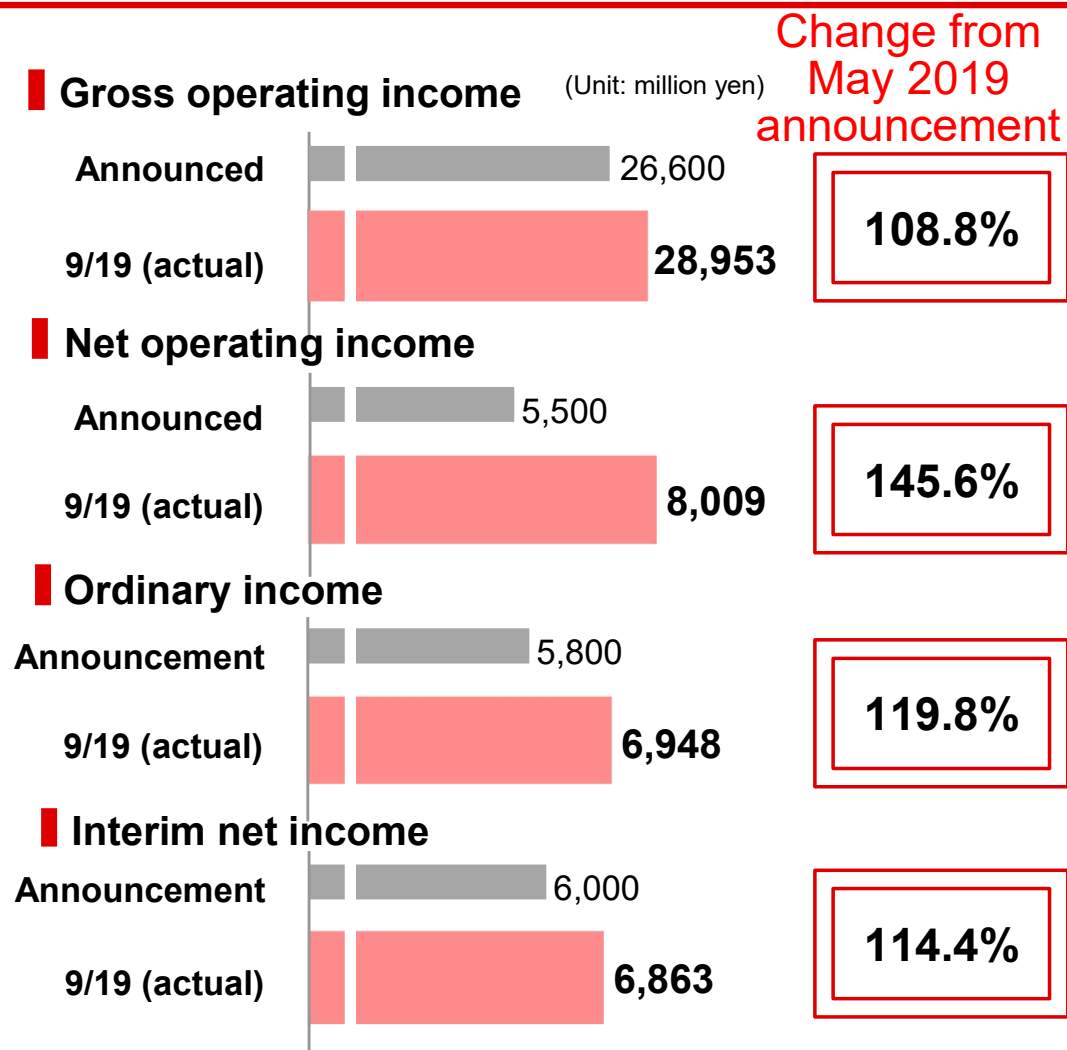


# Outline of Financial Position

- Interim profit increased 5.2% year-on-year due partly to recording profits after accounting for effects of revising retirement benefit system on extraordinary income

(Unit: million yen)	FY 9/18	FY 9/19	Change
<b>Gross operating profit</b> ①	27,869	28,953	1,084
Interest income	24,812	24,931	119
Fees and Commissions	4,628	4,902	273
Other operating income	(1,572)	(880)	691
Of which, gain and loss from government bonds and other bonds ②	(231)	1,474	1,705
Provision of general allowance for loan losses ③	—	35	35
Expenses ④	20,549	20,909	360
<b>Net operating income</b> ①-③-④	7,319	8,009	689
<b>Core net operating income</b> ①-②-④	7,550	6,569	(980)
Core net operating income (less investment trust cancellation gain and loss)	6,751	6,163	(588)
<b>Non-recurring gain and loss</b>	1,439	(1,060)	(2,500)
Of which, disposal of bad debts ⑤	54	521	466
Reversal of allowance for doubtful accounts ⑥	105	—	(105)
Gain and loss from stocks and other securities	1,461	(752)	(2,214)
<b>Ordinary income</b>	8,758	6,948	(1,810)
<b>Extraordinary gain and loss</b>	(38)	2,311	2,349
<b>Interim net income before income taxes</b>	8,720	9,259	538
<b>Interim net income</b>	6,522	6,863	341
<b>Credit-related expenses</b> ③+⑤-⑥	(51)	556	607



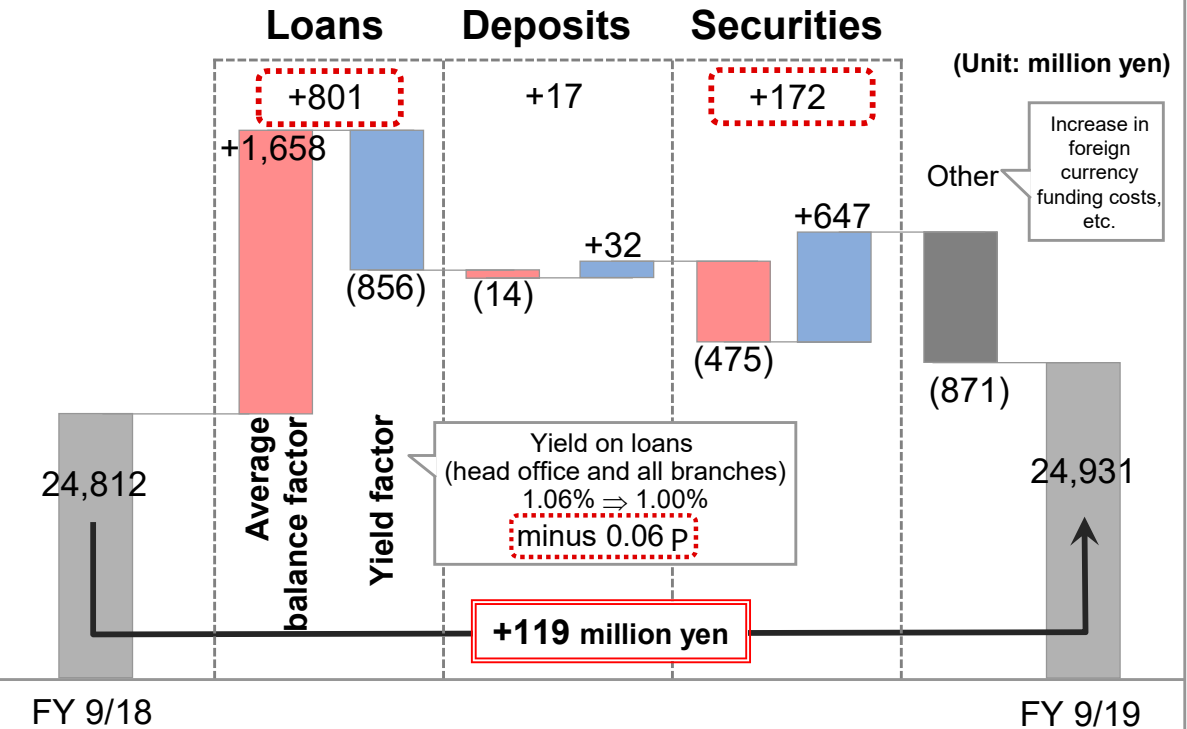
- Net operating profit increased due mainly to other operating income.
- Ordinary income decreased, but interim net income increased due to a gain from the revision of retirement benefit systems.
- Each profit item exceeded the interim forecast announced in May and remained robust.

- An increase in interest on loans contributed to an increase in interest income of 0.5% year-on-year

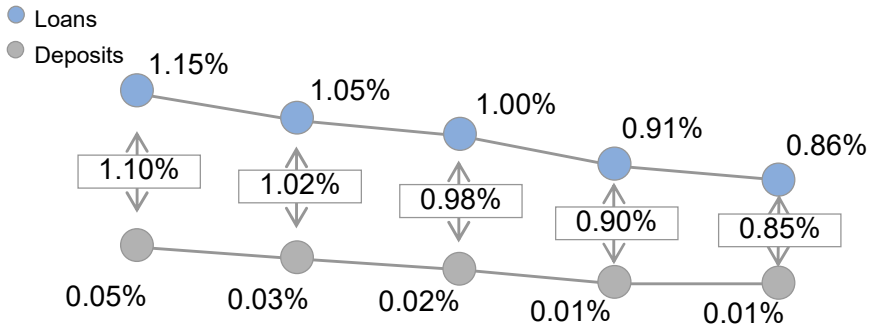
(Unit: million yen)	FY 9/18	FY 9/19	Change
<b>Interest income</b>	<b>24,812</b>	<b>24,931</b>	<b>119</b>
Total interest income	27,061	27,676	614
Loan interest	16,692	17,493	801
Interest and dividends on securities	9,672	9,844	172
Other	696	337	(358)
Interest expenses	2,249	2,745	495
Interest on deposits	513	496	(17)
Other	1,735	2,248	513

## Factors behind increase/decrease in interest income

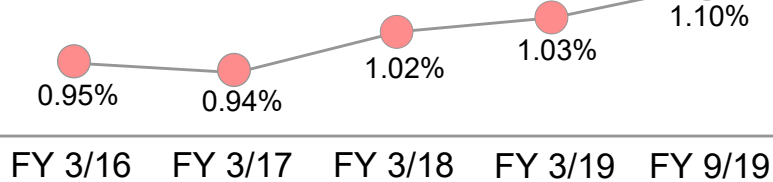
<Head Office and all branches (both domestic and international operations departments)>



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

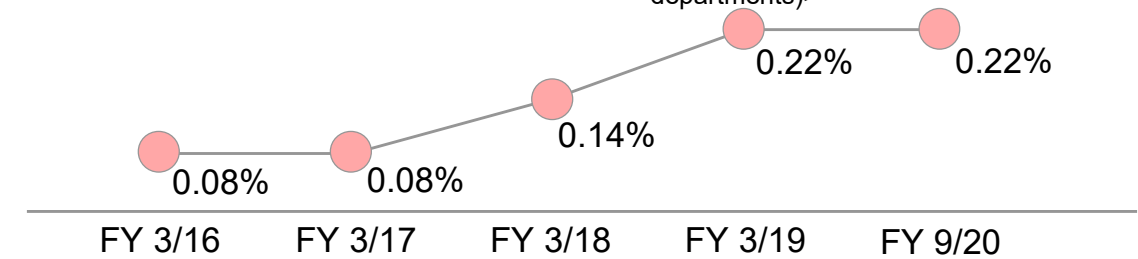


## Returns on securities investments (domestic operations departments)



## Historical overall profit margins

<Head office and all branches (including domestic and international operations departments)>



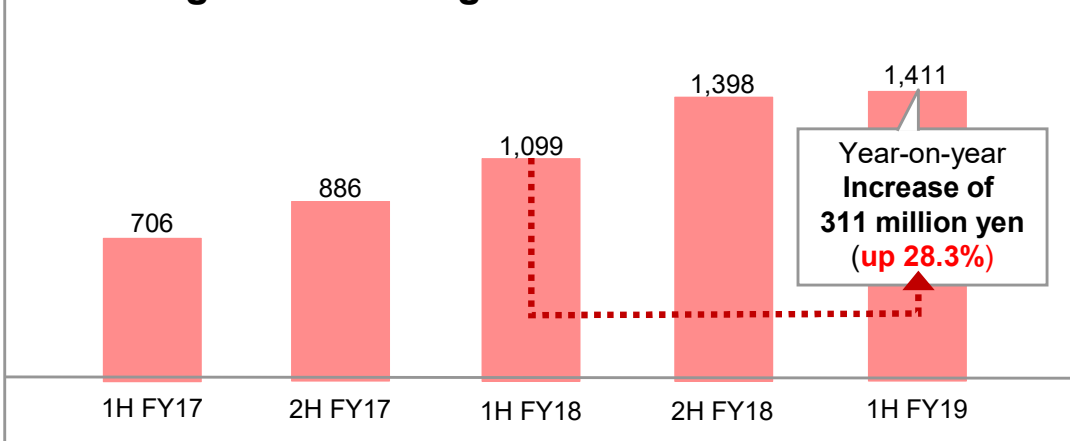
- An increase in housing loan handling fees, etc. contributed to an increase in fees and commissions of 5.9% year-on-year

(Unit: million yen)

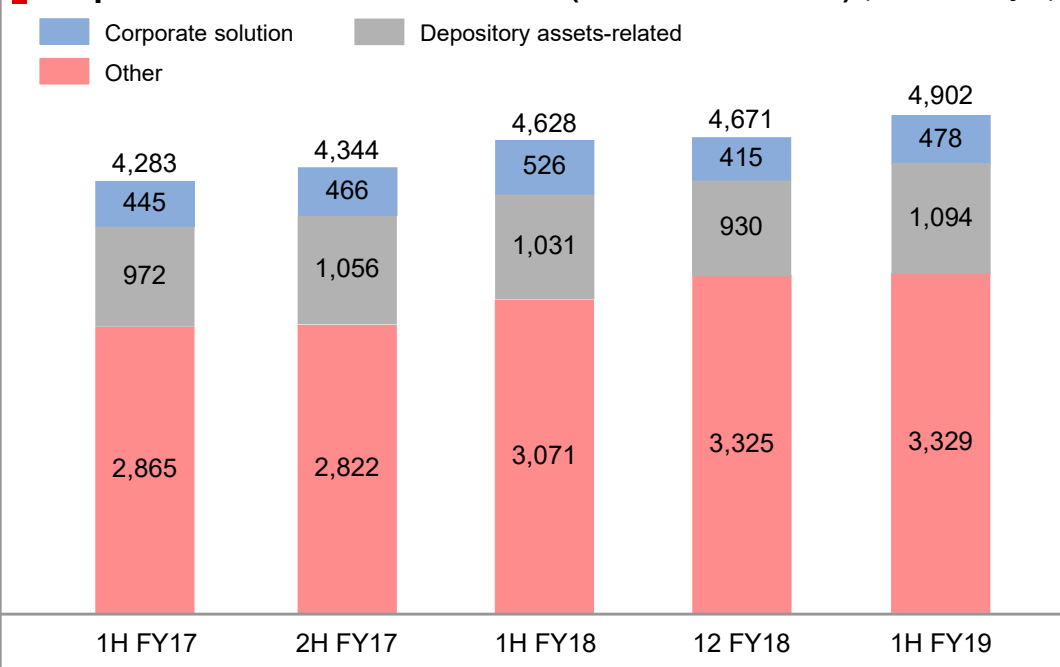
	FY 9/18	FY 9/19	Change
<b>Fees and commissions</b>	<b>4,628</b>	<b>4,902</b>	<b>273</b>
<b>Fees and commissions</b>	<b>6,772</b>	<b>7,244</b>	<b>471</b>
<b>Commissions related to depository assets</b>	<b>1,031</b>	<b>1,094</b>	<b>63</b>
Investment trust commissions	453	405	(48)
Insurance sales commissions (*)	504	573	69
Financial instruments brokerage commissions	32	65	32
Defined contribution pension commissions	41	50	9
Corporate solution commissions (*)	526	478	(47)
<b>Housing loan handling fees</b>	<b>1,099</b>	<b>1,411</b>	<b>311</b>
<b>Fees and commissions expenses (expenses)</b>	<b>2,143</b>	<b>2,341</b>	<b>197</b>
Of which, payments of housing loan guarantee and insurance premium, etc. (expenses)	1,381	1,546	164

\* Enterprise insurance commissions are included in Corporate solution commissions instead of Insurance sales commissions.

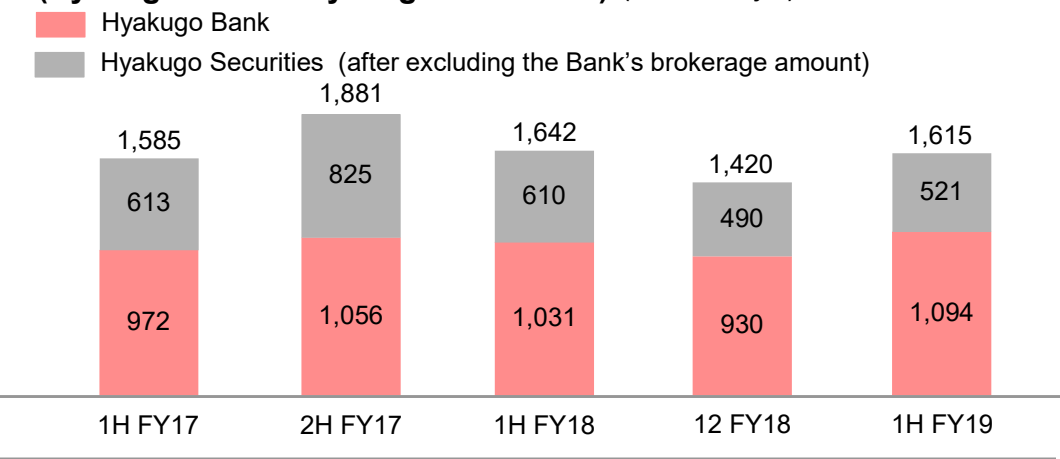
## Housing loan handling fees (Unit: million yen)



## Graph of fees and commissions (non-consolidated) (Unit: million yen)



## Commissions related to depository assets (Hyakugo Bank + Hyakugo Securities) (Unit: million yen)



- Expenses increased 1.8% year-on-year due mainly to an increase in non-personnel expenses.

(Unit: million yen)

	FY 9/18	FY 9/19	Change
<b>Expenses</b>	<b>20,549</b>	<b>20,909</b>	<b>360</b>
Personal expenses	11,360	11,191	(169)
Non-personnel expenses	8,038	8,641	602
Taxes	1,150	1,076	(73)

## Major factors underlying increase in expenses

- Non-personnel expenses**

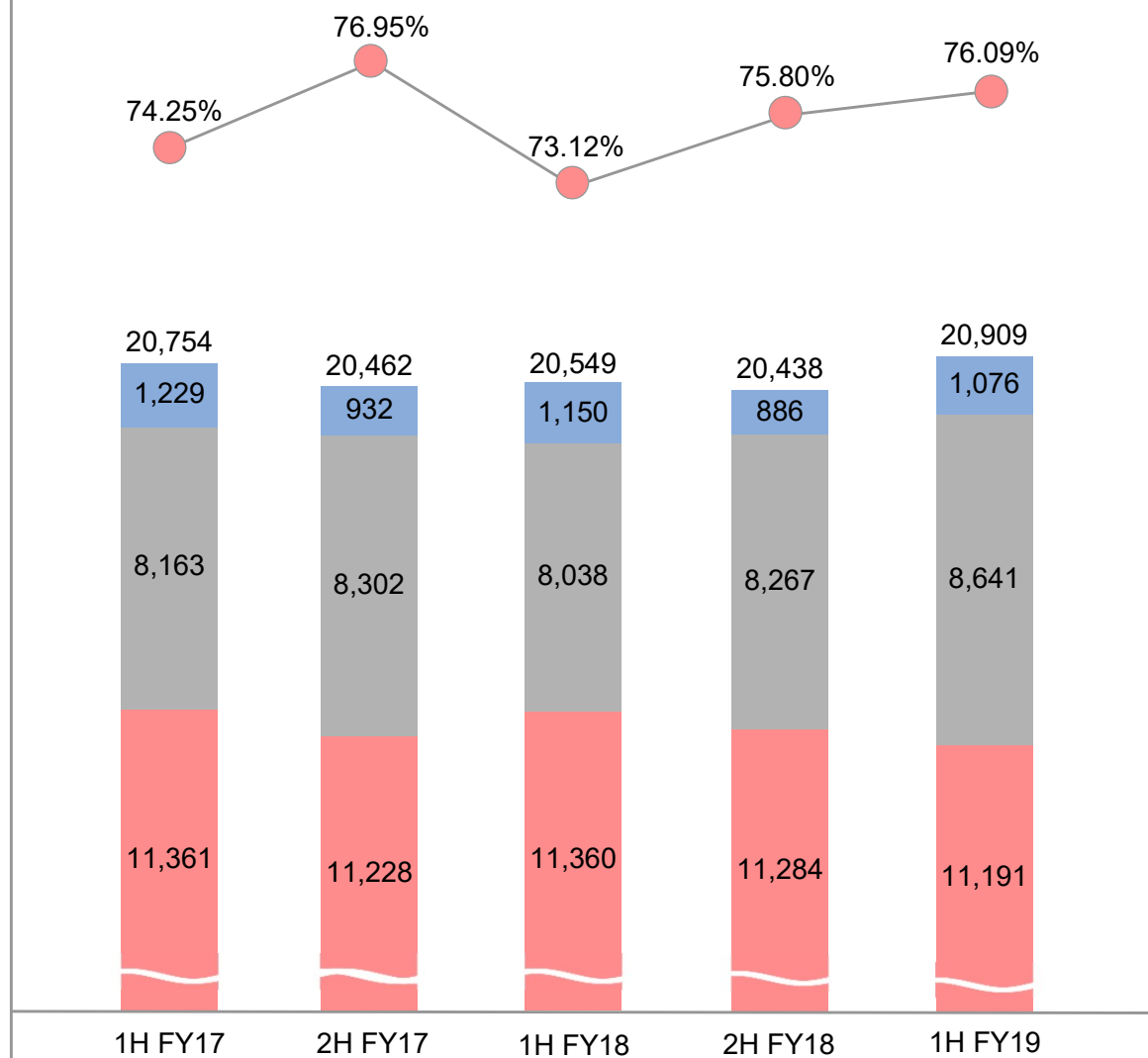
**Supplies expenses**  
(PC and office equipment, etc.) **172 million yen**

**Depreciation expenses**  
(Branch systems, etc.) **107 million yen**

## Expenses and core OHR

(Unit: million yen)

■ Taxes ■ Non-personnel expenses ■ Personnel expenses  
● OHR (core gross profit basis)



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

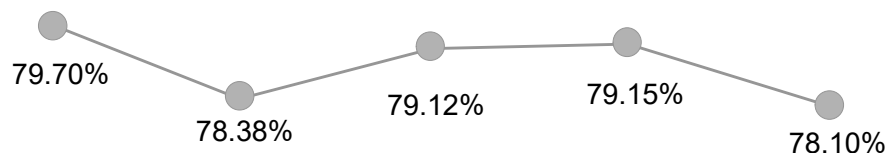
(Unit: million yen)

	FY 9/18	FY 9/19	Change
Credit costs	(51)	556	607
Of which, provision of general allowance for loan losses	(*) (714)	35	749
Of which, provision of specific allowance for loan losses	(*) 608	520	(88)
Of which, loss on sale of receivables and other securities	—	—	—
<b>Credit cost ratio</b>	<b>(0.00%)</b>	<b>0.03%</b>	<b>0.03 P</b>

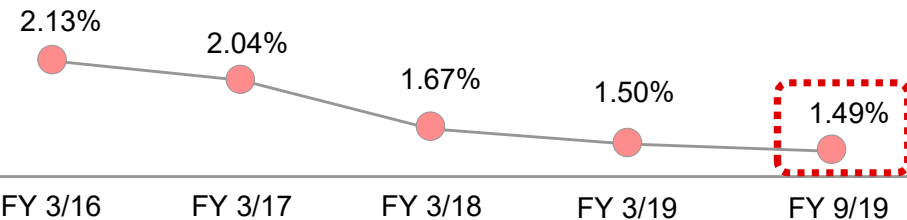
\* Before reversal of allowance for loan losses

	FY 3/19	FY 9/19	Change
<b>Nonperforming loans</b>	<b>52,250</b>	<b>53,343</b>	<b>1,092</b>

## Nonperforming loans coverage ratio

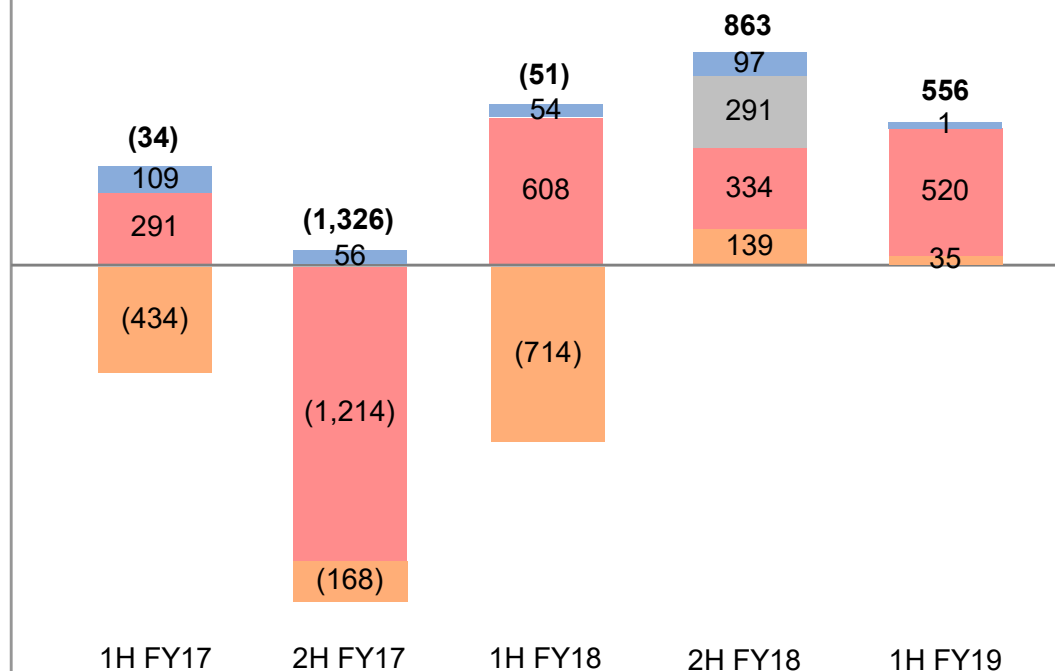
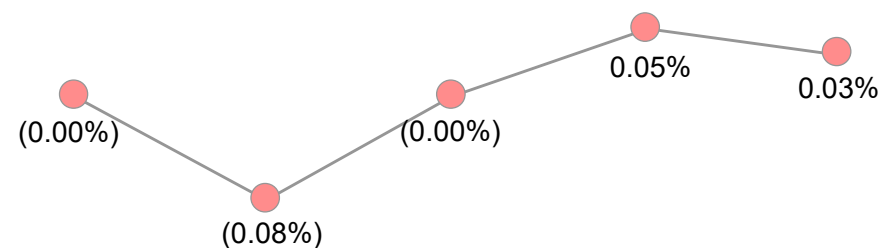


## Nonperforming loans ratio



## Credit costs (non-consolidated)

(Unit: million yen)



- Individual deposits and corporate deposits both remained strong, increasing total deposits 2.4% year-on-year

(Unit: 100 million yen)

	FY 3/19	FY 9/19	Change
<b>Total deposits (average balance)</b>	<b>49,929</b>	<b>51,139</b>	<b>1,210</b>
Mie Prefecture	44,687	45,844	1,156
Aichi Prefecture	4,973	4,999	25
Tokyo and Osaka	267	295	27

(Unit: 100 million yen)

	FY 3/19	FY 9/19	Change
<b>Individual deposits (average balance)</b>	<b>36,979</b>	<b>37,636</b>	<b>↑ 656</b>
Mie Prefecture	34,271	34,808	537
Aichi Prefecture	2,688	2,806	117
Tokyo and Osaka	20	21	1

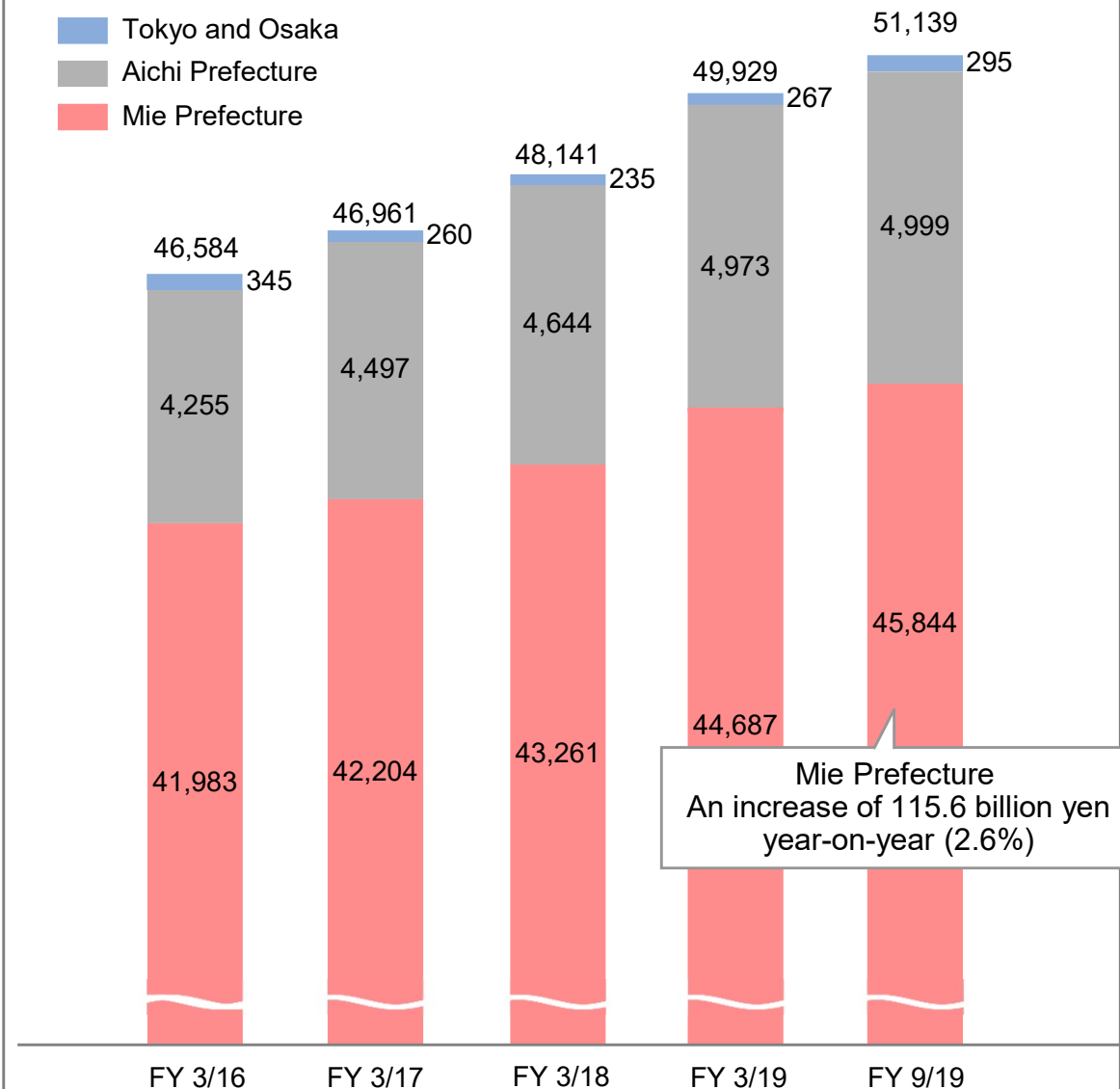
(Unit: 100 million yen)

	FY 3/19	FY 9/19	Change
<b>Corporate deposits (average balance)</b>	<b>10,244</b>	<b>10,555</b>	<b>↑ 311</b>
Mie Prefecture	7,974	8,231	256
Aichi Prefecture	2,025	2,053	28
Tokyo and Osaka	244	271	26

\* Mie Prefecture includes Shingu and Internet branches.

Total deposits (average balance)

(Unit: 100 million yen)



- Individual loans such as housing loans increased, resulting in an 6.9% increase year-on-year in total loans

(Unit: 100 million yen)

	FY 3/19	FY 9/19	Change
Total loans (average balance)	<b>32,462</b>	<b>34,688</b>	<b>2,225</b>
Mie Prefecture	<b>16,499</b>	<b>16,901</b>	<b>401</b>
Aichi Prefecture	<b>9,272</b>	<b>10,563</b>	<b>1,291</b>
Tokyo and Osaka	<b>6,691</b>	<b>7,223</b>	<b>532</b>

(Unit: 100 million yen)

	FY 3/19	FY 9/19	Change
Loans to SMEs (average balance)	<b>11,994</b>	<b>12,389</b>	<b>394</b>
Mie Prefecture	<b>7,033</b>	<b>7,106</b>	<b>73</b>
Aichi Prefecture	<b>3,124</b>	<b>3,297</b>	<b>172</b>
Tokyo and Osaka	<b>1,835</b>	<b>1,985</b>	<b>149</b>

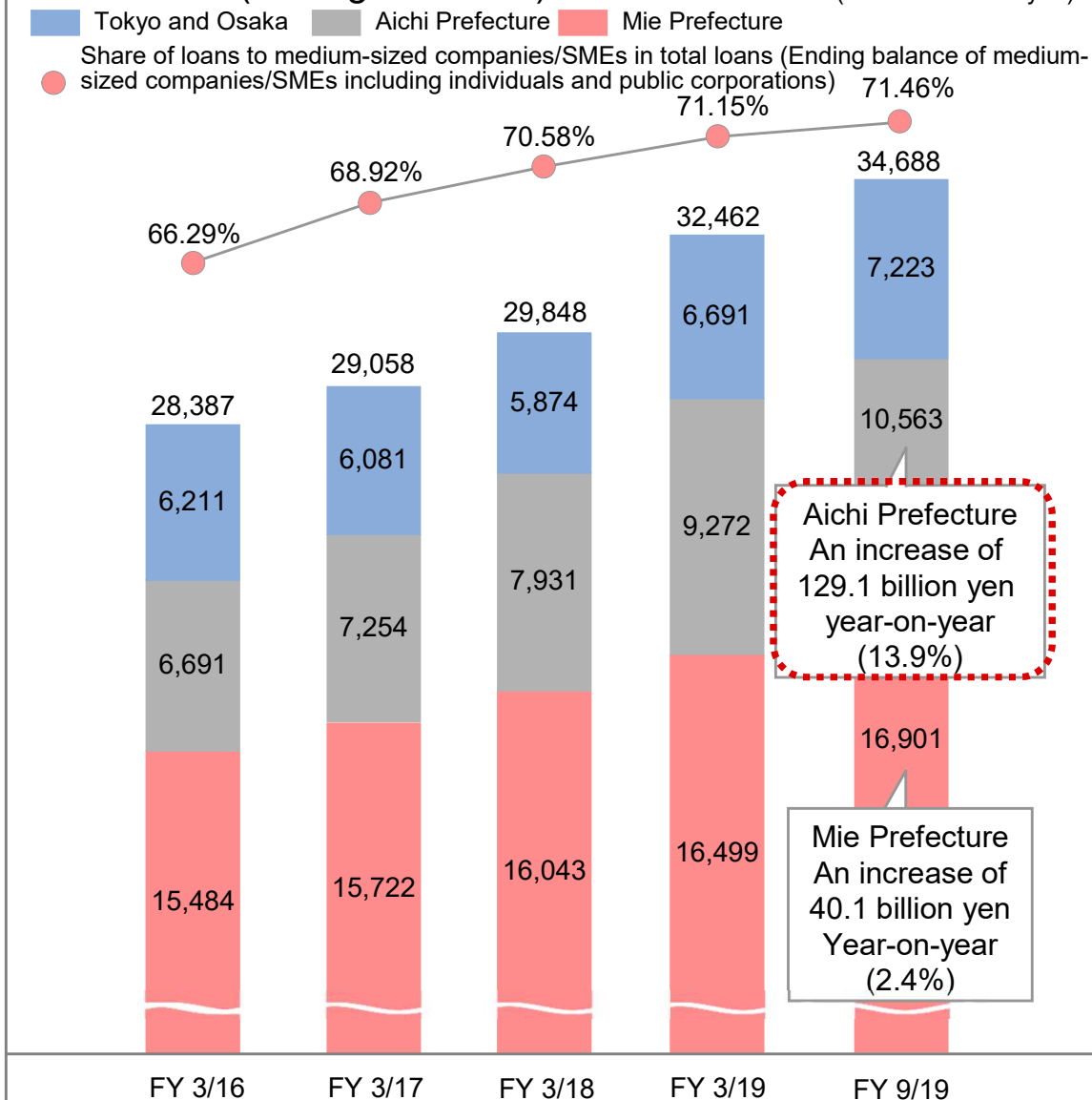
(Unit: 100 million yen)

	FY 3/19	FY 9/19	Change
Housing loans (average balance)	<b>10,258</b>	<b>11,684</b>	<b>1,425</b>
Mie Prefecture	<b>5,743</b>	<b>6,120</b>	<b>376</b>
Aichi Prefecture	<b>4,514</b>	<b>5,564</b>	<b>1,049</b>

\* Mie Prefecture includes Shingu and Internet branches

## Total loans (average balance)

(Unit: 100 million yen)



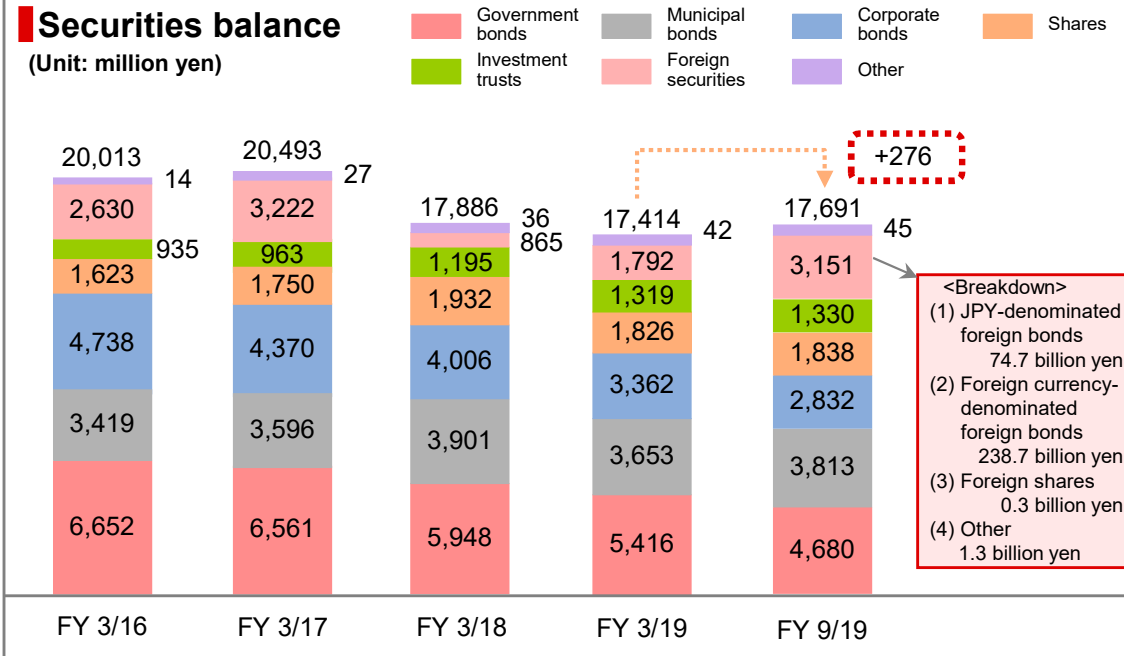


- Valuation gains (losses) mainly on shares and investment trusts increased 5.9% from the end of the previous fiscal year

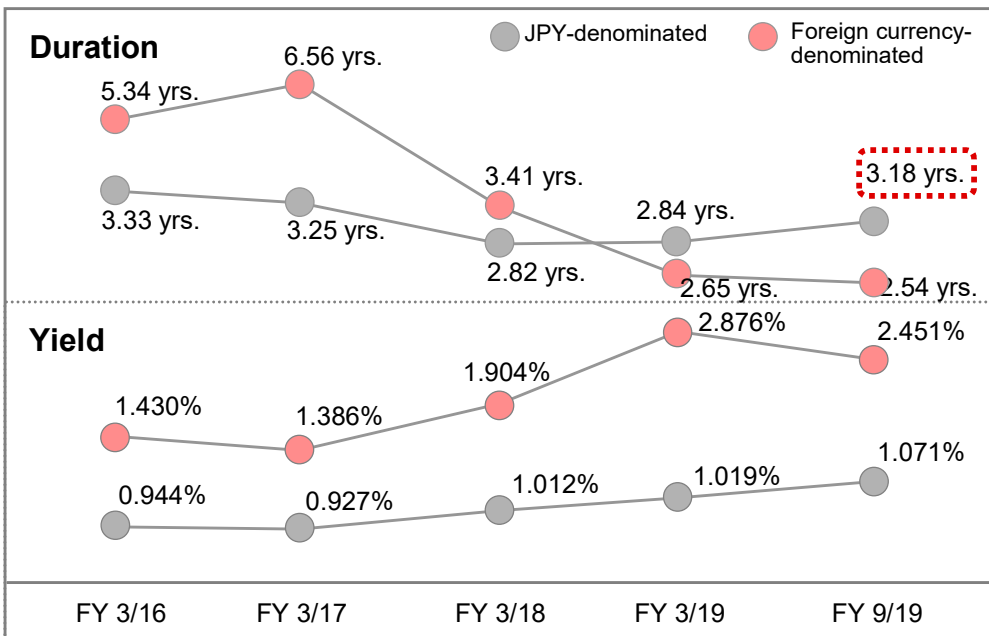
(Unit: 100 million yen)	FY 3/19	FY 9/19	Change
Securities balance	17,414	17,691	276
Government bonds	5,416	4,680	(736)
Municipal bonds	3,653	3,813	159
Corporate bonds	3,362	2,832	(530)
Shares	1,826	1,838	12
Investment trusts	1,319	1,330	10
Foreign securities	1,792	3,151	1,358
Other	42	45	2
JPY-denominated average balance*	16,098	14,343	(1,754)
Foreign currency-denominated average balance*	826	1,766	939

## Securities balance

(Unit: million yen)

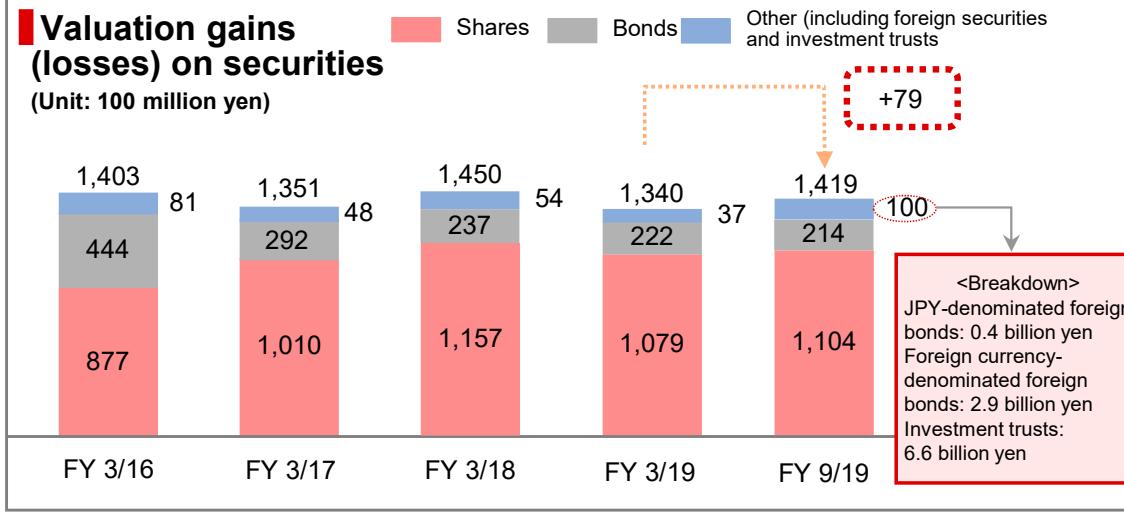


## Duration, yield (\*)



## Valuation gains (losses) on securities

(Unit: 100 million yen)



\* Including trust beneficiary rights

- An increase in equity capital, resulting from recording profits, etc., contributed to a rise in the equity ratio of 0.14 percentage points year-on-year

(Unit: 100 million yen)

Method of computing credit risk asset value	Fundamental internal rating-based approach			
	As of	FY 3/18	FY 3/19	FY 9/19
Equity capital (for equity ratio calculation purpose)		2,244	2,285	2,322
Risk assets		21,839	23,458	23,497
Equity ratio		10.27%	9.74%	9.88%

Shareholders' equity	FY 3/18	FY 3/19	FY 9/19
	2,443	2,530	2,587

Method of computing value-at-credit-risk : Standard approach  
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

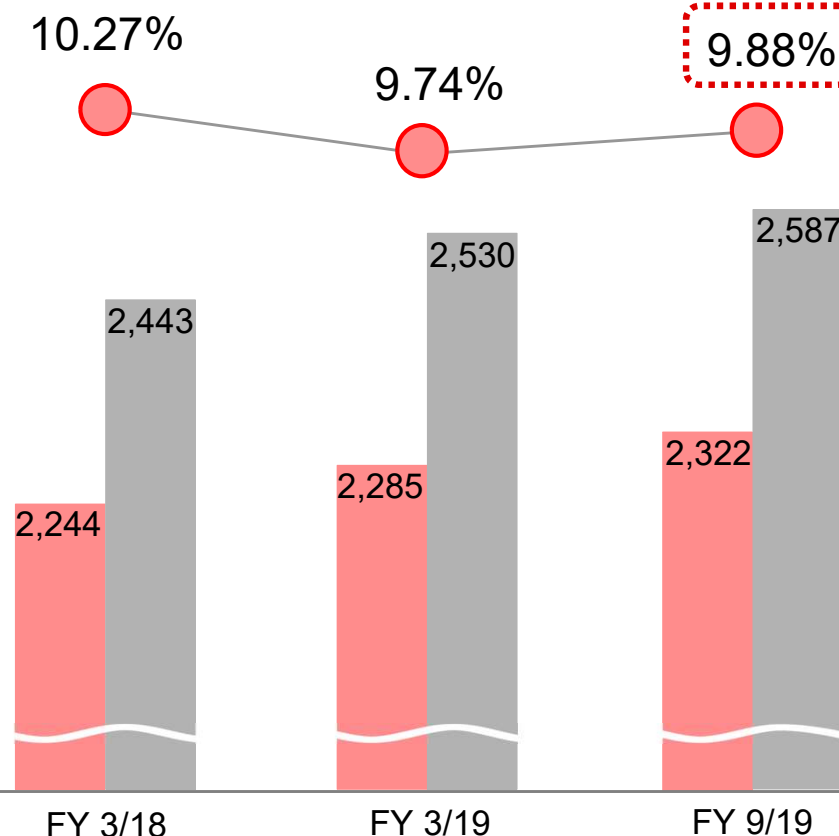
Enhances financial intermediary capabilities

## Equity capital, shareholders' equity, and equity ratio (Unit: 100 million yen)

Equity capital Shareholders' equity\* Equity ratio

### Fundamental internal rating-based approach (FIRB)

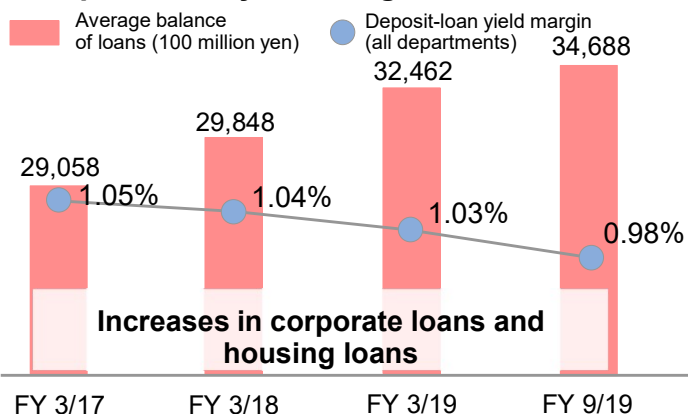
(JGAAP)



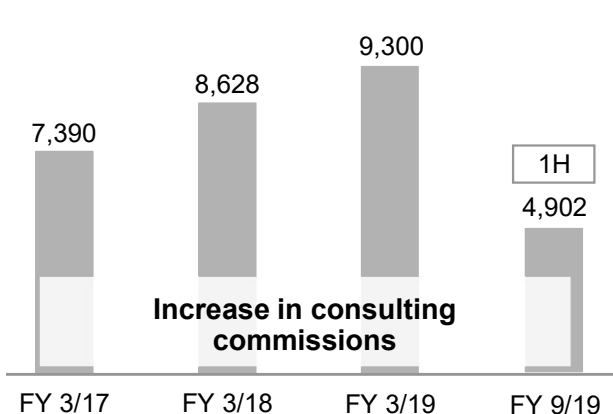
- Moved operating income from services to customers into the black in 2018, forecasting further growth

## Turnaround of operating income from services to customers

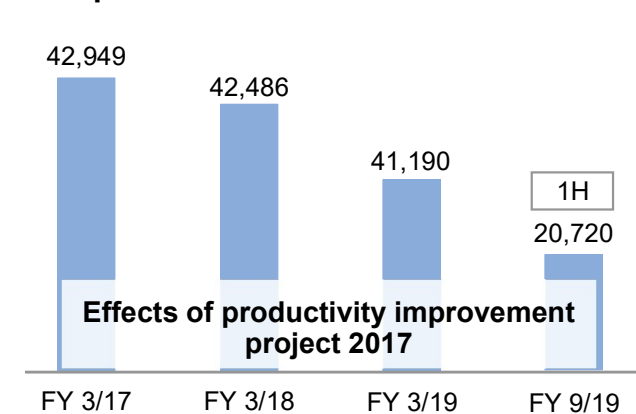
### Change in average balance of loans and deposit-loan yield margin



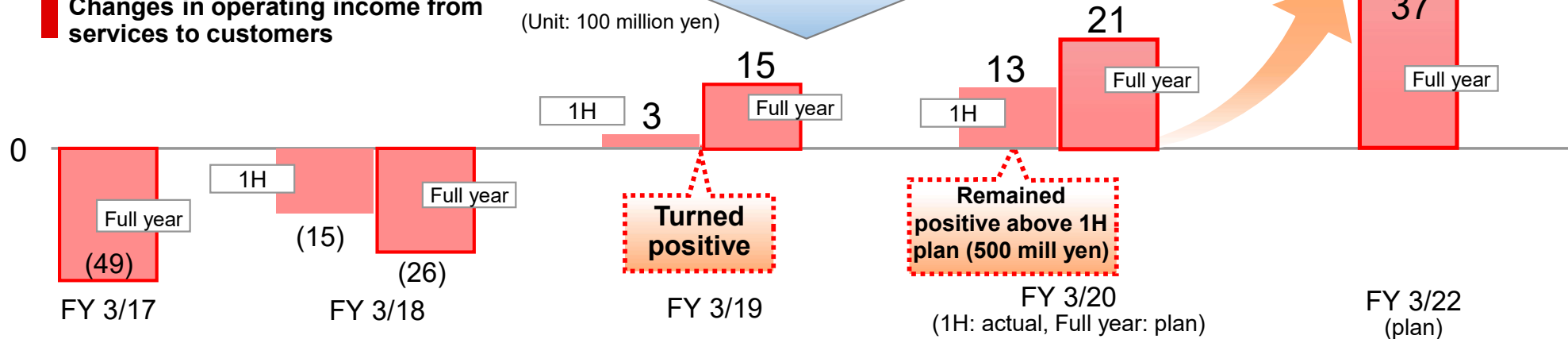
### Change in fees and commissions



### Change in operating expenses



### Changes in operating income from services to customers



### Operating income from services to customers

Average balance of loans x (interest rate on loans - interest on deposits, etc.) + fees and commissions - operating expenses (including retirement benefit expenses in extraordinary gain and loss)

- FY 3/2019 full year forecast has been revised upward based on the above results. Dividends will be maintained at the previous year's level and include the 140th commemorative dividend.

### Forecast (non-consolidated)

(Unit: million yen)

\* Announced on November 8, 2019

	FY 3/20 (initially announced)	FY 3/20 (after upward revision)
Gross operating income	52,700	55,300
Interest income	50,000	48,600
Fees and commissions	9,100	9,400
Other operating income	(6,400)	(2,700)
Net operating income	10,600	13,400
Ordinary income	11,000	12,700
Net income	9,600	10,900
Consolidated net income attributable to shareholders of the parent (consolidated)	10,000	11,000

### Dividend forecast

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