

INTERIM CONSOLIDATED BALANCE SHEETS

The Iyo Bank, Ltd. and Its consolidated subsidiaries
As of September 30, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
ASSETS			
Cash and due from banks -----	¥ 667,886	¥ 735,053	\$ 5,880,831
Call loans and bills purchased -----	5,678	36,214	49,995
Commercial paper and other debt purchased -----	11,454	10,657	100,854
Trading account securities -----	448	566	3,944
Money held in trust -----	6,667	6,290	58,703
Securities -----	1,713,923	1,730,982	15,091,335
Loans and bills discounted -----	4,409,112	4,110,935	38,822,858
Less reserve for possible loan losses -----	(24,210)	(22,779)	(213,172)
Foreign exchanges -----	8,474	6,250	74,614
Lease receivables and investment assets -----	31,325	29,113	275,821
Other assets -----	88,060	70,656	775,380
Tangible fixed assets -----	72,414	73,044	637,615
Intangible fixed assets -----	6,726	4,680	59,223
Net defined benefit asset -----	24,330	20,645	214,229
Customers' liabilities for acceptances and guarantees -----	31,768	30,903	279,721
Deferred tax assets -----	185	284	1,628
Total assets -----	<u>¥ 7,054,246</u>	<u>¥ 6,843,502</u>	<u>\$ 62,113,639</u>
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits -----	¥ 5,519,876	¥ 5,402,987	\$ 48,603,293
Call money and bills sold -----	170,000	49,491	1,496,874
Payables under repurchase agreements -----	52,114	55,423	458,871
Payables under securities lending transactions -----	99,544	216,247	876,499
Borrowed money -----	378,050	330,898	3,328,784
Foreign exchanges -----	90	44	792
Borrowed money from trust account -----	34	29	299
Other liabilities -----	38,044	35,424	334,982
Accrued employees' bonuses -----	1,656	1,647	14,581
Net defined benefit liability -----	12,483	12,688	109,914
Reserve for losses on repayments of dormant bank accounts -----	2,517	2,519	22,162
Reserve for contingent losses -----	495	450	4,358
Provision for share-based -----	28	-	246
Reserve under the special laws -----	1	1	8
Acceptances and guarantees -----	31,768	30,903	279,721
Deferred tax liabilities -----	67,597	60,123	595,201
Deferred taxes on revaluation excess -----	9,780	9,840	86,114
Total liabilities -----	<u>¥ 6,384,085</u>	<u>¥ 6,208,721</u>	<u>\$ 56,212,776</u>
Net Assets			
Common stock			
Authorized—600,000,000 shares			
Issued—323,775,366 shares as of September 30, 2018 -----	¥ 20,948	¥ 20,948	\$ 184,450
Capital surplus -----	11,604	11,570	102,174
Retained earnings -----	413,734	396,390	3,642,986
Less treasury stock -----	(5,188)	(5,254)	(45,681)
Total stockholders' equity -----	441,098	423,654	3,883,930
Net unrealized holding gains(losses) on securities -----	180,565	165,821	1,589,900
Net deferred gains (losses) on derivatives under hedge accounting -----	(1,340)	(889)	(11,798)
Land revaluation excess -----	19,534	19,661	171,999
Remeasurements of defined benefit plans -----	6,425	5,425	56,573
Accumulated other comprehensive income -----	205,185	190,019	1,806,683
Subscription rights to shares -----	397	406	3,495
Non-controlling interests -----	23,479	20,699	206,735
Total net assets -----	<u>670,160</u>	<u>634,780</u>	<u>5,900,854</u>
Total liabilities and net assets -----	<u>¥ 7,054,246</u>	<u>¥ 6,843,502</u>	<u>\$ 62,113,639</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 ¥113.57 to U.S. \$1.00 on September 30, 2018.

INTERIM CONSOLIDATED STATEMENTS OF INCOME

The Iyo Bank, Ltd. and Its consolidated subsidiaries
For the six months ended September 30, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
INCOME			
Interest and dividend income:			
Interest on loans and discounts -----	¥ 25,591	¥ 24,119	\$ 225,332
Interest and dividends on securities -----	12,830	14,051	112,969
Other interest income -----	1,011	860	8,901
Fees and commissions -----	7,653	7,066	67,385
Other operating income -----	13,485	9,357	118,737
Other income -----	4,365	5,319	38,434
Total income -----	<u>64,937</u>	<u>60,774</u>	<u>571,779</u>
EXPENSES			
Interest expenses:			
Interest on deposits -----	1,427	1,230	12,564
Interest on borrowings and rediscounts -----	974	561	8,576
Interest on payables under repurchase agreements -----	291	118	2,562
Interest on payables under securities lending transactions -----	436	131	3,839
Other interest expenses -----	1,999	1,548	17,601
Fees and commissions -----	2,408	2,286	21,202
Other operating expenses -----	11,277	7,325	99,295
General and administrative expenses -----	26,125	25,912	230,034
Other expenses -----	2,492	1,219	21,942
Total expenses -----	<u>47,433</u>	<u>40,334</u>	<u>417,654</u>
Interim income before income taxes -----	17,503	20,439	154,116
Income taxes			
Current -----	4,054	5,459	35,696
Deferred -----	1,179	784	10,381
Total taxes -----	5,234	6,244	46,086
Interim net income -----	12,269	14,195	108,030
Profit attributable to non-controlling interests -----	601	535	5,291
Profit attributable to owners of parent -----	<u>11,667</u>	<u>13,660</u>	<u>102,729</u>

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The Iyo Bank, Ltd. and Its Consolidated Subsidiaries
For the years ended September 30, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Interim net income-----	12,269	14,195	108,030
Other comprehensive income-----	13,769	13,362	121,238
Net unrealized holding gains (losses) on securities-----	14,113	13,373	124,266
Net deferred gains (losses) on derivatives under hedge accounting-----	(99)	(93)	(871)
Adjustments for defined benefit plans-----	(244)	83	(2,148)
Comprehensive income-----	¥ <u>26,038</u>	¥ <u>27,558</u>	\$ <u>229,268</u>
Comprehensive income attribute to:			
Comprehensive income attribute to owners of the parent company-----	¥ <u>25,186</u>	¥ <u>25,973</u>	\$ <u>221,766</u>
Comprehensive income attribute to non-controlling interests-----	<u>852</u>	<u>1,584</u>	<u>7,501</u>

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)
Net income			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

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	\$ 184,450	\$ 101,875	\$ 3,558,871	\$ (46,271)	\$ 3,798,934
Changes during the accounting period					
Dividends			(19,494)		(19,494)
Net income			102,729		102,729
Purchase of treasury stock				(2,042)	(2,042)
Disposal of treasury stock		299		2,623	2,923
Reversal of land revaluation excess			871		871
Changes in items other than stockholders' equity, net					
Total changes during the accounting period	-	299	84,106	581	84,996
Balance at the end of the accounting period	\$ 184,450	\$ 102,174	\$ 3,642,986	\$ (45,681)	\$ 3,883,930

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	¥ 166,703	¥ (1,240)	¥ 19,634	¥ 6,669	¥ 191,766	¥ 467	¥ 22,624	¥ 646,304
Changes during the accounting period								
Dividends								(2,214)
Net income								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

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	\$ 1,467,843	\$ (10,918)	\$ 172,880	\$ 58,721	\$ 1,688,526	\$ 4,112	\$ 199,207	\$ 5,690,798
Changes during the accounting period								
Dividends								(19,494)
Net income								102,729
Purchase of treasury stock								(2,042)
Disposal of treasury stock								2,923
Reversal of land revaluation excess								871
Changes in items other than stockholders' equity, net	122,056	(871)	(871)	(2,148)	118,147	(616)	7,519	125,059
Total changes during the accounting period	122,056	(871)	(871)	(2,148)	118,147	(616)	7,519	210,055
Balance at the end of the accounting period	\$ 1,589,900	\$ (11,798)	\$ 171,999	\$ 56,573	\$ 1,806,683	\$ 3,495	\$ 206,735	\$ 5,900,854

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

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

The Iyo Bank, Ltd. and its consolidated subsidiaries
For the six months ended September 30, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Cash flows from operating activities:			
Interim income before income taxes	¥ 17,503	¥ 20,439	\$ 154,116
Depreciation	2,019	2,049	17,777
Impairment losses	4	149	35
Increase (decrease) in reserve for possible loan losses	(46)	(761)	(405)
Increase (decrease) in reserve for employees' bonuses	6	(0)	52
Decrease (increase) in net defined benefit asset	(1,166)	(1,155)	(10,266)
Increase (decrease) in net defined benefit liability	(19)	116	(167)
Increase (decrease) in reserve for losses on repayments of dormant bank accounts	(411)	(459)	(3,618)
Increase (decrease) in reserve for contingent losses	69	22	607
Increase (decrease) in provision for share-based compensation	28	-	246
Increase(decrease) in reserve under the special laws	0	0	0
Interest and dividend income	(39,433)	(39,031)	(347,213)
Interest expense	5,129	3,590	45,161
Securities losses (gains), net	(2,488)	(4,238)	(21,907)
Money in trust losses (gains), net	(271)	(93)	(2,386)
Foreign exchange losses (gains), net	(14,701)	(7,900)	(129,444)
Losses (gains) on disposal of tangible fixed assets, net	262	9	2,306
Net changes in loans and bills discounted	(139,415)	(89,492)	(1,227,568)
Net changes in deposits	(5,521)	(34,289)	(48,613)
Net changes in borrowed money (excluding subordinated borrowings)	(41,291)	110,011	(363,573)
Net changes in deposits with banks	1,219	10,122	10,733
Net changes in call loans	16,583	55,078	146,015
Net changes in call money	119,182	(7,556)	1,049,414
Net changes in payables under securities lending transactions	(126,606)	(108,468)	(1,114,783)
Net changes in foreign exchange assets	(1,382)	1,951	(12,168)
Net changes in foreign exchange liabilities	24	(100)	211
Net changes in lease receivables and investment assets	(730)	110	(6,427)
Net changes in borrowed money from trust account	(5)	0	(44)
Interest income received	39,276	35,676	345,830
Interest expense paid	(5,259)	(3,710)	(46,306)
Other	(13,881)	(24,455)	(122,224)
Subtotal	(191,322)	(82,386)	(1,684,617)
Income taxes paid	(6,446)	(3,778)	(56,757)
Net cash provided by (used in) operating activities	(197,768)	(86,165)	(1,741,375)
Cash flows from investing activities:			
Purchases of securities	(282,755)	(106,291)	(2,489,697)
Proceeds from sales of securities	334,579	94,287	2,946,015
Proceeds from maturities of securities	91,695	51,640	807,387
Increase in money held in trust	(379)	(284)	(3,337)
Decrease in money held in trust	321	-	2,826
Purchases of tangible fixed assets	(711)	(1,154)	(6,260)
Proceeds from sales of tangible fixed assets	143	422	1,259
Purchases of intangible fixed assets	(2,154)	(590)	(18,966)
Net cash provided by (used in) investing activities	140,738	38,029	1,239,218
Cash flows from financing activities			
Proceeds from stock issuance to non-controlling shareholders	8	5	70
Cash dividends paid	(2,214)	(1,897)	(19,494)
Cash dividends paid to non-controlling stockholders	(5)	(5)	(44)
Purchases of treasury stock	(232)	(0)	(2,042)
Proceeds from sales of treasury stock	231	0	2,033
Net cash provided by (used in) financing activities	(2,212)	(1,897)	(19,476)
Foreign currency translation adjustments	21	1	184
Net increase (decrease) in cash and cash equivalents	(59,221)	(50,031)	(521,449)
Cash and cash equivalents at beginning of year	726,157	783,504	6,393,915
Cash and cash equivalents at end of the accounting period	¥ 666,936	¥ 733,472	\$ 5,872,466