

Annual Report 2022

GUNMA BANK REPORT

Year Ended 31st March, 2022



Message from the Management



We will achieve our purpose through the autonomous actions of each individual executive and employee

Akihiko Fukai
President
The Gunma Bank, Ltd.

Preface

■ We use our strengths in connections to spin the threads of the future for local communities

Having re-examined the meaning of our existence, we established our Purpose in November 2021. The turbulent environment of the world serves as the background to this activity, especially with topics such as the protracted impact of the COVID-19 pandemic, global tensions over the situation in Ukraine, and the inflation that has followed including a steep rise in resource prices dominating the headlines. Currently, there are concerns about a slowdown in the global economy due to monetary tightening policies particularly in the U.S., as well as the negative impact of the rapid depreciation of the yen. This global situation and various trends such as “digitalization” and “decarbonization” are having a profound impact on our local communities and economies.

Amidst these changes, we asked ourselves what the meaning of our existence in the community was and what we could do to work with the community. The answers to these questions led us to draft the Purpose of the Gunma Bank Group.

Purpose

■ What led us to review our Purpose

Although we began reviewing our Purpose around January 2021, I believe that the COVID-19 pandemic played a big role in kicking off the discussions. With our local economy suffering significant effects of the pandemic, I wanted to clarify in writing the meaning of our existence and how we can work with the community.

I believed that our Purpose must be one that would resonate with our stakeholders, and more importantly, it must permeate the decisions and actions of our executives and employees, so that the entire Group would conduct its activities in accordance with the Purpose. The most sublime and beautiful purpose statement is meaningless if it merely remains on display in a frame, covered in dust, or hidden away in the bottom of a desk drawer. For this reason, we spent ample time in the review process.

■ The review process

The Bank produces a video forum called “Staff IR Sessions” in which I make regular appearances to talk to all executives and employees about the management situation and major policies. I decided to use this program as a means to explain the importance of the Bank’s Purpose and invite employees and executives to submit their opinions. Although it was voluntary, we received 755 submissions in which people offered their opinions on the Bank’s essential strengths, the expectations that society and our customers have for us, and the meaning of our existence. I carefully read all the opinions myself and received many new insights from them, including a unique comment that compared the Bank to the flow of the Tone River, as well as opinions filled with passion for the local community. With these opinions in mind and as a result of discussions with young and mid-career employees and discussions at Board of Directors meetings, we arrived at two concepts that symbolized the meaning of our existence: “connecting” and “spinning the threads.”

“Connecting” is an expression of our business itself, which we have built up in the past and in which we must engage for the future. The origins of our business date back to 1932, when the Bank was founded as The Gunma Daido Bank. We functioned as a financial intermediary “connecting” lenders and borrowers of money, and this will continue to be our most important role going forward. Furthermore, I believe that it is extremely important for the future of the region that we play a role that goes beyond finance, such as “connecting” our customers with the Bank’s resources and expertise, “connecting” local people with each other, and “connecting” different kinds of expertise.

“Spinning the threads” expresses the way we want to combine our strengths with the people of the local community and move toward a sustainable future for the region. “Spinning” refers to the act of joining fibers from silkworm cocoons to create thread. Gunma Prefecture, where our headquarters are located, developed around the textile industry, as represented by the World Heritage Site Tomioka Silk Mill. Therefore, I thought using the concept of “spinning threads” would express our unique, regional character.

Discussions on the Purpose continued up until the very last board meeting before the decision was finalized, and we added the subject “we” at the very last moment. It is relatively rare in Japan for a company purpose to explicitly state “we” as the subject, but we decided to include this subject so that each employee of the Bank would be able to recognize it as a personal matter.

■ Penetration within the Bank

After spending over half a year working on the Purpose, we finally issued it in November 2021, and penetration within the Bank is making progress. I have heard from young employees that because we used familiar concepts like “connecting” and “spinning the threads,” “the word ‘connect’ is now appearing in all sorts of situations, even in branch offices.”

The Bank operates 12 business districts, each of which has formulated its own regional strategy, and each branch office has its own mid-term branch management policy. These strategies and policies have also been reevaluated based on the Purpose, indicating how the Purpose has been incorporated at the strategic level for each business district and branch office.

Furthermore, in April 2022, each executive and employee prepared his or her own “Personal Purpose.” Based on the Bank’s Purpose, these statements express why each person works and what they aim to achieve for society through their work. These Personal Purposes were to be shared with colleagues to encourage employees to support each other in achieving their goals. Through exchanges of opinions with bank employees, I have received feedback that thinking about their Personal Purposes has made employees more aware of the Bank’s Purpose in their daily activities.

One of our outside officers advised me that it is important for the President to repeatedly talk to the executives and employees about the Purpose in every possible situation, like a broken tape recorder. I intend to put this into practice until each and every executive and employee is able to act autonomously based on the Purpose.

■ Mid-Term Business Plan “Innovation for ‘Purpose’”

The Purpose was complete, but how would we actually achieve it? The method was laid out in our Mid-Term Business Plan “Innovation for ‘Purpose,’” which went into force in April 2022.

■ The three points of the new Mid-Term Business Plan

The new Mid-Term Business Plan was drafted with an emphasis on the following three points.

1. The plan must be based on the Bank’s Purpose. The previous Mid-Term Business Plan was called “Innovation New Dimension,” and we will continue to work on the innovations promoted under the plan. However, we had concerns that as time passed, there was a risk that innovation itself would become the goal, which would lead to a narrowing of the vision, and the innovations would ultimately become inward-looking. We therefore chose the name “Innovation for ‘Purpose’” to clarify that the goal of the plan is to achieve the Bank’s Purpose, and innovation is the means toward that end. Having established these principles, we discussed the basic policies and strategic themes to finalize the plan.
2. The plan should build on the achievements and challenges of the previous Mid-Term Business Plan and should be formulated from the two perspectives of forecasting and backcasting. Forecasting takes the past and present as its starting point, and by this we meant that the plan should establish what should be done in depth over the next three years. By contrast, backcasting takes the future as its starting point. It impelled us to envision the “to-be future” based on the Bank’s Purpose and work backward to establish what should be done over three years. There may have been insufficient consideration and communication of the “to-be future” in the drafting processes of previous business plans. This time, on the occasion of formulating the Bank’s Purpose, a series of discussions on the “to-be future” was held at the board meeting and it was explicitly stated in the plan. The “to-be future” is the sustainable development of the local community and the Gunma Bank Group. To this end, we need to explore non-financial business areas and evolve ourselves into a regional comprehensive group that contributes to solving local issues, decarbonizing local communities, and supporting the sustainable growth of local industry.
3. To balance social and economic value. “Social value” refers to the sustainable development of the local community and our customers, based on the Bank’s Purpose, and “economic value” refers to the Bank’s profits. Unless our activities are in line with the goals and needs of society and our customers, we cannot sustainably generate revenue, and without sustainably generating revenue, we cannot achieve our Purpose. Social value and economic value are therefore inseparable. In addition to incorporating this insight into the plan, we are also ensuring that our executives and employees are aware of it. As a symbol of our commitment, we have established a quantitative metric in the plan called the “KPIs in Connections.” For example, we have set a goal of “resolving 600 business succession issues” in three years. Helping our customers to solve their business succession issues will not only contribute to the sustainability of the community, but it will also ultimately lead to revenues for the Bank.

■ Quantitative targets

By balancing social and economic value and working on the “KPIs in Connections,” we aim to achieve the following goals by the final fiscal year of the Mid-Term Business Plan, ending in March 2025: profit on loans of ¥54.5 billion, proceeds from corporate service provision (consolidated) of ¥6.5 billion, and deposit financial asset revenue (consolidated) of ¥9.0 billion for consolidated core business net income (excluding gain on cancellation of investment trusts) of ¥45.0 billion (+¥8.1 billion compared to the fiscal year ended March 31, 2022). As a result, we expect profit attributable to owners of parent to reach a record high of ¥30.0 billion, a consolidated of OHR around 55%, and a consolidated ROE of 5% or higher.

■ Basic Policy 1 Implementation of digital strategies as the foundation for “connecting” and “spinning the threads”

In part due to the impact of the COVID-19 pandemic, digitalization is accelerating across the world. As I believe that the power of digital is indispensable in all fields in order to achieve our Purpose, I have given “digital” pride of place in our basic policy.

The Bank’s digital strategy classifies the fields of digitalization we are pursuing in three categories. The first is the digitalization of the community, such as by supporting SMEs in their digitalization and promoting cashless means of doing business. The second is to promote the digitalization of customer contact points, such as the Gungin app that we launched in April 2022. The third is to promote the digitalization of internal bank operations to increase operational efficiency and make information more accessible to support decision-making and action.

In order to advance this kind of digital strategy, it is essential to increase the sophistication of data use. I wrote above that we solicited opinions from executives and employees on the essential strengths of the Bank as part of the process of reviewing our Purpose. The most frequent response we received referred to the Bank’s “information capabilities.” Although I agree, if one were to ask whether we were using our informational strength to its fullest capacity, I would have to say that there is still much room for improvement. We will divide our efforts to increase the sophistication of our data use into the three stages of building the infrastructure for data collection and storage (i.e., a data lake), building the infrastructure for digital marketing, and building the infrastructure for data analysis. We aim to build the infrastructure during the next fiscal year.

■ Basic Policy 2 Reinforce strengths in “connecting” by five reform initiatives

I believe that to achieve our Purpose, it will be important to enhance our strengths in connecting and repeatedly demonstrate our ability to connect, as stated in the Purpose itself. Therefore, our second basic policy entails strengthening our abilities to connect by enacting reforms in the following five areas: our sales processes, business processes, channels, human resources, and collaboration with external parties. The previous Mid-Term Business Plan raised processes, channels, and human resources as three areas to be reformed, and in the new plan we are dividing “processes” into customer-facing “sales processes” and “business processes” which concerns the Bank’s internal business processes. In addition, we are adding the field of “cooperation with external parties” to leverage our many external alliances.

■ Basic Policy 3 “Spinning the threads” of the future by exercising our strengths in “connecting”

The third basic policy shows how we will respond to the expectations of society and our customers by demonstrating our connecting abilities from the five perspectives of local community, businesses, individuals, the Gunma Bank Group, and the Gunma Bank.

What distinguishes us is that to achieve our Purpose, we will place a strong emphasis on the sustainability of the local community, support our customers against the backdrop of the impact of the COVID-19 pandemic, and strengthen our search for new business opportunities.

Sustainability Initiatives

■ The establishment of a Sustainability Committee

In April 2022, we established a Sustainability Committee with me as its chairperson to develop management strategies from a medium- to long-term perspective to address sustainability topics such as SDGs, ESG and climate change, and to strengthen the effectiveness of each policy. At its meetings, the Committee primarily discusses the formulation of policies for sustainability initiatives and follows the progress of our plans. In addition, each time the Committee meets, it issues a report to the Board of Directors. By doing so, we have established a governance structure in which the Board of Directors oversees important matters related to sustainability.

■ Decarbonization

To promote decarbonization in the region, it will be important for the Bank to take the lead in reducing greenhouse gas emissions and to support the decarbonization of its business partners.

In January 2022, the Bank revised its greenhouse gas emissions reduction target and reestablished the goal of Net Zero by FY 2030. Our headquarters has been receiving its electricity from renewable energy sources since April 2022, and in the future, we plan to install solar panels on our branch offices to help us achieve our target.

We will launch our “SDGs initiatives support services” for our business partners within this fiscal year to support them in incorporating the SDGs in their main business operations.

■ Sustainable finance

In addition, we will actively engage in “sustainable finance” to contribute to solving environmental issues (via renewable energy, energy-saving equipment, etc.) and social issues (start-ups, business succession, BCP, medical care, etc.). We will work together with local customers to bring about a sustainable society, with a cumulative target of ¥1.5 trillion to be used in sustainable finance by 2030, of which ¥1 trillion will be in the environmental field.

■ Working with the automobile industry and CASE in Gunma Prefecture

To promote sustainability in our community in Gunma Prefecture, I believe it will be important to support one of Gunma Prefecture’s key industries, namely the automotive industry. As decarbonization efforts reduce the number of gasoline-powered cars, we can expect various changes to the structure of the industry, and we are now making serious efforts to consider what kind of role we can play in the medium to long term. As of this moment, we are deepening communications with key suppliers and building a database. We plan to use this database to create concrete proposals and implement support for each company, while also promoting collaboration with external organizations.

■ On Alliances

In addition to joining the Fincross Partnership (currently consisting of eight regional banks) in May 2018 and the TSUBASA Alliance (wide-area collaboration of 10 regional banks) in December 2020, we concluded the Gunma-Daishi Hokuetsu Alliance with the Niigata Prefecture-based Daishi Hokuetsu Bank in December 2021, and the Ryomo Regional Revitalization Partnership with the Tochigi Prefecture-based Ashikaga Bank in January 2022.

Some people ask whether we really need to have multiple partnership agreements, but each partnership has its own objectives, and I believe that these initiatives are vital if we are to contribute to the sustainability of the region. What the Fincross Partnership and TSUBASA Alliance have in common is that they are both collaboration agreements covering a wide geographic area with participation from regional banks from across the country. However, while the former is focused on the digitalization of finance, the TSUBASA Alliance has the top 10 banks of each region working together to resolve a wide range of shared challenges. The distinguishing characteristic of the Gunma-Daishi Hokuetsu Alliance and the Ryomo Regional Revitalization Partnership is that banks from neighboring or overlapping regions collaborate on sustainability issues.

Regarding digitalization, for example, which is a theme of our Mid-Term Business Plan, it would be difficult for the Bank to tackle this topic on its own. However, by working together with several banks, we can develop even better mechanisms and collaborate effectively to solve regional issues such as decarbonization. Although I regularly participate in the meetings of each alliance, I am not alone. Gunma Bank representatives from several different layers of the organization, including the general manager level, branch manager level, and supervisor level, participate actively in meetings and information exchanges. I am convinced that gathering and discussing with like-minded people who share a common vision of regional revitalization is extremely beneficial from the standpoint of human resource development.



Conclusion

■ Enhancing the general skills and specialized talents of staff

Although I have focused on the Bank's Purpose and our Mid-Term Business Plan thus far, I believe that the driving force to achieve them resides in each individual executive and employee, and that it is of utmost importance to strengthen our human capital.

As mentioned above, "digital" is one of the basic policies of our Mid-Term Business Plan, but if we lack sufficient basic knowledge when proposing a digitalization project to an SME client, we would be unable to sufficiently address their issues and needs. Therefore, to raise the Bank's digital capabilities across the board, we aim for 1,000 of our staff to take a national examination and obtain the so-called "IT Passport." I believe that in this day and age, IT and digital knowledge should be considered base skills for bank employees in the same way that knowledge on finance and taxes are. I tell our executives and employees that after they have acquired these base skills as bankers, they should continue to refine their skills and acquire a high level of expertise that will be able to meet the true needs of our customers. As our customers' needs become more complex and diverse, organizations need both the broad knowledge to understand customers' needs and the expertise to meet those needs.

Of course, a single person cannot cover everything, so for transactions that require a high level of expertise, we have increased the number of headquarters staff who have acquired specialized skills through external training, and we are also enhancing collaboration between group companies and branch offices.

■ All employees and executives combining their strengths to achieve the Bank's purpose


In today's rapidly changing and increasingly uncertain environment, it is extremely difficult to accurately predict the future. We naturally formulate our plans with full consideration of the general direction of the world, but it is also extremely important to be able to respond to uncertain events as they occur. The customers' needs continue to change, as does our business in light of deregulation and its own changing needs. In this context, it would be impossible to reach our goal if we developed a homogeneous workforce and followed a pre-determined path.

Then what is our goal, and how do we reach it? That is what the Purpose is for. Our Purpose is not only the goal that we share, but also the guiding star showing us the way (the process) to achieve that goal without getting lost along the way. Although there is one and only one Purpose, the processes we follow to reach that goal are not uniform, and it is important for each individual executive and employee to autonomously and flexibly think about what it means to reach that goal. That is because the driving force that will enable us to achieve our purpose resides within each executive and employee. For this reason, each person reviewed the meaning of their own existence and set their own "Personal Purpose." I have asked our employees to create their Personal Purpose from three perspectives: the social perspective (how to benefit society), the Bank's perspective (to be in line with the Gunma Bank Group's Purpose), and the individual perspective (what they hope to achieve themselves). If each person creates and accumulates value based on their own Personal Purpose, then this will eventually form a powerful flow like the great Tone River of our region, leading to a prosperous future for the local community.

In closing, I would like to express my sincere gratitude for your continued warm support.

July 2022

Akihiko Fukai
President



Consolidated Financial Review

Performance

The Gunma Bank Group comprises six consolidated subsidiaries, two unconsolidated subsidiaries accounted for by the equity method, and one affiliated company accounted for by the equity method. The consolidated business results were as follows.

During the fiscal year, total assets increased by ¥532.7 billion to ¥11,148.5 billion, while liabilities increased by ¥551.6 billion to ¥10,619.2 billion.

Net assets decreased by ¥18.8 billion to ¥529.2 billion.

Ordinary income increased by ¥6,881 million from the previous fiscal year to ¥150,197 million, mainly due to an increase in interest income (interest and dividends on securities, etc.). Ordinary expenses decreased by ¥12,147 million from the previous fiscal year to ¥111,086 million, mainly due to a decrease in "other expenses" (provision of allowance for loan losses, etc.).

As a result, ordinary profit came to ¥39,111 million, an increase of ¥19,028 million from the previous fiscal year. Furthermore, profit attributable to owners of parent

increased by ¥12,934 million from the previous fiscal year to ¥26,436 million.

Consolidated Capital Adequacy Ratio (BIS Standards)

	As at March 31, 2021	As at March 31, 2022
1. Consolidated total capital ratio (4/7)	12.74%	12.40%
2. Consolidated Tier 1 ratio (5/7)	11.58%	11.23%
3. Consolidated Common Equity Tier 1 ratio (6/7)	11.58%	11.23%
4. Total capital (consolidated)	564.9	541.3
5. Tier 1 capital (consolidated)	513.8	490.1
6. Common Equity Tier 1 capital (consolidated)	513.8	490.1
7. Risk weighted assets	4,433.4	4,362.2
8. Total Capital requirements (consolidated)	354.6	348.9
9. Consolidated leverage ratio	6.09%	5.67%

Billions of yen

Consolidated Balance Sheets

As at March 31,	Millions of yen		Thousands of U.S. dollars (Note 2)
	2021	2022	2022
Assets			
Cash and due from banks (Note 15)	¥ 2,326,681	¥ 2,651,118	\$ 21,661,236
Call Loans and bills bought	—	6,119	50,000
Monetary claims bought	5,621	5,706	46,622
Trading account securities	823	942	7,700
Money held in trust (Note 7)	11,268	8,268	67,558
Securities (Note 6 and 12)	2,402,460	2,501,019	20,434,831
Loans and bills discounted (Note 3)	5,688,847	5,758,096	47,047,113
Foreign exchanges	14,947	34,244	279,799
Lease receivables and investment assets	59,528	60,191	491,798
Other assets	71,348	78,824	644,047
Property and equipment (Note 11)	69,463	66,191	540,822
Intangible assets	9,956	9,236	75,466
Net defined benefit asset	6,631	10,813	88,351
Deferred tax assets (Note 17)	1,571	1,488	12,159
Customers' liabilities for acceptances and guarantees	9,632	8,764	71,608
Allowance for loan losses	(63,028)	(52,485)	(428,834)
Total assets	<u>¥10,615,756</u>	<u>¥11,148,539</u>	<u>\$ 91,090,282</u>
Liabilities			
Deposits (Note 12)	¥ 7,909,335	¥ 8,168,591	\$ 66,742,312
Call money and bills sold	37,807	70,496	576,000
Payables under repurchase agreements (Note 12)	4,992	8,153	66,621
Payables under securities lending transactions (Note 12)	669,024	732,995	5,989,017
Borrowed money (Note 12)	1,291,081	1,500,795	12,262,405
Foreign exchanges	162	534	4,369
Bonds payable (Note 23)	50,000	50,000	408,530
Borrowed money from trust account	8,953	12,056	98,509
Other liabilities	66,683	57,106	466,593
Provision for directors' bonuses	56	59	483
Net defined benefit liability	368	362	2,960
Provision for directors' retirement benefits	244	204	1,668
Provision for reimbursement of deposits	533	367	3,006
Provision for point loyalty programs	144	155	1,273
Provision for contingent loss	900	900	7,357
Reserves under special laws	0	0	5
Deferred tax liabilities	10,636	359	2,937
Deferred tax liabilities for land revaluation (Note 13)	7,823	7,377	60,278
Acceptances and guarantees	9,632	8,764	71,608
Total liabilities	<u>10,067,663</u>	<u>10,619,283</u>	<u>86,765,939</u>
Net assets			
Capital stock	48,652	48,652	397,518
Capital surplus	29,581	29,581	241,701
Retained earnings	391,382	407,300	3,327,887
Treasury shares	(8,838)	(7,352)	(60,074)
Total shareholders' equity	<u>460,778</u>	<u>478,181</u>	<u>3,907,032</u>
Valuation difference on available-for-sale securities	71,541	33,379	272,733
Deferred gains or losses on hedges	(231)	(137)	(1,125)
Revaluation reserve for land (Note 13)	13,715	13,415	109,612
Foreign currency translation adjustment	(98)	—	—
Remeasurements of defined benefit plans	2,387	4,417	36,089
Total accumulated other comprehensive income	<u>87,314</u>	<u>51,074</u>	<u>417,310</u>
Total net assets	<u>548,093</u>	<u>529,256</u>	<u>4,324,342</u>
Total liabilities and net assets	<u>¥10,615,756</u>	<u>¥11,148,539</u>	<u>\$ 91,090,282</u>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

Years ended March 31,	Millions of yen		Thousands of U.S. dollars (Note 2)
	2021	2022	2022
Income			
Interest income:			
Interest on loans and discounts	¥ 54,034	¥ 53,281	\$ 435,343
Interest and dividends on securities	14,596	18,765	153,322
Other interest income	1,159	1,822	14,893
Trust fees	53	52	427
Fees and commissions	21,379	21,544	176,028
Other ordinary income	38,152	38,399	313,748
Other income	14,220	18,825	153,812
Total income	<u>143,594</u>	<u>152,690</u>	<u>1,247,576</u>
Expenses			
Interest expenses:			
Interest on deposits	675	465	3,804
Interest on call money and borrowing	239	108	883
Other interest expenses	1,615	1,294	10,579
Fees and commissions payments	8,208	8,222	67,184
Other ordinary expenses	29,020	32,459	265,215
General and administrative expenses	57,461	55,503	453,497
Other expenses	26,564	14,852	121,354
Total expenses	<u>123,786</u>	<u>112,907</u>	<u>922,519</u>
Profit before income taxes	19,808	39,783	325,056
Income taxes:			
Current	11,436	8,062	65,879
Deferred	(5,128)	5,284	43,175
Profit	13,501	26,436	216,001
Profit attributable to owners of parent	<u>¥ 13,501</u>	<u>¥ 26,436</u>	<u>\$ 216,001</u>

Per share amounts

	Yen	U.S. dollars
Profit – primary	¥ 32.14	\$ 0.51

Diluted earnings per share of common stock for the fiscal year ended March 31, 2022 and 2021 are omitted as there are no dilutive shares.

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Years ended March 31,	Millions of yen		Thousands of U.S. dollars (Note 2)
	2021	2022	2022
Profit	¥13,501	¥ 26,436	\$ 216,001
Other comprehensive income (Note 10)			
Valuation difference on available-for-sale securities	39,755	(38,371)	(313,515)
Deferred gains or losses on hedges	98	93	763
Foreign currency translation adjustment	(127)	98	803
Remeasurements of defined benefit plans, net of tax	11,929	2,029	16,582
Share of other comprehensive income of entities accounted for by the equity method	358	209	1,709
Total other comprehensive income	<u>52,014</u>	<u>(35,940)</u>	<u>(293,657)</u>
Comprehensive income	<u>65,515</u>	<u>(9,504)</u>	<u>(77,655)</u>
(Details)			
Comprehensive income attributable to owners of parent	¥65,515	¥ (9,504)	\$ (77,655)

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2020	¥48,652	¥29,581	¥383,452	¥(9,309)	¥452,377
Cumulative effects of changes in accounting policies	—	—	—	—	—
Restated balance	48,652	29,581	383,452	(9,309)	452,377
Changes of items during the year					
Dividends of surplus	—	—	(5,458)	—	(5,458)
Profit attributable to owners of parent	—	—	13,501	—	13,501
Purchase of treasury shares	—	—	—	(0)	(0)
Disposal of treasury shares	—	—	(175)	471	295
Retirement of treasury shares	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	63	—	63
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the year	—	—	7,930	470	8,401
Balance as of March 31, 2021	¥48,652	¥29,581	¥391,382	¥(8,838)	¥460,778

	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share subscription rights	Total net assets
Balance as of March 31, 2020	¥31,427	¥(330)	¥13,778	¥ 29	¥(9,541)	¥35,363	¥ 287	¥488,028
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—
Restated balance	31,427	(330)	13,778	29	(9,541)	35,363	287	488,028
Changes of items during the year								
Dividends of surplus	—	—	—	—	—	—	—	(5,458)
Profit attributable to owners of parent	—	—	—	—	—	—	—	13,501
Purchase of treasury shares	—	—	—	—	—	—	—	(0)
Disposal of treasury shares	—	—	—	—	—	—	—	295
Retirement of treasury shares	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	63
Net changes of items other than shareholders' equity	40,113	98	(63)	(127)	11,929	51,950	(287)	51,663
Total changes of items during the year	40,113	98	(63)	(127)	11,929	51,950	(287)	60,064
Balance as of March 31, 2021	¥71,541	¥(231)	¥13,715	¥ (98)	¥ 2,387	¥87,314	¥ —	¥548,093

The accompanying notes are an integral part of these statements.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2021	¥48,652	¥29,581	¥391,382	¥(8,838)	¥460,778
Cumulative effects of changes in accounting policies	—	—	(38)	—	(38)
Restated balance	<u>48,652</u>	<u>29,581</u>	<u>391,344</u>	<u>(8,838)</u>	<u>460,740</u>
Changes of items during the year					
Dividends of surplus	—	—	(5,886)	—	(5,886)
Profit attributable to owners of parent	—	—	26,436	—	26,436
Purchase of treasury shares	—	—	—	(3,500)	(3,500)
Disposal of treasury shares	—	—	(55)	147	92
Retirement of treasury shares	—	—	(4,838)	4,838	—
Reversal of revaluation reserve for land	—	—	299	—	299
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the year	—	—	15,955	1,486	17,441
Balance as of March 31, 2022	<u>¥48,652</u>	<u>¥29,581</u>	<u>¥407,300</u>	<u>¥(7,352)</u>	<u>¥478,181</u>

	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share subscription rights	Total net assets
Balance as of March 31, 2021	¥ 71,541	¥(231)	¥13,715	¥(98)	¥2,387	¥ 87,314	¥—	¥548,093
Cumulative effects of changes in accounting policies ..	—	0	—	—	—	0	—	(37)
Restated balance	<u>71,541</u>	<u>(231)</u>	<u>13,715</u>	<u>(98)</u>	<u>2,387</u>	<u>87,315</u>	—	<u>548,055</u>
Changes of items during the year								
Dividends of surplus	—	—	—	—	—	—	—	(5,886)
Profit attributable to owners of parent	—	—	—	—	—	—	—	26,436
Purchase of treasury shares	—	—	—	—	—	—	—	(3,500)
Disposal of treasury shares	—	—	—	—	—	—	—	92
Retirement of treasury shares	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	299
Net changes of items other than shareholders' equity ..	<u>(38,161)</u>	<u>93</u>	<u>(299)</u>	<u>98</u>	<u>2,029</u>	<u>(36,240)</u>	—	<u>(36,240)</u>
Total changes of items during the year	<u>(38,161)</u>	<u>93</u>	<u>(299)</u>	<u>98</u>	<u>2,029</u>	<u>(36,240)</u>	—	<u>(18,799)</u>
Balance as of March 31, 2022	<u>¥ 33,379</u>	<u>¥(137)</u>	<u>¥13,415</u>	<u>¥ —</u>	<u>¥4,417</u>	<u>¥ 51,074</u>	<u>¥—</u>	<u>¥529,256</u>

The accompanying notes are an integral part of these statements.

Thousands of U.S. dollars (Note 2)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2021	\$397,518	\$241,701	\$3,197,833	\$(72,217)	\$3,764,836
Cumulative effects of changes in accounting policies	—	—	(312)	—	(312)
Restated balance	<u>397,518</u>	<u>241,701</u>	<u>3,197,521</u>	<u>(72,217)</u>	<u>3,764,524</u>
Changes of items during the year					
Dividends of surplus	—	—	(48,096)	—	(48,096)
Profit attributable to owners of parent	—	—	216,001	—	216,001
Purchase of treasury shares	—	—	—	(28,602)	(28,602)
Disposal of treasury shares	—	—	(454)	1,209	755
Retirement of treasury shares	—	—	(39,535)	39,535	—
Reversal of revaluation reserve for land	—	—	2,450	—	2,450
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the year	<u>—</u>	<u>—</u>	<u>130,365</u>	<u>12,142</u>	<u>142,508</u>
Balance as of March 31, 2022	<u>\$397,518</u>	<u>\$241,701</u>	<u>\$3,327,887</u>	<u>\$(60,074)</u>	<u>\$3,907,032</u>

Accumulated other comprehensive income

	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share subscription rights	Total net assets
Balance as of March 31, 2021	\$ 584,539	\$(1,893)	\$112,063	\$(803)	\$19,507	\$ 713,413	\$—	\$4,478,250
Cumulative effects of changes in accounting policies	—	4	—	—	—	4	—	(307)
Restated balance	<u>584,539</u>	<u>(1,888)</u>	<u>112,063</u>	<u>(803)</u>	<u>19,507</u>	<u>713,413</u>	<u>—</u>	<u>4,477,942</u>
Changes of items during the year								
Dividends of surplus	—	—	—	—	—	—	—	(48,096)
Profit attributable to owners of parent	—	—	—	—	—	—	—	216,001
Purchase of treasury shares	—	—	—	—	—	—	—	(28,602)
Disposal of treasury shares	—	—	—	—	—	—	—	755
Retirement of treasury shares	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	2,450
Net changes of items other than shareholders' equity	(311,806)	763	(2,450)	803	16,582	(296,107)	—	(296,107)
Total changes of items during the year	<u>(311,806)</u>	<u>763</u>	<u>(2,450)</u>	<u>803</u>	<u>16,582</u>	<u>(296,107)</u>	<u>—</u>	<u>(153,599)</u>
Balance as of March 31, 2022	<u>\$ 272,733</u>	<u>\$(1,125)</u>	<u>\$109,612</u>	<u>\$ —</u>	<u>\$36,089</u>	<u>\$ 417,310</u>	<u>\$—</u>	<u>\$4,324,342</u>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Years ended March 31,	Millions of yen		Thousands of U.S. dollars (Note 2)
	2021	2022	2022
Cash flows from operating activities			
Profit before income taxes	¥ 19,808	¥ 39,783	\$ 325,056
Depreciation	6,497	6,863	56,077
Impairment loss	282	1,382	11,299
Gain on reversal of share subscription rights	(274)	—	—
Share of loss (profit) of entities accounted by the equity method	(131)	(146)	(1,198)
Increase (decrease) in allowance for loan losses	17,609	(10,543)	(86,147)
Increase (decrease) in provision for directors' bonuses	(4)	2	19
Decrease (increase) in net defined benefit asset	(6,380)	(4,181)	(34,168)
Increase (decrease) in net defined benefit liability	(10,153)	(5)	(47)
Increase (decrease) in provision for directors' retirement benefits	(43)	(40)	(331)
Increase (decrease) in provision for reimbursement of deposits	(148)	(165)	(1,353)
Increase (decrease) in provision for point loyalty programs	4	11	92
Increase (decrease) in provision for contingent loss	(47)	0	1
Interest and dividend income	(69,790)	(73,869)	(603,559)
Interest expenses	2,530	1,868	15,268
Loss (gain) related to securities	(12,638)	(9,616)	(78,573)
Loss (gain) on money held in trust	(7)	(6)	(53)
Foreign exchange losses (gains)	(302)	(1,510)	(12,341)
Loss (gain) on disposal of non-current assets	266	(2,055)	(16,792)
Net decrease (increase) in trading account securities	899	(118)	(970)
Net decrease (increase) in loans and bills discounted	(145,670)	(69,248)	(565,805)
Net increase (decrease) in deposits	701,552	217,672	1,778,513
Net increase (decrease) in negotiable certificates of deposit	3,459	41,583	339,765
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	809,336	209,714	1,713,496
Net decrease (increase) in due from banks (excluding deposits placed with Bank of Japan)	2,146	(1,834)	(14,990)
Net decrease (increase) in call loans	3,492	(6,203)	(50,688)
Net increase (decrease) in call money	23,677	36,570	298,801
Net increase (decrease) in payables under securities lending transactions	577,893	63,970	522,680
Net decrease (increase) in foreign exchanges - assets	2,925	(19,296)	(157,667)
Net increase (decrease) in foreign exchanges - liabilities	(218)	372	3,039
Net decrease (increase) in lease receivables and investment assets	(603)	(662)	(5,412)
Net increase(decrease) in borrowed money from trust account	4,054	3,102	25,350
Interest and dividend received	73,013	79,092	646,236
Interest paid	(2,884)	(1,897)	(15,504)
Other-net	(7,767)	(26,764)	(218,679)
Subtotal	1,992,383	473,822	3,871,412
Income taxes paid	(5,208)	(14,233)	(116,295)
Net cash provided by (used in) operating activities	1,987,175	459,588	3,755,117
Cash flows from investing activities			
Purchases of securities	(1,010,823)	(909,311)	(7,429,623)
Proceeds from sales of securities	314,580	570,154	4,658,503
Proceeds from redemption of securities	210,694	210,372	1,718,872
Increase in money held in trust	(4,490)	—	—
Decrease in money held in trust	—	2,999	24,511
Purchases of property and equipment	(5,022)	(3,157)	(25,798)
Purchases of intangible assets	(3,431)	(2,820)	(23,046)
Proceeds from sales of property and equipment	123	3,954	32,312
Net cash provided by (used in) investing activities	(498,369)	(127,807)	(1,044,267)
Cash flows from financing activities			
Issuance of subordinated bonds	—	10,000	81,706
Redemption of subordinated bonds	—	(10,000)	(81,706)
Cash dividends paid	(5,456)	(5,872)	(47,985)
Purchases of treasury shares	(0)	(3,500)	(28,602)
Proceeds from sales of treasury shares	295	92	755
Net cash provided by (used in) financing activities	(5,161)	(9,281)	(75,832)
Effect of exchange rate change on cash and cash equivalents	(126)	103	842
Net increase (decrease) in cash and cash equivalents	1,483,517	322,602	2,635,858
Cash and cash equivalents at beginning of the year	841,386	2,324,903	18,995,862
Cash and cash equivalents at end of the year	¥ 2,324,903	¥2,647,506	\$21,631,721

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying consolidated financial statements of The Gunma Bank, Ltd. (the "Bank") and its consolidated subsidiaries (the "Group") have been prepared from the accounts maintained by the Bank in accordance with the provisions set forth in the Banking Law, the Financial Instruments and Exchange Act of Japan and other applicable rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Certain items have been reclassified from the original consolidated financial statements filed with the Prime Minister as required by the Financial Instruments and Exchange Act for the convenience of readers outside Japan. Certain prior year amounts have been reclassified to comply with the current year presentation.

b. Consolidation

The accompanying consolidated financial statements include the accounts of the Bank and its significant subsidiaries. The number of consolidated subsidiaries as of March 31, 2022 is 6.

The remaining unconsolidated subsidiaries have been excluded from the scope of consolidation because, judging from their assets, ordinary profit, net income or loss (amounts corresponding to the Bank's equity interest), retained earnings (amounts corresponding to the Bank's equity interest) and accumulated other comprehensive income (amounts corresponding to the Bank's equity interest), they do not have a material effect on the accompanying consolidated financial statements.

As of March 31, 2022, the Bank has 2 unconsolidated subsidiaries, which are accounted by the equity method, and 1 affiliate, which is accounted by the equity method.

In reference to the consolidated subsidiaries' closing dates, six companies close accounts at the end of March.

c. Trading Account Securities

Trading securities purchased for trading purpose are stated at market value at the fiscal year end with its related cost of sales being determined mainly by the moving average method.

d. Securities

Securities are classified into four categories: trading, held-to-maturity bonds, equity of unconsolidated subsidiaries and affiliates or securities available for sale. Trading securities are carried at market value and held-to-maturity bonds are carried at amortized cost. Equity of unconsolidated subsidiaries and affiliates are stated at cost and accounted by the equity method, respectively. Marketable securities classified as securities available for sale are carried at market value with changes in unrealized holding gain or loss, net of the applicable income taxes, recorded as a component of net assets.

Stocks and others without a quoted market price are stated at acquisition cost and determined by the moving average method.

Securities comprising the trust asset in money held in trust which is solely managed primarily for the purpose of securities operations are stated at market value.

Regarding foreign currency-denominated available-for-sale debt securities, translation differences arising from changes fair value are treated as valuation differences, and the remainder is treated as foreign exchange gains or losses.

e. Derivatives

Derivatives are stated at market value.

f. Non-current assets

(1) Property and equipment

Depreciation of Property and equipment of the Bank are computed by the straight line method.

The estimated useful lives principally applied are as follows.

Buildings	6 to 50 years
Equipment and furniture	3 to 20 years

Depreciation of Property and equipment of the consolidated subsidiaries are principally computed by the straight line method based on the estimated useful lives of the respective assets.

(2) Intangible assets

Intangible assets are depreciated using the straight line method. Software used internally is depreciated over its estimated useful life (mainly five years).

(3) Leased assets

Leased assets in "Property and equipment" subject to finance lease transactions other than those under which the title of the leased equipment is transferred to the lessee are depreciated using the straight line method assuming that the lease period is equal to the useful life. If a guarantee for residual value is prescribed by the lease contract, the residual value is equal to such guaranteed residual value; otherwise, the residual value is zero.

g. Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date.

h. Allowance for loan losses

An allowance for loan losses is provided in accordance with the internal guidelines regarding write-offs and allowance for loan losses.

- For loans to debtors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Commercial Code or other similar laws, and to debtors that are effectively in similar conditions, the allowance is provided at the amount of loan balance less the amount recoverable from the disposal of collateral and/or guarantees.
- For loans to debtors that are not yet legally or substantially bankrupt but are likely to go bankrupt (the "potentially bankrupt debtors"), the allowance is provided at the amount deemed necessary against the credit balance less the amount recoverable from the disposal of collateral and/or guarantees (the "uncovered amount").
 - For loans to large loan balance debtors with credit exceeding a certain amount, the allowance is provided at the amount calculated by the method whereby the amount of the allowance is set at the uncovered account plus the amount reasonably estimated recoverable from the cash flows ("cash flow deduction method").
 - For loans to other debtors, the allowance is provided at the amount of losses expected to be incurred from the uncovered amount over the next three years. The amount of expected losses is determined by calculating the long-term average of the ratio of loan losses observed over three years in the past, with the addition of the adjustment based on the recent loan-loss ratio and other necessary adjustments.
- For loans to debtors requiring careful management in the future, such as those with restructured loans (the "debtors requiring caution"), the allowance is provided at the amount deemed necessary against the loan balance.

A For loans to large loan balance debtors with credit exceeding a certain amount, the allowance is provided at the amount calculated by the method whereby the amount of the allowance is set at the difference between the sum of the reasonably estimated cash flows, discounted by the original contractual interest rate and the book value of the loan (the "DCF method").

B For loans to other debtors, the allowance is provided at the amount of losses expected to be incurred over the next three years. The amount of expected loss is determined by calculating the long-term average of the ratio of loan losses observed over three years in the past, with the addition of the adjustment based on the recent loan-loss ratio and other necessary adjustments.

4) For loans to debtors other than those in 1) to 3) above, the allowance is provided at the amount of losses expected to be incurred over the next year. The amount of expected loss is determined by calculating the long-term average of the ratio of loan losses observed over one year in the past, with the addition of the adjustment based on the recent loan-loss ratio and other necessary adjustments.

(Note)

Classification for the ratio of expected loss

The ratio of expected loss is calculated based on the ratio of loan losses, which is based on actual loan losses over a set period of time, and is classified into the following four categories: one category for normal debtors, two categories as described below for debtors requiring caution, and one category for potentially bankrupt debtors.

- The debtors requiring caution include those for whom all or part of the loans are substandard loans (loans past due for 3 months or more, or restructured loans) (the "substandard debtors") as well as those who modified contractual terms of loan, but are not considered substandard debtors because their loans are not regarded as restructured loans due to business improvement plans, etc.

- Loans to other debtors requiring caution

All credit is subject to self-assessment of assets by marketing-related departments in accordance with the internal guidelines for the self-assessment of assets, and the results of the self-assessment are audited by the department in charge of asset auditing that is independent of the marketing-related departments.

Consolidated subsidiaries record a general reserve for loan losses by applying the historical loan-loss ratio observed over specific periods, and the specific reserve for certain loans at the estimated uncollectible amount based on an assessment of each debtor's ability to repay loans.

i. Provision for directors' bonuses

A provision is provided for the payments of bonuses to directors and the Board of Corporate Auditors Members at the amount of the estimated bonus payments corresponding to the end of the fiscal year.

j. Accounting method for retirement benefits

In calculating retirement benefit obligation, the Bank uses the benefit formula basis for the purpose of attributing expected retirement benefit payment to the period up to the end of the fiscal year. In addition, the accounting method for actuarial gain and loss is as follows:

Actuarial gain and loss

Actuarial gain and loss are amortized from the year following the occurrence primarily by the straight line method over a fixed period (mainly 10 years) that is shorter than the average remaining service years of the eligible employees.

Certain consolidated subsidiaries calculate liability for retirement benefits and retirement benefit expenses by the simplified method, whereby retirement benefit obligation is recognized at the amount that would be paid if eligible employees retired at the end of the fiscal year.

k. Provision for directors' retirement benefits

To prepare for the payment of retirement benefits to directors and the Board of Corporate Auditors Members, a reserve is provided at the amount deemed to have accrued at the end of the fiscal year (the estimated amount payable on the balance sheet date based on the bylaws) out of the estimated amount payable as retirement benefits to directors and the Board of Corporate Auditors Members.

l. Provision for reimbursement of deposits

A provision for reimbursement of deposits accounts is provided for the repayment of dormant deposits which are no longer recorded as liabilities, based on the estimated reimbursement losses that may be incurred should the deposits be withdrawn.

m. Provision for point loyalty programs

A provision for point loyalty programs is provided for the future usage of points granted to credit card members at the amount estimated to be used in the future periods.

n. Provision for Contingent Loss

A provision for contingent loss is provided for the payment of charges related to the responsibility-sharing system to Credit Guarantee Corporations at the amount expected to be paid based on the past payment experience.

o. Reserves under Special Laws

Reserves under the special laws represents a reserve for financial products transaction liabilities and is provided for compensation for losses from securities-related accidents in the amount computed in accordance with Article 46-5 of the Financial Instruments and Exchange Act and Article 175 of the related cabinet ordinance.

p. Income Taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to be reversed.

q. Earnings Per Share

Earnings per share was computed based on the profit available for distribution to shareholders and the number of shares of common stock outstanding during the fiscal year.

r. Hedge Accounting

Hedge Accounting for Interest Rate Risks

The Bank adopted the "Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry" (Practical Guidance No.24 by the Japanese Institute of Certified Public Accountants (JICPA) Industry-specific Special Committee, March 17, 2022;"Industry-specific Special Committee Practical Guidance No.24"). Under the Industry-specific Special Committee Practical Guidance No.24, the Bank applies the deferred method of hedge accounting for qualifying derivative instruments to mitigate the interest rate risks arising from various financial assets and liabilities.

Hedge effectiveness is assessed for each designated group of hedged items (such as deposits) and the corresponding group of hedging instruments (such as interest rate swaps). Both of the hedged items and hedging instruments are grouped based on their durations and compared for the testing of effectiveness.

In addition to the above, the Bank applies exceptional treatment for certain interest swap contracts that meet the criteria for the exceptional treatment, under which eligible interest rate swap contracts are accounted for on an accrual basis.

Hedge Accounting for Foreign Exchange Risks

For foreign exchange risks arising from financial assets and

liabilities denominated in foreign currencies, the Bank adopted the "Accounting and Auditing Treatment of Accounting for Foreign Currency Denominated Transactions, etc. in the Banking Industry" (Practical Guidance No.25 by the JICPA Industry-specific Special Committee, October 8, 2020;"Industry-specific Special Committee Practical Guidance No.25"). Under the Industry-specific Special Committee Practical Guidance No.25, the Bank applies the deferred method of hedge accounting.

The Bank enters into currency-swaps and foreign exchange swaps to mitigate the foreign exchange risks arising from financial assets and liabilities denominated in foreign currencies and assesses, both at the hedge's inception and on an ongoing basis, whether these derivatives are highly effective in offsetting changes in cash flows of hedged items (financial assets and liabilities). Hedge effectiveness is assessed by ensuring that the foreign currency position of the hedging instruments that are designated to hedge foreign exchange risk of the foreign currency-denominated receivables and payables exceeds that of the hedged foreign currency-denominated receivables and payables.

In addition, for available-for-sale securities (except for bonds) denominated in foreign currencies, the Bank applies the fair value hedge accounting for a portfolio hedge on the conditions that the issues of foreign currency denominated securities are designated as hedged items in advance and that the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged items denominated in foreign currencies.

s. Recognition for Income and Expenses

Income and expenses associated with finance lease transactions are recognized when lease fees are receivable and payable.

t. Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of cash flows consist of cash and deposit with the Bank of Japan which are included in "Cash and due from banks" on the consolidated balance sheets.

(Significant accounting estimates)

Of the items for which amounts based on accounting estimates were recorded in the consolidated financial statements for the fiscal year ended March 31,2022, the following items may have a material impact on the consolidated financial statements for the fiscal year ended March 31,2023.

Allowance for loan losses

- (1) Amount recorded in the consolidated financial statements for the fiscal year ended March 31,2021 and 2022

Allowance for loan losses as of March 31,2021	¥63,028 million
Allowance for loan losses as of March 31,2022	¥52,485 million (U.S.\$428,834thousand)

- (2) Information on the details of significant accounting estimates for items identified

1) Calculation method

The calculation method for allowance for loan losses is presented in Notes to Consolidated Financial Statements 1. Summary of Significant Accounting Policies h.

2) Major assumptions

Major assumption is the "outlook for debtors' future business performance used to determine the debtor classification." The "outlook for debtors' future business performance used to determine the debtor classification" is established through the individual evaluation of each debtor's earning generating ability, after taking into account the impact of the COVID-19 pandemic. The Bank considers that loan losses due to the impact of

the COVID-19 pandemic will not escalate significantly, due to the economic countermeasures implemented by the Japanese government and local government bodies, as well as the cash flow support provided by financial institutions, etc. However, since it is still unclear when the COVID-19 pandemic will be contained for large loan balance debtors for which a substantial deterioration in business performance may increase the uncertainty of the Bank's results, the Bank provides allowance for loan losses based on an individual estimate using the DCF method and cash flow deduction method.

Reasonable estimates of future cash flows are used in the DCF method and the cash flow deduction method.

Reasonable estimates of future cash flows:

- The estimated amount recoverable in case of a radical and feasible business improvement plan or the like and this amount can be reasonably estimated
- The estimated amount recoverable with reference to factors such as past repayments

- 3) Impact on the consolidated financial statements for the next fiscal year ended March 31,2023.

If the assumptions used for calculating the original estimates change due to factors such as changes in the business performance of individual debtors, then this may have a significant impact on allowance for loan losses in the consolidated financial statements for the fiscal year ended March 31,2023.

(Adoption of Accounting Standard for Revenue Recognition, etc.)

The Group has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. effective April 1, 2021 and recognized revenue as the amount expected to be received in exchange for promised goods or services at the time when the control of them is transferred to the customer.

The adoption of Accounting Standard for Revenue Recognition has been implemented in accordance with the transitional treatment prescribed under the provisory clause of Paragraph 84 of Accounting Standard for Revenue Recognition.

The impact of the adoption of Accounting Standard for Revenue Recognition on the consolidated financial statements for the fiscal year ended March 31, 2022 is minimal.

(Adoption of the Accounting Standard for Fair Value Measurement, etc.)

The Group has adopted Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019), etc. effective April 1, 2021, and revised the fair value adjustment method used to determine the fair value of derivatives to maximize the use of relevant observable inputs estimated effective derivatives and others traded in the market, in accordance with Paragraph 8 of Accounting Standard for Fair Value Measurement.

In accordance with the transitional treatment as described in the supplementary clause of Paragraph 20 of Accounting Standard for Fair Value Measurement, the cumulative effects arising from the retroactive adoption of these new accounting policies to all the previous fiscal years were reflected in retained earnings and other comprehensive income as of April 1, 2021.

As a result, at the beginning of the fiscal year ended March 31, 2022, "Other assets" decreased ¥120 million(U.S.\$985 thousand), "Deferred tax liabilities" decreased ¥16 million(U.S.\$135 thousand), "Other liabilities" decreased ¥66 million(U.S.\$542 thousand), "Retained earnings" decreased ¥38 million(U.S.\$312 thousand), and "Deferred hedge gains (losses)" increased ¥0 million(U.S.\$4 thousand).

In addition, in the notes to the 5."Financial instruments" section, the Group started disclosing notes on items such as a

breakdown by level of the fair value of financial instruments. However, in accordance with the transitional treatment as prescribed in Paragraph 7-4 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, July 4, 2019), these notes do not include any information on the previous fiscal year.

(New accounting standards not yet adopted)

• Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021)

(1) Overview

The new guidance stipulates how the measurement of the fair value of investment trusts and the notes thereto are to be treated, as well as how to treat the notes to the fair value of investments in limited partnerships, etc., in which the net amount of share of comprehensive income is recorded on the balance sheets.

(2) Date of adoption

Implementation Guidance on Accounting Standard for Fair Value Measurement, etc. will be adopted effective April 1, 2022.

(3) Impact of the adoption of the accounting standard

The impact of the adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement has no effect on consolidated financial statements.

2. Yen and U.S. Dollar Amounts

The Bank maintains its accounting records in yen. The yen amounts included in the accompanying consolidated financial statements are stated in millions of yen, truncating amounts of less than one million yen. Therefore, the totals or subtotals presented in the accompanying consolidated financial statements may not always add up to the sum of the respective account balances. "—" is used to denote nil and "0" is used to denote rounding down to zero.

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥122.39 = U.S.\$1.00, the approximate exchange rate prevailing on March 31, 2022, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

3. Loans and Bills Discounted

(1) Loans based on the Banking Act and the Act on Emergency Measures for the Reconstruction of the Financial Functions are as follows.

Loans refer to the following items listed on the consolidated balance sheets: corporate bonds shown under "Securities" (limited to bonds for which all or part of the redemption of principal and the payment of interest are guaranteed, and the issuance of the corporate bond takes place via private offering of the securities in accordance with Article 2, Paragraph 3 of the Financial Instruments and Exchange Act); loans and bills discounted; foreign exchanges; items recorded in each account under "Other assets" such as accrued interest, suspense payments and customers' liabilities for acceptances and guarantees; available-for-sale securities indicated in the notes in case of loan of securities (limited to those under a loan-for-use or lease agreement).

	Millions of yen		Thousands of U.S. Dollars
	2021	2022	2022
Loans to bankrupt and substantially bankrupt debtors.....	¥ 29,289	¥ 28,094	\$ 229,549
Loans with collection risk.....	45,144	48,397	395,435
Loans past due for 3 months or more.....	1,324	1,522	12,443
Restructured loans.....	66,013	49,341	403,148
Total.....	¥141,771	¥127,356	\$1,040,577

Loans to bankrupt and substantially bankrupt debtors refer to loans held by debtors who have fallen into bankruptcy due to having initiated bankruptcy procedures, reorganization procedures, or filed applications to begin rehabilitation procedures, and other similar loans.

Loans with collection risk refer to loans that are not classified as Loans to bankrupt and substantially bankrupt debtors and in which the debtor has not yet fallen into bankruptcy, but their financial situation and business performance have worsened such that there is a high risk that the principal will not be redeemed, and interest will not be received according to the contractual terms of loan.

Loans past due for 3 months or more refer to loans and bills discounted that are not classified as either loans to bankrupt and substantially bankrupt debtors or Loans with collection risk, and for which the repayment of principal or interest has been delayed by three months or more from the day after the agreed-upon payment date.

Restructured loans refer to loans and bills discounted that are not classified as loans to bankrupt and substantially bankrupt debtors, loans with collection risk, or loans past due for 3 months or more, and for which the terms of the loan have been restructured to the benefit of the debtor with the goal of reorganizing the debtor's management or supporting the debtor by means such as the reduction or waiving of interest, the deferment of interest payments, the deferment of principal repayment, and debt forgiveness.

The loan amounts above show the amounts before the deduction of the allowance for loan losses.

(Changes in presentation method)

Following the enforcement of the "Cabinet Office Ordinance for the Partial Revision of Enforcement of the Banking Act (Cabinet Office Ordinance No. 3, January 24, 2020) on March 31, 2022, the "Risk management loans" category of the Banking Act is presented according to the classification under the Act on Emergency Measures for the Reconstruction of the Financial Functions.

(2) Bills discounted are accounted for as financial transactions in accordance with Industry-specific Special Committee Practical Guidance No.24. The Bank has rights to sell or pledge bank acceptances bought, commercial bills discounted, documentary bills and foreign exchange bought without restrictions. Their total face value as of March 31, 2021 and 2022 were ¥21,905 million and ¥22,750 million (U.S.\$185,889 thousand), respectively.

4. Loan Commitments

Contracts of overdraft facilities and loan commitments are contracts that require the Bank to extend credit to customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts. The unused amount relating to

these contracts within the limits was ¥1,423,055 million, ¥1,399,156 million (U.S.\$11,431,950 thousand), respectively at March 31, 2021 and 2022. ¥1,351,496 million, ¥1,325,888 million (U.S. \$10,833,308 thousand), respectively, at March 31, 2021 and 2022 out of these unused balances were for the contracts of which original contractual term are one year or less, or unconditionally cancelable at any time.

Since many of these commitments expire without being drawn down, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Bank can refuse customers' loan application or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Bank obtains real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank performs periodic review of the customers' business results based on internal rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

5. Financial Instruments

(1) The financial instruments and related disclosures

a. Policy for financial instruments

The Group provides mainly banking services and other financial services including leasing. The Bank engages in fund management including investment in securities and funding in the call market, in addition to the business of accepting deposits and negotiable certificates of deposit as well as provision of loans. With its financial assets and liabilities exposed to interest rate risk, the Bank adopts asset liability management (ALM) to avoid incurring unexpected loss due to fluctuations in interest rates. Thus, the Bank's derivative transactions are not only intended to provide solutions to customers' financial needs, but also to conduct ALM within the Bank.

There are the Bank's consolidated subsidiaries that engage in leasing business or securities business.

Also leasing operation is conducted by a consolidated subsidiary.

b. Nature and extent of risks arising from financial instruments

Financial assets held by the Group comprise mainly loans to clients, which are exposed to credit risk. The Group's financial assets also include securities such as stocks and bonds, which are exposed to credit risk of the issuing entities as well as the risk of market price fluctuations.

Assets and liabilities in the forms of loans, bonds and deposits are exposed to interest rate risk, which is partially hedged by interest rate swap transactions. Likewise foreign currency denominated loans and bonds involve foreign currency exchange fluctuation risk, which is mitigated by making it a rule to match the currency of investment and financing, or hedged by the use of currency swap transactions.

Call money and borrowed money, etc. are exposed to cash flow risk, involving inability to settle payments on due dates as a result of the unavailability of market under certain circumstances.

The Bank conducts derivative transactions including interest rate swaps and currency-swaps in an effort to accommodate clients' financial needs, and as part of the Bank's ALM effort. Besides, the Bank engages in proprietary derivative trading with the purpose to earn short-term spread, subject to risk management including the setting of certain position limits and maximum allowable losses, in an effort to prevent losses in excess of certain threshold.

The Bank applies hedge accounting. The Bank confirms that for hedges of interest rate to which exceptional treatment of interest rate swap is applied, the conditions for exceptional treatment are met and that for hedges of the foreign currency exchange fluctuation risk, foreign currency position exceeds the hedged instruments.

c. Risk management for financial instruments

The Bank has formulated the Basic Policy of Risk Management and ancillary rules concerning risks, along with the following structure to enforce adequate risk management.

1) Credit risk management

The Bank has established its credit management structure based on the internal rules concerning credit risks, including the Credit Guideline and the Basic Rules for Credit Risk Management.

Provision of loans and other credit facilities involves credit risk management such as individual credit review, post-origination credit control including the utilization of Debtor Rating System and self assessment, handling of problem loans and monitoring of the credit concentration in particular sectors in loan portfolios.

Credit risks associated with securities investment and market transactions are managed by capturing fair value and credit rating.

Primary credit risk management tools such as credit rating system, self-assessment of the Bank's asset, write-off /reserve provisioning, are developed and examined by Risk Management Department which is independent of the business promotion division and the screening division, and checked by Inspection & Audit Department, for the purpose of proper check and balance. Executive Committee and the Board of Directors are updated on the latest risk situation regularly and as appropriate.

2) Market risk management

Risk management structure is in place, based on the internal rules concerning market risks including the Basic Rules of Market Risk Management.

For market transactions, the department in charge of market transactions is structured in such a way that they check each other: the Treasury & Securities Department serves as the front office department in charge of transactions, whereas the Financial Markets & International Department serves as the middle-office and back-office department in charge of risk management and administrative processing.

In addition, the Bank establishes the risk tolerance and the risk management criteria, conducts monitoring, and reports the monitored information to the ALM & Profit Management Committee via the Risk Management Department.

The principal financial instruments that expose the Bank to market risk include loans, deposits, securities and derivative transactions. In order to monitor the degree of market risk exposure of these financial instruments and financial obligations, the Bank employs the VaR technique as a uniform indicator tool.

It applies the historical-simulation method to the computation of VaR. Its VaR model uses a 99.9% confidence level and a 5-years observation period, with various holding periods depending on the holding purposes.

The total amount of value at risk (VaR) for the Bank as of March 31, 2021 and 2022 was ¥115,386 million ¥116,951 million (U.S. \$ 955,560 thousand), respectively.

The Bank conducts back tests by comparing the VaR derived from its measuring model and actual gains or losses, in order to confirm that its measuring model captures the market risk with sufficient adequacy. It should be noted that the VaR represents the amount of market risk under the condition of a certain event probability which was statistically calculated based on historical market fluctuations; therefore the model may not be able to capture sufficiently the risk associated with financial instruments in market turmoil that exceeds historical levels of market fluctuations.

3) Liquidity risk management

Risk management structure is in place, based on the internal rules concerning liquidity risks including the Basic Rules of Liquidity Risk Management.

With respect to liquidity risk, the ALM & Profit Management Committee, which is convened each month, takes every precaution by identifying and analyzing the cash flow status, the balance between investing and funding, interest rate movements and other factors. With respect to cash flow risk, the Bank determines the department in charge of cash flow management, which rigorously manages cash flow periodically (e.g., daily, weekly, monthly) including its overseas bases.

We have also prepared a Contingency Plan to prepare against emergencies, and are taking every precaution including developing systems that enable us to respond appropriately to a wide range of scenarios.

d. Supplementary explanations on fair value of financial instruments

Fair value of financial instruments is measured based on certain assumptions, and the value might differ if different assumptions are used. In addition, the contract amount of the derivative transactions does not represent the market risk of the derivative transactions.

(2) Fair value of financial instruments

The carrying value on the consolidated balance sheet and fair value of financial instruments as of March 31, 2021 and 2022 as well as the differences between these values are described below. Stocks and others without a quoted market price and Investments in limited partnerships are not included in the following table (see Note1). In addition, Cash and due from banks and Payables under securities lending transaction are omitted since these instruments are mainly settled in the short term and the fair values approximate the book values.

	Millions of yen		
	2021		
	Carrying Value	Market Value	Differences
1. Securities			
Held-to-maturity bonds	¥ 2,441	¥ 2,468	¥ 27
Available-for-sale	2,395,925	2,395,925	—
2. Loans and bills discounted	5,688,847		
Allowance for loan losses	(58,888)		
	5,629,958	5,679,509	49,550
Total assets	¥8,028,325	¥8,077,903	¥49,578
1. Deposits	¥7,741,661	¥7,741,728	¥67
2. Negotiable certificates of deposit	167,674	167,674	(0)
3. Borrowed money	1,291,081	1,291,081	—
Total liabilities	¥9,200,416	¥9,200,483	¥ 67
Derivative transaction			
Derivatives to which hedge accounting is not applied	¥474	¥ 474	¥ —
Derivatives to which hedge accounting is applied	(7,008)	(7,008)	—
Total derivatives	(¥ 6,533)	(¥ 6,533)	¥ —
	Millions of yen		
	2022		
	Carrying Value	Market Value	Differences
1. Securities			
Held-to-maturity bonds	¥ 2,378	¥ 2,403	¥ 25
Available-for-sale	2,494,353	2,494,353	—
2. Loans and bills discounted	5,758,096		
Allowance for loan losses	(47,773)		
	5,710,322	5,747,716	37,393
Total assets	¥8,207,054	¥8,244,473	¥37,418
1. Deposits	¥7,959,333	¥7,959,363	¥29
2. Negotiable certificates of deposit	209,258	209,258	0
3. Borrowed money	1,500,795	1,500,795	—
Total liabilities	¥9,669,387	¥9,669,416	¥ 29
Derivative transaction			
Derivatives to which hedge accounting is not applied	¥ 258	¥ 258	¥ —
Derivatives to which hedge accounting is applied	(12,031)	(12,031)	—
Total derivatives	(¥ 11,773)	(¥ 11,773)	¥ —

	Thousands of U.S. dollars		
	2022		
	Carrying Value	Market Value	Differences
1. Securities			
Held-to-maturity bonds	\$ 19,433	\$ 19,639	\$ 205
Available-for-sale	20,380,370	20,380,370	—
2. Loans and bills discounted	47,047,113		
Allowance for loan losses	(390,341)		
	<u>46,656,771</u>	<u>46,962,301</u>	<u>305,530</u>
Total assets	<u>\$67,056,576</u>	<u>\$ 67,362,311</u>	<u>\$305,735</u>
1. Deposits	\$65,032,548	\$65,032,789	\$ 241
2. Negotiable certificates of deposit	1,709,764	1,709,764	0
3. Borrowed money	12,262,405	12,262,405	—
Total liabilities	<u>\$79,004,718</u>	<u>\$79,004,959</u>	<u>\$ 241</u>
Derivative transaction			
Derivatives to which hedge accounting is not applied	\$ 2,113	\$ 2,113	\$ —
Derivatives to which hedge accounting is applied	(98,305)	(98,305)	—
Total derivatives	<u>(\$ 96,192)</u>	<u>(\$ 96,192)</u>	<u>\$ —</u>

(Note 1)

Stocks and others without a quoted market price and Investments in partnerships and others

The following are the consolidated balance sheet amounts of Stocks and others without a quoted market price, and Investments in limited partnerships. These amounts are not included Available-for-sale in fair value information of financial instruments.

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
	Non-listed stocks	¥3,424	¥3,401
Investments in limited partnerships	668	885	7,237

Non-listed stocks are not subject to disclosure of the fair value in accordance with Article 5 of Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No.19, March 31, 2020).

Investments in limited partnerships are not subject to disclosure of the fair value in accordance with Article 27 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, July 4, 2019)

(Note 2)

Redemption schedules for monetary claims and securities with maturity after the fiscal year-end

	Millions of yen					
	2021					
	Due in 1 year or less	Due from 1 year to 3 years	Due from 3 year to 5 years	Due from 5 year to 7 years	Due from 7 year to 10 years	Due after 10 years
Securities	¥ 182,138	¥ 265,578	¥168,602	¥167,335	¥ 650,821	¥ 607,323
Held-to-maturity securities	948	1,041	409	41	—	—
National government bonds	—	—	—	—	—	—
Local government bonds	—	—	—	—	—	—
Corporate bonds	948	1,041	409	41	—	—
Others	—	—	—	—	—	—
Available-for-sale securities with maturity	181,189	264,537	168,192	167,294	650,821	607,323
National government bonds	67,500	25,000	—	—	135,000	392,000
Local government bonds	72,374	152,379	120,457	136,032	257,896	6,502
Corporate bonds	22,097	38,065	17,644	10,661	115,457	—
Others	19,217	49,091	30,090	20,600	142,466	208,821
Loans and bills discounted	1,280,125	966,279	704,708	477,905	546,118	1,608,290
Total	<u>¥1,462,263</u>	<u>¥1,231,857</u>	<u>¥873,310</u>	<u>¥645,241</u>	<u>¥1,196,939</u>	<u>¥2,215,613</u>

Millions of yen						
2022						
	Due in 1 year or less	Due from 1 year to 3 years	Due from 3 year to 5 years	Due from 5 year to 7 years	Due from 7 year to 10 years	Due after 10 years
Securities	¥ 135,763	¥ 244,646	¥180,769	¥262,383	¥ 609,201	¥ 757,316
Held-to-maturity securities	785	1,091	480	20	—	—
National government bonds	—	—	—	—	—	—
Local government bonds	—	—	—	—	—	—
Corporate bonds	785	1,091	480	20	—	—
Others	—	—	—	—	—	—
Available-for-sale securities with maturity	134,977	243,554	180,288	262,362	609,201	757,316
National government bonds	23,000	2,000	—	—	174,000	540,000
Local government bonds	72,735	149,051	131,499	173,568	231,785	5,519
Corporate bonds	24,707	31,060	14,782	7,190	118,138	—
Others	14,534	61,442	34,006	81,604	85,277	211,797
Loans and bills discounted	1,351,629	949,371	700,626	502,382	524,831	1,622,458
Total	<u>¥1,487,392</u>	<u>¥1,194,017</u>	<u>¥881,396</u>	<u>¥764,766</u>	<u>¥1,134,032</u>	<u>¥2,379,775</u>

Thousands of U.S. dollars						
2022						
	Due in 1 year or less	Due from 1 year to 3 years	Due from 3 year to 5 years	Due from 5 year to 7 years	Due from 7 year to 10 years	Due after 10 years
Securities	\$ 1,109,267	\$1,998,905	\$1,476,995	\$2,143,830	\$4,977,541	\$ 6,187,734
Held-to-maturity securities	6,421	8,916	3,928	167	—	—
National government bonds	—	—	—	—	—	—
Local government bonds	—	—	—	—	—	—
Corporate bonds	6,421	8,916	3,928	167	—	—
Others	—	—	—	—	—	—
Available-for-sale securities with maturity	1,102,846	1,989,988	1,473,067	2,143,663	4,977,541	6,187,734
National government bonds	187,923	16,341	—	—	1,421,684	4,412,125
Local government bonds	594,293	1,217,836	1,074,430	1,418,160	1,893,829	45,095
Corporate bonds	201,873	253,784	120,783	58,746	965,260	—
Others	118,755	502,026	277,853	666,755	696,766	1,730,514
Loans and bills discounted	11,043,628	7,756,933	5,724,542	4,104,768	4,288,191	13,256,461
Total	<u>\$12,152,895</u>	<u>\$9,755,839</u>	<u>\$7,201,537</u>	<u>\$6,248,600</u>	<u>\$9,265,732</u>	<u>\$19,444,195</u>

(Note)

Loans and bills in the above tables exclude loans and bills whose redemption amounts are impossible to estimate (¥74,331 million and ¥76,457 million (U.S.\$624,705 thousand) in 2021 and 2022, respectively), such as credit extended to debtors that are legally bankrupt, those that are effectively in similar conditions, or those that are not yet legally or substantially bankrupt but are likely to be bankrupt, as well as loans and bills with no maturity date (¥31,088million and ¥30,338 million (U.S.\$ 247,881 thousand) in 2021 and 2022, respectively).

(Note 3)

Repayment schedules for deposits and other interest-bearing debt after the fiscal year-end

Millions of yen						
2021						
	Due in 1 year or less	Due from 1 year to 3 years	Due from 3 year to 5 years	Due from 5 year to 7 years	Due from 7 year to 10 years	Due after 10 years
Deposit	¥7,311,204	¥389,841	¥ 33,883	¥1,891	¥4,839	¥ —
Negotiable certificates of deposit	167,531	143	—	—	—	—
Borrowed money	918,381	204,800	167,900	—	—	—
Total	<u>¥8,397,116</u>	<u>¥594,784</u>	<u>¥201,783</u>	<u>¥1,891</u>	<u>¥4,839</u>	<u>¥ —</u>

Millions of yen						
2022						
	Due in 1 year or less	Due from 1 year to 3 years	Due from 3 year to 5 years	Due from 5 year to 7 years	Due from 7 year to 10 years	Due after 10 years
Deposit	¥7,520,810	¥403,611	¥ 26,983	¥2,093	¥5,834	¥ —
Negotiable certificates of deposit	209,228	30	—	—	—	—
Borrowed money	1,067,195	257,800	175,800	—	—	—
Total	<u>¥8,797,234</u>	<u>¥661,441</u>	<u>¥202,783</u>	<u>¥2,093</u>	<u>¥5,834</u>	<u>¥ —</u>

Thousands of U.S. dollars						
2022						
	Due in 1 year or less	Due from 1 year to 3 years	Due from 3 year to 5 years	Due from 5 year to 7 years	Due from 7 year to 10 years	Due after 10 years
Deposit	\$61,449,553	\$3,297,749	\$ 220,469	\$17,105	\$47,671	\$ —
Negotiable certificates of deposit	1,709,518	245	—	—	—	—
Borrowed money	8,719,632	2,106,381	1,436,391	—	—	—
Total	<u>\$71,878,704</u>	<u>\$5,404,376</u>	<u>\$1,656,860</u>	<u>\$17,105</u>	<u>\$47,671</u>	<u>\$ —</u>

(Note)

The amount of demand deposit, which is a part of deposit, is included in the figure for "Due in 1 year or less."

(3) Matters regarding to breakdown of fair value of financial instruments by level

Fair values of financial instruments are classified into the following three levels on the basis of the observability and the materiality of the valuation inputs used in fair value measurements.

Fair values of Level 1: Fair values measured by quoted prices of the assets or liabilities being measured which are given in active markets among observable valuation inputs

Fair values of Level 2: Fair values measured by inputs other than inputs included within Level 1 among observable valuation inputs

Fair values of Level 3: Fair values measured by unobservable valuation inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are classified into different levels, the fair value is classified into the lowest priority level for fair value measurement among the levels in which each of the inputs belongs.

(1) Financial instruments record at fair value in the consolidated balance sheet

Millions of yen				
2022				
	Level 1	Level 2	Level 3	total
Securities				
Other securities				
National government bonds	¥ 788,507	¥ —	¥ —	¥ 788,507
Local government bonds	—	764,237	—	764,237
Corporate bonds	—	155,841	39,392	195,234
Stocks	193,391	—	—	193,391
Others	65,105	275,506	—	340,612
Derivative Transactions				
Interest Rate Related Transactions	—	313	—	313
Foreign Exchange Related Transactions	—	5,743	—	5,743
Others	—	—	139	139
Total Assets	<u>¥ 1,047,005</u>	<u>¥ 1,201,643</u>	<u>¥ 39,532</u>	<u>¥ 2,288,180</u>
Derivative Transactions				
Interest Rate Related Transactions	¥ —	¥ 32	¥ —	¥ 32
Foreign Exchange Related Transactions	—	17,798	—	17,798
Others	—	—	139	139
Total Liabilities	<u>¥ —</u>	<u>¥ 17,830</u>	<u>¥ 139</u>	<u>¥ 17,969</u>

	Thousands of U.S. dollars			
	2022			
	Level 1	Level 2	Level 3	total
Securities				
Other securities				
National government bonds	\$ 6,442,581	\$ —	\$ —	\$ 6,442,581
Local government bonds	—	6,244,283	—	6,244,283
Corporate bonds	—	1,273,318	321,861	1,595,180
Stocks	1,580,128	—	—	1,580,128
Others	531,952	2,251,055	—	2,783,008
Derivative Transactions				
Interest Rate Related Transactions	—	2,560	—	2,560
Foreign Exchange Related Transactions	—	46,931	—	46,931
Others	—	—	1,139	1,139
Total Assets	<u>\$8,554,663</u>	<u>\$ 9,818,149</u>	<u>\$323,001</u>	<u>\$ 18,695,815</u>
Derivative Transactions				
Interest Rate Related Transactions	\$ —	\$ 263	\$ —	\$ 263
Foreign Exchange Related Transactions	—	145,421	—	145,421
Others	—	—	1,139	1,139
Total Liabilities	<u>\$ —</u>	<u>\$ 145,684</u>	<u>\$ 1,139</u>	<u>\$ 146,824</u>

Investment trust and others applying the transitional measures set forth in Article 5, Item 6 of "Cabinet Office Ordinance for Partial Revision of the Ordinance on the Terminology, Forms, and Preparation Methods of the financial statements" (Cabinet Office Ordinance No. 9 March 6, 2020) are not included in above table. The relevant investment trust and others in the consolidated balance sheet is ¥212,369 million (U.S.\$1,735,187 thousand).

(2) Financial instruments other than financial instruments recorded at fair value in the consolidated balance sheet

	Millions of yen			
	2022			
	Level 1	Level 2	Level 3	total
Securities				
Held-to-maturity bonds				
Corporate bonds	¥ —	¥ —	¥ 2,403	¥ 2,403
Loans	—	—	5,747,716	5,747,716
Total Assets	<u>¥ —</u>	<u>¥ —</u>	<u>¥5,750,119</u>	<u>¥ 5,750,119</u>
Deposit	¥ —	¥7,959,363	¥ —	¥7,959,363
Negotiable Certificates of Deposits	—	209,258	—	209,258
Borrowed Money	—	1,498,595	2,200	1,500,795
Total Liabilities	<u>¥ —</u>	<u>¥9,667,216</u>	<u>¥ 2,200</u>	<u>¥ 9,669,416</u>

	Thousands of U.S. dollars			
	2022			
	Level 1	Level 2	Level 3	total
Securities				
Held-to-maturity bonds				
Corporate bonds	\$ —	\$ —	\$ 19,639	\$ 19,639
Loans	—	—	46,962,301	46,962,301
Total Assets	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 46,981,941</u>	<u>\$ 46,981,941</u>
Deposit	\$ —	\$65,032,789	\$ —	\$65,032,789
Negotiable Certificates of Deposits	—	1,709,764	—	1,709,764
Borrowed Money	—	12,244,430	17,975	12,262,405
Total Liabilities	<u>\$ —</u>	<u>\$78,986,983</u>	<u>\$ 17,975</u>	<u>\$79,004,959</u>

(Note1)

Explanation of valuation techniques and valuation inputs used in fair value measurements

Assets

1) *Securities*

Fair values of securities for which unadjusted quoted market prices in active markets are available are classified as Level 1 which includes mainly stocks and government bonds. In the case the market is inactive even if the quoted market price is available, those securities are classified as Level 2, which includes mainly local government bonds and corporate bonds.

Privately-placed bonds with the Bank's guarantee are stated at the fair value, measured by discounting the expected cash flows estimated to reflect the issuing entity's credit risk as of the closing date, using the market interest rate. Privately-placed bonds with the Bank's guarantee are classified as Level 3.

2) Loans and bills discount

Interest rates of variable interest rate loans reflect market interest rate at short intervals, and thus their fair values are stated at book value because of their proximity to fair value, unless there are significant changes to the debtors' credit conditions. Fixed interest rate loans are stated at their fair value as measured by discounting their cash flows, of which those with OTC interest rate are stated at fair value as measured by discounting their scheduled cash flow using the interest rate that would be applicable to similar new loans and is determined by category and by term. Loans not with OTC interest rate are stated at fair value as measured for each credit rating group by discounting their future cash flow estimated to reflect the credit risk of each such group, using the market interest rate. For loans with short-term maturity (1 year or less), book value is recorded as its fair value because of the proximity between the two.

In addition, loans to debtors that are bankrupt or potentially bankrupt are stated at book values that are deemed to approximate their fair values on the consolidated balance sheets as of the consolidated closing date, minus the current amount of estimated loan losses, which are estimated based upon the current values of estimated future cash flows, collateral, guarantees, or estimated collectible amounts.

Loans undated due to their specific attributes, such as a loan amount being limited within the value of collateral assets, are stated at book value which is deemed to approximate their fair value in consideration of factors including estimated payment periods and interest rate conditions.

The fair values concerned are classified as Level 3.

Liabilities

1) Deposits and 2) Negotiable certificates of deposits

For demand deposits, fair value is deemed to be the amount payable on demand as of the consolidated closing date (book value).

For time deposits and negotiable certificates of deposits, fair value is measured by discounting future cash flows, using interest rates applicable to new deposits and the market interest rate, respectively.

For these deposits with short-term maturity (1 year or less), book value is recorded as its fair value because of the proximity between the two.

Those fair values are classified as Level 2.

3) Borrowed Money

The carrying amount of borrowed money with variable interest rates approximates fair value because the market rates are promptly reflected in the variable interest rate and the credit risks of the Bank and its consolidated subsidiaries have not changed significantly after borrowing. The fair value of borrowed money with fixed interest rates is determined by discounting future cash flows at the rate that would be applied for similar new contracts.

For borrowed money with short-term maturity (1 year or less), book value is recorded as its fair value because of the proximity between the two. The fair values of borrowed money are classified as Level 2 if the effect of unobservable inputs is insignificant.

4) Derivative Transactions

Derivative transactions that can be measured at unadjusted quoted prices in active markets are classified as Level 1, which includes such transactions as bonds futures and interest rate futures. However, since most derivative transactions are over-the-counter transactions and there are no quoted market prices, market values are measured using valuation techniques such as the discounted cash flow method and the Black-Scholes model, depending on the type of transaction and the maturity period. The main inputs which are used in those valuation techniques are interest rates, exchange rates, volatility and others. In addition, price adjustments based on credit risk of counterparty and credit risk of the Bank are made. When unobservable inputs are not used or impact of unobservable inputs are not material, transactions are classified as Level 2, which includes such transactions as plain vanilla interest rate swaps and foreign exchange forwards. When significant unobservable inputs are used, transactions are classified as Level 3, which includes Weather Derivatives etc.

(Note2) Information about fair values of Level 3 from financial instruments carried on the consolidated balance sheets at fair value

(1) Quantitative information on significant unobservable inputs

As of March 31, 2022	Principal valuation technique	Significant unobservable valuation input	Range of valuation input	Weighted average
Securities				
Available-for-sale securities with maturity				
Corporate bonds				
privately-placed bonds	present value method	default rate	0.0%-40.6%	1.9%

(2) Adjustment table reconciling the balances at the beginning and end of the fiscal year, and valuation gain or loss recognized in the gain or loss for the fiscal year ended March 31, 2022

	Millions of yen							Unrealized gains (losses) on financial assets and liabilities held as of the consolidated balance sheet date among the amount recorded to gains (losses) for the period
	2022							
	Balance at the beginning of the fiscal year	Recorded to gains (losses) for the period	Recorded to other comprehensive income	Net amount of purchase, sale, issue, and settlement	Transfer to fair values of Level 3	Transfer from fair values of Level 3	Balance at the end of the fiscal year	
Securities								
Available-for-sale securities with maturity								
Corporate bonds								
private placement bonds	¥44,956	¥ —	¥54	¥(5,618)	¥ —	¥ —	¥39,392	¥ —

	Thousands of U.S. dollars							Unrealized gains (losses) on financial assets and liabilities held as of the consolidated balance sheet date among the amount recorded to gains (losses) for the period
	2022							
	Balance at the beginning of the fiscal year	Recorded to gains (losses) for the period	Recorded to other comprehensive income	Net amount of purchase, sale, issue, and settlement	Transfer to fair values of Level 3	Transfer from fair values of Level 3	Balance at the end of the fiscal year	
Securities								
Available-for-sale securities with maturity								
Corporate bonds								
private placement bonds	\$367,320	\$ —	\$443	\$(45,902)	\$ —	\$ —	\$321,861	\$ —

(3) Explanation of the fair value valuation process

The Bank has established policies and procedures regarding the measurements of fair value, and each transaction department measures fair value in accordance with these policies and procedures.

For the fair values and the level classification, the validity of the valuation techniques and valuation inputs used in fair value measurement are verified.

In fair value measurement, valuation models in which the nature, characteristics and risks of individual assets are most appropriately reflected are used.

In addition, when quoted prices obtained from third parties are used, the validity of the prices is verified by appropriate methods such as confirmation of valuation techniques and valuation inputs and comparison with the fair values of similar financial instruments.

(4) Explanation of the effects on fair values when significant unobservable inputs are changed

The default rate indicates the likelihood of a default event occurring, and is an estimate measured based on the actual default rate of our customers. A significant increase (decrease) in the default rate would generally be accompanied by a decrease (increase) in the fair value.

6. Securities

(1) Market Value of Securities

Market value and valuation differences of securities as of March 31, 2021 and 2022 and other related information were as follows. Securities below include trading securities classified as trading account securities, negotiable certificates of deposits classified as Cash and due from banks. The same definition was applied in the following tables (a) to (e).

(a) Trading account securities

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Valuation gain included in income for the year	¥(3)	¥(7)	\$(64)

(b) Held-to-maturity bonds

The Bank's and its consolidated subsidiaries' investments in held-to-maturity bonds as of March 31, 2021 and 2022 were summarized as follows.

		Millions of yen		
		2021		
		Carrying Value	Market Value	Differences
Securities of which market value exceed carrying value	National government bonds	¥ —	¥ —	¥—
	Local government bonds	—	—	—
	Corporate bonds	2,431	2,458	27
	Other securities	—	—	—
	Sub total	¥2,431	¥2,458	¥27
Securities of which market value does not exceed carrying value	National government bonds	¥ —	¥ —	¥—
	Local government bonds	—	—	—
	Corporate bonds	10	10	—
	Other securities	—	—	—
	Sub total	¥ 10	¥ 10	¥—
Total		¥2,441	¥2,468	¥27

		Millions of yen		
		2022		
		Carrying Value	Market Value	Differences
Securities of which market value exceed carrying value	National government bonds	¥ —	¥ —	¥—
	Local government bonds	—	—	—
	Corporate bonds	2,348	2,373	25
	Other securities	—	—	—
	Sub total	¥2,348	¥2,373	¥25
Securities of which market value does not exceed carrying value	National government bonds	¥ —	¥ —	¥—
	Local government bonds	—	—	—
	Corporate bonds	30	29	(0)
	Other securities	—	—	—
	Sub total	¥ 30	¥ 29	¥(0)
Total		¥2,378	¥2,403	¥25

		Thousands of U.S. dollars		
		2022		
		Carrying Value	Market Value	Differences
Securities of which market value exceed carrying value	National government bonds	\$ —	\$ —	\$ —
	Local government bonds	—	—	—
	Corporate bonds	19,188	19,394	205
	Other securities	—	—	—
	Sub total	\$19,188	\$19,394	\$205
Securities of which market value does not exceed carrying value	National government bonds	\$ —	\$ —	\$ —
	Local government bonds	—	—	—
	Corporate bonds	245	244	(0)
	Other securities	—	—	—
	Sub total	\$ 245	\$ 244	\$ (0)
Total		\$19,433	\$19,639	\$205

(c) Available for sale securities

		Millions of yen		
		2021		
		Carrying Value	Cost	Differences
Securities of which market value exceed cost	Stocks	¥ 171,327	¥ 84,500	¥ 86,827
	Bonds	932,692	925,104	7,588
	National government bonds	175,935	174,323	1,611
	Local government bonds	619,011	614,051	4,960
	Corporate bonds	137,745	136,729	1,016
	Other securities	320,576	299,895	20,681
	Foreign bonds	130,597	126,975	3,621
	Other securities	189,979	172,919	17,059
	Sub total	¥1,424,596	¥1,309,499	¥115,096
	Securities of which market value does not exceed cost	Stocks	¥ 21,717	¥ 24,047
Bonds		701,153	705,258	(4,105)
National government bonds		503,223	506,408	(3,184)
Local government bonds		131,225	131,587	(362)
Corporate bonds		66,703	67,262	(558)
Other securities		248,485	255,689	(7,203)
Foreign bonds		192,805	196,438	(3,632)
Other securities		55,680	59,250	(3,570)
Sub total		¥ 971,355	¥ 984,995	¥ (13,639)
Total		¥2,395,952	¥2,294,494	¥101,457

		Millions of yen		
		2022		
		Carrying Value	Cost	Differences
Securities of which market value exceed cost	Stocks	¥ 152,878	¥ 80,503	¥ 72,375
	Bonds	606,204	602,813	3,391
	National government bonds	78,302	77,640	662
	Local government bonds	466,372	464,132	2,240
	Corporate bonds	61,529	61,040	489
	Other securities	133,812	123,610	10,201
	Foreign bonds	64,790	64,335	455
	Other securities	69,021	59,275	9,746
	Sub total	¥ 892,896	¥ 806,927	¥ 85,968
	Securities of which market value does not exceed cost	Stocks	¥ 40,512	¥ 44,695
Bonds		1,141,774	1,158,968	(17,193)
National government bonds		710,205	724,050	(13,845)
Local government bonds		297,865	300,024	(2,159)
Corporate bonds		133,704	134,893	(1,188)
Other securities		419,169	437,514	(18,345)
Foreign bonds		275,821	289,407	(13,585)
Other securities		143,347	148,107	(4,759)
Sub total		¥1,601,457	¥1,641,178	¥ (39,721)
Total		¥2,494,353	¥2,448,106	¥ 46,247

		Thousands of U.S. dollars		
		2022		
		Carrying Value	Cost	Differences
Securities of which market value exceed cost	Stocks	\$ 1,249,113	\$ 657,760	\$ 591,352
	Bonds	4,953,059	4,925,347	27,711
	National government bonds	639,779	634,369	5,409
	Local government bonds	3,810,545	3,792,239	18,306
	Corporate bonds	502,734	498,738	3,995
	Other securities	1,093,327	1,009,975	83,351
	Foreign bonds	529,377	525,656	3,720
	Other securities	563,949	484,318	79,630
	Sub total	<u>\$ 7,295,499</u>	<u>\$ 6,593,083</u>	<u>\$ 702,415</u>
Securities of which market value does not exceed cost	Stocks	\$ 331,015	\$ 365,185	\$ (34,170)
	Bonds	9,328,987	9,469,472	(140,485)
	National government bonds	5,802,802	5,915,927	(113,125)
	Local government bonds	2,433,738	2,451,384	(17,645)
	Corporate bonds	1,092,446	1,102,160	(9,714)
	Other securities	3,424,868	3,574,761	(149,892)
	Foreign bonds	2,253,630	2,364,630	(111,000)
	Other securities	1,171,238	1,210,130	(38,891)
	Sub total	<u>\$13,084,871</u>	<u>\$13,409,418</u>	<u>\$(324,547)</u>
Total	<u><u>\$20,380,370</u></u>	<u><u>\$20,002,502</u></u>	<u><u>\$ 377,867</u></u>	

(d) Available-for-sale securities sold

		Millions of yen		
		2021		
		Proceeds from sales	Gains	Losses
Stocks		¥ 36,158	¥10,569	¥1,162
Bonds		46,141	275	—
National government bonds		45,761	272	—
Local government bonds		—	—	—
Corporate bonds		380	2	—
Other securities		135,973	5,220	2,261
Foreign bonds		70,929	1,424	0
Other securities		65,044	3,795	2,260
Total		<u>¥218,273</u>	<u>¥16,064</u>	<u>¥3,423</u>

		Millions of yen		
		2022		
		Proceeds from sales	Gains	Losses
Stocks		¥ 56,454	¥10,865	¥3,035
Bonds		144,720	201	569
National government bonds		143,602	201	569
Local government bonds		—	—	—
Corporate bonds		1,118	0	—
Other securities		303,681	8,021	5,767
Foreign bonds		192,078	4	4,713
Other securities		111,603	8,017	1,054
Total		<u>¥504,856</u>	<u>¥19,088</u>	<u>¥9,372</u>

	Thousands of U.S. dollars		
	2022		
	Proceeds from sales	Gains	Losses
Stocks	\$ 461,267	\$ 88,773	\$24,801
Bonds	1,182,454	1,649	4,649
National government bonds	1,173,315	1,645	4,649
Local government bonds	—	—	—
Corporate bonds	9,138	4	—
Other securities	2,481,262	65,537	47,126
Foreign bonds	1,569,396	32	38,509
Other securities	911,866	65,504	8,617
Total	<u>\$4,124,984</u>	<u>\$155,961</u>	<u>\$76,576</u>

(e) Guarantee obligations for bonds in private placement

Guarantee obligations for bonds in private placement (defined in Article 2 (3) of the Financial Instruments and Exchange Act) included in Corporate Bonds were ¥47,232 million and ¥41,551 million (U.S.\$339,500 thousand) as of March 31, 2021 and 2022, respectively.

7. Money Held in Trust

Money Held in Trust for Trading Purposes

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Consolidated Balance Sheet Amount	¥4,368	¥3,368	\$27,521
Unrealized Gains Included in the Consolidated Statements of Income	—	—	—

Money Held in Trust for Holding Purposes..... Nil (as of March, 2021 and 2022)

Money Held in Trust for Other Purposes

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Consolidated Balance Sheet Amount	¥6,900	¥4,900	\$40,036
Cost	6,900	4,900	40,036
Differences	—	—	—
Gains	—	—	—
Losses	—	—	—

8. Valuation Difference on Available-for-sale Securities

Valuation difference on available-for-sale Securities as of March 31, 2021 and 2022 consisted of the following

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Valuation Difference	¥101,279	¥46,069	\$376,411
Available-for-sale Securities	101,279	46,069	376,411
Money Held in Trust for Other Purpose	—	—	—
Deferred Tax Liabilities	30,787	13,947	113,963
Valuation Difference, Net of Taxes	70,492	32,121	262,448
Amount Attributable to Non-controlling interests	—	—	—
Net Unrealized Gains on Available-for-sale Securities Owned by Affiliates, which is Attributable to the Parent	1,049	1,258	10,285
Valuation Difference on Available-for-sale Securities	71,541	33,379	272,733

9. Derivative Financial Instruments Transactions

(1) Derivatives to which hedge accounting is not applied

With respects to the derivatives to which hedge accounting is not applied, contract amount or notional amount set out in the contract, fair value, valuation gain or loss and calculation method of such fair value, by class of underlying asset at the end of the year are as described below. The whole contract amounts and other amounts shown here are not indicative of the market risks associated with these derivative transactions.

(a) Interest Rate Related Transactions

As of March 31,	Millions of yen							
	2021				2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Interest rate futures:								
Written	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—	—	—	—	—
Total	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>

As of March 31,	Thousands of U.S. dollars			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Interest rate futures:				
Written	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

As of March 31,	Millions of yen							
	2021				2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Interest rate swaps:								
Receipt fixed								
payments floating ..	¥34,629	¥30,150	¥308	¥308	¥32,079	¥28,129	¥216	¥216
Receipt floating								
payments fixed	34,629	30,150	(40)	(40)	32,079	28,129	64	64
Total	<u>¥69,258</u>	<u>¥60,300</u>	<u>¥267</u>	<u>¥267</u>	<u>¥64,159</u>	<u>¥56,259</u>	<u>¥281</u>	<u>¥281</u>

As of March 31,	Thousands of U.S. dollars			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Interest rate swaps:				
Receipt fixed				
payments floating	\$262,109	\$229,835	\$1,767	\$1,767
Receipt floating				
payments fixed	262,109	229,835	529	529
Total	<u>\$524,218</u>	<u>\$459,671</u>	<u>\$2,297</u>	<u>\$2,297</u>

Transactions above are stated at the fair value and the related valuation gain or loss is reported in the consolidated statements of incomes.

(b) Foreign Exchange Related Transactions

For the years ended March 31,	Millions of yen							
	2021				2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit	Contract amounts	Due after 1 year	Fair Value	Valuation profit
currency futures								
Written	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—	—	—	—	—
Total	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>	<u>¥ —</u>

For the year ended March 31,	Thousands of U.S. dollars			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit
currency futures				
Written	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

As of March 31,	Millions of yen							
	2021				2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Currency swaps	¥226,172	¥202,079	¥239	¥649	¥153,202	¥140,308	¥207	¥377

As of March 31,	Thousands of U.S. dollars			
	2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Currency swaps	\$1,251,755	\$1,146,401	\$1,699	\$3,088

For the years ended March 31,	Millions of yen							
	2021				2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Forward exchange contracts:								
Written	¥3,862	¥—	¥(167)	¥(167)	¥5,711	¥—	¥(285)	¥(285)
Purchased	3,608	—	135	135	3,659	—	229	229
Total	¥7,470	¥—	¥(32)	¥(32)	¥9,370	¥—	¥(55)	¥(55)
Currency options:								
Written	¥132,665	¥111,780	¥(4,598)	¥4,192	¥201,071	¥172,993	¥(3,272)	¥4,504
Purchased	132,665	111,780	4,598	(2,723)	201,071	172,993	3,097	(2,518)
Total	¥265,330	¥223,560	¥—	¥1,469	¥402,143	¥345,986	¥(174)	¥1,985

For the year ended March 31,	Thousands of U.S. dollars			
	2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Forward exchange contracts:				
Written	\$46,662	\$—	\$(2,329)	\$(2,329)
Purchased	29,900	—	1,873	1,873
Total	\$76,563	\$—	\$(456)	\$(456)
Currency options:				
Written	\$1,642,877	\$1,413,460	\$(26,737)	\$36,802
Purchased	1,642,877	1,413,460	25,310	(20,576)
Total	\$3,285,755	\$2,826,921	\$(1,427)	\$16,225

Transactions above are stated at the fair value and the related valuation gain or loss is reported in the consolidated statements of incomes.

(c) Other

For the years ended March 31,	Millions of yen							
	2021				2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Weather derivative, etc.								
Written	¥5,830	¥—	¥(79)	¥—	¥12,790	¥—	¥(139)	¥—
Purchased	5,830	—	79	—	12,790	—	139	—
Total	¥11,660	¥—	¥—	¥—	¥25,580	¥—	¥—	¥—

For the year ended March 31,	Thousands of U.S. dollars			
	2022			
	Contract amounts	Due after 1 year	Fair Value	Valuation profit
Weather derivative, etc.				
Written	\$104,502	\$—	\$(1,139)	\$—
Purchased	104,502	—	1,139	—
Total	\$209,004	\$—	\$—	\$—

(d) Equity Related Transactions Nil

(e) Bond Related Transactions Nil

(f) Commodity Related Transactions ... Nil

(g) Credit Derivatives Nil

(2) Derivatives to which hedge accounting is applied

With respects to the derivatives to which hedge accounting is applied, contract amount or notional amount set out in the contract and the fair value at the end of the year along with the calculation method of such fair value, by class of underlying asset and by method of hedge accounting, are as follows. The whole contract amounts and other amounts shown here are not indicative of the market risks associated with these derivative transactions.

(a) Interest Rate Related Transactions

As of March 31,		Hedged items	Millions of yen					
			2021		2022			
			Contract amounts	Due after 1 year	Fair Value	Contract amounts	Due after 1 year	Fair Value
Standard treatment:	Interest rate swaps:	—	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Interest rate futures:	—	—	—	—	—	—	—
	Interest rate options:	—	—	—	—	—	—	—
	Others	—	—	—	—	—	—	—
	Total		¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

As of March 31,		Hedged items	Thousands of U.S. dollars		
			2022		
			Contract amounts	Due after 1 year	Fair Value
Standard treatment:	Interest rate swaps:	—	\$ —	\$ —	\$ —
	Interest rate futures:	—	—	—	—
	Interest rate options:	—	—	—	—
	Others	—	—	—	—
	Total		\$ —	\$ —	\$ —

As of March 31,		Hedged items	Millions of yen					
			2021		2022			
			Contract amounts	Due after 1 year	Fair Value	Contract amounts	Due after 1 year	Fair Value
Exceptional treatment:	Interest rate swaps: Loan		¥23,033	¥19,410		¥25,210	¥17,865	
	Receipt fixed payments floating		—	—	*note	—	—	*note
	Receipt floating payments fixed		23,033	19,410		25,210	17,865	
	Total		¥ —	¥ —		¥ —	¥ —	

(Note) As the swaps that qualify for exceptional treatment for interest rate swaps are treated as one combined with hedged loans, fair value of the former is included in that of the latter in the "Financial Instruments".

As of March 31,		Hedged items	Thousands of U.S. dollars		
			2022		
			Contract amounts	Due after 1 year	Fair Value
Exceptional treatment:	Interest rate swaps: Loan		\$205,984	\$145,970	
	Receipt fixed payments floating		—	—	*note
	Receipt floating payments fixed		205,984	145,970	
	Total		\$ —	\$ —	

The Bank mainly treats them under the deferred method of hedge accounting based on Industry-specific Special Committee Practical Guidance No.24.

(b) Foreign Exchange Related Transactions

As of March 31,		Hedged items	Millions of yen					
			2021		2022			
			Contract amounts	Due after 1 year	Fair Value	Contract amounts	Due after 1 year	Fair Value
Standard treatment:	Currency swaps:	Call loans, Loans, Bonds and Foreign exchange	¥138,387	¥77,497	¥(6,781)	¥140,748	¥61,195	¥(11,302)
	Forward exchange contracts:		7,267	—	(227)	14,462	—	(729)
Deferred method:	Currency swap:	—	—	—	—	—	—	—
	Forward exchange contracts:	—	—	—	—	—	—	—
	Total		¥ —	¥ —	¥(7,008)	¥ —	¥ —	¥(12,031)

		Thousands of U.S. dollars		
		2022		
As of March 31,		Contract amounts	Due after 1 year	Fair Value
Standard treatment:	Currency swaps: Call loans, Loans, Forward exchange Bonds and Foreign contracts: exchange	\$1,150,000	\$500,000	\$(92,344)
		118,171	—	(5,961)
Deferred method:	Currency swap: —	—	—	—
	Forward exchange contracts:..... —	—	—	—
	Total	\$ —	\$ —	\$(98,305)

The Bank mainly applies the deferred method of hedge accounting based on Industry-specific Special Committee Practical Guidance No.25.

- (c) Equity Related Transactions Nil
(d) Bond Related Transactions Nil
(e) Equity Related Transactions Nil (as of March 31, 2021)
(f) Bond Related Transactions Nil (as of March 31, 2021)

10. Comprehensive income

Amounts of recycling and tax effects on other comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Net unrealized gains (losses) on securities, net of tax:			
Items recognized during the year	¥ 73,335	¥(44,981)	\$(367,524)
Amounts of recycling	(16,153)	(10,228)	(83,576)
Before tax effect adjustment	57,181	(55,210)	(451,101)
Tax effects	(17,425)	16,839	137,585
Net unrealized gains (losses) on securities, net of tax	39,755	(38,371)	(313,515)
Deferred hedge gains (losses):			
Items recognized during the year	(930)	(659)	(5,392)
Amounts of recycling	1,072	794	6,490
Before tax effect adjustment	141	134	1,098
Tax effects	(43)	(40)	(334)
Deferred hedge gains (losses)	98	93	763
Foreign currency translation adjustments:			
Items recognized during the year	(26)	—	—
Amounts of recycling	(100)	98	803
Before tax effect adjustment	(127)	98	803
Tax effects	—	—	—
Foreign currency translation adjustments	(127)	98	803
Remeasurements of defined benefit plans			
Items recognized during the year	15,256	2,742	22,404
Amounts of recycling	1,907	178	1,454
Before tax effect adjustment	17,164	2,920	23,859
Tax effects	(5,235)	(890)	(7,277)
Remeasurements of defined benefit plans	11,929	2,029	16,582
Share of other comprehensive income of entities and affiliates accounted by the equity method			
Items recognized during the year	358	209	1,709
Amounts of recycling	—	—	—
Before tax effect adjustment	358	209	1,709
Tax effects	—	—	—
Share of other comprehensive income of entities and affiliates accounted by the equity method	358	209	1,709
Total other comprehensive income	¥ 52,014	¥(35,940)	\$(293,657)

11. Property and equipment

Depreciation was computed using the declining-balance method. Property and equipment as of March 31, 2021 and 2022 were expressed at net of the following accumulated depreciation.

Millions of yen		Thousands of U.S. dollars
2021	2022	2022
¥68,323	¥66,640	\$544,495

Deferred gain on real estate deductible for tax purposes amounted to ¥3,823 million and ¥3,809 million (U.S.\$31,124 thousand) on March 31, 2021 and 2022, respectively.

12. Assets Pledged

Assets pledged as collateral as of March 31, 2021 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Securities	¥1,511,695	¥1,737,212	\$14,194,074
Loan	882,257	891,357	7,282,929
Other	1,000	1,000	8,170
Total.....	¥2,394,953	¥2,629,570	\$21,485,174

Liabilities related to the above pledged assets as of March 31, 2021 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Deposits	¥ 285,301	¥ 222,999	\$ 1,822,038
Payables under repurchase agreements	4,992	8,153	66,621
Payables under securities lending transactions	669,024	732,995	5,989,017
Borrowed money	1,288,867	1,498,595	12,244,430
Other	212	181	1,480

In addition, the following was pledged as collateral for settlements of exchange or margins for futures transactions as of March, 2021 and 2022.

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Other	¥34,470	¥41,732	\$340,976

Guarantee deposits of ¥1,498 and ¥1,440 million (U.S.\$11,771 thousand) were included in Other Assets as of March 31, 2021 and 2022, respectively.

13. Revaluation Reserve for Land

Pursuant to the Law concerning Land Revaluation, premises used for business operations have been revalued as of March 31, 1998. Premises revaluation gain was included in Net Assets, net of income taxes.

Date of the revaluation: March 31, 1998

Revaluation method stipulated in paragraph 3, Article 3 of the Law concerning Land Revaluation Calculated by applying reasonable adjustments to the roadside values such as adjustments for the shape of the land, based on Item 4, Article 2 of the Enforcement Ordinance of the Law concerning Land Revaluation (Enforcement Ordinance No. 119, effective March 31 1998).

The difference between the revalued carrying amount and the fair value of premises revalued pursuant to Article 10 of the Law was ¥15,872 million and ¥15,996 million (U.S.\$130,697 thousand) as of March 31, 2021 and 2022, respectively

14. Retirement Benefits

Retirement benefit plans

Retirement benefit plans adopted by the Bank and its consolidated subsidiaries

The Bank and its domestic consolidated subsidiaries have established defined benefit plans comprising a retirement lump-sum payment plan and defined benefit welfare pension plan (funded type), as well as defined contribution plan namely defined contribution pension plan. In addition, premium retirement benefits may be payable in certain circumstance at an employees' retirement. The Bank has a retirement benefit trust in place.

The changes in the retirement benefit obligation during the year ended March 31, 2021 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Balance at the beginning of the year	¥91,679	¥90,325	\$738,013
Service cost	2,210	2,075	16,956
Interest cost	311	468	3,831
Actuarial loss	(867)	(2,721)	(22,234)
Retirement benefits paid	(3,008)	(2,918)	(23,842)
Prior service cost	—	—	—
Other	—	—	—
Balance at the end of the year	¥90,325	¥87,230	\$712,725

(Note)

Consolidated subsidiaries use simplified method in calculating retirement benefit obligations.

The changes in plan assets during the year ended March 31, 2021 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Balance at the beginning of the year	¥81,409	¥96,588	\$789,188
Expected return on plan assets	1,898	2,248	18,374
Actuarial loss	14,389	20	170
Contributions by the Bank	924	917	7,494
Retirement benefits paid	(2,033)	(2,094)	(17,111)
Other	—	—	—
Balance at the end of the year	¥96,588	¥97,681	\$798,116

Reconciliation of ending balances of retirement benefit obligations and plan assets, and net defined liability and net defined asset recorded on the consolidated balance sheets was as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Funded retirement benefit obligation	¥ 90,325	¥ 87,230	\$ 712,725
Plan assets at fair value	(96,588)	(97,681)	(798,116)
	(6,263)	(10,451)	(85,391)
Unfunded retirement benefit obligation	—	—	—
Net liability (asset) for retirement benefits in the balance sheets	(6,263)	(10,451)	(85,391)
Net defined liability	368	362	2,960
Net defined asset	(6,631)	(10,813)	(88,351)
Net liability (asset) for retirement benefits in the balance sheets	¥ (6,263)	¥ (10,451)	\$ (85,391)

Components of retirement benefit expense for the year ended March 31, 2021 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Service cost	¥ 2,210	¥ 2,075	\$ 16,956
Interest cost	311	468	3,831
Expected return on plan assets	(1,898)	(2,248)	(18,374)
Amortization of actuarial loss	1,907	178	1,454
Amortization of prior service costs	—	—	—
Other	18	21	178
Retirement benefit expense associated with defined benefit plans	¥ 2,549	¥ 495	\$ 4,047

(Note)

Retirement benefit expense at consolidated subsidiaries using the simplified method is collectively included in "Service cost."

Remeasurements of defined benefit plans on other comprehensive income (before tax effect adjustment) were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Prior service cost	¥ —	¥ —	\$ —
Actuarial gain	17,164	2,920	23,859
Other	—	—	—
Total	<u>¥17,164</u>	<u>¥2,920</u>	<u>\$ 23,859</u>

Remeasurements of defined benefit plans were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Unrecognized prior service cost	¥ —	¥ —	\$ —
Unrecognized actuarial loss	(3,435)	(6,355)	(51,927)
Other	—	—	—
Total	<u>¥(3,435)</u>	<u>¥(6,355)</u>	<u>\$ (51,927)</u>

The fair value of plan assets, by major classification, as a percentage of total plan assets as of March 31, 2021 and 2022 were as follows:

	2021	2022
Bonds	17.3%	18.4%
Stock	49.0%	46.2%
Life insurance company general accounts	17.9%	17.9%
Cash and due from banks	1.8%	0.3%
Other	14.0%	17.2%
Total	<u>100.0%</u>	<u>100.0%</u>

(Note)

Total plan assets included retirement benefit trust of 36.6% and 36.2% as of March 31, 2021 and 2022, respectively, which were set for corporate pension plans and retirement lump-sum payment plan.

The expected long-term return on plan assets has been estimated based on the current and anticipated allocation of plan assets and the current and expected long-term return on various assets which are the components of plan assets.

The assumptions used in accounting for the above plans were as follows:

	2021	2022
1) Discount rates		
Welfare pension plan	0.5%	0.7%
Retirement lump-sum payment plan	0.3%	0.4%
2) Expected long-term return on plan assets		
Welfare pension fund	2.5%	2.5%
Retirement benefit trust	1.8~2.5%	1.8~2.5%
3) Other assumptions		
Expected rate of salary raises	3.9%	3.9%

Defined contribution plan

Amount of contributions required for defined contribution plans at consolidated subsidiaries as of March 31, 2021 and 2022 is ¥11 million and ¥10 million (U.S.\$82 thousand), respectively.

15. Cash and Cash Equivalents

The reconciliation of cash and due from banks in the consolidated balance sheets to the cash and cash equivalents as of March 31, 2021 and 2022 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Cash and Due from Banks	¥2,326,681	¥2,651,118	\$21,661,236
Interest-bearing Deposits included in Due from Banks (excluding Due from BO)	(1,777)	(3,612)	(29,514)
Cash and Cash Equivalents	¥2,324,903	¥2,647,506	\$21,631,722

16. Lease Transactions

a. Lessee

Operating leases

Total future lease payments under non-cancelable operating leases at March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
With one year	¥ 78	¥ 91	\$ 749
Over one year	380	366	2,996
Total	¥459	¥458	\$3,745

b. Lessor

Leased investment asset at March 31, 2021 and 2022 were summarized as follows :

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Lease receivables	¥45,171	¥44,769	\$365,790
Estimated residual value	7,738	8,517	69,594
Interest income	(5,264)	(5,130)	(41,916)
Total	¥47,646	¥48,156	\$393,468

The lease receivable amount at March 31, 2021 and 2022, and the amount of lease fees receivable on investment assets, which is scheduled to be collected after the fiscal year-end, were summarized as follows:

	Lease receivables	Lease investment assets
	Millions of yen	Millions of yen
	2021	2021
within 1 year	¥3,321	¥13,897
over 1 year and within 2 years	2,789	11,151
over 2 years and within 3 years	2,184	8,502
over 3 years and within 4 years	1,555	5,665
over 4 years and within 5 years	815	3,154
over 5 years	770	2,799

	Lease receivables		Lease investment assets	
	Millions of yen	Thousands of U.S. dollars	Millions of yen	Thousands of U.S. dollars
	2022	2022	2022	2022
within 1 year	¥3,383	\$27,648	¥13,845	\$113,124
over 1 year and within 2 years	2,794	22,831	11,109	90,772
over 2 years and within 3 years	2,149	17,563	8,207	67,062
over 3 years and within 4 years	1,383	11,304	5,573	45,536
over 4 years and within 5 years	643	5,256	3,128	25,557
over 5 years	881	7,202	2,905	23,737

17. Income Taxes

Income taxes applicable to the Bank and its consolidated subsidiaries include corporation tax, inhabitants' tax and enterprise tax.

Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation. Deferred tax assets and liabilities as of March 31, 2021 and 2022 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Deferred tax assets:			
Allowance for loan losses	¥ 17,134	¥ 13,859	\$ 113,240
Net defined benefit liability	4,988	5,075	41,472
Devaluation loss on securities	515	541	4,427
Depreciation	445	573	4,686
Other	5,163	6,199	50,650
Subtotal	28,247	26,249	214,477
Valuation allowance	(3,585)	(5,114)	(41,788)
Total: Deferred tax assets	24,661	21,135	172,688
Deferred tax liabilities:			
Net unrealized gains on securities available for sale	(30,787)	(13,947)	(113,963)
Retirement benefit trust	(2,470)	(2,842)	(23,221)
Other	(469)	(3,216)	(26,280)
Total: Deferred tax liabilities	(33,726)	(20,006)	(163,466)
Net: Deferred tax assets (liabilities)	¥ (9,065)	¥ 1,128	\$ 9,222

The reconciliation between the Japanese statutory tax rate and the Bank's effective tax rate for the year ended March 31, 2021 and 2022 is as follows:

	2021	2022
Japanese statutory tax rate.....	*note	30.5%
(Adjustment)		
Items permanently non-deductible, including entertainment expenses..		0.1
Items permanently excluded from profit, including dividend income....		(1.0)
Increase(decrease)in valuation allowance.....		3.9
Other.....		0.0
Ratio of income taxes after tax effective accounting		33.5%

(Note)

Details of the difference between the Japanese statutory tax rate and the Bank's effective tax rate after tax effective accounting, have been omitted, as this difference does not exceed 5% of the statutory tax rate.

18. Segment Information

a. Segment information by category of business

Segment information by category of business for the years ended or as of March 31, 2021 and 2022 is summarized as follows:

Year ended or as of March 31, 2021	Millions of yen						
	Banking	Lease	Sub total	Others	Total	Adjustment	Consolidated
Ordinary income generated from businesses with							
External customers	¥ 106,916	¥ 30,552	¥ 137,469	¥ 5,847	¥ 143,316	¥ —	¥ 143,316
Internal units	1,146	362	1,509	1,294	2,804	(2,804)	—
	108,063	30,915	138,979	7,141	146,120	(2,804)	143,316
Segment profit	15,947	245	16,193	3,939	20,132	(50)	20,082
Segment assets	10,602,009	83,627	10,685,636	42,863	10,728,500	(112,744)	10,615,756
Segment liabilities	10,079,332	69,074	10,148,406	20,437	10,168,844	(101,180)	10,067,663
Others							
Depreciation	5,619	703	6,322	94	6,417	80	6,497
Interest and dividend income	70,070	14	70,084	11	70,096	(306)	69,790
Interest expenses	2,521	285	2,806	6	2,812	(281)	2,530
Equity in earnings of unconsolidated subsidiaries and associated companies	156	—	156	—	156	(24)	131
Extraordinary profit	278	—	278	—	278	—	278
Gains on disposal of noncurrent assets	(4)	—	(4)	—	(4)	—	(4)
Gain on reversal of share subscription rights	(274)	—	(274)	—	(274)	—	(274)
Extraordinary loss	552	—	552	0	552	—	552
Losses on disposal of noncurrent assets	(270)	—	(270)	(0)	(270)	—	(270)
Impairment losses on of fixed assets	(282)	—	(282)	—	(282)	—	(282)
Tax	4,943	86	5,029	1,278	6,308	(0)	6,307
Investment of unconsolidated subsidiaries and associated companies	145	—	145	—	145	—	145
Increase of property and equipment and intangible assets	7,545	751	8,297	74	8,372	81	8,453
Year ended or as of March 31, 2022	Millions of yen						
Banking	Lease	Sub total	Others	Total	Adjustment	Consolidated	
Ordinary income generated from businesses with							
External customers	¥ 115,578	¥ 28,814	¥ 144,392	¥ 5,804	¥ 150,197	¥ —	¥ 150,197
Internal units	1,159	365	1,525	1,267	2,792	(2,792)	—
	116,738	29,179	145,917	7,071	152,989	(2,792)	150,197
Segment profit	34,549	576	35,125	4,038	39,163	(51)	39,111
Segment assets	11,135,325	83,211	11,218,536	43,329	11,261,865	(113,326)	11,148,539
Segment liabilities	10,634,401	68,467	10,702,869	18,174	10,721,044	(101,760)	10,619,283
Others							
Depreciation	5,973	694	6,668	92	6,761	102	6,863
Interest and dividend income	74,126	14	74,141	19	74,161	(291)	73,869
Interest expenses	1,858	276	2,135	0	2,136	(267)	1,868
Equity in earnings of unconsolidated subsidiaries and associated companies	171	—	171	—	171	(24)	146
Extraordinary profit	2,493	—	2,493	—	2,493	—	2,493
Gains on disposal of noncurrent assets	(2,493)	—	(2,493)	—	(2,493)	—	(2,493)
Gain on reversal of share subscription rights	—	—	—	—	—	—	—
Extraordinary loss	1,820	—	1,820	0	1,821	—	1,821
Losses on disposal of noncurrent assets	(438)	—	(438)	(0)	(438)	—	(438)
Impairment losses on of fixed assets	(1,382)	—	(1,382)	—	(1,382)	—	(1,382)
Tax	11,739	299	12,038	1,309	13,347	(0)	13,347
Investment of unconsolidated subsidiaries and associated companies	221	—	221	—	221	—	221
Increase of property and equipment and intangible assets	4,902	764	5,667	108	5,775	202	5,978

Year ended or as of March 31, 2022	Thousands of U.S. dollars						Adjustment	Consolidated
	Banking	Lease	Sub total	Others	Total			
Ordinary income generated from businesses with								
External customers	\$ 944,346	\$ 235,430	\$ 1,179,777	\$ 47,427	\$ 1,227,204	\$ —	\$ 1,227,204	
Internal units	9,473	2,986	12,460	10,354	22,815	(22,815)	—	
	953,820	238,417	1,192,237	57,782	1,250,019	(22,815)	1,227,204	
Segment profit	282,286	4,707	286,994	32,994	319,988	(423)	319,564	
Segment assets	90,982,315	679,885	91,662,201	354,025	92,016,226	(925,944)	91,090,282	
Segment liabilities	86,889,463	559,423	87,448,886	148,499	87,597,385	(831,446)	86,765,939	
Others								
Depreciation	48,810	5,673	54,484	757	55,241	835	56,077	
Interest and dividend income	605,661	121	605,782	162	605,945	(2,385)	603,559	
Interest expenses	15,187	2,261	17,448	4	17,452	(2,184)	15,268	
Equity in earnings of unconsolidated subsidiaries and associated companies	1,399	—	1,399	—	1,399	(200)	1,198	
Extraordinary profit	20,371	—	20,371	—	20,371	—	20,371	
Gains on disposal of noncurrent assets	(20,371)	—	(20,371)	—	(20,371)	—	(20,371)	
Gain on reversal of share subscription rights	—	—	—	—	—	—	—	
Extraordinary loss	14,878	—	14,878	1	14,879	—	14,879	
Losses on disposal of noncurrent assets	(3,578)	—	(3,578)	(0)	(3,579)	—	(3,579)	
Impairment losses on of fixed assets	(11,299)	—	(11,299)	—	(11,299)	—	(11,299)	
Tax	95,914	2,443	98,358	10,698	109,056	(1)	109,054	
Investment of unconsolidated subsidiaries and associated companies	1,812	—	1,812	—	1,812	—	1,812	
Increase of property and equipment and intangible assets	40,055	6,250	46,305	885	47,190	1,653	48,844	

(Notes)

- Total income is presented in lieu of sales of companies in other industries.
- "Others" include business segments not included in the reportable segments, such as the delivery of goods, etc., the maintenance of ATMs and operations of securities and guarantees.
- Adjustments are as follows:
 - Adjustment for segment profit of ¥(51) million (U.S.\$(423) thousand) was elimination of intersegment transactions.
 - Adjustment for segment assets of ¥(113,326) million (U.S.\$(925,944)thousand) was elimination of intersegment transactions.
 - Adjustment for segment liabilities of ¥(101,760) million (U.S.\$(831,446)thousand) was elimination of intersegment transactions.
 - Adjustment for depreciation of ¥102 million (U.S.\$835 thousand) was elimination of intersegment transactions and the depreciation related to lease investment assets classified as "property and equipment" and "intangible assets" on a consolidated basis.
 - Adjustment for interest and dividend income of ¥(291) million (U.S.\$(2,385)thousand), adjustment for interest expenses of ¥(267) million (U.S.\$(2,184)thousand), adjustment for equity in earnings of unconsolidated subsidiaries and associated companies of ¥(24) million (U.S.\$(200) thousand) and adjustment for tax of ¥(0) million (U.S.\$(1)thousand) were elimination of intersegment transactions.
 - Adjustment for increase of tangible fixed asset and intangible fixed asset of ¥202 million (U.S.\$1,653 thousand) were transferred from lease investment assets.
- Segment profit was adjusted with reference to ordinary profit as stated in the consolidated statements of income.

b. Segment information about services

Year ended or as of March 31, 2021	Millions of yen					Total
	Lending	Investment	Lease	Others		
Ordinary income generated from businesses with external customers	¥ 55,160	¥ 30,691	¥ 30,552	¥ 26,912	¥ 143,316	
Year ended or as of March 31, 2022	Millions of yen					Total
Ordinary income generated from businesses with external customers	¥ 54,531	¥ 37,853	¥ 28,814	¥ 28,998	¥ 150,197	
Year ended or as of March 31, 2022	Thousands of U.S. dollars					Total
Ordinary income generated from businesses with external customers	\$ 445,551	\$ 309,284	\$ 235,430	\$ 236,937	\$ 1,227,204	

c. Segment information about geographical area

1. Ordinary income

The domestic share of ordinary income from external customers exceeds 90% of ordinary income in the consolidated statement of income, thus information has not been disclosed.

2. Tangible fixed assets

The domestic share of tangible fixed assets exceeds 90% of tangible fixed assets in the consolidated balance sheet, thus information has not been disclosed.

d. Segment information about major customers

Ordinary income from a specific customer does not exceed 10% of ordinary income in the consolidated statements of income, thus information has not been disclosed.

19. Related parties

Transactions between the Bank and its executives or major (individual) shareholders, etc. in the year ended March 31, 2021 were as follows:

Type	Name	Description of business or occupation	Voting rights ownership ratio	Relationship with related party	Transaction detail	Transaction amount		Account name	Balance at the end of the year
						Millions of yen	Thousands of dollars		
Executive	Kazuo Saito	Chairman of the Bank	Directly owns 0.0% of the Bank's voting rights	—	Capital contribution in kind of monetary remuneration claims (Note)	¥94	\$855	—	—
Executive	Akihiko Fukai	President of the Bank	Directly owns 0.0% of the Bank's voting rights	—	Capital contribution in kind of monetary remuneration claims (Note)	45	411	—	—
Executive	Nobuyuki Horie	Director and Deputy President of the Bank	Directly owns 0.0% of the Bank's voting rights	—	Capital contribution in kind of monetary remuneration claims (Note)	47	429	—	—

(Note)

Capital contribution in kind of monetary remuneration claims based on the restricted stock remuneration plan.

Transaction detail above includes capital contribution in kind of monetary remuneration claims arising from the measures to transfer share subscription rights granted as share remuneration-type stock options to restricted stock.

Transactions between the Bank and its executives or major (individual) shareholders, etc. in the year ended March 31, 2022 were as follows:

Type	Name	Description of business or occupation	Voting rights ownership ratio	Relationship with related party	Transaction detail	Transaction amount		Account name	Balance at the end of the year
						Millions of yen	Thousands of dollars		
Executive	Akihiko Fukai	President of the Bank	Directly owns 0.0% of the Bank's voting rights	—	Capital contribution in kind of monetary remuneration claims (Note)	¥12	\$100	—	—

(Note)

Capital contribution in kind of monetary remuneration claims based on the restricted stock remuneration plan.

20. Earnings per Share

	Yen		U.S. Dollars
	2021	2022	2022
Net Assets per Share of Common Stock	¥1,303.93	¥1,288.78	\$10.53
Earnings per Share of Common Stock	32.14	63.33	0.51

1. Basis on calculating Net Assets per share was follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2022	2022
Consolidated Net Assets	¥548,093	¥529,256	\$4,324,342
Consolidated Net Assets Attributable to Common Shareholders	548,093	529,256	4,324,342

	Thousands of Stocks	
	2021	2022
Number of Shares of Common Stock. Used for Calculating Net Assets per Share	420,339	410,663

2. Basis of calculating Earnings per share was follows:

	Millions of yen	Thousands of Stocks	Yen	U.S. Dollars
For the year ended March 31,2021	Net income	Weighted average stocks		EPS
Earnings available to Common Shareholders	¥13,501	420,087	¥32.14	\$0.29
	Millions of yen	Thousands of Stocks	Yen	U.S. Dollars
For the year ended March 31,2022	Net income	Weighted average stocks		EPS
Earnings available to Common Shareholders	¥26,436	417,417	¥63.33	\$0.51

3. Diluted earnings per share of common stock for the fiscal year ended March 31,2021and 2022 are omitted as there are no dilutive shares, etc.

21. Changes in Net Assets

a. Information on type and number of shares issued and treasury shares

Type and number of shares issued and treasury shares in the year ended March 31, 2021 were as follows:

	in thousands			
	Number of shares as of the previous fiscal year-end	Number of shares increased during the accounting period	Number of shares decreased during the accounting period	Number of shares as of the fiscal year-end
Shares issued				
Common stock	435,888	—	—	435,888
Total	435,888	—	—	435,888
Treasury shares				
Common stock	16,375	2	829	15,548
Total	16,375	2	829	15,548

Type and number of shares issued and treasury shares in the year ended March 31, 2022 were as follows:

	in thousands			
	Number of shares as of the previous fiscal year-end	Number of shares increased during the accounting period	Number of shares decreased during the accounting period	Number of shares as of the fiscal year-end
Shares issued				
Common stock	435,888	—	10,000	425,888
Total	435,888	—	10,000	425,888
Treasury shares				
Common stock	15,548	9,936	10,260	15,224
Total	15,548	9,936	10,260	15,224

b. Information on dividends

The following dividends were paid in the year ended March 31, 2021:

Date of resolution	Type of shares	Amount of dividends	Cash dividends per share	Record date	Effective date
		Millions of yen	Yen		
Annual meeting of shareholders held on June 24, 2020	Common stock	¥2,936	¥7.0	March 31, 2020	June 25, 2020
Directors' meeting held on November 5, 2020	Common stock	¥2,522	¥6.0	September 30, 2020	December 4, 2020

The following dividends were paid in the year ended March 31, 2022:

Date of resolution	Type of shares	Amount of dividends		Cash dividends per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
Annual meeting of shareholders held on June 24, 2021	Common stock	¥2,942	\$24,041	¥7.0	\$0.06	March 31, 2021	June 25, 2021
Directors' meeting held on November 8, 2021	Common stock	¥2,944	\$24,055	¥7.0	\$0.06	September 30, 2021	November 30, 2021

Dividends whose record date is attributable to the year ended March 31, 2021 but which are effective after March 31, 2021

Date of resolution	Type of shares	Amount of dividends		Source of dividends	Cash dividends per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars		Yen	U.S. dollars		
Annual meeting of shareholders held on June 24, 2021	Common stock	¥2,942		Retained earnings	¥7.0		March 31, 2021	June 25, 2021

Dividends whose record date is attributable to the year ended March 31, 2022 but which are effective after March 31, 2022

Date of resolution	Type of shares	Amount of dividends		Source of dividends	Cash dividends per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars		Yen	U.S. dollars		
Annual meeting of shareholders held on June 24, 2022	Common stock	¥2,874	\$23,487	Retained earnings	¥7.0	\$0.06	March 31, 2022	June 27, 2022

22. Stock Options

Not applicable.

23. Corporate bonds

Corporate bonds include subordinated corporate bonds in the amount of ¥50,000 million and ¥50,000 million (U.S.\$408,530 thousand) as of March 31, 2021 and 2022, respectively.

24. Subsequent events

Issuance of Basel III-compliant Subordinated Bonds

At the Board of Directors meeting held on August 24, 2022, the Bank resolved to issue unsecured corporate bonds. These bonds will be issued on September 26, 2022.

The outline is as follows:

- (1) Name of the corporate bonds
JPY 10,000,000,000 Subordinated Unsecured Bond (Sustainability Bond) due within 10 years and 1 month
- (2) Issue price
¥100 (U.S.\$0.81) per face value ¥100 of each bond
- (3) Total amount of issue
¥10 billion (U.S.\$81,706 thousand)
- (4) Interest rate
Japanese yen Tibor plus 1.20% or less, or Japanese yen swap rate plus 1.20% or less
- (5) Collateral
These bonds are not secured by collateral or guarantee and there are no assets pledged for these bonds.
- (6) Maturity date
Within 10 years and 1 month
- (7) Redemption method
Lump-sum redemption at maturity; provided that the Bank may set a retirement by purchase clause, an advanced redemption clause, and other special redemption clauses that are deemed appropriate at the time of issuance.
- (8) Use of fund raised
For new investments, loans and expenses or existing investments and loans that serve as the following green or social projects

<ul style="list-style-type: none"> <Green projects> (i) Energy efficiency (ii) Clean transportation (iii) Green buildings (iv) Renewable energy 	<ul style="list-style-type: none"> <Social projects> (i) Maintenance and generation of employment (ii) Support for revitalization and sustainability of regional economies (iii) Support for reconstruction and recovery from disasters (iv) Support for medical and welfare services
--	--

Independent Auditor's Report

The Board of Directors
The Gunma Bank, Ltd.

Opinion

We have audited the accompanying consolidated financial statements of The Gunma Bank, Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Determination of the debtor classification for the purpose of determining the allowance for loan losses, and the allowance for loan losses by the discounted cash flow method ("the DCF method") and the cash flow deduction method	
Description of Key Audit Matter	Auditor's Response
<p>The Group is engaged in the banking business primarily in Gunma Prefecture which is its main business base, of which the lending business is the core business activity.</p> <p>The collectability of loans recorded by the Group is affected by changes in economic trends in local areas, changes in the price of real estate and stock prices, the status of the COVID-19 pandemic, and the business circumstances of debtors. As a result, there is a possibility of default by debtors. As such, the</p>	<p>In considering the appropriateness of the determination of the debtor classification and the appropriateness of the allowance for loan losses by the DCF method and the cash flow deduction method, we mainly performed the following audit procedures:</p> <p>(1) Assessment of internal controls</p> <ul style="list-style-type: none"> We assessed the Group's internal controls over the Group's debtor classification process. The controls tested included but were not limited to those controls over the

Group calculates the amount of expected losses on default and records it as an allowance for loan losses.

The allowance for loan losses included in the consolidated balance sheet at the end of the fiscal year ended March 31, 2022 was ¥52,485 million. Information such as a detailed description of the calculation method for the allowance for loan losses is presented in Section h “Allowance for loan losses” and (Significant accounting estimates) of Note 1 “Summary of Significant Accounting Policies” to the consolidated financial statements.

The allowance for loan losses is calculated in accordance with the Group's predetermined guidelines for self-assessment and write-offs and allowances. The calculation process includes the determination of the debtor classification which is determined by assessing the relevant debtor's ability to repay loans based on its repayment status, financial position, business performance, and future prospects of debtors, and the provisioning of the allowance for loan losses by the DCF method and the cash flow deduction method.

(1) Determination of the debtor classification

In determining the debtor classification, the Group sets forth the outlook for debtors' future business performance as a significant assumption. In particular, when assessing the appropriate classification of a debtor whose repayment status, financial position, or business performance is deteriorating, factors such as the reasonableness and feasibility of the business improvement plan, which embodies the prospects for improvement in the future, are important in making the relevant judgments. The reasonableness and feasibility of the business improvement plans are affected by changes in the business environment surrounding the debtor, including the impact of the COVID-19 pandemic, and the success or failure of the debtor's business strategy. Therefore, they are highly uncertain and highly dependent on management judgement.

(2) Allowance by the DCF method and the cash flow deduction method

In order to respond to future uncertainty in consideration of the ongoing uncertainty about when the COVID-19 pandemic will be contained, the Group records an allowance for loan losses by the DCF method and the cash flow deduction method for debtors that are classified as either debtors requiring caution or potentially bankrupt debtors and that, in addition, are large loan balance debtors for which substantial deterioration in their

accuracy and completeness of the schedules used in determining the debtor classification and controls over the underlying credit rating data. Also, we assessed the Group's internal controls over the process of estimating the future cash flows used in the DCF method and the cash flow deduction method.

(2) Determination of the debtor classification

- We selected a sample of debtors by taking into account the type of business, the repayment status, financial position, the degree of deterioration in their business performance and potential credit risk estimated from external disclosure information. We also considered monetary impact of the changes in debtor's classification on the amount recorded in the allowance for loan losses.

- In order to evaluate sampled debtors' recent repayment status, financial position, business performance and the impact of the COVID-19 pandemic, we inspected a set of materials related to the Group's self-assessment, such as explanatory materials including a description of the business, borrowing and repayment status, research materials providing an understanding of substantial financial position, financial statements, and the trial balance. In addition, we made inquiries of the department in charge of the loans as necessary to confirm our understanding, compared financial analysis with that of other companies in the same industry, examined related materials such as tax reports, and examined the consistency between the aforementioned materials and external publications such as external ratings and IR information.

- In order to examine the reasonableness and feasibility of business improvement plans that embody the future outlook for the repayment status, financial position, and business performance of the debtors, we analyzed the trends from past results of the major profit and loss items such as sales, cost of sales, selling, general and administrative expenses of the debtors, evaluated the precision of the Group's past estimate based on the extent to which the debtors had historically achieved their previous business improvement plans, and evaluated the impact of the COVID-19 pandemic on business performance of the debtors. Further, as necessary, we held discussions with the department in charge of loans and made comparisons with relevant market and industry information, such as

<p>business performance would have a significant impact on the Group's profit or loss. The allowance for loan losses by the DCF method and the cash flow deduction method is determined based on an estimation of future cash flows and, in particular, the repayment schedule based on the business improvement plans included in the future cash flows estimation is based on management's evaluation of the reasonableness and feasibility of business improvement plans. Therefore, estimating the future cash flows is highly uncertain and dependent on management judgement.</p> <p>Accordingly, in view of the significance of the potential impact on the consolidated financial statements, we have identified the appropriateness of the determination of the debtor classification for the purpose of determining the allowance for loans losses, particularly with respect to debtors displaying a deterioration in repayment status, financial position or business performance, and the appropriateness of the allowance for loan losses by the DCF method and the cash flow deduction method as a Key Audit Matter.</p>	<p>performance trends of other companies in the same industry and analyst reports for the industry.</p> <p>(3) The allowance for loan losses by the DCF method and the cash flow deduction method</p> <ul style="list-style-type: none"> • In order to examine the accuracy and completeness of the scope of application of the DCF method and the cash flow deduction method in accordance with the Group's predetermined guidelines, we reperformed the selection of debtors subject to these methods from the list of debtors as of the end of the fiscal year ended March 31, 2022. • In order to evaluate the repayment schedule included in the estimation of the future cash flows for the debtors to which the DCF method or the cash flow deduction method are applied, we agreed it with the repayment schedule of the business improvement plan, or compared it with the actual repayment amount.
---	--

Other Information

The other information comprises the information included in the Annual Report that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2022 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

Ernst & Young ShinNihon LLC
Tokyo, Japan

September 14, 2022

森 重 俊 寛

/s/ Toshihiro Morishige
Designated Engagement Partner
Certified Public Accountant

川 口 輝 朗

/s/ Teruaki Kawaguchi
Designated Engagement Partner
Certified Public Accountant

日下部 恵 美

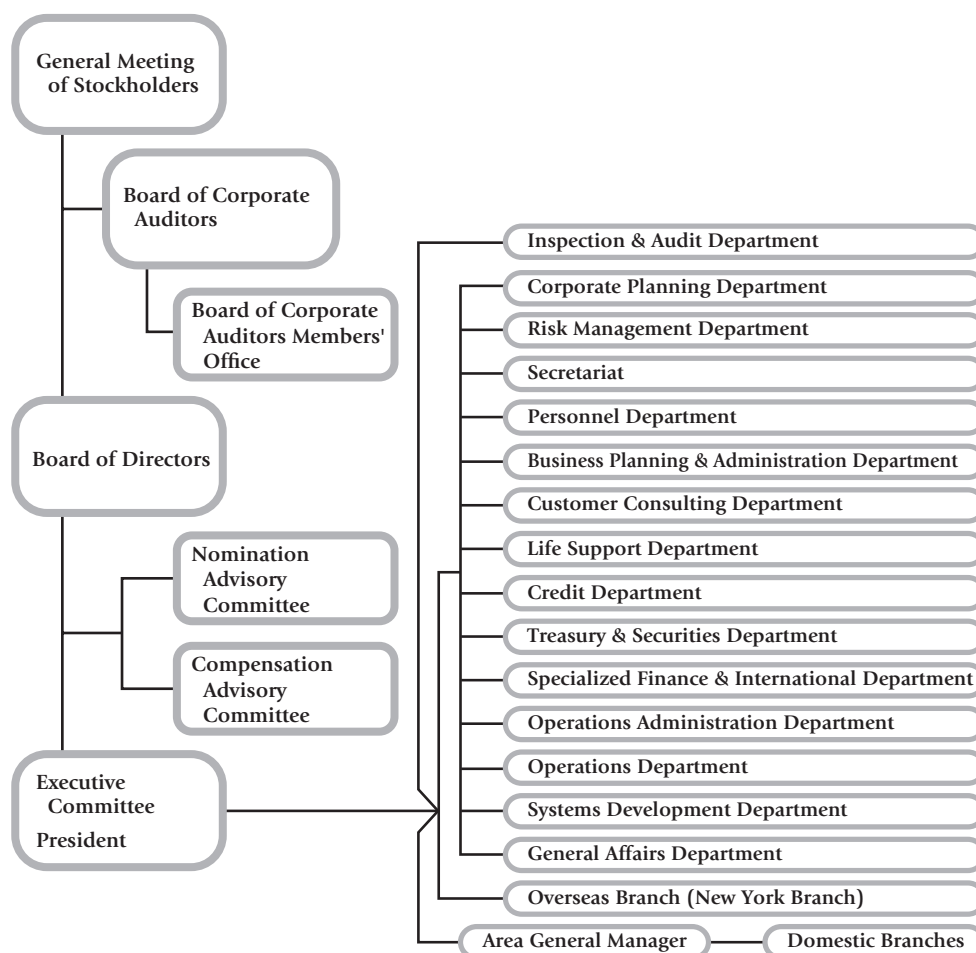
/s/ Emi Kusakabe
Designated Engagement Partner
Certified Public Accountant

Major Shareholders

(As of 31st March, 2022)

	Number of shares held (in thousands)	%
The Master Trust bank of Japan, Ltd. (Account in trust)	59,552	14.50
Custody Bank of Japan, Ltd. (Account in trust)	16,844	4.10
Gunma Bank Employees' Shareholding Association	13,371	3.25
Meiji Yasuda Life Insurance Company	11,056	2.69
Sumitomo Life Insurance Company	10,657	2.59
Toyo Seikan Group Holdings, Ltd.	7,330	1.78
Nippon Life Insurance Company	6,467	1.57
Sumitomo Mitsui Banking Corporation	5,948	1.44
Custody Bank of Japan, Ltd. (Account in trust 4)	5,391	1.31
STATE STREET BANK WEST CLIENT-TREATY 505234	5,035	1.22
Total	141,654	34.49

Organization Chart



(As of 30th June, 2022)



The Gunma Bank, Ltd.

194, Motosojamachi, Maebashi,
Gunma 371-8611, Japan

<https://www.gunmabank.co.jp/>