



# Kansai Mirai Financial Group, Inc.

## Consolidated Financial Results for the First Half of Fiscal Year 2019 (Six months ended September 30, 2019/ Unaudited) <under Japanese GAAP>



Code number: 7321  
 URL: <https://www.kmfg.co.jp/>  
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 Annual securities report issuing date: November 22, 2019  
 Supplemental information for the financial results: Available  
 Quarterly investor meeting presentation: Not Scheduled

Stock exchange listings: Tokyo  
 Telephone: 06-7733-7000  
 Dividends payment date: -  
 Trading accounts: Not Established

Note: Amounts of less than one million yen are rounded down.

### 1. Consolidated Financial Results for the First Half of Fiscal Year 2019 (April 1, 2019- September 30, 2019)

(1) Consolidated Operating Results (% represents the change from the same period in previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income Attributable to Owners of the Parent	
	Million yen	%	Million yen	%	Million yen	%
1H of FY2019	93,808	( -4.9 )	9,859	( -21.3 )	7,837	( -88.1 )
1H of FY2018	98,633	( - )	12,529	( - )	65,711	( - )

Notes: 1. Comprehensive Income: 1H of FY2019: 13,348 million yen (-80.1%) 1H of FY2018: 66,949 million yen ( - ).

2. For 1H of FY2018, year-to-year change ratios are not disclosed as the Company was established on November 14, 2017.

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	Yen	Yen
1H of FY2019	21.04	21.01
1H of FY2018	176.43	176.23

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio
	Million yen	Million yen	%
September 30, 2019	11,475,304	477,551	4.1
March 31, 2019	11,630,112	473,520	4.0

(Reference) Net Assets Attributable to Stockholders: September 30, 2019: 474,563 million yen March 31, 2019: 470,629 million yen

Note: "Net Assets Attributable to Stockholders to Total Assets Ratio" is (Net assets at period-end minus Stock option at period-end minus Noncontrolling interests at period-end) divided by Total assets at period-end. This ratio is not calculated based on the "Notification on Consolidated Capital Adequacy".

### 2. Dividends on Common Stock

	Dividends per Share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	-	0.00	-	25.00	25.00
FY2019	-	0.00	-	-	-
FY2019 (Forecast)	-	-	-	25.00	25.00

Note: Revision of forecasts for dividends from the latest announcement: No

### 3. Earnings Targets for Fiscal Year 2019 (April 1, 2019 - March 31, 2020)

(% represents the change from the same period in previous fiscal year)

	Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	Million yen	%	Yen
FY2019 (Full year)	12,500	( -81.7 )	33.56

Note: Revision of earnings targets from the latest announcement: No

#### 4. Other

- (1) Changes in significant subsidiaries during the period : Yes  
Excluded : Kansai Urban Banking Corporation
- (2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
- |  |    |
|--|----|
| A) Changes due to revision of accounting standards : | No |
| B) Changes due to other reasons :                    | No |
| C) Changes in accounting estimates :                 | No |
| D) Restatements :                                    | No |
- (3) Number of Shares of Common Stock Outstanding
- |   |                |                    |
|---|----------------|--------------------|
| A) Total outstanding shares including treasury stock at the end of the period |                |                    |
| September 30, 2019 :  |                | 372,876,219 shares |
| March 31, 2019 :  |                | 372,876,219 shares |
| B) Treasury stock at the end of the period                                    |                |                    |
| September 30, 2019 :  | 415,851 shares |                    |
| March 31, 2019 :  | 414,624 shares |                    |
| C) Average outstanding shares during the period                               |                |                    |
| 1H of FY2019 :  |                | 372,461,041 shares |
| 1H of FY2018 :  |                | 372,453,947 shares |

**Note: Status of the interim review process**

This interim report is out of the scope of the external auditor's review procedure which is required by "Financial Instruments and Exchange Act."

**Note: Disclaimer regarding Forward-looking Statements**

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the company considers to be reasonable. Risks, uncertainties and other factors may cause actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

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**1. Consolidated Financial Statements**  
**(1) Consolidated Balance Sheet**

(Millions of yen)

	March 31, 2019	September 30, 2019
<b>Assets</b>		
Cash and due from banks	¥ 1,160,157	¥ 1,191,131
Call loans and bills bought	5,918	12,028
Monetary claims bought	4,537	3,156
Trading account securities	83	7
Securities	1,025,327	877,273
Loans and bills discounted	9,092,337	9,049,950
Foreign exchange assets	23,563	21,769
Lease receivables and investment assets	37,021	36,931
Other assets	155,219	142,750
Tangible fixed assets	110,139	108,447
Intangible fixed assets	8,837	8,244
Net defined benefit asset	6,149	21,758
Deferred tax assets	27,610	24,703
Customers' liabilities for acceptances and guarantees	25,086	25,034
Reserve for possible loan losses	(51,877)	(47,883)
<b>Total Assets</b>	<b>11,630,112</b>	<b>11,475,304</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deposits	10,685,792	10,606,748
Negotiable certificates of deposit	206,950	134,350
Call money and bills sold	124	1,792
Payables under securities lending transactions	23,014	10,370
Borrowed money	101,851	97,506
Foreign exchange liabilities	277	543
Other liabilities	87,048	91,435
Reserve for employees' bonuses	5,346	4,776
Net defined benefit liability	12,219	17,107
Other reserves	8,420	7,576
Deferred tax liabilities	460	511
Acceptances and guarantees	25,086	25,034
<b>Total Liabilities</b>	<b>11,156,591</b>	<b>10,997,752</b>
<b>Net Assets</b>		
Capital stock	29,589	29,589
Capital surplus	309,357	309,357
Retained earnings	133,654	132,180
Treasury stock	(375)	(376)
Total stockholders' equity	472,225	470,751
Net unrealized gains on available-for-sale securities	6,904	8,384
Net deferred gains on hedges	(39)	(45)
Remeasurements of defined benefit plans	(8,461)	(4,526)
Total accumulated other comprehensive income	(1,596)	3,812
Stock acquisition rights	309	309
Noncontrolling interests	2,581	2,678
<b>Total Net Assets</b>	<b>473,520</b>	<b>477,551</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 11,630,112</b>	<b>¥ 11,475,304</b>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**[Consolidated Statement of Income]**

(Millions of yen)

	First Half of FY2018 From April 1, 2018 to September 30, 2018	First Half of FY2019 From April 1, 2019 to September 30, 2019
<b>Ordinary income</b>	¥ 98,633	¥ 93,808
Interest income	61,997	57,413
Interest on loans and bills discounted	53,593	51,742
Interest and dividends on securities	6,989	4,356
Fees and commissions	23,290	21,194
Other operating income	11,121	13,111
Other ordinary income	2,225	2,088
<b>Ordinary expenses</b>	86,104	83,948
Interest expenses	3,485	2,549
Interest on deposits	2,742	2,327
Fees and commissions	8,454	8,332
Other operating expenses	8,288	9,291
General and administrative expenses	59,827	58,370
Other ordinary expenses	6,048	5,404
<b>Ordinary profits</b>	12,529	9,859
<b>Extraordinary gains</b>	56,628	4,243
Gain on negative goodwill	56,628	—
Gain on revision of retirement benefit plan	—	4,243
<b>Extraordinary losses</b>	124	3,424
Losses on disposal of fixed assets	122	177
Impairment losses on fixed assets	2	264
Other extraordinary losses	—	2,982
<b>Income before income taxes</b>	69,033	10,678
Income taxes – current	3,016	2,258
Income taxes – deferred	272	505
Total income taxes	3,288	2,763
<b>Net income</b>	65,745	7,915
<b>Net income attributable to noncontrolling interests</b>	34	77
<b>Net income attributable to owners of parent</b>	¥ 65,711	¥ 7,837

[Consolidated Statement of Comprehensive Income]

(Millions of yen)

	First Half of FY2018		First Half of FY2019	
	From April 1, 2018		From April 1, 2019	
	to September 30, 2018		to September 30, 2019	
<b>Net income</b>	¥	65,745	¥	7,915
<b>Other comprehensive income</b>		1,204		5,432
Net unrealized gains (losses) on available-for-sale securities		568		1,504
Net deferred gains (losses) on hedges		8		(6)
Remeasurements of defined benefit plans		627		3,934
<b>Total comprehensive income</b>	¥	66,949	¥	13,348
<b>Total comprehensive income attributable to:</b>				
Owners of parent	¥	66,875	¥	13,246
Noncontrolling interests	¥	73	¥	101

**(3) Consolidated Statement of Changes in Net Assets**  
For the first half of fiscal year 2018 (April 1, 2018 - September 30, 2018)

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 29,589	¥ 29,589	¥ 72,054	¥ —	¥ 131,233
Changes during the term					
Increase by share exchanges		280,108			280,108
Dividends paid			(6,823)		(6,823)
Net income attributable to owners of parent			65,711		65,711
Purchase of treasury stock				(739)	(738)
Disposal of treasury stock		(1)		5	4
Cancellation of treasury stock		(353)		353	—
Net changes except for stockholders' equity during the term					
Total changes during the term	—	279,754	58,887	(380)	338,261
Balance at the end of the term	¥ 29,589	¥ 309,343	¥ 130,942	¥ (380)	¥ 469,495

	Accumulated other comprehensive income				Stock acquisition rights	Noncontrolling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	¥ 7,277	¥ —	¥ (6,573)	¥ 703	¥ —	¥ —	¥ 131,937
Changes during the term							
Increase by share exchanges							280,108
Dividends paid							(6,823)
Net income attributable to owners of parent							65,711
Purchase of treasury stock							(738)
Disposal of treasury stock							4
Cancellation of treasury stock							—
Net changes except for stockholders' equity during the term	528	8	627	1,164	314	2,623	4,103
Total changes during the term	528	8	627	1,164	314	2,623	342,364
Balance at the end of the term	¥ 7,805	¥ 8	¥ (5,945)	¥ 1,867	¥ 314	¥ 2,623	¥ 474,301

**(3) Consolidated Statement of Changes in Net Assets - Continued**  
For the first half of fiscal year 2019 (April 1, 2019 - September 30, 2019)

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 29,589	¥ 309,357	¥ 133,654	¥ (375)	¥ 472,225
Changes during the term					
Dividends paid			(9,311)		(9,311)
Net income attributable to owners of parent			7,837		7,837
Purchase of treasury stock				(0)	(0)
Net changes except for stockholders' equity during the term					
Total changes during the term	—	—	(1,473)	(0)	(1,474)
Balance at the end of the term	¥ 29,589	¥ 309,357	¥ 132,180	¥ (376)	¥ 470,751

	Accumulated other comprehensive income				Stock acquisition rights	Noncontrolling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	¥ 6,904	¥ (39)	¥ (8,461)	¥ (1,596)	¥ 309	¥ 2,581	¥ 473,520
Changes during the term							
Dividends paid							(9,311)
Net income attributable to owners of parent							7,837
Purchase of treasury stock							(0)
Net changes except for stockholders' equity during the term	1,480	(6)	3,934	5,408	—	97	5,505
Total changes during the term	1,480	(6)	3,934	5,408	—	97	4,030
Balance at the end of the term	¥ 8,384	¥ (45)	¥ (4,526)	¥ 3,812	¥ 309	¥ 2,678	¥ 477,551



**(4) Notes**

**【Note on Going-Concern Assumption】**

Not applicable

**【Change in Scope of Consolidation or Application of the Equity Method of Accounting】**

FY2019 (April 1, 2019 to September 30, 2019)

Significant changes in scope of consolidation

On April 1, 2019, Kansai Urban Banking Corporation and The Kinki Osaka Bank, Ltd. effected an absorption-type merger under which The Kinki Osaka Bank, Ltd. was the surviving company and Kansai Urban Banking Corporation was the dissolving company. The name of the merged company was changed to Kansai Mirai Bank, Ltd. on the same day.

**【Additional information】**

Effective October 1, 2019, a consolidated subsidiary of the Group have integrated retirement benefit plans succeeded from former Kansai Urban Banking Corporation and former Kinki Osaka Bank, revised the benefit level, and transferred a part of defined benefit corporate pension plan to a defined contribution retirement plan.

As a result of these revisions, the Group recognized JPY4,243 million of extraordinary gain for the first half of fiscal year 2019.

**【Interim consolidated statement of income】**

JPY2,982 millions of other extraordinary loss represents settlement money for the pensioners of former Kinki Osaka Bank as a result of withdrawal from the Resona corporate pension fund along with the revisions of the retirement benefit plan implemented by a consolidated subsidiary.

**【Business Combination】**

FY2019 (April 1, 2019 to September 30, 2019)

Transaction under common control

(Merger between consolidated subsidiaries)

At the Board of Directors' meeting held on July 27, 2018, the Company resolved merger between Kansai Urban Banking Corporation ("Kansai Urban") and The Kinki Osaka Bank, Ltd. ("Kinki Osaka"), both consolidated subsidiaries, in order to maximize synergies of business integration as Kansai Mirai Financial Group, subject to the approval and permission of the relevant authorities. Kansai Urban and Kinki Osaka concluded the merger agreement on December 19, 2018.

Following the official permission obtained for the merger (Article 30, paragraph 1 of the Banking Act) on March 29, 2019, Kansai Urban and Kinki Osaka merged and changed the name of surviving company on April 1, 2019.

1. Overview of the business combination

(1) Name and business of combining companies

- (i) Name of the combining company: Kinki Osaka Bank, Ltd.  
Business of the combining company: Banking
- (ii) Name of the combined company: Kansai Urban Banking Corporation  
Business of the combined company: Banking

(2) Date of the business combination

April 1, 2019

(3) Legal form of the business combination

Absorption-Type Merger with Kinki Osaka as the surviving company and Kansai Urban as the absorbed company

(4) Company name after the combination

Kansai Mirai Bank, Limited

Note: Kinki Osaka changed its name to above on April 1, 2019.

2. Summary of accounting treatments

This merger is treated as a transaction under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No.21 issued on January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10 issued on January 16, 2019).

# Financial Results Report for the First Half of FY2019

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Note: Figures reported herein are not reviewed by the audit corporation.

Notes: 1. [Total of two banks] Sum of non-consolidated figures for Kansai Mirai Bank and Minato Bank.  
2. Kansai Urban Banking Corporation and Kinki Osaka Bank merged and became Kansai Mirai Bank on April 1, 2019. Figures of Kansai Mirai Bank before the merger are simple sum of non-consolidated results of two banks above.

## I. Highlights of Financial Results for the First Half of Fiscal Year 2019

### 1. Statements of income

<Kansai Mirai Financial Group Consolidated>

(Millions of yen)

		1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
<b>Ordinary income</b>	1	93,808	(4,825)	98,633
Gross operating profit	2	71,546	(4,633)	76,180
Interest income	3	54,864	(3,647)	58,512
Fees and commissions	4	12,862	(1,973)	14,835
Other operating income	5	3,819	986	2,832
Expenses(excluding non-recurring items,Amortization of goodwill)	6	(57,183)	1,283	(58,467)
Personnel expenses	7	(31,422)	887	(32,309)
Non-personnel expenses	8	(21,499)	794	(22,294)
Taxes	9	(4,261)	(398)	(3,863)
Actual net operating profit (2+6)	10	14,362	(3,350)	17,712
Amortization of goodwill	11	-	-	-
Provision to general reserve for possible loan losses	12	-	1,354	(1,354)
Other gains/(losses), net	13	(4,503)	(674)	(3,829)
Net gains/(losses) on stocks	14	210	(1,027)	1,238
Disposal of problem loans	15	(1,151)	775	(1,927)
Reversal of credit expenses	16	1,066	833	232
<b>Ordinary profit</b>	17	9,859	(2,670)	12,529
Extraordinary gains	18	4,243	(52,384)	56,628
Gain on negative goodwill	19	-	(56,628)	56,628
Extraordinary losses	20	(3,424)	(3,300)	(124)
Income before income taxes	21	10,678	(58,354)	69,033
Income taxes-current	22	(2,258)	758	(3,016)
Income taxes-deferred	23	(505)	(233)	(272)
Net income	24	7,915	(57,829)	65,745
Net income attributable to non-controlling interests	25	(77)	(43)	(34)
<b>Net income attributable to owners of the parent</b>	26	7,837	(57,873)	65,711

<b>Credit expense (12+15+16)</b>	27	(85)	2,963	(3,048)
Provision to general reserve for possible loan losses	28	1,234	2,588	(1,354)
Write-off of loans	29	(825)	(340)	(485)
Provision to specific reserve for possible loan losses	30	(416)	673	(1,090)
Other disposal of problem loans	31	(326)	25	(351)
Gains on recoveries of written-off loans	32	248	16	232

<Reference> Number of consolidated subsidiaries

(Companies)

		1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Number of consolidated subsidiaries	33	16	(2)	18

<Total of two banks, Non-consolidated figures of each bank>

(Millions of yen)

		Total of two banks			
		1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	
Gross operating profit	(7+12)	1	66,886	(2,992)	69,878
Interest income		2	54,434	(3,821)	58,256
Gains/(losses) on cancellation of investment trust		3	1,475	(357)	1,833
Fees and commissions		4	8,888	(1,040)	9,928
Other operating income		5	3,563	1,869	1,694
Net gains/(losses) on bonds		6	2,635	2,252	383
Gross operating profit from domestic operations	(8+9+10)	7	64,898	(5,022)	69,921
Interest income		8	53,622	(3,635)	57,258
Fees and commissions		9	8,661	(1,052)	9,713
Other operating income		10	2,614	(334)	2,949
Net gains/(losses) on bonds		11	2,110	151	1,959
Gross operating profit from international operations	(13+14+15)	12	1,987	2,030	(42)
Interest income		13	812	(185)	997
Fees and commissions		14	226	12	214
Other operating income		15	948	2,204	(1,255)
Net gains/(losses) on bonds		16	525	2,100	(1,575)
Expenses (excluding non-recurring items, Amortization of goodwill)		17	(55,288)	917	(56,206)
Personnel expenses		18	(28,755)	624	(29,379)
Non-personnel expenses		19	(22,372)	720	(23,093)
Taxes		20	(4,161)	(427)	(3,733)
<b>Actual net operating profit</b>	<b>(1+17)</b>	<b>21</b>	<b>11,597</b>	<b>(2,074)</b>	<b>13,671</b>
Core net operating profit	(21-6)	22	8,961	(4,326)	13,288
Core net operating profit (excluding gains/(losses) on cancellation of investment trust)	(22-3)	23	7,486	(3,968)	11,454
Amortization of goodwill		24	(368)	-	(368)
Provision to general reserve for possible loan losses		25	(274)	2,003	(2,277)
Net operating profit	(1+17+24+25)	26	10,955	(71)	11,026
Other gains/(losses), net		27	848	1,929	(1,080)
Net gains/(losses) on stocks		28	4,696	2,253	2,443
Disposal of problem loans		29	(1,102)	878	(1,981)
Reversal of credit expenses		30	2,021	89	1,932
Other		31	(4,766)	(1,291)	(3,475)
<b>Ordinary profit</b>	<b>(26+27)</b>	<b>32</b>	<b>11,804</b>	<b>1,858</b>	<b>9,945</b>
Extraordinary gains/(losses), net		33	524	330	194
Gains/(losses) on disposal of fixed assets		34	(170)	(48)	(122)
Impairment losses on fixed assets		35	(263)	(261)	(2)
Gain on revision of retirement benefit plan, Other		36	959	640	318
<b>Net income before income taxes</b>	<b>(32+33)</b>	<b>37</b>	<b>12,328</b>	<b>2,188</b>	<b>10,140</b>
Income taxes-current		38	(1,346)	558	(1,904)
Income taxes-deferred		39	(1,977)	(1,507)	(469)
<b>Net income</b>	<b>(37+38+39)</b>	<b>40</b>	<b>9,005</b>	<b>1,239</b>	<b>7,766</b>
<b>Credit expense</b>	<b>(25+29+30)</b>	<b>41</b>	<b>644</b>	<b>2,970</b>	<b>(2,326)</b>
Provision to general reserve for possible loan losses		42	1,284	3,846	(2,562)
Write-off of loans		43	(825)	(341)	(483)
Provision to specific reserve for possible loan losses		44	266	(505)	772
Other disposal of problem loans		45	(326)	(44)	(281)
Gains on recoveries of written-off loans		46	246	16	229

(Millions of yen)

		Kansai Mirai Bank			Minato Bank			
		1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	
Gross operating profit	(7+12)	1	47,322	(3,506)	50,828	19,564	514	19,049
Interest income		2	39,488	(2,035)	41,523	14,946	(1,786)	16,732
Gains/(losses) on cancellation of investment trust		3	1,303	(4)	1,308	171	(352)	524
Fees and commissions		4	5,392	(1,041)	6,433	3,495	1	3,494
Other operating income		5	2,441	(430)	2,871	1,121	2,299	(1,177)
Net gains/(losses) on bonds		6	1,773	(102)	1,875	862	2,354	(1,492)
Gross operating profit from domestic operations	(8+9+10)	7	46,689	(3,563)	50,253	18,208	(1,459)	19,667
Interest income		8	39,338	(1,918)	41,256	14,284	(1,717)	16,001
Fees and commissions		9	5,267	(1,053)	6,320	3,394	1	3,393
Other operating income		10	2,084	(591)	2,676	530	257	273
Net gains/(losses) on bonds		11	1,772	(156)	1,929	337	308	29
Gross operating profit from international operations	(13+14+15)	12	632	57	575	1,355	1,973	(617)
Interest income		13	149	(116)	266	662	(69)	731
Fees and commissions		14	125	12	113	101	0	101
Other operating income		15	357	161	195	591	2,042	(1,450)
Net gains/(losses) on bonds		16	0	53	(53)	524	2,046	(1,521)
Expenses (excluding non-recurring items, Amortization of goodwill)		17	(38,815)	276	(39,092)	(16,473)	640	(17,114)
Personnel expenses		18	(20,227)	360	(20,588)	(8,527)	263	(8,790)
Non-personnel expenses		19	(15,438)	407	(15,846)	(6,933)	313	(7,247)
Taxes		20	(3,149)	(491)	(2,657)	(1,012)	63	(1,075)
Actual net operating profit	(1+17)	21	8,506	(3,229)	11,736	3,090	1,155	1,935
Core net operating profit	(21-6)	22	6,733	(3,126)	9,860	2,228	(1,199)	3,427
Core net operating profit (excluding gains/(losses) on cancellation of investment trust)	(22-3)	23	5,429	(3,121)	8,551	2,056	(847)	2,903
Amortization of goodwill		24	(368)	-	(368)	-	-	-
Provision to general reserve for possible loan losses		25	-	1,873	(1,873)	(274)	130	(404)
Net operating profit	(1+17+24+25)	26	8,138	(1,356)	9,494	2,816	1,285	1,531
Other gains/(losses), net		27	1,283	3,375	(2,092)	(434)	(1,445)	1,011
Net gains/(losses) on stocks		28	4,878	4,650	227	(181)	(2,397)	2,216
Disposal of problem loans		29	(863)	(278)	(584)	(238)	1,157	(1,396)
Reversal of credit expenses		30	1,973	88	1,885	47	0	46
Other		31	(4,705)	(1,084)	(3,620)	(61)	(206)	145
Ordinary profit	(26+27)	32	9,421	2,019	7,402	2,382	(160)	2,543
Extraordinary gains/(losses), net		33	554	573	(18)	(29)	(242)	213
Gains/(losses) on disposal of fixed assets		34	(141)	(124)	(16)	(29)	75	(105)
Impairment losses on fixed assets		35	(263)	(261)	(2)	-	-	-
Gain on revision of retirement benefit plan, Other		36	959	959	-	-	(318)	318
Net income before income taxes	(32+33)	37	9,975	2,592	7,383	2,353	(403)	2,756
Income taxes-current		38	(982)	97	(1,080)	(363)	460	(823)
Income taxes-deferred		39	(1,600)	(1,072)	(527)	(377)	(435)	57
Net income	(37+38+39)	40	7,392	1,617	5,775	1,612	(378)	1,991
Credit expense	(25+29+30)	41	1,109	1,682	(572)	(464)	1,288	(1,753)
Provision to general reserve for possible loan losses		42	1,558	3,716	(2,158)	(274)	130	(404)
Write-off of loans		43	(820)	(336)	(483)	(5)	(5)	(0)
Provision to specific reserve for possible loan losses		44	217	(1,788)	2,005	49	1,282	(1,233)
Other disposal of problem loans		45	(43)	75	(119)	(282)	(120)	(162)
Gains on recoveries of written-off loans		46	198	15	182	47	0	46

## 2. Net operating profit per employee

<Total of two banks, Non-consolidated figures of each bank>

(Millions of yen)

	Total of two banks		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Actual net operating profit	11,597	(2,074)	13,671
Actual net operating profit per employee (thousands of yen)	1,620	(237)	1,857
Net operating profit	10,955	(71)	11,026
Net operating profit per employee (thousands of yen)	1,530	32	1,498

	Kansai Mirai Bank			Minato Bank		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Actual net operating profit	8,506	(3,229)	11,736	3,090	1,155	1,935
Actual net operating profit per employee (thousands of yen)	1,763	(590)	2,354	1,322	506	815
Net operating profit	8,138	(1,356)	9,494	2,816	1,285	1,531
Net operating profit per employee (thousands of yen)	1,687	(217)	1,904	1,204	559	645

Note: Number of employees includes executive officers and employees seconded to other companies.

## 3. R O E

<Kansai Mirai Financial Group Consolidated>

(%)

	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Net income ROE	3.31	(24.67)	27.98

Net income attributable to owners of the parent X 365 / 183

Note: ROE=

(Shareholders' equity at beginning of period + total shareholders' equity at end of period) / 2

## 4. Interest rate spreads

<Total of two banks, Non-consolidated figures of each bank>

### 1. Total operations (%)

	Total of two banks		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Average interest rate on funds invested (a)	1.04	(0.06)	1.10
Average interest rate of loans and bills discounted (c)	1.14	(0.06)	1.20
Average interest rate on securities	0.94	(0.22)	1.17
Average interest rate on procured funds (b)	1.03	(0.01)	1.05
Average interest rate of deposits and negotiable CDs (d)	0.04	(0.00)	0.05
Average interest rate on external debt	0.02	(0.07)	0.09
Gross interest margin (a) - (b)	0.00	(0.04)	0.05
Loan-to-deposit spread (c) - (d)	1.09	(0.06)	1.15

	Kansai Mirai Bank			Minato Bank		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Average interest rate on funds invested (a)	1.08	(0.03)	1.12	0.94	(0.12)	1.07
Average interest rate of loans and bills discounted (c)	1.18	(0.06)	1.25	1.04	(0.06)	1.10
Average interest rate on securities	0.88	0.03	0.85	1.19	(0.97)	2.17
Average interest rate on procured funds (b)	1.04	0.00	1.04	0.99	(0.05)	1.05
Average interest rate of deposits and negotiable CDs (d)	0.04	(0.00)	0.05	0.02	(0.00)	0.03
Average interest rate on external debt	(0.00)	(0.06)	0.06	0.63	0.31	0.31
Gross interest margin (a) - (b)	0.03	(0.03)	0.07	(0.05)	(0.07)	0.01
Loan-to-deposit spread (c) - (d)	1.13	(0.06)	1.19	1.01	(0.05)	1.06

### 2. Domestic operations (%)

	Total of two banks		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Average interest rate on funds invested (a)	1.02	(0.06)	1.09
Average interest rate of loans and bills discounted (c)	1.13	(0.06)	1.20
Average interest rate on securities	0.94	(0.20)	1.15
Average interest rate on procured funds (b)	1.02	(0.01)	1.03
Average interest rate of deposits and negotiable CDs (d)	0.03	(0.00)	0.04
Average interest rate on external debt	0.01	0.00	0.01
Gross interest margin (a) - (b)	0.00	(0.04)	0.05
Loan-to-deposit spread (c) - (d)	1.09	(0.05)	1.15

	Kansai Mirai Bank			Minato Bank		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Average interest rate on funds invested (a)	1.08	(0.03)	1.11	0.90	(0.12)	1.02
Average interest rate of loans and bills discounted (c)	1.18	(0.06)	1.24	1.01	(0.06)	1.08
Average interest rate on securities	0.88	0.04	0.83	1.21	(1.20)	2.42
Average interest rate on procured funds (b)	1.03	0.00	1.03	0.98	(0.05)	1.04
Average interest rate of deposits and negotiable CDs (d)	0.04	(0.00)	0.05	0.02	(0.00)	0.02
Average interest rate on external debt	(0.00)	(0.00)	(0.00)	0.62	0.43	0.19
Gross interest margin (a) - (b)	0.04	(0.03)	0.08	(0.07)	(0.06)	(0.01)
Loan-to-deposit spread (c) - (d)	1.13	(0.05)	1.19	0.99	(0.05)	1.05

## 5. Use and source of funds

<Total of two banks>

(Millions of yen, %)

	1st half of FY 2019 (A)			(A)-(B)			1st half of FY 2018 (B)		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
<b>1. Total operations</b>									
Use of Funds	10,918,428	57,009	1.04	(194,589)	(4,705)	(0.06)	11,113,017	61,714	1.10
Loans and bills discounted	9,061,858	51,804	1.14	201,648	(1,894)	(0.06)	8,860,210	53,698	1.20
Securities	953,487	4,539	0.94	(299,517)	(2,855)	(0.22)	1,253,005	7,394	1.17
Source of Funds	11,165,693	2,574	0.04	(151,756)	(883)	(0.01)	11,317,449	3,458	0.06
Deposits	10,702,333	2,327	0.04	(34,571)	(415)	(0.00)	10,736,904	2,742	0.05
Negotiable certificates of deposit	166,787	21	0.02	(12,377)	(1)	0.00	179,164	22	0.02
Call money	176,633	(48)	(0.05)	17,859	(2)	0.00	158,774	(46)	(0.05)
Borrowed money	76,037	83	0.21	(78,704)	(118)	(0.04)	154,741	202	0.26

## 2. Domestic operations

Use of Funds	10,853,568	55,965	1.02	(130,859)	(4,096)	(0.06)	10,984,427	60,061	1.09
Loans and bills discounted	8,985,179	51,090	1.13	206,342	(1,786)	(0.06)	8,778,837	52,876	1.20
Securities	929,915	4,416	0.94	(231,921)	(2,289)	(0.20)	1,161,837	6,705	1.15
Source of Funds	11,099,957	2,343	0.04	(88,586)	(460)	(0.00)	11,188,544	2,803	0.04
Deposits	10,653,450	2,108	0.03	(35,852)	(445)	(0.00)	10,689,302	2,554	0.04
Negotiable certificates of deposit	166,787	21	0.02	(12,377)	(1)	0.00	179,164	22	0.02
Call money	176,361	(51)	(0.05)	18,218	0	0.00	158,142	(52)	(0.06)
Borrowed money	75,382	75	0.19	(68,412)	(0)	0.09	143,794	75	0.10

## 3. International operations

Use of Funds	143,956	1,072	1.48	(55,515)	(609)	(0.19)	199,471	1,682	1.68
Loans and bills discounted	76,679	714	1.85	(4,694)	(107)	(0.15)	81,373	822	2.01
Securities	23,572	123	1.04	(67,595)	(566)	(0.46)	91,167	689	1.50
Source of Funds	144,833	260	0.35	(54,954)	(423)	(0.32)	199,787	684	0.68
Deposits	48,883	219	0.89	1,281	30	0.10	47,602	188	0.78
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-
Call money	272	2	2.14	(359)	(3)	0.26	631	5	1.87
Borrowed money	655	8	2.57	(10,292)	(118)	0.26	10,947	126	2.30



<Non-consolidated figures of each bank>

<Kansai Mirai Bank>

(Millions of yen, %)

1. Total operations	1st half of FY 2019 (A)			(A)-(B)			1st half of FY 2018 (B)		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Use of Funds	7,641,577	41,527	1.08	(177,368)	(2,490)	(0.03)	7,818,946	44,017	1.12
Loans and bills discounted	6,382,101	37,826	1.18	60,855	(1,834)	(0.06)	6,321,246	39,660	1.25
Securities	763,973	3,406	0.88	(179,472)	(618)	0.03	943,446	4,025	0.85
Source of Funds	7,764,139	2,038	0.05	(139,374)	(455)	(0.01)	7,903,514	2,494	0.06
Deposits	7,361,597	1,857	0.05	(90,623)	(341)	(0.00)	7,452,221	2,198	0.05
Negotiable certificates of deposit	158,519	21	0.02	(7,415)	(0)	0.00	165,934	21	0.02
Call money	176,419	(49)	(0.05)	18,107	2	0.00	158,312	(51)	(0.06)
Borrowed money	64,958	48	0.14	(51,466)	(97)	(0.10)	116,424	145	0.25

## 2. Domestic operations

Use of Funds	7,616,935	41,252	1.08	(166,342)	(2,281)	(0.03)	7,783,278	43,534	1.11
Loans and bills discounted	6,358,541	37,660	1.18	68,636	(1,718)	(0.06)	6,289,904	39,378	1.24
Securities	755,039	3,348	0.88	(175,538)	(546)	0.04	930,578	3,895	0.83
Source of Funds	7,739,548	1,914	0.04	(128,641)	(362)	(0.00)	7,868,189	2,277	0.05
Deposits	7,338,117	1,743	0.04	(88,223)	(344)	(0.00)	7,426,340	2,088	0.05
Negotiable certificates of deposit	158,519	21	0.02	(7,415)	(0)	0.00	165,934	21	0.02
Call money	176,197	(51)	(0.05)	18,054	0	0.00	158,142	(52)	(0.06)
Borrowed money	64,303	40	0.12	(42,955)	(0)	0.04	107,259	40	0.07

## 3. International operations

Use of Funds	57,372	288	1.00	(2,233)	(206)	(0.65)	59,605	494	1.65
Loans and bills discounted	23,560	166	1.40	(7,781)	(115)	(0.38)	31,341	282	1.79
Securities	8,933	57	1.29	(3,934)	(72)	(0.72)	12,867	130	2.01
Source of Funds	57,321	138	0.48	(1,940)	(89)	(0.28)	59,261	228	0.76
Deposits	23,480	113	0.96	(2,400)	3	0.11	25,880	110	0.85
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-
Call money	222	2	2.02	53	1	0.91	169	0	1.11
Borrowed money	655	8	2.57	(8,510)	(97)	0.27	9,165	105	2.30

<Minato Bank>

(Millions of yen, %)

	1st half of FY 2019 (A)			(A)-(B)			1st half of FY 2018 (B)		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
<b>1. Total operations</b>									
Use of Funds	3,276,850	15,482	0.94	(17,220)	(2,214)	(0.12)	3,294,071	17,696	1.07
Loans and bills discounted	2,679,757	13,977	1.04	140,792	(59)	(0.06)	2,538,964	14,037	1.10
Securities	189,514	1,132	1.19	(120,044)	(2,236)	(0.97)	309,558	3,369	2.17
Source of Funds	3,401,553	535	0.03	(12,382)	(427)	(0.02)	3,413,935	963	0.05
Deposits	3,340,736	470	0.02	56,052	(73)	(0.00)	3,284,683	544	0.03
Negotiable certificates of deposit	8,268	0	0.00	(4,961)	(0)	0.00	13,229	0	0.00
Call money	213	0	0.59	(248)	(4)	(1.56)	462	4	2.15
Borrowed money	11,079	35	0.63	(27,238)	(20)	0.34	38,317	56	0.29

**2. Domestic operations**

Use of Funds	3,236,633	14,712	0.90	35,483	(1,815)	(0.12)	3,201,149	16,527	1.02
Loans and bills discounted	2,626,638	13,430	1.01	137,705	(67)	(0.06)	2,488,933	13,497	1.08
Securities	174,875	1,067	1.21	(56,383)	(1,742)	(1.20)	231,259	2,809	2.42
Source of Funds	3,360,408	428	0.02	40,054	(97)	(0.00)	3,320,354	526	0.03
Deposits	3,315,333	364	0.02	52,371	(101)	(0.00)	3,262,962	466	0.02
Negotiable certificates of deposit	8,268	0	0.00	(4,961)	(0)	0.00	13,229	0	0.00
Call money	163	(0)	(0.03)	163	(0)	(0.03)	-	-	-
Borrowed money	11,079	35	0.63	(25,456)	(0)	0.44	36,535	35	0.19

**3. International operations**

Use of Funds	86,584	784	1.80	(53,281)	(402)	0.11	139,865	1,187	1.69
Loans and bills discounted	53,118	547	2.05	3,087	7	(0.09)	50,031	539	2.15
Securities	14,638	65	0.89	(63,661)	(493)	(0.53)	78,299	559	1.42
Source of Funds	87,511	122	0.27	(53,014)	(333)	(0.36)	140,525	456	0.64
Deposits	25,402	105	0.82	3,681	27	0.11	21,721	77	0.71
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-
Call money	49	0	2.65	(412)	(4)	0.49	462	4	2.15
Borrowed money	-	-	-	(1,781)	(20)	(2.32)	1,781	20	2.32

## 6. Retirement benefit obligation and expenses

<Total of two banks, Non-consolidated figures of each bank>

### (1) Retirement benefit obligation

(Millions of yen)

	Total of two banks		
	End of Sep. 2019 (A)	(A)-(B)	End of Mar. 2019 (B)
	Retirement benefit obligation	63,068	(31,302)
Discount rate (%)	0.29~0.75	-	0.29~0.75
Pension plan assets at fair value	67,909	(20,582)	88,492
Prepaid pension cost	28,634	13,458	15,175
Provision for retirement benefits	15,412	8,949	6,462
Amount to be amortized	8,380	(6,211)	14,591

	Kansai Mirai Bank			Minato Bank		
	End of Sep. 2019 (A)	(A)-(B)	End of Mar. 2019 (B)	End of Sep. 2019 (A)	(A)-(B)	End of Mar. 2019 (B)
	Retirement benefit obligation	46,418	(31,147)	77,565	16,650	(154)
Discount rate (%)	0.29~0.35	-	0.29~0.35	0.75	-	0.75
Pension plan assets at fair value	48,069	(20,634)	68,703	19,840	51	19,788
Prepaid pension cost	25,381	13,482	11,899	3,252	(24)	3,276
Provision for retirement benefits	15,173	9,214	5,959	238	(264)	503
Amount to be amortized	8,556	(6,245)	14,801	(175)	34	(210)

Note: Figures of Kansai Mirai Bank for the first half of fiscal year 2019 reflect the revisions of the retirement benefit plan implemented on October 1, 2019.

### (2) Retirement benefit expenses for defined benefit plan (Millions of yen)

	Total of two banks		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
	Retirement benefit expenses	(1,877)	13
Service cost	(1,483)	(16)	(1,467)
Interest cost	(185)	62	(247)
Expected return on pension plan assets	973	3	970
Unrecognized actuarial loss	(1,186)	(36)	(1,150)
Other	4	-	4

	Kansai Mirai Bank			Minato Bank		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
	Retirement benefit expenses	(1,715)	115	(1,831)	(161)	(102)
Service cost	(1,263)	(20)	(1,243)	(220)	3	(223)
Interest cost	(122)	59	(181)	(63)	2	(65)
Expected return on pension plan assets	887	6	880	86	(3)	89
Unrecognized actuarial loss	(1,217)	69	(1,286)	30	(105)	136
Other	-	-	-	4	-	4

## 7. Gains /(losses) on bonds and stocks

<Total of two banks, Non-consolidated figures of each bank>

(Millions of yen)

	Total of two banks		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Net gains/(losses) on bonds	2,635	2,252	383
Gains on sale	2,650	166	2,483
Gains on redemption	-	-	-
Losses on sale	-	1,935	(1,935)
Losses on redemption	-	-	-
Losses on devaluation	(14)	150	(164)
Net gains/(losses) on stocks	4,696	2,253	2,443
Gains on sale	5,047	2,558	2,488
Losses on sale	(309)	(270)	(39)
Losses on devaluation	(40)	(35)	(5)

	Kansai Mirai Bank			Minato Bank		
	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)	1st half of FY 2019 (A)	(A)-(B)	1st half of FY 2018 (B)
Net gains/(losses) on bonds	1,773	(102)	1,875	862	2,354	(1,492)
Gains on sale	1,787	(311)	2,098	862	477	385
Gains on redemption	-	-	-	-	-	-
Losses on sale	-	58	(58)	-	1,877	(1,877)
Losses on redemption	-	-	-	-	-	-
Losses on devaluation	(14)	150	(164)	-	-	-
Net gains/(losses) on stocks	4,878	4,650	227	(181)	(2,397)	2,216
Gains on sale	4,883	4,650	233	163	(2,091)	2,255
Losses on sale	(4)	(4)	(0)	(305)	(265)	(39)
Losses on devaluation	(0)	5	(5)	(40)	(40)	-

## 8. Unrealized gains/(losses) on marketable securities (Bonds held to maturity, stocks of subsidiaries and affiliates and available-for-sale securities)

(Millions of yen)

<Kansai Mirai Financial Group Consolidated>	B/S Amount (End of Sep. 2019)	Change from End of Mar. 2019	Unrealized gains/(losses)			Change from End of Mar. 2019
			(End of Sep. 2019)	Gain	Loss	
Bonds held to maturity	193,739	(13,866)	5,246	5,254	(8)	554
Available-for-sale securities	679,023	(135,528)	11,898	19,100	(7,202)	2,225
Stocks	39,994	(9,344)	2,820	8,569	(5,748)	(2,550)
Bonds	514,228	(91,514)	1,669	1,919	(250)	359
JGB	38,295	1,922	(36)	131	(168)	(183)
Other	124,801	(34,670)	7,408	8,611	(1,202)	4,416

Notes: 1. The figures presented in the table above include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims bought."

2. The presented figures only include marketable securities.

(Millions of yen)

<Total of two banks>	B/S Amount (End of Sep. 2019)	Change from End of Mar. 2019	Unrealized gains/(losses)			Change from End of Mar. 2019
			(End of Sep. 2019)	Gain	Loss	
Bonds held to maturity	193,738	(13,866)	5,246	5,255	(8)	554
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	677,154	(135,727)	28,284	30,723	(2,439)	(2,723)
Stocks	39,858	(9,341)	20,229	20,766	(537)	(7,114)
Bonds	514,228	(91,514)	2,181	2,434	(252)	180
Other	123,068	(34,872)	5,873	7,522	(1,649)	4,210

### <Kansai Mirai Bank>

Bonds held to maturity	189,324	(13,861)	5,244	5,252	(8)	554
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	504,404	(130,884)	18,964	20,556	(1,591)	(3,399)
Stocks	22,271	(9,243)	12,507	12,669	(161)	(7,090)
Bonds	382,697	(102,753)	1,407	1,427	(19)	218
Other	99,435	(18,887)	5,049	6,459	(1,409)	3,472

### <Minato Bank>

Bonds held to maturity	4,414	(4)	2	2	(0)	(0)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	172,750	(4,842)	9,319	10,167	(847)	676
Stocks	17,586	(97)	7,721	8,097	(375)	(24)
Bonds	131,530	11,239	774	1,006	(232)	(37)
Other	23,632	(15,984)	823	1,063	(239)	737

Notes: 1. The figures presented in the table above include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims bought."

2. The presented figures only include marketable securities.

## 9. Breakdown of securities by remaining period to maturity (Bonds held to maturity and available-for-sale securities with maturities)

(Billions of yen)

	End of Sep. 2019							End of Mar. 2019						
	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years	Total	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years	Total
<b>&lt;Total of two banks&gt;</b>														
Bonds held to maturity	95.6	26.7	10.4	0.3	0.0	61.3	194.6	30.6	102.2	13.8	0.6	0.0	61.4	208.9
Japanese government bonds	84.0	5.0	-	-	-	16.1	105.1	18.5	78.5	-	-	-	16.1	113.1
Floating-rate JGBs	84.0	5.0	-	-	-	-	89.0	18.5	78.5	-	-	-	-	97.0
Japanese local government bonds	0.5	3.9	-	-	-	4.4	8.8	0.5	3.9	-	-	-	4.5	8.9
Japanese corporate bonds	11.1	17.8	10.4	0.3	0.0	40.8	80.7	11.6	19.7	13.8	0.6	0.0	40.8	86.8
Available-for-sale securities	96.7	264.4	93.7	58.5	36.8	44.9	595.3	88.6	288.2	165.7	35.0	79.8	47.2	704.9
Bonds	88.1	247.8	80.9	35.7	13.6	43.0	509.3	79.5	271.1	147.6	26.4	23.5	44.5	592.8
Japanese government bonds	20.0	10.0	-	-	-	7.5	37.5	-	30.0	-	-	3.5	2.0	35.5
Floating-rate JGBs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Japanese local government bonds	2.5	24.4	15.4	14.2	4.2	-	60.9	3.7	17.3	41.4	7.1	9.4	-	79.1
Japanese corporate bonds	65.5	213.4	65.4	21.4	9.4	35.5	410.9	75.8	223.7	106.1	19.3	10.6	42.5	478.2
Other	8.5	16.5	12.8	22.8	23.2	1.8	85.9	9.1	17.1	18.0	8.5	56.3	2.7	112.0
Total	192.3	291.2	104.2	58.9	36.9	106.2	789.9	119.2	390.5	179.6	35.7	79.9	108.7	913.8

### <Kansai Mirai Bank>

Bonds held to maturity	95.1	22.8	10.4	0.3	0.0	61.3	190.2	30.1	98.2	13.8	0.6	0.0	61.4	204.5
Japanese government bonds	84.0	5.0	-	-	-	16.1	105.1	18.5	78.5	-	-	-	16.1	113.1
Floating-rate JGBs	84.0	5.0	-	-	-	-	89.0	18.5	78.5	-	-	-	-	97.0
Japanese local government bonds	-	-	-	-	-	4.4	4.4	-	-	-	-	-	4.5	4.5
Japanese corporate bonds	11.1	17.8	10.4	0.3	0.0	40.8	80.7	11.6	19.7	13.8	0.6	0.0	40.8	86.8
Available-for-sale securities	63.2	225.1	72.2	30.6	12.8	37.4	441.6	72.6	225.7	143.0	21.1	40.7	45.2	548.5
Bonds	55.3	215.7	60.2	9.5	3.0	35.5	379.4	64.4	215.2	127.5	14.7	9.5	42.5	474.0
Japanese government bonds	-	-	-	-	-	-	-	-	-	-	-	3.5	-	3.5
Floating-rate JGBs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Japanese local government bonds	1.7	23.4	15.4	-	-	-	40.6	1.9	16.0	41.4	-	-	-	59.5
Japanese corporate bonds	53.6	192.2	44.8	9.5	3.0	35.5	338.8	62.4	199.1	86.0	14.7	6.0	42.5	410.9
Other	7.8	9.4	11.9	21.1	9.8	1.8	62.1	8.2	10.4	15.5	6.3	31.1	2.7	74.5
Total	158.4	248.0	82.7	31.0	12.8	98.7	631.8	102.7	324.0	156.9	21.8	40.8	106.7	753.0

### <Minato Bank>

Bonds held to maturity	0.5	3.9	-	-	-	-	4.4	0.5	3.9	-	-	-	-	4.4
Japanese government bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Floating-rate JGBs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Japanese local government bonds	0.5	3.9	-	-	-	-	4.4	0.5	3.9	-	-	-	-	4.4
Japanese corporate bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	33.4	39.2	21.5	27.9	24.0	7.5	153.6	16.0	62.5	22.7	13.9	39.1	2.0	156.3
Bonds	32.7	32.1	20.6	26.2	10.6	7.5	129.9	15.1	55.8	20.1	11.7	13.9	2.0	118.8
Japanese government bonds	20.0	10.0	-	-	-	7.5	37.5	-	30.0	-	-	-	2.0	32.0
Floating-rate JGBs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Japanese local government bonds	0.8	0.9	-	14.2	4.2	-	20.2	1.7	1.2	-	7.1	9.4	-	19.5
Japanese corporate bonds	11.9	21.1	20.6	11.9	6.4	-	72.1	13.3	24.6	20.1	4.6	4.5	-	67.2
Other	0.6	7.1	0.8	1.6	13.3	0.0	23.7	0.8	6.7	2.5	2.2	25.1	0.0	37.5
Total	33.9	43.1	21.5	27.9	24.0	7.5	158.0	16.5	66.4	22.7	13.9	39.1	2.0	160.7

## 10. Capital adequacy ratio

### (1) Consolidated capital adequacy ratio (Japanese Domestic Standard)

(Billions of yen, %)

<Kansai Mirai Financial Group>	End of Sep. 2019 (A)	(A)-(B)	End of Mar. 2019 (B)
	Capital adequacy ratio	8.26	1.40
Total qualifying capital	459.2	(2.7)	462.0
Core Capital: instruments and reserves	481.7	0.1	481.6
Core Capital: regulatory adjustments	22.4	2.8	19.6
Risk weighted assets	5,553.6	(1,173.8)	6,727.4
Credit risk weighted assets	5,302.2	(1,173.3)	6,475.6
Amount equivalent to market risk / 8%	5.0	(0.1)	5.2
Amount equivalent to operational risk / 8%	246.3	(0.2)	246.6
Credit risk weighted assets adjustments	-	-	-
Total required capital	444.2	(93.9)	538.1

Note: Since Kansai Mirai Financial Group adopts the Internal Ratings-Based Approach to calculate the credit risk weighted assets, total required capital is calculated as 8% of total risk weighted assets.

### (2) Capital adequacy ratios of group banks (Japanese domestic standard)

(Billions of yen, %)

<Kansai Mirai Bank>	Consolidated			Non-consolidated		
	End of Sep. 2019	End of Mar. 2019		End of Sep. 2019	End of Mar. 2019	
		Kansai Urban Banking Corporation	Kinki Osaka Bank		Kansai Urban Banking Corporation	Kinki Osaka Bank
Capital adequacy ratio	9.30	6.20	11.01	8.66	6.04	10.17
Total qualifying capital	356.9	194.7	146.4	330.3	188.2	134.8
Core Capital: instruments and reserves	382.6	212.2	154.0	360.7	207.1	147.9
Core Capital: regulatory adjustments	25.7	17.5	7.5	30.3	18.8	13.1
Risk weighted assets	3,836.6	3,137.3	1,329.7	3,813.2	3,112.4	1,324.5
Credit risk weighted assets	3,619.3	3,035.4	1,256.4	3,650.5	3,019.3	1,252.3
Amount equivalent to market risk / 8%	0.9	-	0.9	0.9	-	0.9
Amount equivalent to operational risk / 8%	170.2	101.9	72.3	161.6	93.0	71.1
Credit risk weighted assets adjustments	46.1	-	-	-	-	-
Total required capital	306.9	125.4	106.3	305.0	124.4	105.9

Note: Total required capital of Kansai Urban Banking Corporation as of the end of Mar. 2019 is calculated as 4% of total risk weighted assets.

(Billions of yen, %)

<Minato Bank>	Consolidated			Non-consolidated		
	End of Sep. 2019 (A)	(A)-(B)	End of Mar. 2019 (B)	End of Sep. 2019 (A)	(A)-(B)	End of Mar. 2019 (B)
Total qualifying capital	138.2	2.3	135.9	134.1	1.8	132.2
Core Capital: instruments and reserves	142.9	1.9	141.0	138.5	1.4	137.1
Core Capital: regulatory adjustments	4.6	(0.4)	5.1	4.4	(0.4)	4.8
Risk weighted assets	2,028.6	12.8	2,015.8	2,017.9	11.3	2,006.6
Credit risk weighted assets	1,956.9	13.4	1,943.4	1,948.8	12.2	1,936.6
Amount equivalent to operational risk / 8%	71.6	(0.6)	72.3	69.1	(0.8)	69.9
Total required capital	81.1	0.5	80.6	80.7	0.4	80.2

Note: Total required capital is calculated as 4% of total risk weighted assets.

(Reference) Risk weighted assets are calculated by using the methods shown in the box below.

	Amount of credit risk weighted assets		Amount equivalent to operational risk	Amount equivalent to market risk
	End of Sep. 2019	End of Mar. 2019		
<Kansai Mirai Financial Group>	Fundamental Internal Ratings-Based Approach	Fundamental Internal Ratings-Based Approach	The Standardized Approach	The Standardised Approach
<Kansai Mirai Bank>	Fundamental Internal Ratings-Based Approach	-		
<Kinki Osaka Bank>	-	Fundamental Internal Ratings-Based Approach		
<Kansai Urban Banking Corporation>	-	Standardized Approach		
<Minato Bank>	Standardized Approach *1	Standardized Approach		- *2

Notes: 1. In calculating consolidated capital adequacy ratio of Kansai Mirai Financial Group, amount of credit risk weighted assets of Minato Bank are calculated according to the Fundamental Internal Ratings-Based Approach.

2. According to Public Notice Article 29 and 39, amount equivalent to market risk is not counted.

## 11. Stock holdings

<Total of two banks>

(Billions of yen)

	End of Sep. 2019	Change	End of Mar. 2019
Acquisition cost	19.6	(2.2)	21.8
Market value	39.8	(9.3)	49.1
Book value of stocks sold outright	2.2	(1.2)	3.4

<Non-consolidated figures of each bank>

(Billions of yen)

	Kansai Mirai Bank	Minato Bank
	End of Sep. 2019	End of Sep. 2019
Acquisition cost	9.7	9.8
Market value	22.2	17.5
Book value of stocks sold outright	2.1	0.1

Note: These figures exclude stocks which are not subject to capital regulation (those of subsidiaries, affiliated companies, and unlisted stocks)

## 12. Number of employees and offices

<Kansai Mirai Financial Group, Non-consolidated>

(People)

	End of Sep. 2019	Change	End of Mar. 2019
Directors	9	-	9
Non-board executive officers	15	-	15

Notes: 1. Above figures include 17 directors and Non-board executive officers who concurrently serve as directors and executive officers for group banks.

2. Non-board executive officers do not include those officers who concurrently serve as directors.

3. The above figures do not include these directors and Non-board executive officers who retired at the end of respective fiscal periods. The above figures as of end of the fiscal periods include these directors and executive officers who are installed at the beginning of the next fiscal periods.

<Total of two banks>

(People/ branch offices)

	End of Sep. 2019	Change	End of Mar. 2019
Directors	21	1	20
Non-board executive officers	64	-	64
Employees	7,094	67	7,027
Manned domestic offices	379	-	379
Non-manned domestic offices	160	2	158
Total domestic offices	539	2	537

<Non-consolidated figures of each bank>

(People/ branch offices)

	Kansai Mirai Bank	Minato Bank
	End of Sep. 2019	End of Sep. 2019
Directors	11	10
Non-board executive officers	43	24
Employees	4,780	2,314
Manned domestic offices	273	106
Non-manned domestic offices	82	78
Total domestic offices	355	184

Notes: 1. Directors who concurrently serve as directors for other group banks are counted multiple times. However, multiple entries are adjusted in totals.

2. Non-board executive officers do not include those officers who concurrently serve as directors.

3. The above figures do not include these directors and Non-board executive officers who retired at the end of respective fiscal periods. The above figures as of end of the fiscal periods include these directors and executive officers who are installed at the beginning of the next fiscal periods.

4. The number of employees is based on registered employees (including the seconded employees).

5. The number of employees do not include those who retired at the end of respective fiscal periods.

6. The number of manned offices is the sum of head/branch offices and representative offices.



## II. Loans and Bills Discounted and Other

### 1. Risk-managed loans

#### (1) Risk-managed loans

(Millions of yen)

<Total of two banks>	End of Sep.			End of Mar.	End of Sep.
	2019 (A)	(A)-(B)	(A)-(C)	2019 (B)	2018 (C)
Loans to borrowers in legal bankruptcy	3,513	406	293	3,106	3,219
Past due loans	131,976	(6,347)	(9,503)	138,324	141,480
Loans past due 3 months or more	1,347	522	(152)	824	1,499
Restructured loans	21,671	(2,028)	3,867	23,699	17,804
Risk-managed loans, total	158,508	(7,447)	(5,495)	165,955	164,004
Partial direct write-offs	77,260	1,395	(642)	75,865	77,903
Balance of loans (Term-end)	9,107,415	(44,462)	49,388	9,151,877	9,058,027

#### <Kansai Mirai Bank>

Loans to borrowers in legal bankruptcy	1,806	235	158	1,570	1,647
Past due loans	89,198	(4,004)	(7,227)	93,202	96,426
Loans past due 3 months or more	1,023	441	(63)	581	1,087
Restructured loans	17,158	(2,263)	1,985	19,422	15,173
Risk-managed loans, total	109,187	(5,590)	(5,147)	114,778	114,334
Partial direct write-offs	72,345	926	(1,731)	71,418	74,077
Balance of loans (Term-end)	6,395,258	(74,518)	(40,620)	6,469,776	6,435,879

#### <Minato Bank>

Loans to borrowers in legal bankruptcy	1,706	171	134	1,535	1,572
Past due loans	42,777	(2,343)	(2,276)	45,121	45,054
Loans past due 3 months or more	323	80	(88)	243	412
Restructured loans	4,512	235	1,881	4,277	2,631
Risk-managed loans, total	49,321	(1,856)	(348)	51,177	49,669
Partial direct write-offs	4,915	468	1,088	4,446	3,826
Balance of loans (Term-end)	2,712,157	30,056	90,008	2,682,100	2,622,148

Note: The figures of Kansai Mirai Bank do not reflect the current price valuation of "loans and bills discounted" which was calculated at the business combination of Kansai Urban Banking Corporation on March 1, 2010.

#### (2) Ratio to total balance of loans

(%)

<Total of two banks>	End of Sep.			End of Mar.	End of Sep.
	2019 (A)	(A)-(B)	(A)-(C)	2019 (B)	2018 (C)
Loans to borrowers in legal bankruptcy	0.03	0.00	0.00	0.03	0.03
Past due loans	1.44	(0.06)	(0.11)	1.51	1.56
Loans past due 3 months or more	0.01	0.00	(0.00)	0.00	0.01
Restructured loans	0.23	(0.02)	0.04	0.25	0.19
Risk-managed loans, total	1.74	(0.07)	(0.07)	1.81	1.81

#### <Kansai Mirai Bank>

Loans to borrowers in legal bankruptcy	0.02	0.00	0.00	0.02	0.02
Past due loans	1.39	(0.04)	(0.10)	1.44	1.49
Loans past due 3 months or more	0.01	0.00	(0.00)	0.00	0.01
Restructured loans	0.26	(0.03)	0.03	0.30	0.23
Risk-managed loans, total	1.70	(0.06)	(0.06)	1.77	1.77

#### <Minato Bank>

Loans to borrowers in legal bankruptcy	0.06	0.00	0.00	0.05	0.05
Past due loans	1.57	(0.10)	(0.14)	1.68	1.71
Loans past due 3 months or more	0.01	0.00	(0.00)	0.00	0.01
Restructured loans	0.16	0.00	0.06	0.15	0.10
Risk-managed loans, total	1.81	(0.08)	(0.07)	1.90	1.89

## 2. Percentage of loan loss reserves to total risk-managed loans

(%)

	End of Sep. 2019 (A)	(A)-(B)	(A)-(C)	End of Mar. 2019 (B)	End of Sep. 2018 (C)
<Total of two banks>					
Before partial direct write-off	49.91	0.27	(1.53)	49.64	51.45
After partial direct write-off	25.50	(1.11)	(2.88)	26.62	28.38
<Kansai Mirai Bank>					
Before partial direct write-off	53.99	0.59	(0.38)	53.39	54.37
After partial direct write-off	23.50	(0.89)	(1.30)	24.39	24.81
<Minato Bank>					
Before partial direct write-off	36.29	(0.79)	(4.86)	37.08	41.15
After partial direct write-off	29.94	(1.67)	(6.67)	31.61	36.62

Note: Percentage of reserves = Total reserve for possible loan losses / Total risk-managed loans

## 3. Reserve for possible loan losses

(Millions of yen)

	End of Sep. 2019 (A)	(A)-(B)	(A)-(C)	End of Mar. 2019 (B)	End of Sep. 2018 (C)
<Kansai Mirai Financial Group Consolidated>					
General reserve for possible loan losses	22,345	(1,251)	(841)	23,596	23,186
Specific reserve for possible loan losses	25,538	(2,742)	(5,208)	28,281	30,746
Total reserve for possible loan losses	47,883	(3,993)	(6,049)	51,877	53,933
<Total of two banks>					
General reserve for possible loan losses	16,882	(1,284)	(1,128)	18,166	18,010
Specific reserve for possible loan losses	23,549	(2,468)	(4,999)	26,018	28,549
Total reserve for possible loan losses	40,431	(3,752)	(6,127)	44,184	46,559
<Kansai Mirai Bank>					
General reserve for possible loan losses	11,220	(1,558)	(1,560)	12,778	12,780
Specific reserve for possible loan losses	14,444	(780)	(1,145)	15,224	15,589
Total reserve for possible loan losses	25,664	(2,338)	(2,705)	28,002	28,369
<Minato Bank>					
General reserve for possible loan losses	5,662	274	432	5,388	5,229
Specific reserve for possible loan losses	9,105	(1,688)	(3,854)	10,793	12,959
Total reserve for possible loan losses	14,767	(1,414)	(3,421)	16,181	18,189

#### 4. Claims disclosure according to the Financial Reconstruction Act

(Millions of yen, %)

<Total of two banks>	End of Sep. 2019 (A)			End of Mar. 2019 (B)	End of Sep. 2018 (C)
	(A)-(B)	(A)-(C)			
Unrecoverable or valueless claims	33,953	(112)	(1,960)	34,066	35,914
Risk claims	102,068	(5,908)	(7,687)	107,976	109,755
Special attention loans	23,019	(1,505)	3,714	24,524	19,304
Financial Reconstruction Act subtotal [A]	159,041	(7,526)	(5,932)	166,568	164,974
Normal claims	9,079,852	(44,887)	52,240	9,124,740	9,027,612
Financial Reconstruction Act total [B]	9,238,894	(52,414)	46,307	9,291,308	9,192,586
Partial direct write-offs	77,675	1,542	(584)	76,133	78,259
NPL Ratio [A] / [B]	1.72	(0.07)	(0.07)	1.79	1.79

#### <Kansai Mirai Bank>

Unrecoverable or valueless claims	20,332	1,202	196	19,129	20,135
Risk claims	70,992	(4,954)	(7,391)	75,947	78,384
Special attention loans	18,182	(1,821)	1,921	20,004	16,260
Financial Reconstruction Act subtotal [A]	109,507	(5,573)	(5,272)	115,081	114,780
Normal claims	6,363,856	(74,902)	(35,072)	6,438,759	6,398,928
Financial Reconstruction Act total [B]	6,473,363	(80,476)	(40,345)	6,553,840	6,513,708
Partial direct write-offs	72,699	1,073	(1,562)	71,626	74,261
NPL Ratio [A] / [B]	1.69	(0.06)	(0.07)	1.75	1.76

#### <Minato Bank>

Unrecoverable or valueless claims	13,621	(1,315)	(2,157)	14,937	15,778
Risk claims	31,075	(953)	(295)	32,029	31,371
Special attention loans	4,836	315	1,793	4,520	3,043
Financial Reconstruction Act subtotal [A]	49,534	(1,952)	(659)	51,486	50,193
Normal claims	2,715,996	30,015	87,312	2,685,981	2,628,684
Financial Reconstruction Act total [B]	2,765,530	28,062	86,652	2,737,468	2,678,877
Partial direct write-offs	4,975	468	977	4,506	3,997
NPL Ratio [A] / [B]	1.79	(0.08)	(0.08)	1.88	1.87

## 5. Coverage ratios by type of borrower

<Total of two banks, Non-consolidated figures of each bank>

(%)

	Total of two banks		
	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)
Unrecoverable or valueless claims	100.00	-	100.00
Covered by collateral, guarantees, etc.	83.11	2.77	80.34
Covered by reserves	16.88	(2.77)	19.65
Reserve ratio against the portion not covered by collateral, guarantees, etc.	100.00	-	100.00
Risk claims	92.95	0.25	92.70
Covered by collateral, guarantees, etc.	75.83	0.77	75.06
Covered by reserves	17.11	(0.52)	17.63
Reserve ratio against the portion not covered by collateral, guarantees, etc.	70.83	0.10	70.72
Special Attention Obligors	59.61	(6.56)	66.17
Covered by collateral, guarantees, etc.	42.13	(7.99)	50.13
Covered by reserves	17.47	1.43	16.04
Reserve ratio against the portion not covered by collateral, guarantees, etc.	30.20	(1.97)	32.17
Other Watch Obligors	78.60	0.00	78.61
Covered by collateral, guarantees, etc.	76.90	0.20	76.70
Covered by reserves	1.69	(0.20)	1.90
Reserve ratio against the portion not covered by collateral, guarantees, etc.	7.34	(0.83)	8.18
Normal Obligors	0.04	0.00	0.04

	Kansai Mirai Bank			Minato Bank		
	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)
Unrecoverable or valueless claims	100.00	-	100.00	100.00	-	100.00
Covered by collateral, guarantees, etc.	96.29	(0.19)	96.48	63.45	3.77	59.67
Covered by reserves	3.70	0.19	3.51	36.54	(3.77)	40.32
Reserve ratio against the portion not covered by collateral, guarantees, etc.	100.00	-	100.00	100.00	-	100.00
Risk claims	93.20	0.00	93.20	92.36	0.86	91.49
Covered by collateral, guarantees, etc.	74.14	(0.00)	74.14	79.71	2.48	77.23
Covered by reserves	19.06	0.00	19.06	12.65	(1.61)	14.26
Reserve ratio against the portion not covered by collateral, guarantees, etc.	73.73	0.01	73.72	62.37	(0.27)	62.65
Special Attention Obligors	55.77	(7.25)	63.03	73.39	(4.78)	78.17
Covered by collateral, guarantees, etc.	37.48	(9.26)	46.75	58.84	(4.18)	63.02
Covered by reserves	18.28	2.01	16.27	14.55	(0.60)	15.15
Reserve ratio against the portion not covered by collateral, guarantees, etc.	29.25	(1.31)	30.57	35.35	(5.62)	40.97
Other Watch Obligors	81.13	0.22	80.91	74.76	(0.43)	75.20
Covered by collateral, guarantees, etc.	79.45	0.64	78.81	73.04	(0.54)	73.58
Covered by reserves	1.67	(0.42)	2.09	1.72	0.10	1.62
Reserve ratio against the portion not covered by collateral, guarantees, etc.	8.15	(1.74)	9.89	6.40	0.25	6.14
Normal Obligors	0.03	(0.00)	0.04	0.04	(0.00)	0.04

## 6. Results of self-assessment of asset quality

### (1) Total of two banks

Exposure Obligor Classification		Disclosure Categories under FRA	Self-Assessment of Asset Quality				Coverage	Coverage Ratio under FRA Criteria
			Normal Exposures	Category II Exposures	Category III Exposures	Category IV Exposures		
Bankrupt and Effectively Bankrupt Obligors 33.9		Unrecoverable or Valueless Claims 33.9	12.6	21.2	Reserve Ratio 100.00%	Direct Write-offs	Reserves 5.7 Collateral /Guarantee 28.2	Unrecoverable or Valueless Claims 100.00%
Doubtful Obligors 102.0		Risk Claims 102.0	58.5	36.2	7.1 Reserve Ratio 70.83%		Reserves 17.4 Collateral /Guarantee 77.4	Risk Claims 92.95%
Watch Obligors	Special Attention Obligors 25.7	Special Attention Loans 23.0	4.5	21.2			Reserves 4.1 Collateral /Guarantee 9.3	Special Attention Loans 58.62%
	Other Watch Obligors 507.8	Subtotal 159.0						
Normal Obligors 8,569.1		Normal Claims 9,079.8	128.2	379.6				
			8,569.1					
Total Exposures 9,238.8		Total 9,238.8	Normal 8,773.2	Category II 458.4	Category III 7.1	Category IV -		Total Coverage Ratio 89.48%

Note: Amounts of claim and collateral/guarantee reported above include privately-placed bonds underwritten and guaranteed by the bank to which loan loss reserves are not provided.

(2) Kansai Mirai Bank (Non-consolidated)

Exposure Obligor Classification		Disclosure Categories under FRA	Self-Assessment of Asset Quality				Coverage	Coverage Ratio under FRA Criteria
			Normal Exposures	Category II Exposures	Category III Exposures	Category IV Exposures		
Bankrupt and Effectively Bankrupt Obligors 20.3		Unrecoverable or Valueless Claims 20.3	4.2	16.1	Reserve Ratio 100.00%	Direct Write-offs	Reserves 0.7 Collateral /Guarantee 19.5	Unrecoverable or Valueless Claims 100.00%
Doubtful Obligors 70.9		Risk Claims 70.9	39.0	27.1	4.8 Reserve Ratio 73.73%		Reserves 13.5 Collateral /Guarantee 52.6	Risk Claims 93.20%
Watch Obligors	Special Attention Obligors 20.1	Special Attention Loans 18.1	2.8	17.3			Reserves 3.4 Collateral /Guarantee 6.7	Special Attention Loans 56.09%
	Other Watch Obligors 305.7	Subtotal 109.5						
Normal Obligors 6,056.1		Normal Claims 6,363.8	66.6	239.0				
Total Exposures 6,473.3		Total 6,473.3	6,056.1					Total Coverage Ratio 88.30%
Total Exposures 6,473.3		Total 6,473.3	Normal 6,168.8	Category II 299.6	Category III 4.8	Category IV -		

Note: Amounts of claim and collateral/guarantee reported above include privately-placed bonds underwritten and guaranteed by the bank to which loan loss reserves are not provided.

(3) Minato Bank (Non-consolidated)

Exposure Obligor Classification		Disclosure Categories under FRA	Self-Assessment of Asset Quality				Coverage	Coverage Ratio under FRA Criteria
			Normal Exposures	Category II Exposures	Category III Exposures	Category IV Exposures		
Bankrupt and Effectively Bankrupt Obligors 13.6		Unrecoverable or Valueless Claims 13.6	8.4	5.1	Reserve Ratio 100.00%	Direct Write-offs	Reserves 4.9 Collateral /Guarantee 8.6	Unrecoverable or Valueless Claims 100.00%
Doubtful Obligors 31.0		Risk Claims 31.0	19.5	9.1	2.3 Reserve Ratio 62.37%		Reserves 3.9 Collateral /Guarantee 24.7	Risk Claims 92.36%
Watch Obligors	Special Attention Obligors 5.6	Special Attention Loans 4.8	1.7	3.8			Reserves 0.7 Collateral /Guarantee 2.5	Special Attention Loans 68.12%
	Other Watch Obligors 202.1	Subtotal 49.5						
Normal Obligors 2,513.0		Normal Claims 2,715.9	61.5	140.5				
Total Exposures 2,765.5		Total 2,765.5	2,513.0					Total Coverage Ratio 92.09%
Total Exposures 2,765.5		Total 2,765.5	Normal 2,604.4	Category II 158.7	Category III 2.3	Category IV -		

Note: Amounts of claim and collateral/guarantee reported above include privately-placed bonds underwritten and guaranteed by the bank to which loan loss reserves are not provided.

## 7. Loans and bills discounted by industry

<Total of two banks, Non-consolidated figures of each bank>

### (1) Industry breakdown of total loans and bills discounted

(Billions of yen)

	Total of two banks		
	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)
Manufacturing	532.6	11.1	521.4
Agriculture, forestry	4.0	(0.8)	4.8
Fishery	0.8	0.0	0.8
Mining, quarrying of stone, gravel extraction	1.9	(0.1)	2.1
Construction	292.3	2.8	289.5
Electricity, gas, heating, water	49.5	2.8	46.6
Information and communication	44.5	0.2	44.2
Transportation, postal service	221.7	(3.8)	225.6
Wholesale and retail trade	648.5	1.4	647.0
Finance and insurance	180.1	(20.1)	200.2
Real estate	2,615.6	(9.5)	2,625.2
Apartment loans	718.3	3.4	714.8
Real estate brokerage	1,275.2	5.9	1,269.3
Goods rental and leasing	135.3	5.7	129.5
Services	708.5	(17.6)	726.1
Government, local government	231.4	(67.7)	299.1
Others	3,439.9	51.0	3,388.9
Residential housing loans	3,246.5	50.3	3,196.2
Domestic total	9,107.4	(44.4)	9,151.8
Japan offshore banking account	-	-	-
Total	9,107.4	(44.4)	9,151.8

	Kansai Mirai Bank			Minato Bank		
	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)
Manufacturing	312.2	2.1	310.1	220.4	9.0	211.3
Agriculture, forestry	2.2	(0.3)	2.6	1.7	(0.4)	2.2
Fishery	0.7	0.0	0.7	0.1	0.0	0.1
Mining, quarrying of stone, gravel extraction	1.2	(0.1)	1.3	0.7	(0.0)	0.7
Construction	196.0	2.0	194.0	96.2	0.7	95.4
Electricity, gas, heating, water	29.7	0.7	28.9	19.8	2.1	17.7
Information and communication	19.0	0.4	18.5	25.4	(0.1)	25.6
Transportation, postal service	108.4	(1.4)	109.8	113.3	(2.3)	115.7
Wholesale and retail trade	391.0	0.1	390.8	257.4	1.2	256.2
Finance and insurance	42.5	(2.8)	45.4	137.6	(17.2)	154.8
Real estate	1,971.9	(8.9)	1,980.9	643.6	(0.5)	644.2
Apartment loans	505.8	3.7	502.0	212.4	(0.3)	212.7
Real estate brokerage	1,009.0	7.4	1,001.6	266.2	(1.4)	267.7
Goods rental and leasing	66.7	8.5	58.1	68.5	(2.8)	71.4
Services	468.2	(22.9)	491.1	240.2	5.2	234.9
Government, local government	62.1	(80.4)	142.5	169.3	12.7	156.6
Others	2,722.7	28.4	2,694.3	717.2	22.6	694.6
Residential housing loans	2,576.9	28.3	2,548.5	669.5	21.9	647.6
Domestic total	6,395.2	(74.5)	6,469.7	2,712.1	30.0	2,682.1
Japan offshore banking account	-	-	-	-	-	-
Total	6,395.2	(74.5)	6,469.7	2,712.1	30.0	2,682.1

Note: The figures of Kansai Mirai Bank do not reflect the current price valuation of "loans and bills discounted" which was calculated at the business combination of Kansai Urban Banking Corporation on March 1, 2010.

**(2) Risk-managed loans by industry** (Billions of yen)

	Total of two banks		
	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)
Manufacturing	27.2	1.7	25.4
Agriculture, forestry	0.0	0.0	0.0
Fishery	-	-	-
Mining, quarrying of stone, gravel extraction	1.3	(0.0)	1.4
Construction	9.1	(1.5)	10.6
Electricity, gas, heating, water	-	(0.2)	0.2
Information and communication	1.9	(0.2)	2.2
Transportation, postal service	7.3	(0.8)	8.2
Wholesale and retail trade	29.7	(0.7)	30.5
Finance and insurance	0.3	(0.0)	0.4
Real estate	20.8	0.9	19.9
Apartment loans	3.2	(0.2)	3.5
Real estate brokerage	13.4	1.5	11.8
Goods rental and leasing	0.2	0.0	0.1
Services	24.9	(1.5)	26.4
Government, local government	-	-	-
Others	35.2	(4.9)	40.1
Residential housing loans	32.4	(4.4)	36.9
Domestic total	158.5	(7.4)	165.9
Japan offshore banking account	-	-	-
Total	158.5	(7.4)	165.9

	Kansai Mirai Bank			Minato Bank		
	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)	End of Sep. 2019 (A)	(A) - (B)	End of Mar. 2019 (B)
Manufacturing	17.7	1.4	16.3	9.4	0.3	9.1
Agriculture, forestry	0.0	0.0	0.0	0.0	0.0	0.0
Fishery	-	-	-	-	-	-
Mining, quarrying of stone, gravel extraction	0.7	(0.0)	0.7	0.6	(0.0)	0.6
Construction	6.0	(1.3)	7.4	3.0	(0.1)	3.2
Electricity, gas, heating, water	-	-	-	-	(0.2)	0.2
Information and communication	1.6	(0.2)	1.8	0.3	(0.0)	0.3
Transportation, postal service	5.8	(0.6)	6.4	1.5	(0.2)	1.7
Wholesale and retail trade	16.2	(0.6)	16.9	13.5	(0.0)	13.5
Finance and insurance	0.3	(0.0)	0.3	0.0	(0.0)	0.0
Real estate	16.6	2.1	14.5	4.1	(1.1)	5.3
Apartment loans	2.7	(0.1)	2.8	0.5	(0.0)	0.6
Real estate brokerage	10.5	2.3	8.2	2.8	(0.7)	3.5
Goods rental and leasing	0.0	(0.0)	0.0	0.1	0.0	0.0
Services	15.9	(1.5)	17.5	9.0	0.0	8.9
Government, local government	-	-	-	-	-	-
Others	27.7	(4.6)	32.3	7.4	(0.3)	7.7
Residential housing loans	25.8	(4.1)	30.0	6.6	(0.2)	6.8
Domestic total	109.1	(5.5)	114.7	49.3	(1.8)	51.1
Japan offshore banking account	-	-	-	-	-	-
Total	109.1	(5.5)	114.7	49.3	(1.8)	51.1

Note: The figures of Kansai Mirai Bank do not reflect the current price valuation of "loans and bills discounted" which was calculated at the business combination of Kansai Urban Banking Corporation on March 1, 2010.



### (3) Loans to consumers

(Millions of yen)

<Total of two banks>		End of Sep.			End of Mar. 2019 (B)	End of Sep. 2018 (C)
		2019 (A)	(A) - (B)	(A) - (C)		
Housing loans		3,964,837	53,798	124,692	3,911,039	3,840,145
Residential housing loans		3,246,532	50,319	114,473	3,196,212	3,132,058
Other consumer loans		128,811	(121)	1,920	128,933	126,891
Total loans to consumers		4,093,648	53,676	126,612	4,039,972	3,967,036

#### <Kansai Mirai Bank>

Housing loans		3,082,796	32,185	74,260	3,050,610	3,008,536
Residential housing loans		2,576,938	28,392	69,037	2,548,545	2,507,900
Other consumer loans		88,856	(37)	62	88,894	88,794
Total loans to consumers		3,171,653	32,148	74,323	3,139,505	3,097,330

#### <Minato Bank>

Housing loans		882,041	21,612	50,432	860,428	831,608
Residential housing loans		669,593	21,926	45,435	647,666	624,158
Other consumer loans		39,954	(83)	1,857	40,038	38,097
Total loans to consumers		921,995	21,528	52,289	900,467	869,705

Notes: 1. The figures of Kansai Mirai Bank do not reflect the current price valuation of "loans and bills discounted" which was calculated at the business combination of Kansai Urban Banking Corporation on March 1, 2010.  
2. The figures of "Housing loans" include the figures of "Apartment loans"

### (4) Loans to small and medium-sized enterprises and consumers

(Millions of yen, %)

<Total of two banks>		End of Sep.			End of Mar. 2019 (B)	End of Sep. 2018 (C)
		2019 (A)	(A) - (B)	(A) - (C)		
Loans to SMEs and consumers		8,229,157	29,642	142,731	8,199,514	8,086,425
Ratio of loans to SMEs and consumers		90.35	0.76	1.08	89.59	89.27

#### <Kansai Mirai Bank>

Loans to SMEs and consumers		6,029,047	(15,814)	32,294	6,044,861	5,996,752
Ratio of loans to SMEs and consumers		94.27	0.84	1.09	93.43	93.17

#### <Minato Bank>

Loans to SMEs and consumers		2,200,109	45,456	110,436	2,154,653	2,089,672
Ratio of loans to SMEs and consumers		81.12	0.78	1.42	80.33	79.69

Notes: 1. Figures are based on the reports submitted to Bank of Japan(excluding loans in Japan offshore banking account)  
2. The figures of Kansai Mirai Bank do not reflect the current price valuation of "loans and bills discounted" which was calculated at the business combination of Kansai Urban Banking Corporation on March 1, 2010.

## 8. Balance of deposits and loans

(Millions of yen)

<Total of two banks>	End of Sep.			End of Mar.	End of Sep.
	2019 (A)	(A) - (B)	(A) - (C)		
Deposits (Term-end)	10,635,442	(80,164)	(280,836)	10,715,607	10,916,279
Deposits (Average balance)	10,702,333	(70,696)	(34,571)	10,773,030	10,736,904
Loans and bills discounted (Term-end)	9,109,193	(44,639)	49,033	9,153,833	9,060,160
Loans and bills discounted (Average balance)	9,061,858	112,157	201,648	8,949,701	8,860,210
<Kansai Mirai Bank>					
Deposits (Term-end)	7,291,988	(109,596)	(310,759)	7,401,585	7,602,748
Deposits (Average balance)	7,361,597	(119,016)	(90,623)	7,480,614	7,452,221
Loans and bills discounted (Term-end)	6,397,036	(74,695)	(40,975)	6,471,732	6,438,012
Loans and bills discounted (Average balance)	6,382,101	27,451	60,855	6,354,650	6,321,246
<Minato Bank>					
Deposits (Term-end)	3,343,454	29,432	29,922	3,314,021	3,313,531
Deposits (Average balance)	3,340,736	48,320	56,052	3,292,416	3,284,683
Loans and bills discounted (Term-end)	2,712,157	30,056	90,008	2,682,100	2,622,148
Loans and bills discounted (Average balance)	2,679,757	84,705	140,792	2,595,051	2,538,964

<Reference> Domestic breakdown of individual, corporate and other deposits (Millions of yen)

<Total of two banks>	End of Sep. 2019 (A)			End of Mar. 2019 (B)	End of Sep. 2018 (C)
	(A) - (B)	(A) - (C)			
Domestic individual deposits (Term-end)	7,879,335	(53,450)	(118,015)	7,932,785	7,997,350
Liquid deposits	4,223,650	59,681	183,937	4,163,969	4,039,713
Time deposits	3,630,279	(113,660)	(301,830)	3,743,940	3,932,110
Domestic corporate deposits (Term-end)	2,486,179	(31,528)	(74,586)	2,517,707	2,560,766
Liquid deposits	1,634,013	(4,271)	10,617	1,638,285	1,623,396
Time deposits	765,039	(79,794)	(121,346)	844,834	886,385

<Kansai Mirai Bank>

Domestic individual deposits (Term-end)	5,297,144	(67,537)	(120,990)	5,364,682	5,418,135
Liquid deposits	2,522,421	30,727	112,741	2,491,693	2,409,679
Time deposits	2,764,920	(98,343)	(233,783)	2,863,264	2,998,704
Domestic corporate deposits (Term-end)	1,780,858	(57,008)	(86,596)	1,837,867	1,867,455
Liquid deposits	1,110,436	(13,401)	11,181	1,123,837	1,099,255
Time deposits	609,514	(82,278)	(119,902)	691,793	729,416

<Minato Bank>

Domestic individual deposits (Term-end)	2,582,190	14,087	2,975	2,568,103	2,579,215
Liquid deposits	1,701,229	28,953	71,195	1,672,276	1,630,033
Time deposits	865,358	(15,317)	(68,046)	880,675	933,405
Domestic corporate deposits (Term-end)	705,321	25,480	12,010	679,840	693,310
Liquid deposits	523,577	9,129	(563)	514,448	524,141
Time deposits	155,525	2,484	(1,443)	153,041	156,969

Notes: 1. Figures are based on the reports submitted to Bank of Japan. (excluding loans in Japan offshore banking account)

2. Liquid deposits = current deposits + ordinary deposits + saving deposits + deposits at notice

Time deposits = time deposits + installment savings

<Reference> Investment trust and other investment products for individual customers (Millions of yen)

<Total of two banks>	End of Sep. 2019 (A)			End of Mar. 2019 (B)	End of Sep. 2018 (C)
	(A) - (B)	(A) - (C)			
Investment trust (Including fund wrap)	685,355	21,846	6,254	663,508	679,100
Public bond	10,773	(1,371)	(3,066)	12,145	13,839
Insurance	824,801	17,923	41,867	806,878	782,934

<Kansai Mirai Bank>

Investment trust (Including fund wrap)	484,814	20,898	10,179	463,916	474,634
Public bond	4,192	(519)	(829)	4,712	5,021
Insurance	624,748	13,162	25,071	611,585	599,676

<Minato Bank>

Investment trust (Including fund wrap)	200,540	948	(3,925)	199,592	204,465
Public bond	6,580	(851)	(2,237)	7,432	8,818
Insurance	200,053	4,760	16,795	195,292	183,257

Notes: 1. Investment trust: based on market prices at each period-end

2. Public bond: Government bonds, local government bonds, and government-guaranteed bonds in custody accounts (amounts in par value and on a delivery date basis)

3. Insurance: based on insurance premiums paid (yen equivalent)

### Ⅲ. Reference Materials (Group Banks' Financial Statements)

#### [Consolidated Balance Sheet]

(Millions of yen)

	March 31, 2019		September 30, 2019
	Kansai Urban Banking Corporation	Kinki Osaka Bank	
<b>Assets</b>			
Cash and due from banks	¥ 243,723	¥ 384,156	¥ 667,166
Monetary claims bought	—	2,529	1,621
Securities	191,359	643,492	690,814
Loans and bills discounted	3,993,871	2,458,411	6,379,658
Foreign exchange assets	10,336	5,967	16,530
Lease receivables and investment assets	29,400	—	29,218
Other assets	49,568	29,202	79,313
Tangible fixed assets	54,018	29,290	82,270
Intangible fixed assets	13,556	337	13,265
Net defined benefit asset	2,446	76	18,143
Deferred tax assets	16,999	7,415	22,073
Customers' liabilities for acceptances and guarantees	5,183	9,855	14,510
Reserve for possible loan losses	(22,937)	(11,657)	(32,036)
<b>Total Assets</b>	<b>4,587,526</b>	<b>3,559,077</b>	<b>7,982,550</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	4,074,874	3,307,695	7,271,148
Negotiable certificates of deposit	169,050	35,500	132,750
Call money and bills sold	124	—	1,792
Borrowed money	82,716	8,400	89,547
Foreign exchange liabilities	24	56	278
Other liabilities	37,606	26,810	69,715
Reserve for employees' bonuses	2,398	1,697	3,605
Net defined benefit liability	7,022	4,406	16,536
Reserve for losses on reimbursement of dormant deposits	1,118	—	—
Reserve for contingent loss	680	—	—
Other reserves	—	4,922	5,991
Deferred tax liabilities	5	—	—
Deferred tax liabilities for land revaluation	355	—	355
Acceptances and guarantees	5,183	9,855	14,510
<b>Total Liabilities</b>	<b>4,381,160</b>	<b>3,399,343</b>	<b>7,606,232</b>
<b>Net Assets</b>			
Capital stock	47,039	38,971	38,971
Capital surplus	93,566	55,439	196,045
Retained earnings	57,668	66,141	132,172
Total stockholders' equity	198,274	160,552	367,189
Net unrealized gains on available-for-sale securities	10,202	5,753	13,556
Net deferred gains on hedges	(280)	—	(367)
Revaluation reserve for land	763	—	763
Remeasurements of defined benefit plans	(3,746)	(6,571)	(5,980)
Total accumulated other comprehensive income	6,938	(818)	7,972
Noncontrolling interests	1,152	—	1,157
<b>Total Net Assets</b>	<b>206,365</b>	<b>159,734</b>	<b>376,318</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 4,587,526</b>	<b>¥ 3,559,077</b>	<b>¥ 7,982,550</b>

## [Consolidated Statement of Income]

(Millions of yen)

	First Half of FY2018 From April 1, 2018 to September 30, 2018 Kansai Urban Banking Corporation	First Half of FY2018 From April 1, 2018 to September 30, 2018 Kinki Osaka Bank	First Half of FY2019 From April 1, 2019 to September 30, 2019
<b>Ordinary income</b>	¥ 43,358	¥ 28,824	¥ 71,982
Interest income	28,798	15,749	41,979
Interest on loans and bills discounted	26,518	13,034	37,818
Interest and dividends on securities	1,484	2,541	3,367
Fees and commissions	7,250	8,877	13,955
Other operating income	7,106	1,028	9,582
Other ordinary income	203	3,168	6,464
<b>Ordinary expenses</b>	39,251	23,411	61,037
Interest expenses	1,986	490	2,032
Interest on deposits	1,701	496	1,857
Fees and commissions	3,775	2,290	5,872
Other operating expenses	5,000	151	6,901
General and administrative expenses	23,335	19,285	41,711
Other ordinary expenses	5,152	1,193	4,518
<b>Ordinary profits</b>	4,107	5,412	10,945
<b>Extraordinary gains</b>	—	—	3,941
Gain on revision of retirement benefit plan	—	—	3,941
<b>Extraordinary losses</b>	2	15	3,392
Losses on disposal of fixed assets	1	14	146
Impairment losses on fixed assets	0	1	263
Other extraordinary losses	—	—	2,982
<b>Income before income taxes</b>	4,104	5,396	11,494
Income taxes – current	1,338	589	1,663
Income taxes – deferred	(691)	1,084	1,459
Total income taxes	646	1,673	3,122
<b>Net income</b>	3,457	3,722	8,372
<b>Net income (loss) attributable to noncontrolling interests</b>	(5)	—	9
<b>Net income attributable to owners of parent</b>	¥ 3,462	¥ 3,722	¥ 8,362

**[Consolidated Statement of Comprehensive Income]***(Millions of yen)*

	First Half of FY2018 From April 1, 2018 to September 30, 2018 Kansai Urban Banking Corporation		First Half of FY2018 From April 1, 2018 to September 30, 2018 Kinki Osaka Bank		First Half of FY2019 From April 1, 2019 to September 30, 2019
<b>Net income</b>	¥	3,457	¥	3,722	¥ 8,372
<b>Other comprehensive income</b>		2,061		(446)	1,851
Net unrealized gains (losses) on available-for-sale securities		1,723		(1,073)	(2,400)
Net deferred gains (losses) on hedges		67		—	(86)
Remeasurements of defined benefit plans		270		627	4,338
<b>Total comprehensive income</b>		<b>5,518</b>		<b>3,276</b>	<b>10,223</b>
<b>Total comprehensive income attributable to:</b>					
Owners of parent		5,523		3,276	10,213
Noncontrolling interests	¥	(4)	¥	—	¥ 9

**[Consolidated Statement of Changes in Net Assets]**  
For the first half of fiscal year 2018 (April 1, 2018 - September 30, 2018)

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 47,039	¥ 94,163	¥ 60,013	¥ (611)	¥ 200,604
Changes during the term					
Dividends paid			(4,776)		(4,776)
Net income attributable to owners of the parent			3,462		3,462
Cancellation of treasury stock		(611)		611	—
Net changes except for stockholders' equity during the term					
Total changes during the term	—	(611)	(1,314)	611	(1,314)
Balance at the end of the term	¥ 47,039	¥ 93,551	¥ 58,699	—	¥ 199,290

	Accumulated other comprehensive income					Noncontrolling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥ 11,089	¥ (134)	¥ 787	¥ (2,871)	¥ 8,871	¥ 1,239	¥ 210,715
Changes during the term							
Dividends paid							(4,776)
Net income attributable to owners of the parent							3,462
Cancellation of treasury stock							—
Net changes except for stockholders' equity during the term	1,723	67	—	269	2,060	(4)	2,056
Total changes during the term	1,723	67	—	269	2,060	(4)	741
Balance at the end of the term	¥ 12,813	¥ (66)	¥ 787	¥ (2,601)	¥ 10,932	¥ 1,234	¥ 211,457

**[Consolidated Statement of Changes in Net Assets - Continued]**  
**For the first half of fiscal year 2018 (April 1, 2018 - September 30, 2018)**

(Millions of yen)

	Stockholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 38,971	¥ 55,439	¥ 63,862	¥ 158,273
Changes during the term				
Dividends paid				
Net income attributable to owners of the parent			3,722	3,722
Net changes except for stockholders' equity during the term				
Total changes during the term	—	—	3,722	3,722
Balance at the end of the term	¥ 38,971	¥ 55,439	¥ 67,585	¥ 161,996

	Accumulated other comprehensive income			Total net assets
	Net unrealized gains on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	¥ 7,277	¥ (6,573)	¥ 703	¥ 158,976
Changes during the term				
Dividends paid				
Net income attributable to owners of the parent				3,722
Net changes except for stockholders' equity during the term	(1,073)	627	(446)	(446)
Total changes during the term	(1,073)	627	(446)	3,276
Balance at the end of the term	¥ 6,203	¥ (5,945)	¥ 257	¥ 162,253



**[Consolidated Statement of Changes in Net Assets - Continued]**

For the first half of fiscal year 2019 (April 1, 2019 - September 30, 2019)

(Millions of yen)

	Stockholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 38,971	¥ 55,439	¥ 66,141	¥ 160,552
Changes during the term				
Increase by merger		140,606	57,668	198,274
Net income attributable to owners of the parent			8,362	8,362
Net changes except for stockholders' equity during the term				
Total changes during the term	—	140,606	66,030	206,636
Balance at the end of the term	¥ 38,971	¥ 196,045	¥ 132,172	¥ 367,189

	Accumulated other comprehensive income					Noncontrolling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥ 5,753	¥ —	¥ —	¥ (6,571)	¥ (818)	¥ —	¥ 159,734
Changes during the term							
Increase by merger							198,274
Net income attributable to owners of the parent							8,362
Net changes except for stockholders' equity during the term	7,802	(367)	763	591	8,790	1,157	9,947
Total changes during the term	7,802	(367)	763	591	8,790	1,157	216,584
Balance at the end of the term	¥ 13,556	¥ (367)	¥ 763	¥ (5,980)	¥ 7,972	¥ 1,157	¥ 376,318

## [Non-Consolidated Balance Sheet]

(Millions of yen)

	March 31, 2019 Kansai Urban Banking Corporation		March 31, 2019 Kinki Osaka Bank		September 30, 2019
<b>Assets</b>					
Cash and due from banks	¥	241,985	¥	384,125	¥ 667,062
Monetary claims bought		—		2,529	1,621
Securities		213,179		645,709	713,752
Loans and bills discounted		4,014,774		2,456,957	6,397,036
Foreign exchange assets		10,336		5,967	16,530
Other assets		23,104		29,106	56,419
Other		23,104		29,106	56,419
Tangible fixed assets		52,540		29,287	80,785
Intangible fixed assets		13,276		326	13,017
Prepaid pension cost		6,729		5,169	25,381
Deferred tax assets		13,650		3,640	16,728
Customers' liabilities for acceptances and guarantees		5,016		9,562	14,353
Reserve for possible loan losses		(18,868)		(9,134)	(25,664)
<b>Total Assets</b>		<b>4,575,725</b>		<b>3,563,248</b>	<b>7,977,024</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Deposits		4,091,627		3,309,958	7,291,988
Negotiable certificates of deposit		187,550		55,500	171,150
Call money		124		—	1,792
Borrowed money		56,766		8,400	65,147
Foreign exchange liabilities		24		56	278
Other liabilities		20,571		19,441	45,027
Accrued income taxes		1,738		473	1,402
Lease obligation		3,115		673	3,314
Asset retirement obligations		306		263	577
Other		15,412		18,030	39,732
Reserve for employees' bonuses		2,330		1,674	3,526
Reserve for employees' retirement benefits		5,959		—	15,173
Reserve for losses on reimbursement of domant deposits		1,118		—	—
Reserve for contingent loss		680		—	—
Other reserves		—		4,922	5,991
Deferred tax liabilities for land revaluation		355		—	355
Acceptances and guarantees		5,016		9,562	14,353
<b>Total Liabilities</b>		<b>4,372,125</b>		<b>3,409,515</b>	<b>7,614,786</b>
<b>Net Assets</b>					
Capital stock		47,039		38,971	38,971
Capital surplus		93,551		55,439	196,030
Capital reserve		18,937		38,971	38,971
Other capital surplus		74,613		16,467	157,059
Retained earnings		52,338		53,568	113,299
Legal reserve		5,722		—	—
Other retained earnings		46,615		53,568	113,299
Retained earnings carried forward		46,615		53,568	113,299
Total stockholders' equity		<b>192,929</b>		<b>147,979</b>	<b>348,301</b>
Net unrealized gains on available-for-sale securities		10,202		5,753	13,556
Net deferred gains on hedges		(295)		—	(382)
Revaluation reserve for land		763		—	763
Total valuation and translation differences		10,670		5,753	13,936
<b>Total Net Assets</b>		<b>203,600</b>		<b>153,733</b>	<b>362,238</b>
<b>Total Liabilities and Net Assets</b>	¥	<b>4,575,725</b>	¥	<b>3,563,248</b>	¥ <b>7,977,024</b>

## [Non-Consolidated Statement of Income]

(Millions of yen)

	First Half of FY2018 From April 1, 2018 to September 30, 2018 Kansai Urban Banking Corporation		First Half of FY2018 From April 1, 2018 to September 30, 2018 Kinki Osaka Bank		First Half of FY2019 From April 1, 2019 to September 30, 2019
<b>Ordinary income</b>	¥	36,504	¥	27,453	¥ 63,635
Interest income		28,276		15,741	41,527
Interest on loans and bills discounted		26,634		13,026	37,826
Interest and dividends on securities		1,484		2,541	3,406
Fees and commissions		5,902		8,361	12,453
Other operating income		2,065		1,028	2,456
Other ordinary income		259		2,321	7,198
<b>Ordinary expenses</b>		32,544		24,011	54,214
Interest expenses		1,998		496	2,038
Interest on deposits		1,701		496	1,857
Fees and commissions		4,656		3,173	7,061
Other operating expenses		71		151	14
General and administrative expenses		22,103		19,002	40,613
Other ordinary expenses		3,714		1,187	4,486
<b>Ordinary profits</b>		3,960		3,441	9,421
<b>Extraordinary gains</b>		—		—	3,941
Gain on revision of retirement benefit plan		—		—	3,941
<b>Extraordinary losses</b>		2		15	3,387
Losses on disposal of fixed assets		1		14	141
Impairment losses on fixed assets		0		1	263
Other extraordinary losses		—		—	2,982
<b>Income before income taxes</b>		3,957		3,425	9,975
Income taxes – current		833		247	982
Income taxes – deferred		(381)		909	1,600
Total income taxes		451		1,156	2,582
<b>Net income</b>	¥	3,505	¥	2,269	¥ 7,392

**[Non-Consolidated Statement of Changes in Net Assets]**  
For the first half of fiscal year 2018 (April 1, 2018 - September 30, 2018)

(Millions of yen)

	Stockholders' equity								Total stockholders' equity
	Capital stock	Capital surplus			Legal reserve	Retained earnings		Treasury stock	
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings	Total retained earnings		
Balance at the beginning of the fiscal year	¥ 47,039	¥ 18,937	¥ 75,225	¥ 94,163	¥ 3,768	¥ 52,090	¥ 55,858	¥ (611)	¥ 196,450
Changes during the term									
Dividends paid					955	(5,732)	(4,776)		(4,776)
Net income						3,505	3,505		3,505
Cancellation of treasury stock			(611)	(611)				611	—
Net changes except for stockholders' equity during the term									
Total changes during the term	—	—	(611)	(611)	955	(2,226)	(1,271)	611	(1,271)
Balance at the end of the term	¥ 47,039	¥ 18,937	¥ 74,613	¥ 93,551	¥ 4,723	¥ 49,863	¥ 54,587	—	¥ 195,179

	Valuation and translation differences				Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Total valuation and translation differences	
Balance at the beginning of the fiscal year	¥ 11,089	¥ (146)	¥ 787	¥ 11,730	¥ 208,180
Changes during the term					
Dividends paid					(4,776)
Net income					3,505
Cancellation of treasury stock					—
Net changes except for stockholders' equity during the term	1,723	73	—	1,796	1,796
Total changes during the term	1,723	73	—	1,796	525
Balance at the end of the term	¥ 12,813	¥ (73)	¥ 787	¥ 13,527	¥ 208,706

**[Non-Consolidated Statement of Changes in Net Assets - Continued]**  
For the first half of fiscal year 2018 (April 1, 2018 - September 30, 2018)

(Millions of yen)

	Stockholders' equity					Total stockholders' equity
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	
					Retained earnings carried forward	
Balance at the beginning of the fiscal year	¥ 38,971	¥ 38,971	¥ 16,467	¥ 55,439	¥ 53,308	¥ 147,718
Changes during the term						
Dividends paid						
Net income					2,269	2,269
Net changes except for stockholders' equity during the term						
Total changes during the term	—	—	—	—	2,269	2,269
Balance at the end of the term	¥ 38,971	¥ 38,971	¥ 16,467	¥ 55,439	¥ 55,577	¥ 149,988

	Valuation and translation differences	Total net assets
	Net unrealized gains on available-for-sale securities	
Balance at the beginning of the fiscal year	¥ 7,277	¥ 154,996
Changes during the term		
Dividends paid		
Net income		2,269
Net changes except for stockholders' equity during the term	(1,073)	(1,073)
Total changes during the term	(1,073)	1,195
Balance at the end of the term	¥ 6,203	¥ 156,191

**[Non-Consolidated Statement of Changes in Net Assets - Continued]**  
**For the first half of fiscal year 2019 (April 1, 2019 - September 30, 2019)**

(Millions of yen)

	Stockholders' equity					
	Capital stock	Capital surplus			Retained earnings	Total stockholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	
					Retained earnings carried forward	
Balance at the beginning of the fiscal year	¥ 38,971	¥ 38,971	¥ 16,467	¥ 55,439	¥ 53,568	¥ 147,979
Changes during the term						
Increase by merger			140,591	140,591	52,338	192,929
Net income					7,392	7,392
Net changes except for stockholders' equity during the term						
Total changes during the term	—	—	140,591	140,591	59,730	200,322
Balance at the end of the term	¥ 38,971	¥ 38,971	¥ 157,059	¥ 196,030	¥ 113,299	¥ 348,301

	Valuation and translation differences				Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Total valuation and translation differences	
Balance at the beginning of the fiscal year	¥ 5,753	¥ —	¥ —	¥ 5,753	¥ 153,733
Changes during the term					
Increase by merger					192,929
Net income					7,392
Net changes except for stockholders' equity during the term	7,802	(382)	763	8,183	8,183
Total changes during the term	7,802	(382)	763	8,183	208,505
Balance at the end of the term	¥ 13,556	¥ (382)	¥ 763	¥ 13,936	¥ 362,238

## [Consolidated Balance Sheet]

(Millions of yen)

	March 31, 2019	September 30, 2019
<b>Assets</b>		
Cash and due from banks	¥ 531,491	¥ 523,410
Call loans and bills bought	5,918	12,028
Monetary claims bought	2,008	1,535
Trading account securities	83	7
Securities	190,474	186,458
Loans and bills discounted	2,669,067	2,699,304
Foreign exchange assets	7,259	5,238
Lease receivables and investment assets	7,621	7,713
Other assets	74,538	63,432
Tangible fixed assets	32,961	32,308
Intangible fixed assets	3,403	3,074
Net defined benefit asset	3,626	3,615
Deferred tax assets	3,871	3,305
Customers' liabilities for acceptances and guarantees	10,120	10,577
Reserve for possible loan losses	(17,295)	(15,860)
<b>Total Assets</b>	<b>3,525,149</b>	<b>3,536,151</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deposits	3,310,827	3,335,797
Negotiable certificates of deposit	2,400	1,600
Payables under securities lending transactions	23,014	10,370
Borrowed money	11,635	8,858
Foreign exchange liabilities	196	264
Other liabilities	22,510	21,648
Reserve for employees' bonuses	1,068	1,010
Net defined benefit liability	789	571
Reserve for directors' retirement benefits	62	47
Other reserves	1,505	1,536
Deferred tax liabilities	455	511
Acceptances and guarantees	10,120	10,577
<b>Total Liabilities</b>	<b>3,384,585</b>	<b>3,392,795</b>
<b>Net Assets</b>		
Capital stock	27,484	27,484
Capital surplus	49,609	49,609
Retained earnings	54,947	57,083
Total stockholders' equity	132,041	134,177
Net unrealized gains on available-for-sale securities	6,947	7,534
Remeasurements of defined benefit plans	145	122
Total accumulated other comprehensive income	7,093	7,656
Noncontrolling interests	1,428	1,521
<b>Total Net Assets</b>	<b>140,564</b>	<b>143,355</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 3,525,149</b>	<b>¥ 3,536,151</b>

## [Consolidated Statement of Income]

(Millions of yen)

	First Half of FY2018 From April 1, 2018 to September 30, 2018	First Half of FY2019 From April 1, 2019 to September 30, 2019
<b>Ordinary income</b>	¥ 31,281	¥ 27,047
Interest income	17,544	15,648
Interest on loans and bills discounted	14,045	13,986
Interest and dividends on securities	3,060	1,140
Fees and commissions	7,184	7,248
Other operating income	3,888	3,818
Other ordinary income	2,664	331
<b>Ordinary expenses</b>	28,321	23,848
Interest expenses	947	519
Interest on deposits	543	470
Fees and commissions	2,410	2,468
Other operating expenses	4,754	2,452
General and administrative expenses	17,948	17,337
Other ordinary expenses	2,260	1,069
<b>Ordinary profits</b>	2,959	3,198
<b>Extraordinary gains</b>	318	-
Other extraordinary gains	318	-
<b>Extraordinary losses</b>	105	30
Losses on disposal of fixed assets	105	30
<b>Income before income taxes</b>	3,172	3,167
Income taxes – current	1,058	594
Income taxes – deferred	(63)	369
Total income taxes	995	963
<b>Net income</b>	2,177	2,203
<b>Net income attributable to noncontrolling interests</b>	41	67
<b>Net income attributable to owners of parent</b>	¥ 2,136	¥ 2,135



**[Consolidated Statement of Comprehensive Income]***(Millions of yen)*

	<b>First Half of FY2018</b>		<b>First Half of FY2019</b>
	<b>From April 1, 2018</b>		<b>From April 1, 2019</b>
	<b>to September 30, 2018</b>		<b>to September 30, 2019</b>
<b>Net income</b>	¥ 2,177	¥	2,203
<b>Other comprehensive income</b>	(523)		587
Net unrealized gains (losses) on available-for-sale securities	(425)		611
Remeasurements of defined benefit plans	(97)		(23)
<b>Total comprehensive income</b>	¥ 1,654	¥	2,791
<b>Total comprehensive income attributable to:</b>			
Owners of parent	¥ 1,577	¥	2,699
Noncontrolling interests	¥ 77	¥	92

**[Consolidated Statement of Changes in Net Assets]****For the first half of fiscal year 2018 (April 1, 2018 - September 30, 2018)***(Millions of yen)*

	Stockholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 27,484	¥ 49,609	¥ 58,655	¥ 135,749
Changes during the term				
Dividends paid			(2,051)	(2,051)
Net income attributable to owners of parent			2,136	2,136
Change in scope of consolidation			(58)	(58)
Net changes except for stockholders' equity during the term				
Total changes during the term	—	—	25	25
Balance at the end of the term	¥ 27,484	¥ 49,609	¥ 58,681	¥ 135,775

	Accumulated other comprehensive income			Stock acquisition rights	Noncontrolling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	¥ 6,181	¥ 814	¥ 6,995	¥ 318	¥ 1,343	¥ 144,407
Changes during the term						
Dividends paid						(2,051)
Net income attributable to owners of parent						2,136
Change in scope of consolidation						(58)
Net changes except for stockholders' equity during the term	(461)	(97)	(558)	(318)	46	(831)
Total changes during the term	(461)	(97)	(558)	(318)	46	(805)
Balance at the end of the term	¥ 5,719	¥ 717	¥ 6,436	¥ —	¥ 1,389	¥ 143,602

**[Consolidated Statement of Changes in Net Assets - Continued]**

For the first half of fiscal year 2019 (April 1, 2019 - September 30, 2019)

(Millions of yen)

	Stockholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 27,484	¥ 49,609	¥ 54,947	¥ 132,041
Changes during the term				
Net income attributable to owners of parent			2,135	2,135
Net changes except for stockholders' equity during the term				
Total changes during the term	—	—	2,135	2,135
Balance at the end of the term	¥ 27,484	¥ 49,609	¥ 57,083	¥ 134,177

	Accumulated other comprehensive income			Noncontrolling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥ 6,947	¥ 145	¥ 7,093	¥ 1,428	¥ 140,564
Changes during the term					
Net income attributable to owners of parent					2,135
Net changes except for stockholders' equity during the term	587	(23)	563	92	655
Total changes during the term	587	(23)	563	92	2,791
Balance at the end of the term	¥ 7,534	¥ 122	¥ 7,656	¥ 1,521	¥ 143,355

## [Non-Consolidated Balance Sheet]

(Millions of yen)

	March 31, 2019	September 30, 2019
<b>Assets</b>		
Cash and due from banks	¥ 531,458	¥ 523,348
Call loans	5,918	12,028
Trading account securities	83	7
Securities	192,479	188,266
Loans and bills discounted	2,682,100	2,712,157
Foreign exchange assets	7,259	5,238
Other assets	59,249	48,476
Other	59,249	48,476
Tangible fixed assets	32,765	32,126
Intangible fixed assets	3,360	3,035
Prepaid pension cost	3,276	3,252
Deferred tax assets	3,681	3,102
Customers' liabilities for acceptances and guarantees	10,046	10,523
Reserve for possible loan losses	(16,181)	(14,767)
<b>Total Assets</b>	<b>3,515,499</b>	<b>3,526,795</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deposits	3,314,021	3,343,454
Negotiable certificates of deposit	9,400	4,600
Payables under securities lending transactions	23,014	10,370
Borrowed money	11,635	8,858
Foreign exchange liabilities	196	264
Other liabilities	9,324	9,061
Accrued income taxes	262	598
Lease obligation	1,341	1,173
Asset retirement obligations	365	370
Other	7,354	6,919
Reserve for employees' bonuses	980	925
Reserve for employees' retirement benefits	503	238
Other reserves	1,363	1,398
Acceptances and guarantees	10,046	10,523
<b>Total Liabilities</b>	<b>3,380,485</b>	<b>3,389,695</b>
<b>Net Assets</b>		
Capital stock	27,484	27,484
Capital surplus	49,609	49,609
Capital reserve	27,431	27,431
Other capital surplus	22,177	22,177
Retained earnings	51,867	53,480
Legal reserve	53	53
Other retained earnings	51,814	53,427
General reserve	2,325	2,325
Retained earnings carried forward	49,489	51,102
Total stockholders' equity	128,961	130,574
Net unrealized gains on available-for-sale securities	6,051	6,525
Total valuation and translation differences	6,051	6,525
<b>Total Net Assets</b>	<b>135,013</b>	<b>137,100</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 3,515,499</b>	<b>¥ 3,526,795</b>

## [Non-Consolidated Statement of Income]

(Millions of yen)

	First Half of FY2018 From April 1, 2018 to September 30, 2018	First Half of FY2019 From April 1, 2019 to September 30, 2019
<b>Ordinary income</b>	¥ 27,249	¥ 23,209
Interest income	17,696	15,482
Interest on loans and bills discounted	14,037	13,977
Interest and dividends on securities	3,369	1,132
Fees and commissions	6,204	6,209
Other operating income	699	1,182
Other ordinary income	2,648	334
<b>Ordinary expenses</b>	24,705	20,826
Interest expenses	963	535
Interest on deposits	544	470
Fees and commissions	2,709	2,713
Other operating expenses	1,877	60
General and administrative expenses	17,071	16,471
Other ordinary expenses	2,083	1,044
<b>Ordinary profits</b>	2,543	2,382
<b>Extraordinary gains</b>	318	—
Other extraordinary gains	318	—
<b>Extraordinary losses</b>	105	29
Losses on disposal of fixed assets	105	29
<b>Income before income taxes</b>	2,756	2,353
Income taxes – current	823	363
Income taxes – deferred	(57)	377
Total income taxes	765	740
<b>Net income</b>	¥ 1,991	¥ 1,612

**[Non-Consolidated Statement of Changes in Net Assets]**  
**For the first half of fiscal year 2018 (April 1, 2018 - September 30, 2018)**

(Millions of yen)

	Stockholders' equity								
	Capital stock	Capital surplus			Legal reserve	Retained earnings			Total stockholders' equity
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings	
						General reserve	Retained earnings carried forward		
Balance at the beginning of the fiscal year	¥ 27,484	¥ 27,431	¥ 22,177	¥ 49,609	¥ 53	¥ 2,325	¥ 49,490	¥ 51,869	¥ 128,962
Changes during the term									
Dividends paid							(2,051)	(2,051)	(2,051)
Net income							1,991	1,991	1,991
Net changes except for stockholders' equity during the term									
Total changes during the term	—	—	—	—	—	—	(60)	(60)	(60)
Balance at the end of the term	¥ 27,484	¥ 27,431	¥ 22,177	¥ 49,609	¥ 53	¥ 2,325	¥ 49,430	¥ 51,808	¥ 128,902

	Valuation and translation differences		Stock acquisition rights	Total net assets
	Net unrealized gains on available-for-sale securities	Total valuation and translation differences		
Balance at the beginning of the fiscal year	¥ 5,445	¥ 5,445	¥ 318	¥ 134,726
Changes during the term				
Dividends paid				(2,051)
Net income				1,991
Net changes except for stockholders' equity during the term	(624)	(624)	(318)	(942)
Total changes during the term	(624)	(624)	(318)	(1,003)
Balance at the end of the term	¥ 4,820	¥ 4,820	¥ —	¥ 133,723

**[Non-Consolidated Statement of Changes in Net Assets - Continued]**  
**For the first half of fiscal year 2019 (April 1, 2019 - September 30, 2019)**

(Millions of yen)

	Stockholders' equity									
	Capital stock	Capital surplus			Legal reserve	Retained earnings			Total retained earnings	Total stockholders' equity
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings				
						General reserve	Retained earnings carried forward			
Balance at the beginning of the fiscal year	¥ 27,484	¥ 27,431	¥ 22,177	¥ 49,609	¥ 53	¥ 2,325	¥ 49,489	¥ 51,867	¥ 128,961	
Changes during the term										
Net income							1,612	1,612	1,612	
Net changes except for stockholders' equity during the term										
Total changes during the term	—	—	—	—	—	—	1,612	1,612	1,612	
Balance at the end of the term	¥ 27,484	¥ 27,431	¥ 22,177	¥ 49,609	¥ 53	¥ 2,325	¥ 51,102	¥ 53,480	¥ 130,574	

	Valuation and translation differences		Total net assets
	Net unrealized gains on available-for-sale securities	Total valuation and translation differences	
Balance at the beginning of the fiscal year	¥ 6,051	¥ 6,051	¥ 135,013
Changes during the term			
Net income			1,612
Net changes except for stockholders' equity during the term	474	474	474
Total changes during the term	474	474	2,086
Balance at the end of the term	¥ 6,525	¥ 6,525	¥ 137,100