

INTERIM CONSOLIDATED BALANCE SHEETS

The Iyo Bank, Ltd. and Its consolidated subsidiaries
As of September 30, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
ASSETS			
Cash and due from banks	¥ 931,174	¥ 667,886	\$ 8,628,372
Call loans and bills purchased	—	5,678	—
Monetary claims purchased	8,351	11,454	77,381
Trading account securities	754	448	6,986
Money held in trust	6,109	6,667	56,606
Securities	1,684,986	1,713,923	15,613,287
Loans and bills discounted	4,594,920	4,409,112	42,577,094
Reserve for loan losses	(28,639)	(24,210)	(265,372)
Foreign exchange	11,709	8,474	108,497
Lease receivables and investment assets	33,353	31,325	309,053
Other assets	88,014	88,060	815,548
Tangible fixed assets	73,515	72,414	681,199
Intangible fixed assets	7,777	6,726	72,062
Net defined benefit asset	18,640	24,330	172,720
Customers' liabilities for acceptances and guarantees	32,726	31,768	303,243
Deferred tax assets	191	185	1,769
Total assets	<u>¥ 7,463,586</u>	<u>¥ 7,054,246</u>	<u>\$ 69,158,506</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Deposits	¥ 5,793,076	¥ 5,519,876	\$ 53,679,355
Call money and bills sold	60,251	170,000	558,293
Payables under repurchase agreements	36,921	52,114	342,114
Payables under securities lending transactions	351,979	99,544	3,261,480
Borrowed money	395,655	378,050	3,666,187
Foreign exchanges	172	90	1,593
Borrowed money from trust account	31	34	287
Other liabilities	35,799	38,044	331,717
Accrued employees' bonuses	1,666	1,656	15,437
Net defined benefit liability	12,315	12,483	114,112
Reserve for losses on repayments of dormant bank accounts	2,831	2,517	26,232
Reserve for contingent losses	559	495	5,179
Reserve for share-based payments	133	28	1,232
Reserve under the special laws	1	1	9
Acceptances and guarantees	32,726	31,768	303,243
Deferred tax liabilities	60,300	67,597	558,747
Deferred taxes on revaluation excess	9,765	9,780	90,483
Total liabilities	<u>¥ 6,794,187</u>	<u>¥ 6,384,085</u>	<u>\$ 62,955,772</u>
Net Assets			
Common stock			
Authorized—600,000,000 shares			
Issued—323,775,366 shares as of September 30, 2019	¥ 20,948	¥ 20,948	\$ 194,106
Capital surplus	11,612	11,604	107,598
Retained earnings	427,153	413,734	3,958,052
Less treasury stock	(5,131)	(5,188)	(47,544)
Total stockholders' equity	<u>454,583</u>	<u>441,098</u>	<u>4,212,222</u>
Net unrealized holding gains(losses) on securities	171,771	180,565	1,591,651
Net deferred gains (losses) on derivatives under hedge accounting	(1,448)	(1,340)	(13,417)
Land revaluation excess	19,579	19,534	181,421
Remeasurements of defined benefit plans	436	6,425	4,040
Accumulated other comprehensive income	190,339	205,185	1,763,704
Stock acquisition rights	343	397	3,178
Noncontrolling interests	24,132	23,479	223,610
Total net assets	<u>669,399</u>	<u>670,160</u>	<u>6,202,733</u>
Total liabilities and net assets	<u>¥ 7,463,586</u>	<u>¥ 7,054,246</u>	<u>\$ 69,158,506</u>

Note: (1) Japanese yen figures are expressed with amounts under one million omitted. Accordingly figures may not add up to sums.
(2) U.S. dollar amounts represent translation of Japanese yen at the exchange rate of ¥107.92 to U.S. \$1.00 on September 30, 2019.

INTERIM CONSOLIDATED STATEMENTS OF INCOME

The Iyo Bank, Ltd. and Its consolidated subsidiaries
For the six months ended September 30, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
INCOME			
Interest and dividend income:			
Interest on loans and discounts -----	¥ 27,332	¥ 25,591	\$ 253,261
Interest and dividends on securities -----	11,349	12,830	105,161
Other interest income -----	740	1,011	6,856
Fees and commissions -----	7,842	7,653	72,664
Other operating income -----	13,203	13,485	122,340
Other income -----	3,737	4,365	34,627
Total income -----	<u>64,206</u>	<u>64,937</u>	<u>594,940</u>
EXPENSES			
Interest expense:			
Interest on deposits -----	2,488	1,427	23,054
Interest on borrowings and rediscounts -----	888	974	8,228
Interest on payables under repurchase agreements -----	301	291	2,789
Interest on payables under securities lending transactions -----	851	436	7,885
Other interest expenses -----	2,328	1,999	21,571
Fees and commissions -----	2,542	2,408	23,554
Other operating expenses -----	7,791	11,277	72,192
General and administrative expenses -----	26,147	26,125	242,281
Other expenses -----	4,594	2,492	42,568
Total expenses -----	<u>47,934</u>	<u>47,433</u>	<u>444,162</u>
Interim income before income taxes -----	16,271	17,503	150,769
Income taxes			
Current -----	4,317	4,054	40,001
Deferred -----	206	1,179	1,908
Total taxes -----	<u>4,523</u>	<u>5,234</u>	<u>41,910</u>
Interim net income -----	<u>11,747</u>	<u>12,269</u>	<u>108,849</u>
Profit attributable to noncontrolling interests -----	707	601	6,551
Profit attributable to owners of parent -----	<u>11,039</u>	<u>11,667</u>	<u>102,288</u>

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The Iyo Bank, Ltd. and Its Consolidated Subsidiaries

For the years ended September 30, 2019 and 2018

	Millions of yen		Thousands of U.S.
	2019	2018	dollars 2019
Interim net income-----	¥ 11,747	¥ 12,269	\$ 108,849
Other comprehensive income-----	11,522	13,769	106,764
Net unrealized holding gains (losses) on securities-----	11,767	14,113	109,034
Net deferred gains (losses) on derivatives under hedge accounting-----	97	(99)	898
Remeasurements of defined benefit plans-----	(342)	(244)	(3,169)
Comprehensive income-----	¥ 23,270	¥ 26,038	\$ 215,622
Comprehensive income attribute to:			
Comprehensive income attribute to owners of parent -----	¥ 21,870	¥ 25,186	\$ 202,650
Comprehensive income attribute to non-controlling interests-----	1,400	852	12,972

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

The Iyo Bank, Ltd. and its Consolidated Subsidiaries
For the year ended September 30, 2019

Millions of yen

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the accounting period	¥ 20,948	¥ 11,604	¥ 418,320	¥ (5,189)	¥ 445,684
Changes during the accounting period					
Dividends			(2,217)		(2,217)
Profit attributable to owners of parent			11,039		11,039
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		8		58	66
Reversal of land revaluation excess			10		10
Changes in items other than stockholders' equity, net					
Total changes during the accounting period	-	8	8,833	58	8,899
Balance at the end of the accounting period	¥ 20,948	¥ 11,612	¥ 427,153	¥ (5,131)	¥ 454,583

Thousands of U.S. dollars

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the accounting period	\$ 194,106	\$ 107,524	\$ 3,876,204	\$ (48,081)	\$ 4,129,762
Changes during the accounting period					
Dividends			(20,542)		(20,542)
Profit attributable to owners of parent			102,288		102,288
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		74		537	611
Reversal of land revaluation excess			92		92
Changes in items other than stockholders' equity, net					
Total changes during the accounting period	-	74	81,847	537	82,459
Balance at the end of the accounting period	\$ 194,106	\$ 107,598	\$ 3,958,052	\$ (47,544)	\$ 4,212,222

Millions of yen

	Total other comprehensive income					Stock acquisition rights	Noncontrolling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Land revaluation excess	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the accounting period	¥ 160,696	¥ (1,545)	¥ 19,590	¥ 779	¥ 179,519	¥ 397	¥ 22,725	¥ 648,327
Changes during the accounting period								
Dividends								(2,217)
Profit attributable to owners of parent								11,039
Purchase of treasury stock								(0)
Disposal of treasury stock								66
Reversal of land revaluation excess								10
Changes in items other than stockholders' equity, net	11,075	97	(10)	(342)	10,819	(54)	1,407	12,172
Total changes during the accounting period	11,075	97	(10)	(342)	10,819	(54)	1,407	21,071
Balance at the end of the accounting period	¥ 171,771	¥ (1,448)	¥ 19,579	¥ 436	¥ 190,339	¥ 343	¥ 24,132	¥ 669,399

Thousands of U.S. dollars

	Total other comprehensive income					Stock acquisition rights	Noncontrolling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Land revaluation excess	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the accounting period	\$ 1,489,028	\$ (14,316)	\$ 181,523	\$ 7,218	\$ 1,663,445	\$ 3,678	\$ 210,572	\$ 6,007,477
Changes during the accounting period								
Dividends								(20,542)
Profit attributable to owners of parent								102,288
Purchase of treasury stock								(0)
Disposal of treasury stock								611
Reversal of land revaluation excess								92
Changes in items other than stockholders' equity, net	102,622	898	(92)	(3,169)	100,250	(500)	13,037	112,787
Total changes during the accounting period	102,622	898	(92)	(3,169)	100,250	(500)	13,037	195,246
Balance at the end of the accounting period	\$ 1,591,651	\$ (13,417)	\$ 181,421	\$ 4,040	\$ 1,763,704	\$ 3,178	\$ 223,610	\$ 6,202,733

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

The Iyo Bank, Ltd. and its Consolidated Subsidiaries
For the year ended September 30, 2018

Millions of yen

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the accounting period	¥ 20,948	¥ 11,570	¥ 404,181	¥ (5,255)	¥ 431,445
Changes during the accounting period					
Dividends			(2,214)		(2,214)
Profit attributable to owners of parent			11,667		11,667
Purchase of treasury stock				(232)	(232)
Disposal of treasury stock		34		298	332
Reversal of land revaluation excess			99		99
Changes in items other than stockholders' equity, net					
Total changes during the accounting period	-	34	9,552	66	9,653
Balance at the end of the accounting period	¥ 20,948	¥ 11,604	¥ 413,734	¥ (5,188)	¥ 441,098

Millions of yen

	Total other comprehensive income					Stock acquisition rights	Noncontrolling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Land revaluation excess	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the accounting period	¥ 166,703	¥ (1,240)	¥ 19,634	¥ 6,669	¥ 191,766	¥ 467	¥ 22,624	¥ 646,304
Changes during the accounting period								
Dividends								(2,214)
Profit attributable to owners of parent								11,667
Purchase of treasury stock								(232)
Disposal of treasury stock								332
Reversal of land revaluation excess								99
Changes in items other than stockholders' equity, net	13,862	(99)	(99)	(244)	13,418	(70)	854	14,203
Total changes during the accounting period	13,862	(99)	(99)	(244)	13,418	(70)	854	23,856
Balance at the end of the accounting period	¥ 180,565	¥ (1,340)	¥ 19,534	¥ 6,425	¥ 205,185	¥ 397	¥ 23,479	¥ 670,160

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

The Iyo Bank, Ltd. and Its consolidated subsidiaries
For the six months ended September 30, 2019 and 2018

	Millions of yen		Thousands of U.S.
	2019	2018	dollars 2019
Cash flows from operating activities:			
Interim income before income taxes -----	¥ 16,271	¥ 17,503	\$ 150,769
Depreciation -----	2,400	2,019	22,238
Impairment losses -----	20	4	185
Increase (decrease) in reserve for loan losses -----	736	(46)	6,819
Increase (decrease) in accrued for employees' bonuses -----	7	6	64
Decrease (increase) in net defined benefit asset -----	(1,140)	(1,166)	(10,563)
Increase (decrease) in net defined benefit liability -----	34	(19)	315
Increase (decrease) in reserve for losses on repayment of dormant bank accounts -----	(470)	(411)	(4,355)
Increase (decrease) in reserve for contingent losses -----	42	69	389
Increase (decrease) in reserve for share-based payments -----	46	28	426
Increase(decrease) in reserve under the special laws -----	-	0	-
Interest and dividend income -----	(39,422)	(39,433)	(365,289)
Interest expense -----	6,857	5,129	63,537
Securities losses (gains), net -----	(4,086)	(2,488)	(37,861)
Money in trust losses (gains), net -----	(171)	(271)	(1,584)
Foreign exchange losses (gains), net -----	7,481	(14,701)	69,319
Losses (gains) on disposal of tangible fixed assets, net -----	37	262	342
Net changes in loans and bills discounted -----	(67,109)	(139,415)	(621,840)
Net changes in deposits -----	105,055	(5,521)	973,452
Net changes in borrowed money (excluding subordinated borrowings) -----	29,798	(41,291)	276,111
Net changes in deposits from banks -----	(485)	1,219	(4,494)
Net changes in call loans -----	2,573	16,583	23,841
Net changes in call money -----	(130,961)	119,182	(1,213,500)
Net changes in payables under securities lending transactions -----	275,011	(126,606)	2,548,285
Net changes in foreign exchange assets -----	(4,544)	(1,382)	(42,105)
Net changes in foreign exchange liabilities -----	(77)	24	(713)
Net changes in lease receivables and investment assets -----	(1,909)	(730)	(17,689)
Net changes in borrowed money from trust account -----	0	(5)	0
Interest income received -----	39,666	39,276	367,550
Interest expense paid -----	(7,144)	(5,259)	(66,197)
Other -----	(2,017)	(13,881)	(18,689)
Subtotal -----	226,502	(191,322)	2,098,795
Income taxes paid -----	(2,988)	(6,446)	(27,687)
Net cash provided by (used in) operating activities -----	223,513	(197,768)	2,071,098
Cash flows from investing activities:			
Purchases of securities -----	(285,400)	(282,755)	(2,644,551)
Proceeds from sales of securities -----	138,170	334,579	1,280,300
Proceeds from maturities of securities -----	49,570	91,695	459,321
Increase in money held in trust -----	(47)	(379)	(435)
Decrease in money held in trust -----	473	321	4,382
Purchases of tangible fixed assets -----	(1,257)	(711)	(11,647)
Proceeds from sales of tangible fixed assets -----	10	143	92
Purchases of intangible fixed assets -----	(1,792)	(2,154)	(16,604)
Net cash provided by (used in) investing activities -----	(100,273)	140,738	(929,141)
Cash flows from financing activities			
Proceeds from share issuance to noncontrolling shareholders -----	13	8	120
Cash dividends paid -----	(2,217)	(2,214)	(20,542)
Cash dividends paid to noncontrolling stockholders -----	(5)	(5)	(46)
Purchases of treasury stock -----	(0)	(232)	(0)
Proceeds from sales of treasury stock -----	0	231	0
Net cash provided by (used in) financing activities -----	(2,210)	(2,212)	(20,478)
Foreign currency translation adjustments -----	(9)	21	(83)
Net increase (decrease) in cash and cash equivalents -----	121,020	(59,221)	1,121,386
Cash and cash equivalents at beginning of year -----	808,389	726,157	7,490,631
Cash and cash equivalents at the end of year -----	¥ 929,410	¥ 666,936	\$ 8,612,027