



Financial results for the 1st Half of Fiscal Year 2018

1. Consolidated basis financial results for H1 FY2018

- Core net business profit increased by ¥0.014bn (0.0%) to ¥2.9bn mainly due to an increase in net fees and commissions and a decrease in general and administrative expenses. On the other hand, ordinary profit decreased by ¥0.4bn (12.3%) to ¥3.2bn, mainly due to a decrease in reversal of allowance for loan losses and a decrease in gain on money held in trust. Interim net income (Interim profit attributable to owners of parent) decreased by ¥0.9bn (30.7%) to ¥2.1bn over the same period of the previous year.
- Deposit balance (including NCD) decreased by ¥49bn (1.9%) to ¥2,541bn mainly due to a decrease of deposit of personal deposit and public money over the same period of the previous year.
Loan balance decreased by ¥32bn (1.8%) to ¥1,728bn mainly due to the decrease of personal loan.

| « Consolidated » | (JPY Billion) | | |
|--|---------------|-----------|---------------------|
| | FY2018 H1 | FY2017 H1 | Increase / Decrease |
| Ordinary revenue | 23.5 | 24.8 | (1.2) |
| Net business profit | 2.6 | 2.2 | 0.3 |
| Core net business profit | 2.9 | 2.9 | 0.0 |
| Ordinary profit | 3.2 | 3.6 | (0.4) |
| Interim net income (Interim profit attributable to owners of parent) | 2.1 | 3.1 | (0.9) |
| Total asset | 2,770 | 2,851 | (81) |
| Deposits & Negotiable certificates of deposit | 2,541 | 2,590 | (49) |
| Loans and bills discounted | 1,728 | 1,760 | (32) |
| Securities | 748 | 871 | (123) |
| Capital adequacy ratio (preliminary figures) | 9.42% | 9.19% | 0.23% |
| Core business gross profit expense ratio (Core OHR) | 83.01% | 83.75% | (0.74%) |
| Non-performing loan balance disclosed under Financial Reconstruction Law (* 2 Banks) | 32.0 | 36.3 | (4.2) |
| Non-performing loan ratio (* 2 Banks) | 1.80% | 2.00% | (0.20%) |
| Total credit costs | (0.3) | (0.8) | 0.4 |

* 2 Banks : Shonai Bank « non-consolidated » + Hokuto Bank « non-consolidated »

2. Forecast of Financial Result of the FY2017 on a consolidated base

- Based on financial results for H1 FY2018, we revised upward our consolidated financial results forecasts announced on May 14, 2018 for the fiscal year 2018: ordinary profits from ¥3.2bn to ¥4.4bn and Net income from ¥2.8bn to ¥3.45bn.

Ends