

Consolidated Financial Statements

Consolidated Financial Statements were audited by Deloitte Touche Tohmatsu LLC under the provisions of Article 396-1 of the Companies Act and Article 193-2-1 of the Financial Instruments and Exchange Act.

Consolidated Balance Sheet

(Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2019	FY 2020	FY 2020
Cash and due from banks	363,125	566,963	5,209,621
Call loans and bills bought	2,515	3,347	30,754
Other debt purchased	64	37	340
Money held in trust	12,000	13,000	119,452
Securities	660,594	595,050	5,467,702
Loans and bills discounted	1,996,340	2,071,553	19,034,761
Foreign exchanges	2,317	1,521	13,976
Lease receivables and lease investment assets	10,631	10,957	100,680
Other assets	31,714	31,931	293,403
Tangible fixed assets	23,233	23,887	219,489
Buildings	7,983	7,850	72,131
Land	13,336	13,401	123,137
Other tangible fixed assets	1,913	2,635	24,212
Intangible fixed assets	3,002	4,730	43,462
Software	2,921	4,653	42,755
Other intangible fixed assets	80	77	708
Deferred income tax assets	1,279	4,889	44,923
Guaranty endorsement	2,674	6,036	55,463
Allowance for bad debts	-7,859	-8,831	-81,145
Total assets	3,101,632	3,325,076	30,552,936

(Liabilities and Net Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2019	FY 2020	FY 2020
Liabilities:			
Deposits	2,419,229	2,453,275	22,542,268
Negotiable deposit	117,625	134,422	1,235,156
Call money and bills sold	109,604	259,849	2,387,660
Guarantee deposit received under bond lending transactions	141,512	130,964	1,203,381
Borrowed fund	138,262	171,420	1,575,117
Foreign exchanges	16	17	156
Other liabilities	10,452	10,726	98,557
Reserve for bonus for directors and corporate auditors	40	37	340
Liability for retirement benefit	7,756	7,195	66,112
Reserve for losses from sleeping account withdrawal	265	279	2,564
Reserve for contingent losses	115	123	1,130
Revaluation deferred tax liabilities	2,199	2,185	20,077
Acceptances and guarantees	2,674	6,036	55,463
Total liabilities	2,949,754	3,176,535	29,188,046
Net assets:			
Common stock	14,697	14,697	135,045
Capital surplus	12,819	12,819	117,789
Earned surplus	110,318	115,665	1,062,804
Common stock held in treasury	-1,241	-1,229	-11,293
Total shareholders' equity	136,593	141,953	1,304,355
Other securities revaluation excess	14,365	5,539	50,896
Land revaluation excess	2,821	2,790	25,636
Accumulated adjustment for retirement benefit	-2,271	-2,151	-19,765
Total accumulated other comprehensive income	14,915	6,178	56,767
Rights to acquire new shares	160	187	1,718
Non-controlling interests	207	222	2,040
Total net assets	151,878	148,541	1,364,890
Total liabilities and net assets	3,101,632	3,325,076	30,552,936

Consolidated Statement of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2019	FY 2020	FY 2020
Income	53,444	56,838	522,264
Capital investment income	33,974	35,172	323,183
Interest on loans	25,687	26,060	239,456
Interest and dividend on marketable securities	8,155	8,975	82,468
Interest on call loan and bills bought	36	41	377
Interest on deposits	4	3	28
Other interest receivable	91	89	818
Service revenue	8,119	7,982	73,344
Other transaction revenue	8,285	8,394	77,129
Other operating income	3,064	5,290	48,608
Reversal of allowance for doubtful receivables	51	—	—
Recoveries of write-off	69	123	1,130
Others	2,942	5,166	47,469
Expenses	39,834	46,010	422,769
Cost of raising funds	1,275	1,324	12,166
Interest on deposits	187	192	1,764
Interest on negotiable deposits	17	15	138
Interest on call money and bills sold	110	186	1,709
Interest payment bond lending transactions	411	507	4,659
Interest on borrowed funds	69	39	358
Interest on bonds	56	—	—
Other interest payable	423	382	3,510
Expenses on service revenue	4,462	4,658	42,801
Other transaction expenses	6,904	9,006	82,753
Operating expenses	25,584	25,871	237,719
Other operating expenses	1,606	5,148	47,303
Provision of allowance for bad debts	—	1,124	10,328
Other expenses	1,606	4,024	36,975
Ordinary income	13,610	10,828	99,495
Extraordinary income	523	1	9
Gains on dispositions of fixed assets	523	1	9
Extraordinary loss	375	71	652
Losses on dispositions of fixed assets	149	66	606
Loss on reduction of fixed assets	205	—	—
Impairment loss	19	—	—
Other extraordinary expenses	—	5	46
Income before income taxes	13,758	10,758	98,851
Income, inhabitant and business taxes	3,601	3,829	35,183
Income and other tax adjustments	409	-212	-1,948
Income taxes-current	4,011	3,616	33,226
Profit	9,747	7,141	65,616
Profit attributable to non-controlling interests	17	15	138
Profit attributable to owners of the parent	9,729	7,125	65,469

Consolidated Statement of Comprehensive Income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2019	FY 2020	FY 2020
Profit	9,747	7,141	65,616
Other comprehensive income	-2,810	-8,706	-79,996
Valuation difference on available-for-sale securities	-3,782	-8,825	-81,090
Adjustments for retirement benefits	972	119	1,093
Comprehensive income	6,936	-1,565	-14,380
Comprehensive income attributable to shareholders of the parent	6,919	-1,580	-14,518
Comprehensive income attributable to non-controlling interests	17	15	138

Consolidated Statement of Changes in Net Assets

FY2019

Millions of Japanese Yen

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total shareholders' equity
Balance at beginning of the period	14,697	12,820	101,915	-1,303	128,129
Changes of items during the period					
Dividends from surplus			-1,550		-1,550
Profit attributable to owners of the parent			9,729		9,729
Acquisition of treasury stock				-3	-3
Disposal of treasury stock		-1		66	65
Land revaluation profit appropriated			223		223
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-1	8,402	62	8,464
Balance at the end of current period	14,697	12,819	110,318	-1,241	136,593

Millions of Japanese Yen

	Accumulated other comprehensive income				Rights to acquire new shares	Non-controlling interests	Total net assets
	Other securities revaluation excess on securities	Land revaluation excess	Accumulated adjustment for retirement benefit	Total accumulated other comprehensive income			
Balance at beginning of the period	18,148	3,044	-3,243	17,949	183	190	146,453
Changes of items during the period							
Dividends from surplus							-1,550
Profit attributable to owners of the parent							9,729
Acquisition of treasury stock							-3
Disposal of treasury stock							65
Land revaluation profit appropriated							223
Net changes of items other than shareholders' equity	-3,782	-223	972	-3,033	-22	17	-3,039
Total changes of items during the period	-3,782	-223	972	-3,033	-22	17	5,424
Balance at the end of current period	14,365	2,821	-2,271	14,915	160	207	151,878

FY2020

Millions of Japanese Yen

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total shareholders' equity
Balance at beginning of the period	14,697	12,819	110,318	-1,241	136,593
Changes of items during the period					
Dividends from surplus			-1,809		-1,809
Profit attributable to owners of the parent			7,125		7,125
Acquisition of treasury stock				-3	-3
Disposal of treasury stock		0		15	15
Land revaluation profit appropriated			31		31
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	5,347	11	5,359
Balance at the end of current period	14,697	12,819	115,665	-1,229	141,953

Millions of Japanese Yen

	Accumulated other comprehensive income				Rights to acquire new shares	Non-controlling interests	Total net assets
	Other securities revaluation excess on securities	Land revaluation excess	Accumulated adjustment for retirement benefit	Total accumulated other comprehensive income			
Balance at beginning of the period	14,365	2,821	-2,271	14,915	160	207	151,878
Changes of items during the period							
Dividends from surplus							-1,809
Profit attributable to owners of the parent							7,125
Acquisition of treasury stock							-3
Disposal of treasury stock							15
Land revaluation profit appropriated							31
Net changes of items other than shareholders' equity	-8,825	-31	119	-8,737	26	15	-8,696
Total changes of items during the period	-8,825	-31	119	-8,737	26	15	-3,336
Balance at the end of current period	5,539	2,790	-2,151	6,178	187	222	148,541

FY2020

Thousands of U.S. Dollars

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Common stock held in treasury	Total shareholders' equity
Balance at beginning of the period	135,045	117,789	1,013,673	-11,403	1,255,104
Changes of items during the period					
Dividends from surplus			-16,622		-16,622
Profit attributable to owners of the parent			65,469		65,469
Acquisition of treasury stock				-28	-28
Disposal of treasury stock		0		138	138
Land revaluation profit appropriated			285		285
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	49,132	101	49,242
Balance at the end of current period	135,045	117,789	1,062,804	-11,293	1,304,355

Thousands of U.S. Dollars

	Accumulated other comprehensive income				Rights to acquire new shares	Non-controlling interests	Total net assets
	Other securities revaluation excess on securities	Land revaluation excess	Accumulated adjustment for retirement benefit	Total accumulated other comprehensive income			
Balance at beginning of the period	131,995	25,921	-20,867	137,049	1,470	1,902	1,395,553
Changes of items during the period							
Dividends from surplus							-16,622
Profit attributable to owners of the parent							65,469
Acquisition of treasury stock							-28
Disposal of treasury stock							138
Land revaluation profit appropriated							285
Net changes of items other than shareholders' equity	-81,090	-285	1,093	-80,281	239	138	-79,904
Total changes of items during the period	-81,090	-285	1,093	-80,281	239	138	-30,653
Balance at the end of current period	50,896	25,636	-19,765	56,767	1,718	2,040	1,364,890

Consolidated Statement of Cash Flows

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2019	FY 2020	FY 2020
I. Cash flows from operating activities			
Income before income taxes and other adjustments	13,758	10,758	98,851
Depreciation and amortization	1,799	2,382	21,887
Impairment loss	19	—	—
Increase (decrease) in allowance for bad debts	-870	971	8,922
Increase (decrease) in amount of the reserve against investment losses	-0	—	—
Increase (decrease) in reserve for bonus for directors and corporate auditors	—	-2	-18
Increase (decrease) in liability for retirement benefit	47	-389	-3,574
Increase (decrease) in reserve for losses from sleeping account withdrawal	-7	14	129
Increase (decrease) in reserve for contingent losses	6	7	64
Interest income	-33,974	-35,172	-323,183
Interest expenses	1,275	1,324	12,166
Gain on securities transactions	-1,408	1,396	12,827
Loss on money held in trust	93	-66	-606
Foreign exchange losses	-274	45	413
Profit or loss on disposal of fixed assets	-373	65	597
Loss on reduction of fixed assets	205	—	—
Net decrease (increase) in loans	-66,424	-75,642	-695,047
Net increase (decrease) in deposits	61,851	34,527	317,256
Net increase (decrease) in negotiable deposits	-12,343	16,797	154,342
Net increase (decrease) in borrowed fund (excluding subordinated borrowed ones)	30,425	33,184	304,916
Net decrease (increase) in deposit with banks (excluding deposit with the Bank of Japan)	502	990	9,097
Net decrease (increase) in call loan and others	-1,448	-1,196	-10,990
Net decrease (increase) in call money and others	69,615	150,363	1,381,632
Net increase (decrease) in guarantee deposit received under bond lending transactions	29	-9,806	-90,104
Net decrease (increase) in foreign exchange (assets)	403	729	6,699
Net increase (decrease) in foreign exchange (liabilities)	4	2	18
Interest and dividends received	34,481	35,691	327,952
Interest paid	-1,300	-1,337	-12,285
Others	-1,762	-1,569	-14,417
Subtotal	94,334	164,068	1,507,562
Corporate tax and others paid	-3,015	-2,385	-21,915
Net cash provided by (used in) operating activities	91,319	161,683	1,485,647
II. Cash flows from investing activities			
Purchases of securities	-134,385	-168,063	-1,544,271
Proceeds from sales of securities	74,958	63,486	583,350
Proceeds from maturities of securities	80,843	154,843	1,422,797
Purchases of increase in money held in trust	—	-933	-8,573
Decrease in money held in trust	906	—	—
Expenditure for acquisition of tangible fixed assets	-964	-1,645	-15,115
Proceeds from sales of tangible fixed assets	1,019	41	377
Expenditures for acquisition of intangible fixed assets	-1,457	-2,764	-25,397
Net cash provided by (used in) investing activities	20,919	44,964	413,158
III. Cash flows from financing activities			
Repayments of subordinated borrowed money	-5,000	—	—
Payments for redemption of subordinated bonds	-15,000	—	—
Dividends paid	-1,550	-1,809	-16,622
Dividends paid to non-controlling interests	-0	-0	-0
Purchase of treasury stocks	-3	-3	-28
Proceeds from sales of treasury stocks	0	0	0
Net cash used in financing activities	-21,553	-1,813	-16,659
IV. Foreign exchange difference of cash and cash equivalents	0	-5	-46
V. Net increase (decrease) in cash and cash equivalents	90,685	204,828	1,882,091
VI. Cash and cash equivalents at beginning of the term	263,766	354,452	3,256,933
VII. Cash and cash equivalents at end of the term	354,452	559,281	5,139,033