

Financial Statements for the Fiscal 2021

Name : **The Norinchukin Bank**

(URL <https://www.nochubank.or.jp/>)

Name of the President: OKU Kazuto President & Chief Executive Officer

The Person Responsible for Inquiries : CHIBA Yuji, General Manager of Financial Planning & Control Division

(Note) Amounts less than one million Yen are rounded down.

1. Consolidated Financial Results for the Fiscal 2021(for the fiscal year ended March 31, 2022)

(1) Consolidated Results of Operations

(Percentage represents change from previous fiscal year)

	Ordinary Income		Ordinary Profits		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal 2021	1,242,300	(8.6)	238,570	(23.0)	184,650	(11.3)
Fiscal 2020	1,358,863	(12.0)	310,002	152.2	208,233	126.3

(Note) Comprehensive Income for Fiscal 2021 (551,654) millions of Yen —% for Fiscal 2020 769,833 millions of Yen —%

	Net Assets Net Income Ratio		Total Assets Ordinary Profits Ratio		Ordinary Income Ordinary Profits Ratio	
		%		%		%
Fiscal 2021	2.4		0.2		19.2	
Fiscal 2020	2.7		0.3		22.8	

(Ref) Equity in Earnings of Affiliates for Fiscal 2021 5,932 millions of Yen for Fiscal 2020 3,008 millions of Yen

(2) Consolidated Financial Conditions

	Total Assets		Total Net Assets		Net Assets Ratio (Note)	
	Millions of Yen		Millions of Yen		%	
Fiscal 2021	106,138,351		7,294,687		6.9	
Fiscal 2020	107,647,809		7,955,581		7.4	

(Ref) Net Assets - Non-controlling Interests for Fiscal 2021 7,284,694 millions of Yen for Fiscal 2020 7,943,793 millions of Yen

(Note) Net Assets Ratio is computed by dividing (Net Assets - Non-controlling Interests) by Total Assets.

Net Assets Ratio above is not the one calculated on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank).

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal 2021	(4,169,973)	2,252,814	(110,162)	17,099,172
Fiscal 2020	(2,542,436)	3,245,911	(75,926)	19,121,793

※ Notes

(1) Changes in Significant Subsidiaries in the fiscal year

(Changes in specified subsidiaries in accordance with changes in the scope of consolidation) : None

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

- ① Changes in Accounting Policies due to revisions of Accounting Standards : Yes
- ② Changes in Accounting Policies other than ① above : None
- ③ Changes in Accounting Estimates : None
- ④ Restatements : None

(Note) The details are reported in “Changes in Accounting Estimates” (page 11).

2. Non-consolidated Financial Results for the Fiscal 2021(for the fiscal year ended March 31, 2022)

(1) Non-consolidated Results of Operations

(Percentage represents change from previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal 2021	1,212,812	(9.3)	219,080	(29.2)	172,693	(18.6)
Fiscal 2020	1,337,192	(12.0)	309,612	165.7	212,083	137.1

(2) Non-consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
Fiscal 2021	103,366,368	7,144,559	6.9
Fiscal 2020	105,238,114	7,826,026	7.4

(Ref) Net Assets for Fiscal 2021 7,144,559 millions of Yen for Fiscal 2020 7,826,026 millions of Yen

(Note) Net Assets Ratio is computed by dividing Net Assets by Total Assets.

Net Assets Ratio above is not the one calculated on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank).

(Note) This report is out of the scope of the external auditor’s annual audit procedure.

Qualitative Information

1 Qualitative information relating to the Results of Operations

The global economy in the fiscal year ended March 31, 2022 continuingly recovered supported by stimulus packages, monetary easing programs, and gradual diffusion of COVID-19 vaccine, despite uncertainties such as the slowing down in the process of economic normalization due to outbreak of a new COVID-19 variant and the risk of high inflation entrenched. Towards the end of the fiscal year, economic sanctions on Russia by the West against Russian invasion of Ukraine caused global supply chain division and the surge in commodity prices, and then economic slowdown under inflationary condition was concerned.

As the economy normalized, financial markets steadily moved up mainly in the stock markets in the first half of the fiscal year. In the last half year of the fiscal year, countries mainly in the US have accelerated the tapering since November 2021. Even after Federal Open Market Committee held in March 2022 raised the policy interest rate by 0.25%, observations on early monetary tightening have continued to gain momentum, and in the US, multiple hikes of the policy interest rate and balance-sheet shrinking by Federal Reserve Board have been expected. Long-term interest rates significantly rose mainly in the US treasury bond market in the background of price increases and observations on monetary tightening. The stock markets showed signs of adjustment and were volatile. In currency markets, Japanese yen depreciated in value against US dollar in the background of the difference in the directions of the monetary policies between Japan and the US.

Under such earnings environment, Consolidated Ordinary Profits were ¥238.5 billion, down ¥71.4 billion from the previous fiscal year and Profit Attributable to Owners of Parent was ¥184.6 billion, down ¥23.5 billion from the previous fiscal year.

Qualitative information relating to The Norinchukin Bank (“the Bank”) is as on the next page.

2 Qualitative information relating to the Financial Conditions

Consolidated Total Assets at the end of the fiscal year decreased by ¥1,509.4 billion to ¥106,138.3 billion from the previous fiscal year-end.

Total Assets of the Bank at the end of the fiscal year decreased by ¥1,871.7 billion to ¥103,366.3 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year decreased by ¥681.4 billion to ¥7,144.5 billion from the previous fiscal year-end.

As to the balances of the major accounts on the assets side, Loans and Bills Discounted at the end of the fiscal year increased by ¥1,131.4 billion to ¥22,955.4 billion from the previous fiscal year-end, and Securities at the end of the fiscal year decreased by ¥1,434.2 billion to ¥47,057.2 billion from the previous fiscal year-end. For those on the liabilities side, Deposits at the end of the fiscal year decreased by ¥1,655.6 billion to ¥64,019.8 billion, and Debentures at the end of the fiscal year increased by ¥2.3 billion to ¥363.7 billion from the previous fiscal year-end, respectively.

(Note) All the amounts shown in this document are rounded down.

(Ref) Summary of Performance (Non-Consolidated)

(100 millions of yen)

		Fiscal 2020 (Year ended March 31,2021) (A)	Fiscal 2021 (Year ended March 31,2022) (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	1	1,810	340	(1,470)
Net Interest Income	2	2,641	2,429	(211)
Net Fees and Commissions Income (Loss)	3	(15)	(99)	(83)
Net Trading Income (Loss)	4	4	1	(3)
Net Other Operating Income (Loss)	5	(820)	(1,990)	(1,170)
General and Administrative Expenses	6	(1,355)	(1,282)	72
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) (※1)	7	455	(942)	(1,398)
Gains (Losses) on Bond-Related Transactions	8	(914)	(1,998)	(1,084)
Core Net Operating Profit (Loss) (※2)	9	1,370	1,055	(314)
Excluding Gains (Losses) from Redemption of Investment Trusts (※3)	10	968	2,087	1,118
Provision of General Reserve for Possible Loan Losses	11	(431)	-	431
Net Operating Profit (Loss) (※4)	12	23	(942)	(966)
Non-Recurring Gains (Losses)	13	3,072	3,133	61
Gains (Losses) on Stock-Related Transactions	14	314	1,314	1,000
Gains (Losses) on Money Held in Trust-Related Transactions	15	3,058	2,061	(996)
Gains on Reversal of Reserves for Possible Loan Losses, and Others	16	(399)	(176)	222
Other	17	100	(65)	(165)
Ordinary Profits	18	3,096	2,190	(905)
Credit-Related Costs (※5)	19	(831)	(176)	654

- (※1) Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) [7] = Gross Operating Profit (Loss) [1] + General and Administrative Expenses [6]
- (※2) Core Net Operating Profit (Loss) [9] = Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) [7] - Gains (Losses) on Bond-Related Transactions [8]
- (※3) “Excluding Gains (Losses) from Redemption of Investment Trusts”[10] = Core Net Operating Profit (Loss) [9] - “Gains (Losses) from Redemption of Investment Trusts”
- (※4) Net Operating Profits (Loss) [12] = Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) [7] + Provision of General Reserve for Possible Loan Losses [11]
- (※5) Credit-Related Costs [19] = Provision of General Reserve for Possible Loan Losses[11] + Gains on Reversal of Reserves for Possible Loan Losses, and Others [16]

Net Operating Profit (Loss) including Gains (Losses) on Money Held in Trust-Related Transactions

The Bank invests in securities utilizing Money Held in Trust on a large scale. Therefore, the Bank discloses gross operating profit (loss) and net operating profit (loss) below including gains (losses) on Money Held in Trust-related transactions, which are substantially the same as investment in securities.

(100 millions of yen)

		Fiscal 2020 (Year ended March 31,2021) (A)	Fiscal 2021 (Year ended March 31,2022) (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	20	4,868	2,401	(2,467)
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses)	21	3,513	1,118	(2,394)
Net Operating Profit (Loss)	22	3,081	1,118	(1,963)
Core Net Operating Profit (Loss)	23	4,428	3,117	(1,310)
Core Net Operating Profit (Loss) (Excluding Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust) (※6)	24	2,468	4,288	1,820

(※6) Core Net Operating Profit (Loss) (Excluding Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust) [24] = Core Net Operating Profit (Loss) [23] - “Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust”

Consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2020 (As of March 31, 2021)	Fiscal 2021 (As of March 31, 2022)
(Assets)		
Loans and Bills Discounted	22,102,545	23,341,865
Foreign Exchange Assets	290,017	375,980
Securities	48,093,847	46,748,553
Money Held in Trust	10,638,598	10,867,985
Trading Assets	7,310	2,466
Monetary Claims Bought	302,918	387,819
Call Loans and Bills Bought	60,890	-
Receivables under Resale Agreements	548,061	366
Cash and Due from Banks	20,066,967	18,140,525
Other Assets	2,885,756	3,178,992
Tangible Fixed Assets	165,914	151,442
Buildings	36,641	31,596
Land	97,707	74,919
Lease Assets	19,436	18,242
Construction in Progress	1,187	5,250
Other Tangible Fixed Assets	10,941	21,434
Intangible Fixed Assets	57,724	52,174
Software	38,636	31,300
Lease Assets	10,863	8,896
Other Intangible Fixed Assets	8,224	11,977
Net Defined Benefit Asset	112,151	119,913
Deferred Tax Assets	3,771	4,315
Customers' Liabilities for Acceptances and Guarantees	2,446,587	2,915,891
Reserve for Possible Loan Losses	(134,983)	(149,942)
Reserve for Possible Investment Losses	(270)	-
Total Assets	107,647,809	106,138,351
(Liabilities)		
Deposits	65,652,162	64,009,893
Negotiable Certificates of Deposit	3,100,259	2,140,966
Debentures	355,479	360,280
Trading Liabilities	5,137	1,692
Borrowed Money	5,092,464	4,924,931
Payables under Repurchase Agreements	17,073,926	19,327,671
Foreign Exchange Liabilities	0	-
Short-term Entrusted Funds	877,743	684,692
Other Liabilities	4,543,028	4,150,052
Reserve for Bonus Payments	7,552	7,554
Net Defined Benefit Liability	29,486	21,742
Reserve for Directors' Retirement Benefits	1,459	1,043
Deferred Tax Liabilities	498,333	295,753
Deferred Tax Liabilities for Land Revaluation	8,607	1,499
Acceptances and Guarantees	2,446,587	2,915,891
Total Liabilities	99,692,228	98,843,664
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	24,993	23,399
Retained Earnings	2,146,592	2,236,608
Total Owners' Equity	6,211,784	6,300,206
Net Unrealized Gains on Other Securities	1,948,587	758,987
Net Deferred Gains (Losses) on Hedging Instruments	(280,135)	177,259
Revaluation Reserve for Land	14,312	5,970
Foreign Currency Transaction Adjustments	(16)	517
Remeasurements of Defined Benefit Plans	49,260	41,753
Total Accumulated Other Comprehensive Income	1,732,008	984,488
Non-controlling Interests	11,787	9,992
Total Net Assets	7,955,581	7,294,687
Total Liabilities and Net Assets	107,647,809	106,138,351

Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

(Millions of Yen)

	Fiscal 2020 (Year ended March 31,2021)	Fiscal 2021 (Year ended March 31,2022)
Ordinary Income	1,358,863	1,242,300
Interest Income	847,539	715,757
Interest on Loans and Bills Discounted	97,446	97,994
Interest and Dividends on Securities	730,549	601,800
Interest on Call Loans and Bills Bought	(4)	(793)
Interest on Receivables under Resale Agreements	(211)	(574)
Interest on Due from Banks	11,866	11,673
Other Interest Income	7,893	5,657
Fees and Commissions	31,359	28,964
Trading Income	513	104
Other Operating Income	79,462	100,106
Other Ordinary Income	399,989	397,367
Recoveries of Written-off Claims	202	395
Other Ordinary Income	399,786	396,971
Ordinary Expenses	1,048,861	1,003,729
Interest Expenses	631,003	514,517
Interest on Deposits	29,014	12,285
Interest on Negotiable Certificates of Deposit	8,629	3,010
Interest on Debentures	690	1,294
Interest on Borrowed Money	40,945	37,359
Interest on Call Money and Bills Sold	(0)	(0)
Interest on Payables under Repurchase Agreements	4,977	(27,402)
Other Interest Expenses	546,746	487,970
Fees and Commissions	17,743	15,330
Trading Expenses	18	-
Other Operating Expenses	157,130	294,393
General and Administrative Expenses	151,139	146,066
Other Ordinary Expenses	91,826	33,421
Provision of Reserve for Possible Loan Losses	84,317	17,151
Other Ordinary Expenses	7,509	16,270
Ordinary Profits	310,002	238,570
Extraordinary Profits	-	26,333
Gains on Disposal of Fixed Assets	-	26,333
Extraordinary Losses	16,388	1,363
Losses on Disposal of Fixed Assets	340	1,363
Losses on Impairment of Fixed Assets	16,047	-
Income before Income Taxes	293,613	263,540
Income Taxes - Current	251,398	4,946
Income Taxes - Deferred	(167,310)	73,319
Total Income Taxes	84,087	78,265
Profit	209,526	185,275
Profit Attributable to Non-controlling Interests	1,292	624
Profit Attributable to Owners of Parent	208,233	184,650

(2) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Fiscal 2020 (Year ended March 31,2021)	Fiscal 2021 (Year ended March 31,2022)
Profit	209,526	185,275
Other Comprehensive Income	560,307	(736,929)
Net Unrealized Gains (Losses) on Other Securities	244,792	(1,188,833)
Net Deferred Gains (Losses) on Hedging Instruments	270,026	457,347
Revaluation Reserve for Land	-	2,247
Foreign Currency Transaction Adjustments	121	440
Remeasurements of Defined Benefit Plans	42,960	(7,623)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	2,406	(506)
Total Comprehensive Income	769,833	(551,654)
Attributable to:		
Owners of Parent	768,497	(552,280)
Non-controlling Interests	1,336	626

Consolidated Statement of Capital Surplus and Retained Earnings

(Millions of Yen)

	Fiscal 2020 (Year ended March 31,2021)	Fiscal 2021 (Year ended March 31,2022)
(Capital Surplus)		
Balance at the Beginning of the Fiscal Year	24,993	24,993
Additions:	-	-
Deductions:	-	1,594
Change in Ownership Interest of Parent due to Transactions with Non-controlling Interests	-	1,594
Balance at the End of the Fiscal Year	24,993	23,399
(Retained Earnings)		
Balance at the Beginning of the Fiscal Year	2,013,599	2,146,592
Additions:	208,233	195,239
Profit Attributable to Owners of Parent	208,233	184,650
Reversal of Revaluation Reserve for Land	-	10,589
Deductions:	75,241	105,223
Dividends	75,241	105,223
Balance at the End of the Fiscal Year	2,146,592	2,236,608

Consolidated Statement of Cash Flows

(Millions of Yen)

	Fiscal 2020 (Year ended March 31,2021)	Fiscal 2021 (Year ended March 31,2022)
I Cash Flows from Operating Activities:		
Income before Income Taxes	293,613	263,540
Depreciation	24,150	23,159
Losses on Impairment of Fixed Assets	16,047	-
Equity in Losses (Earnings) of Affiliates	(3,008)	(5,932)
Net Increase (Decrease) in Reserve for Possible Loan Losses	83,455	14,616
Net Increase (Decrease) in Reserve for Possible Investment Losses	(101)	(270)
Net Increase (Decrease) in Reserve for Bonus Payments	61	2
Net Decrease (Increase) in Net Defined Benefit Asset	(53,937)	(7,762)
Net Increase (Decrease) in Net Defined Benefit Liability	(9,354)	(7,743)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	34	(416)
Interest Income	(847,539)	(715,757)
Interest Expenses	631,003	514,517
Losses (Gains) on Securities	29,472	140,051
Losses (Gains) on Money Held in Trust	(94,234)	10,479
Foreign Exchange Losses (Gains)	(1,619,658)	(3,230,110)
Losses (Gains) on Disposal of Fixed Assets	340	(24,969)
Net Decrease (Increase) in Trading Assets	552	4,843
Net Increase (Decrease) in Trading Liabilities	(2,965)	(3,445)
Net Decrease (Increase) in Loans and Bills Discounted	(2,003,467)	(1,200,828)
Net Increase (Decrease) in Deposits	13,064	(1,642,269)
Net Increase (Decrease) in Negotiable Certificates of Deposit	693,293	(959,293)
Net Increase (Decrease) in Debentures	(428,967)	4,801
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(364,898)	(189,053)
Net Decrease (Increase) in Interest-bearing Due from Banks	68,890	(89,033)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(543,180)	524,588
Net Increase (Decrease) in Call Money and Bills Sold and Other	1,347,353	2,253,744
Net Increase (Decrease) in Short-term Entrusted Funds	85,149	(193,050)
Net Decrease (Increase) in Foreign Exchange Assets	(80,127)	(85,963)
Net Increase (Decrease) in Foreign Exchange Liabilities	(0)	(0)
Interest Received	871,473	659,205
Interest Paid	(664,663)	(512,767)
Other, Net	53,762	528,903
Subtotal	(2,504,385)	(3,926,213)
Income Taxes Paid	(38,051)	(243,760)
Net Cash Provided by (Used in) Operating Activities	(2,542,436)	(4,169,973)
II Cash Flows from Investing Activities:		
Purchases of Securities	(11,727,989)	(14,541,719)
Proceeds from Sales of Securities	4,661,573	7,221,548
Proceeds from Redemption of Securities	10,050,713	9,734,315
Increase in Money Held in Trust	(537,046)	(1,194,665)
Decrease in Money Held in Trust	883,393	1,005,215
Purchases of Tangible Fixed Assets	(75,581)	(4,012)
Purchases of Intangible Fixed Assets	(9,151)	(9,067)
Proceeds from Sales of Tangible Fixed Assets	-	41,200
Net Cash Provided by (Used in) Investing Activities	3,245,911	2,252,814
III Cash Flows from Financing Activities:		
Repayments of Subordinated Borrowed Money	-	(923)
Proceeds from Share Issuance to Non-controlling Shareholders	-	60
Purchase of Treasury Shares of Subsidiaries	-	(3,605)
Dividends Paid	(75,241)	(105,223)
Dividends Paid to Non-controlling Interests	(685)	(470)
Net Cash Provided by (Used in) Financing Activities	(75,926)	(110,162)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,274	4,699
V Net Increase (Decrease) in Cash and Cash Equivalents	629,823	(2,022,621)
VI Cash and Cash Equivalents at the Beginning of the Fiscal Year	18,491,970	19,121,793
VII Cash and Cash Equivalents at the End of the Fiscal Year	19,121,793	17,099,172

Amounts less than one million yen are rounded down.

Notes to Consolidated Financial Statements

(Notes to Accounting Policies)

Consolidated Financial Statements are under Japanese GAAP (Generally Accepted Accounting Policies).

(Notes on Going-Concern Assumption)

None.

(Change in Accounting Policies)

(Adoption of Accounting Standard for Revenue Recognition and Others)

The Bank and its consolidated subsidiaries (“the Group”) have adopted Accounting Standard for Revenue Recognition (The Accounting Standards Board of Japan (ASBJ) Statement No.29, issued on 31st March 2020) and others at the beginning of the fiscal year and recognize revenue when promised goods or services are transferred to customers, in an amount that reflects the consideration to which the Group expect to be entitled in exchange for those goods or services.

Upon the adoption of the accounting standard, the Group elected the transition method described by proviso to article 84 of the accounting standard, and have recognized a cumulative effect in case where the Group would have retrospectively elected the new accounting policy, which was adjusted to retained earnings at the beginning of the fiscal year, and have adopted the new accounting policy to the beginning balance of retained earnings in the fiscal year.

As a result, the impact on the consolidated financial statements was immaterial.

(Securities)

Information relating to Securities is provided as below. The Securities include Trading Securities in Trading Assets, negotiable certificates of deposit in Cash and Due from Banks and trust beneficiary interest in Monetary Claims Bought.

1. Trading Securities (as of March 31, 2022)

(Millions of Yen)

	Unrealized Gains (Losses) included in the Income for the fiscal year
Trading Securities	-

2. Held-to-Maturity Debt Securities (as of March 31, 2022)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	403,959	408,095	4,135
	Municipal Government Bonds	-	-	-
	Corporate Bonds	655	657	2
	Other	1,933,464	1,954,886	21,421
	Foreign Bonds	1,805,732	1,826,671	20,938
	Other	127,732	128,215	482
	Subtotal	2,338,079	2,363,639	25,559
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	499,633	478,816	(20,817)
	Municipal Government Bonds	-	-	-
	Corporate Bonds	100,000	99,912	(88)
	Other	6,045,813	6,007,374	(38,439)
	Foreign Bonds	5,924,615	5,886,356	(38,259)
	Other	121,197	121,017	(179)
	Subtotal	6,645,447	6,586,102	(59,344)
Total		8,983,526	8,949,741	(33,785)

3. Other Securities (as of March 31, 2022)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	640,688	235,659	405,029
	Bonds	1,488,169	1,434,122	54,046
	Japanese Government Bonds	1,459,720	1,405,691	54,029
	Municipal Government Bonds	10,838	10,831	6
	Corporate Bonds	17,610	17,600	10
	Other	9,797,367	8,577,601	1,219,765
	Foreign Bonds	7,315,285	6,841,381	473,903
	Foreign Stocks	18,904	8,092	10,812
	Investment Trusts	2,346,384	1,612,482	733,902
	Other	116,792	115,645	1,146
	Subtotal	11,926,225	10,247,383	1,678,841
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	13,663	16,819	(3,155)
	Bonds	6,836,801	7,003,297	(166,495)
	Japanese Government Bonds	5,628,966	5,787,028	(158,062)
	Municipal Government Bonds	147,530	150,086	(2,555)
	Corporate Bonds	1,060,304	1,066,181	(5,877)
	Other	18,062,793	18,762,709	(699,916)
	Foreign Bonds	13,022,258	13,602,592	(580,333)
	Foreign Stocks	-	-	-
	Investment Trusts	5,004,974	5,124,548	(119,573)
	Other	35,559	35,568	(8)
	Subtotal	24,913,258	25,782,825	(869,567)
Total		36,839,483	36,030,209	809,274

4. Held-to-Maturity Debt Securities Sold during the fiscal year ended March 31, 2022

The Bank and its consolidated subsidiaries sold no held-to-maturity debt securities.

5. Other Securities Sold during the fiscal year ended March 31, 2022

(Millions of Yen)

Type	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	42,029	27,422	99
Bonds	1,403,830	1,556	40,967
Japanese Government Bonds	1,403,830	1,556	40,967
Municipal Government Bonds	-	-	-
Corporate Bonds	-	-	-
Other	5,868,999	145,006	197,707
Foreign Bonds	5,668,410	29,740	197,641
Foreign Stocks	0	-	-
Investment Trusts	175,476	114,829	66
Other	25,112	436	-
Total	7,314,859	173,985	238,774

6. Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and stocks with no market prices and investments in partnership and others, are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the fiscal year ended March 31, 2022 (“revaluation loss”), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the period was ¥2,840 million, including ¥595 million on Investment Trusts and ¥2,245 million on Stocks.

The criteria for determining whether the securities’ fair value has “significantly deteriorated” are outlined as follows:

Securities whose fair values are equal to or less than 50% of their acquisition costs (and other)

Securities whose fair values remain between 50% (exclusive) and 70% (inclusive) of their acquisition costs (and other) for a certain period

(Money Held in Trust)

1. Money Held in Trust for Trading Purposes (as of March 31, 2022)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Unrealized Gains (Losses) included in the Income for the fiscal year
Money Held in Trust for Trading Purposes	4,669	-

2. Held-to-Maturity Money Held in Trust (as of March 31, 2022)

The Bank and its consolidated subsidiaries held no held-to-maturity money held in trust.

3. Other Money Held in Trust (Money Held in Trust other than that for trading purposes or held-to-maturity) (as of March 31, 2022)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	10,863,315	10,944,909	(81,593)	65,863	147,457

(Note)

“Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost” and “Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost” are gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount presented in “Difference.”

(Segment Information)

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(Per Share Information)

Net Assets per Share at the end of the fiscal year was ¥838.85 (Non-controlling Interests, the residual assets for the holders of lower dividend rate stocks and preferred stocks, the total dividends on lower dividend rate stocks and preferred stocks, and the total special dividends are deducted from the numerator, and the aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator respectively in the calculation of Net Assets per Share.) Profit Attributable to Owners of Parent per Share for the fiscal year was ¥25.18 (The total dividends for lower dividend rate stocks and preferred stocks and the total special dividends are deducted from the numerator, the aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator respectively in the calculation of Profit Attributable to Owners of Parent per Share.)

(Significant Subsequent Events)

None.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2020 (As of March 31, 2021)	Fiscal 2021 (As of March 31, 2022)
(Assets)		
Loans and Bills Discounted	21,824,004	22,955,497
Loans on Deeds	19,611,508	21,215,264
Loans on Bills	286,386	401,960
Overdrafts	1,924,852	1,336,469
Bills Discounted	1,257	1,803
Foreign Exchange Assets	271,190	375,980
Due from Foreign Banks	271,190	375,980
Securities	48,491,498	47,057,256
Japanese Government Bonds	10,112,251	7,992,279
Municipal Government Bonds	138,183	142,570
Corporate Bonds	1,303,319	1,178,570
Stocks	923,765	829,998
Other Securities	36,013,977	36,913,837
Money Held in Trust	10,637,717	10,864,800
Trading Assets	7,310	2,466
Trading Securities	2,016	4
Derivatives of Securities Related to Trading Transactions	39	-
Trading-related Financial Derivatives	5,254	2,462
Monetary Claims Bought	302,918	387,819
Call Loans	60,890	-
Receivables under Resale Agreements	547,931	-
Cash and Due from Banks	19,820,208	18,070,056
Cash	34,397	64,994
Due from Banks	19,785,811	18,005,062
Other Assets	2,877,505	3,129,171
Domestic Exchange Settlement Account, Debit	13	11
Prepaid Expenses	1,248	1,063
Accrued Income	119,428	128,520
Initial Margins of Futures Markets	20,493	87,622
Derivatives other than for Trading	61,325	343,244
Cash Collateral Paid for Financial Instruments	1,424,768	1,511,691
Others	1,250,227	1,057,017
Tangible Fixed Assets	164,657	149,530
Buildings	36,015	30,959
Land	97,707	74,919
Lease Assets	19,221	17,436
Construction in Progress	1,184	5,131
Other Tangible Fixed Assets	10,528	21,083
Intangible Fixed Assets	54,299	49,732
Software	36,600	29,717
Lease Assets	10,420	8,896
Other Intangible Fixed Assets	7,278	11,118
Prepaid Pension Cost	41,641	57,465
Customers' Liabilities for Acceptances and Guarantees	269,647	415,117
Reserve for Possible Loan Losses	(131,577)	(147,046)
Reserve for Possible Investment Losses	(1,730)	(1,481)
Total Assets	105,238,114	103,366,368

(Millions of Yen)

	Fiscal 2020 (As of March 31, 2021) (A)	Fiscal 2021 (As of March 31, 2022) (B)
(Liabilities)		
Deposits	65,675,444	64,019,836
Time Deposits	56,792,460	55,692,985
Deposits at Notice	12,650	10,629
Ordinary Deposits	3,817,593	3,298,602
Current Deposits	102,099	101,915
Other Deposits	4,950,639	4,915,703
Negotiable Certificates of Deposit	3,100,259	2,140,966
Debentures	361,479	363,780
Debentures Issued	361,479	363,780
Trading Liabilities	5,137	1,692
Derivatives of Securities Related to Trading Transactions	26	-
Trading-related Financial Derivatives	5,111	1,692
Borrowed Money	5,035,964	4,868,429
Borrowings	5,035,964	4,868,429
Payables under Repurchase Agreements	17,073,926	19,327,671
Foreign Exchange Liabilities	0	-
Foreign Bills Payable	0	-
Short-term Entrusted Funds	877,743	684,692
Other Liabilities	4,491,742	4,104,171
Domestic Exchange Settlement Account, Credit	12,781	87
Accrued Expenses	37,733	39,473
Income Taxes Payable	216,907	439
Unearned Income	5,049	2,016
Variation Margins of Futures Markets	8	-
Derivatives other than for Trading	1,262,630	1,379,646
Cash Collateral Received for Financial Instruments	986	72,928
Lease Liabilities	18,691	15,853
Accounts Payable for Securities Purchased	2,915,225	2,566,597
Others	21,727	27,130
Reserve for Bonus Payments	5,901	5,665
Reserve for Retirement Benefits	25,394	15,031
Reserve for Directors' Retirement Benefits	1,015	730
Deferred Tax Liabilities	479,825	272,524
Deferred Tax Liabilities for Land Revaluation	8,607	1,499
Acceptances and Guarantees	269,647	415,117
Total Liabilities	97,412,087	96,221,809
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Common Stock	4,015,198	4,015,198
(including Lower Dividend Rate Stock)	3,589,481	3,589,481
Preferred Stock	24,999	24,999
Capital Surplus	25,020	25,020
Capital Surplus Reserve	24,999	24,999
Other Capital Surplus	20	20
Reserve for Revaluation	20	20
Retained Earnings	2,079,491	2,157,550
Legal Reserves	773,666	816,166
Voluntary Reserves	1,305,825	1,341,384
Special Reserves	333,744	373,771
General Reserves	559,403	559,403
AFF Industries, Community and Environment Reserve Fund	-	10,000
Reserves for Tax Basis Adjustments of Fixed Assets	6,930	6,799
Others	7	7
Unappropriated Retained Earnings	405,739	391,403
Net Income	212,083	172,693
Total Owners' Equity	6,144,710	6,222,769
Net Unrealized Gains on Other Securities, net of taxes	1,944,952	756,155
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	(277,948)	159,663
Revaluation Reserve for Land, net of taxes	14,312	5,970
Total Valuation and Translation Adjustments	1,681,316	921,789
Total Net Assets	7,826,026	7,144,559
Total Liabilities and Net Assets	105,238,114	103,366,368

Non-consolidated Statement of Operations

(Millions of Yen)

	Fiscal 2020 (Year ended March 31, 2021)	Fiscal 2021 (Year ended March 31, 2022)
Ordinary Income	1,337,192	1,212,812
Interest Income	851,281	716,343
Interest on Loans and Bills Discounted	83,558	76,401
Interest and Dividends on Securities	749,319	623,465
Interest on Call Loans	(4)	(724)
Interest on Receivables under Resale Agreements	(211)	(574)
Interest on Due from Banks	11,857	12,114
Other Interest Income	6,762	5,660
Fees and Commissions	14,346	11,960
Exchange Fees	866	908
Other Commissions Receivable	13,479	11,051
Trading Income	513	104
Income from Trading Securities and Derivatives	-	11
Income from Securities and Derivatives Related to Trading Transactions	50	47
Income from Trading-related Financial Derivatives	463	45
Other Operating Income	74,208	94,335
Gains on Sales of Bonds	19,366	39,356
Gains on Financial Derivatives	9,009	9,352
Other Operating Income	45,832	45,627
Other Ordinary Income	396,843	390,068
Recoveries from Written-off Claims	202	209
Gains on Sales of Stocks and Other Securities	33,035	133,895
Gains on Money Held in Trust	352,811	253,747
Others	10,793	2,216
Ordinary Expenses	1,027,580	993,732
Interest Expenses	629,387	516,191
Interest on Deposits	29,065	12,167
Interest on Negotiable Certificates of Deposit	8,629	3,010
Interest on Debentures	690	1,294
Interest on Borrowed Money	40,816	37,222
Interest on Call Money	(0)	(0)
Interest on Payables under Repurchase Agreements	4,977	(25,467)
Interest on Interest Rate Swap	212,505	186,467
Other Interest Expenses	332,703	301,496
Fees and Commissions	15,925	21,933
Exchange Fees	895	874
Other Commissions	15,029	21,058
Trading Expenses	18	-
Expenses on Trading Securities and Derivatives	18	-
Other Operating Expenses	156,212	293,429
Amortization of Debenture Issuance Costs	23	933
Losses on Foreign Exchange Transactions	1,163	9,195
Losses on Sales of Bonds	98,685	238,612
Losses on Revaluation of Bonds	12,113	595
Other Operating Expenses	44,227	44,093
General and Administrative Expenses	135,504	128,272
Other Ordinary Expenses	90,531	33,905
Provision of Reserve for Possible Loan Losses	83,089	17,689
Write-off of Loans	89	10
Losses on Sales of Stocks and Other Securities	282	99
Losses on Revaluation of Stocks and Other Securities	1,339	2,332
Losses on Money Held in Trust	4,740	4,774
Others	990	8,998
Ordinary Profits	309,612	219,080
Extraordinary Profits	-	26,333
Gains on Disposal of Fixed Assets	-	26,333
Extraordinary Losses	16,368	1,021
Losses on Disposal of Fixed Assets	320	1,021
Losses on Impairment of Fixed Assets	16,047	-
Income before Income Taxes	293,244	244,392
Income Taxes - Current	247,987	(2,132)
Income Taxes - Deferred	(166,826)	73,830
Total Income Taxes	81,160	71,698
Net Income	212,083	172,693
Unappropriated Retained Earnings Brought Forward	193,655	208,120
Reversal of Revaluation Reserve for Land	-	10,589
Unappropriated Retained Earnings at the End of the Year	405,739	391,403