

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 2022	FY 2023	FY 2023
Cash and due from banks	1,189,790	1,016,870	7,615,292
Call loans and bills bought	1,012	2,270	17,000
Money held in trust	11,000	—	—
Securities	712,275	691,877	5,181,435
Loans and bills discounted	2,257,738	2,240,580	16,779,600
Foreign exchanges	2,416	5,094	38,149
Lease receivables and investments in leases	10,575	9,953	74,538
Other assets	31,327	33,221	248,791
Property, plant and equipment	23,312	23,007	172,298
Buildings	7,549	7,267	54,422
Land	13,327	13,093	98,053
Construction in progress	—	149	1,116
Other	2,435	2,497	18,700
Intangible assets	4,408	4,547	34,052
Software	4,332	4,474	33,506
Other	76	72	539
Deferred tax assets	6,131	7,653	57,313
Customers' liabilities for acceptances and guarantees	4,940	4,303	32,225
Allowance for loan losses	(12,966)	(13,830)	(103,572)
Total assets	4,241,963	4,025,549	30,147,150

(Liabilities and Net Assets)	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2022	FY 2023	FY 2023
Liabilities:			
Deposits	2,950,031	3,083,906	23,095,230
Negotiable certificates of deposit	42,865	30,474	228,218
Call money and bills sold	326,871	189,287	1,417,562
Securities sold under repurchase agreements	—	7,127	53,374
Cash collateral received for securities lent	119,274	113,698	851,479
Borrowed money	620,318	413,011	3,093,020
Foreign exchanges	99	132	989
Other liabilities	12,499	15,792	118,266
Provision for bonuses for directors (and other officers)	35	35	262
Retirement benefit liability	3,299	2,147	16,079
Provision for reimbursement of deposits	284	237	1,775
Provision for contingent loss	135	135	1,011
Deferred tax liabilities for land revaluation	2,176	2,168	16,236
Acceptances and guarantees	4,940	4,303	32,225
Total liabilities	4,082,832	3,862,458	28,925,769
Net assets:			
Share capital	14,697	14,697	110,065
Capital surplus	12,780	12,779	95,701
Retained earnings	127,703	133,929	1,002,988
Treasury shares	(1,191)	(1,133)	(8,485)
Total shareholders' equity	153,988	160,272	1,200,270
Valuation difference on available-for-sale securities	3,143	1,417	10,612
Deferred gains or losses on hedges	—	(1,109)	(8,305)
Revaluation reserve for land	2,773	2,762	20,684
Remeasurements of defined benefit plans	(1,012)	(485)	(3,632)
Total accumulated other comprehensive income	4,905	2,585	19,359
Share acquisition rights	236	233	1,745
Total net assets	159,130	163,090	1,221,373
Total liabilities and net assets	4,241,963	4,025,549	30,147,150

Consolidated Statement of Income and Retained Earnings

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2022	FY 2023	FY 2023
Ordinary income	63,824	68,488	512,903
Interest income	37,812	44,662	334,472
Interest on loans and discounts	27,190	27,735	207,706
Interest and dividends on securities	9,666	16,069	120,340
Interest on call loans and bills bought	1	112	839
Interest on deposits with banks	1	0	0
Other interest income	951	744	5,572
Fees and commissions	9,533	10,112	75,728
Other ordinary income	8,616	9,850	73,766
Other income	7,862	3,862	28,922
Recoveries of written off receivables	58	98	734
Other	7,803	3,764	28,188
Ordinary expenses	52,289	56,640	424,174
Interest expenses	580	3,080	23,066
Interest on deposits	109	117	876
Interest on negotiable certificates of deposit	1	2	15
Interest on call money and bills sold	1	552	4,134
Interest expenses on securities sold under repurchase agreements	—	15	112
Interest expenses on cash collateral received for securities lent	140	2,124	15,907
Interest on borrowings and rediscounts	26	20	150
Other interest expenses	299	248	1,857
Fees and commissions payments	4,917	5,124	38,373
Other ordinary expenses	10,845	16,411	122,901
General and administrative expenses	25,866	25,212	188,812
Other expenses	10,079	6,810	51,000
Provision of allowance for loan losses	4,350	2,680	20,070
Other	5,729	4,130	30,929
Ordinary profit	11,535	11,847	88,722
Extraordinary income	11	1	7
Gain on disposal of non-current assets	11	1	7
Extraordinary losses	73	51	382
Loss on disposal of non-current assets	53	24	180
Impairment losses	20	27	202
Profit before income taxes	11,473	11,797	88,347
Income taxes - current	4,520	3,858	28,892
Income taxes - deferred	(520)	(187)	(1,400)
Total income taxes	3,999	3,670	27,484
Profit	7,473	8,126	60,855
Profit attributable to owners of parent	7,473	8,126	60,855

Consolidated Statement of Comprehensive Income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2022	FY 2023	FY 2023
Profit	7,473	8,126	60,855
Other comprehensive income	(5,247)	(2,308)	(17,285)
Valuation difference on available-for-sale securities	(5,360)	(1,726)	(12,926)
Deferred gains or losses on hedges	—	(1,109)	(8,305)
Remeasurements of defined benefit plans	113	527	3,947
Comprehensive income	2,226	5,818	43,571
Comprehensive income attributable to owners of parent	2,226	5,818	43,571

Consolidated Statement of Changes in Net Assets

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

FY2023

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	127,703	(1,191)	153,988
Changes during period					
Dividends of surplus			(1,898)		(1,898)
Profit attributable to owners of parent			8,126		8,126
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(14)		59	44
Reversal of revaluation reserve for land			11		11
Transfer from retained earnings to capital surplus		13	(13)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	6,226	57	6,283
Balance at end of period	14,697	12,779	133,929	(1,133)	160,272

Millions of Japanese Yen

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,143	—	2,773	(1,012)	4,905	236	159,130
Changes during period							
Dividends of surplus							(1,898)
Profit attributable to owners of parent							8,126
Purchase of treasury shares							(1)
Disposal of treasury shares							44
Reversal of revaluation reserve for land							11
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	(1,726)	(1,109)	(11)	527	(2,319)	(2)	(2,322)
Total changes during period	(1,726)	(1,109)	(11)	527	(2,319)	(2)	3,960
Balance at end of period	1,417	(1,109)	2,762	(485)	2,585	233	163,090

FY2023

Thousands of U.S. Dollars

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	110,065	95,709	956,362	(8,919)	1,153,209
Changes during period					
Dividends of surplus			(14,214)		(14,214)
Profit attributable to owners of parent			60,855		60,855
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		(105)		442	330
Reversal of revaluation reserve for land			82		82
Transfer from retained earnings to capital surplus		97	(97)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	46,626		47,053
Balance at end of period	110,065	95,701	1,002,988	(8,485)	1,200,270

Thousands of U.S. Dollars

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	23,538	—	20,767	(7,579)	36,733	1,767	1,191,717
Changes during period							
Dividends of surplus							(14,214)
Profit attributable to owners of parent							60,855
Purchase of treasury shares							(7)
Disposal of treasury shares							330
Reversal of revaluation reserve for land							82
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	(12,926)	(8,305)	(82)	3,947	(17,367)	(15)	(17,389)
Total changes during period	(12,926)	(8,305)	(82)	3,947	(17,367)	(15)	29,656
Balance at end of period	10,612	(8,305)	20,684	(3,632)	19,359	1,745	1,221,373

Consolidated Statement of Cash Flows

	Millions of Japanese Yen		Thousands of U.S. Dollars
	FY 2022	FY 2023	FY 2023
I. Cash flows from operating activities			
Profit before income taxes	11,473	11,797	88,347
Depreciation and amortization	2,753	2,835	21,231
Impairment losses	20	27	202
Increase (decrease) in allowance for loan losses	3,139	864	6,470
Increase (decrease) in provision for bonuses for directors (and other officers)	0	0	0
Increase (decrease) in retirement benefit liability	(162)	(393)	(2,943)
Contribution of securities to retirement benefit trust	(2,000)	—	—
Increase (decrease) in provision for reimbursement of deposits	90	(47)	(352)
Increase (decrease) in provision for contingent loss	(11)	0	0
Interest income	(37,812)	(44,662)	(334,472)
Interest expenses	580	3,080	23,066
Loss (gain) related to securities	2,035	8,123	60,833
Loss (gain) on money held in trust	230	235	1,760
Foreign exchange losses (gains)	(1,365)	2,517	18,850
Loss (gain) on disposal of non-current assets	41	23	172
Net decrease (increase) in loans and bills discounted	(105,817)	16,994	127,267
Net increase (decrease) in deposits	149,385	133,669	1,001,041
Net increase (decrease) in negotiable certificates of deposit	28,691	(12,391)	(92,796)
Net increase (decrease) in securities sold under repurchase agreements	—	7,127	53,374
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	348,841	(207,311)	(1,552,542)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	1,985	2,025	15,165
Net decrease (increase) in call loans	(1,000)	(1,283)	(9,608)
Net increase (decrease) in call money	79,877	(138,665)	(1,038,456)
Net increase (decrease) in cash collateral received for securities lent	(23,645)	(10,930)	(81,854)
Net decrease (increase) in foreign exchange (assets)	(484)	(2,560)	(19,172)
Net increase (decrease) in foreign exchange (liabilities)	35	27	202
Interest received	37,828	44,643	334,329
Interest paid	(593)	(2,852)	(21,358)
Other, net	(3,128)	(4,985)	(37,332)
Subtotal	490,987	(192,091)	(1,438,561)
Income taxes paid	(3,298)	(4,168)	(31,214)
Net cash provided by (used in) operating activities	487,689	(196,260)	(1,469,782)
II. Cash flows from investing activities			
Purchases of securities	(334,918)	(542,510)	(4,062,832)
Proceeds from sale of securities	135,902	379,884	2,844,934
Proceeds from redemption of securities	182,905	181,515	1,359,357
Decrease in money held in trust	2,769	10,764	80,611
Purchase of property, plant and equipment	(650)	(794)	(5,946)
Proceeds from sale of property, plant and equipment, or expropriation, etc.	227	16	120
Proceeds from sale of property, plant and equipment	(1,110)	(1,618)	(12,117)
Purchase of intangible assets	(14,874)	27,258	204,134
III. Cash flows from financing activities			
Dividends paid	(1,724)	(1,898)	(14,214)
Purchase of treasury shares	(2)	(1)	(7)
Proceeds from sale of treasury shares	0	0	0
Net cash provided by (used in) financing activities	(1,726)	(1,899)	(14,222)
IV. Effect of exchange rate change on cash and cash equivalents	8	7	52
V. Net increase (decrease) in cash and cash equivalents	471,096	(170,894)	(1,279,817)
VI. Cash and cash equivalents at beginning of period	716,448	1,187,545	8,893,470
VII. Cash and cash equivalents at end of period	1,187,545	1,016,651	7,613,652