

Outline of Financial Position

- Net income increased 7.3% year-on-year due mainly to increases in gain and loss from stocks and other securities

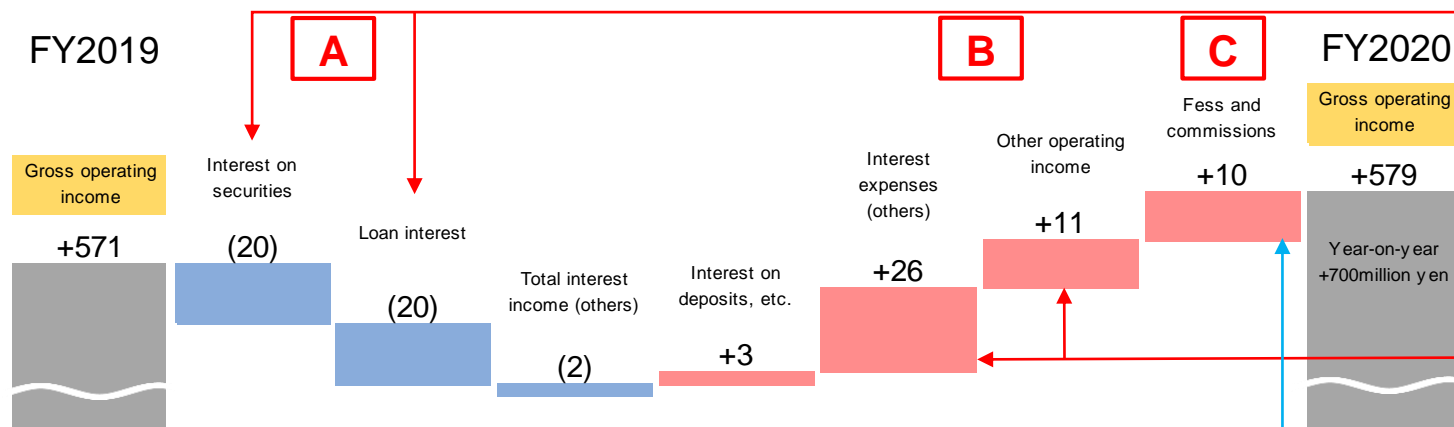
	(Million yen)	FY 3/2020	FY 3/2021	Year-on-year
Gross operating income	(1)	57,140	57,919	779
Interest income		49,095	47,694	(1,401)
Fees and commissions		9,591	10,615	1,023
Other operating income		(1,547)	(390)	1,156
Of which, gain and loss from government bonds and other bonds	(2)	2,572	40	(2,531)
Provision of general allowance for loan losses	(3)	85	652	567
Expenses	(4)	41,295	40,989	(306)
Net operating income	(1) - (3) - (4)	15,758	16,276	518
Core net operating income A	(1) - (2) - (4)	13,272	16,889	3,617
Core net operating income (excluding gain and loss from cancellation of investment trusts)		12,570	15,827	3,257
Non-recurring gain and loss		(2,613)	942	3,556
Of which, disposal of bad debts	(5)	1,802	5,653	3,850
Gain and loss from stocks and other securities		(1,312)	6,459	7,771
Ordinary income B		13,144	17,219	4,074
Extraordinary gain and loss C		2,167	(273)	(2,440)
Net income before income taxes		15,311	16,945	1,634
Net income		11,371	12,200	829
Credit costs	(3) + (5)	1,888	6,306	4,418

- Core net operating income increased due mainly to an improvement in net interest income, which consists of interest income and foreign currency expenses in other operating income, as well as an increase in fees and commissions.
- Credit costs increased year-on-year due to the impact of COVID-19, which caused some large customers to experience rapid deterioration in business performance, and the Bank to conservatively assess the debtor classification and increase the reserve for loan losses.
- Gain on sales of stocks and other securities increased substantially due to the upward trend in the stock market while the Bank reduced the cross-sharing in line with the corporate governance code.
- Net income increased despite reaction to the gain posted from revising the retirement benefit scheme in the previous fiscal year.

- Gross operating income increased 1.4% year-on-year due to an improvement in net interest income including foreign currency expenses and an increase in fees and commissions.

Gross operating income

(100 million yen)



A Foreign currency-denominated loan interest and interest on securities decreased due to a decline in overseas interest rates. JPY-denominated loan interest increased.

B On the other hand, decreases in foreign currency procurement expenses, etc. caused interest expenses on bond loan transactions, and loss on foreign exchange transactions and financial derivative commodity fees in other operating income to decrease. Net interest income in a broader sense, including the items above, increased year-on-year.

C Fees and commissions increased year-on-year due mainly to increases in corporate solutions fees, commissions related to depository assets, and housing loan handling fees.

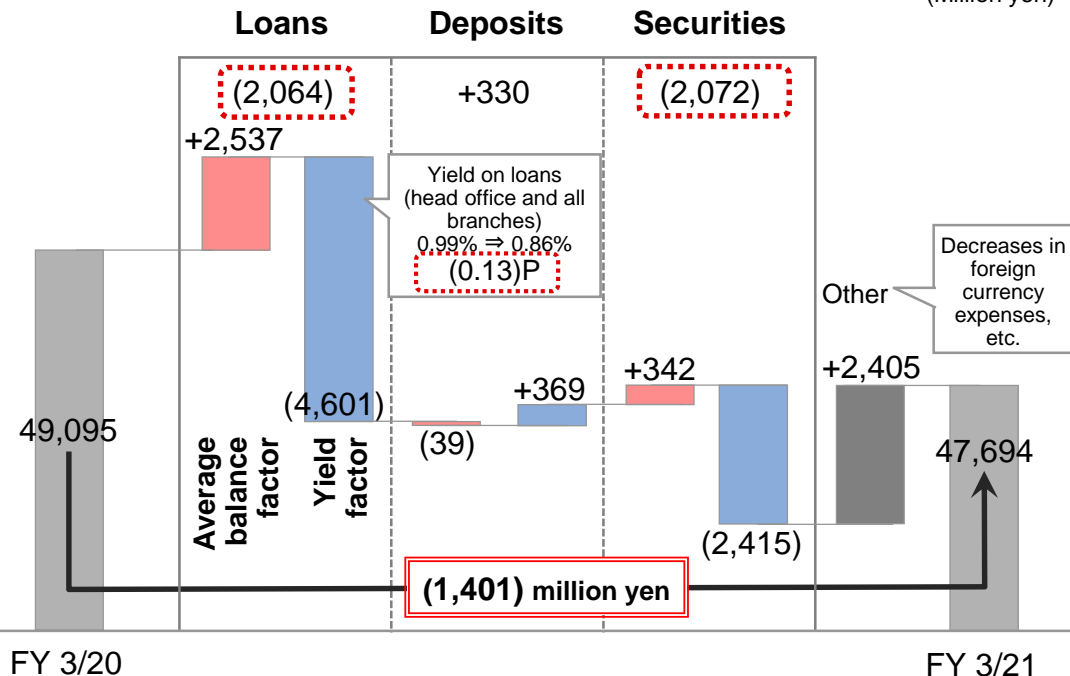
Shares	JPY-denominated loans	Interest on deposits with banks	JPY-denominated deposits	Interest expenses on cash collateral received for securities lent	Foreign currency procurement (foreign exchange swaps, etc.)	Corporate solutions fees
(6)	+11	+1	+1	+24	+25	+8
JPY-denominated bonds	Foreign currency-denominated loans	Interest on call loans	Foreign currency-denominated deposits	Interest expenses on interest rate swaps	Foreign currency procurement (currency swaps, etc.)	Commissions related to depository assets
(7)	(32)	(3)	+1	+1	+11	+2
Foreign currency-denominated bonds				Borrowed fund from Bank of Japan (foreign currency)	Gain and loss from government bonds and other bonds	Housing loan handling fees
(13)				(1)	(25)	+1
Other securities						
+5						

- A decrease in loan and securities interest contributed to a decrease in interest income of 2.9% year on year.

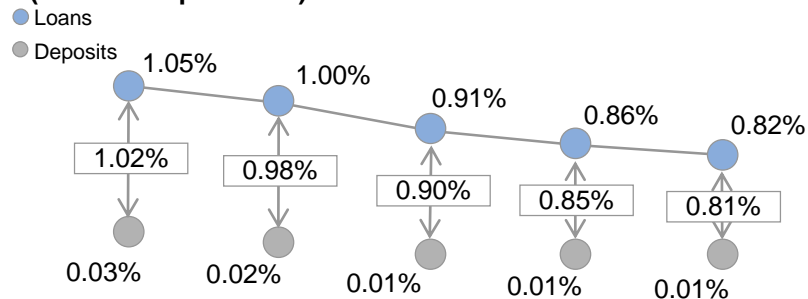
(Million yen)	FY 3/20	FY 3/21	Year-on-year
Interest income	49,095	47,694	(1,401)
Total interest income	55,350	50,992	(4,358)
Loan interest	35,020	32,955	(2,064)
Interest and dividends on securities	19,647	17,574	(2,072)
Other	682	461	(220)
Interest expenses	6,254	3,297	(2,956)
Interest on deposits	925	594	(330)
Other	5,329	2,703	(2,626)

Factors behind increase/decrease in interest income

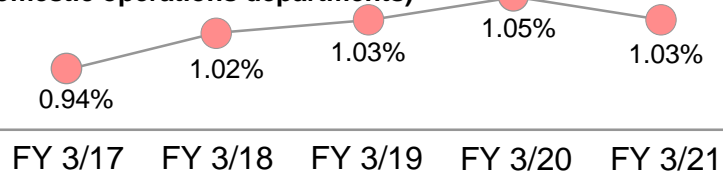
<Head office and all branches (including domestic and international operations departments)>
(Million yen)



Deposit loan yield margin (domestic operations)

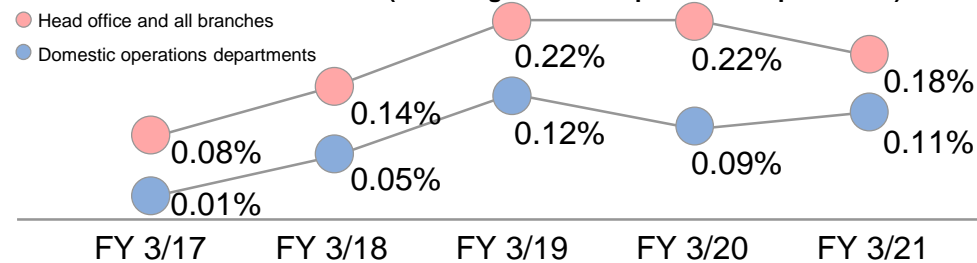


Returns on securities investments (domestic operations departments)



Historical overall profit margin

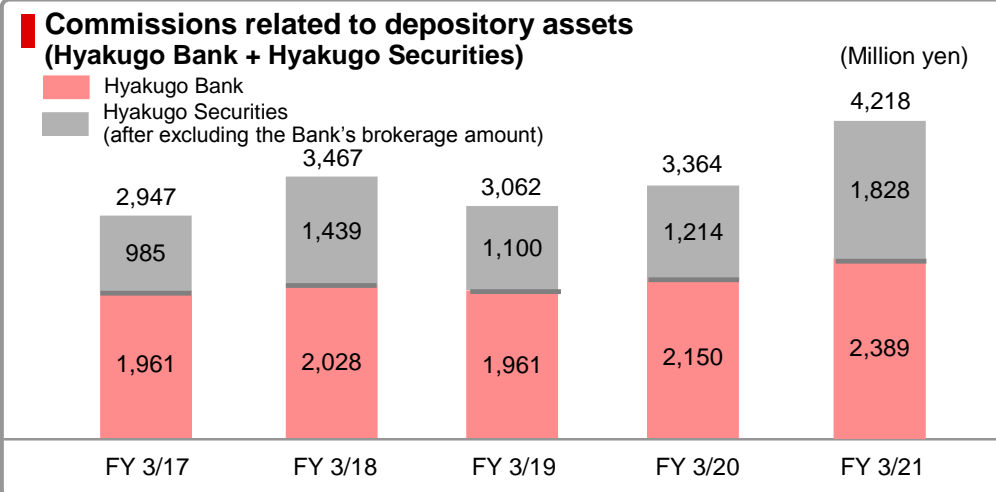
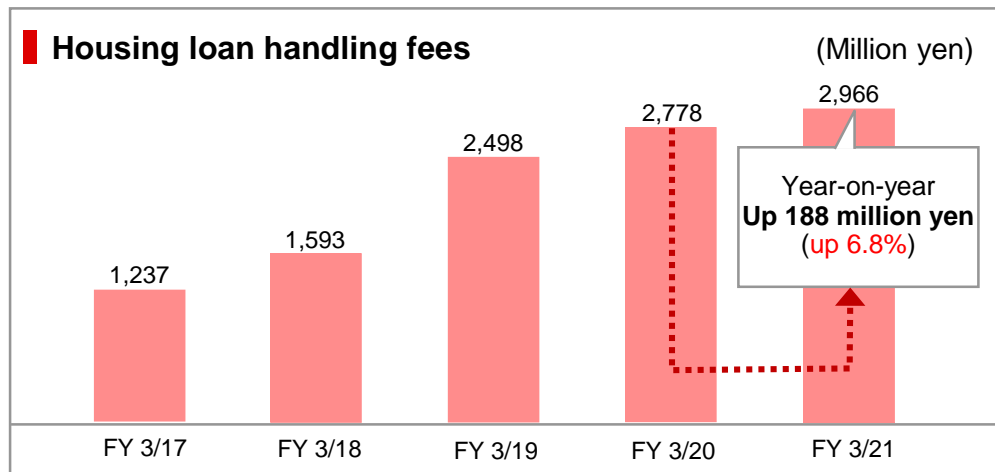
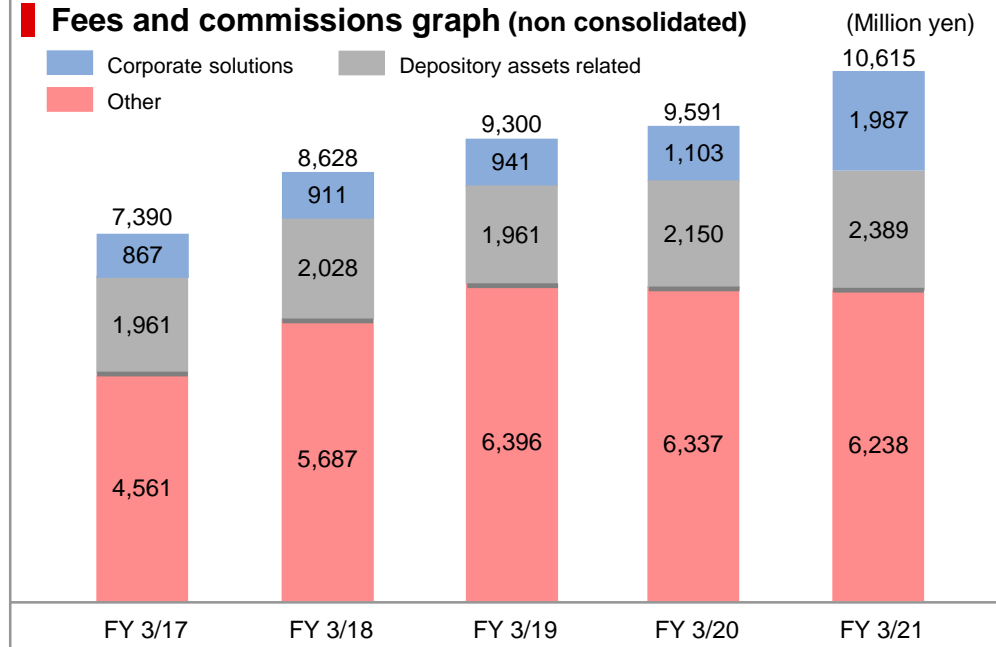
<Head office and all branches (including domestic operations departments)>



● Fees and commissions increased 10.7% year-on-year due to an increase in corporate solutions fees, etc.

	(Million yen)		
	FY 3/20	FY 3/21	Year-on-year
Fees and commissions	9,591	10,615	1,023
Fees and commissions	14,555	15,527	972
Commissions related to depository assets A	2,150	2,389	239
Investment trust commissions	892	1,134	242
Insurance sales commissions (*)	990	761	(229)
Financial instruments brokerage commissions	172	387	215
Defined contribution pension commissions	95	106	10
Corporate solutions fees (*) B	1,103	1,987	883
Housing loan handling fees C	2,778	2,966	188
Fees and commissions expenses (expenses)	4,963	4,912	(51)
Of which, payment of housing loan guarantee and insurance premium, etc. (expenses)	3,405	3,481	76

* A part of business insurance fees is included in corporate solutions fees, not in insurance sales commissions.

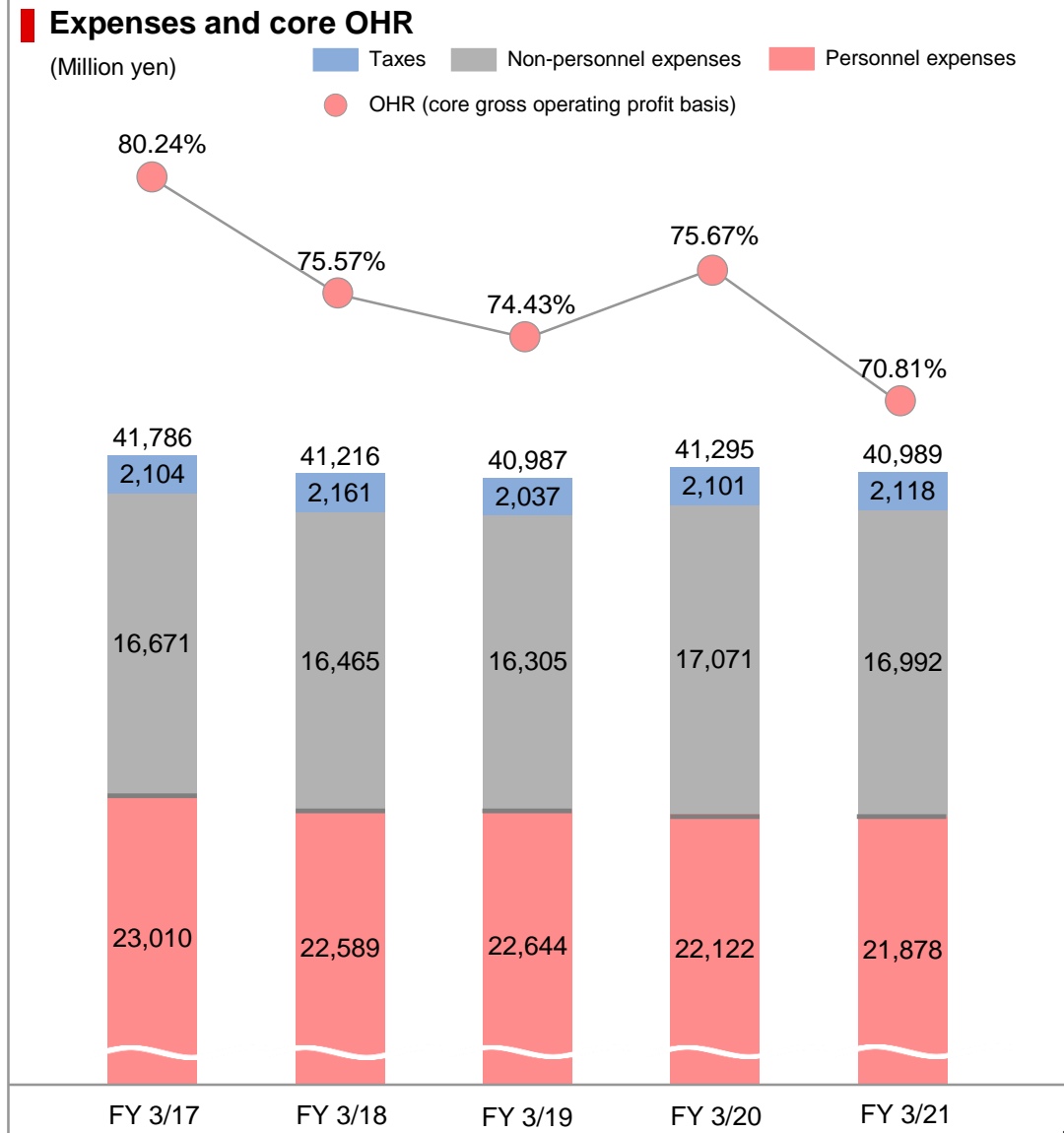


- Expenses decreased 0.7% year-on-year due to decreases in personnel and non-personnel expenses.

	(Million yen)		
	FY 3/20	FY 3/21	Year-on-year
Expenses	41,295	40,989	(306)
Personnel expenses	22,122	21,878	(244)
Non-personnel expenses	17,071	16,992	(79)
Taxes	2,101	2,118	17

Major factors underlying changes in expenses

- **Personnel expenses**
Salaries, etc. fell due to a decrease in personnel
- **Non personnel expenses**
Supplies expenses decreased as a result of efforts to cut expenses
- **Core OHR**
Core OHR improved 4.86 points year-on-year due to an increase in core gross operating profit and a decrease in expenses.
Efforts will be continuously made to reduce expenses



- The Bank fulfilled the OHR requirements for FY2020 (initial fiscal year). It will strive to reduce expenses and increase gross operating income to continue fulfilling the requirements in the next fiscal year and beyond.

	(Million yen)		
	FY2019 (base year)	FY2020 (actual)	FY2022 (plan)
Expenses	39,455	38,879	38,271
Gross operating income	58,103	61,698	58,716
OHR (%)	67.90	63.01	65.18
Base year comparison OHR change rate	-	(7.20)	(4.00)

* OHR is on a consolidated base. Based on the calculation method set forth by the Bank of Japan.

[Expenses]

- Reduce personnel (natural reduction due to gap between hiring and retirement, consideration of increase in external transfers)
- Integrate and close branches (reduction in non-personnel expenses, optimization of personnel allocation)
- Improve operational efficiency across the entire Group, including affiliated companies

etc.

[Gross operating income]

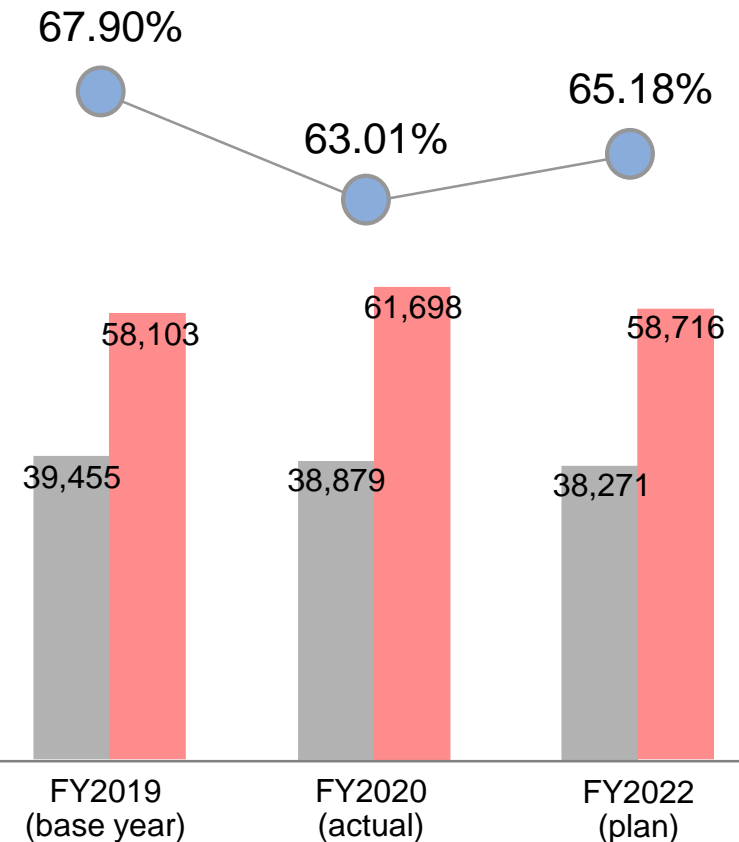
- Strengthen loans (for housing, regional small and medium-sized companies, etc.)
- Strengthen fees and commissions, especially consulting income
- Strengthen securities investments

etc.

Changes in expenses, gross operating income and OHR

(Million yen)

Expenses Gross operating income OHR



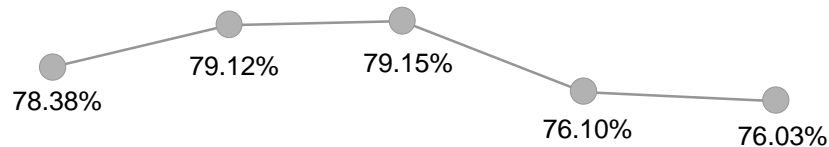
- Increase in the provision of allowance for specific loan losses and loss on sale of receivables and other securities caused a year-on-year increase in credit costs

(Million yen)

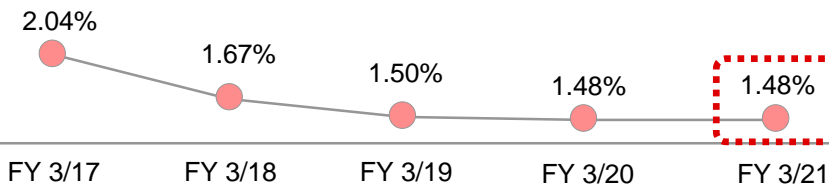
	FY 3/20	FY 3/21	Year-on-year
Credit costs	1,888	6,306	4,418
Of which, provision of general allowance for loan losses	85	652	567
Of which, provision of specific allowance for loan losses	1,769	4,008	2,239
Of which, loss on sale of receivables and other securities	-	1,519	1,519
Credit cost ratio	0.05%	0.15%	0.10P

	FY 3/20	FY 3/21	Year-on-year
Nonperforming loans	54,706	59,823	5,117

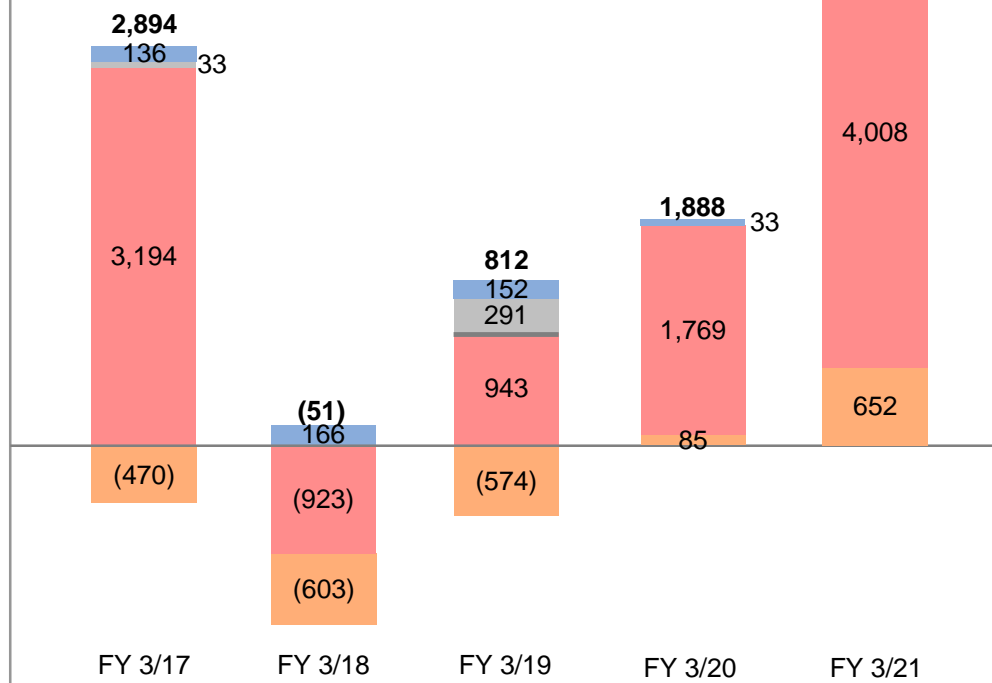
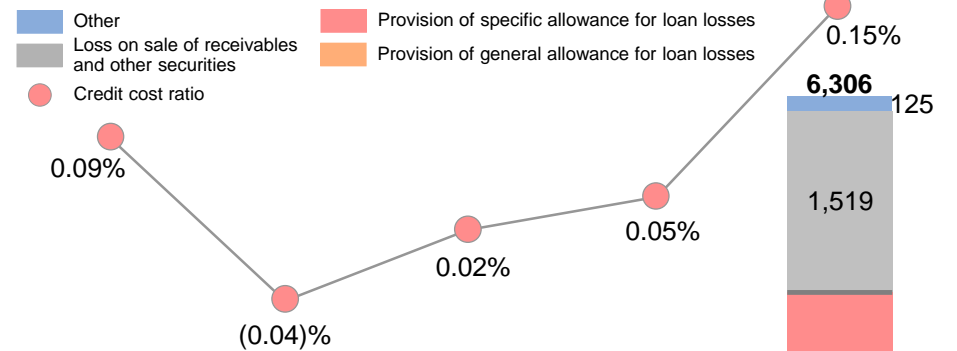
Nonperforming loans coverage ratio



Nonperforming loans ratio



Credit costs (non-consolidated)



- Individual deposits and corporate deposits both remained strong, increasing total deposits 5.9% year-on-year

(100 million yen)

	FY 3/20	FY 3/21	Year-on-year
Total deposits (average balance)	51,023	54,053	3,029
Mie Prefecture	45,740	48,730	2,990
Aichi Prefecture	4,982	5,005	22
Tokyo and Osaka	300	317	16

(100 million yen)

	FY 3/20	FY 3/21	Year-on-year
Individual deposits (average balance)	37,846	39,835	1,988
Mie Prefecture	34,989	36,797	1,808
Aichi Prefecture	2,835	3,015	179
Tokyo and Osaka	21	22	0

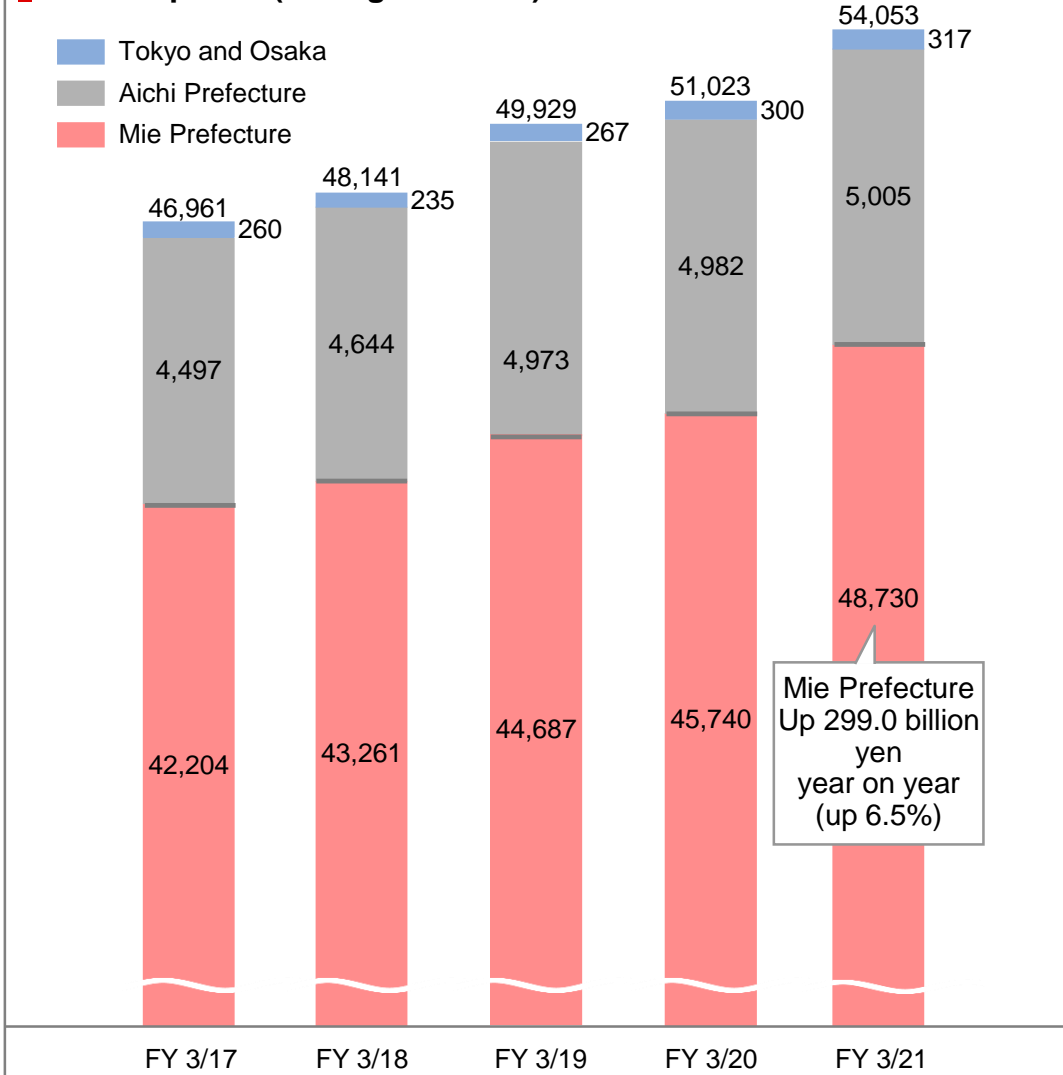
(100 million yen)

	FY 3/20	FY 3/21	Year-on-year
Corporate deposits (average balance)	10,539	11,649	1,110
Mie Prefecture	8,220	9,389	1,168
Aichi Prefecture	2,043	1,972	(70)
Tokyo and Osaka	275	288	12

* Mie Prefecture includes Shingu and Internet branches.

Total deposits (average balance)

(100 million yen)



● Individual loans such as housing loans and corporate loans increased, resulting in an 8.3% increase year-on-year in total loans

(100 million yen)

	FY 3/20	FY 3/21	Year-on-year
Total loans (average balance)	35,297	38,240	2,943
Mie Prefecture	17,052	18,051	998
Aichi Prefecture	10,987	12,958	1,971
Tokyo and Osaka	7,257	7,231	(26)

Up
8.3%Up
17.9%

(100 million yen)

	FY 3/20	FY 3/21	Year-on-year
Loans to SMEs (average balance)	12,474	13,219	745
Mie Prefecture	7,172	7,823	650
Aichi Prefecture	3,324	3,563	239
Tokyo and Osaka	1,977	1,833	(144)

(100 million yen)

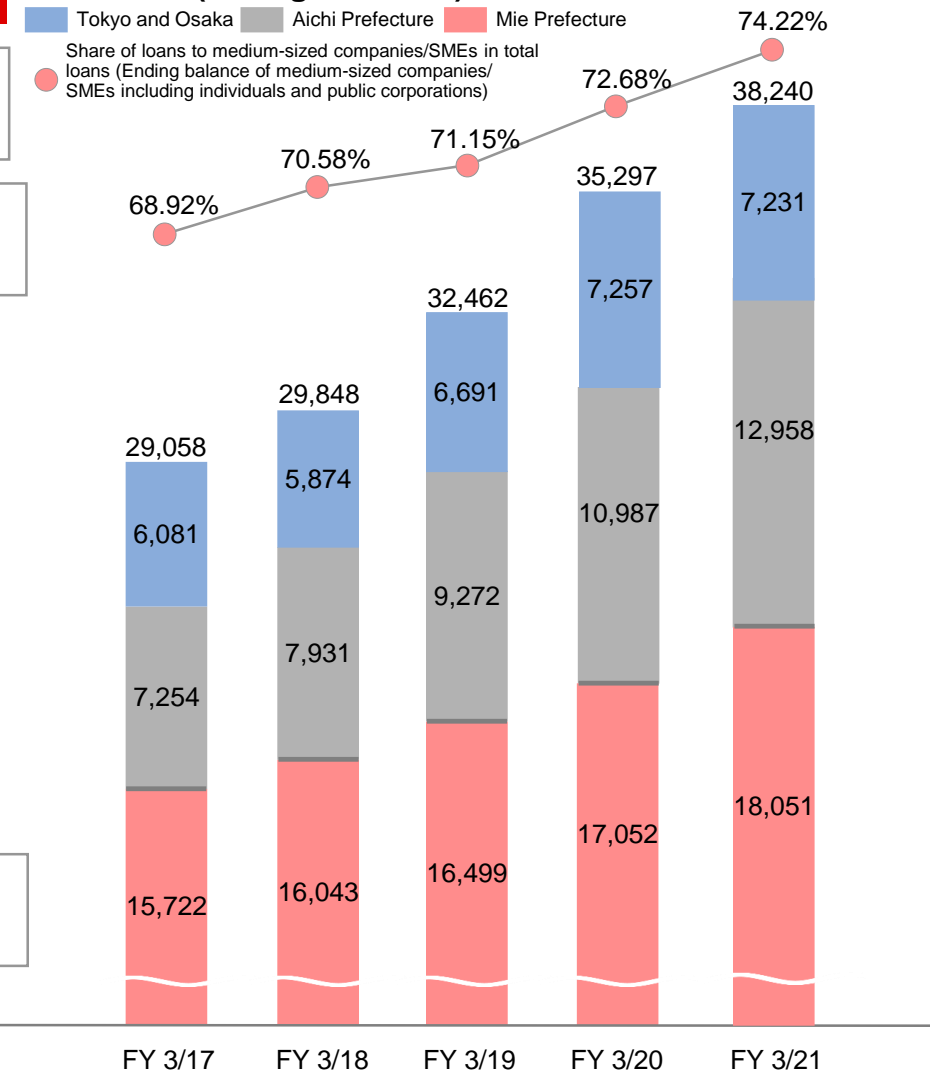
	FY 3/20	FY 3/21	Year-on-year
Housing loans (average balance)	12,164	14,069	1,905
Mie Prefecture	6,252	6,770	517
Aichi Prefecture	5,912	7,299	1,387

Up
15.7%

* Mie Prefecture includes Shingu and Internet branches.

Total loans (average balance)

(100 million yen)

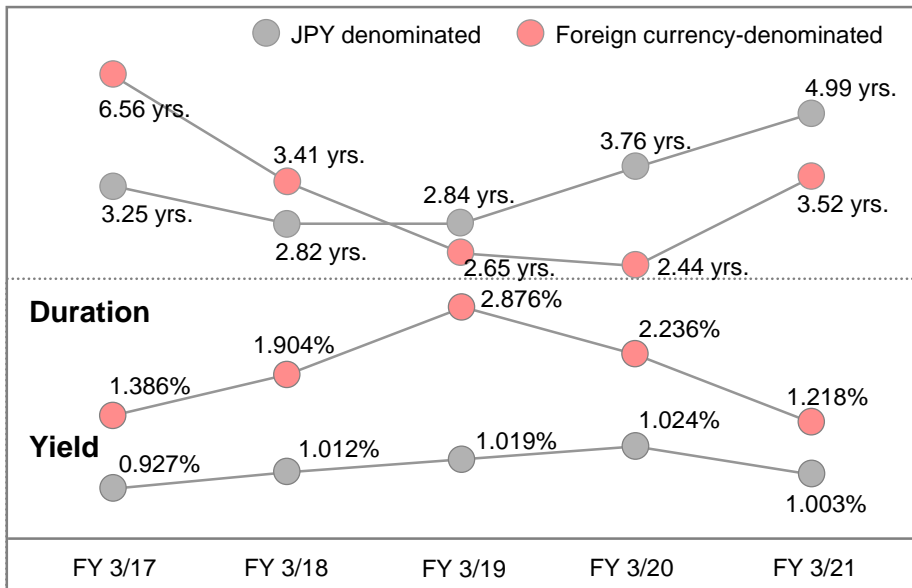


- Valuation gains (losses) on securities increased 69.5% from the end of the previous fiscal year due mainly to increases in share prices and investment trusts.

(100 million yen)	FY 3/20	FY 3/21	Year-on-year
Securities balance	17,438	17,096	(341)
Government bonds	4,686	2,924	(1,761)
Municipal bonds	4,056	4,357	300
Corporate bonds	2,280	2,091	(189)
Shares	1,624	2,005	381
Investment trusts	1,186	1,256	70
Foreign securities	3,546	4,384	838
Other	57	76	19

JPY-denominated average balance*	14,127	13,559	(568)
Foreign currency-denominated average balance*	2,319	3,282	962

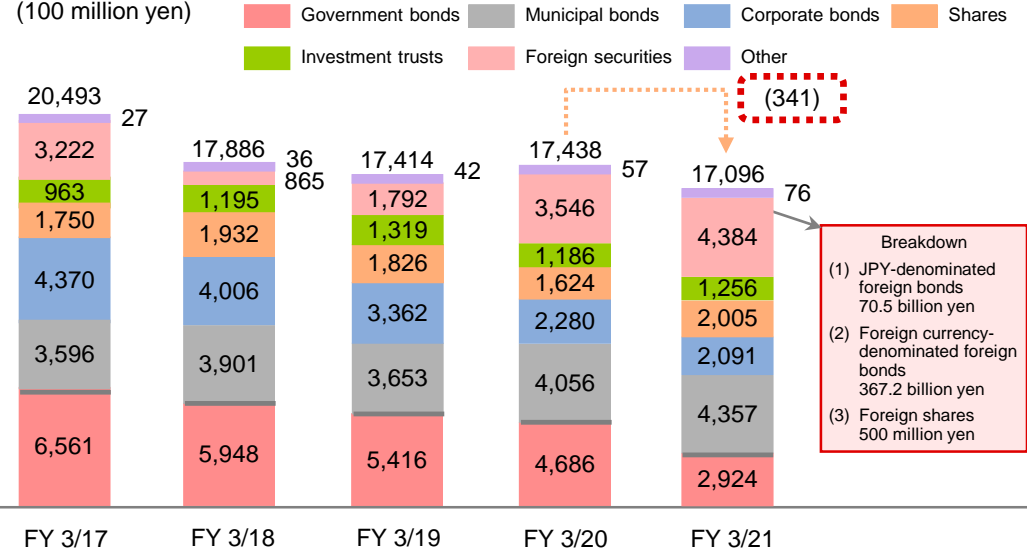
Duration, yield^(*)



* Including trust beneficiary rights

Securities balance

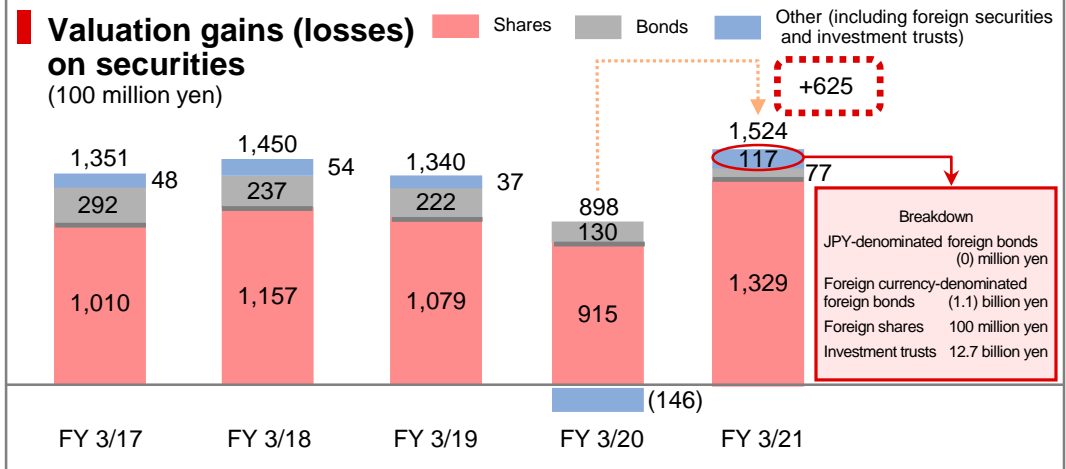
(100 million yen)



Breakdown
(1) JPY-denominated foreign bonds 70.5 billion yen
(2) Foreign currency-denominated foreign bonds 367.2 billion yen
(3) Foreign shares 500 million yen

Valuation gains (losses) on securities

(100 million yen)



Breakdown
JPY-denominated foreign bonds (0) million yen
Foreign currency-denominated foreign bonds (1.1) billion yen
Foreign shares 100 million yen
Investment trusts 12.7 billion yen

- An increase in equity capital, resulting from income recognition, caused the equity ratio to increase 0.04 percentage points year-on-year

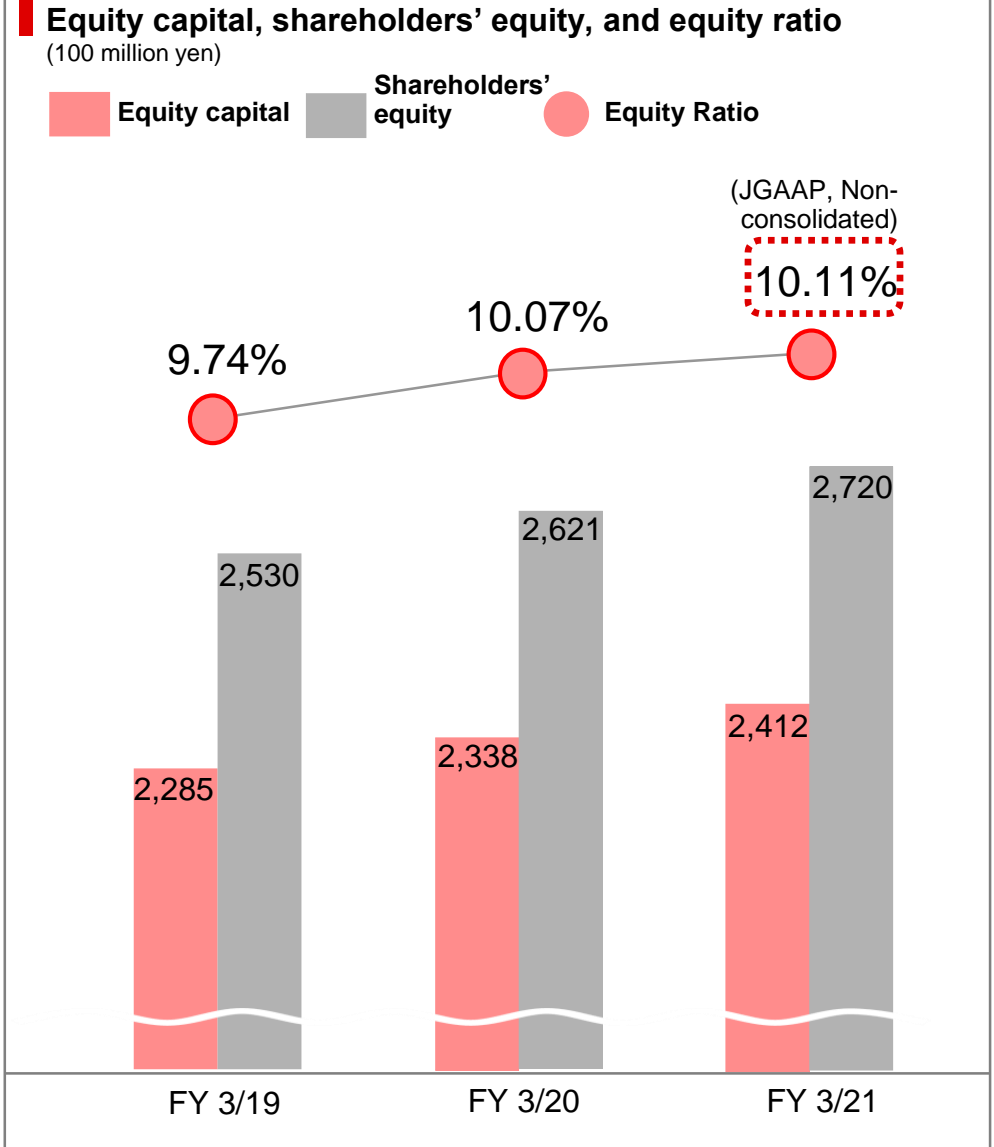
(100 million yen)

	FY 3/19	FY 3/20	FY 3/21
Equity capital (For equity ratio calculation purposes)	2,285	2,338	2,412
Risk Assets	23,458	23,200	23,841
Equity Ratio	9.74%	10.07%	10.11%

+0.04P

Shareholders' equity	2,530	2,621	2,720
-----------------------------	--------------	--------------	--------------

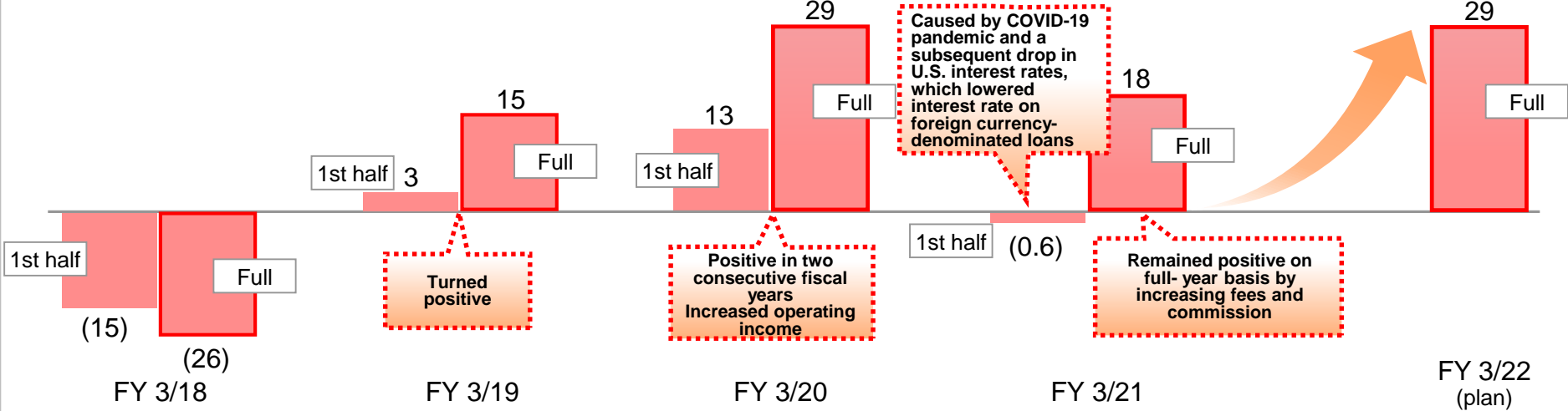
Method of computing value-at-credit-risk asset value:
Fundamental internal ratings based approach
Method of computing value-at-operational risk:
The Standardized Approach (TSA)



- Operating income from services to customers was positive for three consecutive terms due to increase in fees and commissions

Maintained positive operating income from services to customers

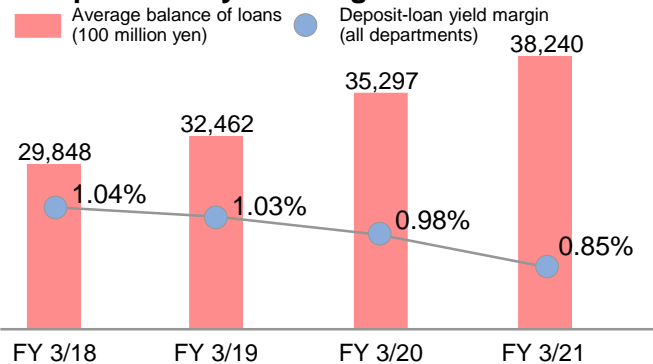
Changes in operating income from services to customers (100 million yen)



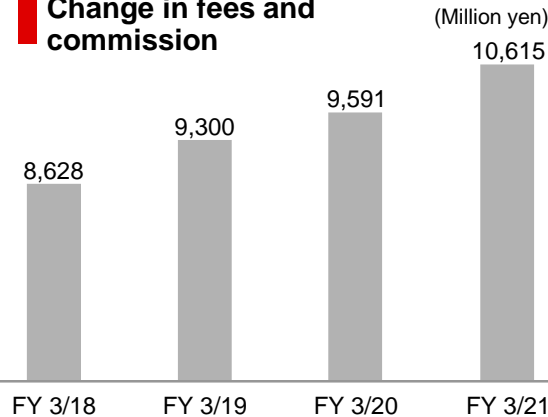
Operating income from services to customers

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

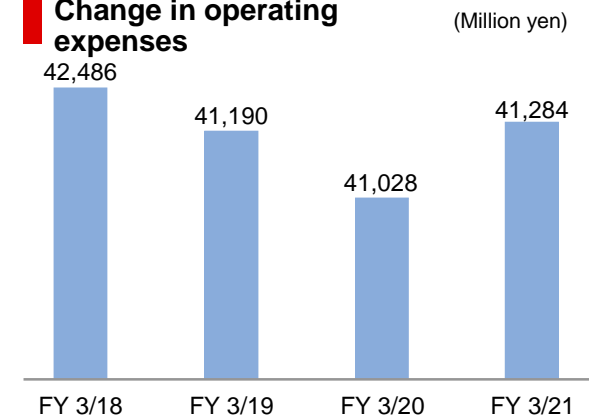
Change in average balance of loans and deposit-loan yield margin



Change in fees and commission



Change in operating expenses



- Full-year net income is forecast to decrease as gain and loss from stocks and other securities is expected to fall

Forecast (non-consolidated)

(Million yen)

	FY 3/21	FY3/22 (forecast)
Gross operating income	57,919	56,700
Interest income	47,694	46,100
Fees and commissions	10,615	10,600
Other operating income	(390)	-
Net operating income	16,276	15,700
Ordinary income	17,219	15,800
Net income	12,200	11,000
Credit costs	6,306	4,000
Consolidated net income attributable to shareholders of the parent (consolidated)	12,965	11,300

A decrease in gain and loss from stocks and other securities is expected.
Credit costs are expected to decline after peaking in FY 3/2021.

Dividend forecast

Interim	Year-end	Full year
5.00 yen	5.00 yen	10.00 yen

Shareholder return policy

Continue to pay stable dividends

