

Summary of the Financial Statements for FY2020

May 13, 2021

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304		
Representative	Kei Tanikawa, President and CEO		
Contact person	Naoko Okamoto, Joint General Manager of Financial Control Division		
Date of ordinary shareholders' meeting	June. 24, 2021	URL	https://www.aozorabank.co.jp/
Dividend payable date	June. 25, 2021	TEL	(03)6752-1111
Scheduled filing date of securities report	June. 25, 2021	Trading accounts	Affirmative
Reference material	Affirmative		
Investor meeting	Affirmative		

(Unit: JPY millions, rounded down)

1. Business highlights for the fiscal year ended March 31, 2021 (FY2020)

(1) Consolidated business results

(Note: Percentages show year-on-year rates of change)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%
FY2020	155,755	(15.5)	38,982	(10.0)	28,972	3.0
FY2019	184,406	15.2	43,330	(9.3)	28,142	(22.1)

(Note) Comprehensive income JPY 79,781 million –% (FY2020) JPY (6,437) million –% (FY2019)

	Net income per common share (basic)	Net income per common share (diluted)	ROE	Ordinary profit per total assets	Ordinary profit per ordinary income
	Yen	Yen	%	%	%
FY2020	248.27	247.90	6.3	0.7	25.0
FY2019	241.18	240.92	6.4	0.8	23.5

(Ref.) Gains (losses) on equity method investments JPY 1,111 million (FY2020) None (FY2019)

(2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Million Yen	Million Yen	%	Yen
Mar. 31, 2021	5,916,866	490,006	8.4	4,233.53
Mar. 31, 2020	5,299,815	424,758	8.1	3,659.84

(Ref.) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 494,065 million (March 31, 2021)

JPY 427,048 million (March 31, 2020)

(Note) Net assets to total assets ratio = (Total net assets – Share acquisition rights – Non-controlling interests) / Total assets

(Note) The above Net assets to total assets ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency.

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalent at the end of the period
	Million Yen	Million Yen	Million Yen	Million Yen
FY2020	728,732	(223,529)	(14,882)	847,732
FY2019	(286,284)	121,823	(17,871)	357,411

2. Dividend

	Annual dividend					Total dividends (Annual)	Dividend ratio (Consolidated)	Dividends to net assets ratio (Consolidated)
	1Q end	2Q end	3Q end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY2019(common share)	39.00	39.00	39.00	39.00	156.00	18,202	64.7	4.2
FY2020(common share)	30.00	30.00	30.00	34.00	124.00	14,470	49.9	3.1
FY2021(common share) (Forecast)	–	–	–	–	128.00	–	49.8	–

(Note) Regarding the dividend for the next fiscal year, please refer to "FY2020 Financial Results Overview" announced on May 13.

3. Consolidated earnings forecast for the year ending March 31, 2022 (FY2021)

(Note: Percentages show year-on-year rates of change)

	Ordinary profit		Profit attributable to owners of parent		Net income per common share
	Million Yen	%	Million Yen	%	Yen
FY2021 (Full Year)	42,500	9.0	30,000	3.5	257.06

* Notes

- (1) Changes in material subsidiaries during the term (changes in specified subsidiaries which affect the scope of consolidation) None
- (2) Changes in accounting policy, accounting estimates, or retrospective restatements
 - (a) Changes with revisions of accounting standards None
 - (b) Changes other than (a) above None
 - (c) Changes in accounting estimates None
 - (d) Retrospective restatements None

(3) The number of common shares issued

	Mar. 31, 2021	Mar. 31, 2020
(a) The number of common shares issued (including treasury shares)	118,289,418	118,289,418
(b) The number of treasury shares	1,586,557	1,604,619

	FY2020	FY2019
(c) The average number of common shares outstanding	116,698,363	116,681,983

(Summary of non-consolidated financial statements)

1. Business highlights for the fiscal year ended March 31, 2021 (FY2020)

(1) Business results

(Note: Percentages show year-on-year rates of change)

	Ordinary income		Ordinary profit		Profit	
	Million Yen	%	Million Yen	%	Million Yen	%
FY2020	149,454	(15.5)	41,473	(8.5)	29,526	3.0
FY2019	176,858	12.8	45,342	(11.7)	28,669	(24.6)

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
FY2020	253.01	252.65
FY2019	245.70	245.43

(2) Financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Million Yen	Million Yen	%	Yen
Mar. 31, 2021	5,735,238	489,440	8.5	4,189.77
Mar. 31, 2020	5,212,668	424,309	8.1	3,632.56

(Ref.) Total net assets (less Share acquisition rights): JPY 488,958 million (March 31, 2021) JPY 423,865 million (March 31, 2020)

(Note) Net assets to total assets ratio = (Total net assets - Share acquisition rights) / Total assets

(Note) The above Net assets to total assets ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency.

2. Non-consolidated earnings forecast for the year ending March 31, 2022 (FY2021)

(Note: Percentages show year-on-year rates of change)

	Ordinary profit		Profit		Net income per common share
	Million Yen	%	Million Yen	%	Yen
FY2021 (Full Year)	42,000	1.3	29,000	(1.8)	248.49

* Summary of financial statements is out of scope of audit (by CPAs or audit firms).

* Notes and remarks for the proper use of earnings projection

The above earnings forecast involves certain risks and uncertainties since the calculations are based on management's assumptions and beliefs in light of information currently available. This should not be interpreted as a promise or guarantee that the forecast will be achieved. Please be aware that actual results may be materially different from the forecast presented herein due to various factors.

[Attachment]

1. Overview of operating results	2
(1) Overview of operating results for FY2020	2
(2) Overview of financial condition for FY2020	3
(3) Policy for appropriation of earnings and dividend for the year	4
2. Basic view on selection of Accounting Standards	5
3. Consolidated financial statements and main notes	6
(1) Consolidated balance sheet	6
(2) Consolidated statement of income and Consolidated statement of comprehensive income	8
Consolidated statement of income	8
Consolidated statement of comprehensive income	9
(3) Consolidated statement of changes in net assets	10
(4) Consolidated statement of cash flows	12
(5) Notes to consolidated financial statements	14
(Information on going concern assumption)	14
(Segment information)	14
(Per share information)	18
(Material subsequent event)	18
4. Non-consolidated financial statements	19
(1) Non-consolidated balance sheet	19
(2) Non-consolidated statement of income	21
(3) Non-consolidated statement of changes in net assets	23
(4) Notes to non-consolidated financial statements	25
(Information on going concern assumption)	25

1. Overview of operating results

(1) Overview of operating results for FY2020

① Consolidated results of operations

(JPY 100 million)

	FY2019	FY2020	Change
Net revenue ※1	957	965	8
Net interest income	487	500	12
Net fees and commissions	126	124	(1)
Net gain on trading account transactions	180	134	(46)
Gains(losses) on bond transactions	145	81	(64)
Net other ordinary income excluding gains(losses) on bond transactions	16	124	108
General and administrative expenses	(533)	(549)	(15)
Gains (losses) on equity method investments	-	11	11
Business profit ※2	423	426	3
Credit-related expenses	(117)	(43)	73
Gains(losses) on stock transactions	116	23	(92)
Other	10	(17)	(28)
Ordinary profit	433	389	(43)
Extraordinary profit(loss)	(0)	(0)	(0)
Profit before income taxes	433	389	(43)
Total income taxes	(177)	(122)	55
Profit	255	267	11
Loss attributable to non-controlling interests	25	22	(3)
Profit attributable to owners of parent	281	289	8

※1 Net revenue = (Interest income—Interest expenses)

+ (Trust fees + Fees and commissions — Fees and commissions payments) +
 (Gain on trading account transactions - Loss on trading account transactions) + (Other ordinary income—Other ordinary expenses)

※2 Business profit = Net revenue—General and administrative expenses

+ Gains (losses) on equity method investments

※3 Regardless of nature of accounts, income or profits are shown as positive and expenses or losses are shown as negative amount on the table above.

Aozora reported net revenue of 96.5 billion yen, an increase of 0.8 billion yen year on year, and business profit was 42.6 billion yen, an increase of 0.3 billion yen. Profit attributable to owners of parent was 28.9 billion yen, an increase of 0.8 billion yen.

Net interest income was 50.0 billion yen, an increase of 1.2 billion yen year on year mainly due to

an increase of lending margins (yield on loans – yield on funding) compared to the previous year.

Non-interest income was 46.4 billion yen, approximately the same level as the previous year, reflecting positive results generated from customer-based transactions after the second quarter (July-Sept.) despite lower results during the first quarter (Apr.-June) due to the impact of the COVID-19 pandemic.

General and administrative expenses were 54.9 billion yen, an increase of 1.5 billion yen. This was mainly due to incremental expenses associated with our system investment cost and the commencement of operations at Aozora's New York-based U. S. subsidiary.

Gains/losses on equity method investments were a net gain of 1.1 billion yen.

Consolidated business profit was 42.6 billion yen, an increase of 0.3 billion yen.

Credit-related expenses were a net expense of 4.3 billion yen. Gains/losses on stock transactions were a gain of 2.3 billion yen. Ordinary profit was 38.9 billion yen, a decrease of 4.3 billion yen.

Total income taxes (corporation tax, resident tax, business tax and deferred income taxes) were a net expense of 12.2 billion yen.

As a result of the above factors, profit attributable to owners of parent was 28.9 billion yen, an increase of 0.8 billion yen year on year. Net income per share (basic) was 248.27 yen, as compared to 241.18 yen per share (basic) in FY2019.

The Bank has classified its Group's business operations into business groups based upon the nature of the customers served and products offered: Retail Banking Group ('RBG'), Institutional Banking Group ('IBG'), Allied Banking Group ('ABG'), Specialty Finance Group ('SFG'), International Finance Group ('IFG'), and Financial Markets Group ('FMG'). The Bank has designated these business groups as operating segments and reportable segments for the purpose of the disclosures contained herein.

Profit/loss by segment for FY2020, which is calculated as net revenue minus general and administrative expenses plus gains/losses on equity method investments by each segment, was: a loss of 2.1 billion yen (a profit of 1.6 billion yen in FY2019) for RBG; a profit of 10.7 billion yen (10.3 billion yen) for IBG; a profit of 2.8 billion yen (3.5 billion yen) for ABG; a profit of 11.2 billion yen (10.1 billion yen) for SFG; a profit of 4.1 billion yen (6.0 billion yen) for IFG; and a profit of 22.5 billion yen (14.5 billion yen) for FMG.

② Outlook for the next term

The consolidated earnings forecast for the year ending March 2022 is 97.0 billion yen for net revenue, 42.5 billion yen for business profit, 42.5 billion yen for ordinary profit and 30.0 billion yen for profit attributable to owners of parent.

(2) Overview of financial condition for FY2020

① Assets, liabilities, and net assets

Total assets were 5,916.8 billion yen as of March 31, 2021, an increase of 617.0 billion yen,

compared to March 31, 2020. Loans were 2,948.8 billion yen, a decrease of 5.3 billion yen from March 31, 2020. Domestic loans increased 65.5 billion yen, while overseas loans decreased 70.8 billion yen. Securities increased by 319.6 billion yen from March 31, 2020, to 1,393.3 billion yen.

Total liabilities were 5,426.8 billion yen, an increase of 551.8 billion yen compared to March 31, 2020. Total core funding (deposits, negotiable certificates of deposit, debentures and bonds) was 4,210.8 billion yen, an increase of 554.0 billion yen from March 31, 2020.

Net assets were 490.0 billion yen, an increase of 65.2 billion yen from March 31, 2020. Net assets per common share were 4,233.53 yen, as compared to 3,659.84 yen per common share as of March 31, 2020.

② Cash flow

Cash flow from operating activities was a positive 728.7 billion yen mainly due to an increase in deposits. From investing activities, cash flow was a negative 223.5 billion yen mainly as a result of expenditures for the acquisition of securities exceeding income from the sale and redemption of securities. Cash flow from financing activities was a negative 14.8 billion yen mainly due to dividend payments. As a result, cash and cash equivalents as of March 31, 2021 were 847.7 billion yen, an increase of 490.3 billion yen compared to the previous fiscal year end.

(3) Policy for appropriation of earnings and dividend for the year

The Bank's policy is to provide returns to our shareholders primarily in the form of cash dividends based on our earnings results with a target dividend payout ratio of 50%. Aozora intends to continue quarterly dividend payments.

For this fiscal year, the Bank will pay a cash dividend of 34.00 yen for the fourth quarter (124.00 yen for the entire year) per common share.

Regarding the dividend for the next fiscal year, please refer to "FY2020 Financial Results Overview" announced on May 13.

(Note) Figures are rounded down to the nearest unit specified.

2. Basic view on selection of Accounting Standards

The Bank's consolidated financial statements are prepared in accordance with accounting principals generally accepted in Japan ("J GAAP"), in order to ensure the comparability with other domestic banks.

In terms of the application of IFRS, the Bank will take appropriate actions in consideration of the Group's business operations, based on internal and external situations, etc.

3. Consolidated financial statements and main notes
 (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Cash and due from banks	464,275	950,109
Call loans and bills bought	—	41,000
Securities purchased under resale agreements	71,011	—
Monetary claims bought	66,778	74,506
Trading account assets	259,378	154,616
Money held in trust	27,213	33,521
Securities	1,073,670	1,393,357
Loans and bills discounted	2,954,122	2,948,808
Foreign exchanges	67,168	58,154
Other assets	276,592	232,409
Tangible fixed assets	23,698	23,311
Buildings, net	11,670	11,251
Land	9,235	9,235
Leased assets, net	942	709
Construction in progress	26	0
Other tangible fixed assets	1,824	2,114
Intangible fixed assets	19,210	20,133
Software	19,143	20,065
Other intangible fixed assets	67	67
Retirement benefit asset	2,507	5,740
Deferred tax assets	26,960	16,984
Customers' liabilities for acceptances and guarantees	21,426	15,773
Allowance for loan losses	(53,799)	(50,886)
Allowance for investment loss	(399)	(674)
Total assets	5,299,815	5,916,866
Liabilities		
Deposits	3,349,659	3,978,506
Negotiable certificates of deposit	47,240	34,000
Debentures	44,660	—
Call money and bills sold	38,728	15,536
Securities sold under repurchase agreements	27,758	56,750
Cash collateral received for securities lent	281,325	431,673
Trading account liabilities	211,223	140,451
Borrowed money	427,610	349,767
Bonds payable	215,275	198,365
Other liabilities	194,694	190,033
Provision for bonuses	4,054	4,006
Provision for bonuses for directors (and other officers)	86	80
Retirement benefit liability	10,348	10,844
Provision for retirement benefits for directors (and other officers)	3	4
Provision for credit losses on off-balance-sheet instruments	562	612
Provision for contingent loss	364	421
Reserves under special laws	8	8
Deferred tax liabilities	25	24
Acceptances and guarantees	21,426	15,773
Total liabilities	4,875,056	5,426,859

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Net assets		
Share capital	100,000	100,000
Capital surplus	87,388	87,412
Retained earnings	269,545	283,464
Treasury shares	(3,297)	(3,260)
Total shareholders' equity	453,635	467,615
Valuation difference on available-for-sale securities	(24,340)	27,196
Deferred gains or losses on hedges	229	(750)
Foreign currency translation adjustment	(806)	(971)
Remeasurements of defined benefit plans	(1,669)	974
Total accumulated other comprehensive income	(26,587)	26,449
Share acquisition rights	444	482
Non-controlling interests	(2,734)	(4,541)
Total net assets	424,758	490,006
Total liabilities and net assets	5,299,815	5,916,866

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Ordinary income	184,406	155,755
Interest income	95,409	67,807
Interest on loans and discounts	61,440	45,631
Interest and dividends on securities	31,409	21,234
Interest on call loans and bills bought	(5)	(31)
Interest income on securities purchased under resale agreements	(1)	(142)
Interest on deposits with banks	839	29
Other interest income	1,726	1,085
Trust fees	462	386
Fees and commissions	14,168	14,552
Gain on trading account transactions	26,505	32,723
Other ordinary income	31,175	35,495
Other income	16,685	4,790
Recoveries of written off receivables	501	240
Reversal of provision for credit losses on off-balance-sheet instruments	296	—
Other	15,887	4,550
Ordinary expenses	141,076	116,773
Interest expenses	46,619	17,717
Interest on deposits	7,278	5,650
Interest on negotiable certificates of deposit	7	4
Interest on debentures	138	55
Interest on call money and bills sold	632	34
Interest expenses on securities sold under repurchase agreements	1,526	107
Interest expenses on cash collateral received for securities lent	9,485	1,513
Interest on borrowings and rediscounts	1,079	1,744
Interest on bonds	2,666	2,230
Other interest expenses	23,805	6,376
Fees and commissions payments	1,975	2,457
Loss on trading account transactions	8,431	19,322
Other ordinary expenses	14,983	14,920
General and administrative expenses	53,681	56,128
Other expenses	15,384	6,226
Provision of allowance for loan losses	10,729	767
Transfer to provision for credit losses on off-balance-sheet instruments	—	49
Other	4,655	5,409
Ordinary profit	43,330	38,982
Extraordinary income	0	—
Gain on disposal of non-current assets	0	—
Extraordinary losses	4	4
Loss on disposal of non-current assets	4	4
Profit before income taxes	43,325	38,977
Income taxes - current	19,843	13,680
Income taxes - deferred	(2,099)	(1,449)
Total income taxes	17,743	12,230
Profit	25,582	26,746
Loss attributable to non-controlling interests	(2,560)	(2,226)
Profit attributable to owners of parent	28,142	28,972

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	25,582	26,746
Other comprehensive income	(32,019)	53,035
Valuation difference on available-for-sale securities	(47,842)	51,535
Deferred gains or losses on hedges	17,341	(980)
Foreign currency translation adjustment	(515)	207
Remeasurements of defined benefit plans, net of tax	(1,002)	2,644
Share of other comprehensive income of entities accounted for using equity method	—	(372)
Comprehensive income	(6,437)	79,781
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,876)	82,009
Comprehensive income attributable to non-controlling interests	(2,560)	(2,227)

(3) Consolidated statement of changes in net assets
For the fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,377	259,021	(3,312)	443,087
Changes during period					
Dividends of surplus			(17,618)		(17,618)
Profit attributable to owners of parent			28,142		28,142
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		10		14	24
Net changes in items other than shareholders' equity					
Total changes during period	—	10	10,523	14	10,548
Balance at end of period	100,000	87,388	269,545	(3,297)	453,635

	Accumulated other comprehensive income					Share acquisition on rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	23,501	(17,111)	(291)	(667)	5,431	357	(166)	448,710
Changes during period								
Dividends of surplus								(17,618)
Profit attributable to owners of parent								28,142
Purchase of treasury shares								(0)
Disposal of treasury shares								24
Net changes in items other than shareholders' equity	(47,842)	17,341	(515)	(1,002)	(32,018)	86	(2,567)	(34,499)
Total changes during period	(47,842)	17,341	(515)	(1,002)	(32,018)	86	(2,567)	(23,951)
Balance at end of period	(24,340)	229	(806)	(1,669)	(26,587)	444	(2,734)	424,758

For the fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,388	269,545	(3,297)	453,635
Changes during period					
Dividends of surplus			(15,053)		(15,053)
Profit attributable to owners of parent			28,972		28,972
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		23		37	60
Net changes in items other than shareholders' equity					
Total changes during period	—	23	13,919	37	13,980
Balance at end of period	100,000	87,412	283,464	(3,260)	467,615

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(24,340)	229	(806)	(1,669)	(26,587)	444	(2,734)	424,758
Changes during period								
Dividends of surplus								(15,053)
Profit attributable to owners of parent								28,972
Purchase of treasury shares								(0)
Disposal of treasury shares								60
Net changes in items other than shareholders' equity	51,537	(980)	(164)	2,644	53,036	37	(1,807)	51,267
Total changes during period	51,537	(980)	(164)	2,644	53,036	37	(1,807)	65,247
Balance at end of period	27,196	(750)	(971)	974	26,449	482	(4,541)	490,006

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	43,325	38,977
Depreciation	5,407	5,827
Share of loss (profit) of entities accounted for using equity method	—	(1,111)
Increase (decrease) in allowance for loan losses	8,809	(2,933)
Increase (decrease) in allowance for investment loss	(401)	275
Increase (decrease) in provision for bonuses	597	(57)
Increase (decrease) in provision for bonuses for directors (and other officers)	3	(6)
Decrease (increase) in retirement benefit asset	(396)	441
Increase (decrease) in retirement benefit liability	678	632
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	0
Net change in provision for credit losses on off-balance-sheet instruments	(297)	49
Interest income	(95,409)	(67,807)
Interest expenses	46,619	17,717
Loss (gain) related to securities	(26,252)	(10,529)
Loss (gain) on money held in trust	(644)	(513)
Foreign exchange losses (gains)	35,036	(36,174)
Loss (gain) on disposal of non-current assets	4	4
Net decrease (increase) in trading account assets	(59,449)	104,761
Net increase (decrease) in trading account liabilities	33,459	(70,772)
Net decrease (increase) in loans and bills discounted	(189,434)	18,850
Net increase (decrease) in deposits	246,855	628,847
Net increase (decrease) in negotiable certificates of deposit	(80,687)	(13,240)
Net increase (decrease) in debentures	(6,700)	(44,660)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	107,051	(77,842)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(28,290)	5,159
Net decrease (increase) in call loans	(86,668)	22,283
Net increase (decrease) in call money	(34,895)	5,800
Net increase (decrease) in cash collateral received for securities lent	(169,534)	150,347
Net decrease (increase) in foreign exchanges - assets	(17,909)	8,094
Increase (decrease) in straight bonds - issuance and redemption	(17,310)	(16,909)
Interest received	97,822	69,772
Interest paid	(48,632)	(19,164)
Other, net	(37,590)	36,289
Subtotal	(274,831)	752,410
Income taxes refund (paid)	(11,453)	(23,677)
Net cash provided by (used in) operating activities	(286,284)	728,732

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Purchase of securities	(791,665)	(1,154,429)
Proceeds from sale of securities	807,033	783,026
Proceeds from redemption of securities	102,804	160,234
Increase in money held in trust	(180,284)	(111,959)
Decrease in money held in trust	188,896	106,194
Purchase of tangible fixed assets	(667)	(1,596)
Purchase of intangible assets	(4,291)	(4,842)
Proceeds from sale of tangible fixed assets	0	0
Payments for asset retirement obligations	—	(157)
Net cash provided by (used in) investing activities	121,823	(223,529)
Cash flows from financing activities		
Repayments of lease obligations	(244)	(249)
Proceeds from share issuance to non-controlling shareholders	—	427
Dividends paid	(17,618)	(15,053)
Dividends paid to non-controlling interests	(7)	(6)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	0	0
Net cash provided by (used in) financing activities	(17,871)	(14,882)
Net increase (decrease) in cash and cash equivalents	(182,331)	490,320
Cash and cash equivalents at beginning of period	539,743	357,411
Cash and cash equivalents at end of period	357,411	847,732

(5) Notes to consolidated financial statements

(Information on going concern assumption)

None

(Segment information)

1. Description of reportable segments

(1) Identification of operating segments

The Bank has classified its Group's business operations into business groups based upon the nature of the customers served and products offered: Retail Banking Group ('RBG'), Institutional Banking Group ('IBG'), Allied Banking Group ('ABG'), Specialty Finance Group ('SFG'), International Finance Group ('IFG'), and Financial Markets Group ('FMG'). The Bank has designated these business groups as operating segments and reportable segments for the purpose of the disclosures contained herein.

Financial information for these groups is regularly reported to the Management Committee, which is comprised of members from amongst the Executive Officers who are approved and appointed by the Board of Directors, and is utilized for management decisions on the allocation of resources, an evaluation of the performance of each business group, and so on.

(2) Services provided by each reportable segment

RBG offers financial services to retail customers. RBG's major services are the sale of investment products, including deposits, investment trusts and insurance, and other financial services.

IBG offers financial services to corporate customers, public sector customers. Major services offered by IBG are loans and deposits, sale of financial products, financing through securitization, privately placed bonds, M&A advisory, private equity operations, acquisition finance, and other financial services.

ABG offers financial services to financial institutions. Major services offered by ABG are loans and deposits, sale of financial products, and other financial services.

SFG offers financial services that require specialized expertise such as corporate restructuring finance, real estate finance.

IFG offers financial services that require specialized expertise such as overseas loans and investments.

FMG engages in offering derivatives and foreign exchange products to customers, trading derivatives and foreign exchange products, as well as ALM operations.

2. Methods of measurement for the amounts of revenues, profit (loss), assets and liabilities by reportable segments

Revenues, profit (loss), assets and liabilities of reportable segments are recognized and measured in accordance with accounting policies applied to consolidated financial statements.

The Bank calculates its net interest income from funding and investing across reportable segments based on i) the internal transfer rates determined by the average rate of funding by the currency and by contractual term, and ii) the allocation ratio determined by the Bank based on the value of compensation for funding activities.

Fixed assets are not allocated to reportable segments, while the associated expenses are allocated to specific reportable segments and included in the segments' expenses.

3. Revenues, profit (loss), assets and liabilities by reportable segment

FY2019 (From April 1, 2019 to March 31, 2020)

(In millions of yen)

	RBG	IBG	ABG	SFG	IFG	FMG	Total
Consolidated net revenue	12,247	21,893	7,157	19,646	12,851	20,055	93,851
General and administrative expenses	10,631	11,559	3,600	9,491	6,843	5,540	47,664
Segment profit (loss)	1,616	10,334	3,557	10,155	6,008	14,515	46,187
Segment assets	18,211	1,214,441	82,584	1,117,619	800,817	1,598,930	4,832,602
Segment liabilities	2,041,342	522,158	1,120,229	50,201	58	918,164	4,652,152

Notes

- (1) Due to the nature of the banking business, the Bank uses “consolidated net revenue” as a substitute for “sales” as would be used by non-financial service companies. Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net trading income and net other ordinary income. The Bank oversees its revenue by reportable segment using consolidated net revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.
- (2) Depreciation expenses are included in the general and administrative expenses of each reportable segment but are not disclosed as a separate item, because in the calculation process of the segment profit (loss), a part of depreciation expenses is allocated to each reportable segment, aggregated with other general and administrative expenses. Therefore, depreciation expenses by reportable segment are not managed separately. The amount of depreciation expense for this period is 5,407 million yen.

FY2020 (From April 1, 2020 to March 31, 2021)

(In millions of yen)

	RBG	IBG	ABG	SFG	IFG	FMG	Total
Consolidated net revenue	8,894	21,771	6,274	20,663	11,155	27,967	96,726
General and administrative expenses	11,013	12,172	3,427	9,407	7,044	5,447	48,512
Segment profit (loss)	(2,119)	10,710	2,846	11,256	4,111	22,519	49,325
Segment assets	27,665	1,309,235	133,588	1,063,949	759,944	2,181,466	5,475,850
Segment liabilities	2,515,153	553,616	1,060,031	53,518	57	946,684	5,129,062

Notes

- (1) Due to the nature of the banking business, the Bank uses “consolidated net revenue” as a substitute for “sales” as would be used by non-financial service companies. Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net trading income and net other ordinary income. The Bank oversees its revenue by reportable segment using consolidated net revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.
- (2) Depreciation expenses are included in the general and administrative expenses of each reportable segment but are not disclosed as a separate item, because in the calculation process of the segment profit (loss), a part of depreciation expenses is allocated to each reportable segment, aggregated with other general and administrative expenses. Therefore, depreciation expenses by reportable segment are not managed separately. The amount of depreciation expense for this period is 5,827 million yen.
- (3) Segment profit(loss) of IBG includes gains(losses) of 1,111million yen on equity method investments and

segment assets of IBG include investments of 17,917 million yen in affiliated companies applying equity methods .

4. Reconciliation between total segment amounts and the consolidated financial statements

(1) Reconciliation between total consolidated net revenue of reportable segments and the consolidated net revenue in the consolidated financial statement of income

(In millions of yen)

Items	FY2019 (March 31,2020)	FY2020 (March 31, 2021)
Total consolidated net revenue of reportable segments	93,851	96,726
Profit excluded from reporting segment and variances resulting from differences in the basis of revenue and expense recognition and measurement	1,859	(179)
Net revenue derived from the consolidated statement of income	95,711	96,546

(2) Reconciliation between total segment profits and the consolidated statement of income

(In millions of yen)

Items	FY2019 (March 31,2020)	FY2020 (March 31, 2021)
Total segment profits	46,187	49,325
Profit excluded from reporting segment and variances resulting from differences in the basis of revenue and expense recognition and measurement	(3,874)	(6,656)
Amortization of actuarial differences on retirement benefit plans, etc.	(282)	(1,139)
Credit-related expenses, etc.	(11,742)	(4,348)
Gains (losses) on sales of stocks and other securities	11,663	2,375
Others	1,379	(574)
Ordinary profit in the consolidated statement of income	43,330	38,982

(Note)

Credit-related expenses, etc., represent the total of write-offs of loans, provision of allowance for loan losses and losses on disposition of non-performing loans.

(3) Reconciliation between total segment assets and total assets on the consolidated balance sheet

(In millions of yen)

Items	FY2019 (March 31,2020)	FY2020 (March 31, 2021)
Total segment assets	4,832,602	5,475,850
Allowance for loan losses	(40,217)	(40,123)
Assets not allocated to reportable segments	507,431	481,139
Total assets on the consolidated balance sheet	5,299,815	5,916,866

(Note)

As of March 31, 2020, assets not allocated to reportable segments include foreign exchange of 67,168 million, other assets of 201,609 million yen, fixed assets of 42,909 million yen and deferred tax assets of 26,960 million yen. As of March 31, 2021, assets not allocated to reportable segments include foreign exchange of 58,154 million yen, other assets of 176,366 million yen, fixed assets of 43,444 million yen and deferred tax assets of 16,984 million yen.

(4) Reconciliation between total segment liabilities and total liabilities on the consolidated balance sheet

(In millions of yen)

Items	FY2019 (March 31, 2020)	FY2020 (March 31, 2021)
Total segment liabilities	4,652,152	5,129,062
Liabilities not allocated to reportable segments	222,904	297,797
Total liabilities on the consolidated balance sheet	4,875,056	5,426,859

(Note)

As of March 31, 2020, liabilities not allocated to reportable segments include other liabilities of 110,371 million yen and retirement benefit liability of 10,348 million yen. As of March 31, 2021, liabilities not allocated to reportable segments include other liabilities of 98,530 million yen and retirement benefit liability of 10,844 million yen.

5. Change in reportable segments

None

(Per share information)

	FY 2019 (From April 1, 2019 to March 31, 2020)	FY 2020 (From April 1, 2020 to March 31, 2021)
Net assets per share	3,659.84 yen	4,233.53 yen
Net income per share	241.18 yen	248.27 yen
Diluted net income per share	240.92 yen	247.90 yen

(Note 1) Basis of calculation for Net assets per share is shown below.

		FY 2019 (As of March 31, 2020)	FY 2020 (As of March 31, 2021)
Net assets	Million yen	424,758	490,006
Deductions from net assets	Million yen	(2,289)	(4,059)
Non-controlling interests	Million yen	(2,734)	(4,541)
Share acquisition rights	Million yen	444	482
Net assets available to common stock	Million yen	427,048	494,065
Number of common stock at the end of fiscal year for calculation of Net assets per share	Thousand shares	116,684	116,702

(Note 2) Basis of calculation of Net income per share and Diluted net income per share is shown below.

		FY 2019 (From April 1, 2019 to March 31, 2020)	FY 2020 (From April 1, 2020 to March 31, 2021)
Net income per share			
Profit attributable to owners of parent	Million yen	28,142	28,972
Not available to common stockholders	Million yen	–	–
Profit attributable to owners of parent available to common stock	Million yen	28,142	28,972
Average number of common stock	Thousand shares	116,681	116,698
Diluted net income per share			
Adjustments for profit attributable to owners of parent	Million yen	–	–
Number of common stock to increase	Thousand shares	126	169
Share acquisition rights	Thousand shares	126	169

(Material subsequent event)

None

4. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Cash and due from banks	364,644	818,103
Cash	10,690	6,147
Due from banks	353,954	811,955
Call loans	—	41,000
Securities purchased under resale agreements	71,011	—
Monetary claims bought	44,708	49,470
Trading account assets	259,369	154,611
Trading securities derivatives	22,263	3,624
Trading account securities derivatives for hedging	14,350	5,907
Trading account financial derivatives	222,755	145,080
Money held in trust	14,455	4,975
Securities	1,151,561	1,445,782
Government bonds	—	29,773
Local government bonds	37,859	128,971
Short-term corporate bonds	—	29,998
Corporate bonds	59,994	82,401
Stocks	43,081	58,219
Other securities	1,010,625	1,116,418
Loans and bills discounted	2,937,508	2,918,317
Bills discounted	—	4,633
Loans on bills	11,356	15,960
Loans on deeds	2,754,819	2,749,373
Overdrafts	171,332	148,349
Foreign exchanges	67,168	58,154
Due from foreign banks (our accounts)	67,168	58,154
Other assets	267,759	222,907
Prepaid expenses	749	874
Accrued income	10,007	7,670
Margin deposits for futures transactions	962	962
Variation margins of futures markets	—	13
Financial derivatives	74,973	55,978
Cash collateral paid for financial instruments	111,133	91,510
Bond issuance costs	399	282
Other	69,533	65,615
Tangible fixed assets	22,888	22,596
Buildings, net	11,374	10,960
Land	9,235	9,235
Leased assets, net	942	709
Construction in progress	4	—
Other tangible fixed assets	1,332	1,691
Intangible fixed assets	12,068	12,461
Software	12,002	12,395
Other intangible fixed assets	66	66
Prepaid pension costs	4,669	4,227
Deferred tax assets	26,705	17,262
Customers' liabilities for acceptances and guarantees	21,731	16,083
Allowance for loan losses	(53,183)	(50,043)
Allowance for investment loss	(399)	(674)
Total assets	5,212,668	5,735,238

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Deposits	3,278,749	3,821,140
Current deposits	30,547	36,475
Ordinary deposits	732,750	1,297,833
Savings deposits	1,729	11,490
Deposits at notice	1,095	1,095
Time deposits	2,400,595	2,346,518
Other deposits	112,030	127,727
Negotiable certificates of deposit	47,240	34,000
Debentures	44,660	—
Debenture issuance	44,660	—
Call money	38,728	15,536
Securities sold under repurchase agreements	27,758	56,750
Cash collateral received for securities lent	281,325	431,673
Trading account liabilities	211,223	140,451
Trading securities derivatives	—	74
Trading account securities derivatives for hedging	21,130	11,000
Trading account financial derivatives	190,093	129,376
Borrowed money	427,430	349,503
Borrowings from other banks	427,430	349,503
Bonds payable	215,275	198,365
Other liabilities	180,114	167,661
Income taxes payable	13,533	3,309
Accrued expenses	5,125	3,688
Unearned revenue	229	184
Variation margins of futures markets	2,801	701
Financial derivatives	84,322	91,503
Cash collateral received for financial instruments	60,244	34,826
Lease obligations	1,009	759
Asset retirement obligations	2,183	1,914
Other	10,666	30,775
Provision for bonuses	3,659	3,573
Provision for bonuses for directors (and other officers)	70	64
Provision for retirement benefits	9,834	10,383
Provision for credit losses on off-balance-sheet instruments	557	609
Acceptances and guarantees	21,731	16,083
Total liabilities	4,788,358	5,245,797
Net assets		
Share capital	100,000	100,000
Capital surplus	87,388	87,412
Legal capital surplus	87,313	87,313
Other capital surplus	74	98
Retained earnings	263,888	278,361
Legal retained earnings	12,686	12,686
Other retained earnings	251,201	265,675
Retained earnings brought forward	251,201	265,675
Treasury shares	(3,297)	(3,260)
Total shareholders' equity	447,979	462,513
Valuation difference on available-for-sale securities	(24,343)	27,195
Deferred gains or losses on hedges	229	(750)
Total valuation and translation adjustments	(24,113)	26,445
Share acquisition rights	444	482
Total net assets	424,309	489,440
Total liabilities and net assets	5,212,668	5,735,238

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Ordinary income	176,858	149,454
Interest income	92,774	62,003
Interest on loans and discounts	58,954	39,837
Interest and dividends on securities	31,389	21,251
Interest on call loans	0	(23)
Interest income on securities purchased under resale agreements	(1)	(142)
Interest on deposits with banks	704	27
Other interest income	1,727	1,052
Trust fees	462	386
Fees and commissions	15,864	14,563
Fees and commissions on domestic and foreign exchanges	174	198
Other fees and commissions	15,689	14,364
Gain on trading account transactions	22,052	32,723
Net gain on trading securities	12,991	—
Net gain on trading account securities	—	26,378
Net gain on trading account financial derivatives	9,061	6,345
Other ordinary income	30,480	37,008
Gain on sale of bonds	19,677	18,357
Gain on financial derivatives	—	182
Other	10,803	18,468
Other income	15,223	2,768
Recoveries of written off receivables	320	197
Reversal of provision for credit losses on off-balance-sheet instruments	280	—
Gain on sale of equity securities	13,408	2,400
Gain on money held in trust	153	123
Other	1,060	47
Ordinary expenses	131,515	107,981
Interest expenses	46,562	17,711
Interest on deposits	7,230	5,607
Interest on negotiable certificates of deposit	7	4
Interest on debentures	138	55
Interest on call money	632	34
Interest expenses on securities sold under repurchase agreements	1,526	107
Interest expenses on cash collateral received for securities lent	9,485	1,513
Interest on borrowings and rediscounts	1,070	1,782
Interest on bonds	2,666	2,230
Interest expenses on interest rate swaps	14,736	3,806
Other interest expenses	9,068	2,569
Fees and commissions payments	4,279	4,623
Fees and commissions on domestic and foreign exchanges	144	153
Other fees and commissions	4,134	4,469
Loss on trading account transactions	8,431	20,851
Net loss on trading securities	—	20,851
Net loss on trading account securities	8,431	—
Other ordinary expenses	14,460	14,084
Loss on foreign exchange transactions	3,468	527
Loss on sale of bonds	4,586	9,340
Loss on redemption of bonds	292	794
Loss on devaluation of bonds	209	68
Amortization of bond issuance costs	295	233
Loss on financial derivatives	3,158	—
Other	2,449	3,118

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
General and administrative expenses	43,780	45,488
Other expenses	14,001	5,223
Provision of allowance for loan losses	10,819	571
Written-off of loans	1,133	3,020
Transfer to provision for credit losses on off-balance-sheet instruments	—	52
Loss on sale of equity securities	0	—
Loss on devaluation of equity securities	1,744	0
Other	302	1,578
Ordinary profit	45,342	41,473
Extraordinary income	0	—
Gain on disposal of non-current assets	0	—
Extraordinary losses	4	4
Loss on disposal of non-current assets	4	4
Profit before income taxes	45,338	41,468
Income taxes - current	18,530	12,645
Income taxes - deferred	(1,861)	(704)
Total income taxes	16,669	11,941
Profit	28,669	29,526

(3) Non-consolidated statement of changes in net assets
For the fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100,000	87,313	64	87,377	12,686	240,150	252,837	(3,312)	436,903
Changes during period									
Dividends of surplus						(17,618)	(17,618)		(17,618)
Profit						28,669	28,669		28,669
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			10	10				14	24
Net changes in items other than shareholders' equity									
Total changes during period	—	—	10	10	—	11,050	11,050	14	11,075
Balance at end of period	100,000	87,313	74	87,388	12,686	251,201	263,888	(3,297)	447,979

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	23,461	(17,111)	6,349	357	443,611
Changes during period					
Dividends of surplus					(17,618)
Profit					28,669
Purchase of treasury shares					(0)
Disposal of treasury shares					24
Net changes in items other than shareholders' equity	(47,804)	17,341	(30,463)	86	(30,376)
Total changes during period	(47,804)	17,341	(30,463)	86	(19,301)
Balance at end of period	(24,343)	229	(24,113)	444	424,309

For the fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100,000	87,313	74	87,388	12,686	251,201	263,888	(3,297)	447,979
Changes during period									
Dividends of surplus						(15,053)	(15,053)		(15,053)
Profit						29,526	29,526		29,526
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			23	23				37	60
Net changes in items other than shareholders' equity									
Total changes during period	—	—	23	23	—	14,473	14,473	37	14,534
Balance at end of period	100,000	87,313	98	87,412	12,686	265,675	278,361	(3,260)	462,513

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(24,343)	229	(24,113)	444	424,309
Changes during period					
Dividends of surplus					(15,053)
Profit					29,526
Purchase of treasury shares					(0)
Disposal of treasury shares					60
Net changes in items other than shareholders' equity	51,539	(980)	50,558	37	50,596
Total changes during period	51,539	(980)	50,558	37	65,130
Balance at end of period	27,195	(750)	26,445	482	489,440

(4) Notes to non-consolidated financial statements

(Information on going concern assumption)

None

Financial Results for FY2020



【 INDEX 】

I . Overviews of the Financial Results for the Year Ended March 31, 2021 (Fiscal Year 2020)

1.	Summary of Revenue and Expenses	【 Consolidated 】		1
		【 Non-consolidated 】		2
2.	Profit Margins	【 Non-consolidated 】		3
3.	Business Profit	【 Non-consolidated 】		
4.	ROE	【 Non-consolidated 】		
5.	Gains (losses) on Securities Transactions	【 Non-consolidated 】		
6.	Investments and Funding	【 Non-consolidated 】	【 Consolidated 】	4
7.	Unrealized Gains and Losses on Securities	【 Non-consolidated 】	【 Consolidated 】	5
8.	Employees' Retirement Benefits	【 Non-consolidated 】	【 Consolidated 】	6
9.	Capital Adequacy Ratio (under Japanese domestic standards)	【 Consolidated 】	【 Non-consolidated 】	7

II . Status of Loans, etc.

1.	Risk Monitored Loans	【 Non-consolidated 】	【 Consolidated 】	8
2.	Allowance for Loan Losses	【 Non-consolidated 】	【 Consolidated 】	9
3.	Disclosed Claims under the Financial Reconstruction Law ("FRL Credit")	【 Non-consolidated 】		1 0
4.	Allowance and Coverage for FRL Credit	【 Non-consolidated 】		
5.	Coverage for FRL Credit by Borrowers' Category	【 Non-consolidated 】		1 1
6.	Off-Balancing of FRL Credit	【 Non-consolidated 】		1 2
7.	Breakdown of Loans and Bills Discounted Classified by Industry	【 Non-consolidated 】		1 4
	① Loans and Bills Discounted Classified by Industry			
	② Risk Monitored Loans Classified by Industry			
	③ Consumer Loans			1 5
	④ Loans to Small/Medium-sized Corporations			
8.	Debentures, Deposits and Loans	【 Non-consolidated 】		

III . Uniform Questions for FY2020

1.	FRL Credit Ratio	【 Non-consolidated 】	【 Consolidated 】	1 6
2.	Investment Stocks	【 Non-consolidated 】		
3.	Loans to Small/Medium-sized Corporations	【 Non-consolidated 】		
4.	Sales of investment trusts and annuity insurance to retail customers	【 Non-consolidated 】		
5.	Japanese Government Bonds	【 Non-consolidated 】		

IV . Deferred Tax Assets		1 7
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I . Overviews of the Financial Results for the Year Ended March 31, 2021 (Fiscal Year 2020)

1 . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2020		FY 2019 (B)
	(A)	(A)-(B)	
Consolidated net revenue ※1	96,546	835	95,711
Net interest income	50,089	1,299	48,789
Net fees and commissions	12,481	(174)	12,655
Net gain on trading account transactions	13,401	(4,672)	18,073
Net other ordinary income	20,574	4,382	16,191
General and administrative expenses	(54,988)	(1,589)	(53,398)
Gains (losses) on equity method investments	1,111	1,111	-
Business profit ※2	42,669	356	42,312
Credit-related expenses	(4,348)	7,394	(11,742)
Write-off of loans	(174)	914	(1,089)
Provision of specific allowance for loan losses	(893)	7,175	(8,068)
Provision of general allowance for loan losses	125	2,786	(2,660)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(3,596)	(2,874)	(721)
Recoveries of written-off receivables	240	(260)	501
Provision of reserve for credit losses on off-balance-sheet instruments	(49)	(346)	296
Gains (losses) on stock transactions	2,375	(9,288)	11,663
Other	(1,714)	(2,811)	1,096
Ordinary profit	38,982	(4,347)	43,330
Extraordinary profit (loss)	(4)	(0)	(4)
Profit before income taxes and non-controlling interests	38,977	(4,348)	43,325
Income taxes-current	(13,680)	6,163	(19,843)
Income taxes-deferred	1,449	(650)	2,099
Profit	26,746	1,164	25,582
Loss attributable to non-controlling interests	2,226	(333)	2,560
Profit attributable to owners of parent	28,972	830	28,142

※1 Consolidated net revenue = (Interest income - Interest expenses)
+ (Trust fees + Fees and commissions - Fees and commissions payments)
+ (Gain on trading account transactions - Loss on trading account transactions)
+ (Other ordinary income - Other ordinary expenses)

※2 Business profit = Consolidated net revenue - General and administrative expenses + Gains (losses) on equity method investments

(Note) The amounts are rounded down to the nearest million yen.

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	FY 2020		FY 2019 (B)
	(A)	(A)-(B)	
Consolidated subsidiaries	25	0	25
Subsidiaries and affiliated companies applying equity-method	1	1	0

【Non-consolidated】

(million yen)

	FY 2020		FY 2019 (B)
	(A)	(A)-(B)	
Net revenue	89,434	1,509	87,925
(Excluding gains (losses) on bond transactions)	81,281	7,944	73,336
Net interest income	44,311	(1,926)	46,237
Net fees and commissions ※	10,326	(1,720)	12,047
Net gain on trading account transactions	11,872	(1,747)	13,620
Net other ordinary income	22,924	6,904	16,020
(Gains (losses) on bond transactions)	8,153	(6,435)	14,589
General and administrative expenses	(44,349)	(850)	(43,498)
Personnel	(21,512)	(290)	(21,221)
Property and equipment	(20,197)	(662)	(19,535)
Taxes	(2,639)	102	(2,741)
Core net business profit	45,085	658	44,427
Core net business profit excluding gains(losses) on bonds	36,931	7,093	29,838
Core net business profit excluding gains(losses) on bonds and cancellation on investment trusts	36,790	7,445	29,345
Credit-related expenses	(4,005)	7,347	(11,353)
Written-off of loans	(3,020)	(1,886)	(1,133)
Provision of specific allowance for loan losses	(903)	7,155	(8,058)
Provision of general allowance for loan losses	332	3,093	(2,761)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(557)	(557)	-
Recoveries of written-off receivables	197	(123)	320
Provision of reserve for credit losses on off-balance-sheet instruments	(52)	(332)	280
Gains (losses) on stock transactions	2,400	(9,263)	11,663
Other	(2,008)	(2,612)	604
Ordinary profit	41,473	(3,869)	45,342
Extraordinary profit (loss)	(4)	(0)	(4)
Profit before income taxes	41,468	(3,870)	45,338
Income taxes-current	(12,645)	5,884	(18,530)
Income taxes-deferred	704	(1,157)	1,861
Profit	29,526	857	28,669
Business profit	45,364	3,698	41,666

※ Trust fees are included.

(Note) The amounts are rounded down to the nearest million yen.

2. Profit Margins [Non-consolidated]

(Total)

	FY 2020		FY 2019
	(A)	(A)-(B)	
(1) Yield on total investments (A)	1.35%	(0.76%)	2.11%
Yield on loans (B)	1.36%	(0.69%)	2.05%
Yield on securities	1.75%	(0.70%)	2.45%
(2) Rate of funding cost (including general and administrative expenses) (C)	1.32%	(0.69%)	2.01%
Cost of debentures, deposits & certificates of deposit (including general and administrative expenses) (D)	1.39%	(0.15%)	1.54%
Yield on debentures, deposits & certificates of deposit (E)	0.15%	(0.07%)	0.22%
Yield on borrowings	0.37%	(0.07%)	0.44%
(3) Profit margins (A) - (C)	0.03%	(0.07%)	0.10%
(4) Loan margin (B) - (D)	(0.03%)	(0.54%)	0.51%
(5) Yield spread (B) - (E)	1.21%	(0.62%)	1.83%

(Note) The figures are calculated in the method specified in "Kessan Jokyohyo".

(Domestic operations)

	FY 2020		FY 2019
	(A)	(A)-(B)	
(1) Yield on total investments (A)	0.69%	(0.04%)	0.73%
Yield on loans (B)	1.04%	0.02%	1.02%
Yield on securities	1.26%	(0.32%)	1.58%
(2) Rate of funding cost (including general and administrative expenses) (C)	1.17%	(0.04%)	1.21%
Cost of debentures, deposits & certificates of deposit (including general and administrative expenses) (D)	1.30%	(0.08%)	1.38%
Yield on debentures, deposits & certificates of deposit (E)	0.14%	(0.01%)	0.15%
Yield on borrowings	0.38%	0.12%	0.26%
(3) Profit margins (A) - (C)	(0.48%)	(0.00%)	(0.48%)
(4) Loan margin (B) - (D)	(0.26%)	0.10%	(0.36%)
(5) Yield spread (B) - (E)	0.90%	0.03%	0.87%

(Note) The figures are calculated in the method specified in "Kessan Jokyohyo".

3. Business Profit [Non-consolidated]

(million yen)

	FY 2020		FY 2019
	(A)	(A)-(B)	
Core net business profit	45,085	658	44,427
per employee (thousand yen)	23,061	101	22,959

4. ROE [Non-consolidated]

	FY 2020		FY 2019
	(A)	(A)-(B)	
Core net business profit basis	9.87%	(0.37%)	10.24%
Profit basis	6.46%	(0.15%)	6.61%

$$\text{ROE} = \frac{\text{Profit}}{\{(\text{Total net assets at beginning of term} - \text{Share acquisition rights}) + (\text{Total net assets at end of term} - \text{Share acquisition rights})\}} \div 2$$

5. Gains (losses) on Securities Transactions [Non-consolidated]

(million yen)

	FY 2020		FY 2019
	(A)	(A)-(B)	
Gains (losses) on bond transactions	8,153	(6,435)	14,589
Gain on sale of bonds	18,357	(1,319)	19,677
Gain on redemption of bonds	-	-	-
Loss on sale of bonds	(9,340)	(4,754)	(4,586)
Loss on redemption of bonds	(794)	(502)	(292)
Loss on devaluation of bonds	(68)	140	(209)
Gains (losses) on stock transactions	2,400	(9,263)	11,663
Gain on sale of equity securities	2,400	(11,007)	13,408
Loss on sale of equity securities	-	0	(0)
Loss on devaluation of equity securities	(0)	1,744	(1,744)

6. Investments and Funding

【Non-consolidated】

(Total)

(million yen)

	FY 2020 (A)		(A) - (B)		FY 2019 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,573,685	1.35%	187,411	(0.76%)	4,386,274	2.11%
Due from banks	38,083	0.07%	(1,140)	(1.72%)	39,223	1.79%
Call loans	139,689	(0.01%)	139,440	(0.06%)	249	0.05%
Securities purchased under resale agreements	142,350	(0.09%)	140,992	0.01%	1,358	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,213,757	1.75%	(65,873)	(0.70%)	1,279,631	2.45%
Loans and bills discounted	2,883,214	1.38%	3,331	(0.66%)	2,879,883	2.04%
Total funding	4,676,466	0.37%	207,374	(0.67%)	4,469,091	1.04%
Deposits	3,519,794	0.15%	359,360	(0.07%)	3,160,434	0.22%
Negotiable certificates of deposit	39,574	0.01%	(36,980)	0.01%	76,555	0.00%
Debentures	20,925	0.26%	(29,244)	(0.01%)	50,170	0.27%
Call money	18,921	0.18%	(30,902)	(1.08%)	49,823	1.26%
Securities sold under repurchase agreements	43,279	0.24%	(24,114)	(2.02%)	67,393	2.26%
Cash collateral received for securities lent	348,299	0.43%	(109,052)	(1.64%)	457,352	2.07%
Borrowed money	462,466	0.38%	127,277	0.07%	335,189	0.31%
Bonds payable	198,383	1.12%	(42,530)	0.02%	240,913	1.10%

(Domestic operations)

(million yen)

	FY 2020 (A)		(A) - (B)		FY 2019 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	3,837,272	0.69%	147,228	(0.04%)	3,690,043	0.73%
Due from banks	829	0.00%	404	(0.01%)	424	0.01%
Call loans	139,345	(0.01%)	139,099	(0.03%)	246	0.02%
Securities purchased under resale agreements	142,350	(0.09%)	140,992	0.01%	1,358	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	366,328	1.26%	65,681	(0.32%)	300,647	1.58%
Loans and bills discounted	1,808,727	1.06%	70,093	0.02%	1,738,633	1.04%
Total funding	3,973,485	0.16%	228,068	(0.00%)	3,745,417	0.16%
Deposits	3,401,395	0.14%	352,593	(0.01%)	3,048,801	0.15%
Negotiable certificates of deposit	39,574	0.01%	(36,980)	0.01%	76,555	0.00%
Debentures	20,925	0.26%	(29,244)	(0.01%)	50,170	0.27%
Call money	15,164	(0.00%)	(10,966)	0.00%	26,131	(0.00%)
Securities sold under repurchase agreements	-	-	-	-	-	-
Cash collateral received for securities lent	969	0.00%	(31,065)	(0.00%)	32,034	0.00%
Borrowed money	347,536	0.40%	18,370	0.12%	329,165	0.28%
Bonds payable	133,863	0.11%	(25,478)	0.00%	159,341	0.11%

【Consolidated】

(Total)

(million yen)

	FY 2020 (A)		(A) - (B)		FY 2019 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,615,337	1.46%	229,581	(0.71%)	4,385,755	2.17%
Due from banks	66,226	0.04%	(6,401)	(1.11%)	72,628	1.15%
Call loans and bills bought	158,540	(0.01%)	137,772	0.01%	20,768	(0.02%)
Securities purchased under resale agreements	142,350	(0.09%)	140,992	0.01%	1,358	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,157,287	1.83%	(46,606)	(0.77%)	1,203,893	2.60%
Loans and bills discounted	2,911,611	1.56%	33,331	(0.57%)	2,878,279	2.13%
Total funding	4,784,351	0.36%	266,845	(0.67%)	4,517,505	1.03%
Deposits	3,627,441	0.15%	419,175	(0.07%)	3,208,266	0.22%
Negotiable certificates of deposit	39,574	0.01%	(36,980)	0.01%	76,555	0.00%
Debentures	20,925	0.26%	(29,244)	(0.01%)	50,170	0.27%
Call money and bills sold	18,921	0.18%	(30,902)	(1.08%)	49,823	1.26%
Securities sold under repurchase agreements	43,279	0.24%	(24,114)	(2.02%)	67,393	2.26%
Cash collateral received for securities lent	348,299	0.43%	(109,052)	(1.64%)	457,352	2.07%
Borrowed money	462,705	0.37%	126,934	0.05%	335,771	0.32%
Bonds payable	198,383	1.12%	(42,530)	0.02%	240,913	1.10%

7. Unrealized Gains and Losses on Securities

【Non-consolidated】

(million yen)

	March 31, 2021				March 31, 2020		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	43,481	62,119	56,570	13,088	(18,637)	39,032	57,670
Japanese stocks	20,455	10,323	20,462	7	10,132	10,178	45
Japanese debt securities	908	313	1,407	498	594	749	154
Other	22,117	51,482	34,699	12,582	(29,364)	28,104	57,469

(Note) A portion of beneficial interests in investment trust within 'Monetary claims bought' is included in the table above.

【Consolidated】

(million yen)

	March 31, 2021				March 31, 2020		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	43,478	62,116	56,570	13,092	(18,637)	39,032	57,670
Japanese stocks	20,455	10,323	20,462	7	10,132	10,178	45
Japanese debt securities	905	310	1,408	502	595	749	154
Other	22,117	51,482	34,699	12,582	(29,364)	28,104	57,469

(Note) A portion of beneficial interests in investment trust within 'Monetary claims bought' is included in the table above.

8. Employees' Retirement Benefits

① Provision for retirement benefits

【Non-consolidated】

(million yen)

			March 31, 2021		March 31, 2020
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(41,835)	(279)	(41,555)
	Fair value of plan assets	(B)	37,084	3,100	33,983
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(4,751)	2,820	(7,572)
	Unrecognized actuarial losses	(D)	(1,322)	(4,139)	2,816
	Unrecognized prior-service cost	(E)	(81)	327	(409)
	Net liability recognized	(F)=(C)+(D)+(E)	(6,155)	(990)	(5,165)
	Prepaid pension costs	(G)	4,227	(441)	4,669
	Provision for retirement benefits	(F)-(G)	(10,383)	(548)	(9,834)

【Consolidated】

(million yen)

			March 31, 2021		March 31, 2020
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(42,188)	(363)	(41,824)
	Fair value of plan assets	(B)	37,084	3,100	33,983
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(5,103)	2,737	(7,841)
	Retirement benefit asset	(D)	5,740	3,232	2,507
	Retirement benefit liability	(C)-(D)	(10,844)	(495)	(10,348)
	Unrecognized actuarial losses	(E)	1,322	4,139	(2,816)
	Unrecognized prior-service cost	(F)	81	(327)	409
	Remeasurements of defined benefit plans (before income tax effect)	(E)+(F)	1,404	3,811	(2,406)

② Net periodic retirement benefit costs

【Non-consolidated】

(million yen)

			FY 2020		FY 2019
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs		1,970	871	1,098
	Service cost		1,554	(33)	1,587
	Interest cost		164	(0)	165
	Expected return on plan assets		(849)	44	(893)
	Amortization of prior-service cost		(327)	-	(327)
	Recognized actuarial losses		1,429	864	564
	Other		-	(3)	3

【Consolidated】

(million yen)

			FY 2020		FY 2019
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs regarding defined benefit pension plans		2,081	878	1,202

9. Capital Adequacy Ratio (under Japanese domestic standards)

■ Basel III

【Consolidated】

(million yen)

	March 31, 2021			March 31, 2020 (B)	September 30, 2020 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	11.03%	0.74%	0.05%	10.29%	10.98%
(2) Core capital: instruments and reserves	505,311	16,922	10,806	488,389	494,505
(3) Core capital: regulatory adjustments	23,806	8,537	8,367	15,268	15,438
(4) Regulatory capital (2)-(3)	481,505	8,384	2,439	473,121	479,066
(5) Risk-weighted assets	4,361,551	(233,371)	(1,440)	4,594,922	4,362,991
(6) Total required capital (5)*4%	174,462	(9,334)	(57)	183,796	174,519

【Non-consolidated】

(million yen)

	March 31, 2021			March 31, 2020 (B)	September 30, 2020 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	11.13%	0.87%	0.12%	10.26%	11.01%
(2) Core capital: instruments and reserves	498,879	14,837	5,494	484,041	493,385
(3) Core capital: regulatory adjustments	11,589	(49)	227	11,638	11,362
(4) Regulatory capital (2)-(3)	487,290	14,886	5,267	472,403	482,023
(5) Risk-weighted assets	4,378,094	(225,980)	1,207	4,604,075	4,376,887
(6) Total required capital (5)*4%	175,123	(9,039)	48	184,163	175,075

The 'Composition of Capital Disclosure' is available on our website at

<https://www.aozorabank.co.jp/english/ir/library/>

II. Status of Loans, etc.

1. Risk Monitored Loans

☐ After partial and direct written-off

【Non-consolidated】

(million yen)

		March 31, 2021			March 31, 2020	September 30, 2020
		(A)	(A) - (B)	(A) - (C)	(B)	(C)
Risk Monitored Loans	Loans to bankrupt companies	2,120	(2,280)	(28)	4,400	2,148
	Past due loans	20,737	(862)	4,142	21,600	16,594
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	2,869	585	(2,304)	2,284	5,174
	Total	25,726	(2,558)	1,809	28,285	23,917
Loan balance (end of period basis)		2,918,317	(19,190)	83,531	2,937,508	2,834,785

Ratio to Loan balance	Loans to bankrupt companies	0.1%	(0.0%)	(0.0%)	0.1%	0.1%
	Past due loans	0.7%	(0.0%)	0.1%	0.7%	0.6%
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	0.1%	0.0%	(0.1%)	0.1%	0.2%
	Total	0.9%	(0.1%)	0.1%	1.0%	0.8%

☐ After partial and direct written-off

【Consolidated】

(million yen)

		March 31, 2021			March 31, 2020	September 30, 2020
		(A)	(A) - (B)	(A) - (C)	(B)	(C)
Risk Monitored Loans	Loans to bankrupt companies	2,120	(2,340)	(28)	4,460	2,148
	Past due loans	20,787	(826)	4,138	21,614	16,649
	Loans overdue for 3 months or more	1,577	1,577	1,577	-	-
	Restructured loans	2,869	585	(2,304)	2,284	5,174
	Total	27,354	(1,004)	3,382	28,359	23,972
Loan balance (end of period basis)		2,948,808	(5,314)	82,171	2,954,122	2,866,636

Ratio to Loan balance	Loans to bankrupt companies	0.1%	(0.1%)	(0.0%)	0.2%	0.1%
	Past due loans	0.7%	(0.0%)	0.1%	0.7%	0.6%
	Loans overdue for 3 months or more	0.1%	0.1%	0.1%	-	-
	Restructured loans	0.1%	0.0%	(0.1%)	0.1%	0.2%
	Total	0.9%	(0.1%)	0.1%	1.0%	0.8%

2. Allowance for Loan Losses

☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	March 31, 2021			March 31, 2020	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	50,043	(3,140)	2,864	53,183	47,178
General allowance	39,280	(332)	1,298	39,612	37,982
Specific allowance	10,763	(2,808)	1,566	13,571	9,196
Allowance for loans to restructuring countries	-	-	-	-	-

☐ After partial and direct written-off

【Consolidated】

(million yen)

	March 31, 2021			March 31, 2020	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	50,886	(2,913)	3,207	53,799	47,678
General allowance	40,123	(94)	1,641	40,217	38,481
Specific allowance	10,763	(2,818)	1,566	13,581	9,196
Allowance for loans to restructuring countries	-	-	-	-	-

3. Disclosed Claims under the Financial Reconstruction Law ("FRL Credit")☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	March 31, 2021			March 31, 2020	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	2,145	(2,255)	(3)	4,400	2,148
Doubtful credit	20,737	(962)	4,042	21,700	16,694
Special attention credit	2,869	585	(2,304)	2,284	5,174
Total (a)	25,751	(2,633)	1,734	28,385	24,017
Normal assets	2,938,533	(12,973)	86,399	2,951,507	2,852,133
Grand total (b)	2,964,285	(15,607)	88,133	2,979,892	2,876,151
Non-performing loans ratio (a/b)	0.9%	(0.1%)	0.1%	1.0%	0.8%

4. Allowance and Coverage for FRL Credit☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	March 31, 2021			March 31, 2020	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	22,879	(4,688)	1,477	27,568	21,401
Allowance for loan losses (d)	12,269	(2,993)	667	15,263	11,602
Collateral / guarantee coverage (e)	10,609	(1,694)	810	12,304	9,799

(Note) Allowance for loan losses (d) is the sum of specific allowance for loan losses and general allowance for loan losses for FRL Credit.

Coverage Ratio c/a

	March 31, 2021			March 31, 2020	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	88.8%	(8.3%)	(0.3%)	97.1%	89.1%

Allowance Ratio d/(a-e)

	March 31, 2021			March 31, 2020	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	81.0%	(13.9%)	(0.6%)	94.9%	81.6%

5. Coverage for FRL Credit by Borrowers' Category

☐ After partial and direct written-off

【Non-consolidated】

(100 millions yen)

Borrower categories for self-assessment	FRL Credit		Allowance & Coverage	Allowance Ratio	Coverage Ratio	Risk Monitored Loans
	Loans	other				
Bankrupt borrowers	Bankrupt and similar credit 21		Collateral / Guarantee coverage 21	100.0%	100.0%	Loans to bankrupt companies 21
De facto bankrupt borrowers						
In Danger of Bankruptcy borrowers	Doubtful credit 207		Collateral / Guarantee coverage 84 Allowance 107 Estimated collections 15	87.7%	92.7%	Past due loans 207
Need Attention borrowers	Special attention credit 28		Collateral / Guarantee coverage - Allowance 15 Estimated collections 13	52.5%	52.5%	Loans overdue for three months or more -
						Restructured loans 28
Normal borrowers	(Normal credit) (29,385)					

FRL Credit, total 257	Collateral / Guarantee coverage 106 Allowance 122 Estimated collections 28	FRL Credit Allowance Ratio 81.0%	FRL Credit Coverage Ratio 88.8%	Risk Monitored loans 257
Total credit 29,642	Total allowance 500	Allowance ratio = Allowance / (Credit – Collateral, Guarantees, etc.) Coverage ratio = (Collateral, Guarantees + Allowance) / Credit		
The reserve ratio for the non-secured portion of special attention credit			52.5%	
The reserve ratio for the need attention credit			5.0%	
The reserve ratio for the normal credit			0.8%	

(Note) The amounts are rounded down to the nearest 100 millions yen.

6. Off-Balancing of FRL Credit [Non-consolidated]

① Balance of doubtful credit, and bankrupt and similar credit

(100 millions yen)

Newly added within:		As of Sep. 30, 2017	As of Mar. 31, 2018	As of Sep. 30, 2018	As of Mar. 31, 2019	As of Sep. 30, 2019	As of Mar. 31, 2020	As of Sep. 30, 2020 (B)	increase (decrease) (A)-(B)	As of Mar. 31, 2021 (A)
-Sep. 30, 2017	Bankrupt and similar credit	1	1	-	-	-	-	-	-	-
	Doubtful credit	17	15	13	13	3	3	2	(0)	1
	subtotal	19	17	13	13	3	3	2	(0)	1
Oct. 1, 2017 -Mar. 31, 2018	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	30	30	30	30	30	30	-	30
	subtotal	-	30	30	30	30	30	30	-	30
Apr. 1, 2018 -Sep. 30, 2018	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	24	16	9	0	0	(0)	0
	subtotal	-	-	24	16	9	0	0	(0)	0
Oct. 1, 2018 -Mar. 31, 2019	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	81	25	24	11	(11)	-
	subtotal	-	-	-	81	25	24	11	(11)	-
Apr. 1, 2019 -Sep. 30, 2019	Bankrupt and similar credit	-	-	-	-	32	43	-	-	-
	Doubtful credit	-	-	-	-	91	78	47	(0)	46
	subtotal	-	-	-	-	124	121	47	(0)	46
Oct. 1, 2019 -Mar. 31, 2020	Bankrupt and similar credit	-	-	-	-	-	0	2	(1)	0
	Doubtful credit	-	-	-	-	-	79	1	(1)	-
	subtotal	-	-	-	-	-	80	3	(2)	0
Apr. 1, 2020 -Sep. 30, 2020	Bankrupt and similar credit	-	-	-	-	-	-	18	1	20
	Doubtful credit	-	-	-	-	-	-	74	(10)	63
	subtotal	-	-	-	-	-	-	93	(9)	84
Oct. 1, 2020 -Mar. 31, 2021	Bankrupt and similar credit	-	-	-	-	-	-	-	0	0
	Doubtful credit	-	-	-	-	-	-	-	64	64
	subtotal	-	-	-	-	-	-	-	65	65

(Note1) The amounts are rounded down to the nearest 100 millions yen.

(Note2) Balance as of Mar. 31, 2021 includes those borrowers (JPY 2 billion) for whom measures are undertaken which will lead to eventual off-balancing.

② Off-balancing of doubtful credit, and bankrupt and similar credit

(100 millions yen)

Newly added within:	-Sep. 30, 2017	Oct. 1, 2017 -Mar. 31, 2018	Apr. 1, 2018 -Sep. 30, 2018	Oct. 1, 2018 -Mar. 31, 2019	Apr. 1, 2019 -Sep. 30, 2019	Oct. 1, 2019 -Mar. 31, 2020	Apr. 1, 2020 -Sep. 30, 2020
Liquidation-type disposition	(0)	-	-	-	-	-	-
Restructuring-type disposition	(0)	-	-	-	-	-	-
Loan liquidations	(0)	-	-	-	-	(14)	(9)
Direct written-off	0	-	-	-	-	11	0
Other	(0)	-	(0)	(11)	(0)	(0)	(0)
Total	(0)	-	(0)	(11)	(0)	(2)	(9)

(Note1) The amounts are rounded down to the nearest 100 millions yen.

(Note2) Liquidation-type disposition : debt waiver in event of bankruptcy or special liquidation

Restructuring-type disposition : debt waiver in event of restructuring-type proceedings, such as corporate reorganization, civil rehabilitation, composition and winding-up; or debt forgiveness

Other : collection by disposition of collateral, business improvement of debtor, etc.

(Note3) If legal proceedings such as debt waiver, forgiveness, collection and so on, occur after direct written-off of book cost, relevant amounts are reentered in "Liquidation-type disposition", "Restructuring-type disposition" or "Other" where appropriate and subtracted from "Direct written-off".

7. Breakdown of Loans and Bills Discounted Classified by Industry [Non-consolidated]

□ After partial and direct written-off

① Loans and Bills Discounted Classified by Industry

(million yen)

	March 31, 2021	March 31, 2020	September 30, 2020
Loans by domestic offices (excluding Japan Offshore Market accounts)	2,918,317	2,937,508	2,834,785
Manufacturing	212,283	240,906	241,942
Agriculture, forestry & fisheries	4,501	4,628	4,584
Mining, quarry, gravel extraction	-	-	-
Construction	12,228	10,212	11,638
Electricity, gas, heat supply & water	49,788	47,275	41,115
Information & communications	113,118	77,707	87,579
Transport, postal Service	35,778	35,565	34,006
Whole sale & retail trade	71,898	68,384	58,709
Finance & insurance	361,798	412,053	387,725
Real estate	626,079	625,814	636,002
Leasing	75,701	32,652	32,295
Various Services	186,041	213,015	198,038
Local governments	21,115	7,146	3,066
Others	1,147,982	1,162,143	1,098,080
Loans by overseas offices (including Japan Offshore Market accounts)	-	-	-
Government	-	-	-
Financial institution	-	-	-
Others	-	-	-
Total	2,918,317	2,937,508	2,834,785

② Risk Monitored Loans Classified by Industry

(million yen)

	March 31, 2021	March 31, 2020	September 30, 2020
Loans by domestic offices (excluding Japan Offshore Market accounts)	25,726	28,285	23,917
Manufacturing	2,905	3,379	2,919
Agriculture, forestry & fisheries	4,501	4,612	4,584
Mining, quarry, gravel extraction	-	-	-
Construction	-	-	-
Electricity, gas, heat supply & water	-	-	-
Information & communications	-	-	-
Transport, postal Service	-	2,176	-
Whole sale & retail trade	2,025	2,164	2,099
Finance & insurance	-	-	982
Real estate	2,273	-	-
Leasing	861	-	816
Various Services	1,380	1,239	1,260
Local governments	-	-	-
Others	11,779	14,711	11,253
Loans by overseas offices (including Japan Offshore Market accounts)	-	-	-
Government	-	-	-
Financial institution	-	-	-
Others	-	-	-
Total	25,726	28,285	23,917

③ Consumer Loans

(million yen)

	March 31, 2021			March 31, 2020 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
Consumer loans	1,385	(154)	(75)	1,539	1,460
Housing loans	979	(139)	(67)	1,119	1,047
Other loans	405	(14)	(7)	420	412

④ Loans to Small/Medium-sized Corporations

(million yen)

	March 31, 2021			March 31, 2020 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
Loans to small/medium-sized corporations	2,240,369	(121,944)	16,497	2,362,313	2,223,872
Ratio to total loans	76.8%	(3.6%)	(1.6%)	80.4%	78.4%

8. Debentures, Deposits and Loans

【Non-consolidated】

(million yen)

		March 31, 2021			March 31, 2020 (B)	September 30, 2020 (C)
		(A)	(A) - (B)	(A) - (C)		
Debentures	Ending balance	-	(44,660)	(24,880)	44,660	24,880
	Average balance	20,925	(29,244)	(11,404)	50,170	32,329
Deposits	Ending balance	3,821,140	542,390	312,495	3,278,749	3,508,644
	Average balance	3,519,794	359,360	100,916	3,160,434	3,418,878
Deposits & Certificates of deposits	Ending balance	3,855,140	529,150	311,895	3,325,989	3,543,244
	Average balance	3,559,369	322,379	98,947	3,236,990	3,460,422
Loans and bills discounted	Ending balance	2,918,317	(19,190)	83,531	2,937,508	2,834,785
	Average balance	2,883,214	3,331	(47,554)	2,879,883	2,930,768

III. Uniform Questions for FY2020

1. FRL Credit Ratio 【Non-consolidated】【Consolidated】

	Sep. 30, 2018	Mar. 31, 2019	Sep. 30, 2019	Mar. 31, 2020	Sep. 30, 2020	Mar. 31, 2021
Non-consolidated	0.33%	0.55%	0.71%	0.95%	0.83%	0.86%
Consolidated	0.33%	0.55%	0.72%	0.95%	0.82%	0.91%

2. Investment Stocks 【Non-consolidated】

(1) Investment Stocks (100 millions yen)

	Acquisition cost(A)	Market value(B)	(B)-(A)
March 31, 2020	329	430	101
September 30, 2020	373	528	154
March 31, 2021	377	582	204

(Note) The amounts are rounded down to the nearest 100 millions yen. The same applies in the following tables.

(2) Sales of cross-holding stocks

None

(3) Impairment of stocks (100 millions yen)

	Gains (losses) on stock transactions	
		Impairment loss
FY 2019	116	(17)
FY 2020 1st Half Period	11	-
FY 2020	24	(0)

3. Loans to Small/Medium-sized Corporations 【Non-consolidated】

Loan Balance (100 millions yen)

	Balance	Increase/Decrease	Ratio to total loans
March 31, 2020	23,623	5.0%	80.4%
September 30, 2020	22,238	(5.9%)	78.4%
March 31, 2021	22,403	0.7%	76.8%

4. Sales of investment trusts and annuity insurance to retail customers 【Non-consolidated】

a. Investment trusts (100 millions yen)

	Sales Total
FY 2019	194
FY 2020 1st Half Period	78
FY 2020	292

b. Annuity insurance (100 millions yen)

	Sales Total
FY 2019	119
FY 2020 1st Half Period	13
FY 2020	36

5. Japanese Government Bonds 【Non-consolidated】

(100 millions yen)

	Balance
March 31, 2020	-
September 30, 2020	50
March 31, 2021	297

IV. Deferred Tax Assets

1. Judgement for Recoverability of Deferred Tax Asset

We have categorized the Bank under Category 2 of 'Guidance on Recoverability of Deferred Tax Assets' (ASBJ Guidance on Corporate Accounting Standard No.26) and have calculated recoverable deferred tax assets based on a scheduling of the reversals of temporary differences.

Reference) Past Taxable income

(100 millions yen)

	FY 2018	FY 2019	FY 2020
Taxable income (before offsetting of tax loss carryforwards)	377	594	389

2. Temporary Differences and Loss Carryforwards [Non-consolidated]

(100 millions yen)

	March 31, 2021		March 31, 2020
	(A)	(A) - (B)	(B)
Deferred Tax Assets	339	3	335
Allowance for loan losses	149	(10)	160
Provision for employees' retirement benefits	31	1	30
Securities write-off	192	0	192
Unrealized gain on available-for-sale securities	—	—	—
Tax loss carryforwards	—	—	—
Other	99	5	94
Subtotal	472	(3)	476
Less valuation allowance	(133)	7	(141)
Deferred tax liabilities	166	98	68
Unrealized gain on available-for-sale securities	148	100	47
Net deferred tax assets	172	(94)	267