

# INTERIM CONSOLIDATED BALANCE SHEETS

The Iyo Bank, Ltd. and Its consolidated subsidiaries  
As of September 30, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
<b>ASSETS</b>			
Cash and due from banks	¥ 735,053	¥ 487,351	\$ 6,520,473
Call loans and bills purchased	36,214	189,884	321,245
Commercial paper and other debt purchased	10,657	12,379	94,535
Trading account securities	566	605	5,020
Money held in trust	6,290	5,707	55,797
Securities	1,730,982	1,708,021	15,355,113
Loans and bills discounted	4,110,935	3,915,365	36,467,089
Less reserve for possible loan losses	(22,779)	(24,583)	(202,066)
Foreign exchanges	6,250	7,963	55,442
Lease receivables and investment assets	29,113	28,294	258,254
Other assets	70,656	38,804	626,771
Tangible fixed assets	73,044	76,494	647,955
Intangible fixed assets	4,680	4,527	41,515
Net defined benefit asset	20,645	13,992	183,136
Customers' liabilities for acceptances and guarantees	30,903	31,434	274,132
Deferred tax assets	284	481	2,519
Total assets	¥ 6,843,502	¥ 6,496,724	\$ 60,707,016
<b>LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Deposits	¥ 5,402,987	¥ 5,298,469	\$ 47,928,563
Call money and bills sold	49,491	105,164	439,022
Payables under repurchase agreements	55,423	-	491,643
Payables under securities lending transactions	216,247	279,680	1,918,273
Borrowed money	330,898	79,150	2,935,314
Foreign exchanges	44	50	390
Borrowed money from trust account	29	29	257
Other liabilities	35,424	37,409	314,237
Accrued employees' bonuses	1,647	1,632	14,610
Net defined benefit liability	12,688	12,722	112,552
Reserve for losses on repayments of dormant bank accounts	2,519	2,604	22,345
Reserve for contingent losses	450	419	3,991
Reserve under the special laws	1	0	8
Acceptances and guarantees	30,903	31,434	274,132
Deferred tax liabilities	60,123	46,881	533,336
Deferred taxes on revaluation excess	9,840	10,336	87,288
Total liabilities	¥ 6,208,721	¥ 5,905,985	\$ 55,076,031
<b>Net Assets</b>			
Common stock			
Authorized—600,000,000 shares			
Issued—323,775,366 shares as of September 30, 2017	¥ 20,948	¥ 20,948	\$ 185,824
Capital surplus	11,570	10,493	102,634
Retained earnings	396,390	375,430	3,516,277
Less treasury stock	(5,254)	(5,369)	(46,606)
Total stockholders' equity	423,654	401,503	3,758,130
Net unrealized holding gains(losses) on securities	165,821	143,393	1,470,957
Net deferred gains (losses) on derivatives under hedge accounting	(889)	(671)	(7,886)
Land revaluation excess	19,661	20,492	174,407
Remeasurements of defined benefit plans	5,425	1,876	48,123
Accumulated other comprehensive income	190,019	165,090	1,685,611
Subscription rights to shares	406	423	3,601
Non-controlling interests	20,699	23,720	183,615
Total net assets	634,780	590,738	5,630,976
Total liabilities and net assets	¥ 6,843,502	¥ 6,496,724	\$ 60,707,016

**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 ¥112.73 to U.S. \$1.00 on September 30, 2017.

# INTERIM CONSOLIDATED STATEMENTS OF INCOME

The Iyo Bank, Ltd. and Its consolidated subsidiaries  
For the six months ended September 30, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
<b>INCOME</b>			
Interest and dividend income:			
Interest on loans and discounts -----	¥ 24,119	¥ 24,246	\$ 213,953
Interest and dividends on securities -----	14,051	13,054	124,642
Other interest income -----	860	796	7,628
Fees and commissions -----	7,066	6,672	62,680
Other operating income -----	9,357	8,839	83,003
Other income -----	5,319	3,684	47,183
Total income -----	<u>60,774</u>	<u>57,293</u>	<u>539,111</u>
<b>EXPENSES</b>			
Interest expenses:			
Interest on deposits -----	1,230	1,736	10,911
Interest on borrowings and rediscounts -----	561	394	4,976
Interest on payables under repurchase agreements -----	118	-	1,046
Interest on payables under securities lending transactions	131	277	1,162
Other interest expenses -----	1,548	1,042	13,731
Fees and commissions -----	2,286	2,246	20,278
Other operating expenses -----	7,325	6,965	64,978
General and administrative expenses -----	25,912	25,964	229,858
Other expenses -----	1,219	1,291	10,813
Total expenses -----	<u>40,334</u>	<u>39,918</u>	<u>357,792</u>
Interim income before income taxes -----	20,439	17,374	181,309
Income taxes			
Current -----	5,459	4,688	48,425
Deferred -----	784	550	6,954
Total taxes -----	6,244	5,238	55,388
Interim net income -----	14,195	12,136	125,920
Profit attributable to non-controlling interests -----	535	601	4,745
Profit attributable to owners of parent -----	<u>13,660</u>	<u>11,534</u>	<u>121,174</u>

## INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The Iyo Bank, Ltd. and Its Consolidated Subsidiaries  
For the years ended September 30, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
Interim net income-----	14,195	12,136	125,920
Other comprehensive income-----	13,362	(9,334)	118,531
Net unrealized holding gains (losses) on securities-----	13,373	(9,953)	118,628
Net deferred gains (losses) on derivatives under hedge accounting-----	(93)	(345)	(824)
Adjustments for defined benefit plans-----	83	964	736
Comprehensive income-----	¥ <u>27,558</u>	<u>2,801</u>	\$ <u>244,460</u>
Comprehensive income attribute to:			
Comprehensive income attribute to owners of the parent company-----	¥ <u>25,973</u>	<u>2,380</u>	\$ <u>230,400</u>
Comprehensive income attribute to non-controlling interests-----	<u>1,584</u>	<u>420</u>	<u>14,051</u>

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

The Iyo Bank, Ltd. and its Consolidated Subsidiaries  
For the year ended September 30, 2017

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	¥ 11,555	¥ 384,386	¥ (5,370)	¥ 411,520
Changes during the accounting period					
Dividends			(1,897)		(1,897)
Net Income			13,660		13,660
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		14		116	131
Reversal of land revaluation excess			239		239
Changes in items other than stockholders' equity, net					
Total changes during the accounting period	-	14	12,003	115	12,133
Balance at the end of the accounting period	¥ 20,948	¥ 11,570	¥ 396,390	¥ (5,254)	¥ 423,654

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	\$ 185,824	\$ 102,501	\$ 3,409,793	\$ (47,635)	\$ 3,650,492
Changes during the accounting period					
Dividends			(16,827)		(16,827)
Net Income			121,174		121,174
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		124		1,029	1,162
Reversal of land revaluation excess			2,120		2,120
Changes in items other than stockholders' equity, net					
Total changes during the accounting period	-	124	106,475	1,020	107,628
Balance at the end of the accounting period	\$ 185,824	\$ 102,634	\$ 3,516,277	\$ (46,606)	\$ 3,758,130

Millions of yen

	Total other comprehensive income					Stock acquisition rights	Non-controlling 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	¥ 153,498	¥ (795)	¥ 19,901	¥ 5,342	¥ 177,946	¥ 479	¥ 19,114	¥ 609,061
Changes during the accounting period								
Dividends								(1,897)
Net Income								13,660
Purchase of treasury stock								(0)
Disposal of treasury stock								131
Reversal of land revaluation excess								239
Changes in items other than stockholders' equity, net	12,323	(93)	(239)	83	12,073	(72)	1,584	13,585
Total changes during the accounting period	12,323	(93)	(239)	83	12,073	(72)	1,584	25,718
Balance at the end of the accounting period	¥ 165,821	¥ (889)	¥ 19,661	¥ 5,425	¥ 190,019	¥ 406	¥ 20,699	¥ 634,780

Thousands of U.S. dollars

	Total other comprehensive income					Stock acquisition rights	Non-controlling 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	\$ 1,361,642	\$ (7,052)	\$ 176,536	\$ 47,387	\$ 1,578,515	\$ 4,249	\$ 169,555	\$ 5,402,829
Changes during the accounting period								
Dividends								(16,827)
Net Income								121,174
Purchase of treasury stock								(0)
Disposal of treasury stock								1,162
Reversal of land revaluation excess								2,120
Changes in items other than stockholders' equity, net	109,314	(824)	(2,120)	736	107,096	(638)	14,051	120,509
Total changes during the accounting period	109,314	(824)	(2,120)	736	107,096	(638)	14,051	228,138
Balance at the end of the accounting period	\$ 1,470,957	\$ (7,886)	\$ 174,407	\$ 48,123	\$ 1,685,611	\$ 3,601	\$ 183,615	\$ 5,630,976

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

The Iyo Bank, Ltd. and its Consolidated Subsidiaries  
For the year ended September 30, 2016

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	¥ 10,488	¥ 365,732	¥ (5,398)	¥ 391,771
Changes during the accounting period					
Dividends			(1,896)		(1,896)
Net income			11,534		11,534
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		5		29	34
Reversal of land revaluation excess			60		60
Changes in items other than stockholders' equity, net					
Total changes during the accounting period	-	5	9,698	28	9,732
Balance at the end of the accounting period	¥ 20,948	¥ 10,493	¥ 375,430	¥ (5,369)	¥ 401,503

Millions of yen

	Total other comprehensive income					Stock acquisition rights	Non-controlling 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	¥ 153,166	¥ (326)	¥ 20,552	¥ 912	¥ 174,305	¥ 401	¥ 23,228	¥ 589,707
Changes during the accounting period								
Dividends								(1,896)
Net income								11,534
Purchase of treasury stock								(0)
Disposal of treasury stock								34
Reversal of land revaluation excess								60
Changes in items other than stockholders' equity, net	(9,772)	(345)	(60)	964	(9,214)	22	491	(8,701)
Total changes during the accounting period	(9,772)	(345)	(60)	964	(9,214)	22	491	1,031
Balance at the end of the accounting period	¥ 143,393	¥ (671)	¥ 20,492	¥ 1,876	¥ 165,090	¥ 423	¥ 23,720	¥ 590,738

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

The Iyo Bank, Ltd. and its consolidated subsidiaries  
For the six months ended September 30, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
<b>Cash flows from operating activities:</b>			
Interim income before income taxes	¥ 20,439	¥ 17,374	\$ 181,309
Depreciation	2,049	2,217	18,176
Impairment losses	149	285	1,321
Increase (decrease) in reserve for possible loan losses	(761)	(968)	(6,750)
Increase (decrease) in reserve for employees' bonuses	(0)	(95)	(0)
Decrease (increase) in net defined benefit asset	(1,155)	(1,150)	(10,245)
Increase (decrease) in net defined benefit liability	116	(1,118)	1,029
Increase (decrease) in reserve for losses on repayments of dormant bank accounts	(459)	(461)	(4,071)
Increase (decrease) in reserve for contingent losses	22	(22)	195
Increase(decrease) in reserve under the special laws	0	0	0
Interest and dividend income	(39,031)	(38,097)	(346,234)
Interest expense	3,590	3,450	31,846
Securities losses (gains), net	(4,238)	(2,019)	(37,594)
Money in trust losses (gains), net	(93)	(209)	(824)
Foreign exchange losses (gains), net	(7,900)	24,341	(70,078)
Losses (gains) on disposal of tangible fixed assets, net	9	32	79
Net changes in loans and bills discounted	(89,492)	(25,279)	(793,861)
Net changes in deposits	(34,289)	(25,963)	(304,169)
Net changes in borrowed money (excluding subordinated borrowings)	110,011	28,986	975,880
Net changes in deposits with banks	10,122	15,389	89,789
Net changes in call loans	55,078	(87,692)	488,583
Net changes in call money	(7,556)	34,176	(67,027)
Net changes in payables under securities lending transactions	(108,468)	(45,115)	(962,192)
Net changes in foreign exchange assets	1,951	(2,809)	17,306
Net changes in foreign exchange liabilities	(100)	(61)	(887)
Net changes in lease receivables and investment assets	110	883	975
Net changes in borrowed money from trust account	0	0	0
Interest income received	35,676	38,463	316,472
Interest expense paid	(3,710)	(3,528)	(32,910)
Other	(24,455)	(1,316)	(216,934)
Subtotal	(82,386)	(70,309)	(730,825)
Income taxes paid	(3,778)	(5,606)	(33,513)
Net cash provided by (used in) operating activities	(86,165)	(75,916)	(764,348)
<b>Cash flows from investing activities:</b>			
Purchases of securities	(106,291)	(154,995)	(942,881)
Proceeds from sales of securities	94,287	62,632	836,396
Proceeds from maturities of securities	51,640	87,428	458,085
Increase in money held in trust	(284)	(249)	(2,519)
Decrease in money held in trust	-	3,314	-
Purchases of tangible fixed assets	(1,154)	(678)	(10,236)
Proceeds from sales of tangible fixed assets	422	33	3,743
Purchases of intangible fixed assets	(590)	(884)	(5,233)
Net cash provided by (used in) investing activities	38,029	(3,399)	337,345
<b>Cash flows from financing activities</b>			
Proceeds from stock issuance to non-controlling shareholders	5	89	44
Repayments to non-controlling shareholders	-	(11)	-
Cash dividends paid	(1,897)	(1,896)	(16,827)
Cash dividends paid to non-controlling stockholders	(5)	(7)	(44)
Purchases of treasury stock	(0)	(0)	(0)
Proceeds from sales of treasury stock	0	0	0
Net cash provided by (used in) financing activities	(1,897)	(1,826)	(16,827)
<b>Foreign currency translation adjustments</b>	1	(36)	8
<b>Net increase (decrease) in cash and cash equivalents</b>	(50,031)	(81,178)	(443,812)
<b>Cash and cash equivalents at beginning of year</b>	783,504	557,587	6,950,270
<b>Cash and cash equivalents at end of the accounting period</b>	¥ 733,472	¥ 476,408	\$ 6,506,449