

Financial Results for the Fiscal Year 2018, Forecast in the Fiscal Year 2019 and Dividend
1. Financial Results for the Fiscal Year 2018 on a consolidated basis

- While fees and commissions increased and expenses decreased, interest on loans and discounts, interest and dividends on securities and gain on money held in trust decreased. As a result, ordinary revenue decreased by ¥2.1bn (4.1%) to ¥48.8bn year on year. Ordinary profits decreased by ¥1.5bn (22.8%) to ¥5.0bn year on year. Net income (profits attributable to owners of the parent) decreased by ¥0.4bn (11.6%) to ¥3.7bn year on year.
- Deposit balance (including NCD) decreased by ¥61bn to ¥2,467bn mainly due to the decrease of personal deposit. Loan balance decreased by ¥21bn to ¥1,716bn mainly due to the decrease of personal loan, year on year.
- Capital adequacy ratio increased by 0.29 point to 9.50% due to the enhancing retained earnings and the decrease of risk assets.

« Consolidated »	FY2018	FY2017	(JPY Billion) Increase / Decrease
Ordinary revenue	48.8	51.0	(2.1)
Net business profit	5.7	6.1	(0.3)
Core net business profit	5.4	7.2	(1.7)
Ordinary profit	5.0	6.5	(1.5)
Net income (Profits attributable to owners of parent)	3.7	4.2	(0.4)
Total asset	2,731	2,761	(30)
Deposits & Negotiable certificates of deposit	2,467	2,528	(61)
Loans and bills discounted	1,716	1,738	(21)
Securities	749	744	5
Capital adequacy ratio	9.50%	9.21%	0.29%
Core business gross profit expense ratio (Core OHR)	84.00%	80.40%	3.60%
Non-performing loan balance disclosed under Financial Reconstruction Law (* 2 Banks)	30.0	33.6	(3.6)
Non-performing loan ratio (* 2 Banks)	1.69%	1.88%	(0.19%)
Total credit costs	0.5	1.1	(0.6)

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

2. Forecast of Financial Results for the Fiscal Year 2019 on a consolidated basis

- As for financial results of the fiscal year 2019 on a consolidated basis, we estimate ordinary profits ¥4.7 billion and net income ¥3.0 billion mainly due to decrease in net interest income.

3. Dividend

- We have a basic policy to make stable dividend payments on ordinary share through making efforts to maintain the solid management foundation based on our long term perspective.
- We have decided to pay the term end dividend of ¥3 per ordinary share for the fiscal year 2018. Together with ¥3 per ordinary share as the interim dividend paid already, the annual dividend will be ¥6 per ordinary share.
- We are planning to pay ¥6 per ordinary share for the fiscal year 2019 (both of the interim and the term-end dividend will be ¥3 respectively).

Ends