

Outline of Financial Position

An increase in interest income and fees and commissions, and a decrease in credit costs caused net income to increase 6.3% year-on-year.

	(Million yen)	FY 3/21	FY 3/22	Year-on-year
Gross operating income	(1)	57,919	56,107	(1,812)
Interest income B		47,694	52,593	4,898
Fees and commissions C		10,615	11,970	1,355
Other operating income		(390)	(8,456)	(8,066)
Of which, gain and loss from government bonds and other bonds	(2)	40	(8,343)	(8,383)
Provision of general allowance for loan losses	(3)	652	(193)	(846)
Expenses	(4)	40,989	40,119	(870)
Net operating income A	(1) - (3) - (4)	16,276	16,181	(95)
Core net operating income	(1) - (2) - (4)	16,889	24,331	7,442
Core net operating income (excluding gain and loss from cancellation of Investment trusts) D		15,827	20,117	4,289
Non-recurring gain and loss		942	2,238	1,296
Of which, disposal of bad debts	(5)	5,653	4,412	(1,241)
Gain and loss from stocks and other securities		6,459	5,439	(1,019)
Ordinary income		17,219	18,419	1,200
Extraordinary gain and loss		(273)	(511)	(238)
Net income before income taxes		16,945	17,908	962
Net income		12,200	12,975	774
Credit costs	(3) + (5)	6,306	4,219	(2,087)

(100 million yen)

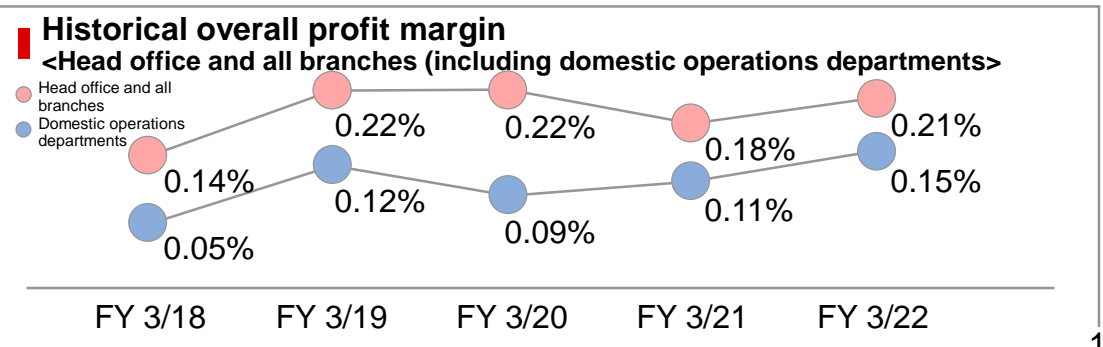
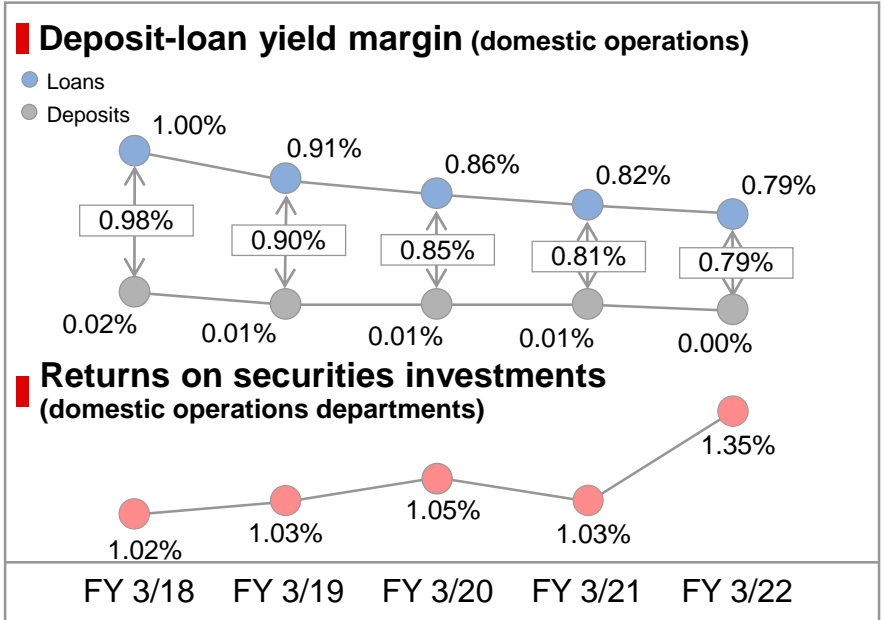
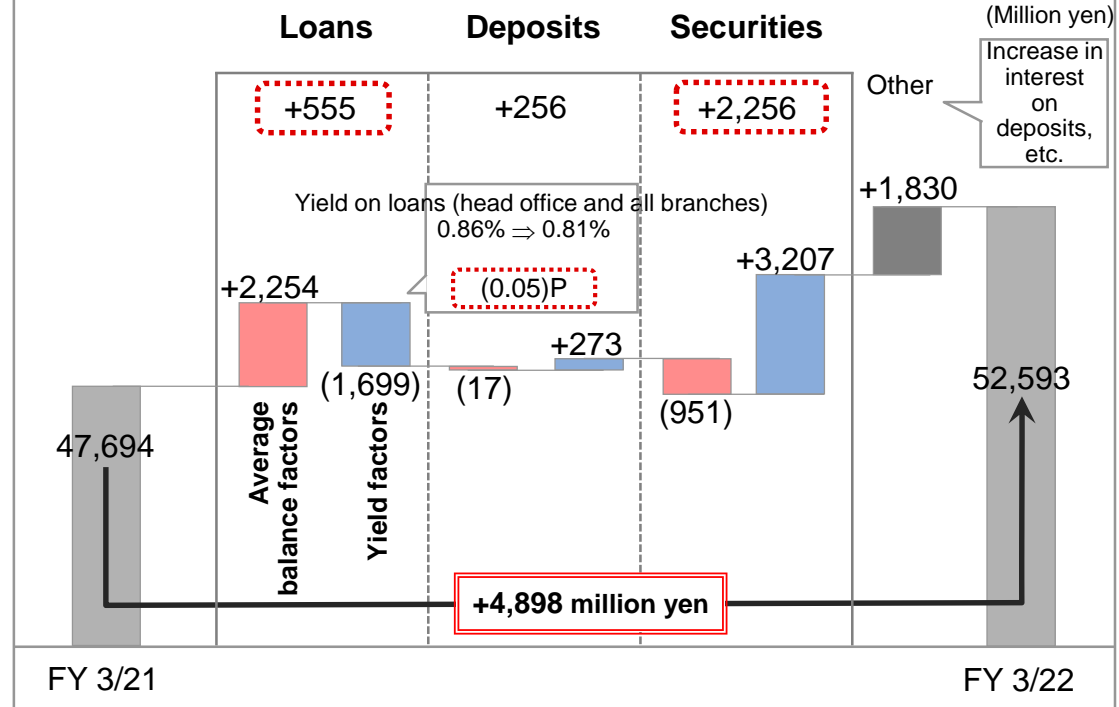
	FY 3/21	FY 3/22	Year-on-year
Interest and dividend on securities	175	198	22
of which, gain and loss from cancellation of Investment trusts	10	42	31
Gain and loss from government bonds and other bonds	0	(83)	(83)
of which, gain on sale and redemption	33	29	(3)
of which, loss on sale and redemption, and amortization	32	113	80
Gain and loss from stocks and other securities	64	54	(10)
of which, gain on sale	82	64	(18)
of which, loss on sale and amortization	17	9	(8)

- Net interest income increased mainly due to an increase in interest and dividends on securities, mainly arising from gain from the cancellation of investment trusts. On the other hand, net operating income decreased slightly due to a decrease in other operating income, which was mainly caused by a decrease in gain and loss from government bonds and other bonds.
- The decrease in gain and loss from government bonds and other bonds was attributable to the sale of bonds that incurred valuation losses in order to ensure the soundness of the portfolio.
- Both ordinary income and net income increased from the previous year due to an increase in non-recurring gain and loss, mainly arising from a decrease in disposal of bad debts.
- Credit costs decreased year-on-year, although the Bank carefully and conservatively made judgments on debtor classification in this fiscal year in anticipation of the impact of COVID-19 pandemic. Full-year forecast of 4.3 billion yen was almost in line with expectations.

An increase in loan and securities interest contributes to an increase in interest income of 10.3% year-on-year.

(Million yen)	FY 3/21	FY 3/22	Year-on-year
Interest income	47,694	52,593	4,898
Total interest income	50,992	54,956	3,964
Loan interest	32,955	33,510	555
Interest and dividends on securities	17,574	19,831	2,256
Other	461	1,613	1,152
Interest expenses	3,297	2,363	(934)
Interest on deposits	594	338	(256)
Other	2,703	2,024	(678)

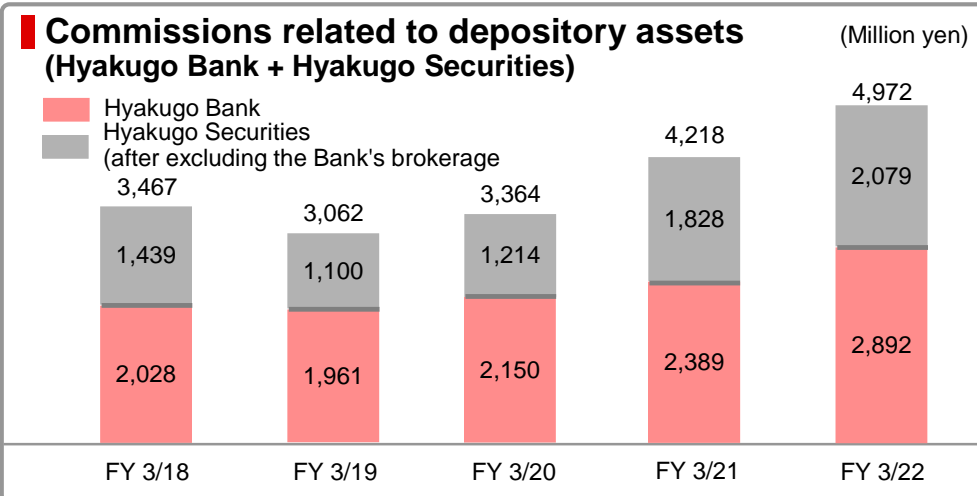
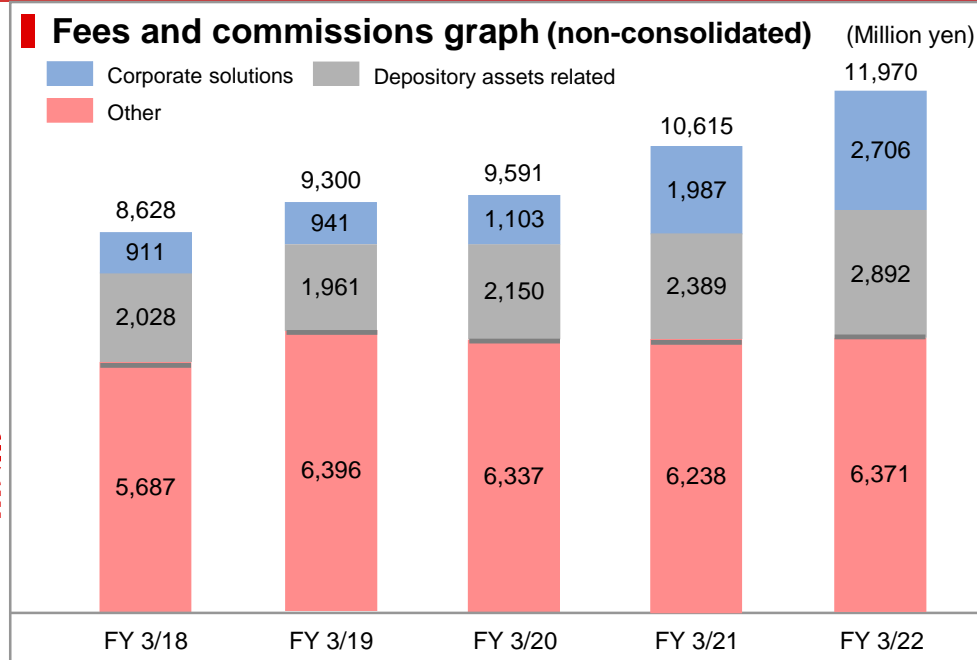
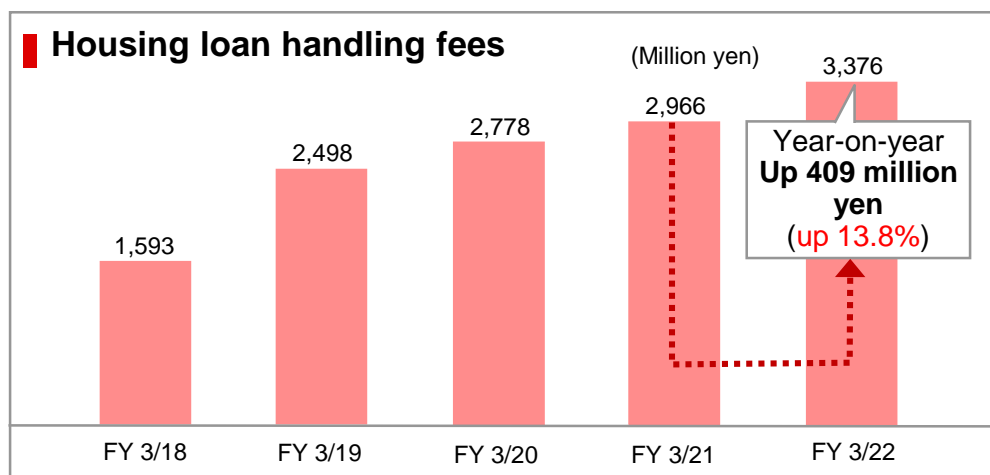
Major factors underlying changes in interest income <All branches (domestic and international operations)>



Fees and commissions increased 12.8% year-on-year due to an increase in corporate solution fees, commissions related to depository assets, etc.

	(Million yen)		
	FY 3/21	FY 3/22	Year-on-year
Fees and commissions	10,615	11,970	1,355
Fees and commissions	15,527	17,080	1,552
Commissions related to depository assets ^A	2,389	2,892	503
Investment trust commissions	1,134	1,496	362
Insurance sales commissions (*)	761	866	105
Financial instruments brokerage commissions	387	404	16
Defined contribution pension commissions	106	124	18
Corporate solutions fees (*) ^B	1,987	2,706	718
Housing loan handling fees ^C	2,966	3,376	409
Fees and commissions expenses (expenses)	4,912	5,109	197
Of which, payment of housing loan guarantee and insurance premium, etc. (expenses)	3,481	3,848	366

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



Expenses decreased 2.1% year-on-year due to decreases in personnel and non-personnel expenses

(Million yen)

	FY 3/21	FY 3/22	Year-on-year
Expenses	40,989	40,119	(870)
Personnel expenses	21,878	21,219	(659)
Non-personnel expenses	16,992	16,851	(141)
Taxes	2,118	2,048	(69)

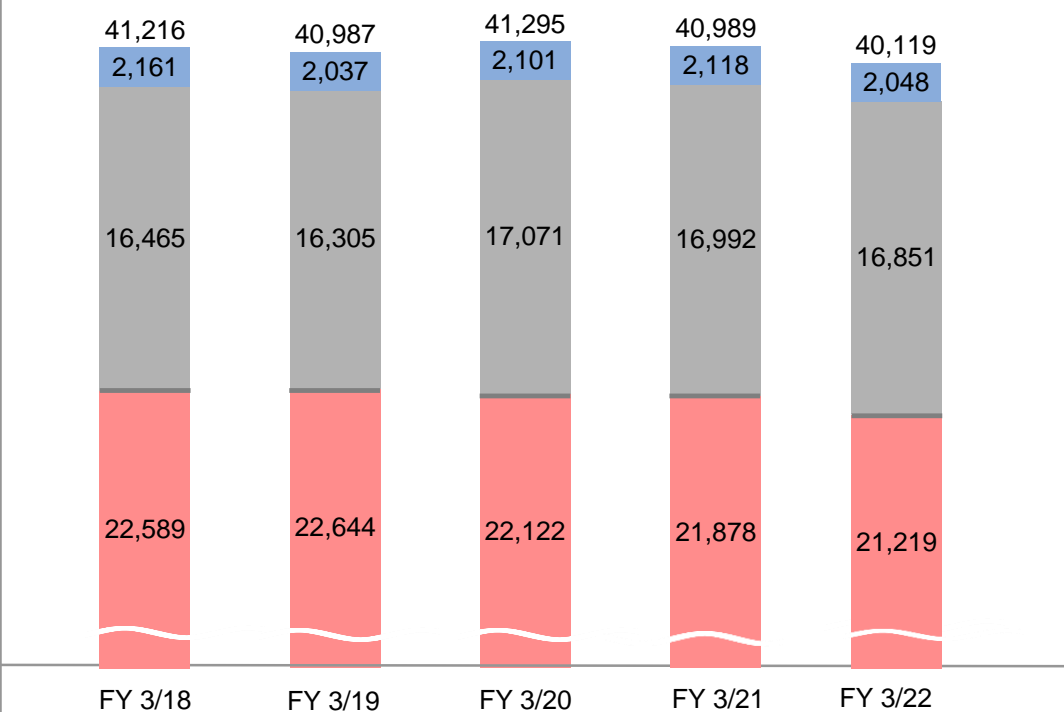
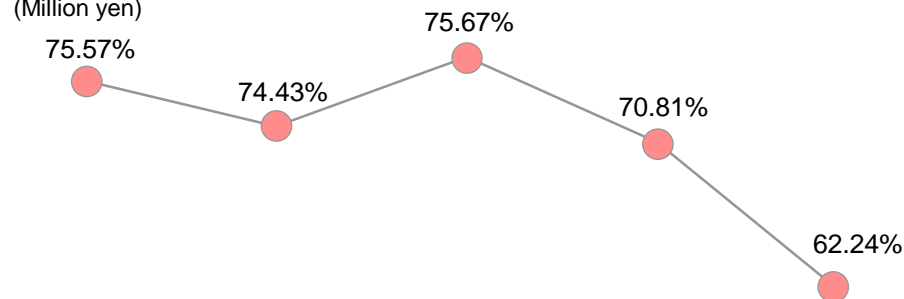
Major factors underlying changes in expenses

- **Personnel expenses**
Decreased 3.0%, mainly due to a decrease in retirement benefit expenses
- **Non-personnel expenses**
Decreased 0.8% as a result of efforts to cut expenses
- **Core OHR**
Core OHR increased 8.57 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

Expenses and core OHR

■ Taxes ■ Non-personnel expenses ■ Personnel expenses
● OHR (core gross operating profit basis)

(Million yen)



The Bank fulfilled the OHR requirements for FY2021 as in the previous fiscal year. It will strive to reduce expenses and increase gross operating income to continue fulfilling the requirements in the final fiscal year

	(Million yen)		
	FY2019 (base year)	FY2020 (actual)	FY2021 (actual)
Expenses	39,455	38,879	38,262
Gross operating income	58,103	61,698	64,360
OHR (%)	67.90	63.01	59.44
Base year comparison OHR change rate	-	(7.20)	(12.45)

* 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, consider increasing 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]

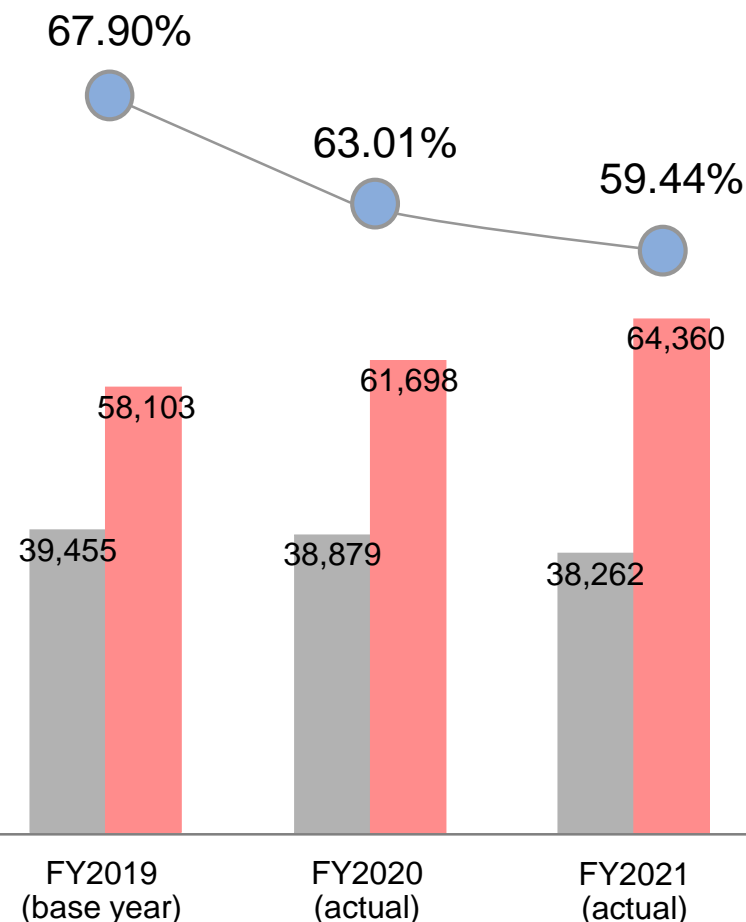
- Strengthen loans (for housing, regional small and medium-sized companies, etc.)
- Strengthen fees and commissions, especially consulting income
- Strengthen securities investments

etc.

Changes in expenses, gross operating income and OHR

(Million yen)

Expenses Gross operating income OHR

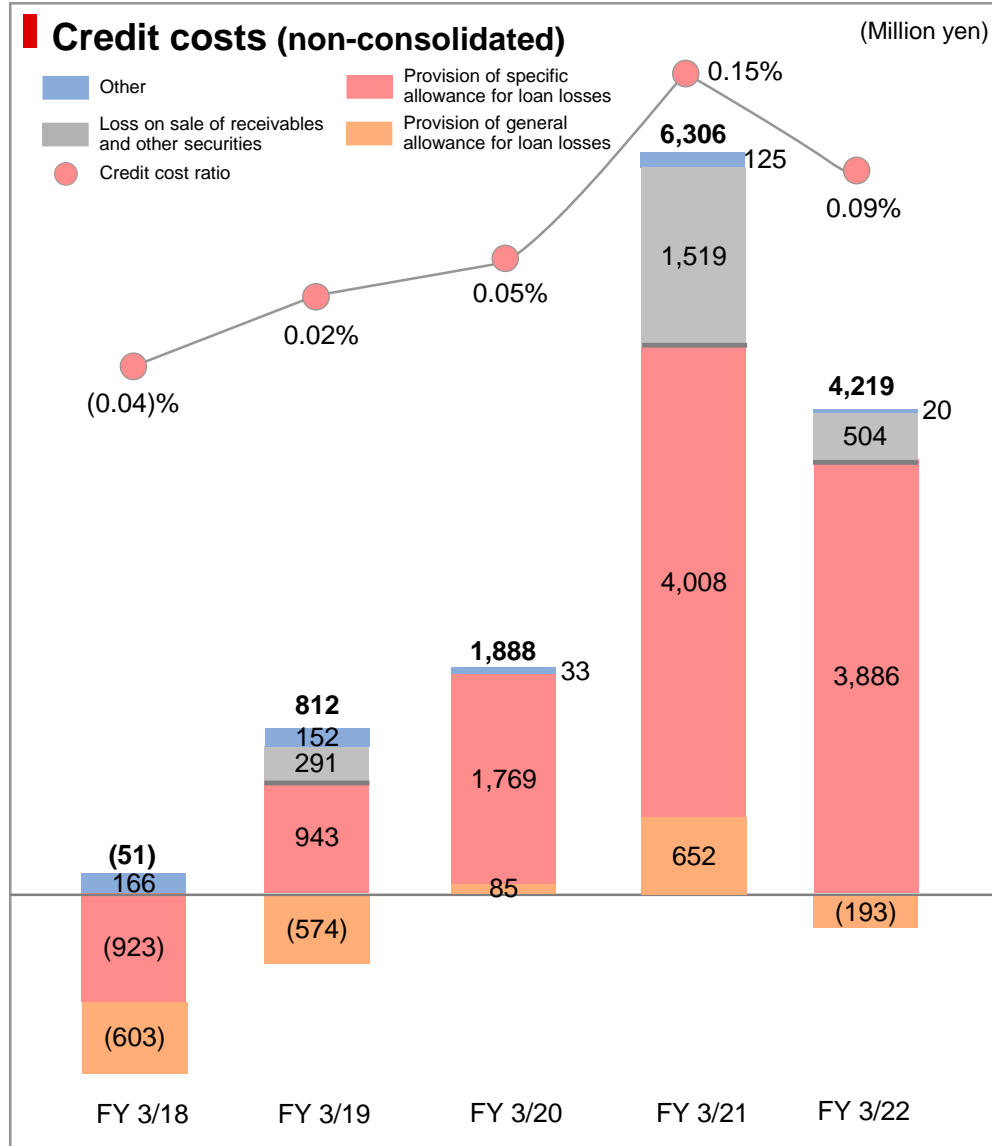
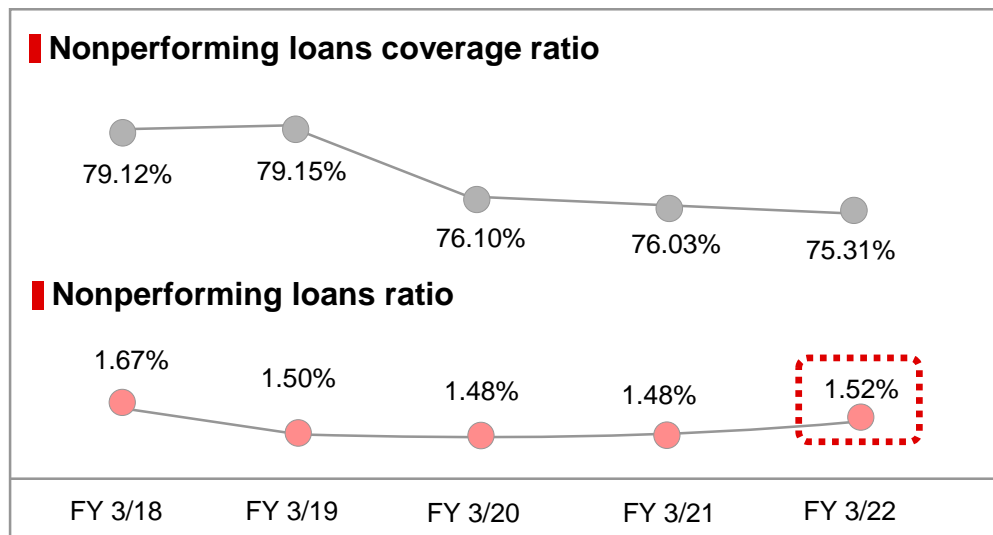


Decrease in the provision of general allowance for loan losses and loss on sale of receivables and other securities caused a year-on-year decrease in credit costs

(Million yen)

	FY 3/21	FY 3/22	Year-on-year
Credit costs	6,306	4,219	(2,087)
Of which, provision of general allowance for loan losses	652	(193)	(846)
Of which, provision of specific allowance for loan losses	4,008	3,886	(121)
Of which, loss on sale of receivables and other securities	1,519	504	(1,014)
Credit cost ratio	0.15%	0.09%	(0.06)P

	FY 3/21	FY 3/22	Year-on-year
Nonperforming loans	59,823	65,109	5,286



Individual deposits and corporate deposits both remained strong, increasing total deposits 5.6% year-on-year

(100 million yen)

	FY 3/21	FY 3/22	YoY change
Total deposits (average balance)	54,053	57,066	3,013
Mie Prefecture	48,723	51,571	2,848
Aichi Prefecture	5,007	5,221	214
Tokyo and Osaka	322	273	(48)

up 5.6%

(100 million yen)

	FY 3/21	FY 3/22	YoY change
Individual deposits (average balance)	39,835	41,729	1,894
Mie Prefecture	36,790	38,470	1,680
Aichi Prefecture	3,017	3,229	212
Tokyo and Osaka	27	29	2

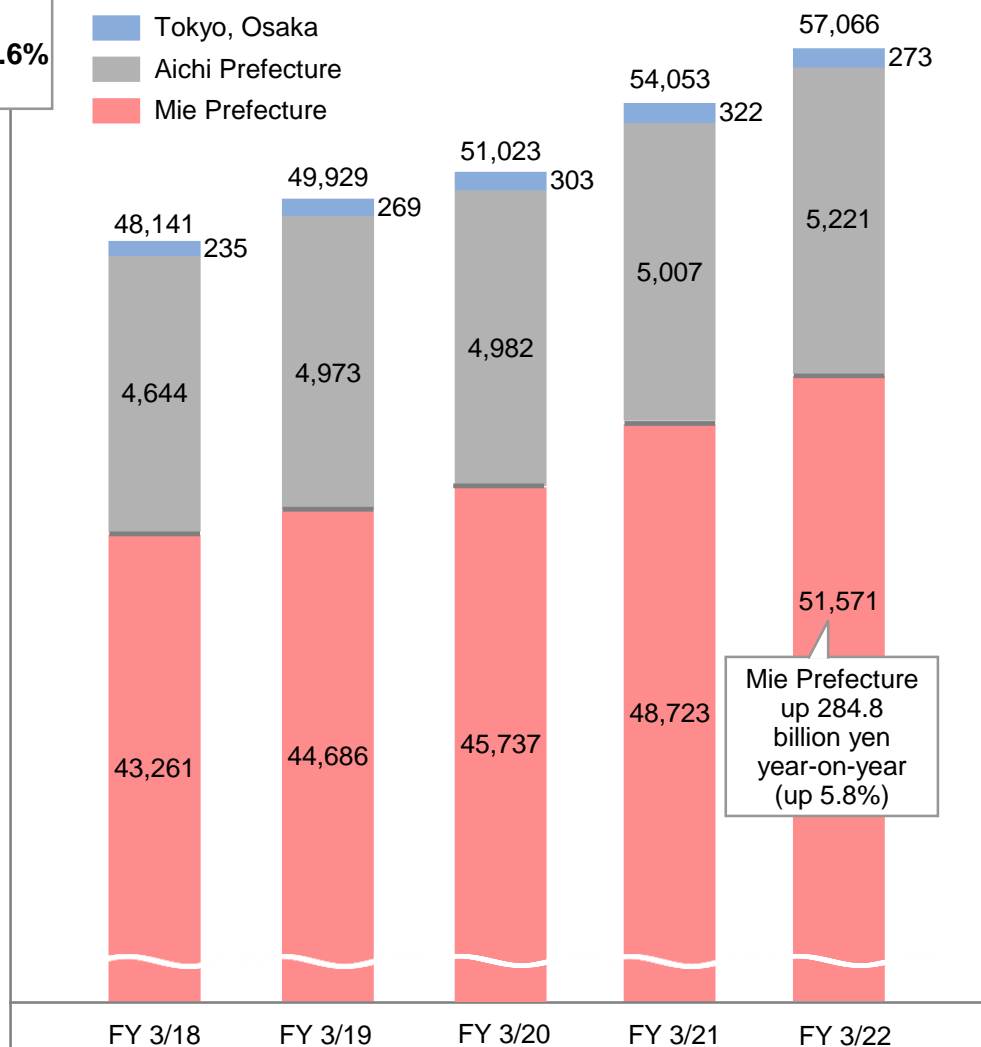
(100 million yen)

	FY 3/21	FY 3/22	YoY change
Corporate deposits (average balance)	11,649	12,339	690
Mie Prefecture	9,389	10,139	750
Aichi Prefecture	1,972	1,960	(12)
Tokyo and Osaka	288	240	(47)

Total deposits (average balance)

(100 million yen)

■ Tokyo, Osaka
■ Aichi Prefecture
■ Mie Prefecture



Individual loans such as housing loans and loans to SMEs increased, resulting in a 7.2% increase year-on-year in total loans

(100 million yen)

	FY 3/21	FY 3/22	YoY change
Total loans (average balance)	38,240	40,999	2,758
Mie Prefecture	17,728	18,568	840
Aichi Prefecture	12,979	14,820	1,840
Tokyo and Osaka	7,532	7,610	77

Up 7.2%

Up 14.2%

(100 million yen)

	FY 3/21	FY 3/22	YoY change
Loans to SMEs (average balance)	13,219	13,834	614
Mie Prefecture	7,823	8,271	448
Aichi Prefecture	3,563	3,749	186
Tokyo and Osaka	1,833	1,812	(20)

(100 million yen)

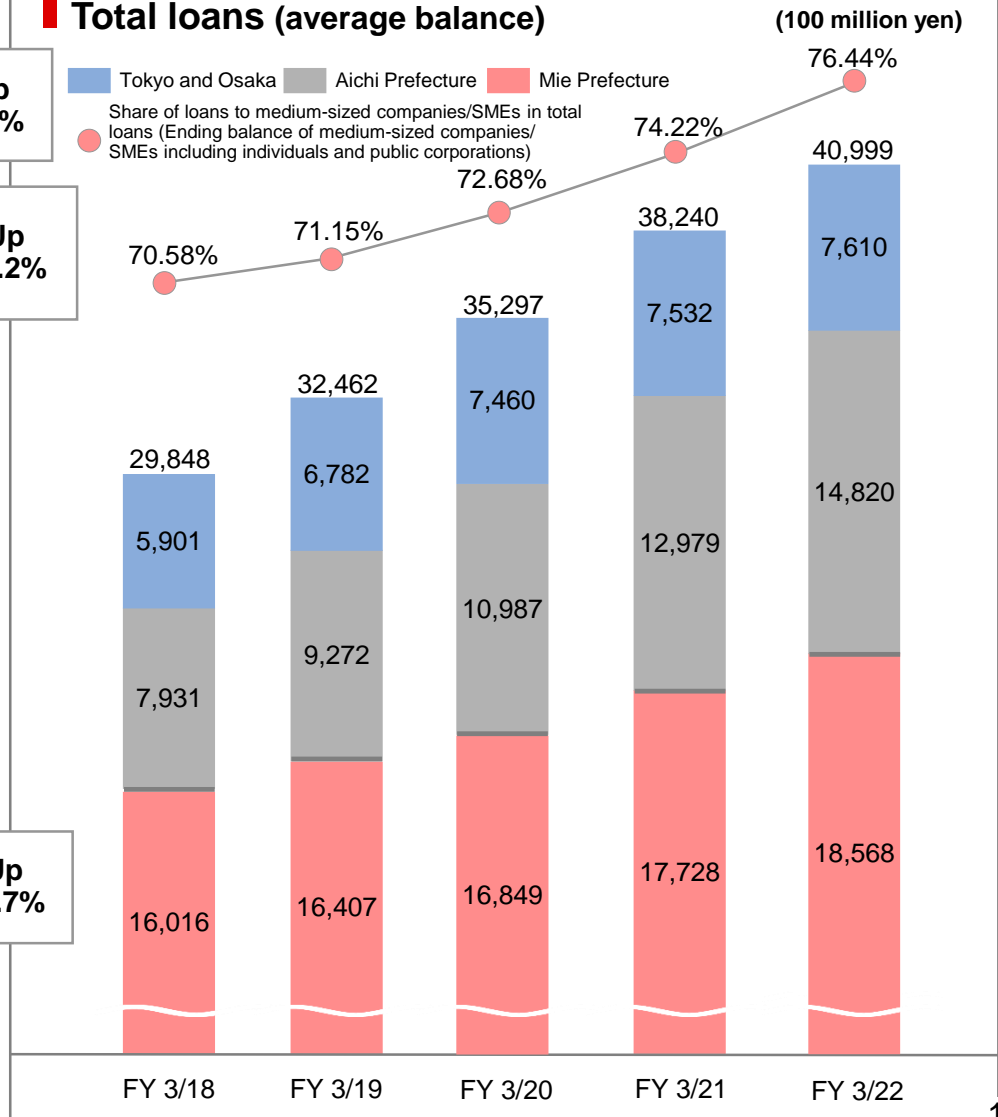
	FY 3/21	FY 3/22	YoY change
Housing loans (average balance)	14,069	16,273	2,203
Mie Prefecture	6,448	6,948	499
Aichi Prefecture	7,320	8,938	1,618
Osaka	300	385	84

Up 15.7%

Total loans (average balance)

■ Tokyo and Osaka ■ Aichi Prefecture ■ Mie Prefecture

● Share of loans to medium-sized companies/SMEs in total loans (Ending balance of medium-sized companies/SMEs including individuals and public corporations)



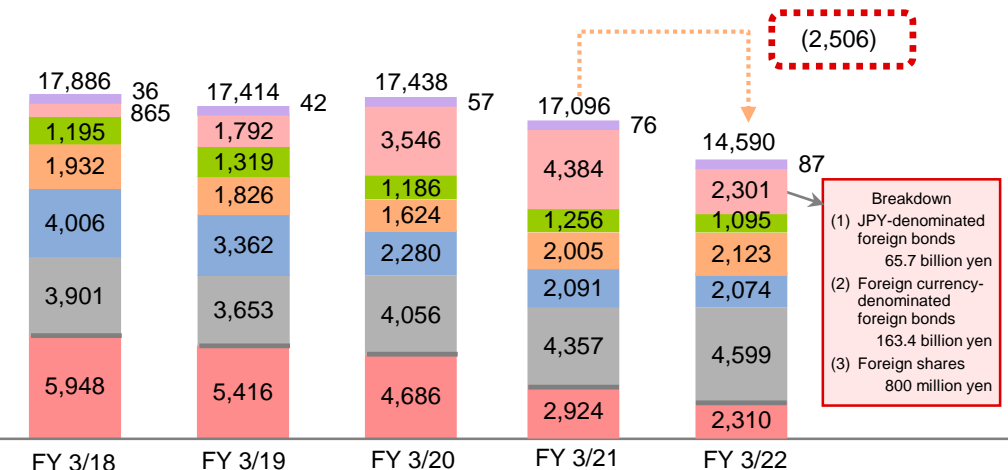
Valuation gains (losses) on bonds and investment trusts decreased 5.9% from the end of the previous fiscal year due mainly to an increase in share prices.

(100 million yen)	end of 3/21	end of 3/22	Year-on-year
Securities balance	17,096	14,590	(2,506)
Government bonds	2,924	2,310	(614)
Municipal bonds	4,357	4,599	242
Corporate bonds	2,091	2,074	(17)
Shares	2,005	2,123	117
Investment trusts	1,256	1,095	(161)
Foreign securities	4,384	2,301	(2,083)
Other	76	87	10
JPY-denominated average balance*	13,559	12,468	(1,090)
Foreign currency-denominated average balance*	3,282	3,433	150

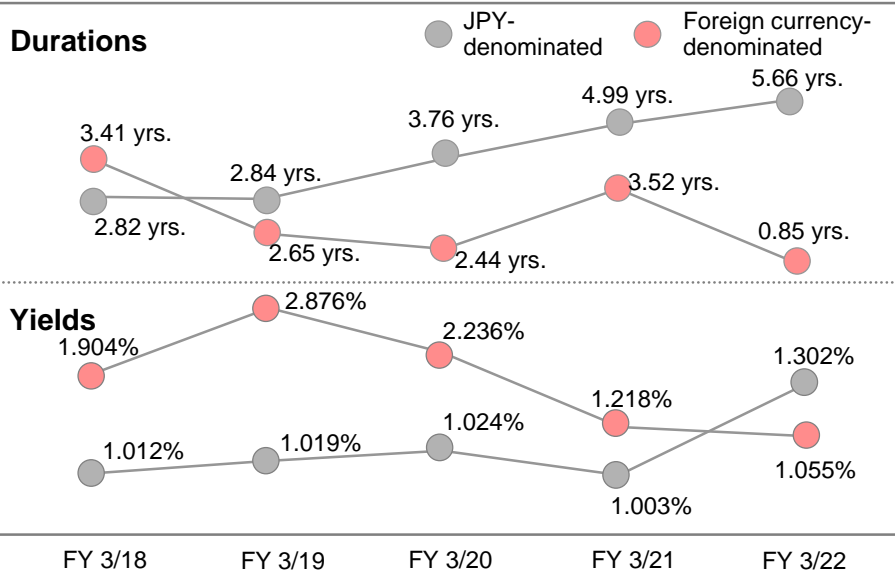
Securities balance

(100 million yen)

Government bonds Municipal bonds Corporate bonds Shares
Investment trusts Foreign securities Other



Durations and yields (*)

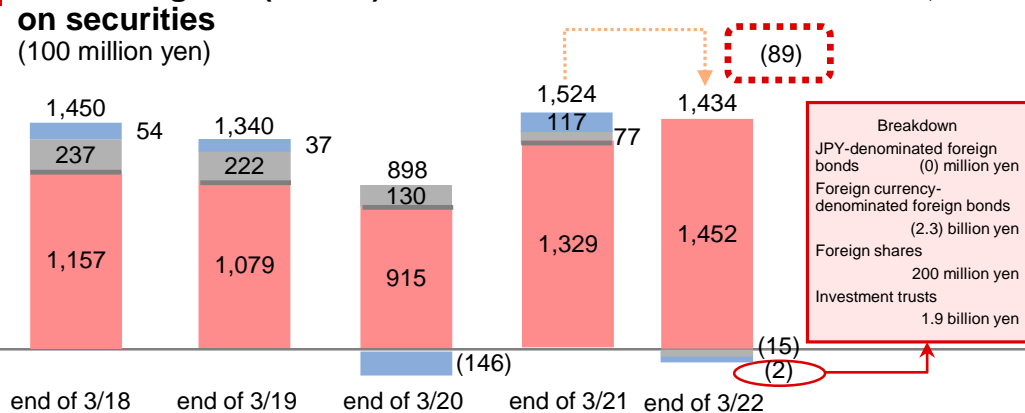


*Including beneficiary rights on trust

Valuation gains (losses) on securities

(100 million yen)

Shares Bonds Other (including foreign securities and investment trusts)



An increase in risk assets, resulting from increased loans, caused the equity ratio to decrease 0.27 percentage points year-on-year

(100 million yen)

	FY 3/20	FY 3/21	FY 3/22
Equity capital (For equity ratio calculation purposes)	2,338	2,412	2,470
Risk Assets	23,200	23,841	25,089
Equity Ratio	10.07%	10.11%	9.84%

(0.27)P

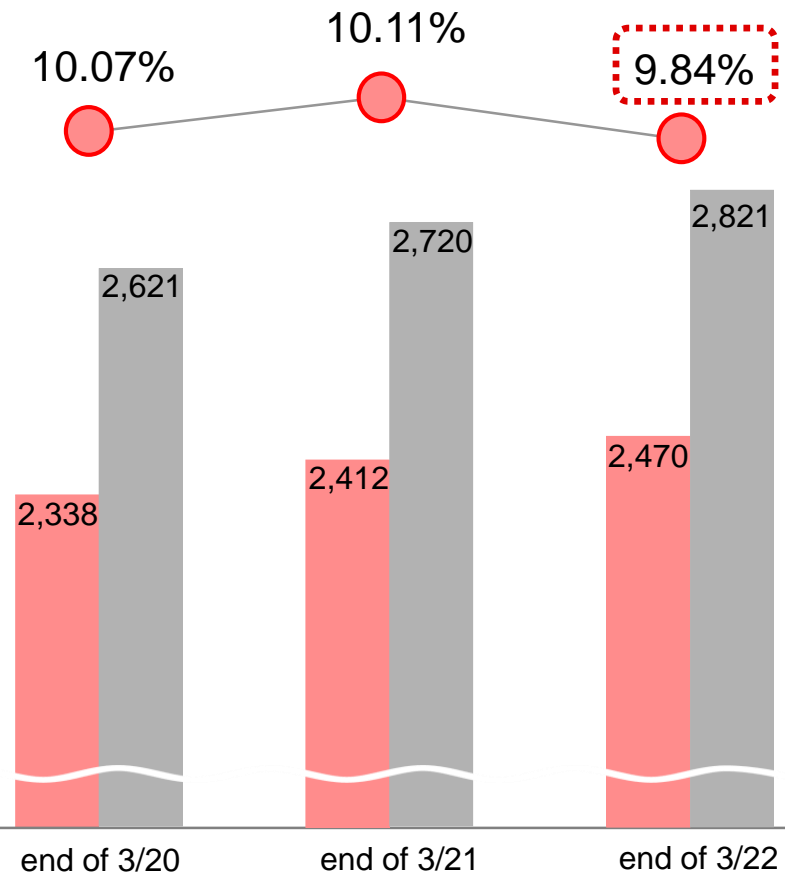
Shareholders' equity	2,621	2,720	2,821
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Method of computing value-at-credit-risk asset value:
Fundamental internal ratings based approach
Method of computing value-at-operational risk:
The Standardized Approach (TSA)

Equity capital, shareholders' equity, and equity ratio

(100 million yen)

Equity capital Shareholders' equity Equity Ratio
(JGAAP, Non-consolidated)



Full-year net income is forecast to increase due to expected improvement in gain and loss from government bonds and other bonds and decrease in expenses.

Forecast (non-consolidated)

(Million yen)

	FY 3/22	FY 3/23 (forecast)
Gross operating income	56,107	55,600
Interest income	52,593	45,800
Fees and commissions	11,970	11,100
Other operating income	(8,456)	(1,300)
Net operating income	16,181	15,700
Ordinary income	18,419	18,500
Net income	12,975	13,000
Credit costs	4,219	4,600
Consolidated net income attributable to shareholders of the parent (consolidated)	13,402	13,500

Although net interest income will decrease, income is expected to increase due to an improvement in gain and loss from government bonds and other bonds and a decrease in expenses.

Dividend forecast

Interim	Year-end	Full year
5.50 yen	5.50 yen	11.00 yen

Shareholder return policy

Continue to pay stable dividends

