

The Gunma Bank, Ltd.

Financial Results for Fiscal Year 2021, ended March 31, 2022

Stock Exchange Listing: Tokyo(code:8334)
 URL: <https://www.gunmabank.co.jp/>
 Representative: Akihiko Fukai, President
 For Inquiry: Takeo Uchibori, Managing Executive Officer and General Manager,
 Corporate Planning Department
 Date of General Meeting of Shareholders: June 24, 2022 (scheduled)
 Payment Date of Cash Dividends: June 27, 2022 (scheduled)
 Securities Report Issuing Date: June 24, 2022 (scheduled)
 Trading Accounts: No
 Supplementary Materials : Attached
 IR Conference : Scheduled (for Institutional Investors and Analysts)

(Japanese yen amounts of less than 1 million have been rounded down.)

1. Financial Highlights (from April 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results

(%:Changes from previous fiscal year)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent	
Fiscal Year	million of yen	%	million of yen	%	million of yen	%
Ended Mar. 31, 2022	150,197	4.8	39,111	94.8	26,436	95.8
Ended Mar. 31, 2021	143,316	0.2	20,082	(36.3)	13,501	(39.4)

(Note) Comprehensive Income Fiscal Year 2021: (9,504) million of yen[-%] Fiscal Year 2020: 65,515 million of yen[-%]

	Profit per Share	Profit per Share (Diluted)	Return on Capital Assets	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
Fiscal Year	yen	yen	%	%	%
Ended Mar. 31, 2022	63.33	-	4.9	0.4	26.0
Ended Mar. 31, 2021	32.14	-	2.6	0.2	14.0

(Reference) Share of loss (profit) of entities accounted for using equity method

Fiscal Year 2021: 146 million of yen

Fiscal Year 2020: 131 million of yen

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Capital Assets to Total Assets	Total Net Assets per Share
Fiscal Year	million of yen	million of yen	%	yen
Ended Mar. 31, 2022	11,148,539	529,256	4.7	1,288.78
Ended Mar. 31, 2021	10,615,756	548,093	5.2	1,303.93

(Reference) Capital assets as of Fiscal Year 2021: 529,256 million of yen Fiscal Year 2020: 548,093 million of yen

(Note) "Capital Assets to Total Assets" represents "Total Net Assets" / "Total Assets" at term-end.

"Capital Assets to Total Assets" stated above was not calculated based on the public notice of "Capital Assets to Total Assets".

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at year-end
Fiscal Year	million of yen	million of yen	million of yen	million of yen
Ended Mar. 31, 2022	459,588	(127,807)	(9,281)	2,647,506
Ended Mar. 31, 2021	1,987,175	(498,369)	(5,161)	2,324,903

2. Cash Dividends for Shareholders

	Annual Cash Dividends Per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Total net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	FY-end	Total			
Fiscal Year	yen	yen	yen	yen	yen	million of yen	%	%
Ended Mar. 31, 2021	-	6.00	-	7.00	13.00	5,464	40.4	1.0
Ended Mar. 31, 2022	-	7.00	-	7.00	14.00	5,818	22.1	1.1
Ending Mar. 31, 2023(Projection)	-	8.00	-	8.00	16.00		24.3	

3. Consolidated Earnings Projections for Fiscal Year 2022 (from April 1, 2022 to March 31, 2023)

(%: Changes from corresponding period of previous fiscal year)

	Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
	million of yen	%	million of yen	%	yen
Six months ending Sep. 30, 2022	19,000	(19.6)	13,000	(15.4)	31.66
Fiscal year ending Mar. 31, 2023	39,000	(0.3)	27,000	2.1	65.75

Notes

(1) Material changes in consolidated subsidiaries during the period

(changes in specific subsidiaries accompanied by changes in scope of consolidation): No

(2) Changes in accounting principles, accounting estimates and restatement

① Changes in accounting principles accordance with changes in accounting standard, etc.: Yes

② Other changes in accounting principles: No

③ Changes in accounting estimates: No

④ Restatement: No

(3) Number of issued shares (common stock)

① Number of issued shares (including treasury shares): Mar. 31, 2022 425,888,177 Shares

Mar. 31, 2021 435,888,177 Shares

② Number of treasury shares: Mar. 31, 2022 15,224,436 Shares

Mar. 31, 2021 15,548,367 Shares

③ Average number of issued shares: Fiscal Year 2021 417,417,910 Shares

Fiscal Year 2020 420,087,757 Shares

(Reference) Non – consolidated Financial Highlights

1. Financial Highlights (from April 1, 2021 to March 31, 2022)

(1) Non – consolidated Operating Results

(%:Changes from previous fiscal year)

	Ordinary Income		Ordinary Profit		Profit	
Fiscal Year	million of yen	%	million of yen	%	million of yen	%
Ended Mar. 31, 2022	116,633	7.0	34,444	103.9	23,378	100.1
Ended Mar. 31, 2021	109,020	2.0	16,890	(33.5)	11,680	(34.8)

	Profit per Share		Profit per Share (Diluted)	
Fiscal Year	yen		yen	
Ended Mar. 31, 2022	56.01		–	
Ended Mar. 31, 2021	27.81		–	

(2) Non – consolidated Financial Conditions

	Total Assets	Total Net Assets	Capital Assets to Total Assets	Total Net Assets per Share
Fiscal Year	million of yen	million of yen	%	yen
Ended Mar. 31, 2022	11,126,926	492,871	4.4	1,200.18
Ended Mar. 31, 2021	10,598,742	517,066	4.9	1,230.11

(Reference) Capital assets as of Fiscal Year 2021: 492,871 million of yen Fiscal Year 2020: 517,066 million of yen

(Note) “Capital Assets to Total Assets” represents “Total Net Assets” / “Total Assets” at term-end.

“Capital Assets to Total Assets” stated above was not calculated based on the public notice of “Capital Assets to Total Assets”.

2. Non – consolidated Earnings Projections for Fiscal Year 2022 (from April 1, 2022 to March 31, 2023)

(%: Changes from corresponding period of previous fiscal year)

	Ordinary Profit		Profit		Profit per Share
	million of yen	%	million of yen	%	yen
Six Months ending Sep. 30, 2022	17,000	(20.0)	11,500	(17.0)	28.00
Fiscal Year ending Mar. 31, 2023	34,500	0.2	23,500	0.5	57.22

This report is out of the scope of the audit by certified public accountants or independent audit firms.

Notes for using forecasts information, etc.

The description of future performance of this report is based on information which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance.

Please take note that future performance may differ from forecasts depending on various future factors.

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Supplementary Information

1. Operating Results

(1) Analysis of Operating Results

Operating results for the consolidated fiscal year were as follows.

Ordinary income amounted to 150,197 million of yen, an increase of 6,881 million of yen compared with the previous fiscal year, mainly due to increases in interest income such as interest and dividends on securities.

Ordinary expenses amounted to 111,086 million of yen, a decrease of 12,147 million of yen compared with the previous fiscal year, mainly due to decreases in other expenses such as net transfer to allowance for loan losses.

As a result, ordinary profit amounted to 39,111 million of yen, an increase of 19,028 million of yen compared with the previous fiscal year. Also, profit attributable to owners of parent amounted to 26,436 million of yen, an increase of 12,934 million of yen compared with the previous fiscal year.

(2) Analysis of Financial Conditions

The financial status as of the end of the consolidated fiscal year were as follows.

Total assets increased by 532.7 billion of yen to 11,148.5 billion of yen during the period, whereas total liabilities increased by 551.6 billion of yen to 10,619.2 billion of yen during the period.

Also, net assets decreased by 18.8 billion of yen to 529.2 billion of yen during the period.

As for the main accounts, loans and bills discounted increased by 69.2 billion of yen to 5,758.0 billion of yen during the period.

Securities increased by 98.5 billion of yen to 2,501.0 billion of yen during the period.

Deposits increased by 217.6 billion of yen to 7,959.3 billion of yen during the period.

(3) Analysis of Cash Flows

The cash flow status for the consolidated fiscal year was as follows.

The cash flow from operating activities was a net inflow of 459.5 billion of yen during the period, mainly due to increases in deposits and borrowed money.

The cash flow from investing activities was a net outflow of 127.8 billion of yen during the period, mainly due to purchase of securities.

The cash flow from financing activities was a net outflow of 9.2 billion of yen during the period, mainly due to dividends paid and Purchase of treasury shares.

As a result, cash and cash equivalents at end of period increased by 322.6 billion of yen to 2,647.5 billion of yen during the period.

(4) Projections for Fiscal Year 2022, ending March 31, 2023

The Gunma Bank, Ltd. Group ("the Group") has launched the new Mid-Term Business Plan 2022「Innovation for "Purpose"」 which covers the three-year period from April 2022 to March 2025.

Prior to the formulation of the plan, in November 2021, the Gunma Bank, Ltd. ("the Bank") established the Purpose, i.e., "We use our strengths in "Connections" to spin the threads of the future for local communities," which expresses the significance of our existence in society, and positioned it as the most important concept, along with its corporate philosophy. The Bank has formulated a medium-term business plan based on the Purpose.

The characteristics of the new plan are that it was formulated with the aim of achieving sustainable growth for both local communities and the Bank by proactively working to solve issues faced by society and its customers based on the Purpose while making an appropriate profit as a result, and that it was formulated not only by extending from the past and present (forecasting) but also by working backwards from the future that the Bank aims to achieve (backcasting).

In order to realize the Purpose, this plan sets out three basic policies using the phrases "Connections" and "Spinning the Threads," which constitute the concepts of the Purpose.

I Implementation of digital strategies as the foundation for "Connections and Spinning the Threads"

The Bank will promote digitalization of the community, the customer contact points, and the internal bank operations in order to improve convenience for its customers and solve issues faced by society.

II Reinforce strengths in "Connections" with five reform initiatives

The Bank has set out reforms in sales processes, business processes, channels, human resources, and external collaboration in order to enhance the strengths of the Bank that will contribute to realization of the Purpose.

III "Spinning the Threads" of the future by exercising the Bank's strengths in "Connections"

The Bank is committed to addressing issues faced by society and its customers from the five perspectives of community, companies, individuals, the Group, and the Bank, and to spin the threads of the future for local communities.

Using these three basic policies, the Bank will aim to create a sustainable future for local communities and the Group through deep development of the Bank's strengths, and by working to resolve issues faced by society and its customers.

The forecast for the fiscal year 2022 ending March 31, 2023, the first year of the plan, is as follows.

(Unit : billion of yen)

	FY2022 ending Mar.31, 2023 【Consolidated】	Compared with FY2021 ended Mar.31, 2022	FY2022 ending Mar.31, 2023 【Non - Consolidated】	Compared with FY2021 ended Mar.31, 2022
Ordinary profit	39.0	(0.1)	34.5	0.1
(Attributable to owners of parent) Profit	27.0	0.6	23.5	0.2

(Note) Earnings projections are based on information available at the present time.

Actual results may differ from the forecast due to various of economic situation and stock price level, etc.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Periods

With respect to shareholder returns, the Bank is working to strengthen the financial structure and under the basic policy of continuing to provide stable cash dividends, return performance – linked profits to shareholders. For the time being, the Bank is setting a target of 40% of the non – consolidated profit for the ratio of total payout to shareholders combining cash dividend payments and the acquisition cost of treasury shares.

Based on the above, the annual cash dividends per share for fiscal year 2021, ended March 31, 2022 will be 14 yen (7 yen as the interim cash dividends, 7 yen as the year-end cash dividends) as projected at the beginning of the period. The ratio of total payout to shareholders combining cash dividends payments “total 5.8 billion of yen” and the acquisition cost of treasury shares “3.4 billion of yen” will be 39.9% .

The Bank announces that, at the meeting held today, the Board of Directors approved a resolution to change the shareholder return policy. This policy will be applied from the fiscal year 2022 ending March 31, 2023. For details, please see “Announcement regarding change of the shareholder return policy” published today.

As a regional financial institution, the Bank will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth. Specifically, the Bank is setting a target of 40% of the profit attributable to owners of parent for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.

In the dividend forecast for the fiscal year 2022 ending March 31, 2023, the annual cash dividends per share is increased by 2 yen to 16 yen (8 yen as the interim cash dividends , 8 yen as the year-end cash dividends).

	FY2022 ending Mar.31,2023 Projection (a)	(a)–(b)	FY2021 ended Mar.31,2022 (b)
Annual Cash dividends per share	16.00 yen	2.00 yen	14.00 yen
Interim Cash dividends	8.00 yen	1.00 yen	7.00 yen
Year-end Cash dividends	8.00 yen	1.00 yen	7.00 yen

2. Basic Approach to the Selection of Accounting Standards

In consideration for adapting to the International Financial Reporting Standards (“IFRS”), the Bank intend to respond appropriately in light of the environment surrounding the Bank and trends of other banks.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Unit: million of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
Assets:		
Cash and due from banks	2,326,681	2,651,118
Call Loan and bills bought	–	6,119
Monetary claims bought	5,621	5,706
Trading securities	823	942
Money held in trust	11,268	8,268
Securities	2,402,460	2,501,019
Loans and bills discounted	5,688,847	5,758,096
Foreign exchanges	14,947	34,244
Lease receivables and investments in leases	59,528	60,191
Other assets	71,348	78,824
Tangible fixed assets	69,463	66,191
Buildings, net	18,812	18,818
Land	41,600	39,550
Leased assets, net	664	597
Construction in progress	2,786	361
Other tangible fixed assets	5,600	6,863
Intangible fixed assets	9,956	9,236
Software	9,444	8,735
Other intangible fixed assets	512	500
Retirement benefit asset	6,631	10,813
Deferred tax assets	1,571	1,488
Customers' liabilities for acceptances and guarantees	9,632	8,764
Allowance for loan losses	(63,028)	(52,485)
Total assets	10,615,756	11,148,539
Liabilities:		
Deposits	7,741,661	7,959,333
Negotiable certificates of deposit	167,674	209,258
Call money and bills sold	37,087	70,496
Securities sold under repurchase agreements	4,992	8,153
Cash collateral received for securities lent	669,024	732,995
Borrowed money	1,291,081	1,500,795
Foreign exchanges	162	534
Bonds payable	50,000	50,000
Borrowed money from trust account	8,953	12,056
Other liabilities	66,683	57,106
Provision for bonuses for directors (and other officers)	56	59
Retirement benefit liability	368	362
Provision for retirement benefits for directors (and other officers)	244	204
Provision for reimbursement of deposits	533	367
Provision for point card certificates	144	155
Provision for contingent loss	900	900
Reserves under special laws	0	0
Deferred tax liabilities	10,636	359
Deferred tax liabilities for land revaluation	7,823	7,377
Acceptances and guarantees	9,632	8,764
Total liabilities	10,067,663	10,619,283

(Unit: million of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	391,382	407,300
Treasury shares	(8,838)	(7,352)
Total shareholders' equity	460,778	478,181
Valuation difference on available-for-sale securities	71,541	33,379
Deferred gains or losses on hedges	(231)	(137)
Revaluation reserve for land	13,715	13,415
Foreign currency translation adjustment	(98)	-
Remeasurements of defined benefit plans	2,387	4,417
Total accumulated other comprehensive income	87,314	51,074
Total net assets	548,093	529,256
Total liabilities and net assets	10,615,756	11,148,539

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Unit: million of yen)

	FY2020 ended Mar. 31, 2021	FY2021 ended Mar. 31, 2022
Ordinary income	143,316	150,197
Interest income	69,790	73,869
Interest on loans and discounts	54,034	53,281
Interest and dividends on securities	14,596	18,765
Interest on call loans and bills bought	(12)	0
Interest on deposits with banks	368	980
Other interest income	802	841
Trust fees	53	52
Fees and commissions	21,379	21,544
Other ordinary income	38,152	38,399
Other income	13,941	16,331
Recoveries of written off receivables	2	2
Other	13,938	16,328
Ordinary expenses	123,233	111,086
Interest expenses	2,530	1,868
Interest on deposits	451	353
Interest on negotiable certificates of deposit	224	112
Interest on call money and bills sold	(8)	48
Interest expenses on securities sold under repurchase agreements	64	9
Interest expenses on cash collateral received for securities lent	242	239
Interest on borrowings and rediscounts	248	59
Interest on bonds	214	218
Other interest expenses	1,094	826
Fees and commissions payments	8,208	8,222
Other ordinary expenses	29,020	32,459
General and administrative expenses	57,461	55,503
Other expenses	26,011	13,031
Provision of allowance for loan losses	21,888	7,505
Other	4,123	5,526
Ordinary profit	20,082	39,111
Extraordinary income	278	2,493
Gain on disposal of non – current assets	4	2,493
Gain on reversal of share acquisition rights	274	–
Extraordinary losses	552	1,821
Loss on disposal of non – current assets	270	438
Impairment losses	282	1,382
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	19,808	39,783
Income taxes – current	11,436	8,062
Income taxes – deferred	(5,128)	5,284
Total income taxes	6,307	13,347
Profit	13,501	26,436
Profit attributable to owners of parent	13,501	26,436

Consolidated Statements of Comprehensive Income

(Unit: million of yen)

	FY2020 ended Mar. 31, 2021	FY2021 ended Mar. 31, 2022
Profit	13,501	26,436
Other comprehensive income	52,014	(35,940)
Valuation difference on available – for – sale securities	39,755	(38,371)
Deferred gains or losses on hedges	98	93
Foreign currency translation adjustment	(127)	98
Remeasurements of defined benefit plans, net of tax	11,929	2,029
Share of other comprehensive income of entities accounted for using equity method	358	209
Comprehensive income	65,515	(9,504)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	65,515	(9,504)

(3) Consolidated Statements of Changes in Net Assets

FY2020 ended Mar. 31, 2021

(Unit: million of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,581	383,452	(9,309)	452,377	31,427	(330)
Cumulative effects of changes in accounting policies							
Restated balance	48,652	29,581	383,452	(9,309)	452,377	31,427	(330)
Changes during period							
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		
Cancellation of treasury shares							
Reversal of revaluation reserve for land			63		63		
Net changes in items other than shareholders' equity						40,113	98
Total changes during period	-	-	7,930	470	8,401	40,133	98
Balance at end of period	48,652	29,581	391,382	(8,838)	460,778	71,541	(231)

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,778	29	(9,541)	35,363	287	488,028
Cumulative effects of changes in accounting policies						
Restated balance	13,778	29	(9,541)	35,363	287	488,028
Changes during period						
Dividends of surplus						(5,458)
Profit attributable to owners of parent						13,501
Purchase of treasury shares						(0)
Disposal of treasury shares						295
Cancellation of treasury shares						
Reversal of revaluation reserve for land						63
Net changes in items other than shareholders' equity	(63)	(127)	11,929	51,950	(287)	51,663
Total changes during period	(63)	(127)	11,929	51,950	(287)	60,064
Balance at end of period	13,715	(98)	2,387	87,314	-	548,093

FY2021 ended Mar. 31, 2022

(Unit: million of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,581	391,382	(8,838)	460,778	71,541	(231)
Cumulative effects of changes in accounting policies			(38)		(38)		0
Restated balance	48,652	29,581	391,344	(8,838)	460,740	71,541	(231)
Changes during period							
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		
Cancellation of treasury shares			(4,838)	4,838			
Reversal of revaluation reserve for land			299		299		
Net changes in items other than shareholders' equity						(38,161)	93
Total changes during period	-	-	15,955	1,486	17,441	(38,161)	93
Balance at end of period	48,652	29,581	407,300	(7,352)	478,181	33,379	(137)

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,715	(98)	2,387	87,314	-	548,093
Cumulative effects of changes in accounting policies				0		(37)
Restated balance	13,715	(98)	2,387	87,315	-	548,055
Changes during period						
Dividends of surplus						(5,886)
Profit attributable to owners of parent						26,436
Purchase of treasury shares						(3,500)
Disposal of treasury shares						92
Cancellation of treasury shares						
Reversal of revaluation reserve for land						299
Net changes in items other than shareholders' equity	(299)	98	2,029	(36,240)	-	(36,240)
Total changes during period	(299)	98	2,029	(36,240)	-	(18,799)
Balance at end of period	13,415	-	4,417	51,074	-	529,256

(4) Consolidated Statements of Cash Flows

	(Unit: million of yen)	
	FY2020 ended Mar. 31, 2021	FY2021 ended Mar. 31, 2022
Cash flows from operating activities		
Profit before income taxes	19,808	39,783
Depreciation	6,497	6,863
Impairment losses	282	1,382
Gain on reversal of share acquisition rights	(274)	–
Share of loss (profit) of entities accounted for using equity method	(131)	(146)
Increase (decrease) in allowance for loan losses	17,609	(10,543)
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	2
Decrease (increase) in retirement benefit asset	(6,380)	(4,181)
Increase (decrease) in retirement benefit liability	(10,153)	(5)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(43)	(40)
Increase (decrease) in provision for reimbursement of deposits	(148)	(165)
Increase (decrease) in provision for point card certificates	4	11
Increase (decrease) in provision for contingent loss	(47)	0
Interest income	(69,790)	(73,869)
Interest expenses	2,530	1,868
Loss (gain) related to securities	(12,638)	(9,616)
Loss (gain) on money held in trust	(7)	(6)
Foreign exchange losses (gains)	(302)	(1,510)
Loss (gain) on disposal of non-current assets	266	(2,055)
Net decrease (increase) in trading securities	899	(118)
Net decrease (increase) in loans and bills discounted	(145,670)	(69,248)
Net increase (decrease) in deposits	701,552	217,672
Net increase (decrease) in negotiable certificates of deposit	3,459	41,583
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	809,336	209,714
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	2,146	(1,834)
Net decrease (increase) in call loans	3,492	(6,203)
Net increase (decrease) in call money	23,677	36,570
Net increase (decrease) in cash collateral received for securities lent	577,893	63,970
Net decrease (increase) in foreign exchanges – assets	2,925	(19,296)
Net increase (decrease) in foreign exchanges – liabilities	(218)	372
Net decrease (increase) in lease receivables and investments in leases	(603)	(662)
Net increase (decrease) in borrowed money from trust account	4,054	3,102
Interest received	73,013	79,092
Interest paid	(2,884)	(1,897)
Other, net	(7,767)	(26,764)
Subtotal	1,992,383	473,822
Income taxes paid	(5,208)	(14,233)
Net cash provided by (used in) operating activities	1,987,175	459,588

(Unit: million of yen)

	FY2020 ended Mar. 31, 2021	FY2021 ended Mar. 31, 2022
Cash flows from investing activities		
Purchase of securities	(1,010,823)	(909,311)
Proceeds from sales of securities	314,580	570,154
Proceeds from redemption of securities	210,694	210,372
Increase in money held in trust	(4,490)	–
Decrease in money held in trust	–	2,999
Purchase of tangible fixed assets	(5,022)	(3,157)
Purchase of intangible fixed assets	(3,431)	(2,820)
Proceeds from sale of tangible fixed assets	123	3,954
Net cash provided by (used in) investing activities	(498,369)	(127,807)
Cash flows from financing activities		
Issuance of subordinated bonds	–	10,000
Redemption of subordinated bonds	–	(10,000)
Purchase of treasury shares	(0)	(3,500)
Proceeds from sale of treasury shares	295	92
Dividends paid	(5,456)	(5,872)
Net cash provided by (used in) financing activities	(5,161)	(9,281)
Effect of exchange rate change on cash and cash equivalents	(126)	103
Net increase (decrease) in cash and cash equivalents	1,483,517	322,602
Cash and cash equivalents at beginning of period	841,386	2,324,903
Cash and cash equivalents at end of period	2,324,903	2,647,506

(5) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Changes in accounting principles)

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

The Bank has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan ("ASBJ") Statement No.29, March 31, 2020; hereinafter, "the Accounting Standard for Revenue Recognition"), etc. effective from the beginning of the consolidated fiscal year.

The Bank recognizes revenue as the amount expected to be received in exchange for promised goods or services at the time when the control of said goods or services is transferred to the customer.

The application of the Accounting Standard for Revenue Recognition is subject to the transitional treatment provided for in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition.

The impact of this change on the consolidated financial statements for the current period is immaterial.

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

The Bank has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019) and others from the beginning of the consolidated fiscal year.

In accordance with Article 8 of "Accounting Standard for Fair Value Measurement", the fair value adjustment method used to determine the fair value of derivatives is revised to maximize the use of relevant observable inputs estimated from derivatives and others traded in the market. In accordance with Article 20 of "Accounting Standard for Fair Value Measurement", the cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were reflected in Retained earnings and Accumulated other comprehensive income as of April 1, 2021.

As a result, "Other assets" decreased by 120 million of yen, "Deferred tax liabilities" decreased by 16 million of yen, "Other liabilities" decreased by 66 million of yen, "Retained earnings" decreased by 38 million of yen, "Deferred gains or losses on hedges" increased by 0 million of yen, and "Total Net Assets per Share" decreased by 0.09 yen as of April 1, 2021.

(Segment Information)

1. Summary of reportable segments

The reportable segments of the Group are group components for which separate financial information can be obtained. Each segment is subject to periodic examinations to allow the highest decision-making body of the Bank with respect to matters of management and execution of business to decide how to allocate management resources and assess performance.

In addition to its core banking services, the Group provides financial services such as leasing and manages its businesses through two reportable segments — Banking and Lease.

In Banking, the Bank offers deposit services, loan services, securities dealing, trading account securities services, securities investment services, domestic and foreign exchange services, and trust and other services.

Gunma Finance (Hong Kong), Limited was excluded from the scope of consolidated subsidiaries from the first half of FY2021 due to liquidation.

In Lease, the Bank's consolidated subsidiary, Gungin Leasing Co., Ltd., offers leasing services.

2. Basis of measurement of reportable segment ordinary income, profit (loss), assets, liabilities, and other items

The accounting methods applied to the business segments reported are the same as those described for the basis of presenting the consolidated financial statements. The figures for profit of reportable segments are based on ordinary profit. Inter-segment transaction prices are set under arm's length conditions, the same as transactions with parties external to the Group.

3. Information on the amount of reportable segment ordinary income, profit (loss), assets, liabilities, and other items
 FY2021 ended Mar. 31, 2022 (Unit: million of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Banking	Lease	Total				
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)	-
Total	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 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
Share of profit of entities accounted for using equity method	171	-	171	-	171	(24)	146
Extraordinary income	2,493	-	2,493	-	2,493	-	2,493
[Gain on disposal of non - current assets]	[2,493]	[-]	[2,493]	[-]	[2,493]	[-]	[2,493]
Extraordinary losses	1,820	-	1,820	0	1,821	-	1,821
[Loss on disposal of non - current assets]	[438]	[-]	[438]	[0]	[438]	[-]	[438]
(Impairment losses)	[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 tangible fixed assets and intangible fixed assets	4,902	764	5,667	108	5,775	202	5,978

(Note 1) Ordinary income is presented in lieu of sales of companies in other industries.

(Note 2) "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, guarantees and management consulting, the fund formation and management operations services.

(Note 3) Adjustments are as follows:

- (1) Adjustment for segment profit of (51) million of yen was elimination of intersegment transactions.
- (2) Adjustment for segment assets of (113,326) million of yen was elimination of intersegment transactions.
- (3) Adjustment for segment liabilities of (101,760) million of yen was elimination of intersegment transactions.
- (4) Adjustment for depreciation of 102 million of yen was elimination of intersegment transactions and the depreciation related to investments in leases classified as "tangible fixed assets" and "intangible fixed assets" on a consolidated basis.
- (5) Adjustment for interest income of (291) million of yen, adjustment for interest expenses of (267) million of yen, adjustment for share of profit of entities accounted for using equity method of (24) million of yen and adjustment for tax of (0) million of yen were elimination of intersegment transactions.
- (6) Adjustment for increase of tangible fixed assets and intangible fixed assets of 202 million of yen were transferred from investment in leases.

(Note 4) Segment profit was adjusted with reference to ordinary profit as stated in the consolidated statements of income.

(Per Share Information)

(Unit: yen)

	FY2021 ended Mar. 31, 2022
Total Net Assets per Share	1,288.78
Profit per Share	63.33
Diluted Profit per Share	-

(Note 1) Basis for Computing Net Assets per Share

(Unit: million of yen)

	As of Mar. 31, 2022
Total Net Assets	529,256
Amounts to be deducted from Total Net Assets	-
Net Assets attributable to Common Stock	529,256
Number of Common Stock Outstanding at the End of the Fiscal Period	410,663 thousand shares

(Note 2) Basis for Computing Profit per Share

(Unit: million of yen)

	FY2021 ended Mar. 31, 2022
Profit Attributable to Owners of Parent	26,436
Amount that does not belong to Common Shareholders	-
Profit Attributable to Common Stock	26,436
Average Number of Shares	417,417 thousand shares

(※) Diluted Profit per share is not presented as there are no potentially dilutive shares.

(Material Subsequent Events)

Not applicable.

4. Non – Consolidated Financial Statements

(1) Non – Consolidated Balance Sheets

(Unit: million of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
Assets:		
Cash and due from banks	2,326,094	2,650,108
Cash	59,297	58,561
Due from banks	2,266,797	2,591,546
Call Loans	–	6,119
Monetary claims bought	5,621	5,706
Trading securities	823	942
Trading government bonds	354	240
Trading local government bonds	469	701
Money held in trust	4,368	3,368
Securities	2,412,563	2,507,918
Government bonds	679,159	788,507
Local government bonds	750,236	764,237
Corporate bonds	206,890	197,612
Stocks	203,380	203,707
Other securities	572,896	553,853
Loans and bills discounted	5,749,625	5,818,127
Bills discounted	21,901	22,745
Loans on bills	97,459	83,217
Loans on deeds	5,102,868	5,191,027
Overdrafts	527,395	521,136
Foreign exchanges	14,947	34,244
Due from foreign banks (our accounts)	14,942	34,237
Foreign bills bought	4	5
Foreign bills receivable	1	1
Other assets	53,027	59,759
Prepaid expenses	61	48
Accrued income	6,076	6,205
Financial derivatives	7,871	6,196
Cash collateral paid for financial instruments	4,298	11,560
Other	34,719	35,748
Property, plant and equipment	66,209	62,957
Buildings, net	18,563	18,579
Land	41,125	39,076
Leased assets, net	711	650
Construction in progress	2,786	361
Other tangible fixed assets	3,022	4,290
Intangible assets	9,801	9,089
Software	9,297	8,605
Other intangible fixed assets	504	484
Prepaid pension costs	3,196	4,457
Deferred tax assets	–	1,591
Customers' liabilities for acceptances and guarantees	9,632	8,764
Allowance for loan losses	(57,170)	(46,229)
Total assets	10,598,742	11,126,926

(Unit: million of yen)

	As of Mar 31, 2021	As of Mar 31, 2022
Liabilities:		
Deposits	7,752,757	7,970,410
Current deposits	339,888	335,209
Ordinary deposits	5,243,302	5,526,059
Savings deposits	101,685	103,593
Deposits at notice	18,752	22,273
Time deposits	1,920,635	1,855,669
Installment savings	2,079	372
Other deposits	126,413	127,232
Negotiable certificates of deposit	196,074	238,958
Call money	37,087	70,496
Securities sold under repurchase agreements	4,992	8,153
Cash collateral received for securities lent	669,024	732,995
Borrowed money	1,288,867	1,498,595
Borrowings from other banks	1,288,867	1,498,595
Foreign exchanges	162	534
Foreign bills sold	110	284
Foreign bills payable	52	250
Bonds payable	50,000	50,000
Borrowed money from trust account	8,953	12,056
Other liabilities	44,865	34,047
Income taxes payable	6,794	781
Accrued expenses	3,906	3,707
Unearned revenue	1,729	1,780
Reserve for interest on installment savings	0	0
Financial derivatives	14,405	17,969
Cash collateral received for financial instruments	1,719	2,529
Lease liabilities	711	651
Other	15,598	6,626
Provision for bonuses for directors (and other officers)	56	59
Provision for retirement benefits for directors (and other officers)	223	180
Provision for reimbursement of deposits	533	367
Provision for point card certificates	144	155
Provision for contingent loss	900	900
Deferred tax liabilities	9,576	-
Deferred tax liabilities for land revaluation	7,823	7,377
Acceptances and guarantees	9,632	8,764
Total liabilities	10,081,675	10,634,054

(Unit: million of yen)

	As of Mar 31, 2021	As of Mar 31, 2022
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,114	29,114
Legal capital surplus	29,114	29,114
Retained earnings	364,346	377,205
Legal retained earnings	43,548	43,548
Other retained earnings	320,798	333,657
Reserve for tax purpose reduction entry	1,052	2,961
General reserve	299,650	304,650
Retained earnings brought forward	20,096	26,046
Treasury shares	(8,838)	(7,352)
Total shareholders' equity	433,275	447,620
Valuation difference on available-for-sale securities	70,307	31,973
Deferred gains or losses on hedges	(231)	(137)
Revaluation reserve for land	13,715	13,415
Total valuation and translation adjustments	83,790	45,251
Total net assets	517,066	492,871
Total liabilities and net assets	10,598,742	11,126,926

(2) Non – Consolidated Statements of Income

(Unit: million of yen)

	FY2020 ended Mar. 31, 2021	FY2021 ended Mar. 31, 2022
Ordinary income	109,020	116,633
Interest income	71,086	74,196
Interest on loans and discounts	54,288	53,531
Interest and dividends on securities	15,652	18,843
Interest on call loans	(12)	0
Interest on deposits with banks	355	980
Other interest income	802	841
Trust fees	53	52
Fees and commissions	19,807	19,920
Fees and commissions on domestic and foreign exchanges	4,852	4,348
Other fees and commissions	14,954	15,571
Other ordinary income	4,429	6,400
Gain on foreign exchange transactions	526	1,755
Gain on sale of bonds	3,652	4,453
Gain on redemption of bonds	29	–
Gain on financial derivatives	220	45
Other	–	146
Other income	13,644	16,063
Recoveries of written off receivables	2	2
Gain on sale of equity securities	12,310	14,634
Gain on money held in trust	7	6
Other	1,323	1,419
Ordinary expenses	92,129	82,189
Interest expenses	2,521	1,858
Interest on deposits	452	353
Interest on negotiable certificates of deposit	226	113
Interest on call money	(8)	48
Interest expenses on securities sold under repurchase agreements	64	9
Interest expenses on cash collateral received for securities lent	242	239
Interest on borrowings and rediscounts	235	48
Interest on bonds	214	218
Interest expenses on interest rate swaps	1,059	778
Other interest expenses	34	48
Fees and commissions payments	8,941	8,971
Fees and commissions on domestic and foreign exchanges	811	599
Other fees and commissions	8,129	8,371
Other ordinary expenses	492	5,680
Net loss on trading securities transactions	3	9
Loss on sale of bonds	489	5,670
General and administrative expenses	55,611	53,608
Other expenses	24,562	12,069
Provision of allowance for loan losses	20,533	6,666
Written-off of loans	5	6
Loss on sale of equity securities	2,933	3,701
Loss on devaluation of equity securities	21	74
Other	1,068	1,620
Ordinary profit	16,890	34,444
Extraordinary income	278	2,493
Gain on disposal of non – current assets	4	2,493
Gain on reversal of share acquisition rights	274	–
Extraordinary losses	551	1,820
Loss on disposal of non – current assets	269	438
Impairment losses	282	1,382
Profit before income taxes	16,617	35,117
Income taxes – current	9,845	6,554
Income taxes – deferred	(4,908)	5,184
Total income taxes	4,937	11,739
Profit	11,680	23,378

(3) Non – Consolidated Statements of Changes in Net Assets

FY2020 ended Mar. 31, 2021

(Unit: million of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	29,114	43,548	1,052	287,650	25,987	358,237
Cumulative effects of changes in accounting policies								
Restated balance	48,652	29,114	29,114	43,548	1,052	287,650	25,987	358,237
Changes during period								
Dividends of surplus							(5,458)	(5,458)
Provision of reserve for tax purpose reduction entry								
Provision of general reserve						12,000	(12,000)	
Profit							11,680	11,680
Purchase of treasury shares								
Disposal of treasury shares							(175)	(175)
Cancellation of treasury shares								
Reversal of revaluation reserve for land							63	63
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	12,000	(5,890)	6,109
Balance at end of period	48,652	29,114	29,114	43,548	1,052	299,650	20,096	364,346

	Shareholders' equity		Valuation and translation adjustments				Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(9,309)	426,694	30,638	(330)	13,778	44,086	287	471,068
Cumulative effects of changes in accounting policies								
Restated balance	(9,309)	426,694	30,638	(330)	13,778	44,086	287	471,068
Changes during period								
Dividends of surplus		(5,458)						(5,458)
Provision of reserve for tax purpose reduction entry								
Provision of general reserve								
Profit		11,680						11,680
Purchase of treasury shares	(0)	(0)						(0)
Disposal of treasury shares	471	295						295
Cancellation of treasury shares								
Reversal of revaluation reserve for land		63						63
Net changes in items other than shareholders' equity			39,669	98	(63)	39,704	(287)	39,417
Total changes during period	470	6,580	39,669	98	(63)	39,704	(287)	45,997
Balance at end of period	(8,838)	433,275	70,307	(231)	13,715	83,790	-	517,066

FY2021 ended Mar. 31, 2022

(Unit: million of yen)

(Unit: million of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	29,114	43,548	1,052	299,650	20,096	364,346
Cumulative effects of changes in accounting policies							(38)	(38)
Restated balance	48,652	29,114	29,114	43,548	1,052	299,650	20,058	364,308
Changes during period								
Dividends of surplus							(5,886)	(5,886)
Provision of reserve for tax purpose reduction entry					1,909		(1,909)	
Provision of general reserve						5,000	(5,000)	
Profit							23,378	23,378
Purchase of treasury shares								
Disposal of treasury shares							(55)	(55)
Cancellation of treasury shares							(4,838)	(4,838)
Reversal of revaluation reserve for land							299	299
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	1,909	5,000	5,987	12,897
Balance at end of period	48,652	29,114	29,114	43,548	2,961	304,650	26,046	377,205

	Shareholders' equity		Valuation and translation adjustments				Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(8,838)	433,275	70,307	(231)	13,715	83,790	-	517,066
Cumulative effects of changes in accounting policies		(38)		0		0		(37)
Restated balance	(8,838)	433,237	70,307	(231)	13,715	83,791	-	517,028
Changes during period								
Dividends of surplus		(5,886)						(5,886)
Provision of reserve for tax purpose reduction entry								
Provision of general reserve								
Profit		23,378						23,378
Purchase of treasury shares	(3,500)	(3,500)						(3,500)
Disposal of treasury shares	147	92						92
Cancellation of treasury shares	4,838							
Reversal of revaluation reserve for land		299						299
Net changes in items other than shareholders' equity			(38,333)	93	(299)	(38,539)		(38,539)
Total changes during period	1,486	14,383	(38,333)	93	(299)	(38,539)	-	(24,156)
Balance at end of period	(7,352)	447,620	31,973	(137)	13,415	45,251	-	492,871

Supplementary Information
For Fiscal Year 2021,
Ended March 31, 2022

The Gunma Bank, Ltd.

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I Financial Highlights for Fiscal Year 2021, Ended March 31, 2022

1. Profit and Loss Conditions 【Consolidated / Non-consolidated】

- Core net business profit excluding gains (losses) on bonds increased compared with the previous fiscal year due to increases in net interest income and non-interest business profit and as well as to cutting down on expenses.
- Ordinary profit and Profit increased compared with the previous fiscal year due to an increase in core net business profit excluding gains (losses) on bonds as well as to decrease in net credit cost.

(Unit : billion of yen)

	FY2021ended Mar.31, 2022 【Consolidated】	Compared with FY2020 ended Mar.31,2021	FY2021ended Mar.31, 2022 【Non-Consolidated】	Compared with FY2020 ended Mar.31,2021
Core net business profit excluding gains (losses) on bonds	37.3	6.3	31.9	5.3
Ordinary profit	39.1	19.0	34.4	17.5
(Attributable to owners of parent) Profit	26.4	12.9	23.3	11.6

2. Main Account Conditions 【Non-consolidated】

- Loans and bills discounted amounted to 5,818.1 billion of yen, up 68.5 billion of yen compared with the previous fiscal year-end due to increases in housing loans and loans to corporations.
- Deposits and Negotiable certificates of deposit amounted to 8,209.3 billion of yen, up 260.5 billion of yen compared with the previous fiscal year-end mainly due to an increase in individuals deposits.

(Unit : billion of yen)

	As of Mar.31, 2022 (a)	(a) - (b)	As of Mar.31, 2021 (b)
Loans and bills discounted	5,818.1	68.5	5,749.6
Deposits and Negotiable certificates of deposit	8,209.3	260.5	7,948.8

3. Disclosed Claims under the Financial Reconstruction Law 【Non-consolidated】

- Non-performing loan ratio amounted to 2.03%, down 0.27 point compared with the previous fiscal year-end.

(Unit : billion of yen)

	As of Mar.31, 2022 (a)	(a) - (b)	As of Mar.31, 2021 (b)
Disclosed Claims under the FRL	120.3	(13.7)	134.1
Non-performing loan ratio	2.03%	(0.27) %	2.30%

4. Capital Ratio 【Consolidated】

- Total Capital Ratio amounted to 12.40%, and maintained a high level.

	As of Mar.31, 2022 (a)	(a) - (b)	As of Mar.31, 2021 (b)
Total capital ratio	12.40%	(0.34) %	12.74%

5. Earnings Projections 【Consolidated / Non-consolidated】

- Profit for fiscal year 2022, ending March 31, 2023 will be 27.0 billion of yen on a consolidated basis and 23.5 billion of yen on a non-consolidated basis.

(Unit : billion of yen)

	FY2022 ending Mar.31,2023 【Consolidated】	Compared with FY2021 ended Mar.31, 2022	FY2022 ending Mar.31,2023 【Non-Consolidated】	Compared with FY2021 ended Mar.31, 2022
Core net business profit excluding gains (losses) on bonds	37.3	0.0	32.0	0.1
Ordinary profit	39.0	(0.1)	34.5	0.1
(Attributable to owners of parent) Profit	27.0	0.6	23.5	0.2

(Note) Earnings projections are based on information available at the present time.

Actual results may differ from the forecast due to various factors of economic situation and stock price level, etc.

6. Shareholder Return 【Non-consolidated】

- The annual cash dividends per share for fiscal year 2021, ended March 31, 2022 will be 14 yen (7 yen as the interim cash dividends, 7 yen as the year-end cash dividends) as projected at the beginning of the period.
Total shareholder return combining cash dividends payments and the acquisition of treasury shares will be 39.9%.
- The annual cash dividends per share for fiscal year 2022, ending March 31, 2023 is forecast to increase by 2 yen compared with the previous fiscal year to 16 yen.(8 yen as the interim cash dividends, 8 yen as the year-end cash dividends)

	Of which, Interim Cash dividends	FY2021 ended Mar.31,2022 Annual cash dividends	Of which, Interim Cash dividends	FY2022 ending Mar.31,2023 Annual cash dividends
Cash dividends per share	7.00 yen	14.00 yen	8.00 yen	16.00 yen

※For the shareholder return policy, please refer to P6 "6.Shareholder Return" or "Announcement regarding change of the shareholder return policy" published today.

1. Profit and Loss Conditions

- Consolidated core net business profit excluding gains (losses) on bonds amounted to 37.3 billion of yen, up 6.3 billion of yen compared with the previous fiscal year, due to increases in net interest income such as interest and dividends on securities and non-interest business profit such as corporate service – related and deposit financial assets – related as well as to cutting down on expenses.
- Ordinary profit amounted to 39.1 billion of yen, up 19.0 billion of yen compared with the previous fiscal year, due to decreases in net credit costs and retirement benefit costs regardless of an decrease in gains or losses on investment securities.
- In addition, in the FY2021 ended March 31, 2022, the final year of the Mid-Term business Plan, Profit attributable to owners of parent amounted to 26.4 billion of yen, up 12.9 billion of yen compared with the previous fiscal year, and up 2.4 billion of yen compared with the numerical target of 24.0 billion yen.

【Consolidated】

(Unit: million of yen)

		FY2021 ended Mar.31, 2022 (a)	(a) – (b)	FY2020 ended Mar.31, 2021 (b)	FY2021 ended Mar.31, 2022 Projection (c)	(a) – (c)
Core gross business profits	1	92,531	6,110	86,421	91,000	1,531
Net interest income	2	72,001	4,741	67,259	71,000	1,001
Non-interest business profit	3	20,530	1,368	19,162	20,000	530
Corporate service – related	4	4,325	1,342	2,983		
Deposit financial assets – related	5	7,703	563	7,140		
Others	6	8,501	(536)	9,038		
Expenses (excluding non-recurrent expenses) [–]	7	55,213	(233)	55,446	55,300	(86)
Core net business profit excluding gains(losses) on bonds (1–7)	8	37,318	6,343	30,975	35,700	1,618
Gains or losses on investment securities	9	9,616	(3,022)	12,638		
Gains (losses) on bonds	10	(1,216)	(4,409)	3,192		
Gains (losses) on stocks and other securities	11	10,833	1,387	9,446		
Net credit costs [–]	12	8,306	(14,131)	22,438		
Others	13	483	1,576	(1,092)		
Of which, retirement benefit costs [–]	14	178	(1,729)	1,907		
Ordinary profit	15	39,111	19,028	20,082	37,000	2,111
Extraordinary income (losses)	16	672	946	(274)		
Of which, gain on disposal of non – current assets	17	2,493	2,488	4		
Of which, impairment losses [–]	18	1,382	1,100	282		
Profit before income taxes	19	39,783	19,975	19,808		
Total income taxes [–]	20	13,347	7,040	6,307		
Profit	21	26,436	12,934	13,501		
Profit attributable to owners of parent	22	26,436	12,934	13,501	26,000	436

(Note) Gains (losses) on bonds is excluded from "Others" and included in "Gains or losses on investment securities".

Overhead ratio (7/1)	23	59.6%	(4.5)%	64.1%
Return on equity	24	4.9%	2.3%	2.6%

(Note) Return on equity (ROE) = $\frac{\text{Profit attributable to owners of parent}}{(\text{Net assets excluding equity warrants at the beginning of the period} + \text{Net assets excluding equity warrants at the end of the period}) / 2} \times 100$

(Number of consolidated companies)

(Unit: number of companies)

Number of consolidated subsidiaries	25	6	(1)	7
Number of affiliated companies applicable to the equity method	26	3	—	3

(Note) Gunma Finance (Hong Kong) Limited was excluded from the scope of consolidated subsidiaries from the interim period of FY2021 due to liquidation.

【Non-consolidated】

(Unit: million of yen)

		FY2021 ended Mar.31, 2022 (a)		FY2020 ended Mar.31, 2021 (b)	FY2021ended Mar.31, 2022 Projection (c)	(a) - (c)
		(a) - (b)				
Core gross business profits	1	85,276	5,047	80,228	84,500	776
Net interest income	2	72,338	3,772	68,565	71,400	938
Domestic business	3	66,931	3,332	63,599		
Of which, Interest on loans and discounts	4	51,357	(413)	51,770		
Of which, Interest and dividends on securities	5	14,269	2,992	11,277		
Of which, gain (loss) on cancellation of investment trusts	6	513	138	374		
Non-domestic business	7	5,406	440	4,966		
Non-interest business profit	8	12,937	1,275	11,662	13,100	(163)
Net fees and commissions income	9	11,000	81	10,919	11,500	(500)
Profit from other business transactions	10	1,937	1,193	743	1,600	337
Expenses (excluding non-recurrent expenses) [-]	11	53,329	(279)	53,609	53,500	(171)
Personnel expenses	12	28,357	(1,066)	29,424		
Non-Personnel expenses	13	22,170	977	21,193		
Taxes	14	2,801	(189)	2,991		
Core net business profit excluding gains (losses) on bonds (1-11)	15	31,946	5,327	26,618	31,000	946
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	16	31,433	5,188	26,244		
Core net business profit (15+19)	17	30,729	917	29,812		
Gains or losses on investment securities	18	9,641	(2,905)	12,547		
Gains (losses) on bonds	19	(1,216)	(4,410)	3,193		
Gains (losses) on stocks and other securities	20	10,858	1,504	9,354		
Net credit costs [-]	21	7,373	(13,632)	21,006	7,000	373
Other non-recurrent gains (losses)	22	230	1,499	(1,269)		
Of which,retirement benefit costs [-]	23	178	(1,729)	1,907		
Ordinary profit	24	34,444	17,553	16,890	32,500	1,944
Extraordinary income (losses)	25	672	945	(273)		
Of which, gain on disposal of non - current assets	26	2,493	2,488	4		
Of which, impairment losses [-]	27	1,382	1,100	282		
Profit before income taxes	28	35,117	18,499	16,617		
Total income taxes [-]	29	11,739	6,801	4,937		
Profit	30	23,378	11,697	11,680	23,000	378

(Note) Gains (losses) on bonds is excluded from "Profit from other business transactions" and included in "Gains or losses on investment securities".

(Reference I) Gain or Loss on Investment Securities Conditions

(Unit: million of yen)

		FY2021 ended Mar.31, 2022		FY2020 ended Mar.31, 2021
		(a)	(a) - (b)	(b)
Gains (losses) on bonds	31	(1, 216)	(4, 410)	3, 193
Gain on sales	32	4, 453	800	3, 652
Gain on redemption	33	—	(29)	29
Loss on sales	[-] 34	5, 670	5, 181	489
Loss on redemption	[-] 35	—	—	—
Loss on devaluation	[-] 36	—	—	—
Gains (losses) on stocks and other securities	37	10, 858	1, 504	9, 354
Gain on sales	38	14, 634	2, 324	12, 310
Loss on sales	[-] 39	3, 701	768	2, 933
Loss on devaluation	[-] 40	74	52	21

(Reference II) Credit Costs Conditions

(Unit: million of yen)

			FY2021 ended Mar.31, 2022 (a)	(a) - (b)	FY2020 ended Mar.31, 2021 (b)
Net credit costs (42+43-49)	(-)	41	7,373	(13,632)	21,006
Net transfer to general allowance for loan losses	(-)	42	(1,531)	(16,091)	14,560
Disposal of non-performing loans	(-)	43	8,907	2,458	6,448
Written-off of loans		44	6	0	5
Net transfer to specific allowance for loan losses		45	8,197	2,224	5,972
Net transfer to accident loss		46	0	47	(47)
Losses on sales of loans		47	507	363	144
Cost born under joint responsibility system of guarantee corporations		48	195	(176)	372
Recoveries of written off claims		49	2	0	2

2. Main Account Conditions

(1) Loans 【Non-consolidated】

■ Loans and bills discounted amounted to 5,818.1 billion of yen, up 68.5 billion of yen compared with the previous fiscal year-end, due to increases in housing loans and loans to corporations.

(Unit : billion of yen)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Loans and bills discounted	5,818.1	84.2	68.5	5,733.9	5,749.6
Retail loans	4,650.2	10.6	(7.0)	4,639.6	4,657.3
Small and medium-sized enterprises	2,313.2	(1.6)	(27.5)	2,314.8	2,340.7
Individuals	2,337.0	12.2	20.4	2,324.7	2,316.6
Of which, Housing-related loans	2,257.0	10.8	19.7	2,246.2	2,237.3
Housing loans	1,355.4	14.2	26.7	1,341.2	1,328.7
Apartment loans	650.0	0.5	0.1	649.4	649.8
Others	251.5	(3.9)	(7.2)	255.5	258.7
Other loans	1,167.8	73.5	75.5	1,094.2	1,092.2
Corporations	894.2	73.9	50.7	820.3	843.4
Public sectors	114.4	5.5	24.3	108.8	90.0
Overseas branch and Non-residents	159.1	(5.9)	0.4	165.1	158.7

(Note) Regional public corporations and Tokyo/Osaka Branch accounts are not included in Small and medium-sized enterprises but are classified into Corporations.

(2) Deposits and Negotiable certificates of deposit 【Non-consolidated】

■ Deposits and Negotiable certificates of deposit amounted to 8,209.3 billion of yen, up 260.5 billion of yen compared with the previous fiscal year-end due to an increase in individuals deposits.

(Unit : billion of yen)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Deposits and Negotiable certificates of deposit	8,209.3	247.1	260.5	7,962.2	7,948.8
Deposits	7,970.4	248.2	217.6	7,722.1	7,752.7
Of which, Individuals	5,524.1	73.4	155.1	5,450.7	5,368.9
Of which, Corporations	1,904.0	10.5	(4.0)	1,893.5	1,908.0
Negotiable certificates of deposit	238.9	(1.1)	42.8	240.0	196.0

(3) Deposit financial assets 【Including Gungin Securities】

■ Deposit financial assets amounted to 1,006.6 billion of yen, up 70.7 billion of yen compared with the previous fiscal year-end mainly due to an steady increase in the balance owned by Gungin Securities, and exceeded 1 trillion of yen for the first time.

(Unit : billion of yen)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Deposit financial assets	1,006.6	33.3	70.7	973.2	935.8
Individuals	926.0	24.4	55.2	901.5	870.7
Investment trust	255.7	(1.0)	11.1	256.7	244.5
Public bonds (Government bonds, etc.)	33.3	(2.9)	(3.7)	36.3	37.1
Life insurance	492.5	11.0	17.6	481.4	474.8
Gungin Securities (including intermediation)	144.4	17.3	30.2	127.0	114.1
Corporations, etc.	80.6	8.9	15.4	71.6	65.1
Bank, non-consolidated	14.6	0.0	0.0	14.6	14.5
Gungin Securities (including intermediation)	65.9	8.9	15.4	57.0	50.5

(4) Gain and Loss on Valuation of Other Securities【Non-consolidated】

(Unit : billion of yen)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Other securities	45. 7	(58. 6)	(55. 1)	104. 3	100. 9
Stocks	67. 7	(15. 6)	(16. 2)	83. 3	83. 9
Bonds	(13. 8)	(20. 2)	(17. 2)	6. 4	3. 4
Foreign securities	(8. 3)	(15. 0)	(12. 2)	6. 6	3. 8
Investment trusts, etc.	0. 2	(7. 6)	(9. 3)	7. 8	9. 5

3. Disclosed Claims under the Financial Reconstruction Law("FRL")【Non-consolidated】

(Unit : billion of yen)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Disclosed claims under the FRL ①	120. 3	0. 3	(13. 7)	120. 0	134. 1
Normal Claims ②	5, 785. 1	90. 7	95. 1	5, 694. 3	5, 690. 0
Total Claims (①+②) ③	5, 905. 5	91. 1	81. 3	5, 814. 3	5, 824. 1
Non-performing loan ratio (①/③) ④	2. 03 %	(0. 03) %	(0. 27) %	2. 06 %	2. 30 %
Coverage ratio	71. 0 %	1. 5 %	(0. 3) %	69. 5 %	71. 3 %

(Note) The Gunma Bank, Ltd. ("the Bank") does not apply partial direct written-off.

The below figures are presented if the Bank had applied the partial direct written-off.

Disclosed claims under the FRL	101. 9	0. 3	(12. 7)	101. 5	114. 6
Non-performing loan ratio	1. 73 %	(0. 02) %	(0. 24) %	1. 75 %	1. 97 %

4. Capital Ratio (International standard)【Consolidated】

(Unit : %)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Total capital ratio	12. 40	(0. 80)	(0. 34)	13. 20	12. 74
Tier1 ratio	11. 23	(0. 80)	(0. 35)	12. 03	11. 58
Common equity Tier1 capital	11. 23	(0. 80)	(0. 35)	12. 03	11. 58

5. Earnings Projections【Consolidated／Non-consolidated】

■ In earnings projections for fiscal year 2022, ending March 31, 2023, Profit will be 27.0 billion of yen on a consolidated basis and 23.5 billion of yen on a non-consolidated basis.

【Consolidated】

(Unit : billion of yen)

	FY2022 ending Sep.30,2022 Projection	Compared with FY2021 ended Sep.30,2021	FY2022 ending Mar.31,2023 Projection	Compared with FY2021 ended Mar.31,2022
Core net business profit excluding gains (losses) on bonds	19. 5	(1. 1)	37. 3	0. 0
Ordinary profit	19. 0	(4. 6)	39. 0	(0. 1)
(Attributable to owners of parent) Profit	13. 0	(2. 3)	27. 0	0. 6

【Non-consolidated】

(Unit : billion of yen)

	FY2022 ending Sep.30,2022 Projection	Compared with FY2021 ended Sep.30,2021	FY2022 ending Mar.31,2023 Projection	Compared with FY2021 ended Mar.31,2022
Core net business profit excluding gains (losses) on bonds	17. 0	(0. 9)	32. 0	0. 1
Ordinary profit	17. 0	(4. 2)	34. 5	0. 1
Profit	11. 5	(2. 3)	23. 5	0. 2

(Note) Earnings projections are based on information available at the present time.

Actual results may differ from the forecast due to various of economic situation, etc.

6. Shareholder Return

- The annual cash dividends per share for fiscal year 2021, ended March 31, 2022 will be 14 yen (7 yen as the interim cash dividends, 7 yen as the year-end cash dividends) as projected at the beginning of the period. The ratio of total payout to shareholder combining cash dividends payments and the acquisition cost of treasury shares will be 39.9%.
- The annual cash dividends per share for fiscal year 2022, ending March 31, 2023 is forecast to increase by 2 yen compared with the previous fiscal year to 16 yen (8 yen as the interim cash dividends, 8 yen as the year-end cash dividends) .

	FY2022 ending Mar. 31, 2023 Projection (a)	(a) - (b)	FY2021 ended Mar. 31, 2022 (b)
Annual Cash dividends per share	16.00 yen	2.00 yen	14.00 yen
Interim Cash dividends	8.00 yen	1.00 yen	7.00 yen
Year-end Cash dividends	8.00 yen	1.00 yen	7.00 yen

■ Change the shareholder return policy

In order to meet the expectations of a wide range of stakeholders, The Gunma Bank, Ltd ("The Bank") has been working to strengthen its financial structure and return profits to shareholders through stable dividends and stock buybacks. The Bank has decided to make the following change to its shareholder return policy in order to further enhance shareholder returns while considering the balance between maintenance/improvement of soundness and investment for growth. This policy will be applied from the fiscal year 2022, ending March 31, 2023.

Before the change:

The Bank is working to strengthen the financial structure and under the basic policy of continuing to provide stable cash dividends, return performance – linked profits to shareholders.

For the time being, the Bank is setting a target of 40% of the non-consolidated profit for the ratio of total payout to shareholders combining cash dividend payments and the acquisition cost of treasury shares.

After the change:

As a regional financial institution, the Bank will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth.

Specifically, the Bank is setting a target of 40% of the profit attributable to owners of parent for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.

II Financial Data for Fiscal Year 2021, Ended March 31, 2022

1. Profit and Loss Conditions

【Non-consolidated】

(Unit : million of yen)

		FY2021 ended Mar.31, 2022 (a)	(a) - (b)	FY2020 ended Mar.31, 2021 (b)
Gross business profits	1	84,059	637	83,421
(excluding gains (losses) on bonds)	2	85,276	5,047	80,228
Domestic gross business profits	3	80,257	3,956	76,300
Net interest income	4	66,931	3,332	63,599
Net fees and commissions income	5	10,913	98	10,815
Profit from other business transactions	6	2,412	525	1,886
(Of which, Gains (losses) on bonds)	7	2,171	408	1,762
Non-domestic gross business profits	8	3,802	(3,318)	7,120
Net interest income	9	5,406	440	4,966
Net fees and commissions income	10	87	(16)	103
Profit from other business transactions	11	(1,691)	(3,742)	2,050
(Of which, Gains (losses) on bonds)	12	(3,388)	(4,818)	1,430
Expenses (excluding non-recurrent expenses) [-]	13	53,329	(279)	53,609
Personnel expenses	14	28,357	(1,066)	29,424
Non-Personnel expenses	15	22,170	977	21,193
Taxes	16	2,801	(189)	2,991
Core net business profit(1-13)	17	30,729	917	29,812
Core net business profit excluding gains (losses) on bonds (2-13)	18	31,946	5,327	26,618
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	19	31,433	5,188	26,244
Net transfer to general allowance for loan losses [-]	20	(1,531)	(16,091)	14,560
Net business profit (1-13-20)	21	32,260	17,008	15,252
(Of which, Gains (losses) on bonds)	22	(1,216)	(4,410)	3,193
(Corresponding loss on money held in trust)	23	0	(0)	0
Non-recurrent gains (losses)	24	2,184	545	1,639
Disposal of non-performing loans [-]	25	8,907	2,458	6,448
Written-off of loans	26	6	0	5
Net transfer to specific allowance for loan losses	27	8,197	2,224	5,972
Net transfer to accident loss	28	0	47	(47)
Losses on sales of loans	29	507	363	144
Cost born under joint responsibility system of guarantee corporations	30	195	(176)	372
Recoveries of written off claims	31	2	0	2
(Net credit costs) (20+25-31) [-]	32	7,373	(13,632)	21,006
Gains (losses) on stocks and other securities	33	10,858	1,504	9,354
Other non-recurrent gains (losses)	34	230	1,499	(1,269)
Of which, Retirement benefit costs [-]	35	178	(1,729)	1,907
Ordinary profit	36	34,444	17,553	16,890
Extraordinary income (losses)	37	672	945	(273)
Of which,gain on disposal of non - current assets	38	2,493	2,488	4
Of which,impairment losses [-]	39	1,382	1,100	282
Profit before income taxes	40	35,117	18,499	16,617
Total income taxes [-]	41	11,739	6,801	4,937
Income taxes-current	42	6,554	(3,291)	9,845
Income taxes-deferred	43	5,184	10,093	(4,908)
Profit	44	23,378	11,697	11,680

2. Main Account Conditions 【Non-consolidated】

(Unit : billion of yen)

		As of Mar.31, 2022 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
Deposits	Term-end balance	7,970.4	248.2	217.6	7,722.1	7,752.7
	Average balance	7,716.8	38.9	406.8	7,677.8	7,309.9
Loans and bills discounted	Term-end balance	5,818.1	84.2	68.5	5,733.9	5,749.6
	Average balance	5,700.0	5.2	10.9	5,694.8	5,689.0
Securities	Term-end balance	2,507.9	29.0	95.3	2,478.8	2,412.5
	Average balance	2,387.6	57.0	431.8	2,330.6	1,955.8

3. Interest Rate Spread 【Non-consolidated】

(All branches)

(Unit : %)

		FY2021 ended Mar.31, 2022 (a)	(a) - (b)	FY2020 ended Mar.31, 2021 (b)
① Average yield on interest earning assets		0.81	(0.10)	0.91
	Average yield on loans and bills discounted	0.93	(0.02)	0.95
	Average yield on securities	0.78	(0.02)	0.80
② Average yield on interest bearing liabilities		0.52	(0.11)	0.63
	Average yield on deposits and negotiable certificates of deposit	0.00	—	0.00
	Average yield on call money and borrowed money	0.00	(0.02)	0.02
③ Average interest rate spread (①-②)		0.29	0.01	0.28

(Domestic segment)

(Unit : %)

		FY2021 ended Mar.31, 2022 (a)	(a) - (b)	FY2020 ended Mar.31, 2021 (b)
① Average yield on interest earning assets		0.77	(0.08)	0.85
	Average yield on loans and bills discounted	0.93	(0.01)	0.94
	Average yield on securities	0.68	0.03	0.65
② Average yield on interest bearing liabilities		0.50	(0.10)	0.60
	Average yield on deposits and negotiable certificates of deposit	0.00	—	0.00
	Average yield on call money and borrowed money	(0.00)	—	(0.00)
③ Average interest rate spread (①-②)		0.27	0.02	0.25

4. Capital Ratio (International standard)

【Consolidated】

(Unit : billion of yen)

	As of Mar.31,2022			As of Sep.30,2021 (b)	As of Mar.31,2021 (c)
	(a)	(a)-(b)	(a)-(c)		
Total capital ratio	12.40%	(0.80)%	(0.34)%	13.20%	12.74%
Tier1 ratio	11.23%	(0.80)%	(0.35)%	12.03%	11.58%
Common equity Tier1 ratio	11.23%	(0.80)%	(0.35)%	12.03%	11.58%
Total capital	541.3	(33.6)	(23.6)	574.9	564.9
Tier1 capital	490.1	(33.6)	(23.7)	523.7	513.8
Common equity Tier1 capital	490.1	(33.6)	(23.7)	523.7	513.8
Risk weighted assets	4,362.2	9.3	(71.2)	4,352.9	4,433.4
Total required capital	348.9	0.7	(5.6)	348.2	354.6

【Non-consolidated】

(Unit : billion of yen)

	As of Mar.31,2022			As of Sep.30,2021 (b)	As of Mar.31,2021 (c)
	(a)	(a)-(b)	(a)-(c)		
Total capital ratio	11.76%	(0.86)%	(0.42)%	12.62%	12.18%
Tier1 ratio	10.61%	(0.85)%	(0.43)%	11.46%	11.04%
Common equity Tier1 ratio	10.61%	(0.85)%	(0.43)%	11.46%	11.04%
Total capital	506.0	(36.0)	(27.6)	542.0	533.6
Tier1 capital	456.3	(35.5)	(27.1)	491.9	483.5
Common equity Tier1 capital	456.3	(35.5)	(27.1)	491.9	483.5
Risk weighted assets	4,300.2	7.5	(77.9)	4,292.6	4,378.2
Total required capital	344.0	0.6	(6.2)	343.4	350.2

(Note 1) "Total required capital" = "Risk weighted assets" × 8%

(Note 2) Of the amount of "Risk weighted assets", credit risk is calculated by the foundation internal rating-based approach, and operational risk is calculated by the standardized approach.

(Note 3) The composition, etc. of capital disclosure is on our website (<https://www.gunmabank.co.jp/ir/zaimu/zaimu3.html>).

5. Earnings Projections

【Consolidated】

(Unit : billion of yen)

		FY2022 ending Sep.30,2022 Projection (a)	(a)–(b)	FY2021 ended Sep.30, 2021 (b)	FY2022 ending Mar.31,2023 Projection (c)	(c)–(d)	FY2021 ended Mar.31, 2022 (d)
Core gross business profits	1	46.8	(1.5)	48.3	91.2	(1.3)	92.5
Net interest income	2	35.5	(1.9)	37.4	69.9	(2.1)	72.0
Non-interest business profit	3	11.3	0.5	10.8	21.3	0.8	20.5
Corporate service-related	4	2.3	0.5	1.8	4.9	0.6	4.3
Deposit financial assets-related	5	3.8	(0.1)	3.9	7.8	0.1	7.7
Expenses (excluding non-recurrent expenses) [–]	6	27.3	(0.4)	27.7	53.9	(1.3)	55.2
Core net business profit excluding gains(losses) on bonds (1–6)	7	19.5	(1.1)	20.6	37.3	0.0	37.3
Ordinary profit	8	19.0	(4.6)	23.6	39.0	(0.1)	39.1
Profit attributable to owners of parent	9	13.0	(2.3)	15.3	27.0	0.6	26.4

【Non-consolidated】

(Unit : billion of yen)

		FY2022 ending Sep.30,2022 Projection (a)		(a)–(b)	FY2021 ended Sep.30,2021 (b)	FY2022 ending Mar.31,2023 Projection (c)		(c)–(d)	FY2021 ended Mar.31,2022 (d)
Core gross business profits	10	43.2	(1.5)	44.7	83.8	(1.4)	85.2		
Net interest income	11	35.6	(2.1)	37.7	70.1	(2.2)	72.3		
Non-interest business profit	12	7.5	0.5	7.0	13.7	0.8	12.9		
Expenses (excluding non-recurrent expenses) [–]	13	26.2	(0.6)	26.8	51.8	(1.5)	53.3		
Core net business profit excluding gains (losses) on bonds (10–13)	14	17.0	(0.9)	17.9	32.0	0.1	31.9		
Net credit costs [–]	15	2.8	0.3	2.5	5.0	(2.3)	7.3		
Ordinary profit	16	17.0	(4.2)	21.2	34.5	0.1	34.4		
Profit	17	11.5	(2.3)	13.8	23.5	0.2	23.3		

(Note 1) Gains or losses on bonds is excluded from "Non-interest business profit".

(Note 2) Earnings projections are based on information available at the present time.

Actual results may differ from the forecast due to various of economic situation, etc.

6. Allowance for Loan Losses 【Consolidated／Non-consolidated】**(1) Written-off / Allowance criteria**

○ General allowance

	Allowance criteria
Normal Assets	The amount of possible loan losses over the next one year calculated based on the historical rate of credit losses is reserved.
Assets Requiring Caution	The amount of possible loan losses calculated for each category is reserved.
Substandard Assets, etc.	The amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved. However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the Discounted Cash Flow (DCF) method.
Other Assets Requiring Caution	

(Note) Substandard Assets, etc. are "Substandard Assets" and "claims to borrowers, etc. classified as borrowers requiring caution, excluding Substandard Assets due to failing to correspond to restructured loans in the management improvement plan, etc. even after changing the lending terms".

○ Specific allowance

	Allowance criteria
Potentially Bankrupt Assets	For the part of a claim not secured by collateral or guarantees, etc., the amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved. However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the cash-flow deduction method.
Effectively Bankrupt Assets	The entire amount of a claim not secured by collateral or guarantees, etc., is reserved.
Bankrupt Assets	

(2) Breakdown of Allowance for Loan Losses**【Consolidated】**

(Unit : million of yen)

	As of Mar.31, 2022 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
Allowance for loan losses	52,485	623	(10,543)	51,861	63,028
General allowance	17,769	(1,713)	(12,484)	19,483	30,253
Specific allowance	34,715	2,337	1,940	32,378	32,775

【Non-consolidated】

(Unit : million of yen)

	As of Mar.31, 2022 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
Allowance for loan losses	46,229	319	(10,940)	45,910	57,170
General allowance	15,309	(1,651)	(12,467)	16,961	27,776
Specific allowance	30,920	1,971	1,526	28,948	29,393

7. Disclosed Claims under the Financial Reconstruction Law ("FRL")【Consolidated/Non-consolidated】

With the implementation of the Cabinet Office Order to Amend the Ordinance for Enforcement of the Banking Act, etc.

(Cabinet Office Ordinance No.3, January 24, 2020) on March 31, 2022, the categories of risk-managed claims under the Banking Act and the scope of claims subject to disclosure were aligned with the Disclosed Claims under the FRL stipulated under the Act on Emergency Measures for the Revitalization of Financial Functions (hereinafter referred to as the FRL), which led to substantial consolidation of disclosure.

Disclosed Claims under the FRL are listed under this heading, but from the viewpoint of enhancing disclosure, claims in arrears for three months or more and restructured claims, which are categories of risk-managed claims, are also included as a breakdown of claims requiring close observation.

(1) Balance of Disclosed Claims under the FRL and Non-Performing Loan Ratio("NPL Ratio")

【Consolidated】

(Unit : million of yen)

	As of Mar.31, 2022 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
Bankrupt and Substantially Bankrupt Claims	28,094	(727)	(1,194)	28,822	29,289
Doubtful Claims	48,397	4,943	3,252	43,454	45,144
Substandard Claims	50,864	(4,281)	(16,473)	55,145	67,337
Loans past due 3 months or more	1,522	(655)	198	2,178	1,324
Restructured Loans	49,341	(3,626)	(16,671)	52,967	66,013
Total	127,356	(65)	(14,414)	127,422	141,771
Normal Claims	5,785,178	90,796	95,132	5,694,381	5,690,045
Total Claims	5,912,534	90,730	80,718	5,821,803	5,831,816

NPL Ratio

	As of Mar.31, 2022 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
Bankrupt and Substantially Bankrupt Claims	0.47%	(0.02) %	(0.03) %	0.49%	0.50%
Doubtful Claims	0.81%	0.07 %	0.04 %	0.74%	0.77%
Substandard Claims	0.86%	(0.08) %	(0.29) %	0.94%	1.15%
Loans past due 3 months or more	0.02%	(0.01) %	— %	0.03%	0.02%
Restructured Loans	0.83%	(0.07) %	(0.30) %	0.90%	1.13%
Total	2.15%	(0.03) %	(0.28) %	2.18%	2.43%

(Note) Balance of Disclosed Claims under the FRL and NPL Ratio in the case where Partial direct written-off are applied.

Disclosed Claims under the FRL	108,476	75	(13,177)	108,401	121,654
NPL Ratio	1.84%	(0.02) %	(0.25) %	1.86%	2.09%

【Non - consolidated】

(Unit : million of yen)

	As of Mar.31, 2022 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
Bankrupt and Substantially Bankrupt Claims	27,395	(631)	(938)	28,026	28,333
Doubtful Claims	48,385	4,947	3,259	43,438	45,125
Substandard Claims	44,557	(3,995)	(16,116)	48,552	60,673
Loans past due 3 months or more	1,522	(655)	198	2,178	1,324
Restructured Loans	43,034	(3,340)	(16,314)	46,374	59,348
Total	120,338	321	(13,794)	120,016	134,132
Normal Claims	5,785,178	90,796	95,132	5,694,381	5,690,045
Total Claims	5,905,516	91,118	81,338	5,814,398	5,824,178

NPL Ratio

	As of Mar.31, 2022 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
Bankrupt and Substantially Bankrupt Claims	0.46%	(0.02) %	(0.02) %	0.48%	0.48%
Doubtful Claims	0.81%	0.07 %	0.04 %	0.74%	0.77%
Substandard Claims	0.75%	(0.08) %	(0.29) %	0.83%	1.04%
Loans past due 3 months or more	0.02%	(0.01) %	— %	0.03%	0.02%
Restructured Loans	0.72%	(0.07) %	(0.29) %	0.79%	1.01%
Total	2.03%	(0.03) %	(0.27) %	2.06%	2.30%

(Note) Balance of Disclosed Claims under the FRL and NPL Ratio in the case where Partial direct written-off are applied.

Disclosed Claims under the FRL	101,946	349	(12,741)	101,597	114,688
NPL Ratio	1.73%	(0.02) %	(0.24) %	1.75%	1.97%

(2) Status of Coverage on Disclosed Claims under the FRL

【Consolidated】

(Unit : million of yen)

	As of Mar.31,2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Total coverage ①	86,191	1,897	(10,526)	84,293	96,718
Value covered by collateral and guarantees	51,668	661	(1,572)	51,006	53,240
Allowance for loan losses	34,522	1,236	(8,954)	33,286	43,477
Disclosed Claims under the FRL ②	127,356	(65)	(14,414)	127,422	141,771
Coverage ratio ①/②	67.6%	1.5%	(0.6)%	66.1%	68.2%

【Non - consolidated】

(Unit : million of yen)

	As of Mar.31,2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Total coverage ①	85,480	1,999	(10,263)	83,480	92,743
Value covered by collateral and guarantees	51,473	649	(1,506)	50,824	52,980
Allowance for loan losses	34,006	1,349	(8,757)	32,656	42,763
Disclosed Claims under the FRL ②	120,338	321	(13,794)	120,016	134,132
Coverage ratio ①/②	71.0%	1.5%	(0.3)%	69.5%	71.3%

8. Relationship between Self -Assessment, Disclosed Claims under the FRL and Risk-Monitored Loans("RML"). 【Non - consolidated】

(Unit : billion of yen)

Borrowers classification under the self-assessment guideline		A Credit-related assets		Total coverage B		B / A
		Disclosed Claimes under the FRL	RML	Covered by collaterals and guarantees	Allowance for loan losses	Coverage ratio
Bankrupt Borrowers 10. 5		Bankrupt and Substantially Bankrupt Claims 27. 3		7. 7	19. 6 (Allowance ratio 100%)	100. 0%
Effectively Bankrupt Borrowers 16. 8						
Potentially Bankrupt Borrowers 48. 3		Doubtful Claims 48. 3		23. 7	11. 2 (Allowance ratio 45.8%)	72. 4%
Borrowers Requiring Caution	Substandard Borrowers 63. 8	Substandard Claims 44. 5	Loans past due 3 months or more 1. 5	19. 9	3. 0 (Allowance ratio against Substandard Claims 6.9%)	51. 6%
	Other Borrowers Requiring Caution 414. 2	Restructured Loans 43. 0				
Normal Borrowers 5, 237. 1		Normal Claims 5, 785. 1				
Others 114. 5						
Total 5, 905. 5		Total 5, 905. 5				

○The scope of Disclosed Claims under the FRL and RML

The claims include loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchange, securities loaned, accrued interest, suspense payments and bank guaranteed private placement bonds.

Note that substandard claims include only loans and bills discounted.

9. Loan Breakdown by Industry, etc. 【Non-consolidated】

(1) Loan Breakdown by Industry (Domestic branches excluding loans booked at offshore markets)

(Unit : billion of yen)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
Domestic branches	5,757.8	86.0	62.5	5,671.7	5,695.3
Manufacturing	703.4	4.5	(26.6)	698.8	730.0
Agriculture and forestry	8.6	(0.1)	(0.2)	8.8	8.9
Fishery	2.1	0.0	(0.0)	2.1	2.1
Mining, quarrying and gravel	3.9	(0.0)	(0.3)	3.9	4.2
Construction	203.5	1.9	(3.2)	201.6	206.7
Electricity, gas, heat supply and water	76.9	3.3	5.6	73.6	71.2
Information and communications	24.4	(0.7)	(2.2)	25.2	26.7
Transport and postal service	172.8	11.4	11.9	161.3	160.9
Wholesale and retail trade	473.8	12.3	15.4	461.4	458.3
Financial and insurance	181.4	14.5	9.7	166.8	171.6
Real estate and leasing	758.4	27.0	23.7	731.4	734.7
Medical, welfare	334.3	(1.2)	(6.0)	335.5	340.4
Other services	270.5	(2.2)	(7.0)	272.8	277.6
Local public sector	114.4	5.5	24.3	108.8	90.0
Others	2,428.7	9.5	17.3	2,419.1	2,411.4
Of which, Individuals	2,337.0	12.2	20.4	2,324.7	2,316.6

(2) FRL on Loan Breakdown by Industry

(Unit : billion of yen)

	As of Mar.31, 2022 (a)			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
		(a) - (b)	(a) - (c)		
All branches	120.3	0.3	(13.7)	119.9	134.0
Manufacturing	35.2	5.0	(6.3)	30.1	41.5
Agriculture and forestry	1.3	(0.0)	(0.0)	1.4	1.4
Fishery	—	—	—	—	—
Mining, quarrying and gravel	0.5	(0.0)	0.4	0.5	0.0
Construction	3.9	(0.0)	(0.2)	4.0	4.2
Electricity, gas, heat supply and water	0.2	0.0	(0.7)	0.2	1.0
Information and communications	0.5	(0.1)	(0.1)	0.6	0.6
Transport and postal service	2.9	(0.0)	0.5	2.9	2.4
Wholesale and retail trade	18.5	(2.7)	(3.5)	21.2	22.1
Financial and insurance	1.0	(0.0)	(0.0)	1.0	1.1
Real estate and leasing	10.2	(0.2)	(0.6)	10.5	10.8
Medical, welfare	13.0	0.6	(1.8)	12.3	14.9
Other services	20.0	(1.3)	0.2	21.4	19.8
Local public sector	—	—	—	—	—
Others	12.4	(0.7)	(1.2)	13.2	13.7

(3) Balance of small and medium-sized enterprises, etc. loans and Ratio

(Unit : billion of yen)

	As of Mar.31, 2022			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Balance of small and medium-sized enterprises, etc. loans	4,803.0	29.6	(31.2)	4,773.3	4,834.2
Loans to individuals	2,337.0	12.2	20.4	2,324.7	2,316.6
Loans to small and medium-sized enterprises	2,466.0	17.4	(51.6)	2,448.5	2,517.6
Small and medium-sized enterprises, etc. loans ratio	83.4 %	(0.7) %	(1.4) %	84.1 %	84.8 %

(Note 1) In loans to individuals, apartment loans are included.

(Note 2) In loans to small and medium-sized enterprises, loans to Regional public corporations are included.

(Note 3) Small and medium-sized enterprises, etc. loans ratio is the ratio of balance of small and medium-sized enterprises, etc. loans to domestic loans and bills discounted

10. Loan Breakdown by Domicile of Borrower, etc. 【Non-consolidated】**(1) Balance of loans to specific foreign countries**

Not applicable.

(2) Balance of loans to Asian countries

(Unit : billion of yen)

	As of Mar.31, 2022			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Balance of loans to Asian countries	46.8	(5.9)	(4.2)	52.7	51.1
Of which, Disclosed Claims under the FRL	—	—	—	—	—

(3) Balance of loans to Latin American countries

(Unit : billion of yen)

	As of Mar.31, 2022			As of Sep.30, 2021 (b)	As of Mar.31, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Balance of loans to Latin American countries	5.6	1.1	1.0	4.5	4.5
Of which, Disclosed Claims under the FRL	—	—	—	—	—

(4) Balance of loans to Russia

Not applicable.