

## Consolidated Financial Review

### Performance

The Group consists of five consolidated subsidiaries, two non-consolidated subsidiaries accounted for using the equity method and one affiliate accounted for using the equity method. Consolidated results for the fiscal year under review are as follows.

The balance of total assets as of the consolidated fiscal year-end under review came to ¥7,986.5 billion, an increase of ¥355.0 billion compared to the previous fiscal year mainly due to the increase in cash and due from banks as well as the increase in loans and bills discounted. The balance of total liabilities as of the fiscal year-end came to ¥7,460.4 billion, an increase of ¥336.6 billion compared to the previous fiscal year mainly due to the increase in deposits. Furthermore, the balance of total net assets as of the fiscal year-end came to ¥526.1 billion, an increase of ¥18.4 billion compared to the previous fiscal year mainly due to the increase in retained earnings.

As for the major accounts, loans and bills discounted stood at ¥5,181.2 billion overall, an increase of ¥170.8 billion compared to the previous fiscal year due to the steady increase in retail loans covering for the decrease in large enterprise loans. Securities stood at ¥2,089.7 billion, a decrease of ¥43.4 billion compared to the previous fiscal year. Deposits stood at ¥6,489.2 billion, an increase of ¥204.4 billion compared to the previous fiscal year, maintaining the stable increasing trend.

Total income amounted to ¥144,130 million, up ¥7,910 million from the previous consolidated fiscal year mainly due to the increase in gain on sales of shares and other securities.

Total expenses amounted to ¥107,609 million, up ¥15,014 million from the previous consolidated fiscal year mainly due to the increase in provision of allowance for loan losses.

As a result, profit before income taxes came to ¥36,521 million, a decrease of ¥7,104 million from the previous consolidated fiscal year. Profit attributable to owners of parent came to ¥26,304 million, a decrease of ¥2,311 million from the previous consolidated fiscal year.

Consolidated total capital ratio based on Basel III reached as high as 12.58%, consolidated Tier 1 ratio reached as high as 11.94% and consolidated Common Equity Tier 1 ratio reached as high as 11.93%.

### Consolidated Capital Adequacy Ratio (BIS Standards)

	As at March 31, 2016	As at March 31, 2017
1. Consolidated total capital ratio (4/7)	12.62%	12.58%
2. Consolidated Tier 1 ratio (5/7)	11.81%	11.94%
3. Consolidated Common Equity Tier 1 ratio (6/7)	11.81%	11.93%
4. Total capital (consolidated)	467.0	498.7
5. Tier 1 capital (consolidated)	436.7	473.5
6. Common Equity Tier 1 capital (consolidated)	436.7	472.7
7. Risk weighted assets	3,698.3	3,962.8

Billions of yen