

## Financial Statements

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.

### Non-Consolidated Balance Sheet (Assets)

|                                   | Millions of Japanese Yen |           | Thousands of<br>U.S. Dollars |
|-----------------------------------|--------------------------|-----------|------------------------------|
|                                   | FY 2018                  | FY 2019   | FY 2019                      |
| Cash and due from banks           | 272,900                  | 363,084   | 3,271,322                    |
| Cash                              | 30,490                   | 34,085    | 307,100                      |
| Due from banks                    | 242,409                  | 328,999   | 2,964,222                    |
| Call loans                        | 1,066                    | 2,515     | 22,660                       |
| Other debt purchased              | 93                       | 64        | 577                          |
| Money held in trust               | 13,000                   | 12,000    | 108,118                      |
| Securities                        | 688,882                  | 664,148   | 5,983,854                    |
| Government bonds                  | 249,168                  | 231,950   | 2,089,828                    |
| Local government bonds            | 146,795                  | 152,960   | 1,378,142                    |
| Corporate bonds                   | 101,283                  | 100,124   | 902,099                      |
| Shares                            | 56,623                   | 49,027    | 441,724                      |
| Other kinds of securities         | 135,012                  | 130,086   | 1,172,052                    |
| Loans                             | 1,934,671                | 2,000,547 | 18,024,570                   |
| Bills discounted                  | 7,662                    | 7,260     | 65,411                       |
| Loans by bills                    | 48,881                   | 47,448    | 427,498                      |
| Loans on deed                     | 1,663,770                | 1,712,034 | 15,425,119                   |
| Cash credit                       | 214,356                  | 233,804   | 2,106,532                    |
| Foreign exchanges                 | 2,667                    | 2,317     | 20,876                       |
| Due from foreign banks            | 2,642                    | 2,279     | 20,533                       |
| Foreign bills bought              | 0                        | —         | —                            |
| Foreign exchange receivable       | 25                       | 37        | 333                          |
| Other assets                      | 22,617                   | 24,832    | 223,732                      |
| Prepaid expense                   | 27                       | 32        | 288                          |
| Accrued income                    | 2,602                    | 2,476     | 22,308                       |
| Derivatives                       | 491                      | 41        | 369                          |
| Other assets                      | 19,496                   | 22,281    | 200,748                      |
| Tangible fixed assets             | 23,280                   | 22,685    | 204,388                      |
| Buildings                         | 8,069                    | 7,976     | 71,862                       |
| Land                              | 13,695                   | 13,336    | 120,155                      |
| Lease assets                      | 541                      | 569       | 5,127                        |
| Construction in progress          | 62                       | —         | —                            |
| Other tangible fixed assets       | 911                      | 804       | 7,244                        |
| Intangible fixed assets           | 2,170                    | 2,974     | 26,795                       |
| Software                          | 2,106                    | 2,910     | 26,219                       |
| Other intangible fixed assets     | 64                       | 64        | 577                          |
| Deferred tax asset                | —                        | 174       | 1,568                        |
| Guaranty endorsement              | 2,894                    | 2,674     | 24,092                       |
| Allowance for bad debts           | -7,907                   | -6,922    | -62,366                      |
| Reserve against investment losses | -0                       | —         | —                            |
| Total assets                      | 2,956,337                | 3,091,096 | 27,850,221                   |

**(Liabilities and Shareholders' Equity)**  
**(Total Liabilities and Net Assets)**

|  | Millions of Japanese Yen |           | Thousands of<br>U.S. Dollars |
|--|--------------------------|-----------|------------------------------|
|  | FY 2018                  | FY 2019   | FY 2019                      |
| Liabilities:   |                          |           |                              |
| Deposits   | 2,359,152                | 2,422,679 | 21,827,903                   |
| Demand   | 50,520                   | 47,184    | 425,119                      |
| Ordinary   | 1,479,963                | 1,571,172 | 14,155,978                   |
| Savings  | 15,967                   | 15,609    | 140,634                      |
| At notice  | 330                      | 268       | 2,415                        |
| Time   | 775,043                  | 757,797   | 6,827,615                    |
| Installment savings  | 1,896                    | 1,530     | 13,785                       |
| Others   | 35,431                   | 29,116    | 262,330                      |
| Negotiable deposit   | 133,868                  | 120,725   | 1,087,711                    |
| Call money   | 39,561                   | 109,604   | 987,512                      |
| Guarantee deposit received under bond lending transactions | 141,059                  | 141,512   | 1,274,998                    |
| Borrowed money   | 105,064                  | 130,438   | 1,175,223                    |
| Loans  | 105,064                  | 130,438   | 1,175,223                    |
| Foreign exchanges  | 10                       | 16        | 144                          |
| Foreign exchange sold                                      | 5                        | 11        | 99                           |
| Foreign exchange payable                                   | 5                        | 4         | 36                           |
| Corporate bonds  | 15,000                   | —         | —                            |
| Other liabilities  | 6,355                    | 6,172     | 55,609                       |
| Domestic exchange settlement                               | 15                       | 18        | 162                          |
| Accrued income tax and others                              | 1,881                    | 1,068     | 9,622                        |
| Accrued expenses payable                                   | 1,050                    | 1,059     | 9,541                        |
| Unearned revenue   | 885                      | 1,119     | 10,082                       |
| Benefit and coverage reserve                               | 1                        | 1         | 9                            |
| Derivatives  | 77                       | 413       | 3,721                        |
| Lease obligations  | 551                      | 620       | 5,586                        |
| Asset retirement obligations                               | 141                      | 135       | 1,216                        |
| Other liabilities  | 1,751                    | 1,735     | 15,632                       |
| Reserve for bonus for directors and corporate auditors     | 40                       | 40        | 360                          |
| Reserve for retirement allowances                          | 4,319                    | 4,360     | 39,283                       |
| Reserve for losses from sleeping account withdrawal        | 273                      | 265       | 2,388                        |
| Reserve for contingent losses                              | 108                      | 115       | 1,036                        |
| Deferred tax liabilities                                   | 775                      | —         | —                            |
| Revaluation deferred tax liabilities                       | 2,301                    | 2,199     | 19,813                       |
| Acceptances and guarantees                                 | 2,894                    | 2,674     | 24,092                       |
| Total liabilities  | 2,810,786                | 2,940,804 | 26,496,117                   |
| Net assets:  |                          |           |                              |
| Common stock   | 14,697                   | 14,697    | 132,417                      |
| Capital surplus  | 8,775                    | 8,774     | 79,052                       |
| Capital reserve  | 8,771                    | 8,771     | 79,025                       |
| Other capital surplus                                      | 4                        | 3         | 27                           |
| Earned surplus   | 102,004                  | 110,713   | 997,504                      |
| Profit reserve   | 6,473                    | 6,473     | 58,321                       |
| Other retained earnings                                    | 95,530                   | 104,239   | 939,175                      |
| Contingent reserve   | 85,201                   | 93,101    | 838,823                      |
| Earned surplus brought forward                             | 10,329                   | 11,138    | 100,351                      |
| Common stock held in treasury                              | -1,303                   | -1,241    | -11,181                      |
| Total shareholders' equity                                 | 124,174                  | 132,944   | 1,197,802                    |
| Other securities revaluation excess                        | 18,148                   | 14,365    | 129,426                      |
| Land revaluation excess                                    | 3,044                    | 2,821     | 25,417                       |
| Total valuation and translation adjustments                | 21,193                   | 17,187    | 154,852                      |
| Rights to acquire new shares                               | 183                      | 160       | 1,442                        |
| Total net assets   | 145,550                  | 150,292   | 1,354,104                    |
| Total liabilities and net assets                           | 2,956,337                | 3,091,096 | 27,850,221                   |

## Non-Consolidated Statement of Income and Retained Earnings

|   | Millions of Japanese Yen |         | Thousands of<br>U.S. Dollars |
|---|--------------------------|---------|------------------------------|
|   | FY 2018                  | FY 2019 | FY 2019                      |
| Income  | 48,416                   | 47,009  | 423,543                      |
| Capital investment income                       | 34,934                   | 34,774  | 313,308                      |
| Interest on loans                               | 25,194                   | 25,683  | 231,399                      |
| Interest and dividend on marketable securities  | 9,626                    | 8,959   | 80,719                       |
| Interest on call loans                          | 15                       | 36      | 324                          |
| Interest on deposits                            | 4                        | 4       | 36                           |
| Other interest receivable                       | 93                       | 90      | 811                          |
| Service revenue                                 | 8,256                    | 8,135   | 73,295                       |
| Charges for remittance received                 | 2,207                    | 2,199   | 19,813                       |
| Other service revenue                           | 6,048                    | 5,936   | 53,482                       |
| Other transaction revenue                       | 1,586                    | 849     | 7,649                        |
| Gain on trading account securities transactions | —                        | 2       | 18                           |
| Profit on government bonds                      | 1,585                    | 847     | 7,631                        |
| Other transaction revenue                       | 0                        | 0       | 0                            |
| Other operating income                          | 3,639                    | 3,249   | 29,273                       |
| Reversal of allowance for doubtful receivables  | 1                        | 185     | 1,667                        |
| Recoveries of write-off                         | 141                      | 69      | 622                          |
| Profit from sales of stocks                     | 2,318                    | 2,167   | 19,524                       |
| Gain on money held in trust                     | 99                       | —       | —                            |
| Other income                                    | 1,078                    | 826     | 7,442                        |
| Expenses  | 35,066                   | 33,378  | 300,730                      |
| Cost of raising funds                           | 1,719                    | 1,280   | 11,533                       |
| Interest on deposits                            | 304                      | 187     | 1,685                        |
| Interest on negotiable deposits                 | 63                       | 17      | 153                          |
| Interest on call money                          | 275                      | 110     | 991                          |
| Interest payment bond lending transactions      | 401                      | 411     | 3,703                        |
| Interest on borrowed funds                      | 43                       | 42      | 378                          |
| Interest on bonds                               | 131                      | 56      | 505                          |
| Interest-swap transaction                       | 470                      | 423     | 3,811                        |
| Other interest payable                          | 29                       | 30      | 270                          |
| Expenses on service revenue                     | 4,455                    | 4,798   | 43,229                       |
| Charges for remittance paid                     | 413                      | 411     | 3,703                        |
| Other service expenses                          | 4,042                    | 4,386   | 39,517                       |
| Other transaction expenses                      | 3,080                    | 1,093   | 9,848                        |
| Loss on foreign exchange transactions           | 149                      | 98      | 883                          |
| Loss on sales of securities                     | 0                        | —       | —                            |
| Loss from government bonds sold                 | 2,218                    | 174     | 1,568                        |
| Loss from government bonds repaid               | 541                      | 418     | 3,766                        |
| Loss from derivatives                           | 170                      | 401     | 3,613                        |
| Sales expenses                                  | 25,062                   | 24,618  | 221,804                      |
| Other operating expenses                        | 747                      | 1,587   | 14,299                       |
| Loan money charged off                          | 313                      | 256     | 2,307                        |
| Loss from stocks sold                           | 21                       | 814     | 7,334                        |
| Stocks charged off                              | 239                      | 199     | 1,793                        |
| Loss from money held in trust                   | —                        | 93      | 838                          |
| Other expenses                                  | 174                      | 222     | 2,000                        |
| Ordinary income                                 | 13,349                   | 13,630  | 122,804                      |
| Extraordinary income                            | 370                      | 523     | 4,712                        |
| Gains on dispositions of fixed assets           | 366                      | 523     | 4,712                        |
| Other extraordinary income                      | 3                        | —       | —                            |
| Extraordinary loss                              | 547                      | 373     | 3,361                        |
| Loss on dispositions of fixed assets            | 80                       | 148     | 1,333                        |
| Loss on reduction of fixed assets               | 359                      | 205     | 1,847                        |
| Impairment loss                                 | 106                      | 19      | 171                          |
| Income before income taxes                      | 13,172                   | 13,780  | 124,155                      |
| Income, inhabitant and business taxes           | 3,950                    | 3,313   | 29,850                       |
| Income and other tax adjustments                | −188                     | 431     | 3,883                        |
| Income taxes-current                            | 3,762                    | 3,745   | 33,742                       |
| Net income                                      | 9,410                    | 10,035  | 90,414                       |