

Financial Results for 3rd Quarter of FY2019



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I . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2019 3rd Quarter		FY 2018 3rd Quarter
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	75,003	12,216	62,786
Net interest income	37,110	(2,806)	39,917
Net fees and commissions	9,553	1,798	7,755
Net trading income	12,594	7,113	5,481
Net other ordinary income	15,744	6,112	9,632
General and administrative expenses	(38,157)	(2,273)	(35,884)
Business profit ※2	36,845	9,943	26,902
Credit-related expenses	514	(1,168)	1,682
Write-off of loans	(448)	(282)	(166)
Provision of specific allowance for loan losses	(2,906)	(2,502)	(403)
Provision of general allowance for loan losses	3,871	2,898	972
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(650)	(556)	(94)
Recoveries of written-off claims	463	(563)	1,026
Provision of reserve for credit losses on off-balance-sheet instruments	185	(161)	346
Gains (losses) on stock transactions	4,620	(6,639)	11,259
Income from interests in associated undertakings	-	-	-
Other	242	(1,884)	2,126
Ordinary profit	42,222	250	41,971
Extraordinary profit (loss)	(4)	(4)	-
Profit before income taxes and non-controlling interests	42,218	246	41,971
Income taxes-current	(13,991)	(2,058)	(11,933)
Income taxes-deferred	(277)	1,392	(1,669)
Profit	27,948	(419)	28,368
Loss attributable to non-controlling interests	1,804	449	1,355
Profit attributable to owners of parent	29,752	29	29,723

※1 Consolidated net revenue = (Interest income - Interest expenses)
+ (Trust fees + Fees and commissions income - Fees and commissions expenses)
+ (Trading income - Trading expenses) + (Other ordinary income - Other ordinary expenses)

※2 Business profit = Consolidated net revenue - General and administrative expenses

(Note) The amounts are rounded down to the nearest million yen.

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	December 31, 2019		December 31, 2018
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	23	0	23
Affiliated companies applying equity-method	0	0	0

【Non-consolidated】

(million yen)

	FY 2019 3rd Quarter		FY 2018 3rd Quarter
	(A)	(A)-(B)	(B)
Net revenue	69,714	11,333	58,380
(Excluding gains (losses) on bond transactions)	57,339	3,124	54,214
Net interest income	34,829	(3,126)	37,956
Net fees and commissions ※	9,168	1,950	7,217
Net trading income	9,806	5,878	3,927
Net other ordinary income	15,910	6,631	9,278
(Gains (losses) on bond transactions)	12,375	8,209	4,166
General and administrative expenses	(31,159)	(1,186)	(29,972)
Personnel	(15,074)	(154)	(14,919)
Property and equipment	(14,001)	(907)	(13,093)
Taxes	(2,083)	(124)	(1,959)
Core net business profit	38,555	10,146	28,408
Core net business profit excluding gains(losses) on bonds	26,180	1,937	24,242
Core net business profit excluding gains(losses) on bonds and cancellation on investment trusts	25,684	5,633	20,051
Credit-related expenses	913	(537)	1,450
Written-off of loans	(654)	(463)	(191)
Provision of specific allowance for loan losses	(2,896)	(2,402)	(494)
Provision of general allowance for loan losses	3,974	2,764	1,210
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off claims	320	(247)	568
Provision of reserve for credit losses on off-balance-sheet instruments	170	(188)	358
Gains (losses) on stock transactions	4,620	(6,639)	11,259
Other	(210)	(2,158)	1,948
Ordinary profit	43,878	811	43,067
Extraordinary profit (loss)	(4)	(4)	-
Profit before income taxes	43,874	806	43,067
Income taxes-current	(13,215)	(1,650)	(11,565)
Income taxes-deferred	(434)	1,115	(1,549)
Profit	30,224	271	29,953
Business profit	38,555	10,146	28,408

※ Trust fees are included.

(Note) The amounts are rounded down to the nearest million yen.

II. Securities

1. Held-to-maturity bonds that have market prices or reasonably determinable prices

None.

2. Available-for-sale securities that have market prices or reasonably determinable prices

【Consolidated】

(million yen)

	December 31, 2019			September 30, 2019			March 31, 2019		
	Cost	Book Value	Difference	Cost	Book Value	Difference	Cost	Book Value	Difference
Stocks	5,364	43,629	38,265	6,164	43,083	36,919	12,972	61,488	48,515
Bonds	98,229	99,210	981	93,485	94,611	1,125	86,744	87,273	529
Government bonds	-	-	-	-	-	-	5,002	5,003	0
Local government bonds	36,142	36,304	161	34,282	34,503	220	31,587	31,811	223
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	62,087	62,906	819	59,203	60,108	904	50,154	50,459	304
Others	1,053,938	1,069,898	15,960	1,107,761	1,120,448	12,687	1,040,395	1,029,330	(11,064)
Total	1,157,532	1,212,739	55,206	1,207,411	1,258,144	50,732	1,140,112	1,178,092	37,979

(Note) 1. Certain amounts shown in the tables include certain beneficiary interests in trust classified as 'Monetary claims bought', in addition to 'Securities' stated in the consolidated balance sheets.

2. Book Value is based on market price or reasonably determinable price at the end of the accounting period.

III. Disclosed Claims under the Financial Reconstruction Law ("FRL Credit")
☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	December 31, 2019			September 30, 2019	March 31, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	3,268	45	3,268	3,222	-
Doubtful credit	14,009	(1,992)	(192)	16,001	14,201
Special attention credit	1,409	-	-	1,409	1,409
Total (a)	18,686	(1,946)	3,076	20,633	15,610
Normal assets	2,961,814	88,499	156,806	2,873,314	2,805,007
Grand total (b)	2,980,501	86,553	159,882	2,893,947	2,820,618
Non-performing loans ratio (a/b)	0.6%	(0.1%)	0.0%	0.7%	0.6%

IV. Allowance and Coverage for FRL Credit
☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	December 31, 2019			September 30, 2019	March 31, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	17,116	(1,909)	2,511	19,026	14,605
Allowance for loan losses (d)	9,370	(911)	533	10,281	8,837
Collateral / guarantee coverage (e)	7,746	(998)	1,978	8,744	5,767

(Note) Allowance for loan losses (d) is the sum of specific allowance for loan losses and general allowance for loan losses for FRL Credit.

Coverage Ratio c/a

	December 31, 2019			September 30, 2019	March 31, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	91.6%	(0.6%)	(2.0%)	92.2%	93.6%

Allowance Ratio d/(a-e)

	December 31, 2019			September 30, 2019	March 31, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	85.7%	(0.8%)	(4.1%)	86.5%	89.8%