

Consolidated Financial Statements

The Consolidated Financial Statements included in this report were prepared based on the Consolidated Financial Statements audited by Deloitte Touche Tohmatsu LLC pursuant to the provisions of Article 396, Paragraph 1 of the Companies Act and Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

Consolidated Balance Sheet

(Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2021	FY 2022	FY 2022
Cash and due from banks	720,678	1,189,790	9,721,301
Call loans and bills bought	—	1,012	8,269
Monetary claims bought	11	—	—
Money held in trust	14,000	11,000	89,877
Securities	696,478	712,275	5,819,716
Loans and bills discounted	2,152,240	2,257,738	18,447,079
Foreign exchanges	1,794	2,416	19,740
Lease receivables and investments in leases	10,859	10,575	86,404
Other assets	30,341	31,327	255,960
Property, plant and equipment	23,787	23,312	190,473
Buildings	7,745	7,549	61,680
Land	13,401	13,327	108,890
Other	2,641	2,435	19,895
Intangible assets	4,635	4,408	36,016
Software	4,558	4,332	35,395
Other	76	76	621
Deferred tax assets	3,687	6,131	50,094
Customers' liabilities for acceptances and guarantees	5,177	4,940	40,363
Allowance for loan losses	(9,827)	(12,966)	(105,940)
Total assets	3,653,865	4,241,963	34,659,392

(Liabilities and Net Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2021	FY 2022	FY 2022
Liabilities:			
Deposits	2,799,825	2,950,031	24,103,530
Negotiable certificates of deposit	14,174	42,865	350,233
Call money and bills sold	245,849	326,871	2,670,733
Cash collateral received for securities lent	138,240	119,274	974,540
Borrowed money	271,411	620,318	5,068,372
Foreign exchanges	60	99	809
Other liabilities	12,354	12,499	102,124
Provision for bonuses for directors (and other officers)	35	35	286
Retirement benefit liability	5,624	3,299	26,955
Provision for reimbursement of deposits	194	284	2,320
Provision for contingent loss	147	135	1,103
Deferred tax liabilities for land revaluation	2,185	2,176	17,779
Acceptances and guarantees	5,177	4,940	40,363
Total liabilities	3,495,280	4,082,832	33,359,196
Net assets:			
Share capital	14,697	14,697	120,083
Capital surplus	12,780	12,780	104,420
Retained earnings	121,937	127,703	1,043,410
Treasury shares	(1,191)	(1,191)	(9,731)
Total shareholders' equity	148,224	153,988	1,258,175
Valuation difference on available-for-sale securities	8,504	3,143	25,680
Revaluation reserve for land	2,790	2,773	22,657
Remeasurements of defined benefit plans	(1,125)	(1,012)	(8,269)
Total accumulated other comprehensive income	10,168	4,905	40,077
Share acquisition rights	191	236	1,928
Total net assets	158,585	159,130	1,300,188
Total liabilities and net assets	3,653,865	4,241,963	34,659,392

Consolidated Statement of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2021	FY 2022	FY 2022
Ordinary income	54,664	63,824	521,481
Interest income	34,748	37,812	308,947
Interest on loans and discounts	26,727	27,190	222,159
Interest and dividends on securities	7,868	9,666	78,977
Interest on call loans and bills bought	4	1	8
Interest on deposits with banks	2	1	8
Other interest income	145	951	7,770
Fees and commissions	8,720	9,533	77,890
Other ordinary income	8,172	8,616	70,398
Other income	3,022	7,862	64,237
Recoveries of written off receivables	59	58	474
Other	2,963	7,803	63,755
Ordinary expenses	42,635	52,289	427,233
Interest expenses	702	580	4,739
Interest on deposits	163	109	891
Interest on negotiable certificates of deposit	6	1	8
Interest on call money and bills sold	25	1	8
Interest expenses on cash collateral received for securities lent	133	140	1,144
Interest on borrowings and rediscounts	32	26	212
Other interest expenses	341	299	2,443
Fees and commissions payments	4,769	4,917	40,175
Other ordinary expenses	8,341	10,845	88,610
General and administrative expenses	26,277	25,866	211,341
Other expenses	2,544	10,079	82,351
Provision of allowance for loan losses	1,428	4,350	35,542
Other	1,115	5,729	46,809
Ordinary profit	12,028	11,535	94,248
Extraordinary income	0	11	90
Gain on disposal of non-current assets	0	11	90
Extraordinary losses	4	73	596
Loss on disposal of non-current assets	4	53	433
Impairment losses	—	20	163
Profit before income taxes	12,024	11,473	93,741
Income taxes - current	4,029	4,520	36,931
Income taxes - deferred	(4)	(520)	(4,249)
Total income taxes	4,024	3,999	32,674
Profit	8,000	7,473	61,059
Profit attributable to non-controlling interests	4	—	—
Profit attributable to owners of parent	7,995	7,473	61,059

Consolidated Statement of Comprehensive Income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2021	FY 2022	FY 2022
Profit	8,000	7,473	61,059
Other comprehensive income	3,990	(5,247)	(42,871)
Valuation difference on available-for-sale securities	2,964	(5,360)	(43,794)
Remeasurements of defined benefit plans	1,026	113	923
Comprehensive income	11,990	2,226	18,188
Comprehensive income attributable to owners of parent	11,986	2,226	18,188
Comprehensive income attributable to non-controlling interests	4	—	—

Consolidated Statement of Changes in Net Assets

FY2021

Millions of Japanese Yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,697	12,819	115,665	(1,229)	141,953
Changes during period					
Dividends of surplus			(1,724)		(1,724)
Profit attributable to owners of parent			7,995		7,995
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(2)		41	39
Change in capital surplus arising from change in equity in consolidated subsidiaries		(36)			(36)
Net changes in items other than shareholders' equity					
Total changes during period	—	(38)	6,271	38	6,271
Balance at end of period	14,697	12,780	121,937	(1,191)	148,224

Millions of Japanese Yen

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	5,539	2,790	(2,151)	6,178	187	222	148,541
Changes during period							
Dividends of surplus							(1,724)
Profit attributable to owners of parent							7,995
Purchase of treasury shares							(3)
Disposal of treasury shares							39
Change in capital surplus arising from change in equity in consolidated subsidiaries							(36)
Net changes in items other than shareholders' equity	2,964	—	1,026	3,990	4	(222)	3,772
Total changes during period	2,964	—	1,026	3,990	4	(222)	10,043
Balance at end of period	8,504	2,790	(1,125)	10,168	191	—	158,585

FY2022

Millions of Japanese Yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,697	12,780	121,937	(1,191)	148,224
Changes during period					
Dividends of surplus			(1,724)		(1,724)
Profit attributable to owners of parent			7,473		7,473
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		1	0
Reversal of revaluation reserve for land			16		16
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	5,765	(0)	5,764
Balance at end of period	14,697	12,780	127,703	(1,191)	153,988

Millions of Japanese Yen

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,504	2,790	(1,125)	10,168	191	158,585
Changes during period						
Dividends of surplus						(1,724)
Profit attributable to owners of parent						7,473
Purchase of treasury shares						(2)
Disposal of treasury shares						0
Reversal of revaluation reserve for land						16
Net changes in items other than shareholders' equity	(5,360)	(16)	113	(5,263)	44	(5,219)
Total changes during period	(5,360)	(16)	113	(5,263)	44	545
Balance at end of period	3,143	2,773	(1,012)	4,905	236	159,130

FY2022

Thousands of U.S. Dollars

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	120,083	104,420	996,299	(9,731)	1,211,079
Changes during period					
Dividends of surplus			(14,086)		(14,086)
Profit attributable to owners of parent			61,059		61,059
Purchase of treasury shares				(16)	(16)
Disposal of treasury shares		(0)		8	0
Reversal of revaluation reserve for land			131		131
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	47,104	(0)	47,095
Balance at end of period	120,083	104,420	1,043,410	(9,731)	1,258,175

Thousands of U.S. Dollars

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	69,483	22,796	(9,192)	83,079	1,561	1,295,735
Changes during period						
Dividends of surplus						(14,086)
Profit attributable to owners of parent						61,059
Purchase of treasury shares						(16)
Disposal of treasury shares						0
Reversal of revaluation reserve for land						131
Net changes in items other than shareholders' equity	(43,794)	(131)	923	(43,002)	360	(42,642)
Total changes during period	(43,794)	(131)	923	(43,002)	360	4,453
Balance at end of period	25,680	22,657	(8,269)	40,077	1,928	1,300,188

Consolidated Statement of Cash Flows

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2021	FY 2022	FY 2022
I. Cash flows from operating activities			
Profit before income taxes	12,024	11,473	93,741
Depreciation and amortization	2,723	2,753	22,494
Impairment losses	—	20	163
Increase (decrease) in allowance for loan losses	995	3,139	25,648
Increase (decrease) in provision for bonuses for directors (and other officers)	(2)	0	0
Increase (decrease) in retirement benefit liability	(95)	(162)	(1,324)
Contribution of securities to retirement benefit trust	—	(2,000)	(16,341)
Increase (decrease) in provision for reimbursement of deposits	(85)	90	735
Increase (decrease) in provision for contingent loss	23	(11)	(90)
Interest income	(34,748)	(37,812)	(308,947)
Interest expenses	702	580	4,739
Loss (gain) related to securities	513	2,035	16,627
Loss (gain) on money held in trust	(263)	230	1,879
Foreign exchange losses (gains)	(510)	(1,365)	(11,153)
Loss (gain) on disposal of non-current assets	3	41	335
Net decrease (increase) in loans and bills discounted	(80,889)	(105,817)	(864,589)
Net increase (decrease) in deposits	345,519	149,385	1,220,565
Net increase (decrease) in negotiable certificates of deposit	(120,248)	28,691	234,423
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	99,902	348,841	2,850,241
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	3,452	1,985	16,219
Net decrease (increase) in call loans	4,279	(1,000)	(8,171)
Net increase (decrease) in call money	(14,169)	79,877	652,643
Net increase (decrease) in cash collateral received for securities lent	6,137	(23,645)	(193,194)
Net decrease (increase) in foreign exchange (assets)	(196)	(484)	(3,955)
Net increase (decrease) in foreign exchange (liabilities)	41	35	286
Interest received	35,174	37,828	309,078
Interest paid	(820)	(593)	(4,845)
Other, net	407	(3,128)	(25,558)
Subtotal	259,870	490,987	4,011,659
Income taxes paid	(3,388)	(3,298)	(26,947)
Net cash provided by (used in) operating activities	256,482	487,689	3,984,713
II. Cash flows from investing activities			
Purchases of securities	(329,229)	(334,918)	(2,736,482)
Proceeds from sale of securities	53,824	135,902	1,110,401
Proceeds from redemption of securities	180,764	182,905	1,494,444
Increase in money held in trust	(736)	—	—
Decrease in money held in trust	—	2,769	22,624
Purchase of property, plant and equipment	(860)	(650)	(5,311)
Proceeds from sale of property, plant and equipment, or expropriation, etc.	—	227	1,855
Proceeds from sale of property, plant and equipment	(1,094)	(1,110)	(9,069)
Purchase of intangible assets	(97,332)	(14,874)	(121,530)
III. Cash flows from financing activities			
Dividends paid	(1,724)	(1,724)	(14,086)
Dividends paid to non-controlling interests	(0)	—	—
Purchase of treasury shares	(3)	(2)	(16)
Proceeds from sale of treasury shares	0	0	0
Purchase of treasury shares of subsidiaries	(263)	—	—
Net cash provided by (used in) financing activities	(1,990)	(1,726)	(14,102)
IV. Effect of exchange rate change on cash and cash equivalents	7	8	65
V. Net increase (decrease) in cash and cash equivalents	157,167	471,096	3,849,138
VI. Cash and cash equivalents at beginning of period	559,281	716,448	5,853,812
VII. Cash and cash equivalents at end of period	716,448	1,187,545	9,702,958