

Outline of Financial Position

- Gain posted from revisions of the retirement benefit scheme to extraordinary gains caused net income to increase 5.6% year-on-year.

(Unit: million yen)		FY 3/19	FY 3/20	Year-on-year
Gross operating income (1)		55,131	57,140	2,008
Interest income		49,388	49,095	(292)
Fees and commissions		9,300	9,591	291
Other operating income		(3,556)	(1,547)	2,008
Of which, gain and loss from government bonds and other bonds	(2)	70	2,572	2,501
Provision of general allowance for loan losses	(3)	(574)	85	660
Expenses	(4)	40,987	41,295	308
Net operating income	(1) - (3) - (4)	14,718	15,758	1,039
Core net operating income	(1) - (2) - (4)	14,073	13,272	(801)
Core net operating income (excluding gain and loss from cancellation of Investment trusts)		12,675	12,570	(105)
Non-recurring gain and loss		304	(2,613)	(2,918)
Of which, disposal of bad debts	(5)	1,387	1,802	415
Gain and loss from stocks and other securities		1,665	(1,312)	(2,977)
Ordinary income		15,023	13,144	(1,878)
Extraordinary gain and loss		(177)	2,167	2,344
Net income before income taxes		14,845	15,311	465
Net income		10,766	11,371	605
Credit costs	(3) + (5)	812	1,888	1,075

Impact of the outbreak of COVID-19

Credit costs

(Unit: million yen)

FY 3/19

812

FY 3/20

1,888

Year-on-year
comparison with
the financial results

+1,075

Gain and loss from stocks and other securities

FY 3/19

1,665

FY 3/20 (1,312)

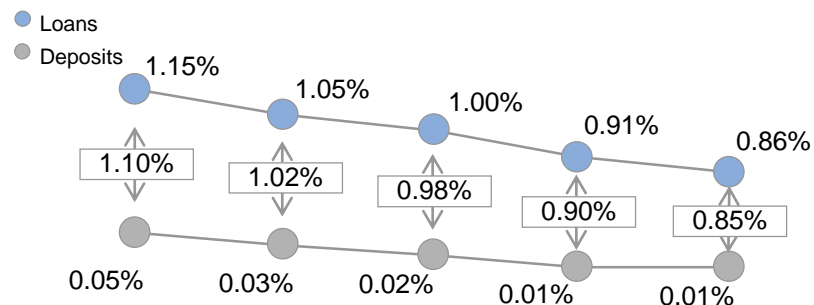
(2,977)

- Net operating income increased due mainly to increases in other operating income
- Direct adverse effects of COVID-19 such as bad debt loss are minimal. However, as the bank performed stricter self-assessment of assets in preparation for an uncertain future, the amount of provision allowance for loan losses increased. This increased credit cost by 1,075 million yen year-on-year
- The stock markets plunged in response to the outbreak of COVID-19. This caused the bank to record 1,871 million yen of losses on devaluation of stocks and other securities. Accordingly, gain and loss from stocks and other securities dropped by 2,977 million yen year-on-year
- Ordinary income dropped but net income increased due to gain from revisions of the retirement benefit scheme

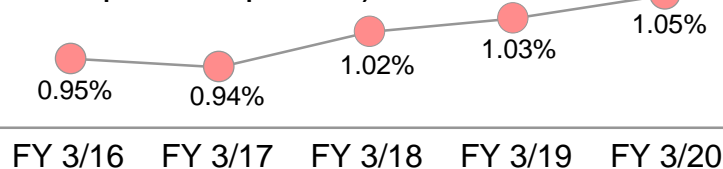
- A decrease in interest on JPY denominated bonds contributed to a decrease in interest income of 0.6% year-on-year.

(Unit: million yen)	FY 3/19	FY 3/20	Year-on-year
Interest income	49,388	49,095	(292)
Total interest income	54,044	55,350	1,305
Loan interest	34,089	35,020	931
Interest and dividends on securities	18,791	19,647	856
Other	1,164	682	(481)
Interest expenses	4,657	6,254	1,597
Interest on deposits	999	925	(74)
Other	3,657	5,329	1,672

Deposit-loan yield margin (domestic operations departments)

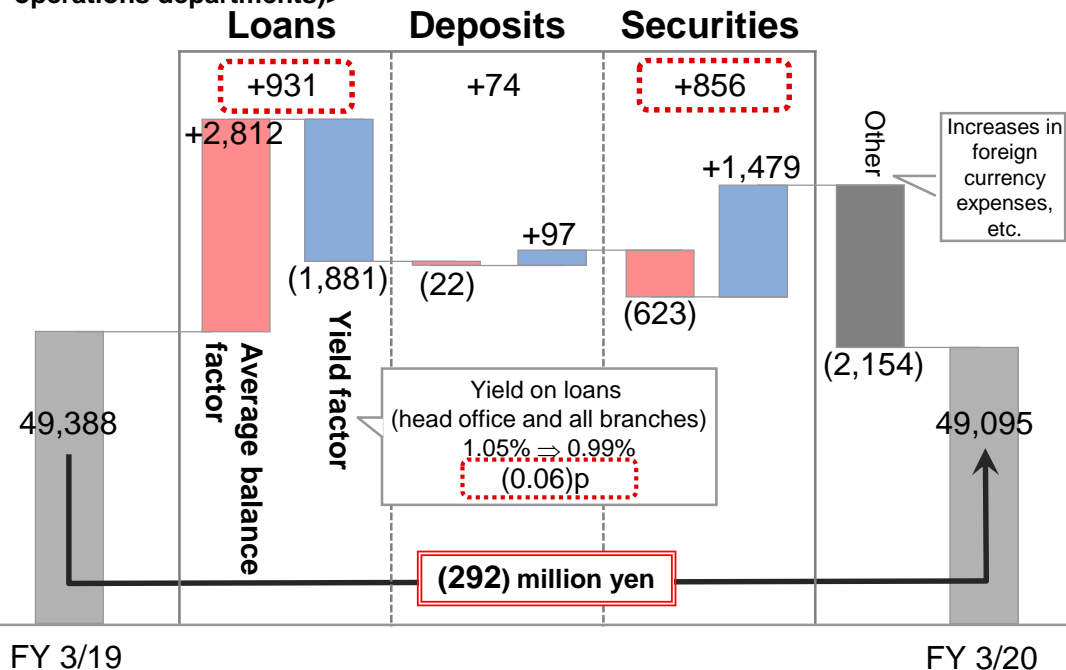


Returns on securities investments (domestic operations departments)



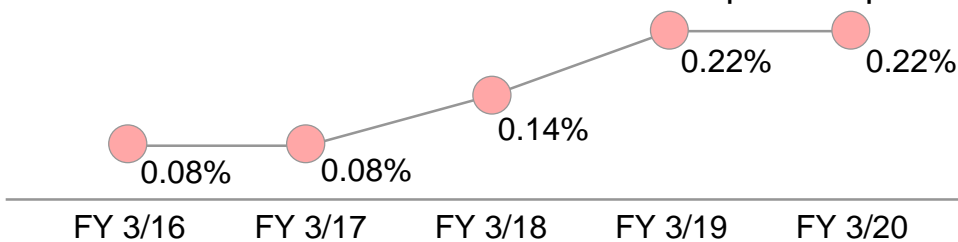
Factors behind increase/decrease in interest income

<Head office and all branches (including domestic and international operations departments)> (Unit: million yen)



Historical overall profit margin

<Head office and all branches (including domestic and international operations departments)>

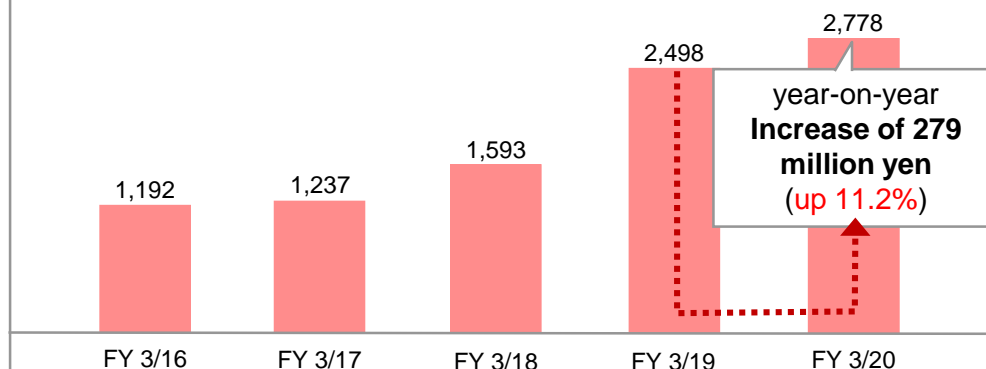


- An increase in housing loan handling fees contributed to an increase in fees and commissions of 3.1% year-on-year

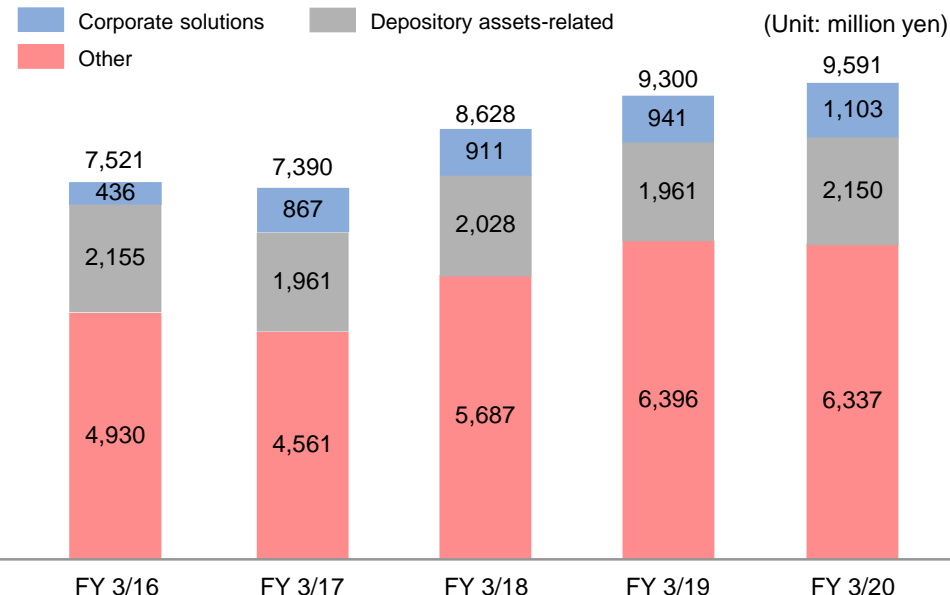
	(Unit: million yen)		
	FY 3/19	FY 3/20	Year-on-year
Fees and commissions	9,300	9,591	291
Fees and commissions	13,816	14,555	738
Commissions related to depository assets	1,961	2,150	188
Investment trust commissions	820	892	71
Insurance sales commissions*	993	990	(3)
Financial instruments brokerage commissions	68	172	103
Defined contribution pension commissions	79	95	16
Corporate solutions fees*	941	1,103	162
Housing loan handling fees	2,498	2,778	279
Fees and commissions expenses (expenses)	4,516	4,963	447
Of which, payment of housing loan guarantee and insurance premium, etc. (expenses)	2,972	3,405	432

* Business insurance commissions are included in Corporate solutions fees, not in financial instruments brokerage commissions.

■ Housing loan handling fees (Unit: million yen)



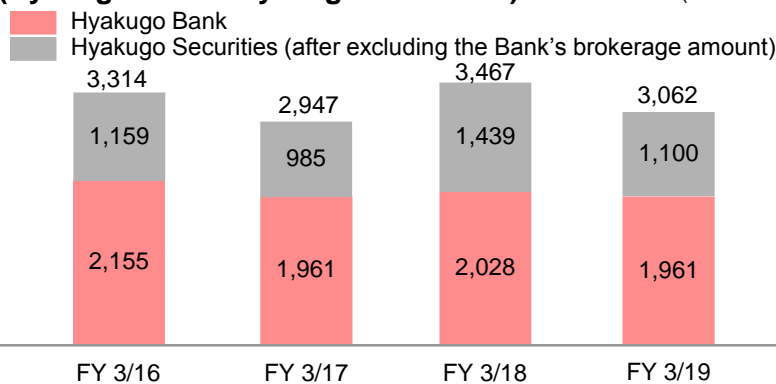
■ Fees and commissions graph (non-consolidated)



■ Commissions related to depository assets

(Hyakugo Bank + Hyakugo Securities)

(Unit: million yen)



● Expenses increased 0.8% year-on-year due mainly to an increase in non-personnel expenses

(Unit: million yen)

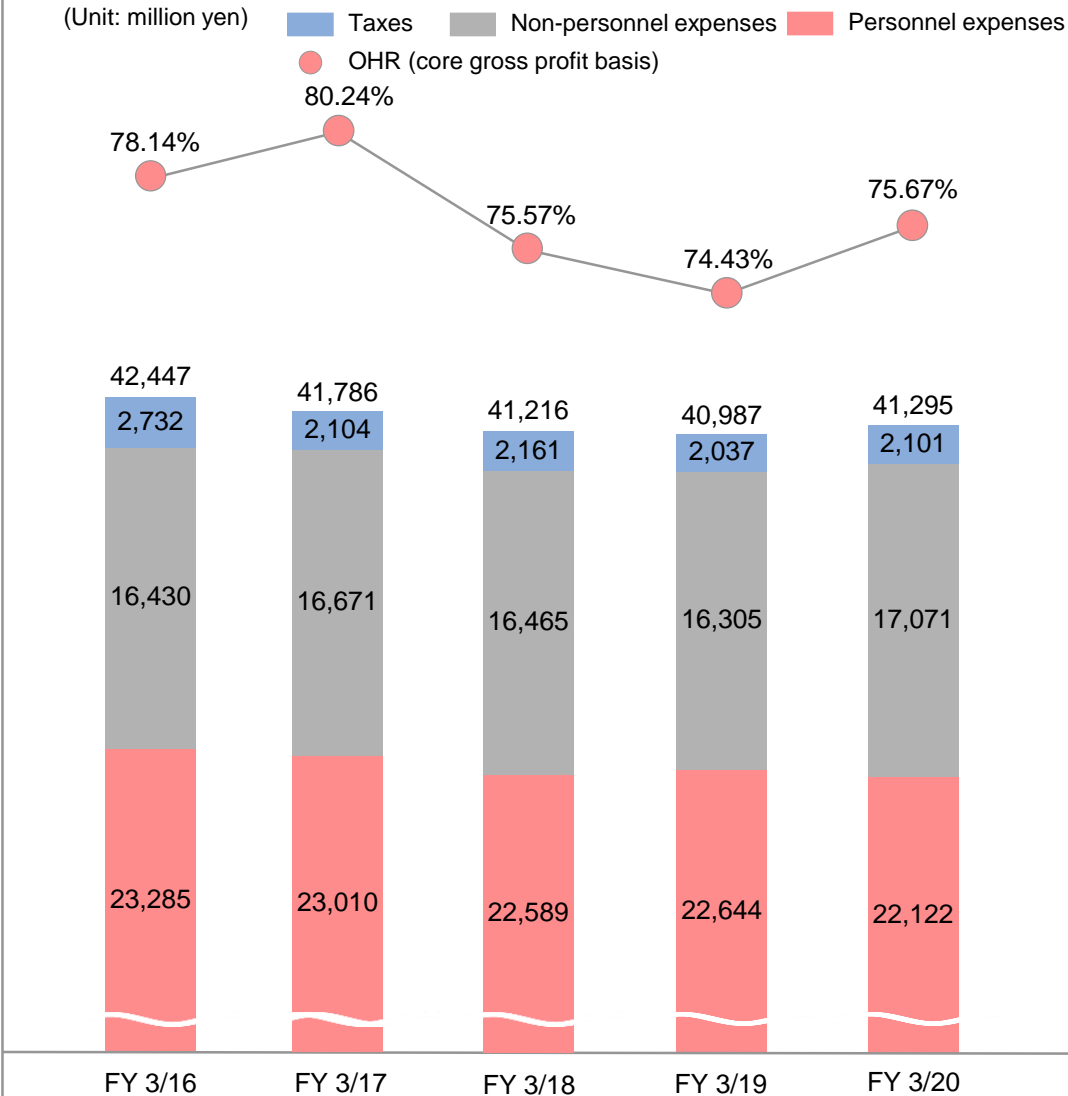
	FY 3/19	FY 3/20	Year-on-year
Expenses	40,987	41,295	308
Personnel expenses	22,644	22,122	(522)
Non-personnel expenses	16,305	17,071	766
Taxes	2,037	2,101	64

Major factors underlying changes in expenses

- **Personnel expenses**
Salaries and bonuses decreased due to a decrease in personnel
Retirement benefit expenses decreased due to revisions of the retirement benefit scheme
- **Non-personnel expenses**
Depreciation expenses +268 million yen (branch system, etc.)
Supplies expenses +142 million yen (PC and office equipment, etc.)
- **Taxes** +111 million yen
Consumption tax
- **Core OHR for FY2021 increased to around 79% due to strategic IT investment, etc., but the Bank will seek to achieve around 75% in FY2024 and a mark between 60% and 69% in FY2028**

Expenses and core OHR

(Unit: million yen)



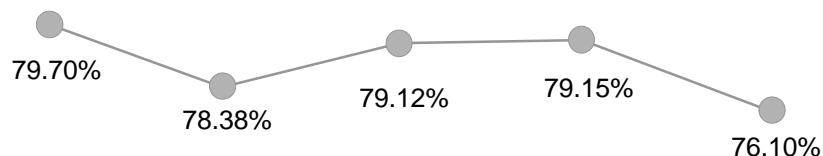
- An increase in the provision of allowance for specific loan losses caused a year-on-year increase in credit costs

(Unit: million yen)

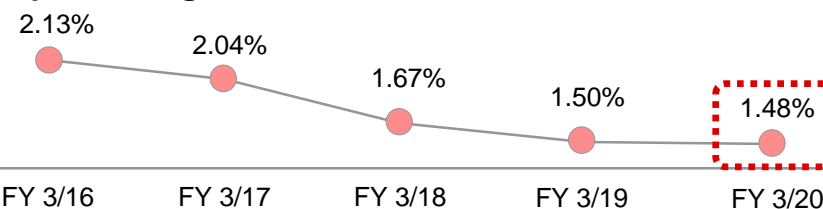
	FY 3/19	FY 3/20	Year-on-year
Credit costs	812	1,888	1,075
Of which, provision of general allowance for loan losses	(574)	85	660
Of which, provision of specific allowance for loan losses	943	1,769	825
Of which, loss on sale of receivables and other securities	291	-	(291)
Credit cost ratio	0.02%	0.05%	0.03p

	March-end 2019	March-end 2020	Year-on-year
Nonperforming loans	52,250	54,706	2,455

Nonperforming loans coverage ratio



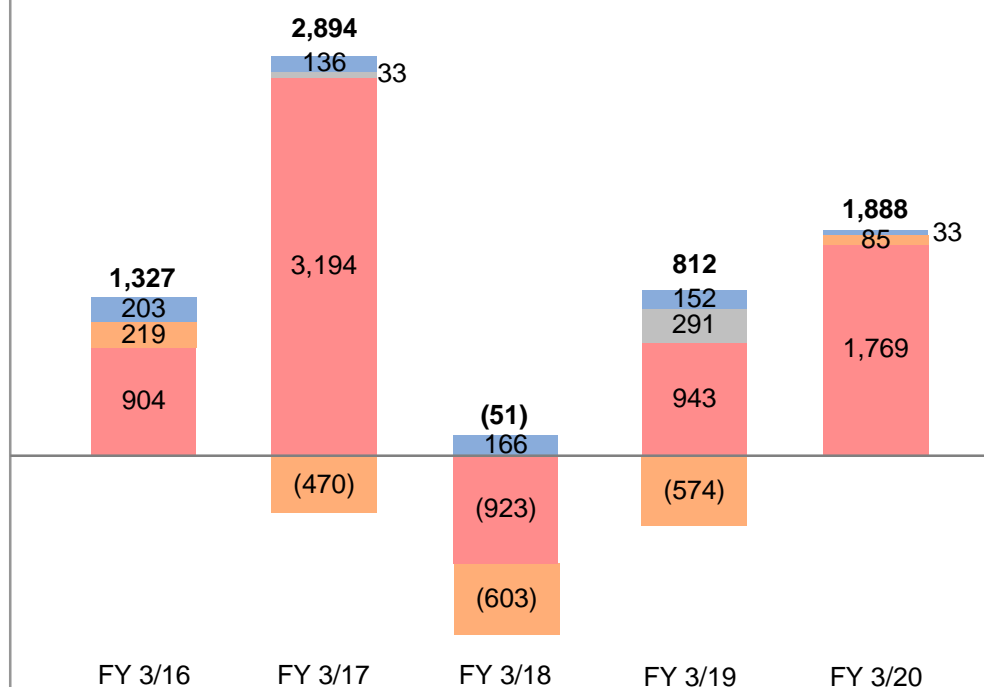
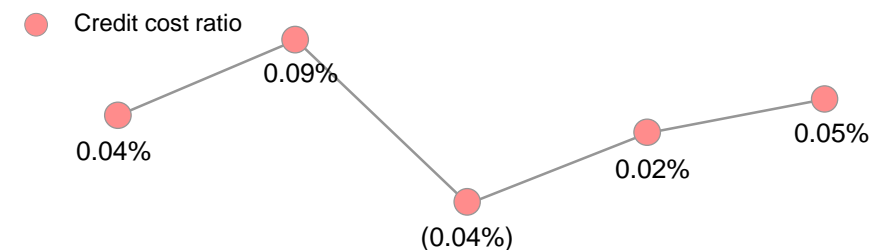
Nonperforming loans ratio



Credit costs (non-consolidated)

(Unit: million yen)

■ Other
■ Loss on sale of receivables and other securities
■ Provision of specific allowance for loan losses
■ Provision of general allowance for loan losses



- Individual deposits and corporate deposits both remained strong, increasing total deposits 2.2% year-on-year

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
Total deposits (average balance)	49,929	51,023	1,094
Mie Prefecture	44,687	45,740	1,052
Aichi Prefecture	4,973	4,982	9
Tokyo and Osaka	267	300	32

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
Individual deposits (average balance)	36,979	37,846	867
Mie Prefecture	34,271	34,989	718
Aichi Prefecture	2,688	2,835	147
Tokyo and Osaka	20	21	1

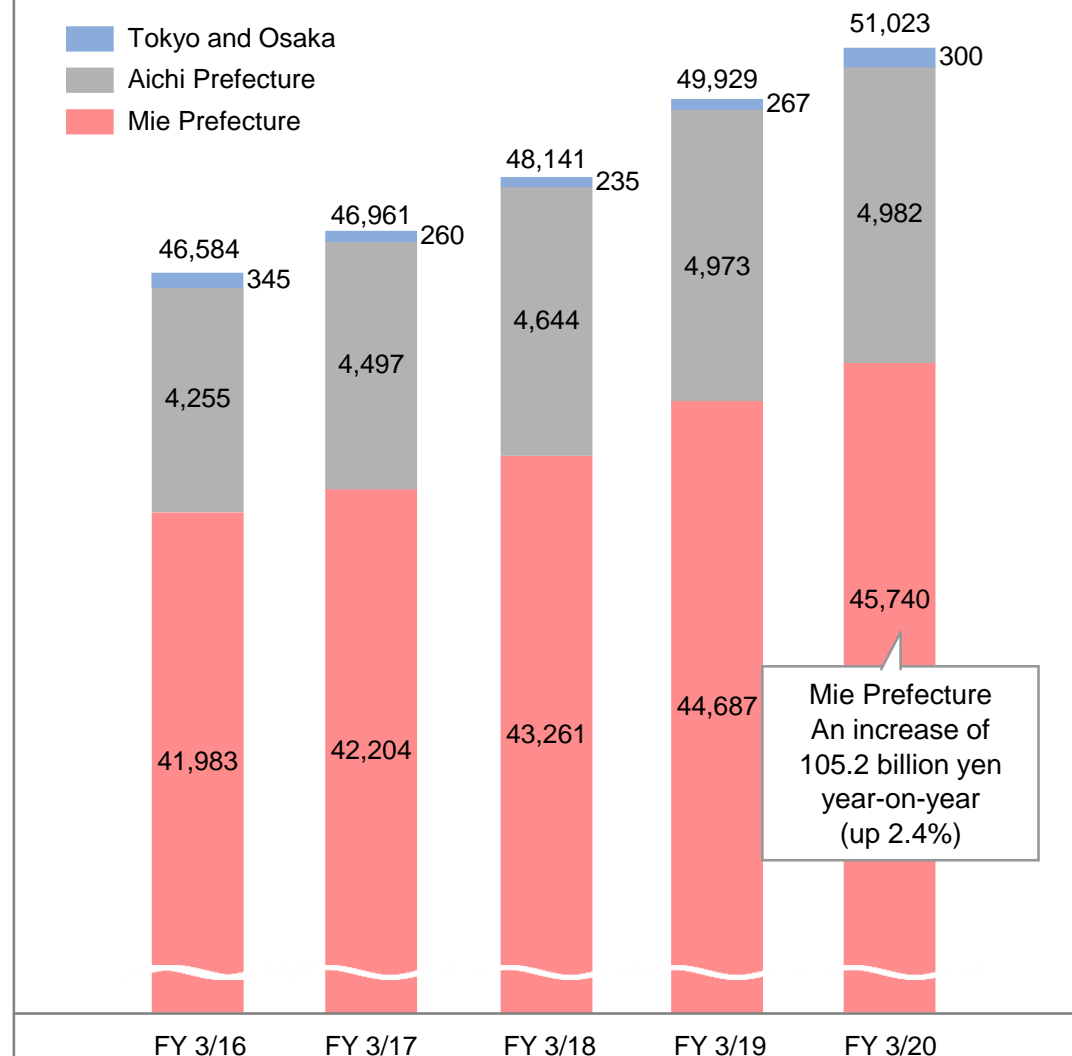
(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
Corporate deposits (average balance)	10,244	10,539	295
Mie Prefecture	7,974	8,220	245
Aichi Prefecture	2,025	2,043	17
Tokyo and Osaka	244	275	31

Total deposits (average balance)

(Unit: 100 million yen)

■ Tokyo and Osaka
■ Aichi Prefecture
■ Mie Prefecture



* Mie Prefecture includes Shingu and Internet branches.

- Individual loans such as housing loans increased, resulting in an 8.7% increase year-on-year in total loans

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
Total loans (average balance)	32,462	35,297	2,834
Mie Prefecture	16,499	17,052	552
Aichi Prefecture	9,272	10,987	1,715
Tokyo and Osaka	6,691	7,257	566

up
8.7%up
18.5%

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
Loans to SMEs (average balance)	11,994	12,474	479
Mie Prefecture	7,033	7,172	138
Aichi Prefecture	3,124	3,324	199
Tokyo and Osaka	1,835	1,977	141

(Unit: 100 million yen)

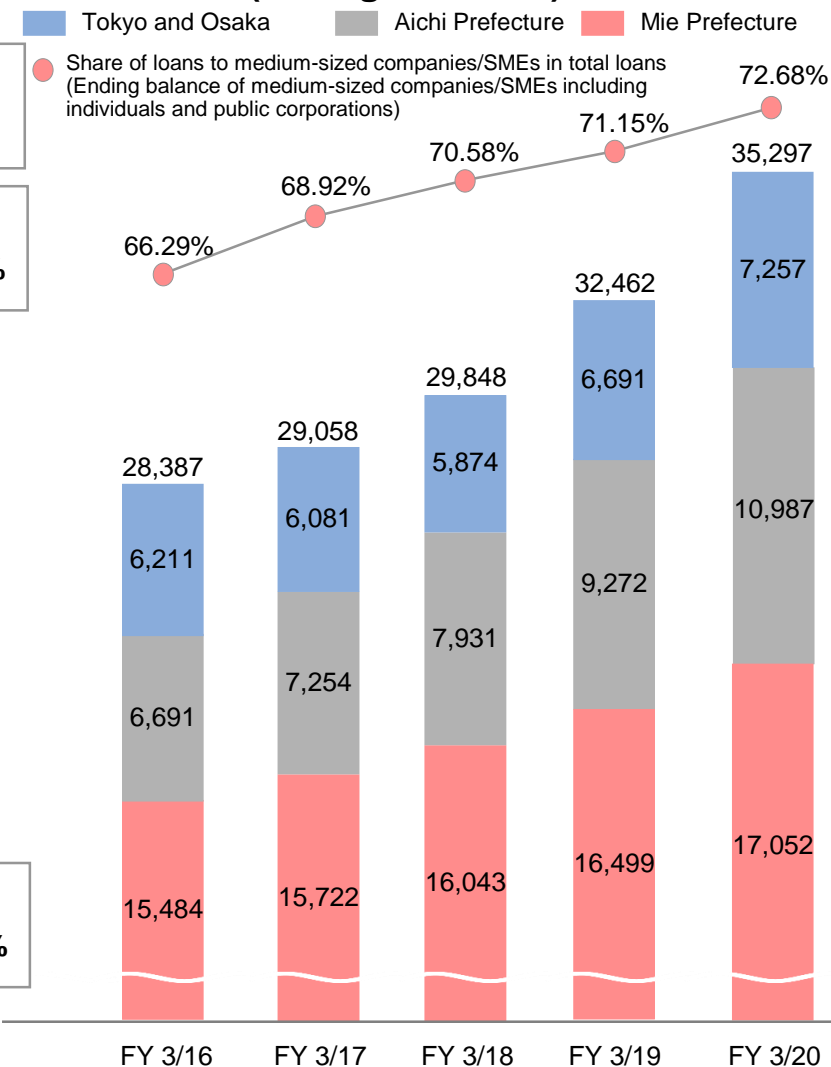
	FY 3/19	FY 3/20	Year-on-year
Housing loans (average balance)	10,258	12,164	1,906
Mie Prefecture	5,743	6,252	508
Aichi Prefecture	4,514	5,912	1,397

up
18.6%

* Mie Prefecture includes Shingu and Internet branches.

Total loans (average balance)

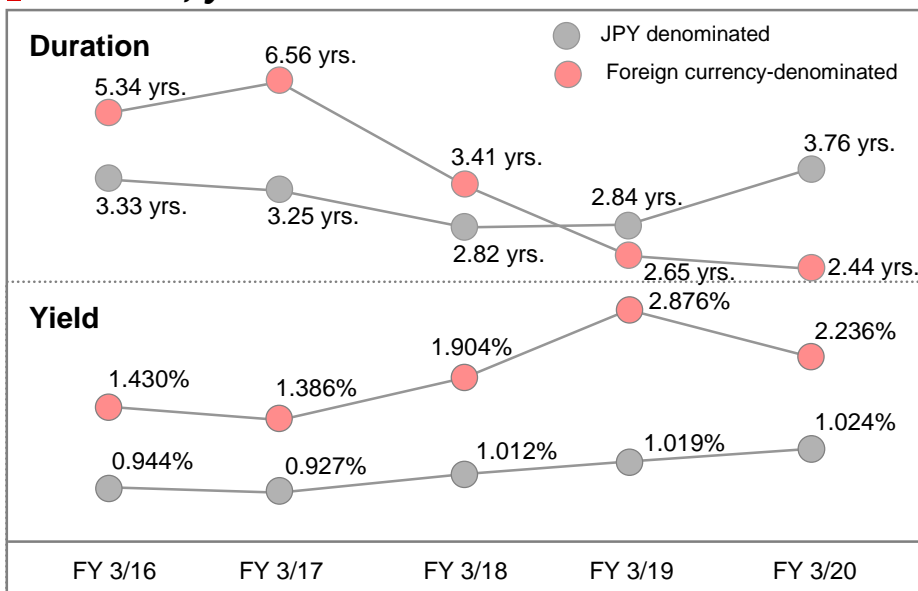
(Unit: 100 million yen)



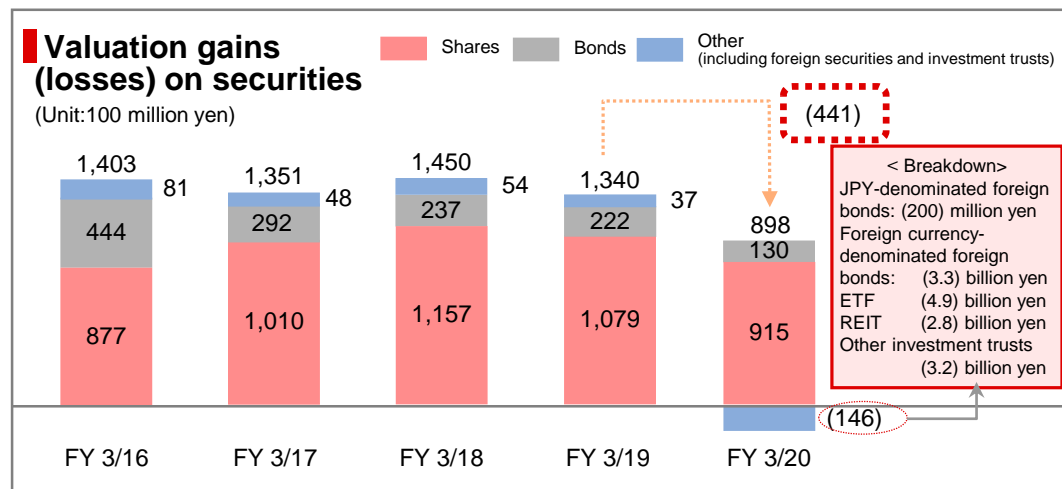
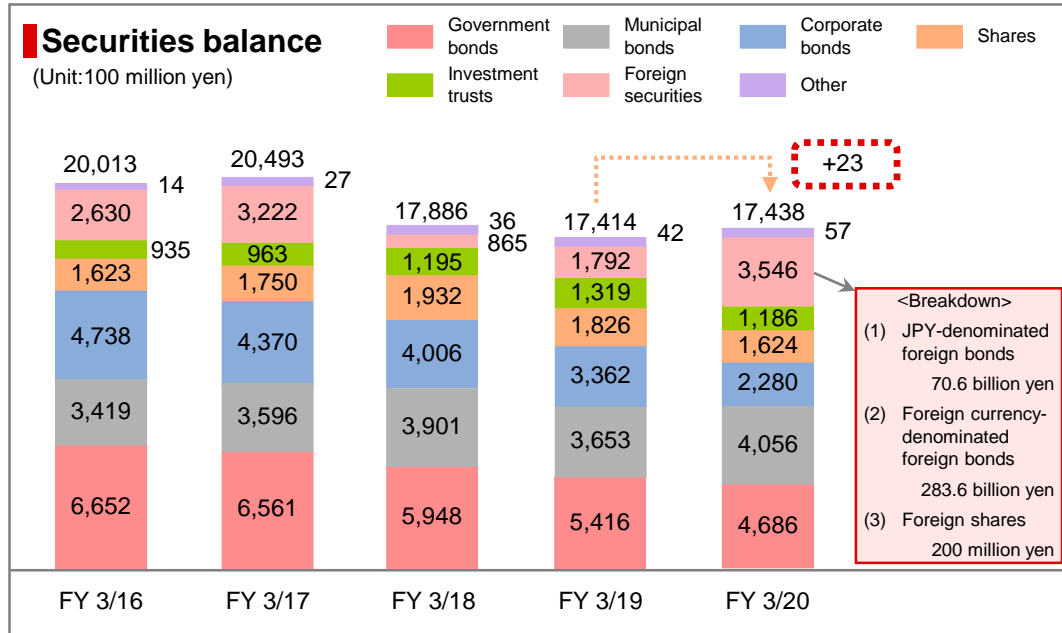
- Valuation gains (losses) on securities declined 32.9% from the end of the previous fiscal year due mainly to decreases in share prices and investment trusts.

(Unit: 100 million yen)	March-end 2019	March-end 2020	Year-on-year
Securities balance	17,414	17,438	23
Government bonds	5,416	4,686	(730)
Municipal bonds	3,653	4,056	403
Corporate bonds	3,362	2,280	(1,081)
Shares	1,826	1,624	(202)
Investment trusts	1,319	1,186	(133)
Foreign securities	1,792	3,546	1,753
Other	42	57	14
JPY-denominated average balance*	16,098	14,127	(1,971)
Foreign currency-denominated average balance*	826	2,319	1,492

Duration, yield*



* Including trust beneficiary rights



- An increase in equity capital, resulting from income recognition, caused the equity ratio to increase 0.33 percentage points year-on-year

(Unit: 100 million yen)

Computation method of credit risk asset value	Fundamental internal rating based approach		
As of	March-end 2018	March-end 2019	March-end 2020
Equity capital (For equity ratio calculation purposes)	2,244	2,285	2,338
Risk Assets	21,839	23,458	23,200
Equity ratio	10.27%	9.74%	10.07%

Shareholders' equity	2,443	2,530	2,621
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Method of computing value-at-credit-risk: Fundamental internal rating based approach

Method of computing value-at-operational risk: The Standardized Approach (TSA)

Benefits of introducing FIRB

Sophisticated management of risk and equity capital

Achieves financial health

Enhances financial intermediary capability

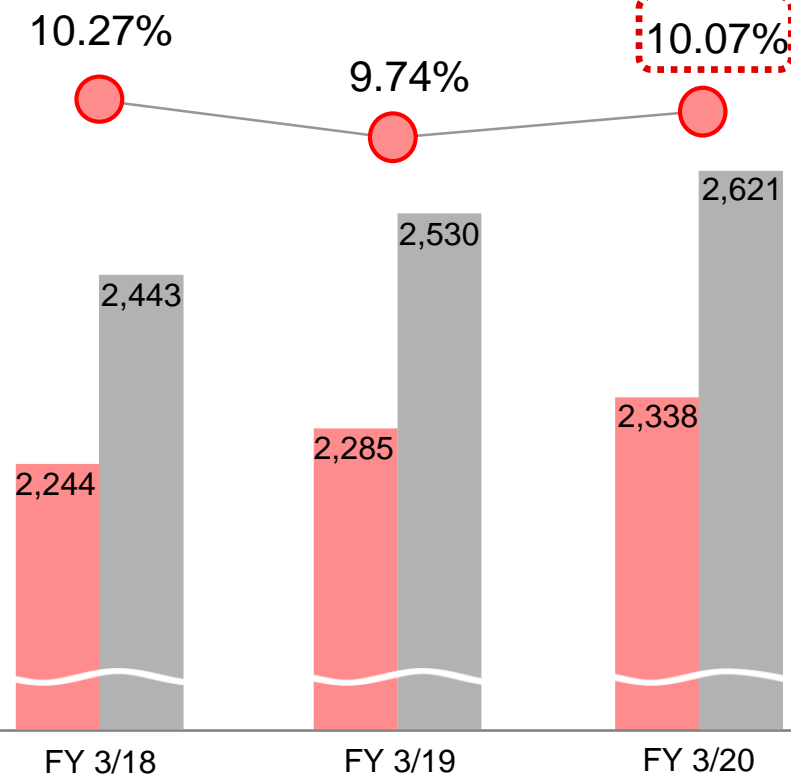
Equity capital, shareholders' equity, and equity ratio

(Unit: 100 million yen)

Equity capital Shareholders' equity Equity ratio

Fundamental internal rating based approach (FIRB)

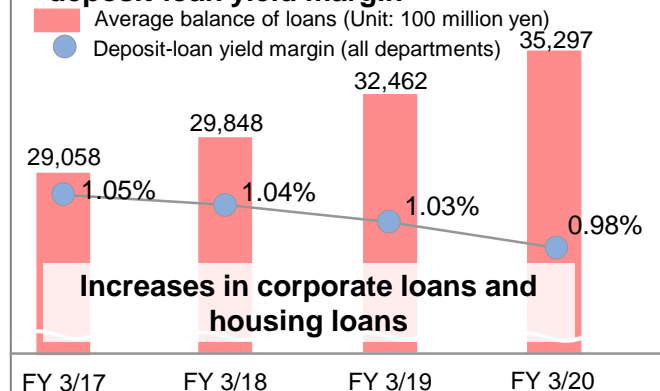
(JGAAP)



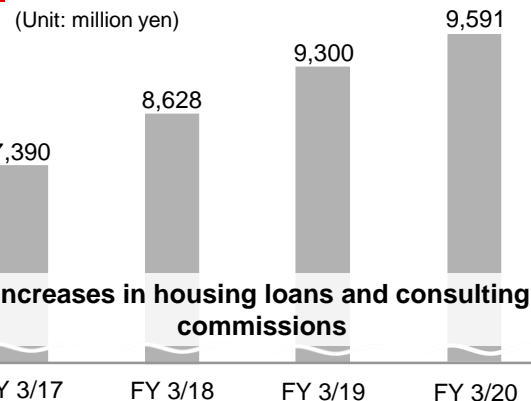
- Operating income from services to customers was in the black for two consecutive years since the previous fiscal year, and the surplus amount also increased

Increased operating income from services to customers

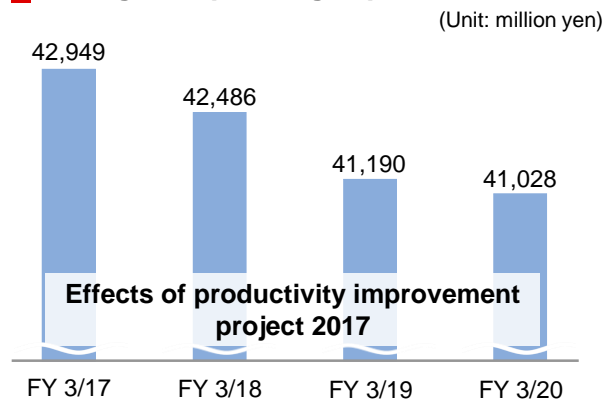
Change in average balance of loans and deposit-loan yield margin



Change in fees and commission

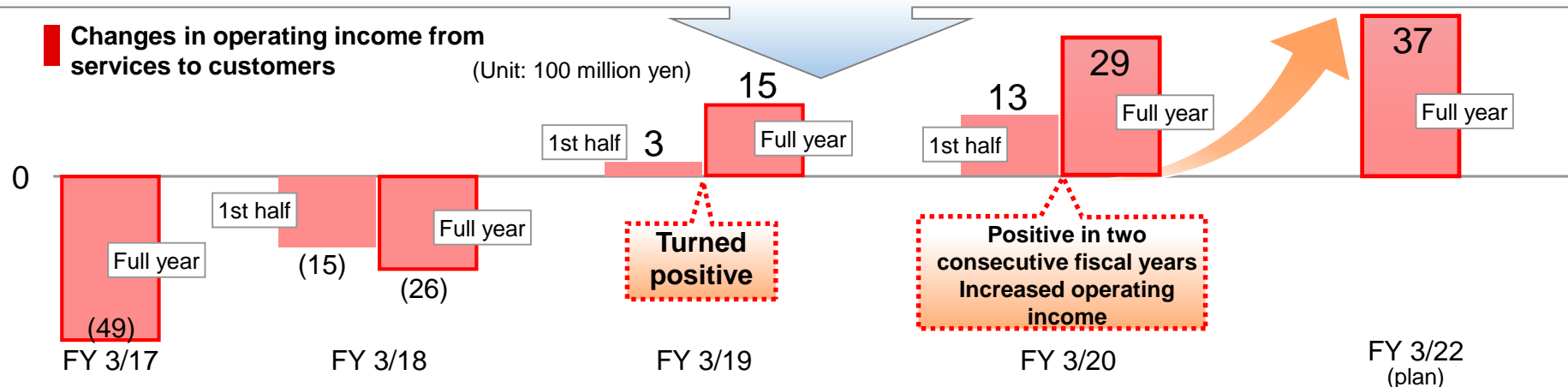


Change in operating expenses



Changes in operating income from services to customers

(Unit: 100 million yen)



Operating income from services to customers

Average balance of loans × (interest rate on loans – interest on deposits, etc.) + fees and commissions – operating expenses (including retirement benefit expenses in extraordinary gain and loss, etc.)

- Net income is forecast to decrease due mainly to an increase in credit costs and the market conditions affected by the outbreak of COVID-19.

Forecast (non-consolidated)

(Unit: million yen)

	FY 3/20	FY 3/21 (forecast)
Gross operating income	57,140	54,400
Interest income	49,095	47,500
Fees and commissions	9,591	9,700
Other operating income	(1,547)	(2,800)
Net operating income	15,758	12,300
Ordinary income	13,144	12,400
Net income	11,371	9,000
Credit costs	1,888	3,300
Consolidated net income attributable to shareholders of the parent (consolidated)	11,427	9,100

Impact of COVID-19

- Items incorporated in the plan: Credit costs
- Items not incorporated in the plan:
 - ⇒ An increase in loan interest due to an increase in loans related to the COVID-19 outbreak
 - ⇒ A decrease in fees and commissions due to contracting business activities

Dividend forecast

Interim	Year-end	Full year
4.50 yen	4.50 yen	9.00 yen

Shareholder return policy

The stable dividend policy continues

