

November 12, 2019

Consolidated Financial Report
for the First Half of the Fiscal Year Ending March 31, 2020
<Under Japanese GAAP>

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Telephone: +81-3-5341-4301
Date of submission of quarterly security report: November 26, 2019
Date to start dividend payment: December 3, 2019
Establishment of special transaction account: Not established
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: Yes

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, 2020
(From April 1, 2019 to September 30, 2019)

(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, 2020	44,704	13.2	2,838	5.6	3,386	(9.9)
First half of the fiscal year ended March 31, 2019	39,459	(6.6)	2,685	(53.0)	3,760	(21.8)

(Note) Comprehensive income: First half of the fiscal year ending March 31, 2020: ¥ 6,366 million 13.1%
First half of the fiscal year ended March 31, 2019: ¥ 5,625 million (26.0%)

	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, 2020	107.54	56.38
First half of the fiscal year ended March 31, 2019	119.44	72.34

(2) Consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
First half of the fiscal year ending March 31, 2020	5,406,482	298,303	5.5
Fiscal year ended March 31, 2019	5,373,212	293,124	5.4

(Reference)

Equity: First half of the fiscal year ending March 31, 2020: ¥ 298,247 million Fiscal year ended March 31, 2019: ¥292,663 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, 2019	–	30.00	–	30.00	60.00
Fiscal year ending March 31, 2020	–	30.00			
Fiscal year ending March 31, 2020 (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, 2020 (From April 1, 2019 to March 31, 2020)

(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	2,100	(61.1)	6,500	27.4

(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): No

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)

First half of the fiscal year ending March 31, 2020 30,650,115 shares

Fiscal year ended March 31, 2019 30,650,115 shares

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

First half of the fiscal year ending March 31, 2020 279,227 shares

Fiscal year ended March 31, 2019 276,867 shares

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

First half of the fiscal year ending March 31, 2020 30,371,922 shares

First half of the fiscal year ended March 31, 2019 30,476,403 shares

(Note) The Company introduced Board Benefit Trust and the Company’s shares held by the said trust are included in treasury stock.

(Non-consolidated Financial Statements)

1. Non-consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2020 (From April 1, 2019 to September 30, 2019)

(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, 2020	1,543	(8.7)	1,089	(15.4)	1,078	(15.0)	1,068	(11.5)
First half of the fiscal year ended March 31, 2019	1,691	(1.4)	1,289	9.6	1,269	9.6	1,208	8.0

Net income per share

(¥)

First half of the fiscal year ending March 31, 2020	31.22
First half of the fiscal year ended March 31, 2019	35.69

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
First half of the fiscal year ending March 31, 2020	196,010	195,886	99.9
Fiscal year ended March 31, 2019	195,961	195,854	99.9

(Reference)

Equity: First half of the fiscal year ending March 31, 2020: ¥195,829 million Fiscal year ended March 31, 2019: ¥195,797 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 scope of review by certified public accountants and audit corporations.

* 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, 2019	–	124.00	–	124.00	248.00
Fiscal year ending March 31, 2020	–	124.00			
Fiscal year ending March 31, 2020 (Forecast)			–	124.00	248.00

(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, 2019

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate (*)

Annual dividend rate = Japanese yen TIBOR + 1.1%

(c) Japanese yen TIBOR

On March 30, 2018, the Japanese yen TIBOR (12-month maturity) = 0.13636%

(d) Shares issued

750,000

(2) Fiscal year ending March 31, 2020 (Forecast)

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate (*)

Annual dividend rate = Japanese yen TIBOR + 1.1%

(c) Japanese yen TIBOR

On April 1, 2019, the Japanese yen TIBOR (12-month maturity) = 0.13636%

(d) Shares issued

750,000

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

(Class II preferred shares)

	Dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2019	–	13.636	–	13.636	27.272
Fiscal year ending March 31, 2020	–	13.636			
Fiscal year ending March 31, 2020 (Forecast)			–	13.636	27.272

(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, 2019

(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 30, 2018, the Japanese yen TIBOR (12-month maturity) = 0.13636%

(d) Shares issued

2,000,000

(2) Fiscal year ending March 31, 2020

(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, 2019, the Japanese yen TIBOR (12-month maturity) = 0.13636%

(d) Shares issued

2,000,000

Attached Materials

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(Appendix) Financial Results for the First Half of the Fiscal Year Ending March 31, 2020
- Supplementary Information-

1. Qualitative Information Regarding Consolidated Results for the first half of the fiscal year ending March 31, 2020

(1) Operating Results

Consolidated ordinary income for the first half of the fiscal year ending March 31, 2020 increased by ¥5.2 billion year-on-year to ¥44.7 billion, due largely to the recording of subsidiaries' income as a result of the conversion of equity-method affiliates to subsidiaries as well as the increase in fees and commissions. Consolidated ordinary expenses increased by ¥5.0 billion year-on-year to ¥41.8 billion, due primarily to the recording of subsidiaries' expenses and increase in allowance for loan losses. As a result, consolidated ordinary profit increased by ¥0.1 billion year-on-year to ¥2.8 billion. Consolidated extraordinary income increased by ¥0.6 billion reflecting largely the conversion of equity-method affiliates to subsidiaries. Meanwhile, profit attributable to owners of parent decreased by 0.3 billion year-on-year to ¥3.3 billion, as a result of a ¥1.1 billion increase in total income taxes..

(2) Financial Position

As of September 30, 2019, total assets amounted to ¥5,406.4 billion, up ¥33.2 billion from the end of the previous fiscal year, and net assets stood at ¥298.3 billion, a ¥5.1 billion increase from the end of the previous fiscal year.

With respect to major account balances, deposits increased ¥52.0 billion from the end of the previous fiscal year to ¥4,579.1 billion, and loans and bills discounted decreased ¥25.8 billion from the end of the previous fiscal year to ¥3,670.5 billion, while securities decreased ¥52.3 billion to ¥1,042.7 billion.

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

The full-year forecast of consolidated operating performance for the fiscal year ending March 31, 2020 was revised on September 13, 2019 as follows.

Revision to the Full-Year Forecast of Consolidated Operating Performance
for the Fiscal Year Ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

	Ordinary profit	Profit attributable to owners of parent	Profit attributable to owners of parent per share
Forecast before revision (A) (announced on May 14, 2019)	(¥ million) 5,400	(¥ million) 5,100	(¥) 159.99
Forecast after revision (B) (announced on September 13, 2019)	2,100	6,500	206.09
Amount of change (B – A)	(3,300)	1,400	
Percentage change (%)	(61.1)	27.4	
(Reference) Previous fiscal year results (Fiscal year ended March 31, 2019)	3,480	4,914	153.52

As announced in “Notice Concerning Consolidation of Headquarters Offices of Kiraboshi Bank, Ltd., a Subsidiary of the Group” dated June 14, 2019, and “Notice Concerning Revision to the Full-Year Forecast of Consolidated Operating Performance and Recognition of Extraordinary Income” dated September 13, 2019, the Group expects to recognize extraordinary income in conjunction with the transfer (sale) of Shinjuku Office which is currently owned by Kiraboshi Bank Ltd., a subsidiary of the Group, in the fourth quarter with a view to further improving headquarters efficiency.

[Description of the assets to be transferred]

Location and description of the assets	Gain on transfer	Current status
Location: 9-2, Shinjuku 5-chome, Shinjuku-ku, Tokyo Land area: 1,030.24 m ² Building area: 7,440.75 m ²	Approximately ¥5.4 billion	Used primarily by Sales Department of Shinjuku Head Office and the Group's headquarters departments

- * The transferee is Hulic Co., Ltd. (Address: 7-3 Nihonbashi Odenmachi, Chuo-ku, Tokyo). Transfer price is approximately ¥11.2 billion.
- * There are no pertinent matters to be noted with respect to the Group's relationship with the transferee in terms of capital relationship, personnel relationship, transactional relationship, and interested party status.
- * Gain on transfer is the amount after deducting the costs, etc. related to the transfer, including ¥600 million as cost of restoration to the original condition.
- * Even after the transfer of the Shinjuku Office, the Sales Department of Shinjuku Head office, Higashi Shinjuku Branch and Nishi Okubo Branch will continue to operate in the same location.

[Schedule of the transfer]

Date of the agreement: September 13, 2019

Property handover date: March 31, 2020 (scheduled date)

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

(¥ million)

	As of March 31, 2019	As of September 30, 2019
Assets		
Cash and due from banks	402,718	486,284
Call loans and bills bought	2,308	3,377
Other debt purchased	59,326	59,844
Trading account securities	973	977
Money held in trust	—	489
Securities	1,095,059	1,042,755
Loans and bills discounted	3,696,398	3,670,549
Foreign exchange	5,984	6,485
Lease receivables and investment assets	—	17,178
Other assets	47,525	53,903
Tangible fixed assets	60,266	62,458
Intangible fixed assets	3,097	3,840
Net defined benefit assets	14,128	15,658
Deferred tax assets	5,940	5,819
Customers' liabilities for acceptances and guarantees	5,596	5,837
Reserve for possible loan losses	(26,112)	(28,977)
Total assets	5,373,212	5,406,482
Liabilities		
Deposits	4,527,089	4,579,110
Negotiable certificates of deposit	16,100	12,360
Call money and bills sold	113,329	76,115
Payables under securities lending transactions	344,918	347,609
Borrowed money	43,566	43,490
Foreign exchanges	533	274
Bonds	—	2,000
Borrowed money from trust account	245	—
Other liabilities	24,561	37,409
Reserve for employee bonuses	1,701	1,679
Provision for directors' bonuses	158	45
Provision for stock compensation	82	73
Net defined benefit liabilities	65	65
Reserve for directors' retirement benefits	20	23
Reserve for point card certificates	39	42
Provision for loss on interest repayments	8	9
Reserve for loss on dormant deposit repayments	1,351	1,303
Provision for contingent loss	656	643
Deferred tax liabilities	61	83
Acceptances and guarantees	5,596	5,837
Total liabilities	5,080,087	5,108,178
Net Assets		
Common stock	27,500	27,500
Capital surplus	150,473	150,687
Retained earnings	109,053	111,405
Treasury stock	(804)	(806)
Total shareholders' equity	286,223	288,786
Net unrealized gain on available-for-sale securities	7,923	10,497
Revaluation reserve for land	(242)	(242)
Foreign currency translation adjustment	8	4
Remeasurements of defined benefit plans	(1,250)	(798)
Total accumulated other comprehensive income	6,440	9,461
Subscription rights to shares	56	56
Non-controlling interests	404	—
Total net assets	293,124	298,303
Total liabilities and net assets	5,373,212	5,406,482

(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, 2019	First half of the fiscal year ending March 31, 2020
Ordinary income	39,459	44,704
Interest income	30,015	28,721
Interest on loans and discounts	21,540	21,832
Interest and dividends on securities	7,829	6,255
Trust fees	17	64
Fees and commissions	8,092	8,616
Other operating income	643	953
Other ordinary income	690	6,348
Ordinary expenses	36,773	41,865
Financing expenses	1,789	1,265
Interest on deposits	658	585
Fees and commissions payments	1,290	1,120
Other operating expenses	439	389
General and administrative expenses	28,898	27,536
Other ordinary expenses	4,355	11,555
Ordinary profit	2,685	2,838
Extraordinary profit	0	659
Gain on disposal of non-current assets	0	0
Gain on step acquisitions	—	523
Gain on bargain purchase	—	136
Extraordinary losses	36	40
Loss on disposal of non-current assets	36	40
Profit before income taxes	2,648	3,457
Income tax – current	349	1,105
Income tax – deferred	(1,475)	(1,036)
Total income taxes	(1,125)	68
Profit	3,774	3,389
Profit attributable to non-controlling interests	13	2
Profit attributable to owners of parent	3,760	3,386

(Consolidated Interim Statements of Comprehensive Income)

(¥ million)

	First half of the fiscal year ended March 31, 2019	First half of the fiscal year ending March 31, 2020
Profit	3,774	3,389
Other comprehensive income	1,850	2,977
Valuation difference on available-for-sale securities	435	2,574
Foreign currency translation adjustments	(1)	(4)
Remeasurements of defined benefit plans	1,568	451
Share of other comprehensive income of entities accounted for using equity method	(151)	(44)
Comprehensive income	5,625	6,366
(Breakdown)		
Comprehensive income attributable to owners of parent	5,606	6,407
Comprehensive income attributable to non-controlling interests	18	(40)

(3) Consolidated Interim Statements of Changes in Net Assets
(First half of the fiscal year ended March 31, 2019)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	27,500	150,576	106,206	(625)	283,657
Changes of items during the reporting period					
Purchase of shares of consolidated subsidiaries		(1)			(1)
Dividends of surplus			(1,031)		(1,031)
Profit attributable to owners of parent			3,760		3,760
Acquisition of treasury stock				(16)	(16)
Disposition of treasury stock		(6)		52	45
Change in ownership interest in subsidiaries		0			0
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	(8)	2,728	35	2,756
Balance at end of period	27,500	150,567	108,934	(589)	286,413

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	6,075	(242)	10	1,146	6,989	101	271	291,020
Changes of items during the reporting period								
Purchase of shares of consolidated subsidiaries								(1)
Dividends of surplus								(1,031)
Profit attributable to owners of parent								3,760
Acquisition of treasury stock								(16)
Disposition of treasury stock								45
Change in ownership interest in subsidiaries								0
Net changes of items other than shareholders' equity during the reporting period	279	—	(1)	1,568	1,845	(45)	14	1,814
Total changes of items during the reporting period	279	—	(1)	1,568	1,845	(45)	14	4,570
Balance at end of period	6,354	(242)	8	2,714	8,835	56	285	295,590

(First half of the fiscal year ending March 31, 2020)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	27,500	150,473	109,053	(804)	286,223
Changes of items during the reporting period					
Purchase of shares of consolidated subsidiaries		214	(0)		213
Dividends of surplus			(1,034)		(1,034)
Profit attributable to owners of parent			3,386		3,386
Acquisition of treasury stock				(7)	(7)
Disposition of treasury stock		(0)		5	4
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	213	2,351	(1)	2,563
Balance at end of period	27,500	150,687	111,405	(806)	288,786

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	7,923	(242)	8	(1,250)	6,440	56	404	293,124
Changes of items during the reporting period								
Purchase of shares of consolidated subsidiaries								213
Dividends of surplus								(1,034)
Profit attributable to owners of parent								3,386
Acquisition of treasury stock								(7)
Disposition of treasury stock								4
Net changes of items other than shareholders' equity during the reporting period	2,573	—	(4)	451	3,021	—	(404)	2,616
Total changes of items during the reporting period	2,573	—	(4)	451	3,021	—	(404)	5,179
Balance at end of period	10,497	(242)	4	(798)	9,461	56	—	298,303

(4) Notes on Premise of Going Concern

Not applicable.

(5) Changes in significant subsidiaries during the current interim accounting period

Not applicable.

Effective May 28, 2019, the Group's consolidated subsidiary of Kiraboshi Bank Ltd. converted its equity method affiliate of Tokyo Kiraboshi Leasing Co., Ltd. to a consolidated subsidiary and, effective June 20, 2019, its ownership ratio was raised to 100%.

Furthermore, effective August 1, 2019, Tokyo Kiraboshi Leasing Co., a consolidated subsidiary of Kiraboshi Bank Ltd., Kiraboshi System, Inc. and Kiraboshi JCB Co., Ltd. were converted to direct wholly-owned subsidiaries of the Group. Effective September 3, 2019, KIRABOSHI BUSINESS CONSULTING VIETNAM COMPANY LIMITED was established as a wholly-owned subsidiary of Kiraboshi Bank Ltd. in Ho Chi Minh City, Vietnam. The new subsidiary is included in the scope of consolidation from the first half of the fiscal year ending March 31, 2020. Note that the above events do not constitute a change in specified subsidiaries.

(Reference)

Trust asset balance table
(As of September 30, 2019)

(¥million)

Asset	Value	Liability	Value
Loans and bills discounted	2,480	Specified money in trust	2,533
Loans on deeds	2,480	Monetary claims in trust	15,999
Monetary claims	15,971	Composite trusts	11,894
Other monetary claims	15,971		
Property, Plant and Equipment	11,440		
Real estate	11,440		
Other receivables	0		
Specified money in trust	0		
Cash deposits	535		
Deposits	535		
Total	30,427	Total	30,427

3. (Reference) Non-consolidated Financial Statements of Kiraboshi Bank, Limited

(1) Overview of Non-consolidated Financial Statements

November 12, 2020

Company name: Kiraboshi Bank, Limited

Representative: Hisanobu Watanabe, President

Responsible person for inquiries: Hiroshi Shibuya, Director, Managing Executive Officer, General manager of Corporate Planning Division

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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, 2020 (From April 1, 2019 to September 30, 2019)

(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, 2020	39,120	8.2	3,586	26.2	3,712	(5.2)
First half of the fiscal year ended March 31, 2019	36,131	102.5	2,840	6.1	3,918	80.3

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets to total assets ratio
	(¥ million)	(¥ million)	(%)
First half of the fiscal year ending March 31, 2020	5,389,338	291,562	5.4
Fiscal year ended March 31, 2019	5,376,467	289,418	5.3

(Reference)

Equity: First half of the fiscal year ending March 31, 2020: ¥291,562 million

Fiscal year ended March 31, 2019: ¥289,418 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
 (2) Non-consolidated Interim Balance Sheets

Kiraboshi Bank, Limited

(¥ million)

	As of March 31, 2019	As of September 30, 2019
Assets		
Cash and due from banks	402,625	486,041
Call loans	2,308	3,377
Other debt purchased	59,326	59,803
Trading account securities	973	977
Money held in trust	—	489
Securities	1,089,205	1,037,029
Loans and bills discounted	3,696,166	3,678,589
Foreign exchange	5,984	6,485
Other assets	43,812	41,608
Tangible fixed assets	68,662	68,369
Intangible fixed assets	3,011	3,617
Prepaid pension cost	15,875	16,527
Deferred tax assets	7,991	7,951
Customers' liabilities for acceptances and guarantees	5,596	5,837
Reserve for possible loan losses	(25,073)	(27,368)
Total assets	5,376,467	5,389,338
Liabilities		
Deposits	4,539,073	4,592,489
Negotiable certificates of deposit	19,510	15,770
Call money	113,329	76,115
Payables under securities lending transactions	344,918	347,609
Borrowed money	43,366	28,408
Foreign exchanges	533	274
Borrowed money from trust account	245	—
Other liabilities	14,310	25,329
Reserve for employee bonuses	1,573	1,523
Provision for directors' bonuses	148	42
Provision for stock compensation	76	68
Reserve for point card certificates	2	2
Reserve for loss on dormant deposit repayments	1,351	1,303
Provision for contingent loss	656	643
Deferred tax liabilities for land revaluation	2,356	2,356
Acceptances and guarantees	5,596	5,837
Total liabilities	5,087,049	5,097,775
Net Assets		
Common stock	43,734	43,734
Capital surplus	166,173	166,173
Retained earnings	68,053	68,386
Total shareholders' equity	277,961	278,294
Valuation difference on available-for-sale securities	11,367	13,179
Revaluation reserve for land	89	89
Total valuation and translation adjustments	11,456	13,268
Total net assets	289,418	291,562
Total liabilities and net assets	5,376,467	5,389,338

(3) Non-consolidated Interim Statements of Income**Kiraboshi Bank, Limited**

(¥ million)

	First half of the fiscal year ended March 31, 2019	First half of the fiscal year ending March 31, 2020
Ordinary income	36,131	39,120
Interest income	28,493	29,711
Interest on loans and discounts	19,470	21,829
Interest and dividends on securities	8,404	7,200
Trust fees	15	64
Fees and commissions	6,568	7,588
Other operating income	368	900
Other ordinary income	686	855
Ordinary expenses	33,290	35,534
Financing expenses	1,594	1,260
Interest on deposits	593	585
Fees and commissions payments	1,452	1,509
Other operating expenses	288	336
General and administrative expenses	25,825	26,745
Other ordinary expenses	4,130	5,682
Ordinary profit	2,840	3,586
Extraordinary income	0	0
Gain on disposal of non-current assets	0	0
Extraordinary losses	21	38
Loss on disposal of non-current assets	21	38
Income before income taxes	2,818	3,547
Income taxes – current	60	641
Income taxes – deferred	(1,160)	(806)
Total income taxes	(1,099)	(164)
Net income	3,918	3,712

(Note)

Figures for the first half of the fiscal year ended March 31, 2019 (from April 1, 2018 to September 30, 2018) do not include the April 2018 figures of the two dissolved companies of the former Tokyo Tomin Bank and the former ShinGinko Tokyo.