



Financial Results
for the First Half of the Fiscal Year Ending March 31, 2019
- Supplementary Information -

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<Method of presentation of the figures>

Effective May 1, 2018, the Group concluded a merger of its consolidated subsidiaries of the former Tokyo Tomin Bank, the former Yachiyo Bank and the former ShinGinko Tokyo, with the former Yachiyo Bank as the surviving company and the former Tokyo Tomin Bank and the former ShinGinko Tokyo as the dissolving companies, and changed its business name to Kiraboshi Bank.

Accordingly, for accounting purposes, April 2018 figures of the two dissolved companies of the former Tokyo Tomin Bank and the former ShinGinko Tokyo are not included in the figures of Kiraboshi Bank for the first half ended September 30, 2018.

In this supplementary information, from the point of view of appropriate period-over-period comparison of each item, the following rules are applied in the calculation of Kiraboshi Bank figures that are presented herein.

- Figures for the first half ended September 30, 2017, figures as of September 30, 2017 and figures as of March 31, 2018 (excluding capital ratio)

Sum of the figures of the former Tokyo Tomin Bank, the former Yachiyo Bank and the former ShinGinko Tokyo.

- Figures as of March 31, 2018 (capital ratio)

Respective figures of the former Tokyo Tomin Bank, the former Yachiyo Bank and the former ShinGinko Tokyo individually

- Figures as of September 30, 2018

Kiraboshi Bank figures

- Figures for the first half ended September 30, 2018 (excluding profit/loss status)

Sum of Kiraboshi Bank figures for May 2018 onward and figures of the former Tokyo Tomin Bank, the former Yachiyo Bank and the former ShinGinko Tokyo for the month of April 2018.

- Figures for the first half ended September 30, 2018 (profit/loss status)

(A) Reporting basis

Sum of Kiraboshi Bank figures for May 2018 onward and the former Yachiyo Bank figures for the month of April 2018.

(B) Combined basis

Sum of Kiraboshi Bank figures for May 2018 onward and figures of the former Tokyo Tomin Bank, the former Yachiyo Bank and the former ShinGinko Tokyo for the month of April 2018.

I. Overview of Financial Results for the First Half of the Fiscal Year Ending March 31, 2019

1. Status of Profit/Loss

(1) Tokyo Kiraboshi Financial Group, Inc. [Consolidated]

Consolidated ordinary income for the first half of the fiscal year ending March 31, 2019 decreased by 2,805 million yen year-on-year to 39,459 million yen, consolidated ordinary profit decreased by 3,034 million yen year-on-year to 2,685 million yen. Due to tax effect accounting, profit attributable to owners of parent for the six months ended September 30, 2018 decreased by 1,052 million yen year-on-year to 3,760 million yen.

		(Millions of yen)		
		First half ended Sept. 30, 2018 (A)	Difference (A) – (B)	First half ended Sept. 30, 2017 (B)
Ordinary income	1	39,459	(2,805)	42,264
Gross business profit	2	35,249	(657)	35,906
(Excluding gains/losses on bonds (five accounts total))	3	35,290	(319)	35,609
Net interest income	4	28,225	963	27,262
Trust fees	5	17	(10)	27
Net fees and commissions	6	6,801	(441)	7,242
Other business income (loss)	7	204	(1,170)	1,374
Expenses (excluding non-recurring losses)	8	28,251	(2,381)	30,632
Credit-related costs	9	1,571	1,876	(305)
Write-off of loans	10	9	(3)	12
Transfer to reserve for individual possible loan losses	11	954	(224)	1,178
Other credit-related costs	12	607	2,104	(1,497)
Gains (losses) on stocks and other securities	13	167	(1,777)	1,944
Profit on investments based on the equity method	14	60	(24)	84
Others	15	(2,969)	(1,080)	(1,889)
Ordinary profit	16	2,685	(3,034)	5,719
Extraordinary profit (loss)	17	(36)	(31)	(5)
Income before income taxes	18	2,648	(3,066)	5,714
Total income taxes	19	(1,125)	(2,011)	886
Income taxes – current	20	349	(438)	787
Income taxes – deferred	21	(1,475)	(1,573)	98
Profit (loss)	22	3,774	(1,054)	4,828
Profit (loss) attributable to non-controlling interests	23	13	(2)	15
Profit (loss) attributable to owners of parent	24	3,760	(1,052)	4,812

Initial forecast of operating performance for the first half of the fiscal year ending March 31, 2019

Forecast announced on May 15, 2018

900

2,000

(Number of consolidated subsidiaries and equity-method affiliates)

(Number of companies)

Consolidated subsidiaries	25	12	–	12
Equity-method affiliates	26	2	–	2

(Note)

From the first half of the fiscal year ending March 31, 2019, the former Tokyo Tomin Bank and the former ShinGinko Tokyo are excluded from the scope of consolidation. This is because, effective May 1, 2018, the two banks ceased to exist as a result of an absorption-type merger where the former Yachiyo Bank is the surviving company.

(2) Kiraboshi Bank, Limited

Although good progress was made in cost reductions from the synergistic effects of the merger, net core business income (on a combined basis) decreased by 714 million yen year-on-year to 7,289 million yen, due largely to a decrease in net interest income including interest on loans and discounts.

Credit-related costs increased by 1,778 million yen year-on-year to 1,566 million yen, attributable primarily to 739 million yen provided in reserve for individual possible loan losses in connection with misconduct (embezzlement of cash) by a former bank employee.

As a result, ordinary profit decreased by 5,797 million yen year-on-year to 2,869 million yen, profit for the six months ended September 30, 2018 decreased by 3,754 million yen year on year to 3,938 million yen.

[Non-consolidated]

		(Millions of yen)			First half ended Sept. 30, 2018 plan	
		First half ended Sept. 30, 2018 (A) (reporting basis)	First half ended Sept. 30, 2018 (B) (combined basis)	Difference (A) – (B)		First half ended Sept. 30, 2017 (combined basis)
Ordinary income	1	36,131	39,481	(6,015)	45,496	
Gross business profit	2	32,110	34,961	(3,286)	38,247	
(Excluding gains/losses on bonds (five accounts total)) (Gross core business profit)	3	32,135	34,982	(2,861)	37,843	
Gross domestic business profit	4	30,550	33,266	(3,298)	36,564	
(Excluding gains/losses on bonds (five accounts total))	5	30,571	33,283	(2,961)	36,244	
Net interest income	6	25,716	28,096	(1,894)	29,990	
Trust fees	7	15	17	(10)	27	
Net fees and commissions	8	5,011	5,341	(428)	5,769	
Other business income (loss)	9	(193)	(189)	(966)	777	
Gross international business profit	10	1,559	1,694	12	1,682	
(Excluding gains/losses on bonds (five accounts total))	11	1,564	1,699	101	1,598	
Net interest income	12	1,182	1,246	244	1,002	
Net fees and commissions	13	104	115	9	106	
Other business income (loss)	14	272	332	(242)	574	
Expenses (excluding non-recurring losses)	15	25,092	27,693	(2,146)	29,839	
Personnel expenses	16	12,494	13,686	(758)	14,444	
Non-personnel expenses	17	10,531	11,645	(877)	12,522	
Taxes	18	2,065	2,361	(512)	2,873	
Net business income (before transfer to reserve for general possible loan losses) (Net business income)	19	7,017	7,267	(1,141)	8,408	
(Excluding gains/losses on bonds (five accounts total)) (Core business income)	20	7,043	7,289	(714)	8,003	
Transfer to reserve for general possible loan losses (1)	21	341	271	771	(500)	
Net business income	22	6,676	6,995	(1,913)	8,908	
(Gains/losses on bonds (five accounts total))	23	(25)	(21)	(425)	404	
Non-recurring profit (loss)	24	(3,836)	(4,125)	(3,883)	(242)	
Loss from write-off of non-performing loans (2)	25	1,269	1,294	(27)	1,321	
Write-off of loans	26	2	2	1	1	
Transfer to reserve for individual possible loan losses	27	915	932	(228)	1,160	
Loss on disposal of receivables	28	51	51	26	25	
Provision for contingent loss	29	(18)	(11)	27	(38)	
Credit guarantee association responsibility-sharing system charge	30	315	316	145	171	
Other losses from write-off of non-performing loans	31	3	3	3	0	
Reversal of allowance for loan losses (3)	32	-	-	(1,033)	1,033	
Recoveries of written-off claims	33	43	43	(5)	48	
Gains (losses) on stocks and other securities	34	278	277	(1,752)	2,029	
Gain on sale of stocks and other securities	35	313	314	(1,734)	2,048	
Loss on sale of stocks and other securities	36	35	37	19	18	
Loss on devaluation of stocks and other securities	37	0	0	0	-	
Other non-recurring profit (loss)	38	(2,887)	(3,151)	(1,119)	(2,032)	
Ordinary profit	39	2,840	2,869	(5,797)	8,666	1,300
Extraordinary profit (loss)	40	(21)	(36)	(31)	(5)	
Income before income taxes	41	2,818	2,832	(5,828)	8,660	
Total income taxes	42	(1,099)	(1,105)	(2,073)	968	
Income taxes – current	43	60	91	(414)	505	
Income taxes – deferred	44	(1,160)	(1,197)	(1,659)	462	
Net income	45	3,918	3,938	(3,754)	7,692	2,300
Credit-related costs (1) + (2) – (3)	46	1,610	1,566	1,778	(212)	

[Consolidated]

		(Millions of yen)			2,700
		First half ended Sept. 30, 2018	First half ended Sept. 30, 2018	Difference (A) – (B)	
Ordinary income	47	37,118	40,476	(3,696)	44,172
Ordinary profit	48	3,441	3,469	(3,571)	7,040
Profit attributable to owners of parent	49	4,286	4,305	(1,473)	5,778

2. Business Income

Kiraboshi Bank, Limited [Non-consolidated] First half ended Sept. 30. 2018 (combined basis)

(Millions of yen)

	First half ended September 30, 2018 (A)	Difference (A) – (B)	First half ended September 30, 2017 (B)
Net business income (before transfer to reserve for general possible loan losses)	7,267	(1,141)	8,408
Per employee (thousands of yen)	2,341	(213)	2,554
Net business income	6,995	(1,913)	8,908
Per employee (thousands of yen)	2,253	(453)	2,706
Net core business income	7,289	(714)	8,003
Per employee (thousands of yen)	2,348	(83)	2,431

(Note) For employees above, the average number of employees during the period under review, including executive officers but excluding temporary employees, fixed-term employees, and secondees, has been used.

3. Margin

Kiraboshi Bank, Limited [Non-consolidated] First half ended Sept. 30. 2018 (combined basis)

(%)

		First half ended September 30, 2018 (A)	Difference (A) – (B)	First half ended September 30, 2017 (B)
Yields on interest-earning assets	(C)	1.18	(0.04)	1.22
Loans and bills discounted	(c)	1.18	(0.04)	1.22
Securities		1.47	(0.10)	1.57
Cost of funding	(D)	1.11	(0.08)	1.19
Deposits, etc.	(d)	0.02	(0.01)	0.03
External liabilities		0.35	0.08	0.27
Difference of interest rates between deposits and loans	(c)–(d)	1.16	(0.03)	1.19
Net interest margin	(C)–(D)	0.07	0.04	0.03

<Domestic Operations>

(%)

		First half ended September 30, 2018 (A)	Difference (A) – (B)	First half ended September 30, 2017 (B)
Yields on interest-earning assets	(C)	1.12	(0.06)	1.18
Loans and bills discounted	(c)	1.18	(0.04)	1.22
Securities		1.31	(0.21)	1.52
Cost of funding	(D)	1.07	(0.09)	1.16
Deposits, etc.	(d)	0.02	(0.01)	0.03
External liabilities		0.03	(0.01)	0.04
Difference of interest rates between deposits and loans	(c)–(d)	1.16	(0.03)	1.19
Net interest margin	(C)–(D)	0.05	0.03	0.02

4. ROE

Tokyo Kiraboshi Financial Group, Inc. [Consolidated]

(%)

	First half ended September 30, 2018 (A)	Difference (A) - (B)	First half ended September 30, 2017 (B)
On basis of profit attributable to owners of parent	2.56	(0.79)	3.35

$$\text{(Note) ROE [Consolidated]} = \frac{\text{Profit attributable to owners of parent} \times 365 \div 183}{(\text{Net assets at the beginning of the period} + \text{net assets at the end of the period}) \div 2} \times 100$$

Kiraboshi Bank, Limited [Non-consolidated] First half ended Sept. 30. 2018 (combined basis)

(%)

	First half ended September 30, 2018 (A)	Difference (A) - (B)	First half ended September 30, 2017 (B)
On a basis of net business income (before transfer to reserve for general possible loan losses)	5.06	(0.89)	5.95
On a basis of net business income	4.87	(1.43)	6.30
On a basis of net core business income	5.08	(0.58)	5.66
On basis of profit attributable to owners of parent	2.74	(2.70)	5.44

$$\text{(Note) ROE [Non-consolidated]} = \frac{\text{Net income} \times 365 \div 183}{(\text{Net assets at the beginning of the period} + \text{net assets at the end of the period}) \div 2} \times 100$$

- * In the above calculation formula, the net assets figure at the beginning of the year is the sum of net assets of the former Tokyo Tomin Bank, the former Yachiyo Bank and the former ShinGinko Tokyo as of April 1, 2018.

Kiraboshi Bank, Limited [Consolidated] First half ended Sept. 30. 2018 (combined basis)

(%)

	First half ended September 30, 2018 (A)	Difference (A) - (B)	First half ended September 30, 2017(B)
On a basis of net business income (before transfer to reserve for general possible loan losses)	5.34	0.77	4.57
On a basis of net business income	5.17	0.22	4.95
On a basis of net core business income	5.35	1.06	4.29
On basis of profit attributable to owners of parent	2.93	(1.10)	4.03

$$\text{(Note) ROE [Consolidated]} = \frac{\text{Profit attributable to owners of parent} \times 365 \div 183}{(\text{Net assets at the beginning of the period} + \text{net assets at the end of the period}) \div 2} \times 100$$

- * In the above calculation formula, the net assets figure at the beginning of the year is the sum of net assets of the former Tokyo Tomin Bank, the former Yachiyo Bank and the former ShinGinko Tokyo as of April 1, 2018.

5. OHR

Kiraboshi Bank, Limited [Non-consolidated] First half ended Sept. 30. 2018 (combined basis)

(%)

	First half ended September 30, 2018 (A)	Difference (A) - (B)	First half ended September 30, 2017 (B)
On a basis of gross core business profit	79.16	0.31	78.85
On a basis of gross business profit	79.21	1.20	78.01

$$\text{(Note) OHR} = \frac{\text{Expenses}}{\text{Gross business profit}} \times 100$$

6. Gain/Loss on Securities

Kiraboshi Bank, Limited [Non-consolidated] First half ended Sept. 30. 2018 (combined basis)

(Millions of yen)

	First half ended		First half ended
	September 30, 2018 (A)	Difference (A) - (B)	September 30, 2017 (B)
Gains (losses) on bonds	(21)	(425)	404
Gain on sale of bonds	93	(644)	737
Gain on redemption of bonds	0	0	-
Loss on sale of bonds	115	(217)	332
Loss on redemption of bonds	-	-	-
Amortization on bonds	-	-	-
Gain (loss) on securities from application of mark-to-market accounting (securities)	277	(1,752)	2,029
Gain on sale of stock and other securities	314	(1,734)	2,048
Loss on sale of stock and other securities	37	19	18
Amortization of stock and other securities	0	0	-

7. Capital Ratio (Domestic Standards)

(1) Tokyo Kiraboshi Financial Group, Inc. [Consolidated]

(Millions of yen, %)

	September 30, 2018 (A)	Difference (A) – (B)	March 31, 2018
			(B)
(1) Capital ratio (%) (4)/(5)	9.18	0.13	9.05
(2) Basic items in core capital	298,188	4,265	293,923
(3) Adjustments in core capital	13,318	768	12,550
(4) Capital (2)-(3)	284,870	3,497	281,373
Directly issued qualifying common stock or mandatory convertible preferred stock plus related capital surplus and retained earnings	285,378	2,756	282,622
Total provisions included in basic items in core capital	5,487	293	5,194
Eligible capital instruments subject to transitional arrangements included in basic items in core capital	5,000	–	5,000
(5) Risk-weighted assets	3,102,425	(5,344)	3,107,769
(6) Total necessary capital (5) × 4%	124,097	(213)	124,310

(2) Kiraboshi Bank, Limited [Non-consolidated]

(Millions of yen, %)

	September 30, 2018 (A)	March 31, 2018 (B)		
		Former Tokyo Tomin Bank	Former Yachiyo Bank	Former ShinGinko Tokyo
(1) Capital ratio (%) (4)/(5)	8.85	6.58	8.54	20.34
(2) Basic items in core capital	286,944	109,394	110,988	63,342
(3) Adjustments in core capital	10,994	11,337	370	148
(4) Capital (2)-(3)	275,949	98,057	110,617	63,193
Directly issued qualifying common stock or mandatory convertible preferred stock plus related capital surplus and retained earnings	276,131	102,635	108,181	62,436
Total provisions included in basic items in core capital	5,152	1,824	2,080	906
Eligible capital instruments subject to transitional arrangements included in basic items in core capital	5,000	5,000	–	–
(5) Risk-weighted assets	3,115,660	1,488,813	1,294,339	310,631
(6) Total necessary capital (5) × 4%	124,626	59,552	51,773	12,425

(Note)

Capital ratio is calculated based on Financial Service Agency Notifications No.19 and 20 of 2006.

The standardized approach is applied for calculating credit risks and assets, while the fundamental approach is applied for calculating the amount equivalent to operational risk.

(3) Kiraboshi Bank, Limited [Consolidated]

(Millions of yen, %)

	September 30, 2018 (A)	March 31, 2018 (B)	
		Former Tokyo Tomin Bank	Former Yachiyo Bank
(1) Capital ratio (%) (4)/(5)	9.02	6.75	8.69
(2) Basic items in core capital	294,540	113,193	113,082
(3) Adjustments in core capital	13,144	12,253	378
(4) Capital (2)-(3)	281,396	100,940	112,704
Directly issued qualifying common stock or mandatory convertible preferred stock plus related capital surplus and retained earnings	281,141	105,231	110,200
Total provisions included in basic items in core capital	5,487	1,986	2,301
Eligible capital instruments subject to transitional arrangements included in basic items in core capital	5,000	5,000	–
(5) Risk-weighted assets	3,118,844	1,494,006	1,295,574
(6) Total necessary capital (5) × 4%	124,753	59,760	51,822

(Note) The former ShinGinko Tokyo, Limited, has no consolidated subsidiaries, so the net assets to total assets ratio has not been calculated.

II. Status of Loans

1. Risk-monitored Loans

Kiraboshi Bank, Limited [Non-consolidated] [Risk-monitored loans amount]

(Millions of yen)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Bankrupt loans	5,970	(717)	(1,896)	6,687	7,866
Non-accrual loans	74,551	(764)	(3,801)	75,315	78,352
Past-due loans (3 months or more)	335	76	109	259	226
Restructured loans	4,420	1,879	1,487	2,541	2,933
Risk-monitored loan amount	85,278	474	(4,101)	84,804	89,379
Loan balances	3,653,817	(22,414)	17,436	3,676,231	3,636,381

[Loan balance ratio]

(%)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Bankrupt loans	0.16	(0.02)	(0.05)	0.18	0.21
Non-accrual loans	2.04	–	(0.11)	2.04	2.15
Past-due loans (3 months or more)	0.00	–	–	0.00	0.00
Restructured loans	0.12	0.06	0.04	0.06	0.08
Loan balance ratio	2.33	0.03	(0.12)	2.30	2.45

(Reference) Risk-monitored Loans after Partial Direct Write-Offs

[Risk-monitored loan amount]

(Millions of yen)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Bankrupt loans	1,495	(293)	(64)	1,788	1,559
Non-accrual loans	69,637	(1,231)	(4,300)	70,868	73,937
Past-due loans (3 months or more)	335	76	109	259	226
Restructured loans	4,420	1,879	1,487	2,541	2,933
Risk-monitored loan amount	75,888	430	(2,769)	75,458	78,657
Loan balances	3,644,427	(22,457)	18,768	3,666,884	3,625,659

[Loan balance ratio]

(%)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Bankrupt loans	0.04	–	–	0.04	0.04
Non-accrual loans	1.91	(0.02)	(0.12)	1.93	2.03
Past-due loans (3 months or more)	0.00	–	–	0.00	0.00
Restructured loans	0.12	0.06	0.04	0.06	0.08
Loan balance ratio	2.08	0.03	(0.08)	2.05	2.16

**2. Loans Based on the Financial Reconstruction Act
Kiraboshi Bank, Limited [Non-consolidated]**

(Millions of yen, %)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Bankrupt and quasi-bankrupt assets	16,398	(626)	(1,977)	17,024	18,375
Doubtful assets	66,103	(502)	(3,401)	66,605	69,504
Substandard loans	4,755	1,954	1,595	2,801	3,160
Subtotal (D)	87,258	827	(3,781)	86,431	91,039
Normal assets	3,634,925	(11,081)	40,415	3,646,006	3,594,510
Total credit amount (E)	3,722,183	(10,254)	36,634	3,732,437	3,685,549
Ratio of total credit amount (%) (D)/(E)	2.34	0.03	(0.13)	2.31	2.47

(Reference) Loans Based on the Financial Reconstruction Act after Partial Direct Write-Offs

(Millions of yen, %)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Bankrupt and quasi-bankrupt assets	6,041	(1,322)	(1,337)	7,363	7,378
Doubtful assets	66,103	(502)	(3,401)	66,605	69,504
Substandard loans	4,755	1,954	1,595	2,801	3,160
Subtotal (D)	76,900	130	(3,143)	76,770	80,043
Normal assets	3,634,925	(11,081)	40,415	3,646,006	3,594,510
Total credit amount (E)	3,711,825	(10,952)	37,272	3,722,777	3,674,553
Ratio of total credit amount (%) (D)/(E)	2.07	0.01	(0.10)	2.06	2.17

**3. Coverage Status of Loans Based on the Financial Reconstruction Act
Kiraboshi Bank, Limited [Non-consolidated]**

(Millions of yen, %)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Covered amount (D)	69,877	(252)	(4,647)	70,129	74,524
Reserve for possible loan losses	19,067	(1,279)	(3,029)	20,346	22,096
Bankrupt and quasi-bankrupt assets	10,746	718	(631)	10,028	11,377
Doubtful assets	8,152	(2,001)	(2,350)	10,153	10,502
Substandard loans	168	4	(48)	164	216
Collateral, guarantees, etc.	50,810	1,028	(1,617)	49,782	52,427
Bankrupt and quasi-bankrupt assets	5,652	(1,342)	(1,345)	6,994	6,997
Doubtful assets	43,623	1,764	(775)	41,859	44,398
Substandard loans	1,534	606	503	928	1,031
Problem assets (E)	87,258	827	(3,781)	86,431	91,039
Coverage ratio (%) (D)/(E)	80.08	(1.05)	(1.77)	81.13	81.85

**4. Status of Reserve for Possible Loan Losses
Kiraboshi Bank, Limited [Non-consolidated]**

(Millions of yen, %)

	September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	March 31, 2018 (B)	September 30, 2017 (C)
Reserve for possible loan losses	23,968	(970)	(2,480)	24,938	26,448
Provision of general reserve for possible loan losses	4,834	272	466	4,562	4,368
Provision for individual possible loan losses	19,134	(1,242)	(2,946)	20,376	22,080

5. Status of Problem Assets Subject to Disclosure

Kiraboshi Bank, Limited [Non-consolidated]

First half of the fiscal year ending March 2019 (as of September 30, 2018)

(Billions of yen)

Self-assessment	Disclosed debts based on Financial Reconstruction Act	Risk-monitored loans under the Banking Law (Object: Loans)
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Classification of borrowers	Classification				Disclosed debts (credit balance)	Collateral, guarantees, etc.	Reserve	Coverage ratio	Disclosed debts (loan balance)
	Not classified	Classification II	Classification III	Classification IV					
Bankrupt borrowers 5.9 <1.5>	5.0	0.9	— [0.1]	— [4.4]	Bankrupt and quasi-bankrupt 16.3 <6.0>	5.6	10.7	100.0% <100.0%>	Bankrupt loans 5.9 <1.4>
Virtually bankrupt borrowers 10.4 <4.5>	7.4	2.9	— [0.2]	— [5.8]					Non-accrual loans 74.5 <69.6>
Borrowers with bankruptcy concerns 66.1	32.4	19.3	14.3 [8.1]		Doubtful assets 66.1	43.6	8.1	78.3%	
Borrowers requiring caution 542.5	Substandard borrowers 6.4	0.5	5.9		Substandard loans 4.7	1.5	0.1	35.8%	Past-due loans (3 months or more) 0.3 Restructured loans 4.4
	Borrowers requiring caution, excluding claims to substandard borrowers 536.0	109.8	426.2		Subtotal 87.2 <76.9>			Total 80.0% <77.3%>	Total 85.2 <75.8>
Normal borrowers 3,097.1	3,097.1				Claims to borrowers requiring caution, excluding claims to substandard borrowers 537.8				Normal assets 3,634.9
Total 3,722.1 <3,711.8>	3,252.4	455.4	14.3	—	Total 3,722.1 <3,711.8>				

Ratio to total debts	87.3%	12.2%	0.3%	—
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Notes:

1. Self-assessment includes loans, repayments for which payment is approved, foreign exchange, provisional payment pursuant to loans, accrued interests and privately placed bonds guaranteed by banks. The amount for privately placed bonds guaranteed by banks is recorded in fair value.
2. Brackets indicate the reserve amounts against the classified amounts based on the self-assessment results. Reserves are recorded for non-classified loans.
3. Kiraboshi Bank did not take partial direct write-offs. Figures assuming the bank had taken partial direct write-offs are provided in angled brackets.
4. Partial direct write-off means that, regarding debts with collateral/guarantees that are judged uncollectible or valueless, the Classification IV amount is decreased from the debt amount directly as a loan loss write-off.

6. Loan Breakdown by Industrial Sector
Kiraboshi Bank, Limited [Non-consolidated]

(i) Loan breakdown by industrial sector

(Millions of yen)

	Balance at September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	Balance at March 31, 2018 (B)	Balance at September 30, 2017 (C)
All branches	3,653,817	(22,414)	17,436	3,676,231	3,636,381
Manufacturing	317,523	(6,649)	(8,049)	324,172	325,572
Agriculture, forestry	1,006	31	61	975	945
Fishery	307	299	298	8	9
Mining, quarrying of stone and gravel	1,243	119	188	1,124	1,055
Construction	188,506	(189)	2,521	188,695	185,985
Electricity, gas and heat supplies, and waterworks	12,649	(120)	(477)	12,769	13,126
Communication service	79,513	(1,563)	(1,952)	81,076	81,465
Transportation, postal activities	96,564	(2,559)	(2,416)	99,123	98,980
Commerce	433,976	6,350	14,273	427,626	419,703
Banks and other financial institutions	211,273	1,787	9,130	209,486	202,143
Real estate	828,901	15,616	36,319	813,285	792,582
(Real estate brokerage)	361,492	9,579	17,897	351,913	343,595
(Real estate leasing)	467,408	6,037	18,421	461,371	448,987
Goods rental and leasing	90,637	(1,550)	(916)	92,187	91,553
Scientific research, professional and technical services	49,948	(1,483)	1,387	51,431	48,561
Accommodations	17,993	(1,849)	(341)	19,842	18,334
Restaurant businesses	35,603	643	468	34,960	35,135
Living-related and personal services, amusement services	50,418	(5,494)	(4,714)	55,912	55,132
Education, learning support	17,077	505	1,051	16,572	16,026
Medical healthcare and welfare	110,612	1,045	3,944	109,567	106,668
Other services	85,034	(3,716)	(2,038)	88,750	87,072
Local governments	160,423	(6,295)	(11,377)	166,718	171,800
Other	864,588	(17,346)	(19,927)	881,934	884,515

(Notes)

1. As special international financial transaction account is included in “Other,” and the same applies for (ii) below.
2. “Real estate brokerage” consists of real estate services by businesses with a license for real estate brokerage, while “Real estate leasing” consists of leasing by personal businesses mainly engaged in apartment management. The same applies for (ii) below.

(ii) Risk-monitored loans by industrial sector

(Millions of yen)

	Balance at September 30, 2018 (A)	Difference (A) – (B)	Difference (A) – (C)	Balance at March 31, 2018 (B)	Balance at September 30, 2017 (C)
All branches	85,278	474	(4,101)	84,804	89,379
Manufacturing	12,313	(3,607)	(5,229)	15,920	17,542
Agriculture, forestry	217	(22)	(24)	239	241
Fishery	–	–	–	–	–
Mining, quarrying of stone and gravel	–	–	–	–	–
Construction	6,244	1,201	1,201	5,043	5,043
Electricity, gas and heat supplies, and waterworks	–	–	–	–	–
Communication service	4,941	1,146	1,007	3,795	3,934
Transportation, postal activities	1,894	8	(8)	1,886	1,902
Commerce	26,427	2,662	2,623	23,765	23,804
Banks and other financial institutions	128	(24)	1	152	127
Real estate	7,128	(169)	(775)	7,297	7,903
(Real estate brokerage)	1,551	418	231	1,133	1,320
(Real estate leasing)	5,577	(587)	(1,006)	6,164	6,583
Goods rental and leasing	169	5	62	164	107
Scientific research, professional and technical services	1,752	139	(153)	1,613	1,905
Accommodations	570	(161)	(27)	731	597
Restaurant businesses	1,602	338	179	1,264	1,423
Living-related and personal services, amusement services	1,746	50	277	1,696	1,469
Education, learning support	189	(120)	(176)	309	365
Medical healthcare and welfare	6,133	(706)	(1,122)	6,839	7,255
Other services	2,685	15	(839)	2,670	3,524
Local governments	–	–	–	–	–
Other	11,130	(285)	(1,101)	11,415	12,231

7. Deposits and Loans

Kiraboshi Bank, Limited [Non-consolidated]

(1) Status of loans

(Millions of yen, %)

	September 30, 2018 (A)	Difference		March 31, 2018 (B)	September 30, 2017 (C)
		(A) – (B)	(A) – (C)		
Loans (balance)	3,653,817	(22,414)	17,436	3,676,231	3,636,381
(Excluding offshore accounts (D))	3,653,692	(22,390)	17,469	3,676,082	3,636,223
Loans to small and medium-sized enterprises (E)	3,002,653	2,384	59,762	3,000,269	2,942,891
Small and medium-sized enterprise loans	2,143,956	13,512	66,964	2,130,444	2,076,992
Personal loans	858,697	(11,128)	(7,201)	869,825	865,898
Percentage of total loans (E)/(D)	82.18	0.57	1.25	81.61	80.93
Loans (average balance)	3,623,555	11,642	22,006	3,611,913	3,601,549

(2) Consumer loan balance

(Millions of yen)

	September 30, 2018 (A)	Difference		March 31, 2018 (B)	September 30, 2017 (C)
		(A) – (B)	(A) – (C)		
Consumer loan balance	802,429	(13,640)	(12,533)	816,069	814,962
Housing-related loans	681,560	(12,641)	(11,815)	694,201	693,375
Other loans	120,868	(1,000)	(718)	121,868	121,586

(3) Status of deposits

(Millions of yen)

	September 30, 2018 (A)	Difference		March 31, 2018 (B)	September 30, 2017 (C)
		(A) – (B)	(A) – (C)		
Deposits (balance)	4,617,290	(98,629)	(192,128)	4,715,919	4,809,418
Deposits	4,588,124	(114,845)	(205,101)	4,702,969	4,793,225
Personal deposits	3,080,518	(77,866)	(122,774)	3,158,384	3,203,292
Corporate deposits	1,395,356	(5,739)	(33,219)	1,401,095	1,428,575
Deposits	112,249	(31,240)	(49,107)	143,489	161,356
Negotiable certificates of deposit	29,166	16,216	12,973	12,950	16,193
Negotiable certificates of deposit	4,640,562	(125,462)	(136,798)	4,766,024	4,777,360
Deposits	4,614,334	(128,287)	(139,352)	4,742,621	4,753,686
Negotiable certificates of deposit	26,228	2,826	2,555	23,402	23,673

(4) Deposits and loan balances by region

(Millions of yen)

	September 30, 2018 (A)	Difference		March 31, 2018 (B)	September 30, 2017 (C)
		(A) – (B)	(A) – (C)		
Deposits	4,588,124	(114,845)	(205,101)	4,702,969	4,793,225
Tokyo Metropolis	3,521,355	(118,091)	(198,481)	3,639,446	3,719,836
Kanagawa Prefecture	991,706	5,501	(3,313)	986,205	995,019
Others	75,063	(2,254)	(3,306)	77,317	78,369
Loans	3,653,817	(22,414)	17,436	3,676,231	3,636,381
Tokyo Metropolis	3,057,425	(19,791)	14,023	3,077,216	3,043,402
Kanagawa Prefecture	553,346	(2,582)	3,301	555,928	550,045
Others	43,046	(40)	113	43,086	42,933

(5) Assets under management

(Millions of yen)

	September 30, 2018 (A)			March 31, 2018 (B)	September 30, 2017 (C)
		Difference (A) – (B)	Difference (A) – (C)		
Assets under management	489,965	12,312	5,797	477,653	484,168
Investment trust	220,494	15,179	4,622	205,315	215,872
Life insurance	228,455	(3)	7,437	228,458	221,018
Public bonds	41,015	(2,864)	(6,262)	43,879	47,277

(6) Status of branches and employees

(Branches, persons)

	September 30, 2018 (A)			March 31, 2018 (B)	September 30, 2017 (C)
		Difference (A) – (B)	Difference (A) – (C)		
Domestic head office and branch offices (including representative offices)	164	–	–	164	164
Tokyo Metropolis	124	–	–	124	124
Kanagawa Prefecture	36	–	–	36	36
Others	4	–	–	4	4
Number of executives and employees	3,029	(103)	(240)	3,132	3,269
Number of executives	15	(13)	(13)	28	28
Number of employees	3,014	(90)	(227)	3,104	3,241

(Note)

For employees above, the number of employees, including executive officers, but excluding temporary employees, fixed-term employees, and secondees, has been used.

(7) Construction in trust

(Millions of yen)

	September 30, 2018 (A)			March 31, 2018 (B)	September 30, 2017 (C)
		Difference (A) – (B)	Difference (A) – (C)		
Value of construction in trust contracts	15,871	(7,403)	6,902	23,274	8,969
Balance of construction in trust purchased	4,483	(3,625)	251	8,108	4,232

III. Valuation Gain/Loss on Securities

1. Valuation Standards

Trading-purpose securities	Mark-to-market method
Marketable bonds held to maturity	Amortized cost method
Available-for-sale securities	
Available-for-sale securities with market value	Mark-to-market method (Valuation gains or losses on available-for-sale securities are recorded as a separate item under net assets.)
Available-for-sale securities whose market values are considered to be extremely difficult to assess	Cost method
Investments in subsidiaries and affiliates	Cost method

2. Gain/Loss on Valuation

(1) Tokyo Kiraboshi Financial Group, Inc. [Consolidated]

(Millions of yen)

	September 30, 2018				September 30, 2017		
	Gain (loss) on valuation (A)	(A) – (B)	Valuation gain	Valuation loss	Gain (loss) on valuation (B)	Valuation gain	Valuation loss
Marketable bonds held to maturity	10,981	(3,475)	11,765	783	14,456	14,670	213
Available-for-sale securities	8,755	1,076	16,328	7,573	7,679	13,733	6,053
Stocks	10,962	2,556	11,849	887	8,406	9,461	1,055
Bonds	(545)	(968)	1,349	1,895	423	2,054	1,631
Others	(1,661)	(511)	3,129	4,790	(1,150)	2,217	3,367
Total	19,737	(2,399)	28,093	8,356	22,136	28,403	6,267

(2) Kiraboshi Bank, Limited [Non-consolidated]

(Millions of yen)

	September 30, 2018				September 30, 2017		
	Gain (loss) on valuation (A)	(A) – (B)	Valuation gain	Valuation loss	Gain (loss) on valuation (B)	Valuation gain	Valuation loss
Marketable bonds held to maturity	17,558	(4,898)	18,188	629	22,456	22,568	112
Available-for-sale securities	13,773	(72)	20,602	6,829	13,845	19,233	5,388
Stocks	12,312	2,168	12,871	559	10,144	10,876	732
Bonds	955	(1,653)	2,727	1,771	2,608	4,065	1,457
Others	505	(588)	5,003	4,498	1,093	4,291	3,198
Total	31,332	(4,970)	38,790	7,458	36,302	41,802	5,500