

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 2020	FY 2021	FY 2021
Cash and due from banks	566,963	720,678	6,509,602
Call loans and bills bought	3,347	—	—
Other debt purchased	37	11	99
Money held in trust	13,000	14,000	126,457
Securities	595,050	696,478	6,291,013
Loans and bills discounted	2,071,553	2,152,240	19,440,340
Foreign exchanges	1,521	1,794	16,204
Lease receivables and lease investment assets	10,957	10,859	98,085
Other assets	31,931	30,341	274,058
Tangible fixed assets	23,887	23,787	214,859
Buildings	7,850	7,745	69,958
Land	13,401	13,401	121,046
Other tangible fixed assets	2,635	2,641	23,855
Intangible fixed assets	4,730	4,635	41,866
Software	4,653	4,558	41,171
Other intangible fixed assets	77	76	686
Deferred income tax assets	4,889	3,687	33,303
Guaranty endorsement	6,036	5,177	46,762
Allowance for bad debts	-8,831	-9,827	-88,763
Total assets	3,325,076	3,653,865	33,003,929

(Liabilities and Net Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2020	FY 2021	FY 2021
Liabilities:			
Deposits	2,453,275	2,799,825	25,289,721
Negotiable deposit	134,422	14,174	128,028
Call money and bills sold	259,849	245,849	2,220,658
Guarantee deposit received under bond lending transactions	130,964	138,240	1,248,668
Borrowed fund	171,420	271,411	2,451,549
Foreign exchanges	17	60	542
Other liabilities	10,726	12,354	111,589
Reserve for bonus for directors and corporate auditors	37	35	316
Liability for retirement benefit	7,195	5,624	50,799
Reserve for losses from sleeping account withdrawal	279	194	1,752
Reserve for contingent losses	123	147	1,328
Revaluation deferred tax liabilities	2,185	2,185	19,736
Acceptances and guarantees	6,036	5,177	46,762
Total liabilities	3,176,535	3,495,280	31,571,493
Net assets:			
Common stock	14,697	14,697	132,752
Capital surplus	12,819	12,780	115,437
Earned surplus	115,665	121,937	1,101,409
Common stock held in treasury	-1,229	-1,191	-10,758
Total shareholders' equity	141,953	148,224	1,338,849
Other securities revaluation excess	5,539	8,504	76,813
Land revaluation excess	2,790	2,790	25,201
Accumulated adjustment for retirement benefit	-2,151	-1,125	-10,162
Total accumulated other comprehensive income	6,178	10,168	91,844
Rights to acquire new shares	187	191	1,725
Non-controlling interests	222	—	—
Total net assets	148,541	158,585	1,432,436
Total liabilities and net assets	3,325,076	3,653,865	33,003,929

Consolidated Statement of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2020	FY 2021	FY 2021
Income	56,838	54,664	493,758
Capital investment income	35,172	34,748	313,865
Interest on loans	26,060	26,727	241,415
Interest and dividend on marketable securities	8,975	7,868	71,069
Interest on call loan and bills bought	41	4	36
Interest on deposits	3	2	18
Other interest receivable	89	145	1,310
Service revenue	7,982	8,720	78,764
Other transaction revenue	8,394	8,172	73,814
Other operating income	5,290	3,022	27,297
Recoveries of write-off	123	59	533
Others	5,166	2,963	26,764
Expenses	46,010	42,635	385,105
Cost of raising funds	1,324	702	6,341
Interest on deposits	192	163	1,472
Interest on negotiable deposits	15	6	54
Interest on call money and bills sold	186	25	226
Interest payment bond lending transactions	507	133	1,201
Interest on borrowed funds	39	32	289
Other interest payable	382	341	3,080
Expenses on service revenue	4,658	4,769	43,077
Other transaction expenses	9,006	8,341	75,341
Operating expenses	25,871	26,277	237,350
Other operating expenses	5,148	2,544	22,979
Provision of allowance for bad debts	1,124	1,428	12,899
Other expenses	4,024	1,115	10,071
Ordinary income	10,828	12,028	108,644
Extraordinary income	1	0	0
Gains on dispositions of fixed assets	1	0	0
Extraordinary loss	71	4	36
Losses on dispositions of fixed assets	66	4	36
Other extraordinary expenses	5	—	—
Income before income taxes	10,758	12,024	108,608
Income, inhabitant and business taxes	3,829	4,029	36,392
Income and other tax adjustments	-212	-4	-36
Income taxes-current	3,616	4,024	36,347
Profit	7,141	8,000	72,261
Profit attributable to non-controlling interests	15	4	36
Profit attributable to owners of the parent	7,125	7,995	72,216

Consolidated Statement of Comprehensive Income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2020	FY 2021	FY 2021
Profit	7,141	8,000	72,261
Other comprehensive income	-8,706	3,990	36,040
Valuation difference on available-for-sale securities	-8,825	2,964	26,773
Adjustments for retirement benefits	119	1,026	9,267
Comprehensive income	-1,565	11,990	108,301
Comprehensive income attributable to shareholders of the parent	-1,580	11,986	108,265
Comprehensive income attributable to non-controlling interests	15	4	36

Consolidated Statement of Changes in Net Assets

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

FY2021

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	115,665	-1,229	141,953
Changes of items during the period					
Dividends from surplus			-1,724		-1,724
Profit attributable to owners of the parent			7,995		7,995
Acquisition of treasury stock				-3	-3
Disposal of treasury stock		-2		41	39
Change in capital surplus arising from change in consolidated subsidiaries accounted for using equity method		-36			-36
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	-38	6,271	38	6,271
Balance at the end of current period	14,697	12,780	121,937	-1,191	148,224

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	5,539	2,790	-2,151	6,178	187	222	148,541
Changes of items during the period							
Dividends from surplus							-1,724
Profit attributable to owners of the parent							7,995
Acquisition of treasury stock							-3
Disposal of treasury stock							39
Change in capital surplus arising from change in consolidated subsidiaries accounted for using equity method							-36
Net changes of items other than shareholders' equity	2,964	—	1,026	3,990	4	-222	3,772
Total changes of items during the period	2,964	—	1,026	3,990	4	-222	10,043
Balance at the end of current period	8,504	2,790	-1,125	10,168	191	—	158,585

FY2021

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	132,752	115,789	1,044,757	-11,101	1,282,206
Changes of items during the period					
Dividends from surplus			-15,572		-15,572
Profit attributable to owners of the parent			72,216		72,216
Acquisition of treasury stock				-27	-27
Disposal of treasury stock		-18		370	352
Change in capital surplus arising from change in consolidated subsidiaries accounted for using equity method		-325			-325
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	-343	56,643	343	56,643
Balance at the end of current period	132,752	115,437	1,101,409	-10,758	1,338,849

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	50,032	25,201	-19,429	55,803	1,689	2,005	1,341,713
Changes of items during the period							
Dividends from surplus							-15,572
Profit attributable to owners of the parent							72,216
Acquisition of treasury stock							-27
Disposal of treasury stock							352
Change in capital surplus arising from change in consolidated subsidiaries accounted for using equity method							-325
Net changes of items other than shareholders' equity	26,773	—	9,267	36,040	36	-2,005	34,071
Total changes of items during the period	26,773	—	9,267	36,040	36	-2,005	90,714
Balance at the end of current period	76,813	25,201	-10,162	91,844	1,725	—	1,432,436

Consolidated Statement of Cash Flows

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2020	FY 2021	FY 2021
I. Cash flows from operating activities			
Income before income taxes and other adjustments	10,758	12,024	108,608
Depreciation and amortization	2,382	2,723	24,596
Increase (decrease) in allowance for bad debts	971	995	8,987
Increase (decrease) in reserve for bonus for directors and corporate auditors	-2	-2	-18
Increase (decrease) in liability for retirement benefit	-389	-95	-858
Increase (decrease) in reserve for losses from sleeping account withdrawal	14	-85	-768
Increase (decrease) in reserve for contingent losses	7	23	208
Interest income	-35,172	-34,748	-313,865
Interest expenses	1,324	702	6,341
Gain on securities transactions	1,396	513	4,634
Loss on money held in trust	-66	-263	-2,376
Foreign exchange losses	45	-510	-4,607
Profit or loss on disposal of fixed assets	65	3	27
Net decrease (increase) in loans	-75,642	-80,889	-730,639
Net increase (decrease) in deposits	34,527	345,519	3,120,938
Net increase (decrease) in negotiable deposits	16,797	-120,248	-1,086,153
Net increase (decrease) in borrowed fund (excluding subordinated borrowed ones)	33,184	99,902	902,376
Net decrease (increase) in deposit with banks (excluding deposit with the Bank of Japan)	990	3,452	31,181
Net decrease (increase) in call loan and others	-1,196	4,279	38,651
Net decrease (increase) in call money and others	150,363	-14,169	-127,983
Net increase (decrease) in guarantee deposit received under bond lending transactions	-9,806	6,137	55,433
Net decrease (increase) in foreign exchange (assets)	729	-196	-1,770
Net increase (decrease) in foreign exchange (liabilities)	2	41	370
Interest and dividends received	35,691	35,174	317,713
Interest paid	-1,337	-820	-7,407
Others	-1,569	407	3,676
Subtotal	164,068	259,870	2,347,304
Corporate tax and others paid	-2,385	-3,388	-30,602
Net cash provided by (used in) operating activities	161,683	256,482	2,316,701
II. Cash flows from investing activities			
Purchases of securities	-168,063	-329,229	-2,973,796
Proceeds from sales of securities	63,486	53,824	486,171
Proceeds from maturities of securities	154,843	180,764	1,632,770
Purchases of increase in money held in trust	-933	-736	-6,648
Expenditure for acquisition of tangible fixed assets	-1,645	-860	-7,768
Proceeds from sales of tangible fixed assets	41	—	—
Expenditures for acquisition of intangible fixed assets	-2,764	-1,094	-9,882
Net cash provided by (used in) investing activities	44,964	-97,332	-879,162
III. Cash flows from financing activities			
Dividends paid	-1,809	-1,724	-15,572
Dividends paid to non-controlling interests	-0	-0	-0
Purchase of treasury stocks	-3	-3	-27
Proceeds from sales of treasury stocks	0	0	0
Purchase of treasury shares of subsidiaries	—	-263	-2,376
Net cash used in financing activities	-1,813	-1,990	-17,975
IV. Foreign exchange difference of cash and cash equivalents	-5	7	63
V. Net increase (decrease) in cash and cash equivalents	204,828	157,167	1,419,628
VI. Cash and cash equivalents at beginning of the term	354,452	559,281	5,051,766
VII. Cash and cash equivalents at end of the term	559,281	716,448	6,471,394