

# SURUGA bank, Ltd.

## Consolidated financial results for the fiscal year ended March 31, 2021

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)

URL: <https://www.surugabank.co.jp>

Representative: Kosuke Saga, President

Dividend payment date: June 14, 2021

(Amounts and percentages are rounded down to the nearest million yen and first decimal places, respectively.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2021

(1) Consolidated operating results (% represents the change from the previous fiscal year)

Fiscal year ended	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	99,791	(15.4)	23,113	(44.6)	21,433	(15.3)
March 31, 2020	118,008	(15.4)	41,763	-	25,324	-

(Note) Comprehensive income: (a) Fiscal year ended March 31, 2021: ¥ 30,036 million [97.7 %]

(b) Fiscal year ended March 31, 2020: ¥ 15,192 million [- %]

Fiscal year ended	Earnings per share	Earnings per share (diluted)	Return on net assets	Ordinary profit on total assets	Ordinary profit on ordinary income
	yen	yen	%	%	%
March 31, 2021	92.52	-	7.9	0.6	23.1
March 31, 2020	109.32	-	10.1	1.2	35.3

(Reference) Equity in gains (losses) of affiliates: (a) Fiscal year ended March 31, 2021: ¥ - million

(b) Fiscal year ended March 31, 2020: ¥ 5 million

(Note) Earnings per share for the fiscal year ended March 31, 2020 and 2021 are not provided because there are no potentially shares.

### (2) Consolidated financial position

As of	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	3,550,415	285,770	8.0	1,233.18
March 31, 2020	3,481,579	256,892	7.3	1,108.48

(Reference) Shareholders' equity: (a) As of March 31, 2021: ¥285,665 million; (b) As of March 31, 2020: ¥256,781 million

(Note) Nets assets ratio = (Total net assets - Non-controlling interests) / Total assets × 100

This ratio is not calculated based on the "Capital Adequacy Ratio Notification".

### (3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	203,686	(129,269)	(1,158)	943,263
March 31, 2020	460,788	(7,865)	(596)	870,004

### 2. Dividends on common stock

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1 <sup>st</sup> quarter -end	2 <sup>nd</sup> quarter -end	3 <sup>rd</sup> quarter -end	Fiscal year -end	Total			
Fiscal year ended March 31, 2020	yen	yen	yen	yen	yen	Millions of yen	%	%
ended March 31, 2020	-	0.00	-	5.00	5.00	1,158	4.5	0.4
ended March 31, 2021	-	0.00	-	5.00	5.00	1,158	5.4	0.4
ending March 31, 2022 (forecast)	-	0.00	-	5.00	5.00		16.5	

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2022

(% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1H, FY3/2022	44,000	(13.5)	(2,000)	-	(2,500)	-	(10.79)
FY3/2022	87,000	(12.8)	8,000	(65.3)	7,000	(67.3)	30.21

(Notes)

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that caused changes in the scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and restatements  
(A) Changes in accounting policies due to revision of accounting standards: No  
(B) Changes in accounting policies due to reasons other than (A): No  
(C) Changes in accounting estimates: No  
(D) Restatements: No

(3) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of Mar. 31, 2021	232,139,248 shares	As of Mar. 31, 2020	232,139,248 shares
(B) Number of treasury shares:	As of Mar. 31, 2021	490,315 shares	As of Mar. 31, 2020	489,165 shares
(C) Average number of shares:	Fiscal year ended Mar. 31, 2021	231,649,482 shares	Fiscal year ended Mar. 31, 2020	231,650,564 shares

(Reference) Summary of non-consolidated financial results

## 1. Non-consolidated financial results for the fiscal year ended March 31, 2021

(1) Non-consolidated operating results (% represents the change from the previous fiscal year)

Fiscal year ended	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	89,217	(14.5)	19,982	(50.0)	18,941	(22.6)
March 31, 2020	104,464	(18.0)	39,991	-	24,474	-

Fiscal year ended	Earnings per share		Earnings per share (diluted)	
	Yen		yen	
March 31, 2021	81.76		-	
March 31, 2020	105.65		-	

(2) Non-consolidated financial position

As of	Total assets		Total net assets		Net assets ratio		Net assets per share	
	Millions of yen		Millions of yen		%		yen	
March 31, 2021	3,527,376		265,162		7.5		1,144.67	
March 31, 2020	3,469,060		245,218		7.0		1,058.57	

(Reference) Shareholders' equity: (a) As of March 31, 2021: ¥265,162 million; (b) As of March 31, 2020: ¥245,218 million

(Note) Net assets ratio = Total net assets / Total assets × 100

This ratio is not calculated based on the "Capital Adequacy Ratio Notification".

## 2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2022

(% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
1H, FY3/2022	39,500	(12.5)	(2,500)	-	(3,000)	-	(12.95)	
FY3/2022	78,000	(12.5)	7,000	(64.9)	6,000	(68.3)	25.90	

(Note) This report is outside the scope of audit procedures by certified public accountants or audit firms.

(Note) Explanation on appropriate use of forecast and other special items

The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

(Appendix)

## Table of contents

1. Overview of operating results, etc. ....	2
(1) Overview of operating results ....	2
(2) Overview of financial position ....	3
(3) Future outlook ....	4
2. Basic approach to the selection of accounting standards ....	4
3. Consolidated financial statements and notes ....	5
(1) Consolidated balance sheets ....	5
(2) Consolidated statements of income and Consolidated statements of comprehensive income ....	7
(3) Consolidated statements of changes in net assets ....	10
(4) Consolidated statements of cash flows ....	12
(5) Notes to consolidated financial statements ....	14
(Notes on going-concern assumption) ....	14
(Changes in accounting policies, changes in accounting estimates and restatements) ....	14
(Changes in representation of consolidated financial statements) ....	14
(Segment information) ....	15
(Per share data) ....	16
(Significant subsequent events) ....	16
4. Non-consolidated financial statements ....	17
(1) Non-consolidated balance sheets ....	17
(2) Non-consolidated statements of income ....	19
(3) Non-consolidated statements of changes in net assets ....	21

\* Financial results for the fiscal year ended March 31, 2021 supplementary information

## 1. Overview of operating results, etc.

### (1) Overview of operating results

In the fiscal year ended March 31, 2021, consolidated ordinary income decreased by ¥18.217 billion year-on-year to ¥99.791 billion. This was mainly due to the decline in interest income reflecting the drop in interest on loans and bills discounted. Meanwhile, ordinary expenses increased by ¥0.432 billion year-on-year to ¥76.677 billion, mainly due to an increase in credit costs. As a result, ordinary profit decreased by ¥18.650 billion year-on-year to ¥23.113 billion, and profit attributable to owners of parent decreased by ¥3.891 billion year-on-year to ¥21.433 billion.

Non-consolidated operating results were as follows:

#### (A) Gross operating profit

Gross operating profit decreased by ¥7.810 billion year-on-year to ¥72.535 billion on the back of the drop (¥9.159 billion) in net interest income.

#### (B) Expenses

Expenses decreased by ¥3.443 billion year-on-year to ¥40.337 billion.

#### (C) Net operating profit

Core net operating profit decreased by ¥5.194 billion year-on-year to ¥31.140 billion, mainly due to a drop in net interest income.

Net operating profit increased by ¥13.567 billion year-on-year to ¥50.131 billion, mainly due to a decrease in provision for general allowance for loan losses.

(Note) Core net operating profit = Net operating profit + Provision for general allowance for loan losses  
- Gains (losses) on bonds

#### (D) Ordinary profit

Ordinary profit decreased by ¥20.009 billion year-on-year to ¥19.982 billion, mainly due to an increase in net credit costs.

#### (E) Net income

Net income decreased by ¥5.533 billion year-on-year to ¥18.941 billion, mainly due to an increase in net credit costs.

#### (F) Net credit costs

Provision for general allowance for loan losses decreased by ¥17.933 billion year-on-year. Disposal of non-performing loans increased by ¥28.140 billion year-on-year to ¥32.179 billion. As a result, net credit costs increased by ¥10.437 billion year-on-year to ¥14.246 billion.

Actual credit costs increased by ¥9.831 billion year-on-year to ¥12.288 billion.

(Note) Net credit costs = Provision for general allowance for loan losses  
+ Disposal of non-performing loans - Reversal of allowance for loan losses

(Note) Actual credit costs = Net credit costs - Recoveries on written-off claims

## (2) Overview of financial position

As for consolidated major account balances, loans and bills discounted came in at ¥2,319.560 billion, down by ¥183.278 billion year-on-year. This was primarily due to the decrease (¥231.516 billion) in consumer loans (non-consolidated). Securities amounted to ¥267.346 billion, up by ¥133.486 billion year-on-year. Deposits amounted to ¥3,245.940 billion, up by ¥41.149 billion year-on-year.

Non-consolidated major account balances were as follows:

### (A) Loans and bills discounted

Loans and bills discounted came in at ¥2,310.982 billion, down by ¥185.175 billion year-on-year. Consumer loans amounted to ¥2,075.500 billion, down by ¥231.516 billion year-on-year. The average balance of loans and bills discounted in the fiscal year amounted to ¥2,414.755 billion, down by ¥250.009 billion year-on-year.

### (B) Securities

Securities amounted to ¥270.439 billion, up by ¥132.710 billion year-on-year.

### (C) Deferred tax assets (liabilities)

Deferred tax assets amounted to ¥13.284 billion, down by 1.547 billion year-on-year.

### (D) Deposits

Deposits amounted to ¥3,250.483 billion, up by ¥39.660 billion year-on-year. Individual yen deposits amounted to ¥2,633.381 billion, up by ¥1122.099 billion year-on-year. The average balance of deposits in the fiscal year amounted to ¥3,194.488 billion, up by ¥95.196 billion year-on-year.

As for consolidated cash flows, cash flow from operating activities was a net inflow of ¥203.686 billion (compared to a net inflow of ¥460.788 billion in the previous fiscal year), given that inflows mainly due to an increase in deposits and a decrease in loan and bills discounted. Cash flow from investing activities was a net outflow of ¥129.269 billion (compared to a net outflow of ¥7.865 billion in the previous fiscal year), mainly due to purchase of securities. Cash flow from financing activities was a net outflow of ¥1.158 billion (compared to a net outflow of ¥0.596 billion in the previous fiscal year), mainly due to cash dividends paid. As a result, cash and cash equivalents as of March 31, 2021 amounted to ¥943.263 billion, up by ¥73.259 billion year-on-year (compared to ¥870.004 billion as of March 31, 2020).

### (3) Future outlook

Earnings forecast for the fiscal year ending March 31, 2022 is as follows:

Consolidated	(Billions of yen)	
	FY3/2022 (Forecast)	
	First half	Full year
Ordinary income	44.0	87.0
Ordinary profit	(2.0)	8.0
Profit attributable to owners of parent	(2.5)	7.0

Non-consolidated	(Billions of yen)	
	FY3/2022 (Forecast)	
	First half	Full year
Ordinary income	39.5	78.0
Core net operating profit	11.5	23.0
Net operating profit	20.5	23.0
Ordinary profit	(2.5)	7.0
Net income	(3.0)	6.0
Actual credit costs	14.0	16.0
ROE (Net income basis)	(2.32)%	2.33%

(Note) The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

## 2. Basic approach to the selection of accounting standards

The Suruga Bank group intends to apply Japanese accounting standards for the foreseeable future, taking into consideration the comparability of consolidated financial statements across reporting periods and companies. As for the adoption of International Financial Reporting Standards (IFRS), we will respond appropriately to the various developments in Japan and overseas.

## 3. Consolidated financial statements and notes

## (1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Cash and due from banks	876,301	953,932
Call loans and bills bought	65	19,000
Trading account securities	180	103
Money held in trust	978	99
Securities	133,860	267,346
Loans and bills discounted	2,502,838	2,319,560
Foreign exchanges	2,215	3,324
Lease receivables and investment assets	6,439	5,507
Other assets	52,980	49,084
Tangible fixed assets	37,507	34,689
Buildings, net	11,140	9,963
Land	21,562	21,372
Leased assets, net	28	38
Construction in progress	-	1,029
Other tangible fixed assets	4,776	2,284
Intangible fixed assets	21,569	20,439
Software	19,201	17,599
Goodwill	1,553	1,424
Leased assets	3	14
Software in progress	434	1,032
Other intangible fixed assets	375	369
Net defined benefit asset	12,660	22,442
Deferred tax assets	15,897	11,331
Customers' liabilities for acceptances and guarantees	2,062	1,565
Allowance for loan losses	(183,979)	(158,011)
<b>Total assets</b>	<b>3,481,579</b>	<b>3,550,415</b>
<b>Liabilities</b>		
Deposits	3,204,791	3,245,940
Foreign exchanges	3	5
Other liabilities	15,663	14,754
Provision for bonuses	491	492
Provision for bonuses for directors	35	41
Provision for retirement benefits	275	272
Provision for retirement benefits for directors	270	-
Provision for share-based compensation	-	183
Provision for reimbursement of deposits	245	305
Provision for contingent losses	139	89
Deferred tax liabilities	707	994
Acceptances and guarantees	2,062	1,565
<b>Total liabilities</b>	<b>3,224,686</b>	<b>3,264,644</b>

	(Millions of yen)	
	As of	As of
	March 31, 2020	March 31, 2021
Net assets		
Capital stock	30,043	30,043
Capital surplus	2,045	2,045
Retained earnings	218,587	238,863
Treasury shares	(561)	(561)
Total shareholders' equity	250,115	270,391
Net unrealized gains (losses) on available-for-sale securities	6,276	8,954
Deferred gains (losses) on hedges	(23)	(20)
Remeasurements of defined benefit plans	412	6,341
Total accumulated other comprehensive income	6,665	15,274
Non-controlling interests	111	104
Total net assets	256,892	285,770
Total liabilities and net assets	3,481,579	3,550,415

(2) Consolidated statements of income and Consolidated statements of comprehensive income  
Consolidated statements of income

	(Millions of yen)	
	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Ordinary income	118,008	99,791
Interest income	94,016	83,163
Interest on loans and bills discounted	92,607	81,223
Interest and dividends on securities	828	1,111
Interest on call loans and bills bought	8	0
Interest on deposits with banks	529	805
Other interest income	42	22
Fees and commissions	10,372	8,593
Other operating income	5,892	4,727
Gains on sales of bonds	6	604
Gains on redemption of bonds	375	912
Other	5,509	3,210
Other income	7,727	3,307
Recoveries on written-off claims	1,838	2,170
Gains on sales of stocks and other securities	5,440	69
Equity in gains of affiliates	5	-
Other	442	1,067
Ordinary expenses	76,245	76,677
Interest expenses	1,578	1,563
Interest on deposits	1,293	1,486
Interest on call money and bills sold	(0)	0
Interest on borrowings and rediscounts	4	-
Interest expenses on cash collateral received for securities lent	-	0
Other interest expenses	280	77
Fees and commissions payments	15,094	11,943
Other operating expenses	3,143	3,408
Losses on sales of bonds	-	150
Losses on redemption of bonds	152	308
Other	2,991	2,949
General and administrative expenses	47,559	43,494
Other expenses	8,869	16,266
Provision for allowance for loan losses	759	3,213
Write-off of loans	2,727	5,171
Losses on sales of stocks and other securities	143	-
Losses on devaluation of stocks and other securities	6	0
Other	5,233	7,881
Ordinary profit	41,763	23,113

	(Millions of yen)	
	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Extraordinary gains	47	670
Gains on disposal of non-current assets	35	670
Gain on reversal of subscription rights to shares	12	-
Extraordinary losses	9,951	1,012
Losses on disposal of non-current assets	500	444
Impairment loss	9,451	568
Income before income taxes	31,858	22,772
Income taxes - current	4,124	186
Income taxes - deferred	2,161	1,158
Total income taxes	6,285	1,344
Profit	25,573	21,427
Profit attributable to non-controlling interests	248	(6)
Profit attributable to owners of parent	25,324	21,433

## Consolidated statements of comprehensive income

	(Millions of yen)	
	For the fiscal year ended	For the fiscal year ended
	March 31, 2020	March 31, 2021
Profit	25,573	21,427
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(7,054)	2,677
Deferred gains (losses) on hedges	11	3
Remeasurements of defined benefit plans, net of tax	(3,337)	5,928
Total other comprehensive income	(10,380)	8,609
Comprehensive income	15,192	30,036
(Breakdown)		
Comprehensive income attributable to owners of parent	14,922	30,043
Comprehensive income attributable to non-controlling interests	270	(6)

## (3) Consolidated statements of changes in net assets

For the fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	1,202	193,263	(560)	223,948
Changes of items during period					
Dividends of surplus					
Change in ownership interest of parent due to transactions with non-controlling interests		843			843
Profit attributable to owners of parent			25,324		25,324
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	843	25,324	(0)	26,167
Balance at end of current period	30,043	2,045	218,587	(561)	250,115

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	13,352	(35)	3,750	17,067	12	1,280	242,308
Changes of items during period							
Dividends of surplus							-
Change in ownership interest of parent due to transactions with non-controlling interests							843
Profit attributable to owners of parent							25,324
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	(7,076)	11	(3,337)	(10,401)	(12)	(1,169)	(11,583)
Total changes of items during period	(7,076)	11	(3,337)	(10,401)	(12)	(1,169)	14,584
Balance at end of current period	6,276	(23)	412	6,665	-	111	256,892

For the fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	2,045	218,587	(561)	250,115
Changes of items during period					
Dividends of surplus			(1,158)		(1,158)
Change in ownership interest of parent due to transactions with non-controlling interests					
Profit attributable to owners of parent			21,433		21,433
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	20,275	(0)	20,275
Balance at end of current period	30,043	2,045	238,863	(561)	270,391

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	6,276	(23)	412	6,665	-	111	256,892
Changes of items during period							
Dividends of surplus							(1,158)
Change in ownership interest of parent due to transactions with non-controlling interests							-
Profit attributable to owners of parent							21,433
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	2,677	3	5,928	8,609		(6)	8,602
Total changes of items during period	2,677	3	5,928	8,609	-	(6)	28,878
Balance at end of current period	8,954	(20)	6,341	15,274	-	104	285,770

## (4) Consolidated statements of cash flows

	(Millions of yen)	
	For the fiscal year ended	For the fiscal year ended
	March 31, 2020	March 31, 2021
<b>Cash flows from operating activities</b>		
Income before income taxes	31,858	22,772
Depreciation	6,346	5,524
Impairment loss	9,451	568
Amortization of goodwill	129	129
Increase (decrease) in allowance for loan losses	(26,096)	(25,968)
Increase (decrease) in provision for bonuses	8	1
Increase (decrease) in provision for directors' bonuses	35	6
Increase (decrease) in net defined benefit liability	(19)	(2)
Increase (decrease) in net defined benefit asset	2,715	(1,191)
Increase (decrease) in provision for directors' retirement benefits	23	(270)
Increase (decrease) in provision for share-based compensation	-	183
Increase (decrease) in provision for reimbursement of deposits	(152)	59
Increase (decrease) in provision for contingent losses	28	(49)
Interest income	(94,016)	(83,163)
Interest expenses	1,578	1,563
Losses (gains) on securities	(5,520)	(1,126)
Losses (gains) on money held in trust	32	(31)
Losses (gains) on disposal of non-current assets	465	(226)
Gain on reversal of subscription rights to shares	(12)	-
Net decrease (increase) in trading account securities	(13)	77
Net decrease (increase) in loans and bills discounted	401,548	183,277
Net increase (decrease) in deposit	45,187	41,148
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(740)	-
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	97	(4,372)
Net decrease (increase) in call loans	496	(18,934)
Net decrease (increase) in foreign exchanges - assets	192	(1,108)
Net increase (decrease) in foreign exchanges - liabilities	(13)	2
Net decrease (increase) in lease receivables and investment assets	(70)	931
Net decrease (increase) in cash collateral paid for financial instruments assets	10,005	168
Interest received	95,057	83,929
Interest paid	(1,502)	(1,056)
Other, net	(630)	(2,029)
Subtotal	476,470	200,810
Income taxes paid	(15,681)	2,875
Net cash provided by (used in) operating activities	460,788	203,686

(Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
<b>Cash flows from investing activities</b>		
Purchase of securities	(32,926)	(151,298)
Proceeds from sales of securities	23,019	18,988
Proceeds from redemption of securities	4,624	3,854
Increase in money held in trust	(430)	-
Decrease in money held in trust	-	847
Purchase of property, plant and equipment	(1,102)	(1,927)
Proceeds from sales of property, plant and equipment	182	2,970
Purchase of intangible assets	(1,234)	(2,704)
Net cash provided by (used in) investing activities	(7,865)	(129,269)
<b>Cash flows from financing activities</b>		
Cash dividends paid	-	(1,158)
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	0	0
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(596)	-
Net cash provided by (used in) financing activities	(596)	(1,158)
Effect of exchange rate change on cash and cash equivalents	(1)	1
Net increase (decrease) in cash and cash equivalents	452,324	73,259
Cash and cash equivalents at beginning of period	417,679	870,004
Cash and cash equivalents at year-end	870,004	943,263

## (5) Notes to consolidated financial statements

### (Notes on going-concern assumption)

Not applicable.

### (Change in accounting policies, changes in accounting estimates and restatements)

Not applicable.

### (Changes in representation of consolidated financial statements)

Income taxes refund, which was included in “Other, net” under “Cash flows from operating activities” in the previous consolidated accounting period, is included in “Income taxes refund (paid)” from the current consolidated accounting period due to its increased materiality. The Company reclassifies the consolidated financial statements for the previous consolidated accounting period to reflect this change in presentation.

As the result, in the consolidated statements of cash flows for the previous consolidated accounting period, minus ¥627 million presented in “Other, net” under “Cash flows from operating activities” is reclassified to minus ¥630 million, and minus ¥15,683 million presented in “Income taxes refund (paid)” is reclassified to minus ¥15,681 million.

## (Segment information)

## 1. Summary of reportable segment

The reportable segments of the Suruga Bank group are components for which discrete financial information is available, and that are subject to regular review to allocate management resources and to evaluate their results.

The group consists of Suruga Bank, which mainly engages in the banking business, and its consolidated subsidiaries that engage in businesses such as money lending, leasing, clerical agency services, credit card services and credit guarantee. “Banking” includes businesses such as deposits, loans, exchange and credit card services. “Credit guarantee” includes credit guarantee business.

The reportable segment of the Suruga Bank group was “banking”, but from the current consolidated accounting period, “credit guarantee”, which has been included in “others”, is reclassified to the reportable segment due to its increasing quantitative importance.

## 2. Method of calculating ordinary income, profit or loss, assets and other items by reportable segment

Segment profit is reported on an ordinary profit-basis.

Inter-segment internal ordinary income is based on arm’s length prices.

## 3. Information on ordinary income, profit or loss, assets and other items by reportable segment

For the fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segment		Others	Total	Adjustments	Amount recorded in the consolidated financial statements
	Banking	Credit guarantee				
Ordinary income						
Ordinary income to external customers	89,026	3,187	7,577	99,791	-	99,791
Inter-segment internal ordinary income	191	160	1,478	1,830	(1,830)	-
Total	89,217	3,348	9,056	101,622	(1,830)	99,791
Segment profit	19,982	2,089	1,171	23,243	(129)	23,113
Segment assets	3,527,376	564	41,758	3,569,699	(19,284)	3,550,415
Other items						
Depreciation	5,335	24	165	5,524	-	5,524
Impairment losses	537	-	30	568	-	568
Increase in tangible fixed assets and intangible fixed assets	4,383	4	244	4,631	-	4,631

(Note1) Ordinary income is equivalent to net sales reported by companies in other industries.

(Note2) “Others” consists of businesses operated by consolidated subsidiaries (such as money lending, leasing, clerical agency services and credit card services) which are not included in the reportable segments.

(Note3) “Adjustments” are as follows:

- (1) The negative adjustment of ¥129 million in segment profit consists of the following: amortization of goodwill (- ¥129 million) and deduction of inter-segment transactions (- ¥0 million).
- (2) The negative adjustment of ¥19,284 million in segment assets consists of the following: deduction of inter-segment transactions (- ¥28,369 million) and adjustment of net defined benefit assets (¥9,084 million).

(Note4) Segment profit is adjusted to ordinary profit as reported in the consolidated statements of income.

## (Per share data)

		For the fiscal year ended March 31, 2021
Net assets per share	yen	1,233.18
Earnings per share	yen	92.52
Earnings per share (diluted)	yen	-

(Note) The basis for calculation is as shown in the tables below.

## 1. Net assets per share

		As of March 31, 2021
Total net assets	Millions of yen	285,770
Amount deducted from total net assets	Millions of yen	104
of which, Subscription rights to shares	Millions of yen	-
of which, Non-controlling interests	Millions of yen	104
Net assets attributable to common stock at the fiscal year-end	Millions of yen	285,665
Number of common stock at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	231,648

## 2. Earnings per share

		For the fiscal year ended March 31, 2021
Earnings per share		
Profit attributable to owners of parent	Millions of yen	21,433
Amount not attributable to common shareholders	Millions of yen	-
Profit attributable to common shareholders of parent	Millions of yen	21,433
Average number of common stock for the fiscal year	Thousands of shares	231,649

3. Earnings per share for the fiscal year ended March 31, 2021 is not provided because there are no potentially shares.

## (Significant subsequent events)

Not applicable.

## 4. Non-consolidated financial statements

## (1) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Cash and due from banks	875,425	953,210
Cash	39,087	30,479
Due from banks	836,337	922,730
Call loans	65	19,000
Trading account securities	180	103
Trading government bonds	58	14
Trading municipal bonds	121	88
Money held in trust	978	99
Securities	137,729	270,439
Government bonds	2,518	-
Municipal bonds	95,820	114,386
Corporate bonds	4,808	4,706
Stocks	22,294	25,074
Other securities	12,288	126,272
Loans and bills discounted	2,496,157	2,310,982
Bills discounted	1,874	1,414
Loans on bills	14,771	11,333
Loans on deeds	2,255,077	2,108,722
Overdrafts	224,434	189,512
Foreign exchanges	2,215	3,324
Due from foreign banks (our accounts)	1,226	2,086
Foreign bills bought	0	-
Foreign bills receivable	988	1,237
Other assets	45,272	41,444
Prepaid expenses	1,170	1,552
Accrued income	7,071	6,305
Initial margins of futures markets	200	-
Derivatives other than for trading - assets	24	11
Other	36,806	33,575
Tangible fixed assets	36,466	33,682
Buildings, net	10,560	9,457
Land	21,181	21,011
Leased assets, net	325	214
Construction in progress	-	1,029
Other tangible fixed assets	4,398	1,969
Intangible fixed assets	19,752	18,712
Software	18,957	17,321
Software in progress	427	1,027
Other intangible fixed assets	367	363
Prepaid pension cost	12,069	13,357
Deferred tax assets	14,831	13,284
Customers' liabilities for acceptances and guarantees	2,062	1,565
Allowance for loan losses	(174,146)	(151,831)
<b>Total assets</b>	<b>3,469,060</b>	<b>3,527,376</b>

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Deposits	3,210,823	3,250,483
Current deposits	104,108	66,691
Ordinary deposits	1,252,287	1,280,068
Saving deposits	12,986	13,592
Deposits at notice	18,247	15,309
Time deposits	1,768,588	1,800,727
Other deposits	54,604	74,092
Foreign exchanges	3	5
Foreign bills sold	3	3
Foreign bills payable	0	2
Other liabilities	9,816	9,091
Accrued expenses	2,773	3,235
Unearned revenue	78	64
Deposits received from employees	682	727
Lease obligations	355	233
Derivatives other than for trading - liabilities	305	213
Other	5,620	4,616
Provision for bonuses	446	449
Provision for directors' bonuses	35	41
Provision for directors' retirement benefits	270	-
Provision for share-based compensation	-	183
Provision for reimbursement of deposits	245	305
Provision for contingent losses	139	89
Acceptances and guarantees	2,062	1,565
<b>Total liabilities</b>	<b>3,223,842</b>	<b>3,262,214</b>
<b>Net assets</b>		
Capital stock	30,043	30,043
Capital surplus	18,589	18,589
Legal capital surplus	18,585	18,585
Other capital surplus	3	3
Retained earnings	192,116	209,899
Legal retained earnings	30,043	30,043
Other retained earnings	162,072	179,856
Reserve for advanced depreciation of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	58,981	76,764
Treasury shares	(561)	(561)
<b>Total shareholders' equity</b>	<b>240,187</b>	<b>257,970</b>
Net unrealized gains (losses) on available-for-sale securities	5,054	7,211
Deferred gains (losses) on hedges	(23)	(20)
<b>Total valuation and translation adjustments</b>	<b>5,030</b>	<b>7,191</b>
<b>Total net assets</b>	<b>245,218</b>	<b>265,162</b>
<b>Total liabilities and net assets</b>	<b>3,469,060</b>	<b>3,527,376</b>

## (2) Non-consolidated statements of income

	(Millions of yen)	
	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Ordinary income	104,464	89,217
Interest income	86,578	77,369
Interest on loans and bills discounted	85,213	75,476
Interest and dividends on securities	785	1,065
Interest on call loans	8	0
Interest on deposits with banks	529	805
Other interest income	42	22
Trust fees	0	0
Fees and commissions	8,118	7,492
Fees and commissions on domestic and foreign exchanges	2,026	1,971
Other fees and commissions	6,091	5,521
Other operating income	2,408	1,557
Gains on foreign exchange transactions	37	40
Gains on sales of bonds	6	604
Gains on redemption of bonds	375	912
Other	1,988	-
Other income	7,358	2,797
Reversal of allowance for loan losses	229	-
Recoveries on written-off claims	1,351	1,957
Gains on sales of stocks and other securities	5,472	69
Gains on money held in trust	-	31
Other	304	739
Ordinary expenses	64,472	69,234
Interest expenses	1,613	1,563
Interest on deposits	1,293	1,486
Interest on call money	(0)	0
Interest expenses on cash collateral received for securities lent	-	0
Interest on interest swaps	3	3
Other interest expenses	315	72
Fees and commissions payments	14,994	11,860
Fees and commissions on domestic and foreign exchanges	864	775
Other fees and commissions	14,130	11,085
Other operating expenses	153	460
Losses on trading account securities transactions	1	1
Losses on sales of bonds	-	150
Losses on redemption of bonds	152	308
General and administrative expenses	42,974	40,414
Other expenses	4,737	14,935
Provision for allowance for loan losses	-	5,171
Write-off of loans	1,556	4,888
Losses on sales of stocks and other securities	117	-
Losses on devaluation of stocks and other securities	52	0
Losses on money held in trust	32	-
Other	2,979	4,875
Ordinary profit	39,991	19,982

	(Millions of yen)	
	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Extraordinary gains	12	670
Gains on disposal of non-current assets	-	670
Gain on reversal of subscription rights to shares	12	-
Extraordinary losses	9,920	967
Losses on disposal of non-current assets	469	429
Impairment loss	9,451	537
Income before income taxes	30,083	19,686
Income taxes - current	3,529	72
Income taxes - deferred	2,079	672
Total income taxes	5,609	744
Net income	24,474	18,941

## (3) Non-consolidated statements of changes in net assets

For the fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	30,043	18,585	3	18,589	30,043	59	103,032	34,506
Changes of items during period								
Dividends of surplus								
Net income								24,474
Provision of reserve for reduction entry						0		(0)
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(0)	(0)	-	0	-	24,474
Balance at end of current period	30,043	18,585	3	18,589	30,043	59	103,032	58,981

	Shareholders' equity			Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
	Total retained earnings							
Balance at beginning of current period	167,641	(560)	215,714	12,250	(29)	12,221	12	227,947
Changes of items during period								
Dividends of surplus								-
Net income	24,474		24,474					24,474
Provision of reserve for reduction entry	-		-					-
Purchase of treasury shares		(0)	(0)					(0)
Disposal of treasury shares		0	0					0
Net changes of items other than shareholders' equity				(7,196)	6	(7,190)	(12)	(7,202)
Total changes of items during period	24,474	(0)	24,473	(7,196)	6	(7,190)	(12)	17,270
Balance at end of current period	192,116	(561)	240,187	5,054	(23)	5,030	-	245,218

## For the fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of current period	30,043	18,585	3	18,589	30,043	59	103,032	58,981
Changes of items during period								
Dividends of surplus								(1,158)
Net income								18,941
Provision of reserve for reduction entry								
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(0)	(0)	-	-	-	17,783
Balance at end of current period	30,043	18,585	3	18,589	30,043	59	103,032	76,764

	Shareholders' equity			Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
	Total retained earnings							
Balance at beginning of current period	192,116	(561)	240,187	5,054	(23)	5,030	-	245,218
Changes of items during period								
Dividends of surplus	(1,158)		(1,158)					(1,158)
Net income	18,941		18,941					18,941
Provision of reserve for reduction entry								-
Purchase of treasury shares		(0)	(0)					(0)
Disposal of treasury shares		0	0					0
Net changes of items other than shareholders' equity				2,157	3	2,160	-	2,160
Total changes of items during period	17,783	(0)	17,783	2,157	3	2,160	-	19,943
Balance at end of current period	209,899	(561)	257,970	7,211	(20)	7,191	-	265,162

# Financial Results

For the fiscal year ended March 31, 2021

- Supplementary Information -

**SURUGA bank, Ltd.**

## Table of contents

I.	Financial highlights for the fiscal year ended March 31, 2021		
	1. Financial results	Non-consolidated	1
	2. Major accounts	Non-consolidated	3
	3. Management indices	Non-consolidated	7
	4. Own capital	Non-consolidated	8
	5. Unrealized gains (losses) on securities	Non-consolidated	9
	6. Earnings forecast for the fiscal year ending March 31, 2022	Non-consolidated, Consolidated	
	7. Asset quality	Non-consolidated	10
	8. Credit costs	Non-consolidated	11
	9. Dividends	Non-consolidated	
II.	Financial data for the fiscal year ended March 31, 2021		
	1. Details of financial results	Non-consolidated	12
		Consolidated	13
	2. Net operating profit	Non-consolidated	
	3. Interest margins	Non-consolidated	14
	4. ROA and ROE	Non-consolidated	
	5. Gains (losses) on securities	Non-consolidated	
	6. Capital adequacy ratio (domestic standard)	Non-consolidated, Consolidated	15
	7. Composition of own capital (domestic standard)	Non-consolidated, Consolidated	16
III.	Status of Loans, etc.		
	Comparison of asset disclosure by standard	Non-consolidated	17
	1. Risk-monitored loans	Non-consolidated, Consolidated	18
	2. Allowance ratio for risk-monitored loans	Non-consolidated, Consolidated	19
	3. Allowance for loan losses	Non-consolidated, Consolidated	
	4. Non-performing loans based on the Financial Reconstruction Law	Non-consolidated	
	5. Status of coverage of non-performing loans based on the Financial Reconstruction Law	Non-consolidated	
	6. Loan breakdown by industry, etc.		
	(1) Loan breakdown by industry	Non-consolidated	20
	(2) Breakdown of risk-monitored loans by industry	Non-consolidated	
	(3) Consumer loans	Non-consolidated	21
	(4) The ratio of loans to small- and medium-sized enterprises, etc.	Non-consolidated	
	7. Loan breakdown by country		
	(1) Loans to specific foreign countries	Non-consolidated	
	(2) Loans to Asian countries	Non-consolidated	
	8. Deposits and loans	Non-consolidated	
	9. Number of branches	Non-consolidated	
IV.	Unrealized gains (losses) on securities		
	1. Unrealized gains (losses)	Non-consolidated, Consolidated	22
V.	Retirement benefits		
	1. Retirement benefit expenses	Non-consolidated, Consolidated	

## I . Financial highlights for the fiscal year ended March 31, 2021

## 1. Financial results (Non-consolidated)

(Millions of yen)

	FY3/2021		FY3/2020
	(a)	(a) - (b)	(b)
Gross operating profit	72,535	(7,810)	80,345
Net interest income	75,806	(9,159)	84,965
Net fees and commissions	(4,367)	2,509	(6,876)
Net other operating income (Note1)	39	(1,986)	2,025
Core gross operating profit	71,478	(8,637)	80,115
Expenses (-)	40,337	(3,443)	43,780
Core net operating profit (Note2)	31,140	(5,194)	36,334
Excluding gains (loss) on cancellation of investment trusts	31,140	(5,194)	36,334
Gains (losses) on bonds	1,057	827	230
Actual net operating profit (Note3)	32,197	(4,367)	36,564
Provision for general allowance for loan losses (-) (Note4)	(17,933)	(17,933)	-
Net operating profit	50,131	13,567	36,564
Disposal of non-performing loans (-)	32,179	28,140	4,039
Reversal of allowance for loan losses (Note4)	-	(229)	229
Recoveries on written-off claims	1,957	606	1,351
Gains (losses) on stocks	69	(5,234)	5,303
Ordinary profit	19,982	(20,009)	39,991
Gains (losses) on disposal of non-current assets	241	710	(469)
Impairment loss	537	(8,914)	9,451
Net income	18,941	(5,533)	24,474
Net credit costs	14,246	10,437	3,809
Actual credit costs (Note5)	12,288	9,831	2,457

(Note1) Excludes Gains (losses) on bonds.

(Note2) Core net operating profit = Net operating profit + Provision for general allowance for loan losses  
- Gains (losses) on bonds

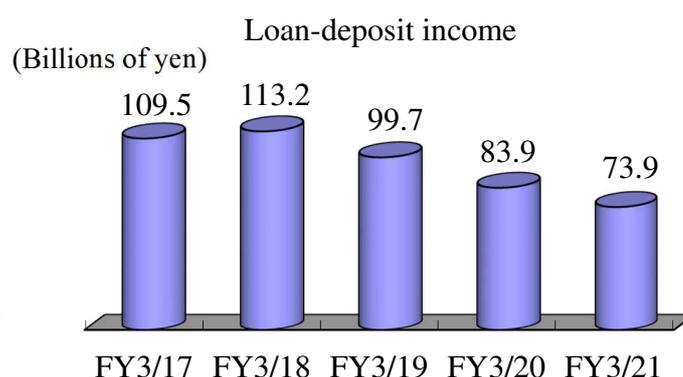
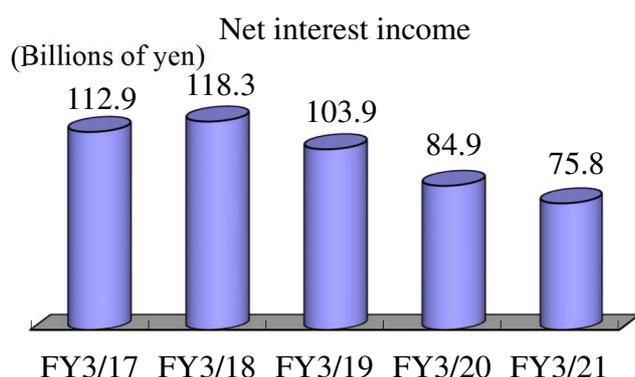
(Note3) Actual net operating profit = Net operating profit + Provision for general allowance for loan losses

(Note4) For the fiscal year ended March 31, 2020, the net amount of reversal of specific allowance for loan losses and provision for general allowance for loan losses is recorded in reversal of allowance for loan losses, given that the former exceeded the latter during period.

(Note5) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans  
- Reversal of allowance for loan losses) - Recoveries on written-off claims

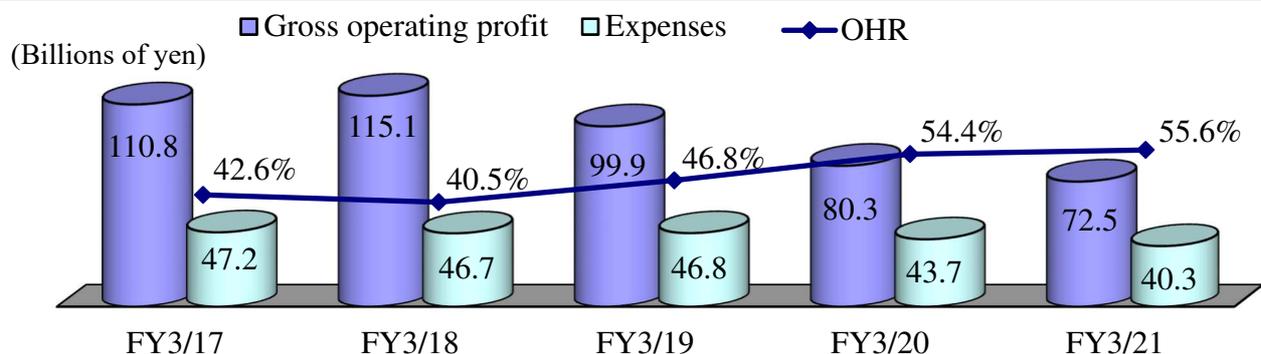
(1) Gross operating profit: ¥72.5billion

• Net interest income decreased by ¥9.1 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
• Loan-deposit income decreased by ¥10.0 billion year-on-year.
• Core gross operating profit decreased by ¥8.6 billion year-on-year, mainly due to a decrease in net interest income.
• Gross operating profit decreased by ¥7.8 billion year-on-year.



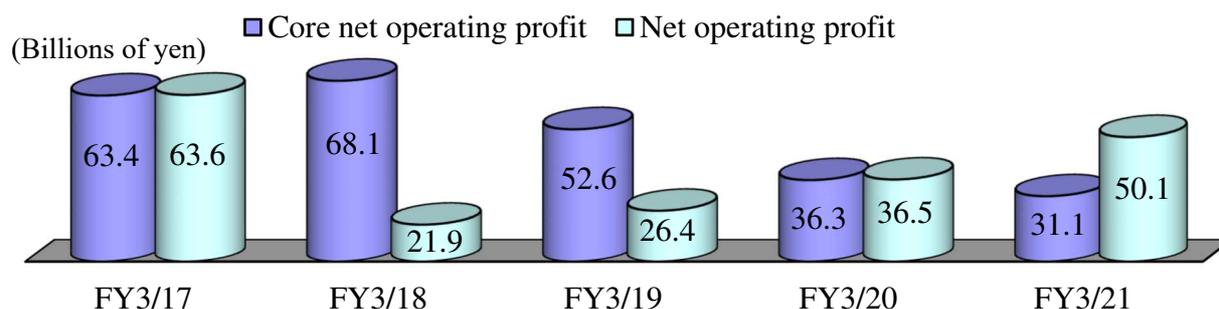
## (2) Expenses; OHR: 55.6%

- Expenses decreased by ¥3.4 billion year-on-year in accordance with the policy to reduce expenses as stated in the mid-term management plan.
  - OHR rose year-on-year to 55.6%.
- (OHR(%) = Expenses / Gross operating profit × 100)



## (3) Core net operating profit: ¥31.1 billion, Net operating profit: ¥50.1 billion

- Core net operating profit decreased by ¥5.1 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit increased by ¥13.5 billion year-on-year, mainly due to a decrease in provision for general allowance for loan losses.



## (4) Ordinary profit: ¥19.9 billion

- Ordinary profit decreased by ¥20.0 billion year-on-year, mainly due to an increase in net credit costs.

## (5) Net income: ¥18.9 billion

- Net income decreased by ¥5.5 billion year-on-year, mainly due to a decrease in ordinary profit.

## (6) Actual credit costs: ¥12.2 billion

- Net credit costs increased by ¥10.4 billion year-on-year, mainly due to an increase (¥28.1 billion) in disposal of non-performing loans and a decrease (¥17.9 billion) in provision for general allowance for loan losses.
- Actual credit costs, calculated as net credit costs (¥14.2 billion) minus the amount of recoveries of written-off claims (¥1.9 billion) amounted to ¥12.2 billion.

## 2. Major accounts (Non-consolidated)

## (1) Loans and bills discounted

- Loans and bills discounted decreased by ¥185.2 billion, or 7.4% year-on-year.
- Consumer loans decreased by ¥231.5 billion, or 10.0% year-on-year.
- Yield on loans and bills discounted dropped by 7 basis point year-on-year to 3.12%.

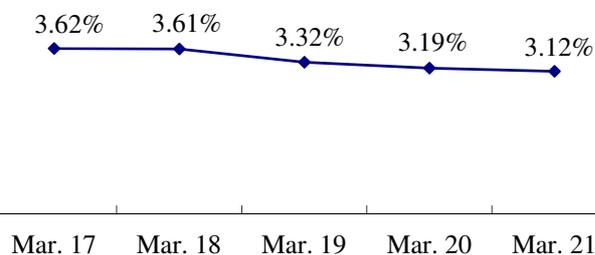
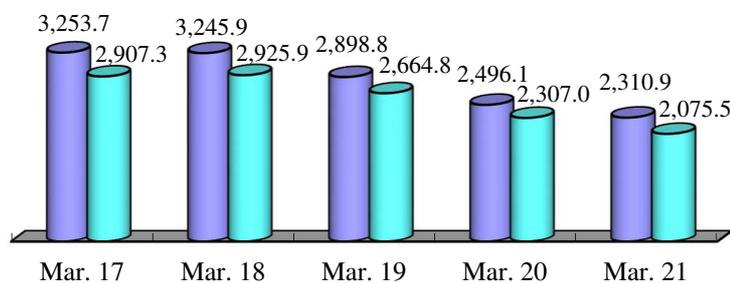
	Mar. 31, 2021 (a)	(a) - (b)	Mar. 31, 2020 (b)
Loans and bills discounted (period-end balance)	2,310.9	(185.2)	2,496.1
Consumer loans	2,075.5	(231.5)	2,307.0
Secured loans	1,905.4	(193.6)	2,099.0
Unsecured loans	170.0	(37.9)	207.9
Loans and bills discounted (average balance)	2,414.7	(250.0)	2,664.7

	Mar. 31, 2021 (a)	(a) - (b)	Mar. 31, 2020 (b)
New consumer loans	22.6	16.3	6.2
New asset management company loans for property investment	14.9	14.6	0.2
Subtotal	37.5	31.1	6.4
New structured finance	30.3	23.9	6.4
<b>Total</b>	<b>67.9</b>	<b>55.1</b>	<b>12.8</b>

■ Loans and bills discounted (period-end balance)  
■ Consumer loans (period-end balance)

—◆— Yield on loans and bills discounted

(Billions of yen)



## Consumer loans

## Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Mar. 31, 2021			Dec. 31, 2020		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,905.4	3.08%	4.93%	1,989.2	3.05%	6.69%
Housing loans	497.9	2.83%	0.27%	509.9	2.84%	0.31%
Studio apartment loans	167.8	3.39%	1.58%	173.7	3.39%	1.71%
Single building apartment loans	1,096.0	3.24%	3.50%	1,115.8	3.24%	3.69%
Share house loans	107.1	1.40%	49.06%	152.4	1.45%	58.52%
Other secured loans	36.4	4.73%	0.58%	37.2	4.80%	1.16%
Unsecured loans	170.0	10.32%	2.17%	176.7	10.29%	2.15%
Card loans	112.8	11.69%	0.82%	116.9	11.65%	0.84%
Unsecured certificate loans	57.1	7.63%	4.83%	59.8	7.64%	4.71%
Consumer loans (A)	2,075.5	3.66%	4.71%	2,166.0	3.63%	6.33%
Consumer loans (excluding share house-related loans)	1,939.8	-	2.14%	1,978.7	-	2.19%
Corporate loans for property investment (B)	48.6	2.18%	-	27.2	2.29%	-
Total (A) + (B)	2,124.1	3.63%	4.60%	2,193.3	3.59%	6.25%

(Note1) Delinquency rate = Loans past due 3 months or more / Loans

(Note2) Yield: Yield for customers (excluding guarantee fee, accrued interest), period-end balance basis

(Note3) Yield and delinquency rate of Studio apartment loans, secured loans and consumer loans are calculated based on originals claims before securitization.

(Note4) Corporate loans for property investment: Corporate loans for property investment and structured finance that are defined as new business fields in the mid-term management plan.

## Share house loans (Non-performing loans based on the Financial Reconstruction Law)

(Billions of yen)

	Total	(Non-performing loans)			Subtotal	Normal assets
		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention		
Mar. 31, 2020	192.1	45.9	28.9	100.7	175.5	16.5
Jun. 30, 2020	190.4	50.2	38.3	87.4	176.0	14.4
Sep. 30, 2020	189.1	56.1	58.3	62.4	177.0	12.1
Dec. 31, 2020	187.3	80.6	43.6	52.2	176.4	10.8
Mar. 31, 2021	135.7	53.3	31.5	40.1	124.9	10.7

(Billions of yen)

	Total		Collateral or guarantees, etc. B	Unsecured portion C	Allowance D	Coverage ratio (B + D) / A
	A	Share house claims				
Mar. 31, 2020	192.1	154.7	72.7	119.3	102.5	91.29%
Jun. 30, 2020	190.4	154.0	72.1	118.2	103.7	92.36%
Sep. 30, 2020	189.1	153.5	71.8	117.3	106.5	94.31%
Dec. 31, 2020	187.3	152.5	72.2	115.1	106.1	95.20%
Mar. 31, 2021	135.7	107.2	52.5	83.1	76.7	95.24%

(Note1) Based on obligors of share house loans

(Note2) Covered amount: Estimated amount, calculated by multiplying the covered amount including collateral, etc. with a certain ratio.

(Note3) Total credit balance, share house loan receivables: Loans and bills discounted, suspense payments equivalent to loans and bills discounted, and accrued interest on loans and bills discounted.

## Actual credit costs and Allowance for loan losses

(Billions of yen)

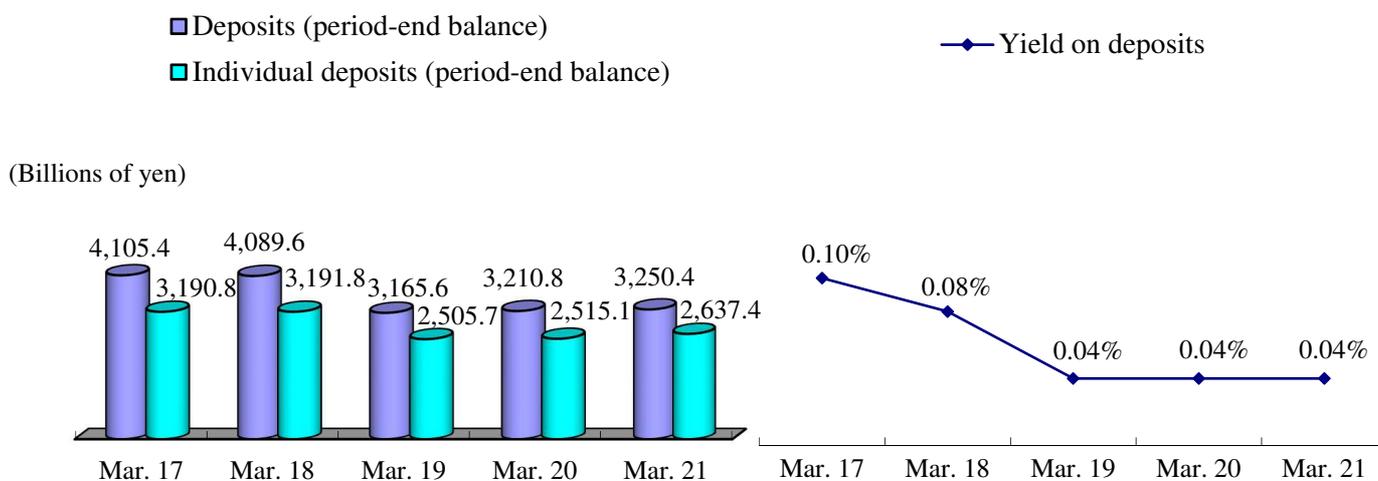
Item	Mar. 31, 2021	
	Actual credit costs	Allowance
Share house-related loans	(0.4)	76.7
Investment property loans	12.0	59.5
Housing loans	0.2	4.3
Unsecured loans	0.1	2.7
Business financing loans, etc.	0.3	8.3
<b>Total</b>	<b>12.2</b>	<b>151.8</b>

(Note) Investment property loans: Studio apartment loans, Single building apartment loans, Other secured loans

## (2) Deposits

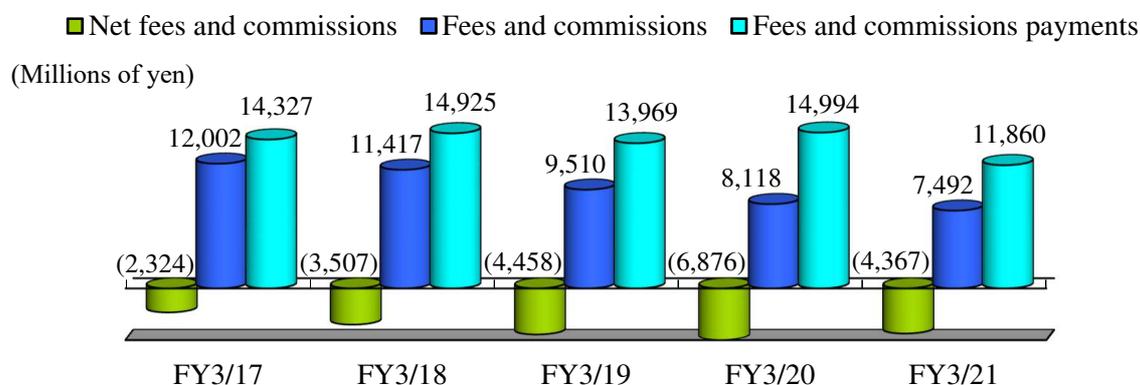
- Deposits increased by ¥39.6 billion, or 1.2% year-on-year.
- Individual deposits increased by ¥122.3 billion, or 4.8% year-on-year.
- Yield on deposits is 4 basis points.

	Mar. 31, 2021 (a)	(a) - (b)	Mar. 31, 2020 (b)
Deposits (period-end balance)	3,250.4	39.6	3,210.8
Individual deposits	2,637.4	122.3	2,515.1
Deposits (average balance)	3,194.4	95.2	3,099.2



## (3) Net fees and commissions

- Net fees and commissions increased by ¥2.5 billion year-on-year, mainly due to a decrease (¥0.6 billion) in fees and commissions, a decrease (¥3.1 billion) in fee and commissions payments.



## (4) Individual deposit assets

- Individual deposit assets increased by ¥125.5 billion year-on-year.
- The ratio of investment products to total individual deposit assets was 4.0%.

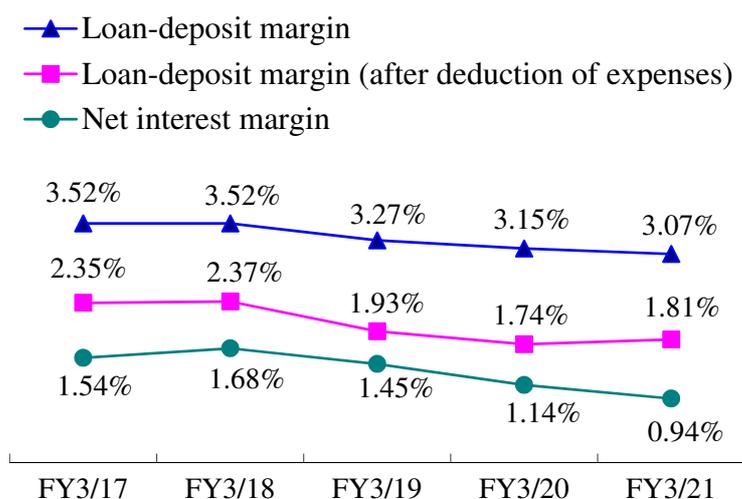
	Mar. 31, 2021 (a)	(a) - (b)	Mar. 31, 2020 (b)	(Millions of yen) Sep. 30, 2020 (c)
Individual deposit assets	2,743,750	125,524	2,618,226	2,683,959
Yen deposits	2,633,381	122,099	2,511,282	2,575,551
Investment products	110,369	3,426	106,943	108,407
Foreign currency deposits	4,111	254	3,857	3,918
Public bonds	6,035	(1,160)	7,195	6,568
Mutual funds	68,050	8,165	59,885	63,655
Personal pension plans	18,093	(3,219)	21,312	19,919
Single premium life insurance	14,078	(615)	14,693	14,345
The ratio of investment products to total individual deposit assets	4.0%	0.0%	4.0%	4.0%

## 3. Management indices (Non-consolidated)

## (1) Interest margins

- Loan-deposit margin (after deduction of expenses) expanded by 7 basis points year-on-year to 1.81%.
- Net interest margin shrunk by 20 basis points year-on-year to 0.94%.

	FY3/2021 (a)	(a) - (b)	FY3/2020 (b)
Loan-deposit margin	3.07	(0.08)	3.15
Loan-deposit margin (after deduction of expenses)	1.81	0.07	1.74
Net interest margin	0.94	(0.20)	1.14



## 4. Own capital

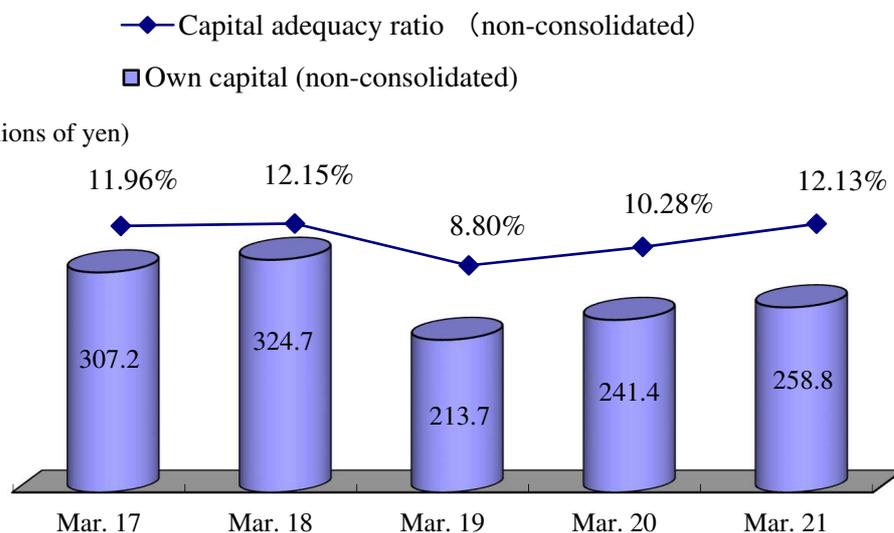
• Capital adequacy ratio (Non-consolidated) rose by 185 basis points year-on-year to 12.13%.

## Non-consolidated (Millions of yen)

	Mar. 31, 2021	Mar. 31, 2020
Capital adequacy ratio	12.13%	10.28%
Own capital (Core capital)	258,806	241,438
Core capital: instruments and reserves	281,357	265,899
Core capital: regulatory adjustments (-)	22,550	24,461
Risk-weighted assets	2,133,374	2,347,582
Total required capital	82,258	90,574

## Consolidated (Millions of yen)

	Mar. 31, 2021	Mar. 31, 2020
Capital adequacy ratio	12.39%	10.42%
Own capital (Core capital)	269,590	249,228
Core capital: instruments and reserves	300,308	276,418
Core capital: regulatory adjustments (-)	30,717	27,189
Risk-weighted assets	2,175,140	2,390,570
Total required capital	83,929	92,293



## 5. Unrealized gains (losses) on securities (Non-consolidated)

•Net unrealized gains on securities increased by ¥2.7 billion year-on-year.
---

(Millions of yen)

	Mar. 31, 2021 (a)	(a) – (b)	Mar. 31, 2020 (b)
Available-for-sale securities	9,518	2,733	6,785
Stocks	8,646	2,796	5,850
Bonds	324	48	276
Others	546	(113)	659

## 6. Earnings forecast for the fiscal year ending March 31, 2022

Consolidated (Billions of yen)

	FY3/2022 (forecast)	
	First half	Full year
Ordinary income	44.0	87.0
Ordinary profit	(2.0)	8.0
Profit attributable to owners of parent	(2.5)	7.0

Non-consolidated (Billions of yen)

	FY3/2022 (forecast)	
	First half	Full year
Ordinary income	39.5	78.0
Core net operating profit	11.5	23.0
Net operating profit	20.5	23.0
Ordinary profit	(2.5)	7.0
Net income	(3.0)	6.0

Actual credit costs	14.0	16.0
---------------------	------	------

(Note) The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

## 7. Asset quality (Non-consolidated)

## (1) Non-performing loans based on the Financial Reconstruction Law

• Non-performing loans based on the Financial Reconstruction Law decreased by ¥23.1 billion year-on-year.  
Non-performing loan ratio rose by 12 basis points year-on-year to 14.02%.

## Outstanding balance

(Millions of yen, %)

	Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors	100,433	(292)	7,794	100,725	92,639
Claims with collection risk	91,253	(27,320)	10,577	118,573	80,676
Claims for special attention	134,362	(23,214)	(41,561)	157,576	175,923
Total (A)	326,048	(50,827)	(23,190)	376,875	349,238
Total claims (B)	2,325,053	(108,319)	(187,026)	2,433,372	2,512,079
Non-performing loan ratio (A/B)	14.02	(1.46)	0.12	15.48	13.90

## Status of coverage

(Millions of yen, %)

		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Total	Change from
						Mar. 31, 2020
Non-performing loans (A)		100,433	91,253	134,362	326,048	(23,190)
Covered amount (C+D) (B)		100,433	66,165	66,348	232,946	(32,255)
Portion secured by collateral or guarantees, etc. (C)		38,168	34,772	35,271	108,212	(10,396)
Allowance for loan losses (D)		62,264	31,393	31,076	124,734	(21,859)
Coverage ratio (B/A)		100.00	72.50	49.37	71.44	(4.49)
Unsecured portion (A-C) (E)		62,264	56,481	99,091	217,836	(12,794)
Allowance ratio for unsecured portion (D/E)		100.00	55.58	31.36	57.26	(6.30)

(Reference) As of Mar. 31, 2020

Unsecured portion	56,945	49,427	124,260	230,630
Allowance ratio for unsecured portion	100.00	58.94	48.69	63.56

## (2) Risk-monitored loans

(Millions of yen, %)

	Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Loans to bankrupt obligors	1,510	(172)	(19)	1,682	1,529
Non-accrual delinquent loans	188,492	(27,041)	18,511	215,533	169,981
Loans past due 3 months or more	4,758	(3,590)	(1,764)	8,348	6,522
Restructured loans	129,603	(19,624)	(39,797)	149,227	169,400
Total	324,365	(50,427)	(23,068)	374,792	347,433
Coverage ratio	71.74	(2.98)	(4.57)	74.72	76.31

## 8. Credit costs (Non-consolidated)

(Millions of yen, %)

		FY3/2021		FY3/2020
		(a)	(a) - (b)	(b)
Provision for general allowance for loan losses	(1)	(17,933)	(17,933)	-
Disposal of non-performing loans	(2)	32,179	28,140	4,039
Write-off of loans		4,888	3,332	1,556
Provision for specific allowance for loan losses		23,104	23,104	-
Losses on sales of delinquent loans		4,145	1,735	2,410
Provision for allowance for contingent losses		40	(32)	72
Reversal of allowance for loan losses	(3)	-	(229)	229
Recoveries on written-off claims	A	1,957	606	1,351
Net credit costs	(4) (= (1) + (2) - (3) )	14,246	10,437	3,809
Actual credit costs	(4) - A	12,288	9,831	2,457
Loans and bills discounted (average balance)		2,414,755	(250,009)	2,664,764
Net credit costs ratio		0.58	0.44	0.14
Actual credit costs ratio		0.50	0.41	0.09

(Note1) Net credit costs ratio = Net credit costs / Loans and bills discounted (average balance)

(Note2) Actual credit costs ratio = Actual credit costs / Loans and bills discounted (average balance)

## 9. Dividends

• As a result of comprehensively considering the performance trends for the current year, the earnings outlook in the mid-term management plan, and future financial conditions, the company decided to pay a year-end dividend of ¥5 per share.

	(yen)	
	FY3/2021	FY3/2020 (result)
Annual dividend per share	5.00	5.00
Interim dividend	0.00	0.00
Year-end dividend	5.00	5.00

## II . Financial data for the fiscal year ended March 31, 2021

## 1. Details of financial results (Non-consolidated)

(Millions of yen)			
	FY3/2021		FY3/2020
	(a)	(a) - (b)	(b)
Gross operating profit	72,535	(7,810)	80,345
(excluding gains (losses) on bonds)	( 71,478	(8,637)	80,115 )
Domestic gross operating profit	72,345	(7,733)	80,078
(excluding gains (losses) on bonds)	( 71,288	(8,559)	79,847 )
Net interest income	75,681	(9,080)	84,761
Net fees and commissions	(4,391)	2,510	(6,901)
Net other operating income	1,056	(1,161)	2,217
(of which, Gains (losses) on bonds)	( 1,057	827	230 )
International gross operating profit	189	(78)	267
(excluding gains (losses) on bonds)	( 189	(78)	267 )
Net interest income	125	(79)	204
Net fees and commissions	23	(1)	24
Net other operating income	40	3	37
(of which, Gains (losses) on bonds)	( -	-	- )
Expenses (excluding non-recurring losses)	40,337	(3,443)	43,780
Personnel expenses	14,868	(7)	14,875
Non-personnel expenses	22,601	(3,002)	25,603
Taxes	2,867	(435)	3,302
Actual net operating profit	32,197	(4,367)	36,564
Core net operating profit	31,140	(5,194)	36,334
Excluding gains (loss) on cancellation of investment trust	31,140	(5,194)	36,334
Provision for general allowance for loan losses (Note)	(17,933)	(17,933)	-
Net operating profit	50,131	13,567	36,564
Gains (losses) on bonds	1,057	827	230
Non-recurring gains (losses)	(30,148)	(33,575)	3,427
Reversal of allowance for loan losses (Note)	-	(229)	229
Recoveries on written-off claims	1,957	606	1,351
Gains (losses) on stocks	69	(5,234)	5,303
Ordinary profit	19,982	(20,009)	39,991
Extraordinary gains (losses)	(296)	9,612	(9,908)
Gains (losses) on disposal of non-current assets	241	710	(469)
Impairment loss	537	(8,914)	9,451
Income before income taxes	19,686	(10,397)	30,083
Income taxes-current	72	(3,457)	3,529
Income taxes-deferred	672	(1,407)	2,079
Total income taxes	744	(4,865)	5,609
Net income	18,941	(5,533)	24,474

(1)Provision for general allowance for loan losses (Note)	(17,933)	(17,933)	-
(2)Disposal of non-performing loans	32,179	28,140	4,039
Write-off of loans	4,888	3,332	1,556
Provision for specific allowance for loan losses (Note)	23,104	23,104	-
Losses on sales of delinquent loans	4,145	1,735	2,410
Provision for allowance for contingent losses	40	(32)	72
Reversal of allowance for loan losses (Note)	-	(229)	229
(3)Net credit costs (1)+(2)-(3)	14,246	10,437	3,809
(4)Recoveries on written-off claims	1,957	606	1,351
(5)Actual credit costs (4)-(5)	12,288	9,831	2,457

(Note)For the fiscal year ended March 31, 2020, the net amount of reversal of specific allowance for loan losses and provision for general allowance for loan losses is recorded in reversal of allowance for loan losses, given that the former exceeded the latter during period.

## Details of financial results (Consolidated)

(Millions of yen)

	FY3/2021		FY3/2020 (b)
	(a)	(a) - (b)	
Consolidated gross profit	79,567	(10,898)	90,465
Net interest income	81,599	(10,839)	92,438
Net fees and commissions	(3,350)	1,372	(4,722)
Net other operating income	1,318	(1,430)	2,748
Expenses (excluding non-recurring losses)	43,418	(4,947)	48,365
Actual credit costs	13,339	7,035	6,304
Gains (losses) on stocks	69	(5,221)	5,290
Equity in gains (losses) of affiliates	-	(5)	5
Others	234	(438)	672
Ordinary profit	23,113	(18,650)	41,763
Extraordinary gains (losses)	(341)	9,563	(9,904)
Income before income taxes	22,772	(9,086)	31,858
Income taxes-current	186	(3,938)	4,124
Income taxes-deferred	1,158	(1,003)	2,161
Total income taxes	1,344	(4,941)	6,285
Profit attributable to non-controlling interests	(6)	(254)	248
Profit attributable to owners of parent	21,433	(3,891)	25,324

(1)Provision for general allowance for loan losses	(19,587)	(25,671)	6,084
(2)Disposal of non-performing loans	35,097	33,038	2,059
Write-off of loans	5,171	2,444	2,727
Provision for specific allowance for loan losses	22,800	28,125	(5,325)
Losses on sales of delinquent loans	7,085	2,500	4,585
Provision for allowance for contingent losses	40	(32)	72
(3)Net credit costs (1)+(2)	15,510	7,367	8,143
(4)Recoveries on written-off claims	2,170	332	1,838
(5)Actual credit costs (3)-(4)	13,339	7,035	6,304

(Note) Consolidated gross profit = (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments) + (Other operating income - Other operating expenses)

(Reference)

(Millions of yen)

Consolidated net operating profit	55,737	19,722	36,015
-----------------------------------	--------	--------	--------

(Note) Consolidated net operating profit = Consolidated gross profit - Consolidated expenses - Consolidated provision for general allowance for loan losses

(Number of consolidated subsidiaries and affiliates)

(Companies)

Consolidated subsidiaries	6	(3)	9
Equity-method accounted affiliates	-	-	-

## 2. Net operating profit (Non-consolidated)

(Millions of yen)

	FY3/2021		FY3/2020 (b)
	(a)	(a) - (b)	
Net operating profit	50,131	13,567	36,564
Per employee (Thousands of yen)	34,644	10,236	24,408

## 3. Interest margins (Non-consolidated)

Overall (%)

	FY3/2021 (a)	(a) - (b)	FY3/2020 (b)
Return on investments (A)	2.25	(0.35)	2.60
Yield on loans and bills discounted	3.12	(0.07)	3.19
Yield on securities	0.52	(0.10)	0.62
Yield on interest bearing liabilities (B)	1.31	(0.15)	1.46
Yield on deposits	0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)	1.81	0.07	1.74
Net interest margin (A) - (B)	0.94	(0.20)	1.14

Domestic (%)

	FY3/2021 (a)	(a) - (b)	FY3/2020 (b)
Return on investments (A)	2.26	(0.33)	2.59
Yield on loans and bills discounted	3.13	(0.06)	3.19
Yield on securities	0.52	(0.10)	0.62
Yield on interest bearing liabilities (B)	1.27	(0.14)	1.41
Yield on deposits	0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)	1.85	0.07	1.78
Net interest margin (A) - (B)	0.98	(0.20)	1.18

## 4. ROA and ROE (Non-consolidated)

(%)

	FY3/2021 (a)	(a) - (b)	FY3/2020 (b)
ROA	Net operating profit basis	1.44	1.09
	Net income basis	0.54	0.73
ROE	Net operating profit basis	20.94	16.94
	Net income basis	7.91	11.34

## 5. Gains (losses) on securities (Non-consolidated)

(Millions of yen)

	FY3/2021 (a)	(a) - (b)	FY3/2020 (b)
Gains (losses) on bonds	1,057	827	230
Gains on sales	604	598	6
Gains on redemptions	912	537	375
Losses on sales	150	150	-
Losses on redemptions	308	156	152
Losses on devaluation	-	-	-
Gains (losses) on stocks	69	(5,234)	5,303
Gains on sales	69	(5,403)	5,472
Losses on sales	-	(117)	117
Losses on devaluation	0	(52)	52

## 6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Mar. 31, 2021		Mar. 31, 2020
	(a)	(a) - (b)	(b)
Capital adequacy ratio	12.13%	1.85%	10.28%
Own capital (Core capital)	258,806	17,368	241,438
Core capital: instruments and reserves	281,357	15,458	265,899
Core capital: regulatory adjustments (-)	22,550	(1,911)	24,461
Risk-weighted assets	2,133,374	(214,208)	2,347,582
Total required capital	82,258	(8,316)	90,574

Consolidated

(Millions of yen)

	Mar. 31, 2021		Mar. 31, 2020
	(a)	(a) - (b)	(b)
Capital adequacy ratio	12.39%	1.97%	10.42%
Own capital (Core capital)	269,590	20,362	249,228
Core capital: instruments and reserves	300,308	23,890	276,418
Core capital: regulatory adjustments (-)	30,717	3,528	27,189
Risk-weighted assets	2,175,140	(215,430)	2,390,570
Total required capital	83,929	(8,364)	92,293

## 7. Composition of own capital (domestic standard)

(Millions of yen)

	Mar. 31, 2021	
	Consolidated	Non-consolidated
<b>Core capital: instruments and reserves (1)</b>		
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings	256,812	269,232
Capital and capital surplus	48,632	32,089
Retained earnings	209,899	238,863
Treasury shares (-)	561	561
Earnings to be distributed (-)	1,158	1,158
Accumulated other comprehensive income included in Core capital	-	6,341
Remeasurements of defined benefit plans	-	6,341
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock	-	-
Adjusted non-controlling interests (amount allowed to be included in Core capital)	-	-
Reserves included in Core capital: instruments and reserves	24,544	24,703
General allowance for loan losses	24,544	24,703
Eligible non-cumulative perpetual preferred stock subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Eligible capital instrument subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Capital instrument issued through the measures for strengthening capital by public institutions included in Core capital: instruments and reserves	-	-
45% of revaluation reserve for land included in Core capital: instruments and reserves	-	-
Non-controlling interests included in Core capital subject to transitional arrangements	-	31
Core capital: instruments and reserves (A)	281,357	300,308
<b>Core capital: regulatory adjustments (2)</b>		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	13,061	14,696
Goodwill (including those equivalent)	-	1,424
Other intangible fixed assets other than goodwill and mortgage servicing rights	13,061	13,272
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	205
Shortfall of eligible provisions to expected losses	-	-
Gains on sale related to securitization transactions	-	-
Gains (losses) due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	9,323	-
Net defined benefit asset	-	15,664
Investments in own shares (excluding those reported in the net assets)	-	-
Reciprocal cross-holdings in relevant capital instruments issued by other financial institutions	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other financial institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-
Amount exceeding the 10% threshold on specified items	165	149
Significant investments in the common stock of Other financial institutions, net of eligible short positions	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	165	149
Amount exceeding the 15% threshold on specified items	-	-
Core capital: regulatory adjustments (B)	22,550	30,717
<b>Total capital</b>		
Total capital (A-B) (C)	258,806	269,590
<b>Risk-weighted assets (3)</b>		
Credit risk-weighted assets	1,963,705	1,976,353
Total of items included in risk-weighted assets subject to transitional arrangements	-	-
Amount equivalent to market risk × 12.5	-	-
Amount equivalent to operational risk × 12.5	169,669	198,786
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	2,133,374	2,175,140
<b>Capital adequacy ratio (non-consolidated)</b>		
Capital adequacy ratio (non-consolidated) (C/D)	12.13%	-
<b>Capital adequacy ratio (consolidated)</b>		
Capital adequacy ratio (consolidated) (C/D)	-	12.39%

### III. Status of loans, etc.

#### Comparison of asset disclosure by standard

Non-consolidated (As of March 31, 2021)

Classification and status of coverage by disclosure standard

Self-assessment result (by obligor classification)					Non-performing loans based on the Financial Reconstruction Law				(Millions of yen) Risk-monitored loans	
* Includes total claims.					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).				* Includes loans and bills discounted.	
Category	Classification				Category	Collateral or guarantees, etc.	Allowance	Coverage ratio	Category	Out-standing balance
	Credit balance	Non-classification	Classification II	Classification III						
Bankrupt obligors	1,529	506	1,022	-	Claims against bankrupt and substantially bankrupt obligors	38,168	62,264	100%	Loans to bankrupt obligors	1,510
Effectively bankrupt obligors	98,904	62,070	36,833	-	Claims with collection risk	34,772	31,393	72.50%	Non-accrual delinquent loans	188,492
Potentially bankrupt obligors	91,253	35,677	30,487	25,087	Claims for special attention	35,271	31,076	49.37%	Loans past due 3 months or more	4,758
	[31,393]			[31,393]	Restructured loans	134,362				129,603
Obligors requiring caution	Sub-standard obligors	260	163,865	-	Subtotal	108,212	124,734	71.44%	Total	324,365
	Other obligors requiring caution	12,911	844,081	-	Normal assets					
	164,125				1,999,004					
	856,993									
Normal obligors	1,112,247	1,112,247	-	-						
Total	2,325,053	1,223,674	1,076,290	25,087	Total					
	[93,657]			[31,393]	2,325,053					
				[62,264]						

(Note1) “Total claims” includes “Loans and bills discounted”, “Customers’ liabilities for acceptances and guarantees”, “Foreign exchanges”, “Securities lent”, “Suspense payment” and “Accrued interest”.

(Note2) Numbers shown in brackets under “Self-assessment result” represent the reserved amount for each category.

## 1. Risk-monitored loans

The following table shows figures after deduction of partial direct write-off of loans.

The amounts of partial direct write-off of loans for the fiscal year ended March 31, 2021 were as follows:

(a) Non-consolidated: ¥9,684 million; (b) Consolidated: ¥9,684 million

Loans to “Potentially bankrupt obligors”, “Effectively bankrupt obligors” and “Bankrupt obligors” under self-assessment are placed on non-accrual status.

Non-consolidated (Millions of yen, %)

		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	1,510	(172)	(19)	1,682	1,529
	Non-accrual delinquent loans	188,492	(27,041)	18,511	215,533	169,981
	Loans past due 3 months or more	4,758	(3,590)	(1,764)	8,348	6,522
	Restructured loans	129,603	(19,624)	(39,797)	149,227	169,400
	Total	324,365	(50,427)	(23,068)	374,792	347,433

Loans and bills discounted (period-end balance)	2,310,982	(107,435)	(185,175)	2,418,417	2,496,157
---	-----------	-----------	-----------	-----------	-----------

% to loans and bills discounted	Loans to bankrupt obligors	0.06	0.00	0.00	0.06	0.06
	Non-accrual delinquent loans	8.15	(0.76)	1.35	8.91	6.80
	Loans past due 3 months or more	0.20	(0.14)	(0.06)	0.34	0.26
	Restructured loans	5.60	(0.57)	(1.18)	6.17	6.78
	Total	14.03	(1.46)	0.12	15.49	13.91

Consolidated (Millions of yen, %)

		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	1,680	(557)	(2,479)	2,237	4,159
	Non-accrual delinquent loans	192,812	(27,742)	16,758	220,554	176,054
	Loans past due 3 months or more	4,758	(3,590)	(1,764)	8,348	6,522
	Restructured loans	129,603	(19,624)	(39,797)	149,227	169,400
	Total	328,854	(51,514)	(27,282)	380,368	356,136

Loans and bills discounted (period-end balance)	2,319,560	(103,762)	(183,278)	2,423,322	2,502,838
---	-----------	-----------	-----------	-----------	-----------

% to loans and bills discounted	Loans to bankrupt obligors	0.07	(0.02)	(0.09)	0.09	0.16
	Non-accrual delinquent loans	8.31	(0.79)	1.28	9.10	7.03
	Loans past due 3 months or more	0.20	(0.14)	(0.06)	0.34	0.26
	Restructured loans	5.58	(0.57)	(1.18)	6.15	6.76
	Total	14.17	(1.52)	(0.05)	15.69	14.22

## 2. Allowance ratio for risk-monitored loans

Non-Consolidated		(Millions of yen, %)				
		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	324,365	(50,427)	(23,068)	374,792	347,433
Collateral or guarantees, etc.	(B)	108,182	(17,054)	(10,406)	125,236	118,588
Allowance for loan losses	(C)	124,560	(30,314)	(22,023)	154,844	146,553
Allowance ratio	(C/A)	38.39	(2.92)	(3.79)	41.31	42.18
Coverage ratio	(B+C)/(A)	71.74	(2.98)	(4.57)	74.72	76.31

Consolidated		(Millions of yen, %)				
		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	328,854	(51,514)	(27,282)	380,368	356,136
Collateral or guarantees, etc.	(B)	108,205	(18,408)	(12,383)	126,613	120,588
Allowance for loan losses	(C)	127,167	(30,225)	(24,462)	157,392	151,629
Allowance ratio	(C/A)	38.66	(2.71)	(3.91)	41.37	42.57
Coverage ratio	(B+C)/(A)	71.57	(3.09)	(4.86)	74.66	76.43

## 3. Allowance for loan losses

Non-consolidated		(Millions of yen)				
		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		151,831	(27,102)	(22,315)	178,933	174,146
General allowance for loan losses		58,173	(8,252)	(29,890)	66,425	88,063
Specific allowance for loan losses		93,657	(18,851)	7,574	112,508	86,083

Consolidated		(Millions of yen)				
		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		158,011	(28,081)	(25,968)	186,092	183,979
General allowance for loan losses		60,906	(9,285)	(31,544)	70,191	92,450
Specific allowance for loan losses		97,105	(18,795)	5,576	115,900	91,529

## 4. Non-performing loans based on the Financial Reconstruction Law

Non-consolidated		(Millions of yen)				
		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		100,433	(292)	7,794	100,725	92,639
Claims with collection risk		91,253	(27,320)	10,577	118,573	80,676
Claims for special attention		134,362	(23,214)	(41,561)	157,576	175,923
Total	(A)	326,048	(50,827)	(23,190)	376,875	349,238

## 5. Status of coverage of non-performing loans based on the Financial Reconstruction Law

Non-consolidated		(Millions of yen, %)				
		Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage	(B)	232,946	(47,143)	(32,255)	280,089	265,201
Allowance for loan losses		124,734	(30,086)	(21,859)	154,820	146,593
Collateral or guarantees, etc.		108,212	(17,057)	(10,396)	125,269	118,608
Coverage ratio	(B/A)	71.44	(2.87)	(4.49)	74.31	75.93

## 6. Loan breakdown by industry, etc.

## (1) Loan breakdown by industry (Non-consolidated)

(Millions of yen)

	Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	2,310,982	(107,435)	(185,175)	2,418,417	2,496,157
Manufacturing	42,199	544	4,214	41,655	37,985
Agriculture and forestry	4,210	(131)	(206)	4,341	4,416
Fishery	8	4	1	4	7
Mining, quarrying and gravel	263	12	14	251	249
Construction	12,282	878	(5)	11,404	12,287
Utilities	125	(54)	(7)	179	132
Information and communication	1,574	411	398	1,163	1,176
Transportation and postal service	12,714	(1,848)	(1,201)	14,562	13,915
Wholesale and retail trade	29,460	(299)	(1,229)	29,759	30,689
Finance and insurance	14,076	(6,062)	(6,232)	20,138	20,308
Real estate, goods rental and leasing	64,250	24,821	36,822	39,429	27,428
Services	37,359	7,170	10,162	30,189	27,197
Government and municipal government	9,249	2,730	5,079	6,519	4,170
Others	2,083,202	(135,612)	(232,987)	2,218,814	2,316,189

## (2) Breakdown of risk-monitored loans by industry (Non-consolidated)

(Millions of yen)

	Mar. 31, 2021			Sep. 30, 2020	Mar. 31, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	324,365	(50,427)	(23,068)	374,792	347,433
Manufacturing	8,197	1,270	997	6,927	7,200
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel	-	-	-	-	-
Construction	819	(31)	(34)	850	853
Utilities	4	0	0	4	4
Information and communication	120	(1)	(3)	121	123
Transportation and postal service	4	0	0	4	4
Wholesale and retail trade	5,903	(234)	(402)	6,137	6,305
Finance and insurance	-	(800)	(470)	800	470
Real estate, goods rental and leasing	109	(30)	(30)	139	139
Services	674	(487)	(1,215)	1,161	1,889
Government and municipal government	-	-	-	-	-
Others (Note)	308,533	(50,113)	(21,909)	358,646	330,442

(Note) "Others" includes real estate financing for rent to individuals.

## (3) Consumer loans (Non-consolidated)

(Millions of yen)

	Mar. 31, 2021			Sep. 30, 2020 (b)	Mar. 31, 2020 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	2,075,500	(135,378)	(231,516)	2,210,878	2,307,016
Secured loans	1,905,484	(119,960)	(193,608)	2,025,444	2,099,092
Housing loans	497,982	(24,796)	(53,405)	522,778	551,387
Unsecured loans	170,015	(15,419)	(37,909)	185,434	207,924

## (4) The ratio of loans to small- and medium-sized enterprises, etc. (Non-consolidated)

(%)

	Mar. 31, 2021			Sep. 30, 2020 (b)	Mar. 31, 2020 (c)
	(a)	(a) - (b)	(a) - (c)		
The ratio of loans to small- and medium-sized enterprises, etc.	97.02	(0.55)	(0.90)	97.57	97.92

(Note) "Loans to small- and medium-sized enterprises" includes consumer loans which comprise 89.81% of this total.

## 7. Loan breakdown by country

## (1) Loans to specific foreign countries (Non-consolidated)

Not applicable.

## (2) Loans to Asian countries (Non-consolidated)

Not applicable.

## 8. Deposits and loans (Non-consolidated)

(Millions of yen)

		Mar. 31, 2021			Sep. 30, 2020 (b)	Mar. 31, 2020 (c)
		(a)	(a) - (b)	(a) - (c)		
Deposits	period-end balance	3,250,483	63,351	39,660	3,187,132	3,210,823
	average balance	3,194,488	4,723	95,196	3,189,765	3,099,292
Loans	period-end balance	2,310,982	(107,435)	(185,175)	2,418,417	2,496,157
	average balance	2,414,755	(42,315)	(250,009)	2,457,070	2,664,764

## 9. Number of branches (Non-consolidated)

(Branches)

	Mar. 31, 2021			Sep. 30, 2020 (b)	Mar. 31, 2020 (c)
	(a)	(a) - (b)	(a) - (c)		
Number of branches	123	(3)	(7)	126	130

## IV. Unrealized gains (losses) on securities

### 1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Mar. 31, 2021				Sep. 30, 2020				Mar. 31, 2020			
	Fair value	Net unrealized gains (losses)			Fair value	Net unrealized gains (losses)			Fair value	Net unrealized gains (losses)		
		Gains	Losses			Gains	Losses			Gains	Losses	
Available-for-sale securities	258,452	9,518	10,481	963	193,730	8,535	8,948	412	118,691	6,785	7,386	600
Stocks	16,922	8,646	8,840	193	15,235	6,960	7,172	212	14,125	5,850	6,193	343
Bonds	119,092	324	402	78	116,584	417	458	41	103,146	276	368	92
Others	122,437	546	1,238	691	61,910	1,158	1,316	158	1,419	659	824	165

(Note1) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note2) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

Consolidated

(Millions of yen)

	Mar. 31, 2021				Sep. 30, 2020				Mar. 31, 2020			
	Fair value	Net unrealized gains (losses)			Fair Value	Net unrealized gains (losses)			Fair value	Net unrealized gains (losses)		
		Gains	Losses			Gains	Losses			Gains	Losses	
Available-for-sale securities	261,833	12,679	13,643	963	196,874	11,459	11,871	412	121,297	9,171	9,772	600
Stocks	17,781	9,409	9,603	193	16,102	7,730	7,943	212	14,844	6,472	6,816	343
Bonds	119,092	324	402	78	116,584	417	458	41	103,146	276	368	92
Others	124,959	2,945	3,636	691	64,187	3,311	3,469	158	3,306	2,422	2,587	165

(Note1) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note2) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

## V. Retirement benefits

### 1. Retirement benefit expenses

Non-consolidated

(Millions of yen)

	FY3/2021	FY3/2020
Service cost	494	504
Interest cost	103	105
Expected returns on plan assets	(800)	(879)
Amortization of unrecognized net actuarial gains (losses)	(96)	(877)
Others (non-recurring extra retirement payments, etc.) (Note1)	216	216
Retirement benefit expenses	(81)	(929)

(Note1) "Others" includes contribution to a defined contribution pension plan.

Consolidated

(Millions of yen)

	FY3/2021	FY3/2020
Service cost (Note1)	522	532
Interest cost	103	105
Expected returns on plan assets	(800)	(879)
Amortization of unrecognized net actuarial gains (losses)	(96)	(877)
Others (non-recurring extra retirement payments, etc.) (Note2)	233	228
Retirement benefit expenses	(37)	(889)

(Note1) Retirement benefit expenses of consolidated subsidiaries adopting a simplified method are included in "Service cost".

(Note2) "Others" includes contribution to a defined contribution pension plan.