

# Outline of Financial Position

- A decrease in gain and loss from stocks and other securities and an increase in credit costs caused net income to decline 1.7% year-on-year

(Unit: million yen)

		FY 3/18	FY 3/19	Change
Gross operating income	(1)	51,753	55,131	3,378
Interest income		48,108	49,388	1,279
Fees and commissions		8,628	9,300	671
Other operating income		(4,983)	(3,556)	1,426
Of which, gain and loss from government bonds and other bonds	(2)	(2,785)	70	2,855
Provision of general allowance for loan losses	(3)	—	(574)	(574)
Expenses	(4)	41,216	40,987	(229)
Net operating income	(1) – (3) – (4)	10,536	14,718	4,181
Core net operating income	(1) – (2) – (4)	13,322	14,073	751
Non-recurring gain and loss		4,995	304	(4,690)
Of which, disposal of bad debts	(5)	166	1,387	1,221
Reversal of allowance for doubtful accounts	(6)	1,526	—	(1,526)
Gain and loss from stocks and other securities		4,318	1,665	(2,652)
Ordinary income		15,531	15,023	(508)
Extraordinary gain and loss		(154)	(177)	(22)
Net income before income taxes		15,377	14,845	(531)
Net income		10,956	10,766	▲190
Credit costs	(3) + (5) – (6)	(1,360)	812	2,173

\* Part of dividend income of insurance reported under “Non-recurring gain and loss” in the previous fiscal year has been reported under “Fees and commissions” and “Expenses” from the current fiscal year, and the figures for the previous fiscal year have been reclassified accordingly.

### Gross operating income

(Million yen)

Comparison with the  
Medium-term  
Management Plan

106.8%

### Net operating income



185.2%

### Ordinary income



164.7%

### Net income



164.9%

- Net operating income increased due mainly to increases in interest income and other operating income.
- Each profit item significantly overachieved the Medium-term Management Plan's targets.

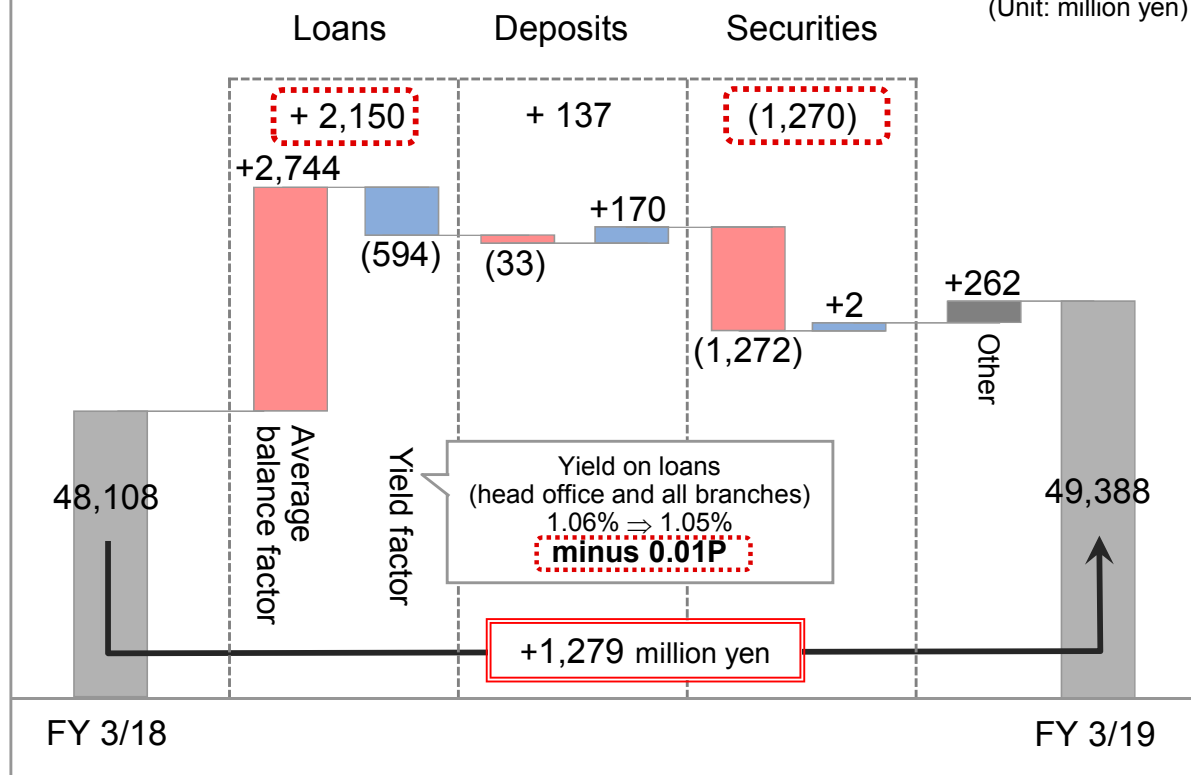
● An increase in interest on loans contributed to an increase in interest income of 2.7% year-on-year

(Unit: million of yen)

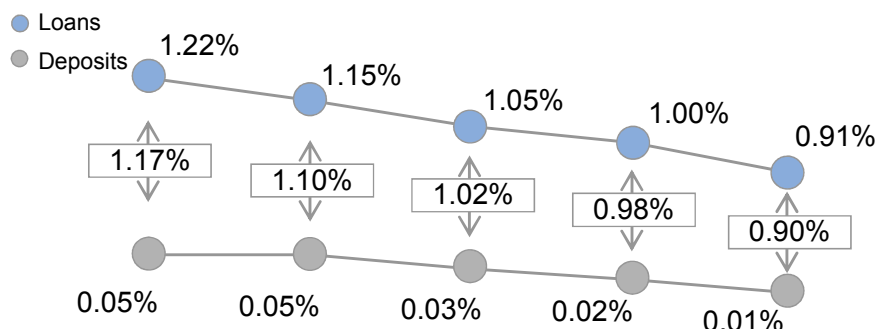
	FY 3/18	FY 3/19	Change
Interest income	48,108	49,388	1,279
Total interest income	53,153	54,044	891
Loan interest	31,938	34,089	2,150
Interest and dividends on securities	20,061	18,791	(1,270)
Other	1,152	1,164	11
Interest expenses	5,045	4,657	(388)
Interest on deposits	1,137	999	(137)
Other	3,908	3,657	(251)

## Factors behind increase/decrease in interest income <Head Office and all branches (both domestic and international operations departments)>

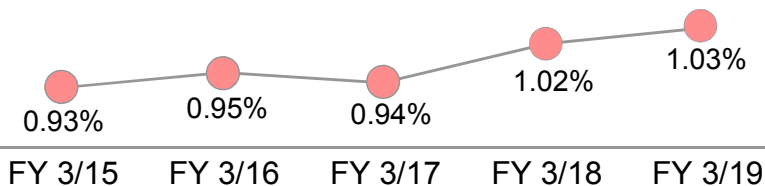
(Unit: million yen)



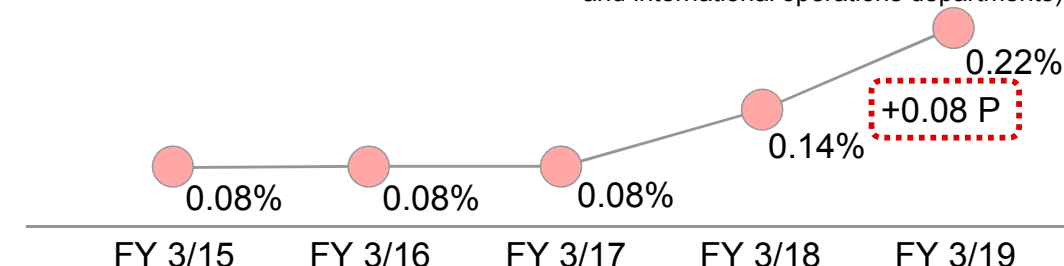
### Deposit-loan yield margin (domestic operations departments)



### Returns on securities investments (domestic operations departments)



### Historical overall profit margin <Head office and all branches (including domestic and international operations departments)>

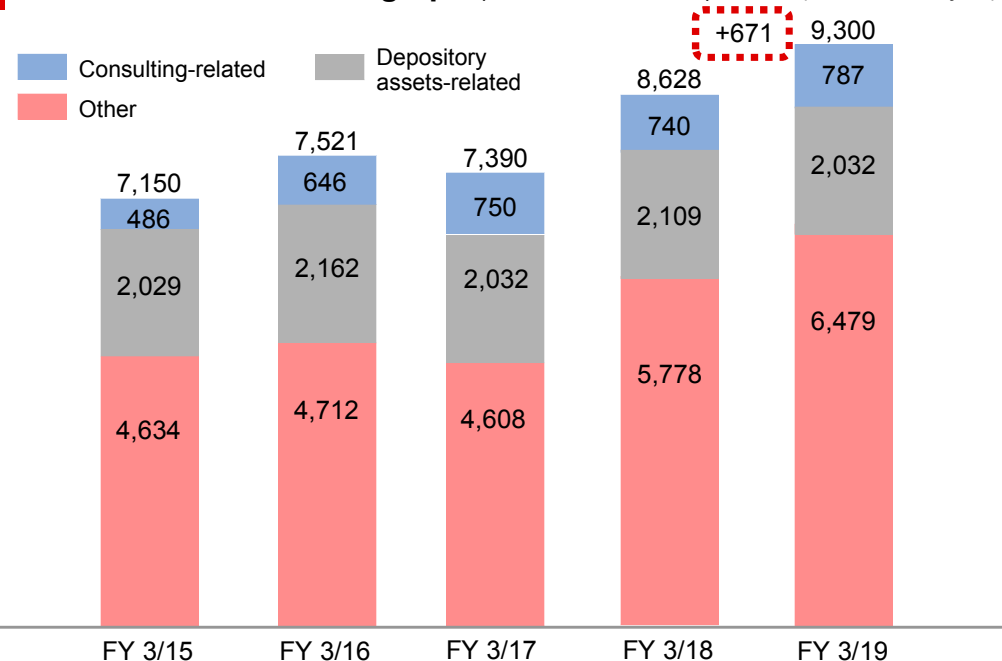


- An increase in housing loan handling fees and insurance sales commissions, etc. contributed to an increase in fees and commissions of 7.8% year-on-year

	(Unit: million yen)		
	FY 3/18	FY 3/19	Change
Fees and commissions	8,628	9,300	671
Fees and commissions	12,714	13,816	1,102
Commissions related to depository assets	2,109	2,032	(76)
Investment trust commissions	1,080	820	(259)
Insurance sales commissions	931	1,143	211
Financial instruments brokerage commissions	96	68	(28)
Consulting-related commissions	740	787	46
Housing loan handling fees	1,593	2,498	904
Fees and commissions expenses (expenses)	4,085	4,516	430
Of which, payment of housing loan guarantee and insurance premium, etc. (expenses)	2,405	2,972	566

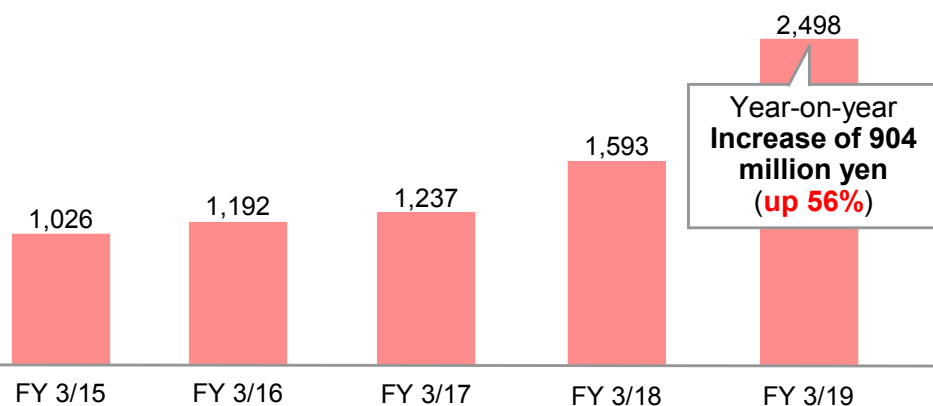
\* Part of dividend income of insurance reported under "Non-recurring gain and loss" in the previous fiscal year has been reported under "Housing loan guarantee and insurance premium, etc." from the current fiscal year, and the figures for the previous fiscal year have been reclassified accordingly.

**Fees and commissions graph (non-consolidated)** (Unit: million yen)



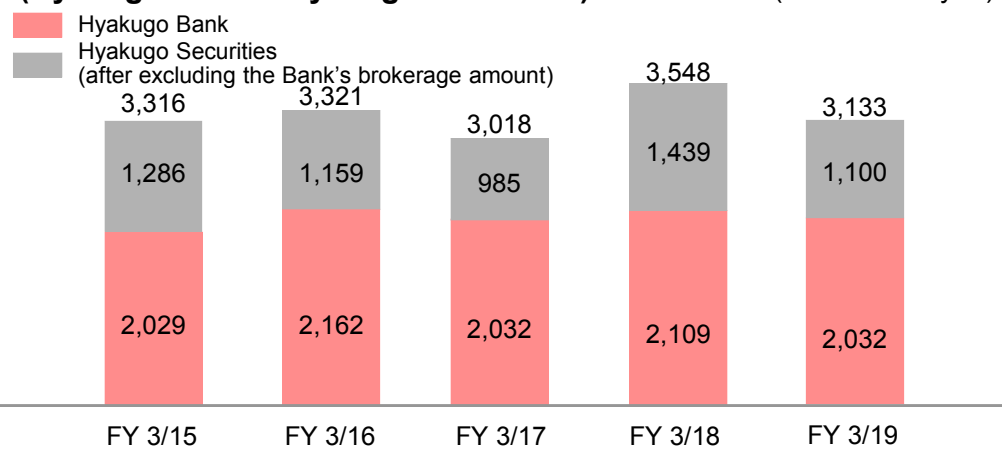
**Housing loan handling fees**

(Unit: million yen)



**Commissions related to depository assets (Hyakugo Bank + Hyakugo Securities)**

(Unit: million yen)



- Expenses decreased 0.6% year-on-year due mainly to a decrease in non-personnel expenses. OHR declined 1.14P year-on-year

(Unit: million yen)

	FY 3/18	FY 3/19	Change
Expenses	41,216	40,987	(229)
Personnel expenses	22,589	22,644	55
Non-personnel expenses	16,465	16,305	(159)
Taxes	2,161	2,037	(124)

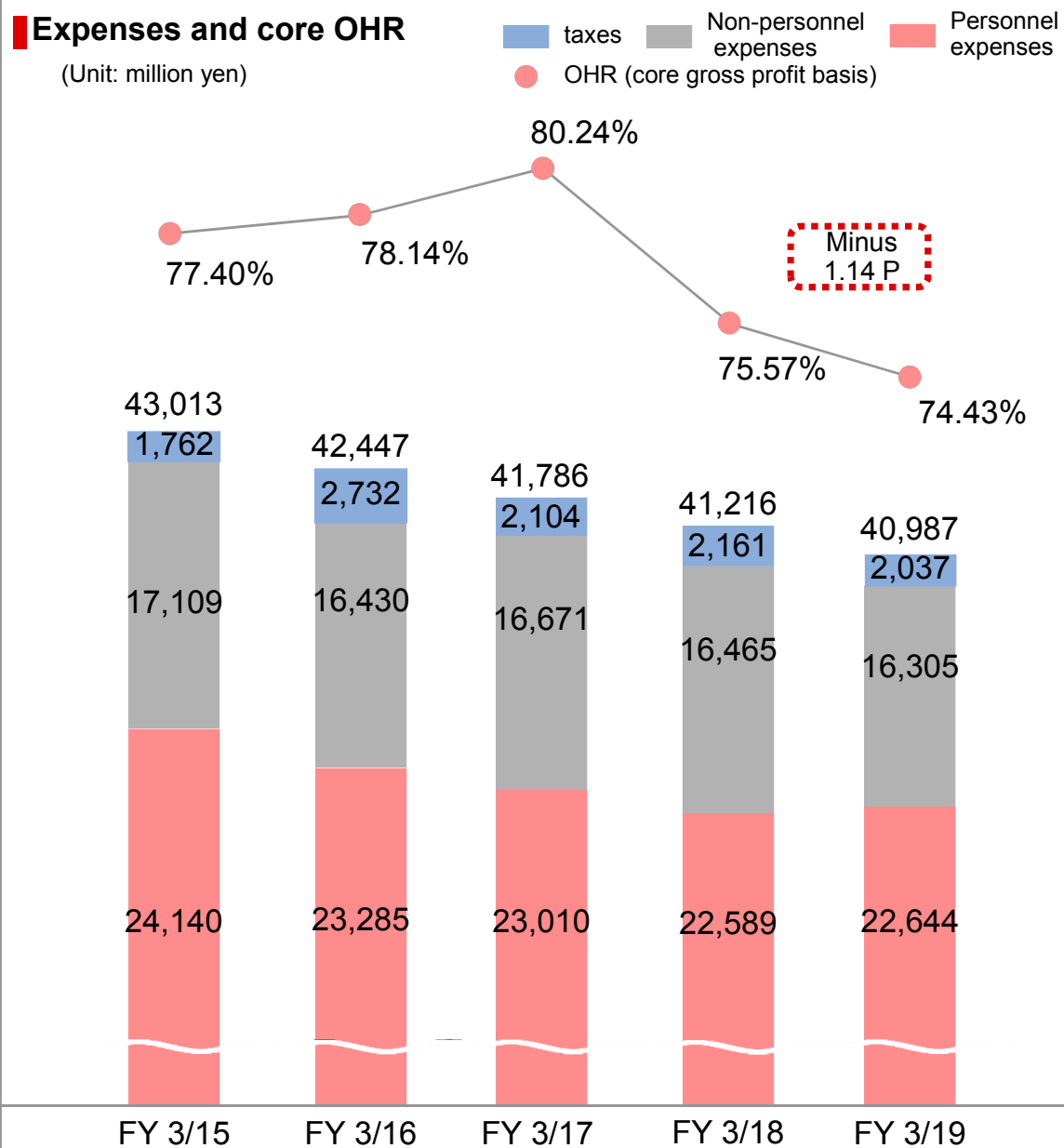
\* Part of dividend income of insurance reported under "Non-recurring gain and loss" in the previous fiscal year has been reported under "Personnel expenses" from the current fiscal year, and the figures for the previous fiscal year have been reclassified accordingly.

## Major factors underlying decrease in expenses

- Non-personnel expenses
  - Supplies expenses (PC and office equipment, etc.) (128) million yen
  - Maintenance and management expenses (126) million yen
  - Deposit and insurance premiums (89) million yen
- Taxes
  - Consumption tax (100) million yen

## Expenses and core OHR

(Unit: million yen)



● An increase in the provision of allowance for specific loan losses caused a year-on-year increase in credit costs

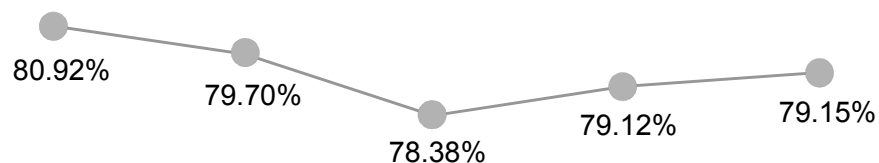
(Unit: million yen)

	FY 3/18	FY 3/19	Change
<b>Credit costs</b>	(1,360)	812	2,173
Of which, provision of general allowance for loan losses	(*) (603)	(574)	29
Of which, provision of specific allowance for loan losses	(*) (923)	943	1,866
Of which, loss on sale of receivables and other securities	—	291	291
<b>Credit cost ratio</b>	(0.04)%	0.02%	0.06P

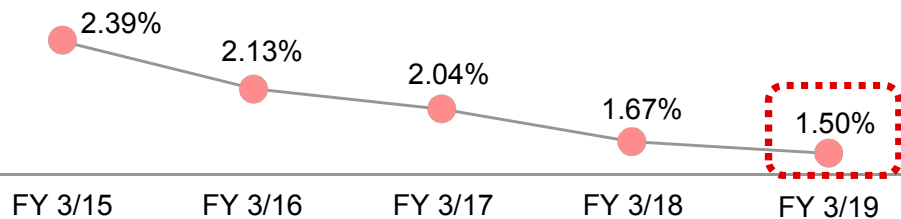
\* Before reversal of allowance for loan losses

	March-end 2018	March-end 2019	Change
<b>Nonperforming loans</b>	52,454	52,250	(204)

## Nonperforming loans coverage ratio

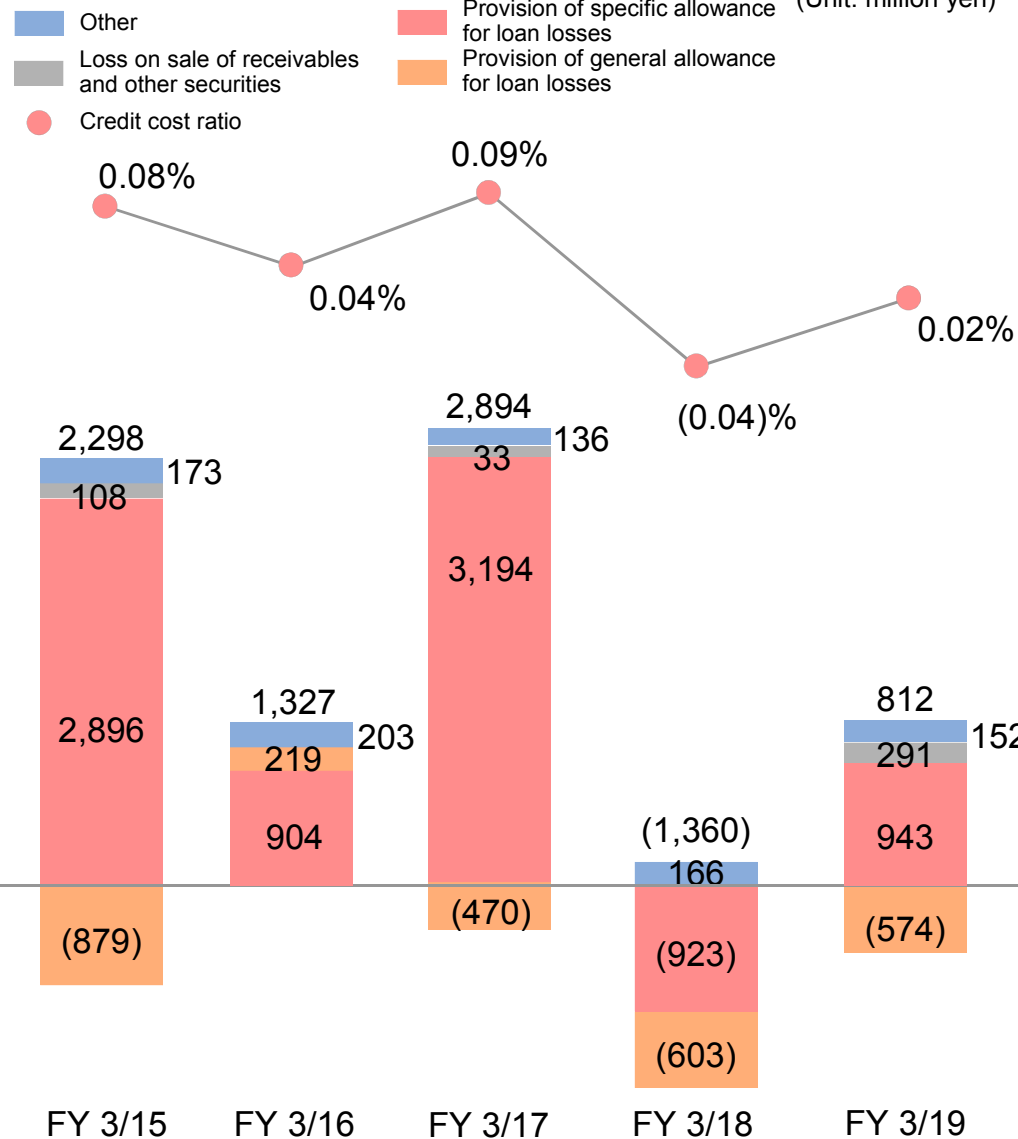


## Nonperforming loans ratio



## Credit costs (non-consolidated)

(Unit: million yen)



- Individual deposits and corporate deposits both remained strong, increasing total deposits 3.7% year-on-year

(Unit: 100 million yen)

	FY 3/18	FY 3/19	Change
Total deposits (average balance)	48,141	49,929	1,787
Mie Prefecture	43,261	44,687	1,425
Aichi Prefecture	4,644	4,973	329
Tokyo and Osaka	235	267	32

(Unit: 100 million yen)

	FY 3/18	FY 3/19	Change
Individual deposits (average balance)	36,056	36,979	922
Mie Prefecture	33,487	34,271	783
Aichi Prefecture	2,548	2,688	139
Tokyo and Osaka	20	20	(0)

(Unit: 100 million yen)

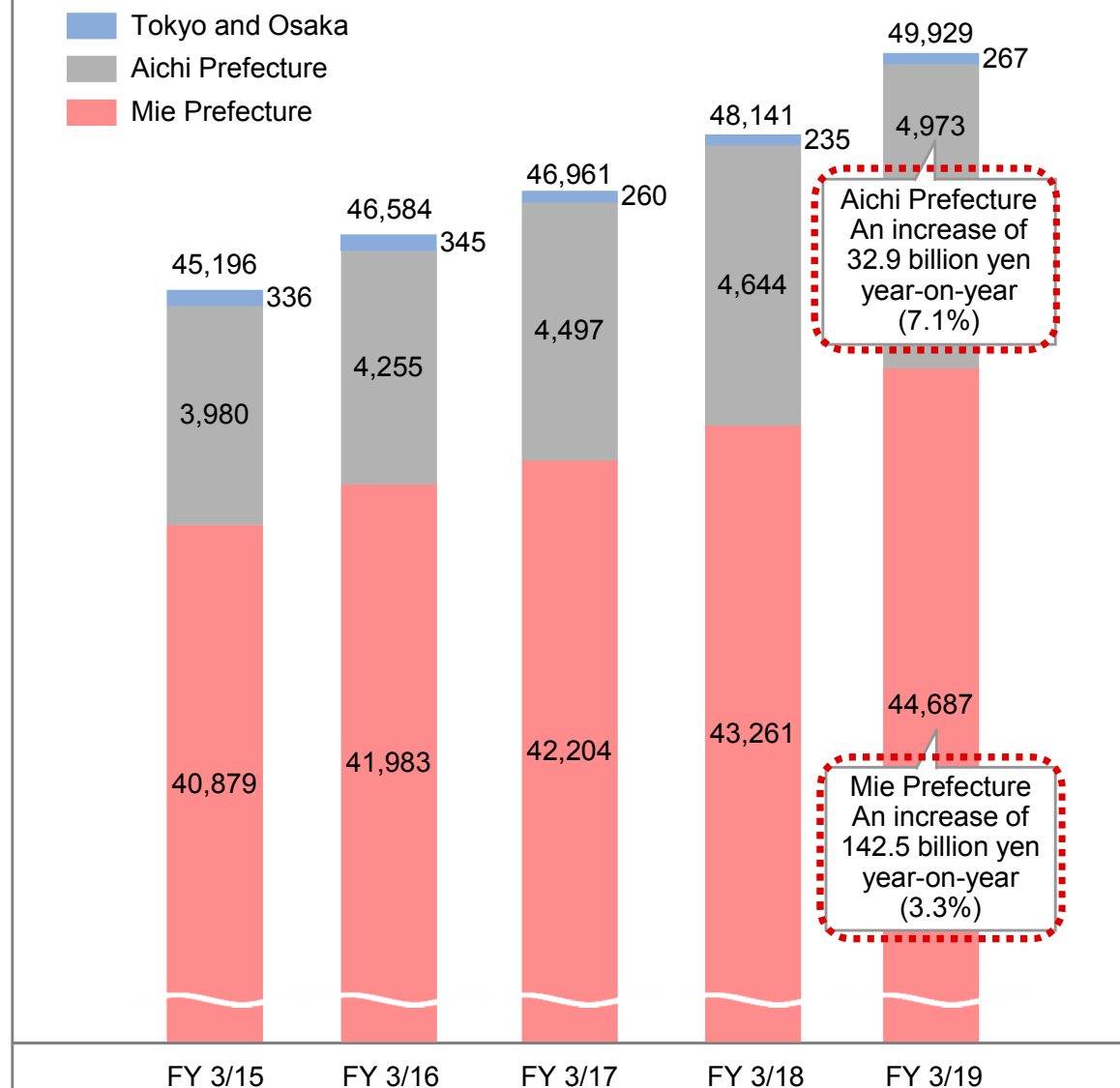
	FY 3/18	FY 3/19	Change
Corporate deposits (average balance)	9,764	10,244	479
Mie Prefecture	7,621	7,974	352
Aichi Prefecture	1,929	2,025	95
Tokyo and Osaka	212	244	31

\* Mie Prefecture includes Shingu and Internet branches.

## Total deposits (average balance)

(Unit: 100 million yen)

- Tokyo and Osaka
- Aichi Prefecture
- Mie Prefecture



- Individual loans such as housing loans and loans to medium-sized companies and SMEs increased, resulting in an 8.8% increase year-on-year in total loans

(Unit: 100 million yen)

	FY 3/18	FY 3/19	Change
Total loans (average balance)	29,848	32,462	2,613
Mie Prefecture	16,043	16,499	456
Aichi Prefecture	7,931	9,272	1,340
Tokyo and Osaka	5,874	6,691	816

(Unit: 100 million yen)

	FY 3/18	FY 3/19	Change
Loans to SMEs (average balance)	11,285	11,994	708
Mie Prefecture	6,771	7,033	261
Aichi Prefecture	2,950	3,124	173
Tokyo and Osaka	1,562	1,835	272

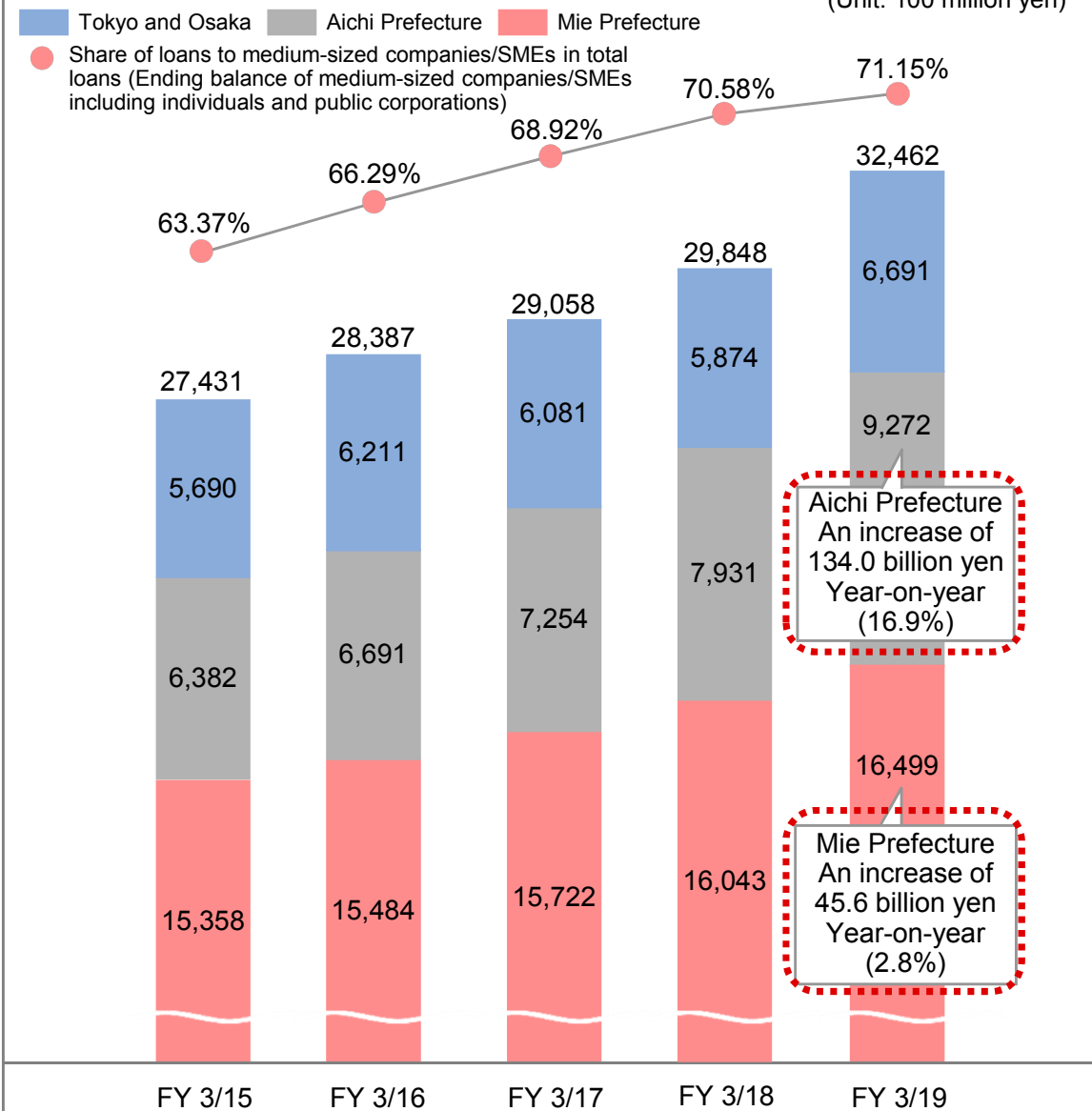
(Unit: 100 million yen)

	FY 3/18	FY 3/19	Change
Housing loans (average balance)	8,908	10,258	1,350
Mie Prefecture	5,390	5,743	353
Aichi Prefecture	3,518	4,514	996

\* Mie Prefecture includes Shingu and Internet branches

## Total loans (average balance)

(Unit: 100 million yen)



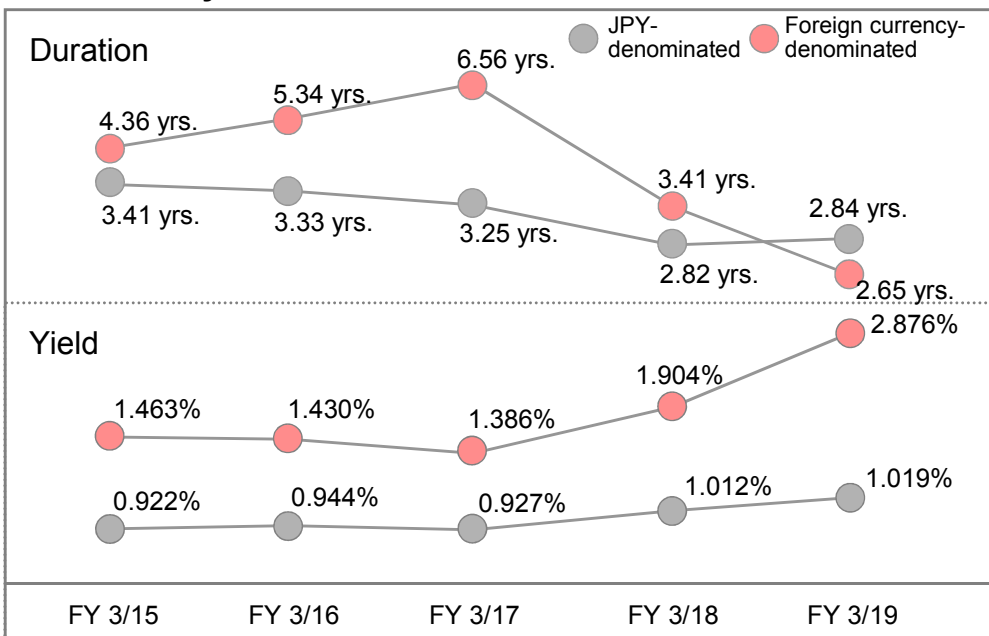


● Decrease in share prices caused valuation gains (losses) on securities to decline 7.6% from the end of the previous fiscal year

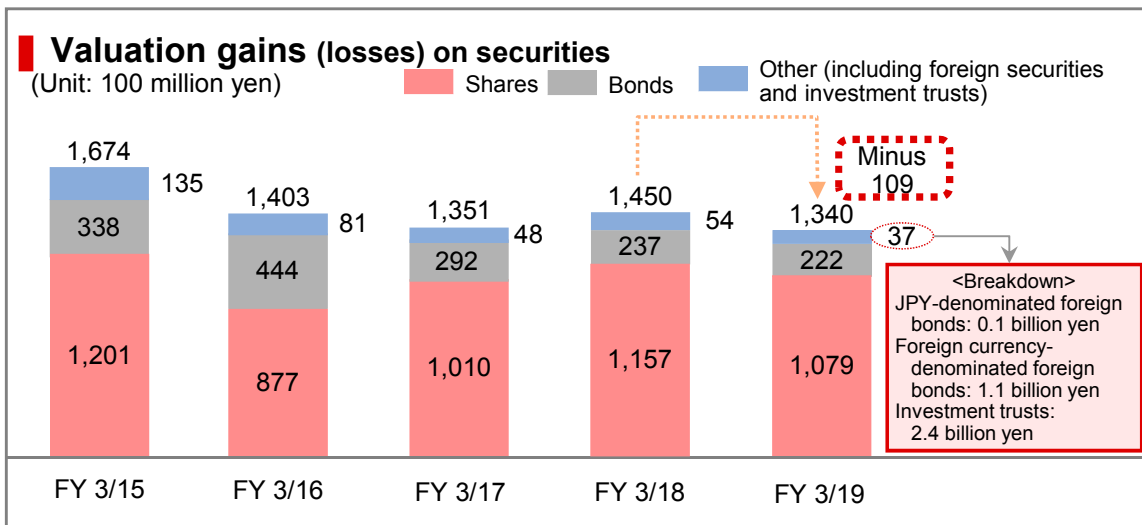
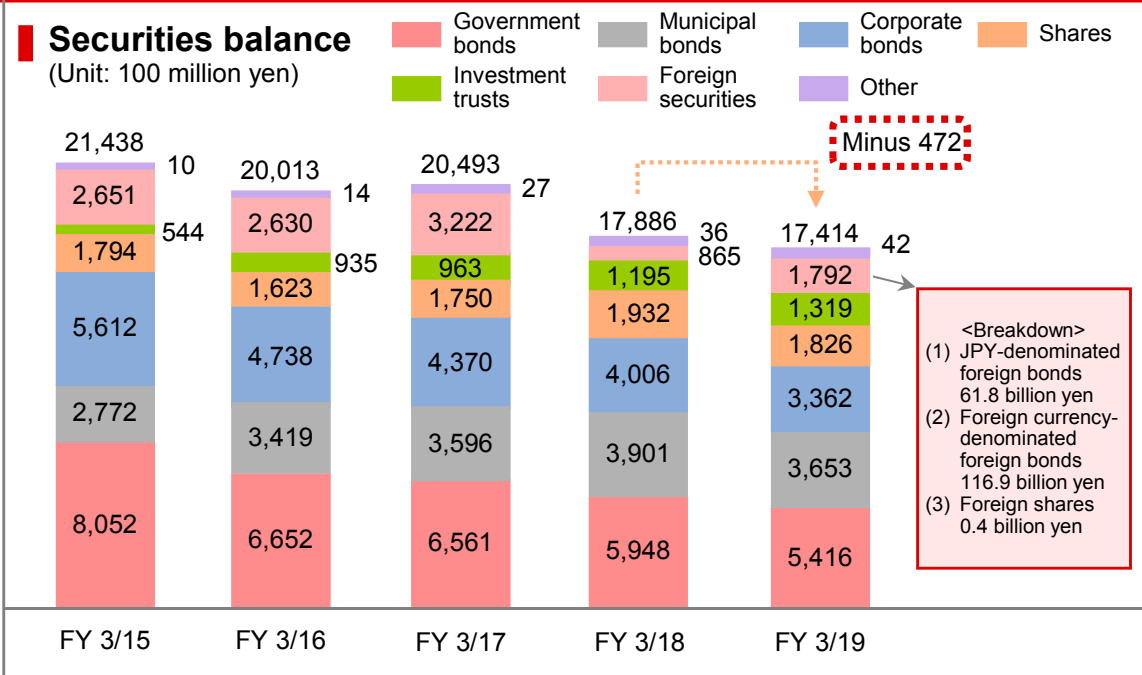
(Unit: 100 million yen)	FY 3/18	FY 3/19	Change
Securities balance	17,886	17,414	(472)
Government bonds	5,948	5,416	(531)
Municipal bonds	3,901	3,653	(248)
Corporate bonds	4,006	3,362	(643)
Shares	1,932	1,826	(106)
Investment trusts	1,195	1,319	124
Foreign securities	865	1,792	926
Other	36	42	6

JPY-denominated average balance*	16,113	16,098	(15)
Foreign currency-denominated average balance*	1,967	826	(1,140)

## Duration, yield\*



\* Including trust beneficiary rights



- An increase in risk assets, resulting from an increase in loans, etc., caused the equity ratio to decline 0.53 percentage points year-on-year

(Unit: 100 million yen)

Computation method of credit risk asset value	Standard approach	Fundamental internal rating-based approach	
		March-end 2018	March-end 2019
As of	March-end 2017	March-end 2018	March-end 2019
Equity capital (For equity ratio calculation purposes)	2,329	2,244	2,285
Risk Assets	24,451	21,839	23,458
Equity ratio	9.52%	10.27%	9.74%
Shareholders' equity*	2,354	2,443	2,530

Method of computing value-at-credit-risk : Standard approach (until 3/2017)  
FIRB (from 9/2017)  
Method of computing value-at-operational risk : The Standardized Approach (TSA)

## Benefits of introducing FIRB

**Sophisticated management of risk and equity capital**

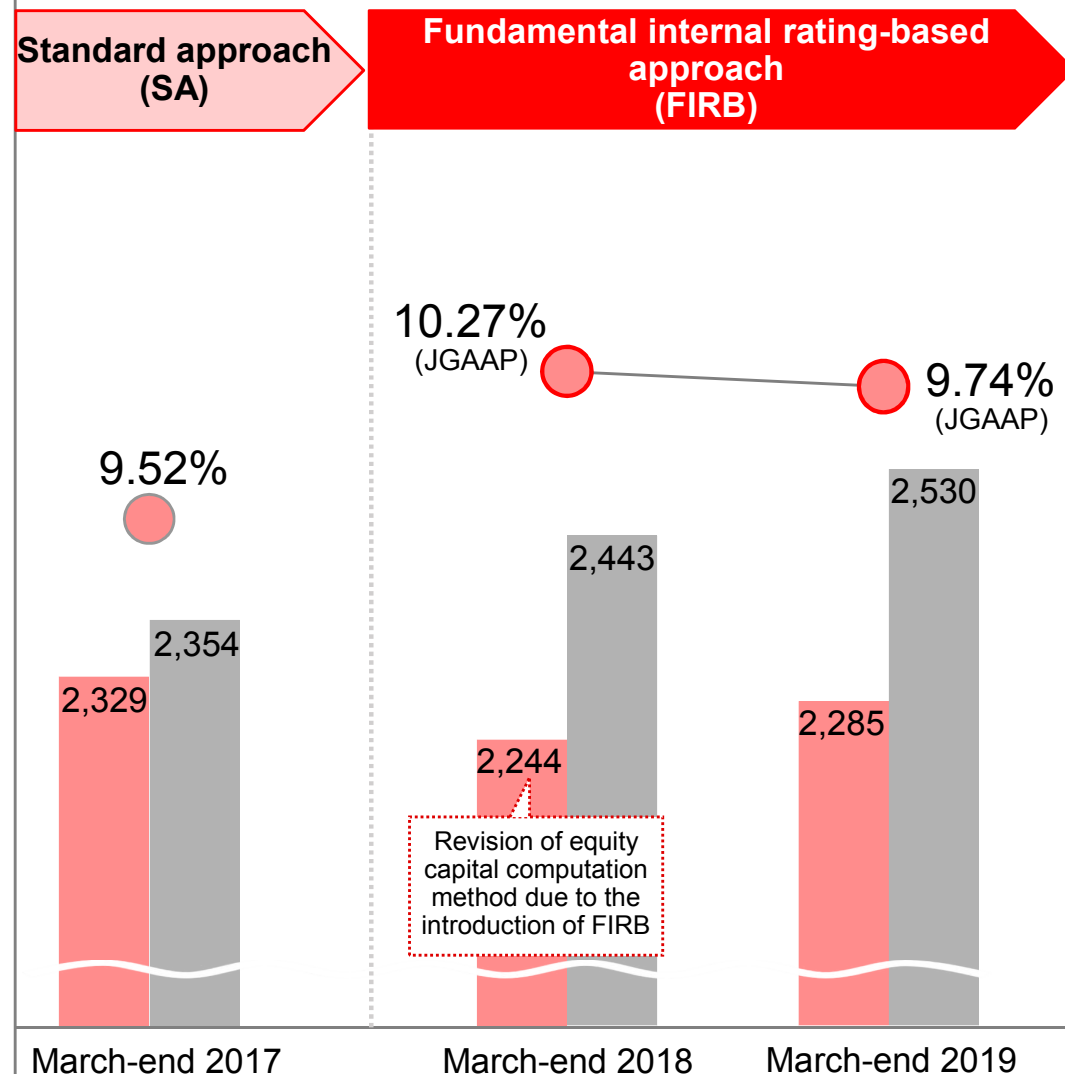
**Achieves financial health**

**Enhances financial intermediary capability**

## Equity capital, shareholders' equity, and equity ratio

(Unit: 100 million yen)

Equity capital    Shareholders' equity\*    Equity ratio



\* Shareholders' equity is not affected by a change in the computation method of credit risk asset value. 16

- Net income is forecast to decrease due mainly to an increase in costs. Dividends will be maintained at the previous year's level and include the 140th commemorative dividend.

### Forecast (non-consolidated)

(Unit: million yen)

	FY 3/19	FY 3/20 (forecast)
Gross operating income	55,131	52,700
Interest income	49,388	50,000
Fees and commissions	9,300	9,100
Other operating income	(3,556)	(6,400)
Net operating income	14,718	10,600
Ordinary income	15,023	11,000
Net income	10,766	9,600
Consolidated net income attributable to shareholders of the parent (consolidated)	10,843	10,000

### Dividend forecast

Interim	Year-end	Full year
4.50 yen	4.50 yen	9.00 yen