

# INTERIM REPORT 2017

Six Months Ended September 30, 2017



**SENSHU IKEDA HOLDINGS, INC.**

**THE SENSHU IKEDA  
BANK, LTD.**

**SENSHU IKEDA TOKAI TOKYO  
SECURITIES CO., LTD.**



S I H D

This symbol in the shape of Kansai's six prefectures is suitable for the new financial group, leading the Kansai region characterized by a spirit of openness. The vertical lines stretching upward express the spread of the various networks linking the Kansai area that were created with the birth of the new financial group.

The brand color is associated with water, a clear blue that symbolizes the growth potential of the new financial group and the corporate culture of unrestricted freedom.

### Management Principle

Strive to become a financial group that “endear ourselves to the regional community by providing services tailored to customers’ needs, while valuing “broad networks of relationships” and “an enterprising spirit.”

### Management Policy

1. Create a “most trusted by customers” financial group which respects personal relationships and promotes honest and approachable banking.
2. Create a financial group with a commanding regional presence by researching and predicting trends to provide advanced, high-quality services.
3. Pursue transparent operations and live up to the trust of the shareholders, while maintaining a competitive edge through strong financial standing, high profitability and management efficiency.
4. Promote “coexistence with the region” by utilizing industrial, academic and management networks for business matching.
5. Focus on gaining the trust of the community through compliance with laws and regulations and corporate activities that are considerate of the environment.
6. Provide a workplace for employees of the financial group which encourages employees to exercise talents and develop skills, with an emphasis on proactive self improvement, thereby contributing to the development of upstanding citizens.

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## Corporate Information

### Corporate Data (As of the end of September, 2017)

#### Senshu Ikeda Holdings, Inc.

Establishment: October 1, 2009  
 Location: 18-14 Chayamachi, Kita-ku, Osaka-City, Osaka 530-0013, Japan  
 Phone: 81-(0)6-4802-0181  
 URL: <http://www.senshuikeda-hd.co.jp>  
 Share Capital: ¥102.9 billion  
 Business Activities: Management and other related operations of banks and affiliates whose shares can be held in accordance with the Banking Act and other related operations, and businesses which bank holding company can operate in accordance with the Banking Act.  
 Number of Employees: 115  
 Stock Listing: Tokyo Stock Exchange

#### The Senshu Ikeda Bank, Ltd.

Establishment: September 1, 1951  
 Location: 18-14 Chayamachi, Kita-ku, Osaka-City, Osaka 530-0013, Japan  
 Phone: 81-(0)6-6375-1005  
 URL: <http://www.sihd-bk.jp>  
 Share Capital: ¥61.3 billion  
 Deposits: ¥4.9151 trillion  
 Loans: ¥3.8546 trillion  
 Number of Branches: 141  
 Number of Employees: 2,626  
 Credit Ratings: A-(Rating and Investment Information, Inc.)  
 A-(Japan Credit Rating Agency, Ltd.)

#### Asia and China Business Promotion Division (International Division)

Phone: 81-(0)6-6375-3484  
 Facsimile : 81-(0)6-6375-3492  
 SWIFT Address : BIKEJPJS

#### Financial Market Division:

Phone: 81-(0)6-6375-3879  
 Facsimile : 81-(0)6-6375-3998

#### Suzhou Representative Office:

399 East Baodai Road,  
 Wuzhong District, Suzhou,  
 Jiangsu, China  
 Phone: 86-(0)512-6585-1791  
 Facsimile : 86-(0)512-6585-2312

#### Senshu Ikeda Tokai Tokyo Securities Co., Ltd.

Establishment: January 30, 2013  
 Location: 18-14 Chayamachi, Kita-ku, Osaka-City, Osaka 530-0013, Japan  
 Phone: 81-(0)6-6485-0031  
 URL: <http://www.sittsec.co.jp>  
 Share Capital: ¥1.25 billion  
 Assets under management: ¥121.0 billion  
 Number of Branches: 4  
 Number of Employees: 97

# Board of Directors

## Senshu Ikeda Holdings

### Board of Directors (As of June 28, 2017)

|                                       |                  |          |               |                    |                 |  |                 |
|---------------------------------------|------------------|----------|---------------|--------------------|-----------------|--|-----------------|
| Representative Director and President | Hirohisa Fujita  | Director | Atsushi Ukawa | Director           | Yasuki Hosomi   | Audit & Supervisory Board Member (Full-time) | Shigeru Aoyagi  |
| Representative Director and Chairman  | Kazuyuki Kataoka | Director | Akira Tahara  | Director (Outside) | Taro Ohashi     | Audit & Supervisory Board Member (Full-time) | Susumu Kawakami |
|                                       |                  | Director | Takayuki Ota  | Director (Outside) | Kazuo Hiramatsu | Audit & Supervisory Board Member (Outside)   | Toshiaki Sasaki |
|                                       |                  | Director | Motoshi Inoue | Director (Outside) | Minoru Furukawa | Audit & Supervisory Board Member (Outside)   | Seiji Morinobu  |
|                                       |                  | Director | Hiroo Maeno   | Director (Outside) | Takao Koyama    | Audit & Supervisory Board Member (Outside)   | Kohei Nakanishi |

## The Senshu Ikeda Bank

### Board of Directors (As of June 28, 2017)

|                                       |                  |  |               |  |                   |  |                   |
|---------------------------------------|------------------|--|---------------|--|-------------------|--|-------------------|
| Representative Director and President | Hirohisa Fujita  | Director & Senior Managing Executive Officer | Atsushi Ukawa | Director & Managing Executive Officer        | Yasuki Hosomi     | Audit & Supervisory Board Member (Full-time) | Osamu Horiuchi    |
| Representative Director and Chairman  | Kazuyuki Kataoka | Director & Senior Managing Executive Officer | Akira Tahara  | Non-executive Director (Non-full-time)       | Minoru Furukawa   | Audit & Supervisory Board Member (Outside)   | Tsuneo Yamada     |
|                                       |                  | Director & Senior Managing Executive Officer | Takayuki Ota  | Non-executive Director (Non-full-time)       | Takao Koyama      | Audit & Supervisory Board Member (Outside)   | Kenichi Yoshimoto |
|                                       |                  | Director & Senior Managing Executive Officer | Motoshi Inoue | Director (Outside)                           | Tomokazu Yamazawa |  |                   |
|                                       |                  | Director & Managing Executive Officer        | Hiroo Maeno   | Audit & Supervisory Board Member (Full-time) | Hiroaki Kobayashi |  |                   |

### Executive Officers (As of June 28, 2017)

|                                   |                   |                            |                 |                   |                    |                   |                     |
|-----------------------------------|-------------------|----------------------------|-----------------|-------------------|--------------------|-------------------|---------------------|
| Senior Managing Executive Officer | Takashi Noda      | Managing Executive Officer | Muneharu Kurita | Executive Officer | Tadashi Ichikawa   | Executive Officer | Susumu Yamagata     |
| Senior Managing Executive Officer | Hirotsugu Maekawa | Managing Executive Officer | Akihito Okumura | Executive Officer | Jun Matsumura      | Executive Officer | Yoshimasa Nishikawa |
| Managing Executive Officer        | Masahiro Horikawa | Managing Executive Officer | Kou Tanaka      | Executive Officer | Hiromasa Hirai     | Executive Officer | Osamu Tsukagoshi    |
| Managing Executive Officer        | Koji Miyata       | Managing Executive Officer | Toshiyuki Wada  | Executive Officer | Hirohito Sakaguchi | Executive Officer | Takayoshi Fujiwara  |
| Managing Executive Officer        | Shinji Inoue      | Executive Officer          | Satoru Kusumoto | Executive Officer | Tsutomu Irie       | Executive Officer | Tokikazu Hihara     |

## Senshu Ikeda Tokai Tokyo Securities

### Board of Directors (As of June 28, 2017)

|  |                 |  |                  |
|--|-----------------|--|------------------|
| Representative Director and President      | Yasuo Kitamura  | Audit & Supervisory Board Member (Full-time) | Yutaka Sakato    |
| Representative Director and Vice President | Toshifumi Takai | Audit & Supervisory Board Member (Outside)   | Satoshi Kitagawa |
| Managing Director                          | Mamoru Kudo     | Audit & Supervisory Board Member (Outside)   | Kosuke Furukawa  |

### Executive Officers (As of June 28, 2017)

|                   |                 |
|-------------------|-----------------|
| Executive Officer | Toshiyuki Inoue |
| Executive Officer | Wataru Kondo    |

# Consolidated Financial Information of Senshu Ikeda Holdings (Unaudited)

## Consolidated Interim Balance Sheets (Unaudited)

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries  
As of 30th September, 2017 and 31st March, 2017

|  | Millions of yen             |                         | Thousands of<br>U.S. dollars |
|--|-----------------------------|-------------------------|------------------------------|
|  | As of September 30,<br>2017 | As of March 31,<br>2017 | As of September 30,<br>2017  |
| <b>Assets</b>  |                             |                         |                              |
| Cash and due from banks  | ¥ 664,101                   | ¥ 675,966               | \$ 5,891,076                 |
| Call loans and bills bought                                      | 8,080                       | 172                     | 71,675                       |
| Monetary claims bought   | 102                         | 31                      | 904                          |
| Trading account securities                                       | 200                         | 317                     | 1,774                        |
| Money held in trust  | 26,671                      | 26,979                  | 236,591                      |
| Securities   | 820,919                     | 929,505                 | 7,282,169                    |
| Loans and bills discounted                                       | 3,850,533                   | 3,813,333               | 34,157,127                   |
| Foreign exchange assets  | 5,642                       | 6,340                   | 50,048                       |
| Other assets   | 72,088                      | 61,550                  | 639,474                      |
| Tangible fixed assets  | 42,103                      | 38,508                  | 373,485                      |
| Intangible fixed assets  | 5,110                       | 5,216                   | 45,329                       |
| Net defined benefit assets                                       | 11,700                      | 14,334                  | 103,787                      |
| Deferred tax assets  | 9,255                       | 9,526                   | 82,098                       |
| Customers' liabilities for acceptances and guarantees            | 9,884                       | 13,006                  | 87,678                       |
| Reserve for possible loan losses                                 | (19,650)                    | (21,883)                | (174,310)                    |
| <b>Total assets</b>  | <b>¥ 5,506,745</b>          | <b>¥ 5,572,906</b>      | <b>\$ 48,848,975</b>         |
| <b>Liabilities and net assets</b>                                |                             |                         |                              |
| <b>Liabilities</b>   |                             |                         |                              |
| Deposits   | ¥ 4,866,825                 | ¥ 4,799,493             | \$ 43,172,403                |
| Call money and bills sold  | –                           | 14,809                  | –                            |
| Payables under repurchase agreements                             | –                           | 9,907                   | –                            |
| Payables under securities lending transactions                   | 159,028                     | 249,762                 | 1,410,698                    |
| Borrowed money   | 139,886                     | 160,997                 | 1,240,894                    |
| Foreign exchange liabilities                                     | 275                         | 583                     | 2,439                        |
| Corporate bonds and notes  | 20,000                      | 20,000                  | 177,415                      |
| Other liabilities  | 51,648                      | 51,996                  | 458,156                      |
| Provision for employees' bonuses                                 | 2,061                       | 1,798                   | 18,282                       |
| Net defined benefit liability                                    | 149                         | 142                     | 1,321                        |
| Accrued retirement benefits for directors and corporate auditors | 33                          | 33                      | 292                          |
| Reserve for reimbursement of deposits                            | 519                         | 486                     | 4,603                        |
| Reserve for point services                                       | 241                         | 226                     | 2,137                        |
| Reserve for contingent losses                                    | 341                         | 350                     | 3,024                        |
| Reserve under special laws                                       | 1                           | 1                       | 8                            |
| Deferred tax liabilities   | 127                         | 92                      | 1,126                        |
| Acceptances and guarantees                                       | 9,884                       | 13,006                  | 87,678                       |
| <b>Total liabilities</b>   | <b>5,251,022</b>            | <b>5,323,688</b>        | <b>46,580,519</b>            |
| <b>Net assets</b>  |                             |                         |                              |
| Shareholders' equity:  |                             |                         |                              |
| Capital stock  | 102,999                     | 102,999                 | 913,678                      |
| Capital surplus  | 57,361                      | 57,365                  | 508,835                      |
| Retained earnings  | 76,702                      | 75,244                  | 680,404                      |
| Treasury stock   | (1,792)                     | (2,097)                 | (15,896)                     |
| <b>Total shareholders' equity</b>                                | <b>235,270</b>              | <b>233,512</b>          | <b>2,087,022</b>             |
| Accumulated other comprehensive income:                          |                             |                         |                              |
| Net unrealized gain (loss) on available-for-sale securities      | 14,657                      | 7,793                   | 130,018                      |
| Net unrealized gain (loss) on deferred hedges                    | (180)                       | (139)                   | (1,596)                      |
| Remeasurements of defined benefit plans                          | 2,411                       | 3,184                   | 21,387                       |
| <b>Total accumulated other comprehensive income</b>              | <b>16,888</b>               | <b>10,838</b>           | <b>149,809</b>               |
| Stock subscription rights  | 104                         | 105                     | 922                          |
| Non-controlling interests  | 3,459                       | 4,760                   | 30,683                       |
| <b>Total net assets</b>  | <b>255,722</b>              | <b>249,217</b>          | <b>2,268,446</b>             |
| <b>Total liabilities and net assets</b>                          | <b>¥ 5,506,745</b>          | <b>¥ 5,572,906</b>      | <b>\$ 48,848,975</b>         |

(Note 1) The amounts are presented in millions of yen and are rounded down to the nearest million.

(Note 2) U.S. dollar amounts are translated, for convenience only, at the rate of ¥112.73 = \$1.00, as of Sept. 30, 2017.

(Note 3) The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

## Consolidated Interim Statements of Operations (Unaudited)

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries  
Six months ended 30th September, 2017 and 2016

|   | Millions of yen |                | Thousands of U.S. dollars |
|---|-----------------|----------------|---------------------------|
|   | 2017            | 2016           | 2017                      |
| <b>Income</b>   |                 |                |                           |
| Interest income:  |                 |                |                           |
| Interest on loans and bills discounted                  | ¥ 20,584        | ¥ 21,428       | \$ 182,595                |
| Interest and dividends on securities                    | 5,123           | 7,442          | 45,444                    |
| Other interest income                                   | 262             | 230            | 2,324                     |
| Fees and commissions                                    | 9,849           | 9,704          | 87,368                    |
| Other operating income                                  | 1,738           | 6,061          | 15,417                    |
| Reversal of provision for possible loan losses          | 1,331           | –              | 11,806                    |
| Recoveries of written-off claims                        | 604             | 823            | 5,357                     |
| Gain on return of retirement benefit trust              | 1,710           | –              | 15,168                    |
| Other income  | 19,937          | 6,227          | 176,856                   |
| <b>Total income</b>                                     | <b>61,142</b>   | <b>51,919</b>  | <b>542,375</b>            |
| <b>Expenses</b>   |                 |                |                           |
| Interest expenses:                                      |                 |                |                           |
| Interest on deposits                                    | 1,344           | 1,661          | 11,922                    |
| Interest on borrowings and rediscounts                  | 283             | 355            | 2,510                     |
| Other interest expenses                                 | 1,067           | 1,246          | 9,465                     |
| Fees and commissions                                    | 3,387           | 3,046          | 30,045                    |
| Other operating expenses                                | 14,374          | 1,690          | 127,508                   |
| General and administrative expenses                     | 25,833          | 25,888         | 229,158                   |
| Loss on sales or disposal of fixed assets               | 19              | 149            | 168                       |
| Loss on impairment of fixed assets                      | 15              | 55             | 133                       |
| Other expenses  | 6,062           | 6,174          | 53,774                    |
| <b>Total expenses</b>                                   | <b>52,387</b>   | <b>40,268</b>  | <b>464,712</b>            |
| Income before income taxes                              | 8,754           | 11,650         | 77,654                    |
| <b>Income taxes</b>                                     |                 |                |                           |
| Current   | 498             | 1,479          | 4,417                     |
| Deferred  | 3,936           | (198)          | 34,915                    |
| <b>Total income taxes</b>                               | <b>4,434</b>    | <b>1,281</b>   | <b>39,332</b>             |
| Profit  | 4,319           | 10,369         | 38,312                    |
| <b>Profit attributable to non-controlling interests</b> | <b>118</b>      | <b>1,551</b>   | <b>1,046</b>              |
| <b>Profit attributable to owners of the parent</b>      | <b>¥ 4,201</b>  | <b>¥ 8,817</b> | <b>\$ 37,266</b>          |

(Note 1) The amounts are presented in millions of yen and are rounded down to the nearest million.

(Note 2) U.S. dollar amounts are translated, for convenience only, at the rate of ¥112.73 = \$1.00, as of Sept. 30, 2017.

(Note 3) The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

## Consolidated Interim Statements of Comprehensive Income (Unaudited)

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries  
Six months ended 30th September, 2017 and 2016

|   | Millions of yen |              | Thousands of U.S. dollars |
|---|-----------------|--------------|---------------------------|
|   | 2017            | 2016         | 2017                      |
| Profit  | ¥ 4,319         | ¥ 10,369     | \$ 38,312                 |
| Other comprehensive income                                  |                 |              |                           |
| Net unrealized gain (loss) on available-for-sale securities | 6,864           | 3,387        | 60,888                    |
| Net unrealized gain (loss) on deferred hedges               | (41)            | (40)         | (363)                     |
| Remeasurements of defined benefit plans                     | (773)           | (88)         | (6,857)                   |
| <b>Total other comprehensive income</b>                     | <b>6,049</b>    | <b>3,258</b> | <b>53,659</b>             |
| Comprehensive income  | ¥ 10,369        | ¥ 13,628     | \$ 91,980                 |
| Total comprehensive income attributable to:                 |                 |              |                           |
| Owners of the parent  | 10,251          | 12,077       | 90,934                    |
| Non-controlling interests                                   | 118             | 1,550        | 1,046                     |

(Note 1) The amounts are presented in millions of yen and are rounded down to the nearest million.

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(Note 3) The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

## Consolidated Interim Statement of Changes in Net Assets (Unaudited)

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries  
Six months ended September 30, 2016

|  | Millions of Yen |                 |                   |                |                            |   |   |   |                           |                           |                  |
|--|-----------------|-----------------|-------------------|----------------|----------------------------|---|---|---|---------------------------|---------------------------|------------------|
|  | Capital stock   | Capital surplus | Retained earnings | Treasury stock | Total shareholder's equity | Accumulated other comprehensive income                      |   |   |                           |                           | Total net assets |
|  |                 |                 |                   |                |                            | Net unrealized gain (loss) on available-for-sale securities | Net unrealized gain (loss) on deferred hedges | Remeasurements of defined benefit plans | Stock subscription rights | Non-controlling interests |                  |
| <b>BALANCE, APRIL 1, 2016</b>                        | <b>102,999</b>  | <b>57,361</b>   | <b>68,521</b>     | <b>(2,678)</b> | <b>226,203</b>             | <b>21,753</b>   | <b>(144)</b>                                  | <b>1,927</b>                            | <b>91</b>                 | <b>8,172</b>              | <b>258,005</b>   |
| Increase by merger                                   |                 | 8               |                   |                | 8                          |   |   |   |                           |                           | 8                |
| Cash dividends                                       |                 |                 | (2,743)           |                | (2,743)                    |   |   |   |                           |                           | (2,743)          |
| Profit attributable to owners of the parent          |                 |                 | 8,817             |                | 8,817                      |   |   |   |                           |                           | 8,817            |
| Acquisition of treasury stock                        |                 |                 |                   | (0)            | (0)                        |   |   |   |                           |                           | (0)              |
| Disposition of treasury stock                        |                 | (4)             |                   | 334            | 329                        |   |   |   |                           |                           | 329              |
| Net changes in items other than shareholder's equity |                 |                 |                   |                |                            | 3,389   | (40)  | (88)                                    | (9)                       | (3,472)                   | (222)            |
| Total changes during the period                      | –               | 3               | 6,074             | 333            | 6,412                      | 3,389   | (40)  | (88)                                    | (9)                       | (3,472)                   | 6,189            |
| <b>BALANCE, SEPTEMBER 30, 2016</b>                   | <b>102,999</b>  | <b>57,365</b>   | <b>74,596</b>     | <b>(2,344)</b> | <b>232,616</b>             | <b>25,142</b>   | <b>(185)</b>                                  | <b>1,839</b>                            | <b>82</b>                 | <b>4,700</b>              | <b>264,194</b>   |

Six months ended September 30, 2017

|  | Millions of Yen |                 |                   |                |                            |   |   |   |                           |                           |                  |
|--|-----------------|-----------------|-------------------|----------------|----------------------------|---|---|---|---------------------------|---------------------------|------------------|
|  | Capital stock   | Capital surplus | Retained earnings | Treasury stock | Total shareholder's equity | Accumulated other comprehensive income                      |   |   |                           |                           | Total net assets |
|  |                 |                 |                   |                |                            | Net unrealized gain (loss) on available-for-sale securities | Net unrealized gain (loss) on deferred hedges | Remeasurements of defined benefit plans | Stock subscription rights | Non-controlling interests |                  |
| <b>BALANCE, APRIL 1, 2017</b>                        | <b>102,999</b>  | <b>57,365</b>   | <b>75,244</b>     | <b>(2,097)</b> | <b>233,512</b>             | <b>7,793</b>  | <b>(139)</b>                                  | <b>3,184</b>                            | <b>105</b>                | <b>4,760</b>              | <b>249,217</b>   |
| Cash dividends                                       |                 |                 | (2,743)           |                | (2,743)                    |   |   |   |                           |                           | (2,743)          |
| Profit attributable to owners of the parent          |                 |                 | 4,201             |                | 4,201                      |   |   |   |                           |                           | 4,201            |
| Acquisition of treasury stock                        |                 |                 |                   | (0)            | (0)                        |   |   |   |                           |                           | (0)              |
| Disposal of treasury stock                           |                 | (4)             |                   | 305            | 300                        |   |   |   |                           |                           | 300              |
| Net changes in items other than shareholder's equity |                 |                 |                   |                |                            | 6,864   | (41)  | (773)                                   | (1)                       | (1,301)                   | 4,746            |
| Total changes during the period                      | –               | (4)             | 1,458             | 304            | 1,758                      | 6,864   | (41)  | (773)                                   | (1)                       | (1,301)                   | 6,504            |
| <b>BALANCE, SEPTEMBER 30, 2017</b>                   | <b>102,999</b>  | <b>57,361</b>   | <b>76,702</b>     | <b>(1,792)</b> | <b>235,270</b>             | <b>14,657</b>   | <b>(180)</b>                                  | <b>2,411</b>                            | <b>104</b>                | <b>3,459</b>              | <b>255,722</b>   |

|  | Thousands of U.S. Dollars |                 |                   |                 |                            |   |   |   |                           |                           |                  |
|--|---------------------------|-----------------|-------------------|-----------------|----------------------------|---|---|---|---------------------------|---------------------------|------------------|
|  | Capital stock             | Capital surplus | Retained earnings | Treasury stock  | Total shareholder's equity | Accumulated other comprehensive income                      |   |   |                           |                           | Total net assets |
|  |                           |                 |                   |                 |                            | Net unrealized gain (loss) on available-for-sale securities | Net unrealized gain (loss) on deferred hedges | Remeasurements of defined benefit plans | Stock subscription rights | Non-controlling interests |                  |
| <b>BALANCE, APRIL 1, 2017</b>                        | <b>913,678</b>            | <b>508,870</b>  | <b>667,470</b>    | <b>(18,601)</b> | <b>2,071,427</b>           | <b>69,129</b>   | <b>(1,233)</b>                                | <b>28,244</b>                           | <b>931</b>                | <b>42,224</b>             | <b>2,210,742</b> |
| Cash dividends                                       |                           |                 | (24,332)          |                 | (24,332)                   |   |   |   |                           |                           | (24,332)         |
| Profit attributable to owners of the parent          |                           |                 | 37,266            |                 | 37,266                     |   |   |   |                           |                           | 37,266           |
| Acquisition of treasury stock                        |                           |                 |                   | (0)             | (0)                        |   |   |   |                           |                           | (0)              |
| Disposal of treasury stock                           |                           | (35)            |                   | 2,705           | 2,661                      |   |   |   |                           |                           | 2,661            |
| Net changes in items other than shareholders' equity |                           |                 |                   |                 |                            | 60,888  | (363)   | (6,857)                                 | (8)                       | (11,540)                  | 42,100           |
| Total changes during the period                      | –                         | (35)            | 12,933            | 2,696           | 15,594                     | 60,888  | (363)   | (6,857)                                 | (8)                       | (11,540)                  | 57,695           |
| <b>BALANCE, SEPTEMBER 30, 2017</b>                   | <b>913,678</b>            | <b>508,835</b>  | <b>680,404</b>    | <b>(15,896)</b> | <b>2,087,022</b>           | <b>130,018</b>  | <b>(1,596)</b>                                | <b>21,387</b>                           | <b>922</b>                | <b>30,683</b>             | <b>2,268,446</b> |

(Note 1) The amounts are presented in millions of yen and are rounded down to the nearest million.

(Note 2) U.S. dollar amounts are translated, for convenience only, at the rate of ¥112.73 = \$1.00, as of Sept. 30, 2017.

(Note 3) The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

## Consolidated Interim Statements of Cash Flows (Unaudited)

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries  
Six months ended 30th September, 2017 and 2016

|   | Millions of yen |           | Thousands of<br>U.S. dollars |
|---|-----------------|-----------|------------------------------|
|   | 2017            | 2016      | 2017                         |
| <b>Cash flows from operating activities</b>   |                 |           |                              |
| Income before income taxes  | ¥ 8,754         | ¥ 11,650  | \$ 77,654                    |
| Depreciation  | 2,612           | 2,724     | 23,170                       |
| Loss on impairment of fixed assets  | 15              | 55        | 133                          |
| Amortization of goodwill  | 108             | 95        | 958                          |
| (Earnings) losses from investments under the equity method                              | (15)            | (15)      | (133)                        |
| Increase (decrease) in reserve for possible loan losses                                 | (2,235)         | (8,789)   | (19,826)                     |
| Increase (decrease) in accrued bonuses  | 257             | 253       | 2,279                        |
| Gain on return of retirement benefit trust  | (1,710)         | –         | (15,168)                     |
| Decrease (increase) in net defined benefit asset  | (68)            | 148       | (603)                        |
| Increase (decrease) in net defined benefit liability                                    | 4               | (60)      | 35                           |
| Increase (decrease) in accrued retirement benefits for directors and corporate auditors | –               | (5)       | –                            |
| Increase (decrease) in reserve for reimbursement of deposits                            | 32              | 35        | 283                          |
| Increase (decrease) in reserve for point services                                       | 14              | 13        | 124                          |
| Increase (decrease) in reserve for contingent losses                                    | (9)             | (11)      | (79)                         |
| Interest income   | (25,970)        | (29,101)  | (230,373)                    |
| Interest expenses   | 2,694           | 3,262     | 23,897                       |
| (Gain) loss on securities   | (1,531)         | (3,288)   | (13,581)                     |
| (Gain) loss on money held in trust  | 299             | (1,672)   | 2,652                        |
| (Gain) loss on foreign exchange   | (6,294)         | 29,851    | (55,832)                     |
| (Gain) loss on sales or disposal of fixed assets, net                                   | 11              | 132       | 97                           |
| Net (increase) decrease in loans and bills discounted                                   | (41,206)        | 6,137     | (365,528)                    |
| Net increase (decrease) in deposits   | 67,397          | 17,193    | 597,862                      |
| Net increase (decrease) in negotiable certificates of deposit                           | –               | (3,800)   | –                            |
| Net increase (decrease) in borrowed money (excluding subordinated borrowings)           | (16,350)        | 78,911    | (145,036)                    |
| Net (increase) decrease in due from banks (excluding due from the Bank of Japan)        | (429)           | 308       | (3,805)                      |
| Net (increase) decrease in trading account securities                                   | 116             | 4         | 1,029                        |
| Net (increase) decrease in call loans and bills bought                                  | (7,980)         | (110)     | (70,788)                     |
| Net (increase) decrease in call money and bills sold and others                         | (24,716)        | –         | (219,249)                    |
| Net increase (decrease) in payables under securities lending transactions               | (90,734)        | 43,811    | (804,878)                    |
| Net (increase) decrease in foreign exchange (assets)                                    | 698             | (1,038)   | 6,191                        |
| Net increase (decrease) in foreign exchange (liabilities)                               | (308)           | 24        | (2,732)                      |
| Interest received   | 25,918          | 29,298    | 229,912                      |
| Interest paid   | (2,964)         | (3,441)   | (26,292)                     |
| Other   | (18,275)        | (3,676)   | (162,113)                    |
| Subtotal  | (131,865)       | 168,900   | (1,169,741)                  |
| Income taxes (paid) refund  | (1,184)         | 1,458     | (10,502)                     |
| <b>Net cash provided by (used in) operating activities</b>                              | ¥ (133,050)     | ¥ 170,358 | \$ (1,180,253)               |

(Note 1) The amounts are presented in millions of yen and are rounded down to the nearest million.

(Note 2) U.S. dollar amounts are translated, for convenience only, at the rate of ¥112.73 = \$1.00, as of Sept. 30, 2017.

(Note 3) The amounts are presented in thousands of dollars and are rounded to the nearest thousands.



## Consolidated Interim Statements of Cash Flows (Unaudited)

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries  
Six months ended 30th September, 2017 and 2016

|   | Millions of yen  |                  | Thousands of U.S. dollars |
|---|------------------|------------------|---------------------------|
|   | 2017             | 2016             | 2017                      |
| <b>Cash flows from investing activities</b>   |                  |                  |                           |
| Purchases of securities   | ¥ (278,576)      | ¥ (578,644)      | \$ (2,471,178)            |
| Proceeds from sales of securities   | 278,799          | 454,628          | 2,473,157                 |
| Proceeds from maturity of securities  | 130,822          | 78,407           | 1,160,489                 |
| Purchases of tangible fixed assets  | (1,667)          | (769)            | (14,787)                  |
| Purchases of intangible fixed assets  | (568)            | (731)            | (5,038)                   |
| Proceeds from sales of tangible fixed assets  | –                | 0                | –                         |
| Proceeds of investments in subsidiaries resulting in change in scope of consolidation | (75)             | –                | (665)                     |
| <b>Net cash provided by (used in) investing activities</b>                            | <b>128,733</b>   | <b>(47,108)</b>  | <b>1,141,958</b>          |
| <b>Cash flows from financing activities</b>   |                  |                  |                           |
| Decrease in subordinated borrowings   | (5,500)          | (10,000)         | (48,789)                  |
| Decrease in subordinated bonds and bonds with stock subscription rights               | –                | (10,000)         | –                         |
| Cash dividends paid   | (2,743)          | (2,743)          | (24,332)                  |
| Cash dividends paid for non-controlling shareholders                                  | (81)             | (240)            | (718)                     |
| Purchases of treasury stock   | (0)              | (0)              | (0)                       |
| Proceeds from disposition of treasury stock   | 300              | 329              | 2,661                     |
| <b>Net cash provided by (used in) financing activities</b>                            | <b>(8,024)</b>   | <b>(22,654)</b>  | <b>(71,178)</b>           |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                   | <b>121</b>       | <b>(218)</b>     | <b>1,073</b>              |
| <b>Net increase (decrease) in cash and cash equivalents</b>                           | <b>(12,219)</b>  | <b>100,377</b>   | <b>(108,391)</b>          |
| <b>Cash and cash equivalents at beginning of period</b>                               | <b>669,243</b>   | <b>453,968</b>   | <b>5,936,689</b>          |
| <b>Cash and cash equivalents at end of period</b>                                     | <b>¥ 657,024</b> | <b>¥ 554,345</b> | <b>\$ 5,828,297</b>       |

(Note 1) The amounts are presented in millions of yen and are rounded down to the nearest million.

(Note 2) U.S. dollar amounts are translated, for convenience only, at the rate of ¥112.73 = \$1.00, as of Sept. 30, 2017.

(Note 3) The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

# Non-consolidated Financial Information of The Senshu Ikeda Bank (Unaudited)

## Non-consolidated Interim Balance Sheets (Unaudited)

The Senshu Ikeda Bank, Ltd.  
As of 30th September, 2017 and 31st March, 2017

|  | Millions of yen          |                      | Thousands of U.S. dollars |
|--|--------------------------|----------------------|---------------------------|
|  | As of September 30, 2017 | As of March 31, 2017 | As of September 30, 2017  |
| <b>Assets</b>  |                          |                      |                           |
| Cash and due from banks  | ¥ 660,990                | ¥ 673,721            | \$ 5,863,479              |
| Call loans and bills bought                                      | 8,080                    | 172                  | 71,675                    |
| Monetary claims bought   | 102                      | 31                   | 904                       |
| Trading account securities                                       | 200                      | 317                  | 1,774                     |
| Money held in trust  | 26,671                   | 26,979               | 236,591                   |
| Securities   | 845,020                  | 954,214              | 7,495,963                 |
| Loans and bills discounted                                       | 3,854,685                | 3,811,171            | 34,193,959                |
| Foreign exchange assets  | 5,642                    | 6,340                | 50,048                    |
| Other assets   | 38,875                   | 30,069               | 344,850                   |
| Tangible fixed assets  | 37,583                   | 37,874               | 333,389                   |
| Intangible fixed assets  | 5,072                    | 5,208                | 44,992                    |
| Prepaid pension cost   | 8,800                    | 10,602               | 78,062                    |
| Deferred tax assets  | 9,291                    | 9,944                | 82,418                    |
| Customers' liabilities for acceptances and guarantees            | 9,884                    | 12,945               | 87,678                    |
| Reserve for possible loan losses                                 | (10,281)                 | (12,188)             | (91,200)                  |
| Reserve for possible investment losses                           | (3,011)                  | (3,011)              | (26,709)                  |
| <b>Total assets</b>  | <b>¥ 5,497,607</b>       | <b>¥ 5,564,391</b>   | <b>\$ 48,767,914</b>      |
| <b>Liabilities and net assets</b>                                |                          |                      |                           |
| <b>Liabilities</b>   |                          |                      |                           |
| Deposits   | ¥ 4,915,144              | ¥ 4,848,297          | \$ 43,601,029             |
| Call money and bills sold  | —                        | 14,809               | —                         |
| Payables under repurchase agreements                             | —                        | 9,907                | —                         |
| Payables under securities lending transactions                   | 159,028                  | 249,762              | 1,410,698                 |
| Borrowed money   | 128,724                  | 150,989              | 1,141,878                 |
| Foreign exchange liabilities                                     | 275                      | 583                  | 2,439                     |
| Corporate bonds and notes  | 20,000                   | 20,000               | 177,415                   |
| Other liabilities  | 27,373                   | 28,221               | 242,819                   |
| Provision for employees' bonuses                                 | 1,799                    | 1,551                | 15,958                    |
| Accrued retirement benefits for employees                        | 573                      | 855                  | 5,082                     |
| Accrued retirement benefits for directors and corporate auditors | 29                       | 29                   | 257                       |
| Reserve for reimbursement of deposits                            | 519                      | 486                  | 4,603                     |
| Reserve for point services                                       | 142                      | 137                  | 1,259                     |
| Reserve for contingent losses                                    | 341                      | 350                  | 3,024                     |
| Acceptances and guarantees                                       | 9,884                    | 12,945               | 87,678                    |
| <b>Total liabilities</b>   | <b>5,263,834</b>         | <b>5,338,928</b>     | <b>46,694,171</b>         |
| <b>Net assets</b>  |                          |                      |                           |
| Shareholders' equity:  |                          |                      |                           |
| Capital stock  | 61,385                   | 61,385               | 544,531                   |
| Capital surplus  | 104,185                  | 104,185              | 924,199                   |
| Retained earnings  | 53,991                   | 52,443               | 478,940                   |
| <b>Total shareholders' equity</b>                                | <b>219,562</b>           | <b>218,014</b>       | <b>1,947,680</b>          |
| Net unrealized gain (loss) on available-for-sale securities      | 14,391                   | 7,588                | 127,659                   |
| Net unrealized gain (loss) on deferred hedges                    | (180)                    | (139)                | (1,596)                   |
| <b>Total valuation and translation adjustments</b>               | <b>14,210</b>            | <b>7,449</b>         | <b>126,053</b>            |
| <b>Total net assets</b>  | <b>233,772</b>           | <b>225,463</b>       | <b>2,073,733</b>          |
| <b>Total liabilities and net assets</b>                          | <b>¥ 5,497,607</b>       | <b>¥ 5,564,391</b>   | <b>\$ 48,767,914</b>      |

(Note 1) The amounts are presented in millions of yen and are rounded down to the nearest million.

(Note 2) U.S. dollar amounts are translated, for convenience only, at the rate of ¥112.73 = \$1.00, as of Sept. 30, 2017.

(Note 3) The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

## Non-consolidated Interim Statements of Operations (Unaudited)

The Senshu Ikeda Bank, Ltd.  
Six months ended 30th September, 2017 and 2016

|  | Millions of yen |                | Thousands of U.S. dollars |
|--|-----------------|----------------|---------------------------|
|  | 2017            | 2016           | 2017                      |
| <b>Income</b>                          |                 |                |                           |
| Interest income:                       |                 |                |                           |
| Interest on loans and bills discounted | ¥ 20,484        | ¥ 21,246       | \$ 181,708                |
| Interest and dividends on securities   | 6,593           | 7,479          | 58,484                    |
| Other interest income                  | 254             | 216            | 2,253                     |
| Fees and commissions                   | 7,280           | 7,281          | 64,579                    |
| Other operating income                 | 1,261           | 5,751          | 11,186                    |
| Other income                           | 18,086          | 2,822          | 160,436                   |
| <b>Total income</b>                    | <b>53,962</b>   | <b>44,797</b>  | <b>478,683</b>            |
| <b>Expenses</b>                        |                 |                |                           |
| Interest expenses:                     |                 |                |                           |
| Interest on deposits                   | 1,344           | 1,661          | 11,922                    |
| Other interest expenses                | 1,327           | 1,571          | 11,771                    |
| Fees and commissions                   | 4,535           | 4,278          | 40,228                    |
| Other operating expenses               | 14,374          | 1,784          | 127,508                   |
| General and administrative expenses    | 23,260          | 23,574         | 206,333                   |
| Other expenses                         | 973             | 2,165          | 8,631                     |
| <b>Total expenses</b>                  | <b>45,815</b>   | <b>35,034</b>  | <b>406,413</b>            |
| Income before income taxes             | 8,147           | 9,762          | 72,270                    |
| <b>Income taxes</b>                    |                 |                |                           |
| Current                                | (120)           | 1,009          | (1,064)                   |
| Deferred                               | 3,919           | 7              | 34,764                    |
| <b>Total income taxes</b>              | <b>3,799</b>    | <b>1,017</b>   | <b>33,699</b>             |
| <b>Net income</b>                      | <b>¥ 4,348</b>  | <b>¥ 8,745</b> | <b>\$ 38,570</b>          |

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