

Consolidated Financial Statements

Consolidated Financial Statements were audited by Deloitte Touche Tohmatsu LLC under the provisions of Article 396-1 of the Companies Act and Article 193-2-1 of the Financial Instruments and Exchange Act.

Consolidated Balance Sheet

(Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2018	FY 2019	FY 2019
Cash and due from banks	272,941	363,125	3,271,691
Call loans and bills bought	1,066	2,515	22,660
Other debt purchased	93	64	577
Money held in trust	13,000	12,000	108,118
Securities	685,326	660,594	5,951,833
Loans and bills discounted	1,930,172	1,996,340	17,986,665
Foreign exchanges	2,667	2,317	20,876
Lease receivables and lease investment assets	10,455	10,631	95,783
Other assets	30,004	31,714	285,737
Tangible fixed assets	23,704	23,233	209,325
Buildings	8,075	7,983	71,925
Land	13,695	13,336	120,155
Construction in progress	62	—	—
Other tangible fixed assets	1,871	1,913	17,236
Intangible fixed assets	2,212	3,002	27,047
Software	2,106	2,921	26,318
Other intangible fixed assets	105	80	721
Deferred income tax assets	735	1,279	11,524
Guaranty endorsement	2,894	2,674	24,092
Allowance for bad debts	-8,729	-7,859	-70,808
Reserve against investment losses	-0	—	—
Total assets	2,966,545	3,101,632	27,945,148

(Liabilities and Net Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2018	FY 2019	FY 2019
Liabilities:			
Deposits	2,357,240	2,419,229	21,796,820
Negotiable deposit	129,968	117,625	1,059,780
Call money and bills sold	39,561	109,604	987,512
Guarantee deposit received under bond lending transactions	141,059	141,512	1,274,998
Borrowed fund	112,837	138,262	1,245,716
Foreign exchanges	10	16	144
Corporate bonds	15,000	—	—
Other liabilities	9,687	10,452	94,171
Reserve for bonus for directors and corporate auditors	40	40	360
Liability for retirement benefit	9,109	7,756	69,880
Reserve for losses from sleeping account withdrawal	273	265	2,388
Reserve for contingent losses	108	115	1,036
Revaluation deferred tax liabilities	2,301	2,199	19,813
Acceptances and guarantees	2,894	2,674	24,092
Total liabilities	2,820,092	2,949,754	26,576,755
Net assets:			
Common stock	14,697	14,697	132,417
Capital surplus	12,820	12,819	115,497
Earned surplus	101,915	110,318	993,945
Common stock held in treasury	−1,303	−1,241	−11,181
Total shareholders' equity	128,129	136,593	1,230,678
Other securities revaluation excess	18,148	14,365	129,426
Land revaluation excess	3,044	2,821	25,417
Accumulated adjustment for retirement benefit	−3,243	−2,271	−20,461
Total accumulated other comprehensive income	17,949	14,915	134,381
Rights to acquire new shares	183	160	1,442
Non-controlling interests	190	207	1,865
Total net assets	146,453	151,878	1,368,394
Total liabilities and net assets	2,966,545	3,101,632	27,945,148

Consolidated Statement of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2018	FY 2019	FY 2019
Income	54,222	53,444	481,521
Capital investment income	34,135	33,974	306,100
Interest on loans	25,196	25,687	231,435
Interest and dividend on marketable securities	8,822	8,155	73,475
Interest on call loan and bills bought	15	36	324
Interest on deposits	4	4	36
Other interest receivable	95	91	820
Service revenue	8,190	8,119	73,151
Other transaction revenue	8,486	8,285	74,646
Other operating income	3,410	3,064	27,606
Reversal of allowance for doubtful receivables	31	51	460
Recoveries of write-off	141	69	622
Others	3,237	2,942	26,507
Expenses	41,328	39,834	358,897
Cost of raising funds	1,715	1,275	11,488
Interest on deposits	303	187	1,685
Interest on negotiable deposits	62	17	153
Interest on call money and bills sold	275	110	991
Interest payment bond lending transactions	401	411	3,703
Interest on borrowed funds	69	69	622
Interest on bonds	131	56	505
Other interest payable	470	423	3,811
Expenses on service revenue	4,334	4,462	40,202
Other transaction expenses	8,452	6,904	62,204
Operating expenses	26,076	25,584	230,507
Other operating expenses	748	1,606	14,470
Other expenses	748	1,606	14,470
Ordinary income	12,894	13,610	122,624
Extraordinary income	370	523	4,712
Gains on dispositions of fixed assets	366	523	4,712
Other extraordinary income	3	—	—
Extraordinary loss	547	375	3,379
Losses on dispositions of fixed assets	80	149	1,342
Loss on reduction of fixed assets	359	205	1,847
Impairment loss	106	19	171
Income before income taxes	12,717	13,758	123,957
Income, inhabitant and business taxes	4,103	3,601	32,444
Income and other tax adjustments	−168	409	3,685
Income taxes-current	3,935	4,011	36,138
Profit	8,782	9,747	87,819
Profit attributable to non-controlling interests	12	17	153
Profit attributable to owners of the parent	8,770	9,729	87,657

Consolidated Statement of Comprehensive Income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2018	FY 2019	FY 2019
Profit	8,782	9,747	87,819
Other comprehensive income	-65	-2,810	-25,318
Valuation difference on available-for-sale securities	-336	-3,782	-34,075
Adjustments for retirement benefits	270	972	8,758
Comprehensive income	8,716	6,936	62,492
Comprehensive income attributable to shareholders of the parent	8,704	6,919	62,339
Comprehensive income attributable to non-controlling interests	12	17	153

Consolidated Statement of Changes in Net Assets

FY2018

Millions of Japanese Yen

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total shareholders' equity
Balance at beginning of the period	14,697	12,820	94,693	-1,292	120,918
Changes of items during the period					
Dividends from surplus			-1,549		-1,549
Profit attributable to owners of the parent			8,770		8,770
Acquisition of treasury stock				-11	-11
Disposal of treasury stock		0		0	0
Land revaluation profit appropriated			0		0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	7,221	-11	7,210
Balance at the end of current period	14,697	12,820	101,915	-1,303	128,129

Millions of Japanese Yen

	Accumulated other comprehensive income				Rights to acquire new shares	Non-controlling interests	Total net assets
	Other securities revaluation excess on securities	Land revaluation excess	Accumulated adjustment for retirement benefit	Total accumulated other comprehensive income			
Balance at beginning of the period	18,484	3,045	-3,514	18,016	136	178	139,250
Changes of items during the period							
Dividends from surplus							-1,549
Profit attributable to owners of the parent							8,770
Acquisition of treasury stock							-11
Disposal of treasury stock							0
Land revaluation profit appropriated							0
Net changes of items other than shareholders' equity	-336	-0	270	-66	46	11	-7
Total changes of items during the period	-336	-0	270	-66	46	11	7,202
Balance at the end of current period	18,148	3,044	-3,243	17,949	183	190	146,453

FY2019

Millions of Japanese Yen

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total shareholders' equity
Balance at beginning of the period	14,697	12,820	101,915	-1,303	128,129
Changes of items during the period					
Dividends from surplus			-1,550		-1,550
Profit attributable to owners of the parent			9,729		9,729
Acquisition of treasury stock				-3	-3
Disposal of treasury stock		-1		66	65
Land revaluation profit appropriated			223		223
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	-1	8,402	62	8,464
Balance at the end of current period	14,697	12,819	110,318	-1,241	136,593

Millions of Japanese Yen

	Accumulated other comprehensive income				Rights to acquire new shares	Non-controlling interests	Total net assets
	Other securities revaluation excess on securities	Land revaluation excess	Accumulated adjustment for retirement benefit	Total accumulated other comprehensive income			
Balance at beginning of the period	18,148	3,044	-3,243	17,949	183	190	146,453
Changes of items during the period							
Dividends from surplus							-1,550
Profit attributable to owners of the parent							9,729
Acquisition of treasury stock							-3
Disposal of treasury stock							65
Land revaluation profit appropriated							223
Net changes of items other than shareholders' equity	-3,782	-223	972	-3,033	-22	17	-3,039
Total changes of items during the period	-3,782	-223	972	-3,033	-22	17	5,424
Balance at the end of current period	14,365	2,821	-2,271	14,915	160	207	151,878

FY2019

Thousands of U.S. Dollars

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total shareholders' equity
Balance at beginning of the period	132,417	115,506	918,236	-11,740	1,154,419
Changes of items during the period					
Dividends from surplus			-13,965		-13,965
Profit attributable to owners of the parent			87,657		87,657
Acquisition of treasury stock				-27	-27
Disposal of treasury stock		-9		595	586
Land revaluation profit appropriated			2,009		2,009
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	-9	75,701	559	76,259
Balance at the end of current period	132,417	115,497	993,945	-11,181	1,230,678

Thousands of U.S. Dollars

	Accumulated other comprehensive income				Rights to acquire new shares	Non-controlling interests	Total net assets
	Other securities revaluation excess on securities	Land revaluation excess	Accumulated adjustment for retirement benefit	Total accumulated other comprehensive income			
Balance at beginning of the period	163,510	27,426	-29,219	161,717	1,649	1,712	1,319,515
Changes of items during the period							
Dividends from surplus							-13,965
Profit attributable to owners of the parent							87,657
Acquisition of treasury stock							-27
Disposal of treasury stock							586
Land revaluation profit appropriated							2,009
Net changes of items other than shareholders' equity	-34,075	-2,009	8,758	-27,327	-198	153	-27,381
Total changes of items during the period	-34,075	-2,009	8,758	-27,327	-198	153	48,869
Balance at the end of current period	129,426	25,417	-20,461	134,381	1,442	1,865	1,368,394

Consolidated Statement of Cash Flows

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2018	FY 2019	FY 2019
I. Cash flows from operating activities			
Income before income taxes and other adjustments	12,717	13,758	123,957
Depreciation and amortization	1,864	1,799	16,209
Impairment loss	106	19	171
Increase (decrease) in allowance for bad debts	-1,183	-870	-7,839
Increase (decrease) in amount of the reserve against investment losses	0	-0	-0
Increase (decrease) in liability for retirement benefit	414	47	423
Increase (decrease) in reserve for losses from sleeping account withdrawal	4	-7	-63
Increase (decrease) in reserve for contingent losses	6	6	54
Interest income	-34,135	-33,974	-306,100
Interest expenses	1,715	1,275	11,488
Gain on securities transactions	-644	-1,408	-12,686
Loss on money held in trust	—	93	838
Foreign exchange losses	538	-274	-2,469
Profit or loss on disposal of fixed assets	-286	-373	-3,361
Other extraordinary loss (income)	-3	—	—
Loss on reduction of fixed assets	359	205	1,847
Net decrease (increase) in loans	-88,728	-66,424	-598,468
Net increase (decrease) in deposits	132,951	61,851	557,266
Net increase (decrease) in negotiable deposits	-39,354	-12,343	-111,208
Net increase (decrease) in borrowed fund (excluding subordinated borrowed ones)	2,171	30,425	274,124
Net decrease (increase) in deposit with banks (excluding deposit with the Bank of Japan)	219	502	4,523
Net decrease (increase) in call loan and others	-360	-1,448	-13,046
Net decrease (increase) in call money and others	-104,805	69,615	627,219
Net increase (decrease) in guarantee deposit received under bond lending transactions	-6,769	29	261
Net decrease (increase) in foreign exchange (assets)	-511	403	3,631
Net increase (decrease) in foreign exchange (liabilities)	-1	4	36
Interest and dividends received	34,779	34,481	310,668
Interest paid	-1,779	-1,300	-11,713
Others	-15,977	-1,762	-15,875
Subtotal	-106,689	94,334	849,932
Corporate tax and others paid	-3,305	-3,015	-27,165
Net cash provided by (used in) operating activities	-109,994	91,319	822,768
II. Cash flows from investing activities			
Purchases of securities	-183,111	-134,385	-1,210,785
Proceeds from sales of securities	179,996	74,958	675,358
Proceeds from maturities of securities	80,474	80,843	728,381
Purchases of increase in money held in trust	-2,000	—	—
Decrease in money held in trust	—	906	8,163
Expenditure for acquisition of tangible fixed assets	-1,421	-964	-8,685
Proceeds from sales of tangible fixed assets	408	1,019	9,181
Expenditures for acquisition of intangible fixed assets	-805	-1,457	-13,127
Net cash provided by (used in) investing activities	73,539	20,919	188,476
III. Cash flows from financing activities			
Repayments of subordinated borrowed money	—	-5,000	-45,049
Payments for redemption of subordinated bonds	—	-15,000	-135,147
Dividends paid	-1,549	-1,550	-13,965
Dividends paid to non-controlling interests	-0	-0	-0
Purchase of treasury stocks	-11	-3	-27
Proceeds from sales of treasury stocks	0	0	0
Net cash used in financing activities	-1,560	-21,553	-194,189
IV. Foreign exchange difference of cash and cash equivalents	-0	0	0
V. Net increase (decrease) in cash and cash equivalents	-38,016	90,685	817,056
VI. Cash and cash equivalents at beginning of the term	301,783	263,766	2,376,484
VII. Cash and cash equivalents at end of the term	263,766	354,452	3,193,549