥21.0 per share with the aim of enhancing shareholder returns.

For the fiscal year ending March 31, 2019, the company is forecasting an annual dividend of ¥21.0 per share in light of the company's earnings forecast and other factors.

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(result) (b)
Annual dividend per share	21.00	(1.00)	22.00
Interim dividend	10.50	0.50	10.00
Year-end dividend	10.50	(1.50)	12.00
Ordinary dividend	10.50	(0.50)	11.00
Special dividend	-	(1.00)	1.00

- Year-end dividend per share (Special dividend)
- Year-end dividend per share (Commemorative dividend)
- Year-end dividend per share (Ordinary dividend)
- Interim dividend per share



II . Financial data for the fiscal year ended March 31, 2018

1. Details of financial results (Non-consolidated)

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Gross operating profit	115,171	4,319	110,852
(excluding gains (losses) on bonds)	(114,890)	4,204	110,686)
Domestic gross operating profit	114,776	4,180	110,596
(excluding gains (losses) on bonds)	(114,495)	4,204	110,291)
Net interest income	118,025	5,389	112,636
Net fees and commissions	(3,529)	(1,185)	(2,344)
Net other operating income	280	(24)	304
(of which, Gains (losses) on bonds)	(281)	(23)	304)
International gross operating profit	395	140	255
(excluding gains (losses) on bonds)	(395)	0	395)
Net interest income	310	6	304
Net fees and commissions	22	2	20
Net other operating income	62	130	(68)
(of which, Gains (losses) on bonds)	(-)	139	(139))
Expenses (excluding non-recurring losses)	46,742	(498)	47,240
Personnel expenses	17,777	(585)	18,362
Non-personnel expenses	25,078	(53)	25,131
Taxes	3,886	139	3,747
Net operating profit	68,429	4,818	63,611
(before provision for general allowance for loan losses)			
(excluding gains (losses) on bonds)	68,148	4,703	63,445
Provision for general allowance for loan losses (Note)	26,230	26,230	-
Net operating profit	42,198	(21,413)	63,611
Gains (losses) on bonds	281	116	165
Non-recurring gains (losses)	(13,179)	(6,729)	(6,450)
Reversal of allowance for loan losses (Note)	-	(2,590)	2,590
Recoveries on written-off claims	1,346	342	1,004
Gains (losses) on stocks	5,454	5,960	(506)
Ordinary profit	29,017	(28,143)	57,160
Extraordinary gains (losses)	(414)	(2,267)	1,853
Gains (losses) on disposal of non-current assets	(414)	(134)	(280)
Gains on disposal of non-current assets	59	23	36
Losses on disposal of non-current assets	474	158	316
Gains on revision of retirement benefit plan	-	(2,134)	2,134
Income before income taxes	28,602	(30,411)	59,013
Income taxes-current	19,328	4,114	15,214
Income taxes-deferred	(10,026)	(12,097)	2,071
Total income taxes	9,302	(7,983)	17,285
Net income	19,299	(22,429)	41,728

(1)Provision for general allowance for loan losses (Note)	26,230	26,230	-
(2)Disposal of non-performing loans	18,785	9,620	9,165
Write-off of loans	3,827	(3,333)	7,160
Provision for specific allowance for loan losses (Note)	12,201	12,201	-
Losses on sales of delinquent loans	2,745	831	1,914
Provision for allowance for contingent losses	11	(79)	90
(3)Reversal of allowance for loan losses (Note)	-	(2,590)	2,590
(4)Net credit costs (1)+(2)-(3)	45,016	38,441	6,575
(5)Recoveries on written-off claims	1,346	342	1,004
(6)Actual credit costs (4)-(5)	43,670	38,099	5,571

(Note) For the fiscal year ended March 31, 2017, the net amount of Reversal of general allowance for loan losses and Provision for specific allowance for loan losses is recorded in Reversal of allowance for loan losses, given that the former exceeded the latter during the period.

Details of financial results (Consolidated)

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Consolidated gross profit	126,199	5,905	120,294
Net interest income	127,082	6,651	120,431
Net fees and commissions	(1,698)	(815)	(883)
Net other operating income	815	70	745
Expenses (excluding non-recurring losses)	51,090	(213)	51,303
Actual credit costs	<u>48,517</u>	<u>38,629</u>	9,888
Gains (losses) on stocks	5,454	5,967	(513)
Equity in gains (losses) of affiliates	4	3	1
Others	(1,178)	(810)	(368)
Ordinary profit	<u>30,871</u>	<u>(27,351)</u>	58,222
Extraordinary gains (losses)	(420)	(2,255)	1,835
Income before income taxes	<u>30,451</u>	<u>(29,606)</u>	60,057
Income taxes-current	19,927	4,146	15,781
Income taxes-deferred	<u>(10,750)</u>	<u>(12,238)</u>	1,488
Total income taxes	<u>9,176</u>	<u>(8,094)</u>	17,270
Profit attributable to non-controlling interests	209	50	159
Profit attributable to owners of parent	<u>21,065</u>	<u>(21,562)</u>	42,627

(1)Provision for general allowance for loan losses	<u>27,015</u>	<u>27,015</u>	-
(2)Disposal of non-performing loans	<u>23,295</u>	<u>11,140</u>	12,155
Write-off of loans	5,938	(3,443)	9,381
Provision for specific allowance for loan losses	<u>13,184</u>	<u>13,184</u>	-
Losses on sales of delinquent loans	4,161	1,478	2,683
Provision for allowance for contingent losses	11	(79)	90
(3)Reversal of allowance for loan losses	-	(927)	927
(4)Net credit costs (1)+(2)-(3)	<u>50,311</u>	<u>39,083</u>	11,228
(5)Recoveries on written-off claims	1,793	454	1,339
(6)Actual credit costs (4)-(5)	<u>48,517</u>	<u>38,629</u>	9,888

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

(Reference)	(Millions of yen)		
Consolidated net operating profit	<u>48,093</u>	<u>(20,898)</u>	68,991

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

(Number of consolidated subsidiaries and affiliates)	(Companies)		
Consolidated subsidiaries	9	-	9
Equity-method accounted affiliates	1	-	1

2. Net operating profit (Non-consolidated)

	FY3/2018		FY3/2017
	(a)	(a) - (b)	(b)
Net operating profit	<u>42,198</u>	<u>(21,413)</u>	63,611
Per employee (Thousands of yen)	<u>27,580</u>	<u>(12,988)</u>	40,568

3. Interest margins (Non-consolidated)

Overall		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
Return on investments (A)		2.93	0.12	2.81
Yield on loans and bills discounted		3.61	(0.01)	3.62
Yield on securities		3.63	2.37	1.26
Yield on interest bearing liabilities (B)		1.24	(0.03)	1.27
Yield on deposits		0.08	(0.02)	0.10
Loan-deposit margin (after deduction of expenses)		2.37	0.02	2.35
Net interest margin (A) - (B)		1.68	0.14	1.54

Domestic		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
Return on investments (A)		2.92	0.11	2.81
Yield on loans and bills discounted		3.61	(0.01)	3.62
Yield on securities		3.74	2.46	1.28
Yield on interest bearing liabilities (B)		1.20	(0.03)	1.23
Yield on deposits		0.07	(0.02)	0.09
Loan-deposit margin (after deduction of expenses)		2.40	0.02	2.38
Net interest margin (A) - (B)		1.72	0.14	1.58

4. ROA and ROE (Non-consolidated)

		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
ROA	Net operating profit basis	0.95	(0.50)	1.45
	Net income basis	0.43	(0.52)	0.95
ROE	Net operating profit basis	13.51	(9.57)	23.08
	Net income basis	6.18	(8.96)	15.14

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

		FY3/2018		FY3/2017
		(a)	(a) - (b)	(b)
(Millions of yen)				
Gains (losses) on bonds		281	116	165
Gains on sales		0	(2)	2
Gains on redemptions		396	(77)	473
Losses on sales		-	-	-
Losses on redemptions		116	(194)	310
Losses on devaluation		-	-	-
Gains (losses) on stocks		5,454	5,960	(506)
Gains on sales		5,465	5,336	129
Losses on sales		0	0	-
Losses on devaluation		10	(626)	636

6. Capital adequacy ratio (domestic standard)

Non-consolidated (Millions of yen)

	Mar. 31, 2018 (a)	(a) - (b)	Mar. 31, 2017 (b)
Capital adequacy ratio	<u>12.75%</u>	<u>0.79%</u>	11.96%
Own capital (Core capital)	<u>338,653</u>	<u>31,360</u>	307,293
Core capital: instruments and reserves	<u>357,250</u>	<u>35,996</u>	321,254
Core capital: regulatory adjustments (-)	18,597	4,637	13,960
Risk-weighted assets	<u>2,655,433</u>	<u>87,941</u>	2,567,492

Consolidated (Millions of yen)

	Mar. 31, 2018 (a)	(a) - (b)	Mar. 31, 2017 (b)
Capital adequacy ratio	<u>12.81%</u>	<u>0.64%</u>	12.17%
Own capital (Core capital)	<u>344,992</u>	<u>29,099</u>	315,893
Core capital: instruments and reserves	<u>367,353</u>	<u>35,115</u>	332,238
Core capital: regulatory adjustments (-)	<u>22,361</u>	<u>6,016</u>	16,345
Risk-weighted assets	<u>2,692,347</u>	<u>97,648</u>	2,594,699

7. Composition of own capital (domestic standard)

(Millions of yen)

	Mar. 31, 2018			
	Non-consolidated		Consolidated	
		Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
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	326,785		334,435	
Capital and capital surplus	48,633		30,532	
Retained earnings	281,166		306,917	
Treasury shares (-)	582		582	
Earnings to be distributed (-)	2,432		2,432	
Accumulated other comprehensive income included in Core capital	-		1,122	
Remeasurements of defined benefit plans	-		1,122	
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock	17		17	
Adjusted non-controlling interests (amount allowed to be included in Core capital)	-		-	
Reserves included in Core capital: instruments and reserves	30,447		30,531	
General allowance for loan losses	30,447		30,531	
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	-		1,246	
Core capital: instruments and reserves (A)	357,250		367,353	
Core capital: regulatory adjustments (2)				
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	13,859	3,464	15,919	3,526
Goodwill (including those equivalent)	-	-	1,812	-
Other intangible fixed assets other than goodwill and mortgage servicing rights	13,859	3,464	14,106	3,526
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	581	-
Shortfall of eligible provisions to expected losses	-	-	-	-
Gains on sale related to securitization transactions	-	-	-	-
Gains (losses) due to changes in own credit risk on fair valued liabilities	-	-	-	-
Prepaid pension cost	4,738	1,184	-	-
Net defined benefit asset	-	-	5,860	1,465
Investments in own shares (excluding those reported in the net assets)	0	-	0	-
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	-	-	-	-
Amount exceeding the 15% threshold on specified items	-	-	-	-
Core capital: regulatory adjustments (B)	18,597		22,361	
Total capital				
Total capital (A-B) (C)	338,653		344,992	
Risk-weighted assets (3)				
Credit risk-weighted assets	2,435,811		2,442,528	
Total of items included in risk-weighted assets subject to transitional arrangements	16,187		17,586	
Intangible fixed assets other than goodwill and mortgage servicing rights (net of related tax liability)	4,971		5,059	
Deferred tax assets (net of related tax liability)	9,516		10,425	
Prepaid pension cost	1,699		-	
Net defined benefit asset	-		2,101	
Amount equivalent to market risk × 12.5	-		-	
Amount equivalent to operational risk × 12.5	219,621		249,818	
Credit risk-weighted assets adjustments	-		-	
Amount equivalent to operational risk adjustments	-		-	
Total amount of risk-weighted assets (D)	2,655,433		2,692,347	
Capital adequacy ratio (non-consolidated)				
Capital adequacy ratio (non-consolidated) (C/D)	12.75%		-	
Capital adequacy ratio (consolidated)				
Capital adequacy ratio (consolidated) (C/D)	-		12.81%	

III. Status of loans, etc.

Comparison of asset disclosure by standard

Non-consolidated (As of March 31, 2018)

Classification and status of coverage by disclosure standard

Self-assessment result (by obligor classification)				
* Includes total claims.				
Category	Classification			
	Non-classification	Classification II	Classification III	Classification IV
Bankrupt obligors 1,971 [796]	1,113	858	-	- [796]
Effectively bankrupt obligors 8,601 [3,219]	3,647	4,954	-	- [3,219]
Potentially bankrupt obligors 47,722 [10,526]	<u>15,312</u>	17,815	<u>14,594</u> [10,526]	-
Obligors requiring caution	Sub-standard obligors 19,527	449	19,077	-
	Other obligors requiring caution 294,029	20,770	273,259	-
Normal obligors 2,894,961	2,894,961	-	-	-
Total 3,266,815 [14,542]	<u>2,936,254</u>	315,965	<u>14,594</u> [10,526]	- [4,016]

Non-performing loans based on the Financial Reconstruction Law			
* Includes total claims ("Claims for special attention" includes only loans and bills discounted).			
Category	Collateral or guarantees, etc.	Allowance	Coverage ratio
Claims against bankrupt and substantially bankrupt obligors 10,573	6,557	4,016	100%
Claims with collection risk 47,722	22,600	<u>10,526</u>	<u>69.41%</u>
Claims for special attention 13,874	5,777	<u>2,395</u>	<u>58.90%</u>
Subtotal 72,170	34,935	<u>16,938</u>	<u>71.87%</u>
Normal assets 3,194,644			
Total 3,266,815			

(Millions of yen)

Risk-monitored loans	
* Includes loans and bills discounted.	
Category	Outstanding balance
Loans to bankrupt obligors	1,970
Non-accrual delinquent loans	56,249
Loans past due 3 months or more	1,295
Restructured loans	12,578
Total	72,094

(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 deduction of partial direct write-off of loans.

The amounts of partial direct write-off of loans for the fiscal year ended March 31, 2018 were as follows:

(a) Non-consolidated: ¥4,128 million; (b) Consolidated: ¥5,885 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, %)

		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	1,970	1,198	1,070	772	900
	Non-accrual delinquent loans	56,249	35,936	36,754	20,313	19,495
	Loans past due 3 months or more	1,295	623	1,100	672	195
	Restructured loans	12,578	5,648	4,261	6,930	8,317
	Total	72,094	43,405	43,186	28,689	28,908

Loans and bills discounted (period-end balance)	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
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% to loans and bills discounted	Loans to bankrupt obligors	0.06	0.04	0.04	0.02	0.02
	Non-accrual delinquent loans	1.73	1.12	1.14	0.61	0.59
	Loans past due 3 months or more	0.03	0.01	0.03	0.02	0.00
	Restructured loans	0.38	0.17	0.13	0.21	0.25
	Total	2.22	1.35	1.34	0.87	0.88

Consolidated (Millions of yen, %)

		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	2,987	1,492	1,353	1,495	1,634
	Non-accrual delinquent loans	62,346	35,885	36,743	26,461	25,603
	Loans past due 3 months or more	1,295	623	1,100	672	195
	Restructured loans	12,578	5,648	4,261	6,930	8,317
	Total	79,207	43,648	43,457	35,559	35,750

Loans and bills discounted (period-end balance)	3,248,159	(38,743)	(5,564)	3,286,902	3,253,723
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% to loans and bills discounted	Loans to bankrupt obligors	0.09	0.05	0.04	0.04	0.05
	Non-accrual delinquent loans	1.91	1.11	1.13	0.80	0.78
	Loans past due 3 months or more	0.03	0.01	0.03	0.02	0.00
	Restructured loans	0.38	0.17	0.13	0.21	0.25
	Total	2.43	1.35	1.34	1.08	1.09

2. Allowance ratio for risk-monitored loans

Non-Consolidated		(Millions of yen, %)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	72,094	43,405	43,186	28,689	28,908
Collateral or guarantees, etc.	(B)	34,894	13,878	14,352	21,016	20,542
Allowance for loan losses	(C)	<u>17,015</u>	<u>13,540</u>	<u>13,558</u>	3,475	3,457
Allowance ratio	(C/A)	<u>23.60</u>	<u>11.49</u>	<u>11.65</u>	12.11	11.95
Coverage ratio	(B+C)/(A)	<u>72.00</u>	<u>(13.36)</u>	<u>(11.01)</u>	85.36	83.01

Consolidated		(Millions of yen, %)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	79,207	43,648	43,457	35,559	35,750
Collateral or guarantees, etc.	(B)	37,403	13,944	14,456	23,459	22,947
Allowance for loan losses	(C)	<u>20,265</u>	<u>13,725</u>	<u>13,614</u>	6,540	6,651
Allowance ratio	(C/A)	<u>25.58</u>	<u>7.19</u>	<u>6.98</u>	18.39	18.60
Coverage ratio	(B+C)/(A)	<u>72.80</u>	<u>(11.56)</u>	<u>(9.99)</u>	84.36	82.79

3. Allowance for loan losses

Non-consolidated		(Millions of yen)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		49,742	37,551	37,759	12,191	11,983
General allowance for loan losses		35,135	26,152	26,231	8,983	8,904
Specific allowance for loan losses		<u>14,607</u>	<u>11,400</u>	<u>11,529</u>	3,207	3,078

Consolidated		(Millions of yen)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		<u>57,871</u>	<u>38,163</u>	<u>38,566</u>	19,708	19,305
General allowance for loan losses		39,564	26,613	26,963	12,951	12,601
Specific allowance for loan losses		<u>18,307</u>	<u>11,551</u>	<u>11,604</u>	6,756	6,703

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

Non-consolidated		(Millions of yen)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		10,573	1,311	2,852	9,262	7,721
Claims with collection risk		47,722	35,807	34,998	11,915	12,724
Claims for special attention		13,874	6,271	5,362	7,603	8,512
Total	(A)	<u>72,170</u>	<u>43,388</u>	<u>43,213</u>	28,782	28,957

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

Non-consolidated		(Millions of yen, %)				
		Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage	(B)	<u>51,874</u>	<u>27,290</u>	<u>27,827</u>	24,584	24,047
Allowance for loan losses		<u>16,938</u>	<u>13,435</u>	<u>13,463</u>	3,503	3,475
Collateral or guarantees, etc.		34,935	13,855	14,363	21,080	20,572
Coverage ratio	(B/A)	<u>71.87</u>	<u>(13.54)</u>	<u>(11.17)</u>	85.41	83.04

6. Loan breakdown by industry, etc.

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

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
Manufacturing	54,276	(6)	(12,463)	54,282	66,739
Agriculture and forestry	4,949	(101)	(201)	5,050	5,150
Fishery	37	(1)	(3)	38	40
Mining, quarrying and gravel	-	-	-	-	-
Construction	15,409	201	(1,273)	15,208	16,682
Utilities	1,001	(2,125)	(4,018)	3,126	5,019
Information and communication	1,655	164	150	1,491	1,505
Transportation and postal service	13,847	610	330	13,237	13,517
Wholesale and retail trade	35,852	(1,633)	(3,136)	37,485	38,988
Finance and insurance	74,773	742	(15)	74,031	74,788
Real estate, goods rental and leasing	69,358	(982)	(2,064)	70,340	71,422
Services	33,646	(2,033)	(2,610)	35,679	36,256
Government and municipal government	7,295	1,609	(2,406)	5,686	9,701
Others	2,933,868	(36,516)	19,896	2,970,384	2,913,972

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

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017	Mar. 31, 2017
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	72,094	43,405	43,186	28,689	28,908
Manufacturing	1,549	(4)	(1,763)	1,553	3,312
Agriculture and forestry	-	-	(29)	-	29
Fishery	33	0	0	33	33
Mining, quarrying and gravel	-	-	-	-	-
Construction	1,518	(40)	(293)	1,558	1,811
Utilities	10	(1)	10	11	-
Information and communication	125	0	0	125	125
Transportation and postal service	93	(8)	(38)	101	131
Wholesale and retail trade	2,601	(244)	(369)	2,845	2,970
Finance and insurance	-	-	-	-	-
Real estate, goods rental and leasing	2,158	(285)	(451)	2,443	2,609
Services	1,757	(35)	(139)	1,792	1,896
Government and municipal government	-	-	-	-	-
Others	62,245	44,024	46,259	18,221	15,986

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	2,925,991	(37,454)	18,642	2,963,445	2,907,349
Secured loans	2,654,576	(38,361)	4,390	2,692,937	2,650,186
Unsecured loans	271,414	906	14,252	270,508	257,162

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

(%)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
The ratio of loans to small- and medium-sized enterprises, etc.	96.65	(0.09)	0.54	96.74	96.11

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)

		Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
		(a)	(a) - (b)	(a) - (c)		
Deposits	period-end balance	4,089,649	13,573	(15,806)	4,076,076	4,105,455
	average balance	4,047,017	(3,105)	(7,491)	4,050,122	4,054,508
Loans	period-end balance	3,245,978	(40,069)	(7,812)	3,286,047	3,253,790
	average balance	3,229,776	6,608	93,766	3,223,168	3,136,010

9. Number of branches (Non-consolidated)

(Branches)

	Mar. 31, 2018			Sep. 30, 2017 (b)	Mar. 31, 2017 (c)
	(a)	(a) - (b)	(a) - (c)		
Number of branches	132	-	(1)	132	133

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	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	116,151	24,818	25,400	581	111,220	28,124	28,530	406	90,702	23,353	23,840	487
Stocks	41,275	24,604	24,699	95	46,085	26,706	26,813	106	47,380	21,955	22,088	132
Bonds	62,850	(7)	90	98	55,477	(157)	55	213	30,910	(115)	62	178
Others	12,025	221	609	388	9,657	1,575	1,661	85	12,411	1,512	1,689	176

(Note1) Amounts less than one million yen are rounded down.

(Note2) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note3) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

(Note4) Unrealized gains (losses) on held-to-maturity bonds were as shown in the table below.

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)		
		Gains	Losses			Gains	Losses			Gains	Losses	
Held-to-maturity bonds	-	-	-	-	-	-	-	-	45,001	22	22	-

Consolidated

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	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	118,214	26,659	27,241	581	113,177	29,860	30,266	406	92,250	24,680	25,167	487
Stocks	41,970	25,201	25,296	95	46,765	27,289	27,396	106	47,855	22,334	22,466	132
Bonds	62,850	(7)	90	98	55,477	(157)	55	213	30,910	(115)	62	178
Others	13,393	1,464	1,853	388	10,934	2,728	2,814	85	13,484	2,461	2,637	176

(Note1) Amounts less than one million yen are rounded down.

(Note2) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note3) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

(Note4) Unrealized gains (losses) on held-to-maturity bonds were as shown in the table below.

(Millions of yen)

	Mar. 31, 2018				Sep. 30, 2017				Mar. 31, 2017			
	Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)			Book value	Net unrealized gains (losses)		
		Gains	Losses			Gains	Losses			Gains	Losses	
Held-to-maturity bonds	-	-	-	-	-	-	-	-	45,001	22	22	-

V. Retirement benefits

1. Retirement benefit expenses

Non-consolidated

(Millions of yen)

	FY3/2018	FY3/2017
Service cost	553	782
Interest cost	113	126
Expected returns on plan assets	(731)	(749)
Amortization of unrecognized prior service cost	-	8
Amortization of unrecognized net actuarial gains (losses)	(159)	(270)
Others (non-recurring extra retirement payments, etc.) (Note1)	233	16
Retirement benefit expenses	8	(86)

(Note1) "Others (non-recurring extra retirement payments, etc.)" for the fiscal year ended March 31, 2018 includes contribution to a defined contribution pension plan.

Consolidated

(Millions of yen)

	FY3/2018	FY3/2017
Service cost (Note1)	576	824
Interest cost	113	126
Expected returns on plan assets	(731)	(749)
Amortization of unrecognized prior service cost	-	8
Amortization of unrecognized net actuarial gains (losses)	(159)	(270)
Others (non-recurring extra retirement payments, etc.) (Note2)	245	16
Retirement benefit expenses	44	(43)

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

(Note2) "Others (non-recurring extra retirement payments, etc.)" for the fiscal year ended March 31, 2018 includes contribution to a defined contribution pension plan.