

SURUGA bank, Ltd.

Consolidated financial results for the fiscal year ended March 31, 2022

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)

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

Representative: Kosuke Saga, President

Dividend payment date: June 13, 2022

(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, 2022

(1) Consolidated operating results

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2022	92,072	(7.7)	10,596	(54.1)	7,960	(62.8)
March 31, 2021	99,791	(15.4)	23,113	(44.6)	21,433	(15.3)

(Note) Comprehensive income: (a) Fiscal year ended March 31, 2022: (¥2,673) million [- %]

(b) Fiscal year ended March 31, 2021: ¥30,036 million [97.7 %]

	Earnings per share	Earnings per share (diluted)	Return on net assets	Ordinary profit on total assets	Ordinary profit on ordinary income
	yen	yen	%	%	%
Fiscal year ended March 31, 2022	34.72	-	2.8	0.2	11.5
March 31, 2021	92.52	-	7.9	0.6	23.1

(Note) Earnings per share for the fiscal year ended March 31, 2021 and 2022 are not provided because there are no potentially shares.

(2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	3,589,982	264,229	7.3	1,402.54
March 31, 2021	3,550,415	285,770	8.0	1,233.18

(Reference) Shareholders' equity: (a) As of March 31, 2022: ¥264,129 million; (b) As of March 31, 2021: ¥285,665 million

(Note) Net 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

	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
Fiscal year ended March 31, 2022	142,156	(210,780)	(18,828)	855,818
March 31, 2021	203,686	(129,269)	(1,158)	943,263

2. Dividends on common stock

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1 st quarter -end	2 nd quarter -end	3 rd quarter -end	Fiscal year -end	Total			
Fiscal year ended March 31, 2021	yen	yen	yen	yen	yen	Millions of yen	%	%
ended March 31, 2021	-	0.00	-	5.00	5.00	1,158	5.4	0.4
ended March 31, 2022	-	0.00	-	6.00	6.00	1,129	17.2	0.4
ending March 31, 2023 (forecast)	-	0.00	-	6.00	6.00		16.1	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2023

(% 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, FY3/2023	42,500	(21.5)	3,000	(85.9)	2,500	(85.9)	13.27
FY3/2023	84,000	(8.7)	8,000	(24.5)	7,000	(12.0)	37.17

(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: Yes
 (B) Changes in accounting policies due to reasons other than (A): No
 (C) Changes in accounting estimates: Yes
 (D) Restatements: No
- (3) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of Mar. 31, 2022	232,139,248 shares	As of Mar. 31, 2021	232,139,248 shares
(B) Number of treasury shares:	As of Mar. 31, 2022	43,818,103 shares	As of Mar. 31, 2021	490,315 shares
(C) Average number of shares:	Fiscal year ended Mar. 31, 2022	229,201,640 shares	Fiscal year ended Mar. 31, 2021	231,649,482 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022

(1) Non-consolidated operating results

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	83,658	(6.2)	10,093	(49.4)	7,854	(58.5)
March 31, 2021	89,217	(14.5)	19,982	(50.0)	18,941	(22.6)

	Earnings per share	Earnings per share (diluted)
Fiscal year ended	Yen	Yen
March 31, 2022	34.26	-
March 31, 2021	81.76	-

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	3,568,782	246,356	6.9	1,308.17
March 31, 2021	3,527,376	265,162	7.5	1,144.67

(Reference) Shareholders' equity: (a) As of March 31, 2022: ¥246,356 million; (b) As of March 31, 2021: ¥265,162 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, 2023

(% 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, FY3/2023	38,500	(22.5)	3,000	(85.6)	2,500	(85.7)	13.27
FY3/2023	76,000	(9.1)	7,500	(25.6)	6,500	(17.2)	34.51

(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, 2022 supplementary information

1. Overview of operating results, etc.

(1) Overview of operating results

In the fiscal year ended March 31, 2022, consolidated ordinary income decreased by ¥7.719 billion year-on-year to ¥92.072 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 ¥4.799 billion year-on-year to ¥81.476 billion, mainly due to an increase in credit costs. As a result, ordinary profit decreased by ¥12.517 billion year-on-year to ¥10.596 billion, and profit attributable to owners of parent decreased by ¥13.473 billion year-on-year to ¥7.960 billion.

Non-consolidated operating results were as follows:

(A) Gross operating profit

Gross operating profit decreased by ¥7.233 billion year-on-year to ¥65.302 billion, mainly due to a drop (¥6.389 billion) in net interest income.

(B) Expenses

Expenses decreased by ¥0.615 billion year-on-year to ¥39.722 billion.

(C) Net operating profit

Core net operating profit decreased by ¥6.104 billion year-on-year to ¥25.036 billion, mainly due to a drop in net interest income.

Net operating profit decreased by ¥13.982 billion year-on-year to ¥36.149 billion, mainly due to an increase 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 ¥9.889 billion year-on-year to ¥10.093 billion, mainly due to an increase in net credit costs.

(E) Net income

Net income decreased by ¥11.087 billion year-on-year to ¥7.854 billion, mainly due to an increase in net credit costs.

(F) Net credit costs

Provision for general allowance for loan losses increased by ¥7.364 billion year-on-year. Disposal of non-performing loans decreased by ¥0.621 billion year-on-year to ¥31.558 billion. As a result, net credit costs increased by ¥6.743 billion year-on-year to ¥20.989 billion.

Actual credit costs increased by ¥3.744 billion year-on-year to ¥16.032 billion.

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

(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 ¥2,148.079 billion, down by ¥171.481 billion year-on-year. This was mainly due to the decrease (¥236.931 billion) in consumer loans (non-consolidated). Securities amounted to ¥463.432 billion, up by ¥196.086 billion year-on-year. Deposits amounted to ¥3,307.307 billion, up by ¥61.367 billion year-on-year.

Non-consolidated major account balances were as follows:

(A) Loans and bills discounted

Loans and bills discounted came in at ¥2,138.587 billion, down by ¥172.395 billion year-on-year. Consumer loans amounted to ¥1,838.569 billion, down by ¥236.931 billion year-on-year. The average balance of loans and bills discounted in the fiscal year amounted to ¥2,244.398 billion, down by ¥170.357 billion year-on-year.

(B) Securities

Securities amounted to ¥466.243 billion, up by ¥195.804 billion year-on-year.

(C) Deferred tax assets (liabilities)

Deferred tax assets amounted to ¥15.639 billion, up by 2.355 billion year-on-year.

(D) Deposits

Deposits amounted to ¥3,312.181 billion, up by ¥61.698 billion year-on-year. Individual yen deposits amounted to ¥2,684.636 billion, up by ¥51.255 billion year-on-year. The average balance of deposits in the fiscal year amounted to ¥3,291.572 billion, up by ¥97.084 billion year-on-year.

As for consolidated cash flows, cash flow from operating activities was a net inflow of ¥142.156 billion (compared to a net inflow of ¥203.686 billion in the previous fiscal year), this was 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 ¥210.780 billion (compared to a net outflow of ¥129.269 billion in the previous fiscal year), mainly due to purchase of securities. Cash flow from financing activities was a net outflow of ¥18.828 billion (compared to a net outflow of ¥1.158 billion in the previous fiscal year), mainly due to cash dividends paid and purchase of treasury shares.

As a result, cash and cash equivalents as of March 31, 2022 amounted to ¥855.818 billion, down by ¥87.445 billion year-on-year (compared to ¥943.263 billion as of March 31, 2021).

(3) Future outlook

Earnings forecast for the fiscal year ending March 31, 2023 is as follows:

Consolidated		(Billions of yen)
	FY3/2023 (Forecast)	
	First half	Full year
Ordinary income	42.5	84.0
Ordinary profit	3.0	8.0
Profit attributable to owners of parent	2.5	7.0

Non-consolidated		(Billions of yen)
	FY3/2023 (Forecast)	
	First half	Full year
Ordinary income	38.5	76.0
Core net operating profit	10.5	21.0
Net operating profit	9.0	19.0
Ordinary profit	3.0	7.5
Net income	2.5	6.5
Actual credit costs	7.5	13.5
ROE (Net income basis)	2.02%	2.64%

(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 Mar. 31, 2021	As of Mar. 31, 2022
Assets		
Cash and due from banks	953,932	874,184
Call loans and bills bought	19,000	40,244
Monetary claims bought	-	59,739
Trading securities	103	82
Money held in trust	99	99
Securities	267,346	463,432
Loans and bills discounted	2,319,560	2,148,079
Foreign exchanges	3,324	2,292
Lease receivables and investment assets	5,507	5,066
Other assets	49,084	45,241
Property, plant and equipment	34,689	35,227
Buildings, net	9,963	10,741
Land	21,372	20,738
Leased assets, net	38	46
Construction in progress	1,029	806
Other, net	2,284	2,893
Intangible assets	20,439	18,474
Software	17,599	16,380
Goodwill	1,424	1,294
Leased assets	14	132
Software in progress	1,032	301
Other	369	365
Net defined benefit asset	22,442	20,509
Deferred tax assets	11,331	14,751
Customers' liabilities for acceptances and guarantees	1,565	1,474
Allowance for loan losses	(158,011)	(138,917)
Total assets	3,550,415	3,589,982
Liabilities		
Deposits	3,245,940	3,307,307
Foreign exchanges	5	41
Other liabilities	14,754	14,479
Provision for bonuses	492	486
Provision for bonuses for directors (and other officers)	41	41
Net defined benefit liability	272	292
Provision for share-based compensation	183	205
Provision for reimbursement of deposits	305	247
Provision for contingent loss	89	75
Deferred tax liabilities	994	1,102
Acceptances and guarantees	1,565	1,474
Total liabilities	3,264,644	3,325,753

(Millions of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
Net assets		
Share capital	30,043	30,043
Capital surplus	2,045	1,976
Retained earnings	238,863	245,595
Treasury shares	(561)	(18,131)
Total shareholders' equity	270,391	259,484
Valuation difference on available-for-sale securities	8,954	1,324
Deferred gains or losses on hedges	(20)	(3)
Remeasurements of defined benefit plans	6,341	3,324
Total accumulated other comprehensive income	15,274	4,645
Non-controlling interests	104	100
Total net assets	285,770	264,229
Total liabilities and net assets	3,550,415	3,589,982

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

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2021	For the fiscal year ended Mar. 31, 2022
Ordinary income	99,791	92,072
Interest income	83,163	75,030
Interest on loans and discounts	81,223	71,906
Interest and dividends on securities	1,111	2,038
Interest on call loans and bills bought	0	1
Interest on deposits with banks	805	820
Other interest income	22	263
Fees and commissions	8,593	7,683
Other ordinary income	4,727	3,741
Gain on sale of bonds	604	-
Gain on redemption of bonds	912	616
Other	3,210	3,124
Other income	3,307	5,617
Recoveries of written off receivables	2,170	5,035
Gain on sale of equity securities	69	5
Other	1,067	576
Ordinary expenses	76,677	81,476
Interest expenses	1,563	1,489
Interest on deposits	1,486	1,461
Interest on call money and bills sold	0	-
Interest expenses on cash collateral received for securities lent	0	-
Other interest expenses	77	27
Fees and commissions payments	11,943	11,620
Other ordinary expenses	3,408	2,922
Loss on sale of bonds	150	-
Loss on redemption of bonds	308	72
Other	2,949	2,850
General and administrative expenses	43,494	41,186
Other expenses	16,266	24,258
Provision of allowance for loan losses	3,213	14,250
Written-off of loans	5,171	5,654
Loss on devaluation of equity securities	0	27
Other	7,881	4,325
Ordinary profit	23,113	10,596

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2021	For the fiscal year ended Mar. 31, 2022
Extraordinary income	670	76
Gain on disposal of non-current assets	670	76
Extraordinary losses	1,012	1,611
Loss on disposal of non-current assets	444	957
Impairment losses	568	653
Profit before income taxes	22,772	9,061
Income taxes - current	186	161
Income taxes - deferred	1,158	943
Income taxes	1,344	1,105
Profit	21,427	7,955
Profit attributable to non-controlling interests	(6)	(4)
Profit attributable to owners of parent	21,433	7,960

Consolidated statements of comprehensive income

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2021	For the fiscal year ended Mar. 31, 2022
Profit	21,427	7,955
Other comprehensive income		
Net unrealized gains(losses) on available-for-sale securities	2,677	(7,629)
Deferred gains(losses) on hedges	3	16
Remeasurements of defined benefit plans, net of tax	5,928	(3,016)
Total other comprehensive income	8,609	(10,629)
Comprehensive income	30,036	(2,673)
(Breakdown)		
Comprehensive income attributable to owners of parent	30,043	(2,669)
Comprehensive income attributable to non-controlling interests	(6)	(4)

(3) Consolidated statements of changes in net assets
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)
Net income			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				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)
Net income						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

For the fiscal year ended March 31, 2022

(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	238,863	(561)	270,391
Cumulative effects of changes in accounting policies			(69)		(69)
Restated balance	30,043	2,045	238,794	(561)	270,321
Changes of items during period					
Dividends of surplus			(1,158)		(1,158)
Net income			7,960		7,960
Purchase of treasury shares				(17,669)	(17,669)
Disposal of treasury shares		(69)		99	30
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(69)	6,801	(17,570)	(10,837)
Balance at end of current period	30,043	1,976	245,595	(18,131)	259,484

	Accumulated other comprehensive income				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	8,954	(20)	6,341	15,274	104	285,770
Cumulative effects of changes in accounting policies						(69)
Restated balance	8,954	(20)	6,341	15,274	104	285,700
Changes of items during period						
Dividends of surplus						(1,158)
Net income						7,960
Purchase of treasury shares						(17,669)
Disposal of treasury shares						30
Net changes of items other than shareholders' equity	(7,629)	16	(3,016)	(10,629)	(4)	(10,633)
Total changes of items during period	(7,629)	16	(3,016)	(10,629)	(4)	(21,471)
Balance at end of current period	1,324	(3)	3,324	4,645	100	264,229

(4) Consolidated statements of cash flows

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2021	For the fiscal year ended Mar. 31, 2022
Cash flows from operating activities		
Income before income taxes	22,772	9,061
Depreciation	5,524	5,638
Impairment loss	568	653
Amortization of goodwill	129	129
Increase (decrease) in allowance for loan losses	(25,968)	(19,093)
Increase (decrease) in provision for bonuses	1	(6)
Increase (decrease) in provision for directors' bonuses	6	-
Increase (decrease) in net defined benefit liability	(2)	19
Increase (decrease) in net defined benefit asset	(1,191)	(798)
Increase (decrease) in provision for directors' retirement benefits	(270)	-
Increase (decrease) in provision for share-based compensation	183	22
Increase (decrease) in provision for reimbursement of deposits	59	(57)
Increase (decrease) in provision for contingent losses	(49)	(14)
Interest income	(83,163)	(75,030)
Interest expenses	1,563	1,489
Losses (gains) on securities	(1,126)	(521)
Losses (gains) on money held in trust	(31)	(0)
Losses (gains) on disposal of non-current assets	(226)	880
Net decrease (increase) in trading account securities	77	20
Net decrease (increase) in loans and bills discounted	183,277	171,480
Net increase (decrease) in deposit	41,148	61,367
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(4,372)	(7,697)
Net decrease (increase) in call loans	(18,934)	(21,244)
Net decrease (increase) in monetary claims bought	-	(59,739)
Net decrease (increase) in foreign exchanges - assets	(1,108)	1,031
Net increase (decrease) in foreign exchanges - liabilities	2	35
Net decrease (increase) in lease receivables and investment assets	931	441
Net decrease (increase) in cash collateral paid for financial instruments assets	168	54
Interest received	83,929	75,771
Interest paid	(1,056)	(1,599)
Other, net	(2,029)	(1,621)
Subtotal	200,810	140,673
Income taxes paid	2,875	1,483
Net cash provided by (used in) operating activities	203,686	142,156

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2021	For the fiscal year ended Mar. 31, 2022
Cash flows from investing activities		
Purchase of securities	(151,298)	(211,860)
Proceeds from sales of securities	18,988	10
Proceeds from redemption of securities	3,854	5,972
Decrease in money held in trust	847	0
Purchase of property, plant and equipment	(1,927)	(3,442)
Proceeds from sales of property, plant and equipment	2,970	258
Purchase of intangible assets	(2,704)	(1,719)
Net cash provided by (used in) investing activities	(129,269)	(210,780)
Cash flows from financing activities		
Cash dividends paid	(1,158)	(1,158)
Purchase of treasury shares	(0)	(17,669)
Proceeds from sales of treasury shares	0	0
Net cash provided by (used in) financing activities	(1,158)	(18,828)
Effect of exchange rate change on cash and cash equivalents	1	6
Net increase (decrease) in cash and cash equivalents	73,259	(87,445)
Cash and cash equivalents at beginning of period	870,004	943,263
Cash and cash equivalents at year-end	943,263	855,818

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

(Change in accounting policies)

(Application of Accounting Standard for Revenue Recognition)

The “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No.29, March 31, 2020) was adopted from the beginning of the current fiscal year and recognized revenue when control of promised products or services is transferred to customers in an amount that is expected to be received in exchange for those products or services.

The bank follows the transitional treatment stipulated in the provisions of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of this year, was added to or reduced from the beginning balance of retained earnings of the current fiscal year.

There was minimal impact on the consolidated financial statements.

(Application of Accounting Standard for Fair Value Measurement)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019) was adopted from the beginning of the current fiscal year. In addition, in accordance with the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments(ASBJ Statement No.10,July 4, 2019), the Bank decided to adopt a new accounting standard stipulated by the Accounting Standard for Fair Value Measurement in the future. There was no impact on the consolidated financial statements.

(Changes in accounting estimates)

Previously, the bank had set the amortization period of actuarial gains and losses in accounting for retirement benefits to 13 years. However, because the average remaining service life of employees was reduced, the amortization period has been revised to 12 years since the current fiscal year.

There was minimal impact on the consolidated financial statements.

(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 review regularly 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.

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

Segment profit is based 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, 2022

(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	83,509	1,753	6,809	92,072	-	92,072
Inter-segment internal ordinary income	148	81	1,122	1,352	(1,352)	-
Total	83,658	1,834	7,932	93,425	(1,352)	92,072
Segment profit	10,093	71	550	10,716	(119)	10,596
Segment assets	3,568,782	516	40,921	3,610,219	(20,236)	3,589,982
Other items						
Depreciation	5,428	16	193	5,638	-	5,638
Impairment losses	653	-	-	653	-	653
Increase in tangible fixed assets and intangible fixed assets	4,968	48	144	5,161	-	5,161

(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 ¥119 million in segment profit consists of the following: amortization of goodwill (- ¥129 million) and deduction of inter-segment transactions ¥9 million.
- (2) The negative adjustment of ¥20,236 million in segment assets consists of the following: deduction of inter-segment transactions (- ¥24,999 million) and adjustment of net defined benefit assets ¥4,762 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, 2022
Net assets per share	yen	1,402.54
Earnings per share	yen	34.72
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, 2022
Total net assets	Millions of yen	264,229
Amount deducted from total net assets	Millions of yen	100
of which, Subscription rights to shares	Millions of yen	-
of which, Non-controlling interests	Millions of yen	100
Net assets attributable to common stock at the fiscal year-end	Millions of yen	264,129
Number of common stock at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	188,321

2. Earnings per share

		For the fiscal year ended March 31, 2022
Earnings per share		
Profit attributable to owners of parent	Millions of yen	7,960
Amount not attributable to common shareholders	Millions of yen	-
Profit attributable to common shareholders of parent	Millions of yen	7,960
Average number of common stock for the fiscal year	Thousands of shares	229,201

3. Earnings per share (diluted) for the fiscal year ended March 31, 2022 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 Mar. 31, 2021	As of Mar. 31, 2022
Assets		
Cash and due from banks	953,210	873,583
Cash	30,479	27,216
Due from banks	922,730	846,366
Call loans	19,000	40,244
Monetary claims bought	-	59,739
Trading securities	103	82
Trading government bonds	14	14
Trading local government bonds	88	68
Money held in trust	99	99
Securities	270,439	466,243
Local government bonds	114,386	138,991
Corporate bonds	4,706	4,565
Stocks	25,074	23,981
Other securities	126,272	298,705
Loans and bills discounted	2,310,982	2,138,587
Bills discounted	1,414	1,633
Loans on bills	11,333	8,604
Loans on deeds	2,108,722	1,954,674
Overdrafts	189,512	173,674
Foreign exchanges	3,324	2,292
Due from foreign banks (our accounts)	2,086	1,129
Foreign bills receivable	1,237	1,162
Other assets	41,444	36,971
Prepaid expenses	1,552	1,218
Accrued income	6,305	5,600
Financial derivatives	11	2
Other	33,575	30,151
Property, plant and equipment	33,682	34,418
Buildings, net	9,457	10,275
Land	21,011	20,522
Leased assets, net	214	134
Construction in progress	1,029	806
Other, net	1,969	2,678
Intangible assets	18,712	16,782
Software	17,321	16,151
Software in progress	1,027	270
Other	363	359
Prepaid pension costs	13,357	15,746
Deferred tax assets	13,284	15,639
Customers' liabilities for acceptances and guarantees	1,565	1,474
Allowance for loan losses	(151,831)	(133,124)
Total assets	3,527,376	3,568,782

	(Millions of yen)	
	As of Mar. 31, 2021	As of Mar. 31, 2022
Liabilities		
Deposits	3,250,483	3,312,181
Current deposits	66,691	67,268
Ordinary deposits	1,280,068	1,381,613
Savings deposits	13,592	13,513
Deposits at notice	15,309	219
Time deposits	1,800,727	1,794,306
Other deposits	74,092	55,259
Foreign exchanges	5	41
Foreign bills sold	3	9
Foreign bills payable	2	31
Other liabilities	9,091	7,725
Accrued expenses	3,235	2,767
Unearned revenue	64	57
Deposits received from employees	727	745
Lease obligations	233	150
Financial derivatives	213	389
Other	4,616	3,613
Provision for bonuses	449	433
Provision for bonuses for directors (and other officers)	41	41
Provision for share-based compensation	183	205
Provision for reimbursement of deposits	305	247
Provision for contingent loss	89	75
Acceptances and guarantees	1,565	1,474
Total liabilities	3,262,214	3,322,425
Net assets		
Share capital	30,043	30,043
Capital surplus	18,589	18,585
Legal capital surplus	18,585	18,585
Other capital surplus	3	-
Retained earnings	209,899	216,461
Legal retained earnings	30,043	30,043
Other retained earnings	179,856	186,418
Reserve for tax purpose reduction entry of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	76,764	83,326
Treasury shares	(561)	(18,131)
Total shareholders' equity	257,970	246,958
Valuation difference on available-for-sale securities	7,211	(598)
Deferred gains or losses on hedges	(20)	(3)
Valuation and translation adjustments	7,191	(602)
Total net assets	265,162	246,356
Total liabilities and net assets	3,527,376	3,568,782

(2)Non-consolidated statements of income

(Millions of yen)

	For the fiscal year ended Mar. 31, 2021	For the fiscal year ended Mar. 31, 2022
Ordinary income	89,217	83,658
Interest income	77,369	70,904
Interest on loans and discounts	75,476	67,825
Interest and dividends on securities	1,065	1,993
Interest on call loans	0	1
Interest on deposits with banks	805	820
Other interest income	22	263
Trust fees	0	0
Fees and commissions	7,492	6,734
Fees and commissions on domestic and foreign exchanges	1,971	1,683
Other fees and commissions	5,521	5,050
Other ordinary income	1,557	663
Gain on foreign exchange transactions	40	46
Gain on sale of bonds	604	-
Gain on redemption of bonds	912	616
Other income	2,797	5,356
Recoveries of written off receivables	1,957	4,957
Gain on sale of equity securities	69	5
Gain on money held in trust	31	0
Other	739	394
Ordinary expenses	69,234	73,564
Interest expenses	1,563	1,487
Interest on deposits	1,486	1,461
Interest on call money	0	-
Interest expenses on cash collateral received for securities lent	0	-
Interest expenses on interest rate swaps	3	3
Other interest expenses	72	22
Fees and commissions payments	11,860	11,438
Fees and commissions on domestic and foreign exchanges	775	644
Other fees and commissions	11,085	10,794
Other ordinary expenses	460	73
Net loss on trading securities transactions	1	0
Loss on sale of bonds	150	-
Loss on redemption of bonds	308	72
General and administrative expenses	40,414	38,247
Other expenses	14,935	22,317
Provision of allowance for loan losses	5,171	14,223
Written-off of loans	4,888	5,502
Loss on devaluation of equity securities	0	27
Other	4,875	2,563
Ordinary profit	19,982	10,093

	(Millions of yen)	
	For the fiscal year ended Mar. 30, 2021	For the fiscal year ended Mar. 30, 2022
Extraordinary income	670	20
Gain on disposal of non-current assets	670	20
Extraordinary losses	967	1,502
Loss on disposal of non-current assets	429	848
Impairment losses	537	653
Profit before income taxes	19,686	8,612
Income taxes - current	72	60
Income taxes - deferred	672	697
Income taxes	744	757
Profit	18,941	7,854

For the fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	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
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			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
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

For the fiscal year ended March 31, 2022

(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	76,764
Cumulative effects of changes in accounting policies								(69)
Restated balance	30,043	18,585	3	18,589	30,043	59	103,032	76,695
Changes of items during period								
Dividends of surplus								(1,158)
Net income								7,854
Purchase of treasury shares								
Disposal of treasury shares			(3)	(3)				(65)
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(3)	(3)	-	-	-	6,631
Balance at end of current period	30,043	18,585	-	18,585	30,043	59	103,032	83,326

	Shareholders' equity			Valuation and translation adjustments			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	209,899	(561)	257,970	7,211	(20)	7,191	265,162
Cumulative effects of changes in accounting policies	(69)		(69)				(69)
Restated balance	209,830	(561)	257,901	7,211	(20)	7,191	265,092
Changes of items during period							
Dividends of surplus	(1,158)		(1,158)				(1,158)
Net income	7,854		7,854				7,854
Purchase of treasury shares		(17,669)	(17,669)				(17,669)
Disposal of treasury shares	(65)	99	30				30
Net changes of items other than shareholders' equity				(7,809)	16	(7,793)	(7,793)
Total changes of items during period	6,631	(17,570)	(10,942)	(7,809)	16	(7,793)	(18,736)
Balance at end of current period	216,461	(18,131)	246,958	(598)	(3)	(602)	246,356

Financial Results

For the fiscal year ended March 31, 2022

- Supplementary Information -

SURUGA bank, Ltd.

Table of contents

I . Financial highlights for the fiscal year ended March 31, 2022			
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, 2023	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, 2022			
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.			
Status of self-assessment, non-performing loans based on the financial Reconstruction Law and Risk-monitored loans.	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, 2022

1. Financial results (Non-consolidated)

(Millions of yen)

	FY3/2022 (a)	(a) - (b)	FY3/2021 (b)
Gross operating profit	65,302	(7,233)	72,535
Net interest income	69,417	(6,389)	75,806
Net fees and commissions	(4,704)	(337)	(4,367)
Net other operating income (Note1)	45	6	39
Core gross operating profit	64,758	(6,720)	71,478
Expenses (-)	39,722	(615)	40,337
Core net operating profit (Note2)	25,036	(6,104)	31,140
Excluding gains (loss) on cancellation of investment trusts	25,036	(6,104)	31,140
Gains (losses) on bonds	544	(513)	1,057
Actual net operating profit (Note3)	25,580	(6,617)	32,197
Provision for general allowance for loan losses (-)	(10,569)	7,364	(17,933)
Net operating profit	36,149	(13,982)	50,131
Disposal of non-performing loans (-)	31,558	(621)	32,179
Recoveries on written-off claims	4,957	3,000	1,957
Gains (losses) on stocks	(22)	(91)	69
Ordinary profit	10,093	(9,889)	19,982
Gains (losses) on disposal of non-current assets	(828)	(1,069)	241
Impairment loss (-)	653	116	537
Net income	7,854	(11,087)	18,941
Net credit costs	20,989	6,743	14,246
Actual credit costs (Note4)	16,032	3,744	12,288

(Note1) Excludes Gains (losses) on bonds.

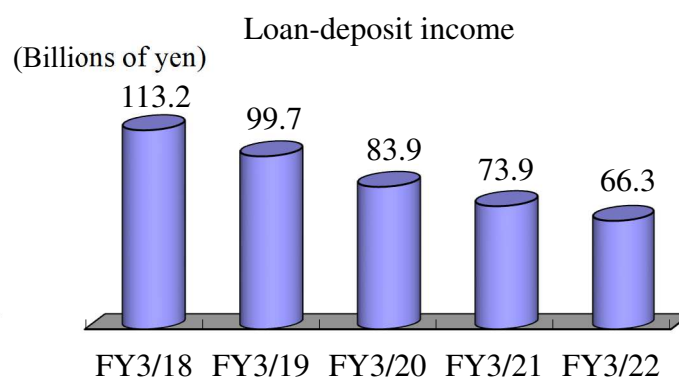
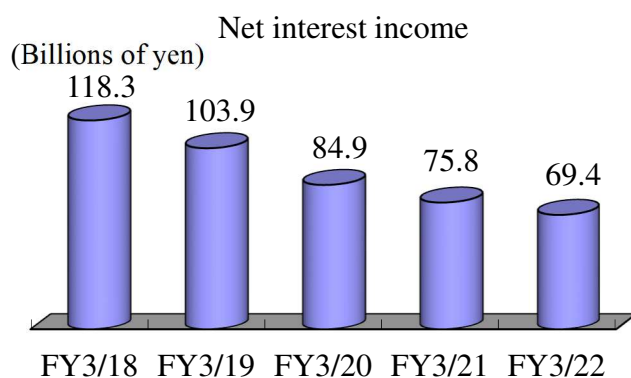
(Note2) Core net operating profit = Net operating profit + Provision for general allowance for loan losses
- Gains (losses) on bonds

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

(Note4) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans)
- Recoveries on written-off claims

(1) Gross operating profit: ¥65.3 billion

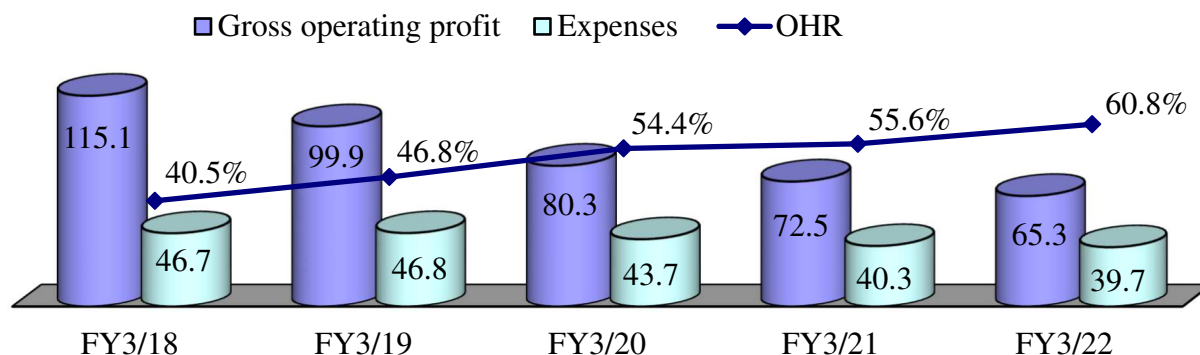
- Net interest income decreased by ¥6.3 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
- Loan-deposit income decreased by ¥7.6 billion year-on-year.
- Core gross operating profit decreased by ¥6.7 billion year-on-year, mainly due to a decrease in net interest income.
- Gross operating profit decreased by ¥7.2 billion year-on-year.



(2) Expenses; OHR: 60.8%

- Expenses decreased by ¥0.6 billion year-on-year.
 - OHR rose year-on-year to 60.8%.
- (OHR(%) = Expenses / Gross operating profit × 100)

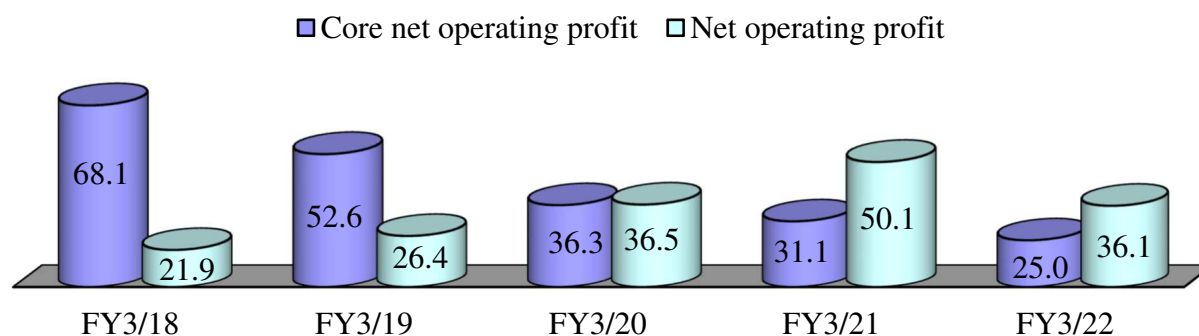
(Billions of yen)



(3) Core net operating profit: ¥25.0 billion, Net operating profit: ¥36.1 billion

- Core net operating profit decreased by ¥6.1 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit decreased by ¥13.9 billion year-on-year, mainly due to an increase in provision for general allowance for loan losses.

(Billions of yen)



(4) Ordinary profit: ¥10.0 billion

- Ordinary profit decreased by ¥9.8 billion year-on-year, mainly due to an increase in net credit costs.

(5) Net income: ¥7.8 billion

- Net income decreased by ¥11.0 billion year-on-year, mainly due to a decrease in ordinary profit.

(6) Actual credit costs: ¥16.0 billion

- Net credit costs increased by ¥6.7 billion year-on-year, mainly due to a decrease in disposal of non-performing loans (¥0.6 billion) and an increase in provision for general allowance for loan losses (¥7.3 billion).
- Actual credit costs, calculated as net credit costs (¥20.9 billion) minus the amount of recoveries of written-off claims (¥4.9 billion) amounted to ¥16.0 billion.

2. Major accounts (Non-consolidated)

(1) Loans and bills discounted

- Loans and bills discounted decreased by ¥172.3 billion, or 7.4% year-on-year.
- Consumer loans decreased by ¥236.9 billion, or 11.4% year-on-year.
- Yield on loans and bills discounted dropped by 10 basis point year-on-year to 3.02%.

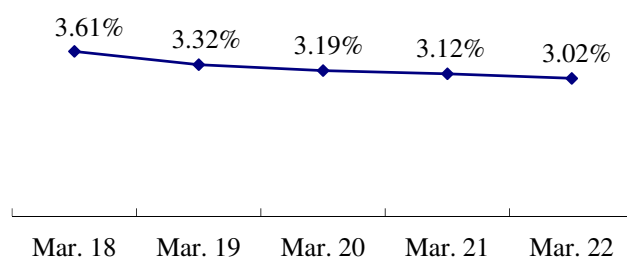
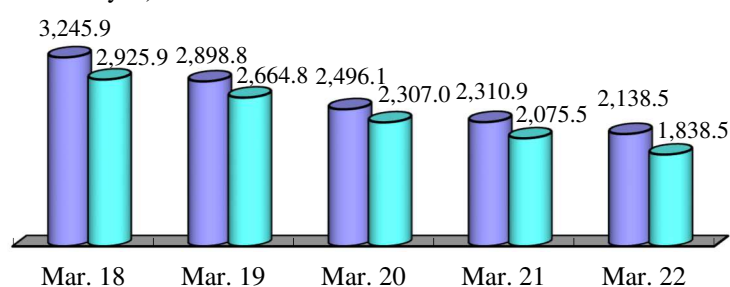
	Mar. 31, 2022 (a)	(a) – (b)	(Billions of yen) Mar. 31, 2021 (b)
Loans and bills discounted (period-end balance)	2,138.5	(172.3)	2,310.9
Consumer loans	1,838.5	(236.9)	2,075.5
Asset management company loans for property investment	33.5	18.4	15.1
Structured finance	68.9	35.4	33.5
Loans and bills discounted (average balance)	2,244.3	(170.3)	2,414.7

	Mar. 31, 2022 (a)	(a) – (b)	(Billions of yen) Mar. 31, 2021 (b)
New consumer loans	35.5	12.9	22.6
New asset management company loans for property investment	19.0	4.1	14.9
Subtotal	54.5	17.0	37.5
New structured finance	49.2	18.9	30.3
Total	103.8	35.9	67.9
New monetary claims bought	59.9	59.9	-
Grand total	163.8	95.9	67.9

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

- ◆ Yield on loans and bills discounted

(Billions of yen)



Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Mar. 31, 2022			Dec. 31, 2021		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,693.1	3.09%	7.18%	1,787.4	3.05%	9.04%
Housing loans	457.6	2.79%	0.31%	466.2	2.80%	0.33%
Studio apartment loans	142.3	3.37%	2.64%	147.9	3.38%	2.14%
Single building apartment loans	1,017.7	3.21%	8.96%	1,036.0	3.23%	7.16%
Share house loans	41.8	1.39%	61.91%	103.0	1.40%	81.72%
Other secured loans	33.4	4.57%	0.38%	33.9	4.62%	0.23%
Unsecured loans	145.4	10.40%	2.44%	150.3	10.38%	2.32%
Card loans	98.0	11.77%	0.89%	100.7	11.76%	0.86%
Unsecured certificate loans	47.4	7.57%	5.64%	49.6	7.58%	5.29%
Consumer loans (A)	1,838.5	3.67%	6.81%	1,937.7	3.62%	8.53%
Consumer loans (excluding share house-related loans)	1,784.9	-	5.37%	1,807.7	-	4.11%
Asset management company loans for property investment (B)	33.5	1.81%	-	27.6	1.84%	-
Structured finance (C)	68.9	2.27%	-	58.8	2.25%	-
Monetary claims bought (D)	59.7	1.89%	-	29.9	1.96%	-
Total (A) + (B) + (C) + (D)	2,000.8	3.54%	6.26%	2,054.2	3.53%	8.05%

(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 original claims before securitization.

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, 2019	250.3	86.5	51.0	88.0	225.6	24.6
Mar. 31, 2020	192.1	45.9	28.9	100.7	175.5	16.5
Mar. 31, 2021	135.7	53.3	31.5	40.1	124.9	10.7
Mar. 31, 2022	53.6	30.7	6.5	9.1	46.4	7.2

(Billions of yen)

	Total		Collateral or guarantees, etc.	Unsecured portion	Allowance	Coverage ratio (B + D) / A
	A	Share house claims				
Mar. 31, 2019	250.3	201.9	91.4	158.8	139.3	92.20%
Mar. 31, 2020	192.1	154.7	72.7	119.3	102.5	91.29%
Mar. 31, 2021	135.7	107.2	52.5	83.1	76.7	95.24%
Mar. 31, 2022	53.6	41.9	26.2	27.4	25.7	96.87%

(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, 2022	
	Actual credit costs	Allowance
Share house-related loans	(20.2)	25.7
Investment property loans	36.1	91.9
Housing loans	(0.7)	3.1
Unsecured loans	0.0	3.4
Monetary claims bought	0.2	0.2
Business financing loans, etc.	0.5	8.6
Total	16.0	133.1

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

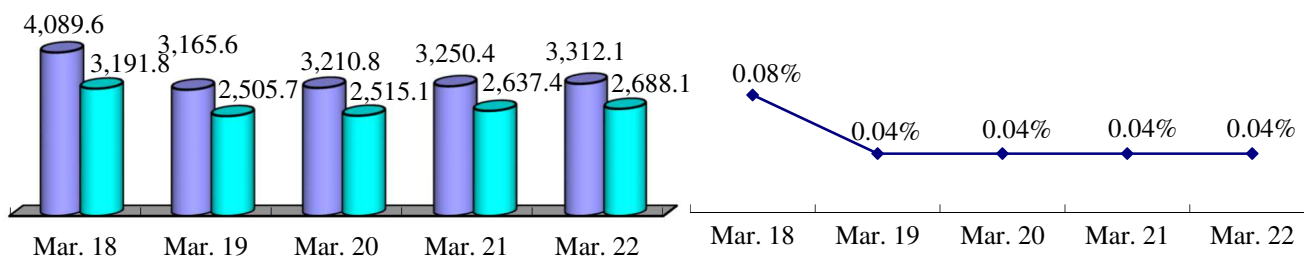
(2) Deposits

- Deposits increased by ¥61.6 billion, or 1.8% year-on-year.
- Individual deposits increased by ¥50.7 billion, or 1.9% year-on-year.
- Yield on deposits was 0.04%.

	Mar. 31, 2022 (a)	(a) - (b)	Mar. 31, 2021 (b)
Deposits (period-end balance)	3,312.1	61.6	3,250.4
Individual deposits	2,688.1	50.7	2,637.4
Deposits (average balance)	3,291.5	97.0	3,194.4

■ Deposits (period-end balance)
 ■ Individual deposits (period-end balance)
 —◆— Yield on deposits

(Billions of yen)

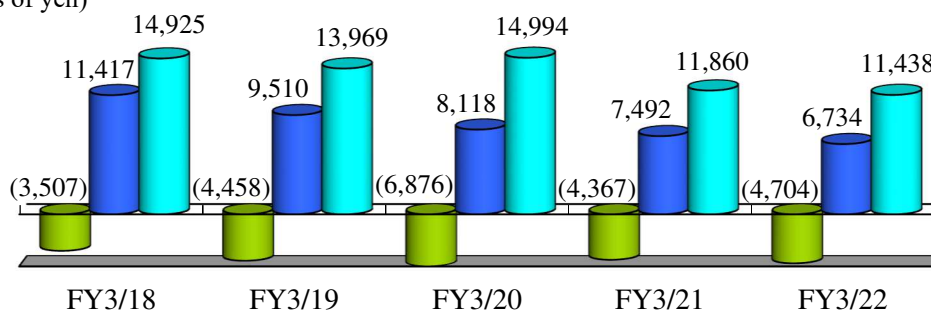


(3) Net fees and commissions

- Net fees and commissions decreased by ¥0.3 billion year-on-year, mainly due to a decrease (¥0.7billion) in fees and commissions, a decrease (¥0.4billion) in fees and commissions payments.

■ Net fees and commissions
 ■ Fees and commissions
 ■ Fees and commissions payments

(Millions of yen)



(4) Individual deposit assets

- Individual deposit assets increased by ¥ 45.8billion year-on-year.
- The ratio of investment products to total individual deposit assets declined by 30 basis points year-on-year to 3.7%

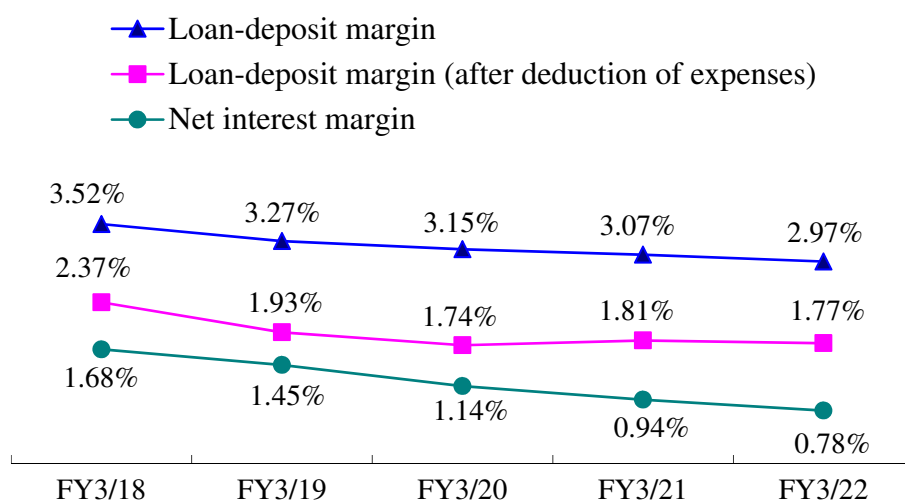
	Mar. 31, 2022 (a)	(a) - (b)	Mar. 31, 2021 (b)	(Millions of yen) Sep. 30, 2021 (c)
Individual deposit assets	2,789,587	45,837	2,743,750	2,769,394
Yen deposits	2,684,636	51,255	2,633,381	2,662,160
Investment products	104,951	(5,418)	110,369	107,233
Foreign currency deposits	3,516	(595)	4,111	3,906
Public bonds	4,356	(1,679)	6,035	5,132
Mutual funds	68,475	425	68,050	67,920
Personal pension plans	14,656	(3,437)	18,093	16,565
Single premium life insurance	13,945	(133)	14,078	13,708
The ratio of investment products to total individual deposit assets	3.7%	(0.3%)	4.0%	3.8%

3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin (after deduction of expenses) shrunk by 4 basis points year-on-year to 1.77%.
- Net interest margin shrunk by 16 basis points year-on-year to 0.78%.

	FY3/2022 (a)	(a) - (b)	FY3/2021 (b)
Loan-deposit margin	2.97	(0.10)	3.07
Loan-deposit margin (after deduction of expenses)	1.77	(0.04)	1.81
Net interest margin	0.78	(0.16)	0.94



4. Own capital

•Capital adequacy ratio (Non-consolidated) rose by 22 basis points year-on-year to 12.35 %.

Non-consolidated

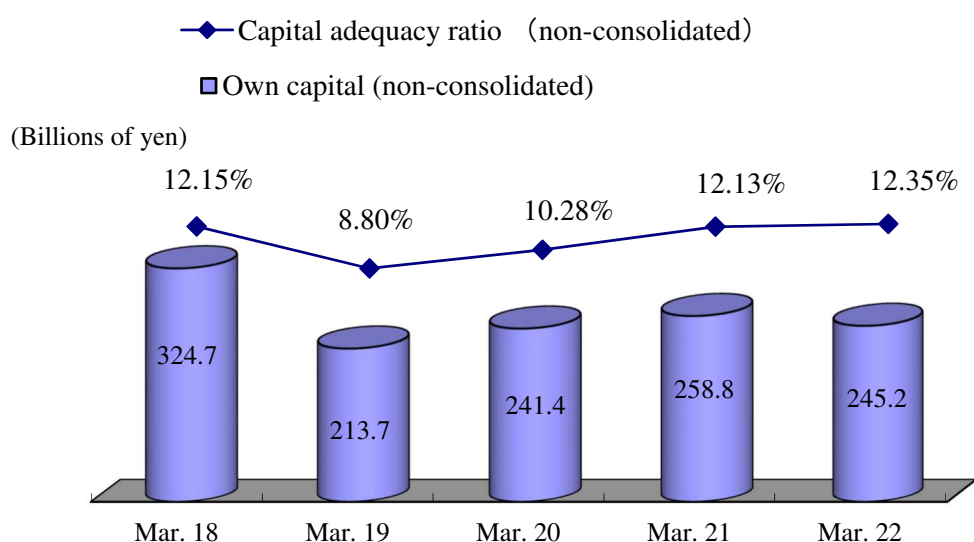
(Millions of yen)

	Mar. 31, 2022	Mar. 31, 2021
Capital adequacy ratio	12.35%	12.13%
Own capital (Core capital)	245,238	258,806
Core capital: instruments and reserves	268,795	281,357
Core capital: regulatory adjustments (-)	23,557	22,550
Risk-weighted assets	1,984,271	2,133,374
Total required capital	76,858	82,258

Consolidated

(Millions of yen)

	Mar. 31, 2022	Mar. 31, 2021
Capital adequacy ratio	12.68%	12.39%
Own capital (Core capital)	256,800	269,590
Core capital: instruments and reserves	284,838	300,308
Core capital: regulatory adjustments (-)	28,038	30,717
Risk-weighted assets	2,024,556	2,175,140
Total required capital	78,470	83,929



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

• Net unrealized gains on securities decreased by ¥11.0 billion year-on-year.

(Millions of yen)

	Mar. 31, 2022 (a)	(a) – (b)	Mar. 31, 2021 (b)
Available-for-sale securities	△1,482	△11,000	9,518
Stocks	7,587	△1,059	8,646
Bonds	△353	△677	324
Others	△8,715	△9,261	546

6. Earnings forecast for the fiscal year ending March 31, 2023

Consolidated

(Billions of yen)

	FY3/2023 (forecast)	
	First half	Full year
Ordinary income	42.5	84.0
Ordinary profit	3.0	8.0
Profit attributable to owners of parent	2.5	7.0

Non-consolidated

(Billions of yen)

	FY3/2023 (forecast)	
	First half	Full year
Ordinary income	38.5	76.0
Core net operating profit	10.5	21.0
Net operating profit	9.0	19.0
Ordinary profit	3.0	7.5
Net income	2.5	6.5
Actual credit costs	7.5	13.5

(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 ¥ 54.1 billion year-on-year.
Non-performing loan ratio declined by 139 basis points year-on-year to 12.63 %.

Outstanding balance

(Millions of yen, %)

	Mar. 31, 2022 (a)	Mar. 31, 2022		Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
		(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors	134,167	20,771	33,734	113,396	100,433
Claims with collection risk	65,861	(61,007)	(25,392)	126,868	91,253
Claims for special attention	71,851	(14,848)	(62,511)	86,699	134,362
Total (A)	271,880	(55,084)	(54,168)	326,964	326,048
Total claims (B)	2,151,366	(111,819)	(173,687)	2,263,185	2,325,053
Non-performing loan ratio (A/B)	12.63	(1.81)	(1.39)	14.44	14.02

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, 2021
Non-performing loans (A)		134,167	65,861	71,851	271,880	(54,168)
Covered amount (C+D) (B)		134,167	42,379	38,653	215,200	(17,746)
Portion secured by collateral or guarantees, etc. (C)		53,859	28,532	21,919	104,311	(3,901)
Allowance for loan losses (D)		80,307	13,846	16,733	110,888	(13,846)
Coverage ratio (B/A)		100.00	64.34	53.79	79.15	7.71
Unsecured portion (A-C) (E)		80,307	37,329	49,931	167,568	(50,268)
Allowance ratio for unsecured portion (D/E)		100.00	37.09	33.51	66.17	8.91

(Reference) As of Mar. 31, 2021

Unsecured portion	62,264	56,481	99,091	217,836
Allowance ratio for unsecured portion	100.00	55.58	31.36	57.26

(2) Risk-monitored loans

(Millions of yen, %)

	Mar. 31, 2022 (a)	Mar. 31, 2022		Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
		(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors	134,167	20,771	33,734	113,396	100,433
Claims with collection risk	65,861	(61,007)	(25,392)	126,868	91,253
Loans past due 3 months or more	3,751	313	(1,007)	3,438	4,758
Restructured loans	68,100	(15,161)	(61,503)	83,261	129,603
Total	271,880	(55,084)	(54,168)	326,964	326,048
Coverage ratio	79.15	3.52	7.71	75.63	71.44

(Note) Risk-monitored loans are displayed in Enforcement Regulations of the Banking Act of after revision, including those for past year.

8. Credit costs (Non-consolidated)

(Millions of yen, %)

	FY3/2022		FY3/2021 (b)
	(a)	(a) - (b)	
Provision for general allowance for loan losses (1)	(10,569)	7,364	(17,933)
Disposal of non-performing loans (2)	31,558	(621)	32,179
Write-off of loans	5,502	614	4,888
Provision for specific allowance for loan losses	24,793	1,689	23,104
Losses on sales of delinquent loans	1,258	(2,887)	4,145
Provision for allowance for contingent losses	4	(36)	40
Recoveries on written-off claims A	4,957	3,000	1,957
Net credit costs (3) (= (1) + (2))	20,989	6,743	14,246
Actual credit costs (3) - A	16,032	3,744	12,288
Loans and bills discounted (average balance)	2,244,398	(170,357)	2,414,755
Net credit costs ratio	0.93	0.35	0.58
Actual credit costs ratio	0.71	0.21	0.50

(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

•The Company's basic policy is to strive to increase internal reserves in order to further strengthen its management structure while simultaneously returning profits to its shareholders through the payment of stable dividends. Taking into comprehensive consideration future performance trends, internal reserves, and the business environment, the Company decided to increase the year-end dividend by 1 yen to 6 yen per share.

(yen)

	FY3/2022	FY3/2021 (result)
Annual dividend per share	6.00	5.00
Interim dividend	0.00	0.00
Year-end dividend	6.00	5.00

II. Financial data for the fiscal year ended March 31, 2022

1. Details of financial results (Non-consolidated)

(Millions of yen)

	FY3/2022 (a)	(a) - (b)	FY3/2021 (b)
Gross operating profit	65,302	(7,233)	72,535
(excluding gains (losses) on bonds)	(64,758	(6,720)	71,478)
Domestic gross operating profit	64,860	(7,485)	72,345
(excluding gains (losses) on bonds)	(64,316	(6,972)	71,288)
Net interest income	69,048	(6,633)	75,681
Net fees and commissions	(4,731)	(340)	(4,391)
Net other operating income	543	(513)	1,056
(of which, Gains (losses) on bonds)	(544	(513)	1,057)
International gross operating profit	442	253	189
(excluding gains (losses) on bonds)	(442	253	189)
Net interest income	368	243	125
Net fees and commissions	26	3	23
Net other operating income	46	6	40
(of which, Gains (losses) on bonds)	(-	-	-)
Expenses (excluding non-recurring losses)	39,722	(615)	40,337
Personnel expenses	14,224	(644)	14,868
Non-personnel expenses	22,522	(79)	22,601
Taxes	2,975	108	2,867
Actual net operating profit	25,580	(6,617)	32,197
Core net operating profit	25,036	(6,104)	31,140
Excluding gains (loss) on cancellation of investment trust	25,036	(6,104)	31,140
Provision for general allowance for loan losses (Note)	(10,569)	7,364	(17,933)
Net operating profit	36,149	(13,982)	50,131
Gains (losses) on bonds	544	(513)	1,057
Non-recurring gains (losses)	(26,055)	4,093	(30,148)
Recoveries on written-off claims	4,957	3,000	1,957
Gains (losses) on stocks	(22)	(91)	69
Ordinary profit	10,093	(9,889)	19,982
Extraordinary gains (losses)	(1,481)	(1,185)	(296)
Gains (losses) on disposal of non-current assets	(828)	(1,069)	241
Impairment loss	653	116	537
Income before income taxes	8,612	(11,074)	19,686
Income taxes-current	60	(12)	72
Income taxes-deferred	697	25	672
Total income taxes	757	13	744
Net income	7,854	(11,087)	18,941

(1)Provision for general allowance for loan losses (Note)	(10,569)	7,364	(17,933)
(2)Disposal of non-performing loans	31,558	(621)	32,179
Write-off of loans	5,502	614	4,888
Provision for specific allowance for loan losses (Note)	24,793	1,689	23,104
Losses on sales of delinquent loans	1,258	(2,887)	4,145
Provision for allowance for contingent losses	4	(36)	40
(3)Net credit costs (1)+(2)	20,989	6,743	14,246
(4)Recoveries on written-off claims	4,957	3,000	1,957
(5)Actual credit costs (3)-(4)	16,032	3,744	12,288

Details of financial results (Consolidated)

(Millions of yen)

	FY3/2022		FY3/2021 (b)
	(a)	(a) - (b)	
Consolidated gross profit	70,423	(9,144)	79,567
Net interest income	73,541	(8,058)	81,599
Net fees and commissions	(3,936)	(586)	(3,350)
Net other operating income	818	(500)	1,318
Expenses (excluding non-recurring losses)	42,660	(758)	43,418
Actual credit costs	17,886	4,547	13,339
Gains (losses) on stocks	(22)	(91)	69
Others	742	508	234
Ordinary profit	10,596	(12,517)	23,113
Extraordinary gains (losses)	(1,534)	(1,193)	(341)
Income before income taxes	9,061	(13,711)	22,772
Income taxes-current	161	(25)	186
Income taxes-deferred	943	(215)	1,158
Total income taxes	1,105	(239)	1,344
Profit attributable to non-controlling interests	(4)	2	(6)
Profit attributable to owners of parent	7,960	(13,473)	21,433

(1)Provision for general allowance for loan losses	(11,318)	8,269	(19,587)
(2)Disposal of non-performing loans	34,240	(857)	35,097
Write-off of loans	5,654	483	5,171
Provision for specific allowance for loan losses	25,568	2,768	22,800
Losses on sales of delinquent loans	3,012	(4,073)	7,085
Provision for allowance for contingent losses	4	(36)	40
(3)Net credit costs (1)+(2)	22,921	7,411	15,510
(4)Recoveries on written-off claims	5,035	2,865	2,170
(5)Actual credit costs (3)-(4)	17,886	4,547	13,339

(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	39,081	(16,656)	55,737
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(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	-	6
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2. Net operating profit (Non-consolidated)

(Millions of yen)

	FY3/2022		FY3/2021 (b)
	(a)	(a) - (b)	
Net operating profit	36,149	(13,982)	50,131
Per employee (Thousands of yen)	26,006	(8,638)	34,644

3. Interest margins (Non-consolidated)

Overall

(%)

	FY3/2022 (a)	(a) - (b)	FY3/2021 (b)
Return on investments (A)	2.03	(0.22)	2.25
Yield on loans and bills discounted	3.02	(0.10)	3.12
Yield on securities	0.51	(0.01)	0.52
Yield on interest bearing liabilities (B)	1.25	(0.06)	1.31
Yield on deposits	0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)	1.77	(0.04)	1.81
Net interest margin (A) - (B)	0.78	(0.16)	0.94

Domestic

(%)

	FY3/2022 (a)	(a) - (b)	FY3/2021 (b)
Return on investments (A)	2.02	(0.24)	2.26
Yield on loans and bills discounted	3.02	(0.11)	3.13
Yield on securities	0.49	(0.03)	0.52
Yield on interest bearing liabilities (B)	1.21	(0.06)	1.27
Yield on deposits	0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)	1.80	(0.05)	1.85
Net interest margin (A) - (B)	0.81	(0.17)	0.98

4. ROA and ROE (Non-consolidated)

(%)

		FY3/2022		FY3/2021
		(a)	(a) - (b)	(b)
ROA	Net operating profit basis	1.01	(0.43)	1.44
	Net income basis	0.22	(0.32)	0.54
ROE	Net operating profit basis	14.11	(6.83)	20.94
	Net income basis	3.06	(4.85)	7.91

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

(Millions of yen)

	FY3/2022 (a)	(a) - (b)	FY3/2021 (b)
Gains (losses) on bonds	544	(513)	1,057
Gains on sales	-	(604)	604
Gains on redemptions	616	(296)	912
Losses on sales	-	(150)	150
Losses on redemptions	72	(236)	308
Losses on devaluation	-	-	-
Gains (losses) on stocks	(22)	(91)	69
Gains on sales	5	(64)	69
Losses on sales	-	-	-
Losses on devaluation	27	27	0

6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Mar. 31, 2022		Mar. 31, 2021 (b)
	(a)	(a) - (b)	
Capital adequacy ratio	12.35%	0.22%	12.13%
Own capital (Core capital)	245,238	(13,568)	258,806
Core capital: instruments and reserves	268,795	(12,562)	281,357
Core capital: regulatory adjustments (-)	23,557	1,007	22,550
Risk-weighted assets	1,984,271	(149,103)	2,133,374
Total required capital	76,858	(5,400)	82,258

Consolidated

(Millions of yen)

	Mar. 31, 2022		Mar. 31, 2021 (b)
	(a)	(a) - (b)	
Capital adequacy ratio	12.68	0.29%	12.39%
Own capital (Core capital)	256,800	(12,790)	269,590
Core capital: instruments and reserves	284,838	(15,470)	300,308
Core capital: regulatory adjustments (-)	28,038	(2,679)	30,717
Risk-weighted assets	2,024,556	(150,584)	2,175,140
Total required capital	78,470	(5,459)	83,929

7. Composition of own capital (domestic standard)

(Millions of yen)

	Mar. 31, 2022	
	Non-consolidated	Consolidated
Core capital: instruments and reserves (1)		
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings	245,828	258,354
Capital and capital surplus	48,629	32,019
Retained earnings	216,461	245,595
Treasury shares (-)	(18,131)	(18,131)
Earnings to be distributed (-)	(1,129)	(1,129)
Accumulated other comprehensive income included in Core capital	-	3,324
Remeasurements of defined benefit plans	-	3,324
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	22,966	23,139
General allowance for loan losses	22,966	23,139
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	-	20
Core capital: instruments and reserves (A)	268,795	284,838
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	11,713	13,286
Goodwill (including those equivalent)	-	1,294
Other intangible fixed assets other than goodwill and mortgage servicing rights	11,713	11,991
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	34
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	10,990	-
Net defined benefit asset	-	14,315
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	852	401
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)	852	401
Amount exceeding the 15% threshold on specified items	-	-
Core capital: regulatory adjustments (B)	23,557	28,038
Total capital		
Total capital (A-B) (C)	245,238	256,800
Risk-weighted assets (3)		
Credit risk-weighted assets	1,837,438	1,851,254
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	146,832	173,301
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	1,984,271	2,024,556
Capital adequacy ratio (non-consolidated)		
Capital adequacy ratio (non-consolidated) (C/D)	12.35%	-
Capital adequacy ratio (consolidated)		
Capital adequacy ratio (consolidated) (C/D)	-	12.68%

III. Status of loans, etc.

Comparison of asset disclosure by standard

Non-consolidated (As of March 31, 2022)

Status of self-assessment, non-performing loans based on the financial Reconstruction Law and Risk-monitored loans.

(Millions of yen)

Self-assessment result (by obligor classification)					Non-performing loans based on the Financial Reconstruction Law and Risk-monitored loans			
* Includes total claims.					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).			
Category Credit balance	Classification				Category Credit balance	Collateral or guarantees, etc.	Allowance	Coverage ratio
	Non-classification	Classification II	Classification III	Classification IV				
Bankrupt obligors 1,047 [412]	424	623	-	- [412]	Claims against bankrupt and substantially bankrupt obligors 134,167	53,859	80,307	100.00%
Effectively bankrupt obligors 133,120 [79,894]	80,041	53,078	-	- [79,894]				
Potentially bankrupt obligors 65,861 [13,846]	18,477	23,901	23,482 [13,846]	-	Claims with collection risk 65,861	28,532	13,846	64.34%
Obligors requiring caution	Sub-standard obligors 90,500	207	90,293	-	Claims for special attention	21,919	16,733	53.79%
	Other obligors requiring caution 693,381	12,327	681,054	-				
Normal obligors 1,167,455	1,167,455	-	-	-	Subtotal 271,880	104,311	110,888	79.15%
Total 2,151,366 [94,154]	1,278,933	848,950	23,482 [13,846]	- [80,307]	Normal assets 1,879,486			
					Total 2,151,366			

(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, 2022 were as follows:

(a) Non-consolidated: ¥12,599 million; (b) Consolidated: ¥12,599 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, 2022			Sep. 30, 2021	Mar. 31, 2021
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Claims against bankrupt and substantially bankrupt obligors	134,167	20,771	33,734	113,396	100,433
	Claims with collection risk	65,861	(61,007)	(25,392)	126,868	91,253
	Loans past due 3 months or more	3,751	313	(1,007)	3,438	4,758
	Restructured loans	68,100	(15,161)	(61,503)	83,261	129,603
	Total	271,880	(55,084)	(54,168)	326,964	326,048

Loans and bills discounted (period-end balance)	2,151,366	(111,819)	(173,687)	2,263,185	2,325,053
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% to loans and bills discounted	Claims against bankrupt and substantially bankrupt obligors	6.23	1.22	1.92	5.01	4.31
	Claims with collection risk	3.06	(2.54)	(0.86)	5.60	3.92
	Loans past due 3 months or more	0.17	0.02	(0.03)	0.15	0.20
	Restructured loans	3.16	(0.51)	(2.41)	3.67	5.57
	Total	12.63	(1.81)	(1.39)	14.44	14.02

Consolidated

(Millions of yen, %)

		Mar. 31, 2022			Sep. 30, 2021	Mar. 31, 2021
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Claims against bankrupt and substantially bankrupt obligors	134,855	20,967	33,914	113,888	100,941
	Claims with collection risk	70,278	(60,927)	(25,215)	131,205	95,493
	Loans past due 3 months or more	3,751	313	(1,007)	3,438	4,758
	Restructured loans	68,100	(15,161)	(61,503)	83,261	129,603
	Total	276,985	(54,809)	(53,812)	331,794	330,797

Loans and bills discounted (period-end balance)	2,169,537	(111,383)	(173,083)	2,280,920	2,342,620
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% to loans and bills discounted	Claims against bankrupt and substantially bankrupt obligors	6.21	1.22	1.91	4.99	4.30
	Claims with collection risk	3.23	(2.52)	(0.84)	5.75	4.07
	Loans past due 3 months or more	0.17	0.02	(0.03)	0.15	0.20
	Restructured loans	3.13	(0.52)	(2.40)	3.65	5.53
	Total	12.76	(1.78)	(1.36)	14.54	14.12

2. Allowance ratio for risk-monitored loans

Non-Consolidated

(Millions of yen, %)

	Mar. 31, 2022 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
Risk-monitored loans (A)	271,880	(55,084)	(54,168)	326,964	326,048
Collateral or guarantees, etc. (B)	104,311	(29,153)	(3,901)	133,464	108,212
Allowance for loan losses (C)	110,888	(2,961)	(13,846)	113,849	124,734
Allowance ratio (C/A)	40.78	5.96	2.53	34.82	38.25
Coverage ratio (B+C)/(A)	79.15	3.52	7.71	75.63	71.44

Consolidated

(Millions of yen, %)

	Mar. 31, 2022 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
Risk-monitored loans (A)	276,985	(54,809)	(53,812)	331,794	330,797
Collateral or guarantees, etc. (B)	103,440	(29,312)	(4,137)	132,752	107,577
Allowance for loan losses (C)	114,698	(2,601)	(13,460)	117,299	128,158
Allowance ratio (C/A)	41.40	6.05	2.66	35.35	38.74
Coverage ratio (B+C)/(A)	78.75	3.39	7.49	75.36	71.26

3. Allowance for loan losses

Non-consolidated

(Millions of yen)

	Mar. 31, 2022 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
Allowance for loan losses	133,124	(2,990)	(18,707)	136,114	151,831
General allowance for loan losses	38,969	(601)	(19,204)	39,570	58,173
Specific allowance for loan losses	94,154	(2,389)	497	96,543	93,657

Consolidated

(Millions of yen)

	Mar. 31, 2022 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
Allowance for loan losses	138,917	(2,884)	(19,094)	141,801	158,011
General allowance for loan losses	40,953	(855)	(19,953)	41,808	60,906
Specific allowance for loan losses	97,964	(2,029)	859	99,993	97,105

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

Non-consolidated

(Millions of yen)

	Mar. 31, 2022 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
Claims against bankrupt and substantially bankrupt obligors	134,167	20,771	33,734	113,396	100,433
Claims with collection risk	65,861	(61,007)	(25,392)	126,868	91,253
Claims for special attention	71,851	(14,848)	(62,511)	86,699	134,362
Total (A)	271,880	(55,084)	(54,168)	326,964	326,048

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

Non-consolidated

(Millions of yen, %)

	Mar. 31, 2022 (a)	(a) - (b)	(a) - (c)	Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
Total coverage (B)	215,200	(32,114)	(17,746)	247,314	232,946
Allowance for loan losses	110,888	(2,961)	(13,846)	113,849	124,734
Collateral or guarantees, etc.	104,311	(29,153)	(3,901)	133,464	108,212
Coverage ratio (B/A)	79.15	3.52	7.71	75.63	71.44

6. Loan breakdown by industry, etc.

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

(Millions of yen)

	Mar. 31, 2022			Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding Japan offshore banking accounts)	2,138,587	(111,108)	(172,395)	2,249,695	2,310,982
Manufacturing	35,016	318	(7,183)	34,698	42,199
Agriculture and forestry	4,043	(87)	(167)	4,130	4,210
Fishery	59	(12)	51	71	8
Mining, quarrying and gravel	200	0	(63)	200	263
Construction	14,010	1,506	1,728	12,504	12,282
Utilities	238	23	113	215	125
Information and communication	1,838	264	264	1,574	1,574
Transportation and postal service	12,883	79	169	12,804	12,714
Wholesale and retail trade	32,151	2,080	2,691	30,071	29,460
Finance and insurance	14,461	(9,366)	385	23,827	14,076
Real estate, goods rental and leasing	107,629	25,034	43,379	82,595	64,250
Services	51,211	5,263	13,852	45,948	37,359
Government and municipal government	20,515	7,381	11,266	13,134	9,249
Others	1,844,322	(143,590)	(238,880)	1,987,912	2,083,202

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

(Millions of yen)

	Mar. 31, 2022			Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding Japan offshore banking accounts)	271,880	(55,084)	(54,168)	326,964	326,048
Manufacturing	9,516	(679)	(295)	10,195	9,811
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel	-	-	-	-	-
Construction	653	(42)	(166)	695	819
Utilities	4	0	0	4	4
Information and communication	116	(2)	(4)	118	120
Transportation and postal service	199	(7)	195	206	4
Wholesale and retail trade	6,030	3	124	6,027	5,906
Finance and insurance	-	-	-	-	-
Real estate, goods rental and leasing	109	(1)	0	110	109
Services	699	(150)	25	849	674
Government and municipal government	-	-	-	-	-
Others (Note)	254,551	(54,205)	(54,047)	308,756	308,598

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

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Mar. 31, 2022			Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	1,838,569	(141,840)	(236,931)	1,980,409	2,075,500
Secured loans	1,693,106	(130,498)	(212,378)	1,823,604	1,905,484
Housing loans	457,665	(17,437)	(40,317)	475,102	497,982
Unsecured loans	145,463	(11,342)	(24,552)	156,805	170,015
Asset management company loans for property investment	33,597	11,397	18,492	22,200	15,105
Structured finance	68,968	18,076	35,413	50,892	33,555
Total	1,941,134	(112,368)	(183,026)	2,053,502	2,124,160

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

(%)

	Mar. 31, 2022			Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
The ratio of loans to small- and medium-sized enterprises, etc.	96.43	(0.09)	(0.59)	96.52	97.02

(Note) "Loans to small- and medium-sized enterprises" includes consumer loans which comprise 85.97% 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, 2022			Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
		(a)	(a) - (b)	(a) - (c)		
Deposits	period-end balance	3,312,181	22,843	61,698	3,289,338	3,250,483
	average balance	3,291,572	6,899	97,084	3,284,673	3,194,488
Loans	period-end balance	2,138,587	(111,108)	(172,395)	2,249,695	2,310,982
	average balance	2,244,398	(33,470)	(170,357)	2,277,868	2,414,755

9. Number of branches (Non-consolidated)

(Branches)

	Mar. 31, 2022			Sep. 30, 2021 (b)	Mar. 31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Number of branches	118	(3)	(5)	121	123

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Mar. 31, 2022				Sep. 30, 2021				Mar. 31, 2021			
	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	454,234	(1,482)	9,332	10,814	400,818	10,987	11,770	783	258,452	9,518	10,481	963
Stocks	15,862	7,587	7,901	314	17,023	8,747	9,087	339	16,922	8,646	8,840	193
Bonds	143,556	(353)	140	494	140,088	434	474	39	119,092	324	402	78
Others	294,816	(8,715)	1,290	10,005	243,706	1,805	2,208	403	122,437	546	1,238	691

(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, 2022				Sep. 30, 2021				Mar. 31, 2021			
	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	457,899	1,961	12,775	10,814	404,388	14,337	15,120	783	261,833	12,679	13,643	963
Stocks	16,605	8,233	8,548	314	17,910	9,538	9,878	339	17,781	9,409	9,603	193
Bonds	143,556	(353)	140	494	140,088	434	474	39	119,092	324	402	78
Others	297,737	(5,918)	4,087	10,005	246,389	4,364	4,767	403	124,959	2,945	3,636	691

(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)

	FY3/2022	FY3/2021
Service cost	470	494
Interest cost	101	103
Expected returns on plan assets	(1,034)	(800)
Amortization of unrecognized net actuarial gains (losses)	(1,589)	(96)
Others (non-recurring extra retirement payments, etc.) (Note1)	218	216
Retirement benefit expenses	(1,833)	(81)

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

Consolidated

(Millions of yen)

	FY3/2022	FY3/2021
Service cost (Note1)	505	522
Interest cost	101	103
Expected returns on plan assets	(1,034)	(800)
Amortization of unrecognized net actuarial gains (losses)	(1,589)	(96)
Others (non-recurring extra retirement payments, etc.) (Note2)	240	233
Retirement benefit expenses	(1,775)	(37)

(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.