



Financial results for the 1st Half of Fiscal Year 2019

1. Consolidated basis financial results for H1 FY2019

- Due to the increase in gains on sales of bonds, ordinary revenue increased by ¥1.1bn (4.9%) to ¥24.7bn year on year. Ordinary profit increased by ¥0.01bn (0.3%) to ¥3.2bn year on year. Interim net income (Interim profit attributable to owners of parent) decreased by ¥0.2bn (11.0%) to ¥1.9bn year on year.
- Deposit balance (including NCD) decreased by ¥56bn (2.2%) to ¥2,485bn 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 ¥25bn (1.4%) to ¥1,703bn mainly due to the decrease of loan to local governments and personal loan.

« Consolidated »	(JPY Billion)		
	FY2019 H1	FY2018 H1	Increase / Decrease
Ordinary revenue	24.7	23.5	1.1
Net business profit	4.1	2.6	1.4
Core net business profit	2.2	2.9	(0.6)
Ordinary profit	3.2	3.2	0.0
Interim net income (Interim profit attributable to owners of parent)	1.9	2.1	(0.2)
Total asset	2,717	2,770	(53)
Deposits & Negotiable certificates of deposit	2,485	2,541	(56)
Loans and bills discounted	1,703	1,728	(25)
Securities	767	748	18
Capital adequacy ratio (preliminary figures)	9.18%	9.42%	(0.24%)
Core business gross profit expense ratio (Core OHR)	85.84%	83.01%	2.83%
Non-performing loan balance disclosed under Financial Reconstruction Law (* 2 Banks)	27.7	32.0	(4.3)
Non-performing loan ratio (* 2 Banks)	1.57%	1.80%	(0.23%)
Total credit costs	0.4	(0.3)	0.8

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

2. Forecast of Financial Result of the FY2019 on a consolidated base

- Based on financial results for H1 FY2019, we revised upward our consolidated financial results forecasts announced on May 15, 2019 for the fiscal year 2019: ordinary profit from ¥4.7bn to ¥5.3bn and net income from ¥3.0bn to ¥3.3bn.

Ends