

November 10, 2017

Consolidated Financial Report
for the First Half of the Fiscal Year Ending March 31, 2018
<Under Japanese GAAP>

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Date of submission of quarterly security report: November 24, 2017

Date to start dividend payment: December 4, 2017

Establishment of special transaction account: Not established

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: Yes (for institutional investors and securities analysts)

Note: Figures have been rounded down to the nearest million yen.

1. Consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2018
(From April 1, 2017 to September 30, 2017)

(1) Results in consolidated operations

	(Percentages represent year-on-year changes.)					
	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
First half of the fiscal year ending March 31, 2018	42,264	3.5	5,719	15.2	4,812	(79.5)
First half of the fiscal year ended March 31, 2017	40,816	2.5	4,964	(25.8)	23,565	391.9

(Note) Comprehensive income: First half of the fiscal year ending March 31, 2018: ¥7,606 million (64.3%)

First half of the fiscal year ended March 31, 2017: ¥21,332 million 578.4%

	Profit attributable to owners of parent per share (¥)	Profit attributable to owners of parent per share (Diluted) (¥)
First half of the fiscal year ending March 31, 2018	154.07	101.10
First half of the fiscal year ended March 31, 2017	770.24	477.73

(Note) "Profit attributable to owners of parent" and "Comprehensive income" in the first half of the fiscal year ended March 31, 2017 include a ¥19,443 million gain on bargain purchase arising from the business integration with ShinGinko Tokyo, Limited.

(2) Consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
September 30, 2017	5,540,713	289,734	5.2
March 31, 2017	5,577,306	283,357	5.0

(Reference) Equity: September 30, 2017: ¥289,395 million March 31, 2017: ¥282,924 million

(Note) “Equity” consists of subscription rights to shares at the end of the period and non-controlling interests at the end of the period subtracted from net assets, and the “Net assets to total assets ratio” is calculated by dividing equity by total assets at the end of the period. Note that this “Net assets to total assets ratio” is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 20 of 2006).

2. Dividends

	Annual dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2017	–	30.00	–	30.00	60.00
Fiscal year ending March 31, 2018	–	30.00			
Fiscal year ending March 31, 2018 (Forecast)			–	30.00	60.00

(Note 1) Changes to the dividend forecast most recently announced: None

(Note 2) “Dividends” above refers to dividends for common stock. With regard to dividends for class shares (unlisted) issued by the Company with different rights than those of common stock, refer to “Dividend situation for class shares” below.

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Percentages represent increases or decreases from the previous year results.)

	Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)
Full-year	5,000	(39.9)	3,200	(87.4)	97.28

(Note) Changes to the forecast of consolidated operating performance most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the current period (Changes in specified subsidiaries resulting in change in scope of consolidation): None

New subsidiaries: ___ (name of company(ies)))

Excluded subsidiaries: ___ (name of company(ies)))

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

(3) Number of shares issued (common stock)

a. Total number of shares issued at the end of the period (including treasury stock)

September 30, 2017 30,650,115 shares

March 31, 2017 30,650,115 shares

b. Number of treasury stock at the end of the period

September 30, 2017 174,758 shares

March 31, 2017 180,598 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

First-half period ended September 30, 2017 30,473,452 shares

First-half period ended September 30, 2016 30,479,358 shares

(Non-consolidated Financial Statements)

1. Non-consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to September 30, 2017)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Operating income		Operating profit		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
First half of the fiscal year ending March 31, 2018	1,717	10.6	1,175	15.8	1,157	16.9	1,118	17.4
First half of the fiscal year ended March 31, 2017	1,551	19.7	1,014	9.5	989	24.1	951	16.3

	Net income per share
	(¥)
First half of the fiscal year ending March 31, 2018	32.82
First half of the fiscal year ended March 31, 2017	28.31

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
September 30, 2017	196,103	195,982	99.8
March 31, 2017	196,013	195,886	99.8

(Reference) Equity: September 30, 2017: ¥195,881 million March 31, 2017: ¥195,791 million

(Note) "Equity" consists of subscription rights to shares at the end of the fiscal year subtracted from net assets, and the "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the fiscal year. Note that this "Net assets to total assets ratio" is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 20 of 2006).

* This report is not subject to the interim audit procedure.

* Disclaimer and special note for referring to the forecast of operating performance

1. Since the Company falls under the category of specified company (a company undertaking businesses specified in Article 17-15, Paragraph 2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.), it prepares the Interim Consolidated and Non-consolidated Financial Statements for the first-half accounting period.

2. Forward-looking statements concerning financial forecasts contained in these materials are based on information available when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved, and actual results may differ significantly from the forecasts due to a variety of factors.

*** Dividend situation for class shares**

The breakdown of dividend per share for class shares with different rights than those of common stock is as follows.

(First series Class I preferred shares)

	Dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2017	–	69.44	–	127.64	197.08
Fiscal year ending March 31, 2018	–	123.00			
Fiscal year ending March 31, 2018 (Forecast)			–	123.00	246.00

(Notes)

1. Changes to the dividend forecast most recently announced: None

2. Amount paid per share: ¥20,000

3. Computation used to calculate dividend per share

(1) Fiscal year ended March 31, 2017

(a) Computation

Dividend in first fiscal year = amount paid per share × annual dividend rate × 281 ÷ 365

(*Calculated on a per diem basis for the period from the issue date of June 24, 2016 to March 31, 2017.)

(b) Annual dividend rate

Annual dividend rate = Japanese yen TIBOR + 1.1%

(*Annual dividend rate: Figures less than % are calculated to three decimal places with the third decimal place rounded off to the second decimal place.)

(c) Japanese yen TIBOR

On April 1, 2016, the Japanese yen TIBOR (12-month maturity) = 0.18364%

(d) Shares issued

750,000

(2) Fiscal year ending March 31, 2018 (Forecast)

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate

Annual dividend rate = Japanese yen TIBOR + 1.1%

(*Annual dividend rate: Figures less than % are calculated to three decimal places with the third decimal place rounded off to the second decimal place.)

(c) Japanese yen TIBOR

On March 31, 2017, the Japanese yen TIBOR (12-month maturity) = 0.12818%

(d) Shares issued

750,000

(Class II preferred shares)

	Dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2017	–	18.364	–	18.364	36.728
Fiscal year ending March 31, 2018	–	12.818			
Fiscal year ending March 31, 2018 (Forecast)			–	12.818	25.636

(Notes)

1. Changes to the dividend forecast most recently announced: None

2. Amount paid per share: ¥20,000

3. Computation used to calculate dividend per share

(1) Fiscal year ended March 31, 2017

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate

Annual dividend rate = Japanese yen TIBOR + 0.0%

(c) Japanese yen TIBOR

On April 1, 2016, the Japanese yen TIBOR (12-month maturity) = 0.18364%

(d) Shares issued

2,000,000

(2) Fiscal year ending March 31, 2018

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate

Annual dividend rate = Japanese yen TIBOR + 0.0%

(c) Japanese yen TIBOR

On March 31, 2017, the Japanese yen TIBOR (12-month maturity) = 0.12818%

(d) Shares issued

2,000,000

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(Appendix) Financial Results for the First Half of the Fiscal Year Ending March 31, 2018

- Supplementary Information-

1. Qualitative Information Regarding Consolidated Results for the Six Months Ended September 30, 2017

(1) Operating Results

Looking back at the Japanese economy during the current interim accounting period (April 1, 2017 to September 30, 2017), a gradual recovery trend continued, with personal consumption gaining strength on the back of improvement in the employment and income environments, as well as recovery of consumer sentiment, combined with an expansion in inbound tourist consumption, an improvement in corporate earnings and a pickup in capital investment. Looking ahead, however, there is uncertainty in the outlook, notably in the face of uncertainties in the overseas economies and the effects of rising geopolitical risks.

In the Tokyo metropolitan area, where the Group has its principal operational base, although there were several sectors that were challenged by a tight labor supply and demand situation and the resulting shortage of workers, business conditions continued to show a gentle recovery and expectations for the future are rising, with demand related to the Tokyo Olympic and Paralympic Games gaining momentum and related public investments expanding, as well as a rise in construction investment driven by redevelopment projects in the urban centers.

In this environment, while domestic interest rates continued at low levels due in part to the negative interest rate policy, consolidated ordinary income for the six months ended September 30, 2017 rose by ¥1.4 billion year on year to ¥42.2 billion, as a result notably of an increase in gain on sales of securities that reflected a reduction in consolidated subsidiaries' holdings of strategic equity investments. Consolidated ordinary expenses increased by ¥0.6 billion year on year to ¥36.5 billion. As a result, consolidated ordinary profit came to ¥5.7 billion, an increase of ¥0.7 billion over the previous year. Meanwhile, profit attributable to owners of parent decreased by ¥18.7 billion year on year to ¥4.8 billion, reflecting a ¥19.4 billion gain on bargain purchase, which was recorded in the previous interim accounting period.

(2) Financial Position

As of September 30, 2017, total assets amounted to ¥5,540.7 billion, down ¥36.5 billion from the end of the previous fiscal year, and net assets stood at ¥289.7 billion, a ¥6.3 billion increase from the end of the previous fiscal year.

With respect to major account balances, deposits increased ¥25.5 billion from the end of the previous fiscal year to ¥4,743.0 billion, and loans and bills discounted increased ¥15.0 billion from the end of the previous fiscal year to ¥3,636.4 billion, while securities decreased ¥20.5 billion to ¥1,260.6 billion.

(3) Note on the Forecast of the Consolidated Operating Performance and Other Forward-Looking Statements

With respect to performance for the fiscal year ending March 31, 2018, we expect results to be in line with initial targets of the performance forecast announced on May 12, 2017, mainly for the following reasons: Net interest income is expected to decrease due to the negative interest rate policy, expenses related to the merger of consolidated subsidiaries are expected to be incurred, a portion of expenses related to the relocation of consolidated subsidiary's head office will be posted, and office and computer systems equipment renewals are projected to be rolled out from the third quarter.

2. Consolidated Interim Financial Statements and Notes
(1) Consolidated Interim Balance Sheets

(¥ million)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	515,886	461,334
Call loans and bills bought	3,987	845
Other debt purchased	45,724	48,007
Trading account securities	794	788
Securities	1,281,164	1,260,656
Loans and bills discounted	3,621,372	3,636,406
Foreign exchange	7,584	15,289
Other assets	42,617	55,966
Tangible fixed assets	56,085	58,584
Intangible fixed assets	1,903	2,275
Net defined benefit assets	14,125	15,511
Deferred tax assets	7,823	6,472
Customers' liabilities for acceptances and guarantees	7,880	6,411
Reserve for possible loan losses	(29,644)	(27,835)
Total assets	5,577,306	5,540,713
Liabilities		
Deposits	4,717,562	4,743,076
Negotiable certificates of deposit	21,340	12,783
Call money and bills sold	40,706	28,185
Payables under securities lending transactions	361,309	316,396
Borrowed money	103,416	88,472
Foreign exchanges	936	139
Other liabilities	30,150	45,324
Reserve for employee bonuses	2,213	2,258
Net defined benefit liabilities	4,453	4,090
Reserve for directors' retirement benefits	110	56
Reserve for point card certificates	57	56
Provision for loss on interest repayments	10	8
Reserve for loss on dormant deposit repayments	1,010	1,040
Provision for loss on cancellation of system contracts	200	200
Provision for contingent loss	675	636
Deferred tax liabilities	1,902	1,840
Deferred tax liabilities for land revaluation	14	-
Acceptances and guarantees	7,880	6,411
Total liabilities	5,293,949	5,250,978
Net Assets		
Common stock	27,500	27,500
Capital surplus	150,733	150,606
Retained earnings	104,574	108,373
Treasury stock	(632)	(608)
Total shareholders' equity	282,175	285,871
Net unrealized gain on available-for-sale securities	3,166	5,623
Revaluation reserve for land	(209)	(242)
Foreign currency translation adjustment	8	10
Remeasurements of defined benefit plans	(2,216)	(1,867)
Total accumulated other comprehensive income	748	3,524
Subscription rights to shares	95	101
Non-controlling interests	337	236
Total net assets	283,357	289,734
Total liabilities and net assets	5,577,306	5,540,713

(2) Consolidated Interim Statements of Income and Consolidated Interim Statements of Comprehensive Income
(Consolidated Interim Statements of Income)

(¥ million)

	First half of the fiscal year ended March 31, 2017	First half of the fiscal year ending March 31, 2018
Ordinary income	40,816	42,264
Interest income	29,236	28,825
Interest on loans and discounts	23,284	22,175
Interest and dividends on securities	5,296	6,010
Trust fees	20	27
Fees and commissions	7,995	8,577
Other operating income	2,761	1,804
Other ordinary income	803	3,029
Ordinary expenses	35,851	36,544
Financing expenses	1,882	1,563
Interest on deposits	1,142	872
Fees and commissions payments	1,417	1,334
Other operating expenses	511	430
General and administrative expenses	30,236	31,170
Other ordinary expenses	1,803	2,045
Ordinary profit	4,964	5,719
Extraordinary income	19,443	119
Gain on disposal of non-current assets	0	119
Gain on bargain purchase	19,443	-
Extraordinary losses	97	124
Loss on disposal of non-current assets	97	124
Profit before income taxes	24,311	5,714
Income tax – current	989	787
Income tax – deferred	(268)	98
Total income taxes	721	886
Profit	23,590	4,828
Profit attributable to non-controlling interests	25	15
Profit attributable to owners of parent	23,565	4,812

(Consolidated Interim Statements of Comprehensive Income)

(¥ million)

	First half of the fiscal year ended March 31, 2017	First half of the fiscal year ending March 31, 2018
Profit	23,590	4,828
Other comprehensive income	(2,258)	2,777
Valuation difference on available-for-sale securities	(2,464)	2,394
Deferred gains or losses on hedges	3	—
Revaluation reserve for land	—	(32)
Foreign currency translation adjustments	(6)	2
Remeasurements of defined benefit plans	139	348
Share of other comprehensive income of entities accounted for using equity method	70	66
Comprehensive income	21,332	7,606
(Breakdown)		
Comprehensive income attributable to owners of parent	21,306	7,588
Comprehensive income attributable to non-controlling interests	25	17

(3) Consolidated Interim Statements of Changes in Net Assets
(First half of the fiscal year ended March 31, 2017)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	20,000	99,585	80,913	(594)	199,905
Changes of items during the reporting period					
Issuance of new shares	7,500	7,500			15,000
Increase (decrease) by share exchanges		43,719			43,719
Dividends of surplus			(871)		(871)
Profit attributable to owners of parent			23,565		23,565
Acquisition of treasury stock				(12)	(12)
Disposition of treasury stock		0		9	10
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	7,500	51,220	22,693	(3)	81,410
Balance at end of period	27,500	150,806	103,607	(597)	281,315

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	8,390	6	(209)	11	(5,221)	2,977	46	286	203,216
Changes of items during the reporting period									
Issuance of new shares									15,000
Increase (decrease) by share exchanges									43,719
Dividends of surplus									(871)
Profit attributable to owners of parent									23,565
Acquisition of treasury stock									(12)
Disposition of treasury stock									10
Net changes of items other than shareholders' equity during the reporting period	(2,394)	3	—	(6)	139	(2,258)	49	(29)	(2,238)
Total changes of items during the reporting period	(2,394)	3	—	(6)	139	(2,258)	49	(29)	79,172
Balance at end of period	5,996	10	(209)	4	(5,082)	719	95	257	282,388

(First half of the fiscal year ending March 31, 2018)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	27,500	150,733	104,574	(632)	282,175
Changes of items during the reporting period					
Purchase of shares of consolidated subsidiaries		10			10
Dividends of surplus			(1,046)		(1,046)
Profit attributable to owners of parent			4,812		4,812
Acquisition of treasury stock				(19)	(19)
Disposition of treasury stock		(5)		42	37
Change in ownership interest in subsidiaries		(132)			(132)
Reversal of revaluation reserve for land			32		32
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	(126)	3,799	23	3,696
Balance at end of period	27,500	150,606	108,373	(608)	285,871

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	3,166	—	(209)	8	(2,216)	748	95	337	283,357
Changes of items during the reporting period									
Purchase of shares of consolidated subsidiaries									10
Dividends of surplus									(1,046)
Profit attributable to owners of parent									4,812
Acquisition of treasury stock									(19)
Disposition of treasury stock									37
Change in ownership interest in subsidiaries									(132)
Reversal of revaluation reserve for land									32
Net changes of items other than shareholders' equity during the reporting period	2,457	—	(32)	2	348	2,775	5	(100)	2,681
Total changes of items during the reporting period	2,457	—	(32)	2	348	2,775	5	(100)	6,377
Balance at end of period	5,623	—	(242)	10	(1,867)	3,524	101	236	289,734

(4) Notes on Premise of Going Concern

Not applicable.

(5) Additional Information

Effective April 3, 2017, Tomin Management Research Institute Co., Ltd., a subsidiary of The Tokyo Tomin Bank, Limited, was made a direct fully owned subsidiary of the Company and changed its trade name to Kiraboshi Consulting Co., Ltd.

(6) Significant Subsequent Events

(Establishment of subsidiary)

At its meeting of the Board of Directors held on September 29, 2017, the Company resolved to establish a wholly owned subsidiary of The Tokyo Tomin Bank, Limited (President: Takashi Sakamoto), the Company's consolidated subsidiary. On November 1, 2017, the subsidiary was established, of which details are as follows.

1. Purpose of establishment

In the course of studying its approach to the FinTech business, which is set to develop at an accelerating speed in the coming years, the Group has decided to attempt new business areas, utilizing non face-to-face channels through expansion into the FinTech business as a springboard, which will be pursued by making full use of its platform and know-how in the "salary advance (maekyu)" service, one of the Group's strengths for which our consolidated subsidiary, The Tokyo Tomin Bank, Limited, acquired a business model patent in 2005.

The purpose of establishing the wholly owned subsidiary of The Tokyo Tomin Bank, Limited, is to respond promptly to the constantly evolving FinTech business, and respond also to customers' diverse needs by promoting open innovation with FinTech companies, venture firms and others.

2. Date of establishment

November 1, 2017

3. Company overview

Company Name	Kiraboshi Tech, Inc.
Head Office Location	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Capital	50,000,000 yen
Executives	President Koji Nishimura Senior Managing Director Takashi Karita Director Tatsuya Kotaka
Shareholder	The Tokyo Tomin Bank, Limited (voting rights ownership ratio 100%)
Description of Business	<ul style="list-style-type: none">• FinTech business using "Salary Advance (maekyu)" service• Development of various applications for use by "maekyu" system registrants and "maekyu" service user companies• Creation of new services through open innovation with FinTech companies, venture firms and others

(Reference)Trust asset balance table
(As of September 30, 2017)

(¥ million)

Asset	Value	Liability	Value
Monetary claims	11,609	Monetary claims in trust	12,106
Other monetary claims	11,609	Composite trusts	156
Property, Plant and Equipment	127		
Cash deposits	526		
Deposits	526		
Total	12,262	Total	12,262

(Note) There is one applicable consolidated subsidiary, namely ShinGinko Tokyo.

3. Non-consolidated Interim Financial Statements
(1) Non-consolidated Interim Balance Sheets

(¥ million)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and due from banks	1,797	2,089
Accounts receivable – other	49	32
Prepaid expenses	20	41
Income taxes receivable	380	192
Suspense payments	0	0
Deferred tax assets	17	17
Total current assets	2,266	2,374
Non-current assets		
Investments and other assets		
Shares of subsidiaries and associates	193,668	193,668
Total investments and other assets	193,668	193,668
Total non-current assets	193,668	193,668
Deferred assets		
Organization expenses	35	28
Share issuance cost	42	31
Total deferred assets	78	60
Total assets	196,013	196,103
Liabilities		
Current liabilities		
Accounts payable – other	27	18
Accrued expenses	–	6
Dividends payable	24	21
Income taxes payable	21	18
Deposits received	3	3
Suspense receipt	0	0
Reserve for employee bonuses	49	51
Total current liabilities	126	120
Total liabilities	126	120
Net assets		
Shareholders' equity		
Common stock	27,500	27,500
Capital surplus		
Capital reserve	56,219	56,219
Other capital surplus	110,277	110,272
Total capital surplus	166,497	166,491
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,426	2,497
Total retained earnings	2,426	2,497
Treasury stock	(632)	(608)
Total shareholders' equity	195,791	195,881
Subscription rights to shares	95	101
Total net assets	195,886	195,982
Total liabilities and net assets	196,013	196,103

(2) Non-consolidated Interim Statements of Income

(¥ million)

	First half of the fiscal year ended March 31, 2017	First half of the fiscal year ending March 31, 2018
Operating income		
Dividends from subsidiaries and associates	954	1,072
Commissions from subsidiaries and associates	597	645
Total operating income	1,551	1,717
Operating expenses		
Selling, general and administrative expenses	537	542
Total operating expenses	537	542
Operating profit	1,014	1,175
Non-operating income		
Interest income	53	0
Miscellaneous income	0	0
Total non-operating income	54	0
Non-operating expenses		
Interest expenses	53	-
Commission fee	11	0
Amortization of deferred organization expenses	7	7
Amortization of share issuance cost	6	11
Total non-operating expenses	79	18
Ordinary profit	989	1,157
Income before income taxes	989	1,157
Income taxes - current	46	39
Income taxes - deferred	(8)	(0)
Total income taxes	37	39
Net income	951	1,118

(3) Non-consolidated Interim Statements of Changes in Net Assets

(First half of the fiscal year ended March 31, 2017)

(¥ million)

	Shareholders' equity								Subscription rights to shares	Total net assets
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of the year	20,000	5,000	110,277	115,277	2,174	2,174	(594)	136,856	46	136,903
Changes of items during the reporting period										
Issuance of new shares	7,500	7,500		7,500				15,000		15,000
Increase (decrease) by share exchanges		43,719		43,719				43,719		43,719
Dividends of surplus					(871)	(871)		(871)		(871)
Net income					951	951		951		951
Acquisition of treasury stock							(12)	(12)		(12)
Disposition of treasury stock			0	0			9	10		10
Net changes of items other than shareholders' equity during the reporting period									49	49
Total changes of items during the reporting period	7,500	51,219	0	51,220	80	80	(3)	58,797	49	58,846
Balance at end of period	27,500	56,219	110,277	166,497	2,254	2,254	(597)	195,653	95	195,749

(First half of the fiscal year ending March 31, 2018)

(¥ million)

	Shareholders' equity								Subscription rights to shares	Total net assets
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of the year	27,500	56,219	110,277	166,497	2,426	2,426	(632)	195,791	95	195,886
Changes of items during the reporting period										
Dividends of surplus					(1,046)	(1,046)		(1,046)		(1,046)
Net income					1,118	1,118		1,118		1,118
Acquisition of treasury stock							(19)	(19)		(19)
Disposition of treasury stock			(5)	(5)			42	37		37
Net changes of items other than shareholders' equity during the reporting period									5	5
Total changes of items during the reporting period	—	—	(5)	(5)	71	71	23	89	5	95
Balance at end of period	27,500	56,219	110,272	166,491	2,497	2,497	(608)	195,881	101	195,982

(4) Notes on Premise of Going Concern

Not applicable.

4. (Reference) Overview of Major Consolidated Subsidiary Operating Performance

(1) Overview of Non-consolidated Financial Statements (The Tokyo Tomin Bank, Limited)

November 10, 2017

Company name: The Tokyo Tomin Bank, Limited

Representative: Takashi Sakamoto, President

Responsible person for inquiries: Masahiro Ogura, General Manager of Corporate Planning Division

URL: <http://www.tominbank.co.jp>

Telephone: +81-3-6380-5428

Note: Amounts less than one million yen and figures beyond the first decimal place have been truncated.

1. Non-consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2017 (From April 1, 2017 to September 30, 2017)

(1) Results in non-consolidated operations (cumulative)

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
First half of the fiscal year ending March 31, 2018	23,114	6.9	4,326	11.8	3,884	20.6
First half of the fiscal year ended March 31, 2017	21,606	0.7	3,866	5.5	3,220	16.2

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
September 30, 2017	2,782,313	110,006	3.9
March 31, 2017	2,773,306	105,182	3.7

(Reference) Equity: September 30, 2017: ¥110,006 million March 31, 2017: ¥105,182 million

(Note) "Equity" is the value of total net assets at the end of the period, and "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the period. Note that this "Net assets to total assets ratio" is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 19 of 2006).

○ Non-consolidated Interim Financial Statements
(1) Non-consolidated Interim Balance Sheets

The Tokyo Tomin Bank, Limited

(¥ million)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	316,026	354,899
Call loans	987	845
Other debt purchased	2,004	4,002
Trading account securities	32	31
Securities	543,504	496,217
Loans and bills discounted	1,837,946	1,843,742
Foreign exchange	3,329	3,591
Other assets	24,694	31,696
Tangible fixed assets	34,477	36,777
Intangible fixed assets	1,099	1,523
Prepaid pension cost	16,221	17,136
Deferred tax assets	3,629	2,713
Customers' liabilities for acceptances and guarantees	3,078	2,933
Reserve for possible loan losses	(13,725)	(13,798)
Total assets	2,773,306	2,782,313
Liabilities		
Deposits	2,312,237	2,359,282
Negotiable certificates of deposit	18,740	8,740
Payables under securities lending transactions	312,048	270,646
Borrowed money	5,216	5,272
Foreign exchanges	935	138
Other liabilities	13,924	23,428
Reserve for employee bonuses	1,087	1,067
Reserve for directors' retirement benefits	75	40
Reserve for point card certificates	2	2
Reserve for loss on dormant deposit repayments	397	427
Provision for loss on cancellation of system contracts	85	85
Provision for contingent loss	280	240
Deferred tax liabilities for land revaluation	14	-
Acceptances and guarantees	3,078	2,933
Total liabilities	2,668,124	2,672,306
Net Assets		
Common stock	55,620	55,620
Capital surplus	25,583	25,583
Retained earnings	20,387	23,665
Total shareholders' equity	101,590	104,869
Valuation difference on available-for-sale securities	3,800	5,379
Revaluation reserve for land	(209)	(242)
Total valuation and translation adjustments	3,591	5,137
Total net assets	105,182	110,006
Total liabilities and net assets	2,773,306	2,782,313

(2) Non-consolidated Interim Statements of Income**The Tokyo Tomin Bank, Limited**

(¥ million)

	First half of the fiscal year ended March 31, 2017	First half of the fiscal year ending March 31, 2018
Ordinary income	21,606	23,114
Interest income	15,978	15,389
Interest on loans and discounts	11,505	11,123
Interest and dividends on securities	4,255	4,061
Fees and commissions	4,094	4,366
Other operating income	1,038	1,216
Other ordinary income	496	2,142
Ordinary expenses	17,740	18,788
Financing expenses	983	719
Interest on deposits	323	217
Fees and commissions payments	1,143	934
Other operating expenses	17	219
General and administrative expenses	14,658	15,734
Other ordinary expenses	936	1,181
Ordinary profit	3,866	4,326
Extraordinary income	—	119
Gain on disposal of non-current assets	—	119
Extraordinary losses	19	32
Loss on disposal of non-current assets	19	32
Income before income taxes	3,847	4,412
Income taxes – current	27	324
Income taxes – deferred	599	204
Total income taxes	626	528
Net income	3,220	3,884

(2) Overview of Non-consolidated Financial Statements (The Yachiyo Bank, Limited)

November 10, 2017

Company name: The Yachiyo Bank, Limited

Representative: Hirokazu Tahara, President

Responsible person for inquiries: Nobuyuki Yasuda, Executive Officer, General Manager of Corporate Planning Division

URL: <http://www.yachiyobank.co.jp>

Telephone: +81-3-3352-2295

Note: Amounts less than one million yen and figures beyond the first decimal place have been truncated.

1. Non-consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to September 30, 2017)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
First half of the fiscal year ending March 31, 2018	17,840	(4.4)	2,676	(13.2)	2,172	(25.3)
First half of the fiscal year ended March 31, 2017	18,680	0.8	3,086	(12.8)	2,909	16.8

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
September 30, 2017	2,349,368	110,978	4.7
March 31, 2017	2,343,931	108,956	4.6

(Reference) Equity: September 30, 2017: ¥110,978 million March 31, 2017: ¥108,956 million

(Note) "Equity" is the value of total net assets at the end of the period, and "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the period. Note that this "Net assets to total assets ratio" is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 19 of 2006).

○ Non-consolidated Interim Financial Statements
 (1) Non-consolidated Interim Balance Sheets

The Yachiyo Bank, Limited

(¥ million)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	173,743	110,673
Call loans	—	10,000
Other debt purchased	3,787	5,654
Trading account securities	762	757
Securities	566,529	594,729
Loans and bills discounted	1,552,605	1,567,556
Foreign exchange	4,255	11,697
Other assets	13,146	19,930
Tangible fixed assets	30,253	30,445
Intangible fixed assets	583	567
Deferred tax assets	5,727	5,298
Customers' liabilities for acceptances and guarantees	2,766	1,674
Reserve for possible loan losses	(10,227)	(9,616)
Total assets	2,343,931	2,349,368
Liabilities		
Deposits	2,149,113	2,138,468
Negotiable certificates of deposit	6,730	7,453
Call money	15,706	28,185
Payables under securities lending transactions	49,260	45,750
Foreign exchanges	0	0
Other liabilities	4,416	10,093
Reserve for employee bonuses	855	884
Reserve for retirement benefits	2,575	2,333
Reserve for loss on dormant deposit repayments	613	613
Provision for loss on cancellation of system contracts	85	85
Provision for contingent loss	370	366
Deferred tax liabilities for land revaluation	2,481	2,481
Acceptances and guarantees	2,766	1,674
Total liabilities	2,234,975	2,238,389
Net Assets		
Common stock	43,734	43,734
Capital surplus	32,922	32,922
Retained earnings	30,496	32,221
Total shareholders' equity	107,154	108,879
Valuation difference on available-for-sale securities	1,184	1,482
Revaluation reserve for land	616	616
Total valuation and translation adjustments	1,801	2,098
Total net assets	108,956	110,978
Total liabilities and net assets	2,343,931	2,349,368

(2) Non-consolidated Interim Statements of Income**The Yachiyo Bank, Limited**

(¥ million)

	First half of the fiscal year ended March 31, 2017	First half of the fiscal year ending March 31, 2018
Ordinary income	18,680	17,840
Interest income	13,895	13,887
Interest on loans and discounts	10,053	9,429
Interest and dividends on securities	3,608	4,245
Fees and commissions	3,009	3,155
Other operating income	1,546	401
Other ordinary income	228	395
Ordinary expenses	15,594	15,163
Financing expenses	480	572
Interest on deposits	412	381
Fees and commissions payments	670	757
Other operating expenses	431	82
General and administrative expenses	13,004	12,655
Other ordinary expenses	1,008	1,096
Ordinary profit	3,086	2,676
Extraordinary income	0	0
Gain on disposal of non-current assets	0	0
Extraordinary losses	78	92
Loss on disposal of non-current assets	78	92
Income before income taxes	3,007	2,584
Income taxes – current	682	95
Income taxes – deferred	(585)	317
Total income taxes	97	412
Net income	2,909	2,172

(3) Overview of Non-consolidated Financial Statements (ShinGinko Tokyo, Limited)

November 10, 2017

Company name: ShinGinko Tokyo, Limited

Representative: Hidenori Tsunehisa, President and CEO

Responsible person for inquiries: Toshikazu Tanaka, Director and Executive Officer

URL: <https://www.sgt.jp/>

Telephone: +81-3-6302-3471

Note: Amounts less than one million yen and figures beyond the first decimal place have been truncated.

1. Non-consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to September 30, 2017)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
First half of the fiscal year ending March 31, 2018	4,541	27.6	1,663	124.2	1,635	160.9
First half of the fiscal year ended March 31, 2017	3,557	2.7	741	6.2	626	(10.0)

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets to total assets ratio
	(¥ million)	(¥ million)	(%)
September 30, 2017	458,913	64,993	14.1
March 31, 2017	489,488	63,354	12.9

(Reference) Equity: September 30, 2017: ¥64,993 million March 31, 2017: ¥63,354 million

(Note) "Equity" is the value of total net assets at the end of the period, and "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the period. Note that this "Net assets to total assets ratio" is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 19 of 2006).

○ Non-consolidated Interim Financial Statements
 (1) Non-consolidated Interim Balance Sheets

ShinGinko Tokyo, Limited

(¥ million)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	56,045	35,687
Call loans	3,000	—
Other debt purchased	39,932	38,350
Securities	160,968	160,076
Loans and bills discounted	230,567	225,082
Other assets	858	791
Tangible fixed assets	23	31
Intangible fixed assets	148	122
Customers' liabilities for acceptances and guarantees	2,035	1,802
Reserve for possible loan losses	(4,091)	(3,033)
Total assets	489,488	458,913
Liabilities		
Deposits	297,580	295,474
Call money	25,000	10,000
Borrowed money	98,000	83,000
Other liabilities	2,060	2,181
Reserve for employee bonuses	132	139
Reserve for retirement benefits	156	169
Provision for loss on cancellation of system contracts	30	30
Provision for contingent loss	24	29
Deferred tax liabilities	1,113	1,092
Acceptances and guarantees	2,035	1,802
Total liabilities	426,133	393,920
Net Assets		
Common stock	20,000	20,000
Capital surplus	32,046	32,046
Retained earnings	8,203	9,758
Total shareholders' equity	60,250	61,805
Valuation difference on available-for-sale securities	3,104	3,188
Total valuation and translation adjustments	3,104	3,188
Total net assets	63,354	64,993
Total liabilities and net assets	489,488	458,913

(2) Non-consolidated Interim Statements of Income**ShinGinko Tokyo, Limited**

(¥ million)

	First half of the fiscal year ended March 31, 2017	First half of the fiscal year ending March 31, 2018
Ordinary income	3,557	4,541
Interest income	3,122	3,285
Interest on loans and discounts	1,713	1,601
Interest and dividends on securities	1,133	1,396
Trust fees	20	27
Fees and commissions	94	119
Other operating income	52	71
Other ordinary income	267	1,036
Ordinary expenses	2,815	2,877
Interest expenses	425	279
Interest on deposits	408	282
Fees and commissions payments	68	74
Other operating expenses	—	36
General and administrative expenses	2,056	2,080
Other ordinary expenses	265	407
Ordinary profit	741	1,663
Income before income taxes	741	1,663
Income taxes – current	39	86
Income taxes – deferred	75	(58)
Total income taxes	114	27
Net income	626	1,635