

Outline of Financial Position

An increase in interest income and gain and loss from stocks and other securities, and a decrease in expenses caused interim net income to increase 10.9% year-on-year

	(Million yen)	FY 9/21	FY 9/22	YoY change
Gross operating income	(1)	30,441	27,832	(2,609)
Interest income		24,515	26,139	1,624
Fees and commissions		5,922	5,635	(286)
Other operating income		4	(3,943)	(3,947)
Of which, gain and loss from government bonds and other bonds	(2)	104	(2,997)	(3,101)
Provision of general allowance for loan losses	(3)	531	678	146
Expenses	(4)	20,102	19,444	(657)
Net operating income	(1) - (3) - (4)	9,807	7,709	(2,098)
Core net operating income	(1) - (2) - (4)	10,234	11,385	1,150
Core net operating income (excluding gain and loss from cancellation of investment trusts)		9,673	11,306	1,633
Non-recurring gain and loss		(82)	3,014	3,097
Of which, disposal of bad debts	(5)	1,749	1,938	189
Gain and loss from stocks and other securities		1,051	4,179	3,128
Ordinary income		9,724	10,723	998
Extraordinary gain and loss		(214)	(259)	(44)
Interim net income before income taxes		9,509	10,463	954
Interim net income		6,984	7,745	761
Credit costs	(3) + (5)	2,281	2,617	336

(100 million yen)

	FY 9/21	FY 9/22	Year-on-year
Interest and dividend on securities	87	87	0
Of which, gain and loss from cancellation of investment trusts	5	0	(4)
Gain and loss from government bonds and other bonds	1	(29)	(31)
Of which, gain on sale and redemption	9	7	(1)
Of which, loss on sale and redemption, and amortization	8	37	29
Gain and loss from stocks and other securities	10	41	31
Of which, gain on sale	15	46	30
Of which, loss on sale and amortization	5	4	(0)

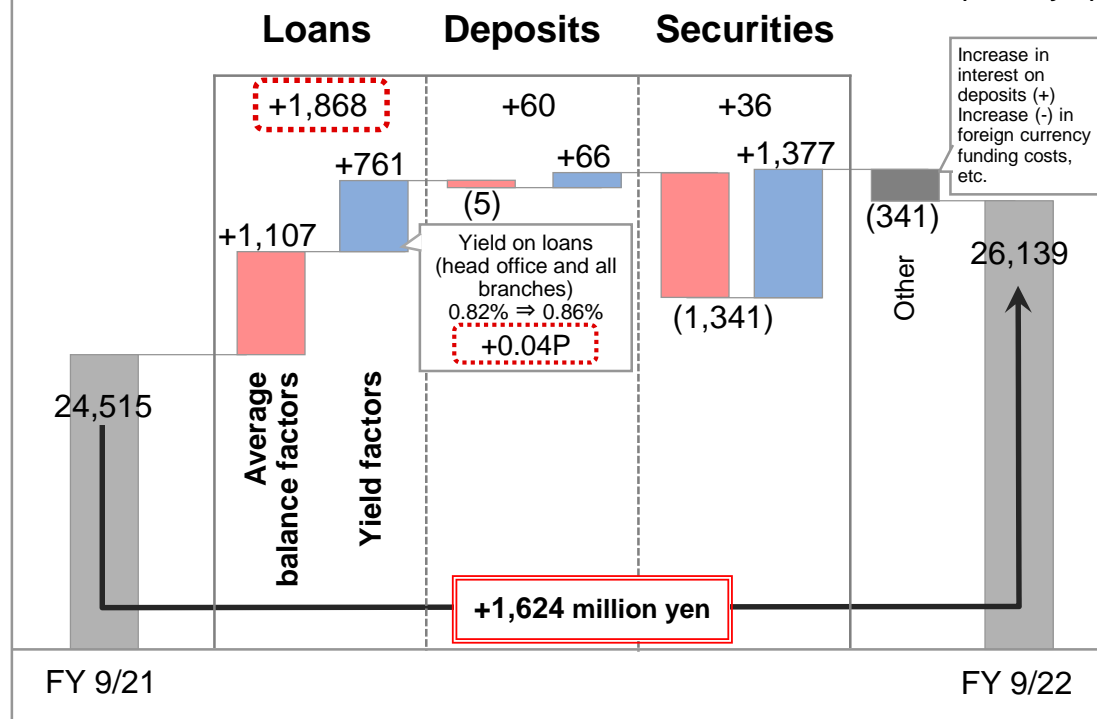
- Net interest income grew mainly due to an increase in loan interest. On the other hand, net operating income fell due to a decrease in other operating income, which was mainly caused by a drop in gain and loss from government bonds and other bonds.
- The drop in gain and loss from government bonds and other bonds was attributable to the sale of bonds that incurred valuation losses in order to ensure the soundness of the portfolio.
- Non-recurring gain and loss grew due to an increase in gain and loss from stocks and other securities, etc. Both ordinary income and interim net income rose year-on-year.
- Credit costs increased year-on-year, as the Bank carefully and conservatively made judgments on debtor classification this fiscal year in anticipation of the impact of the COVID-19 pandemic. For the full year, the Company expects 4.7 billion yen, the same level as the initial forecast.

An increase in loan and securities interest contributes to higher interest income of 6.6% year-on-year

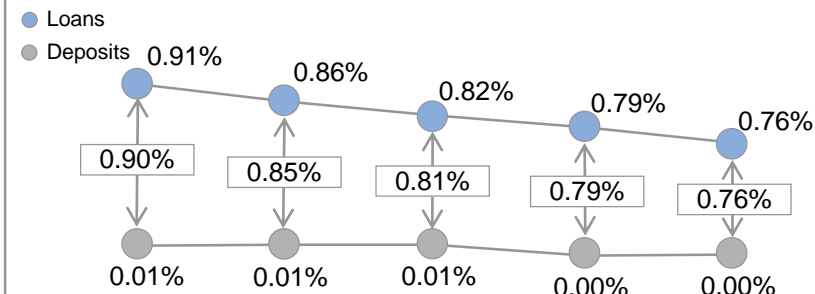
(Million yen)	FY 9/21	FY 9/22	YoY change
Interest income	24,515	26,139	1,624
Total interest income	25,743	28,237	2,494
Loan interest	16,651	18,520	1,868
Interest and dividends on securities	8,753	8,789	36
Other	339	928	588
Interest expenses	1,228	2,098	869
Interest on deposits	189	128	(60)
Other	1,039	1,969	930

Factors underlying changes in net interest income

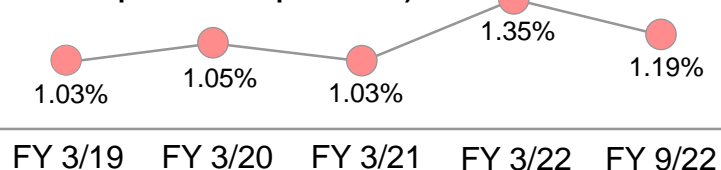
All branches (domestic and international operations)



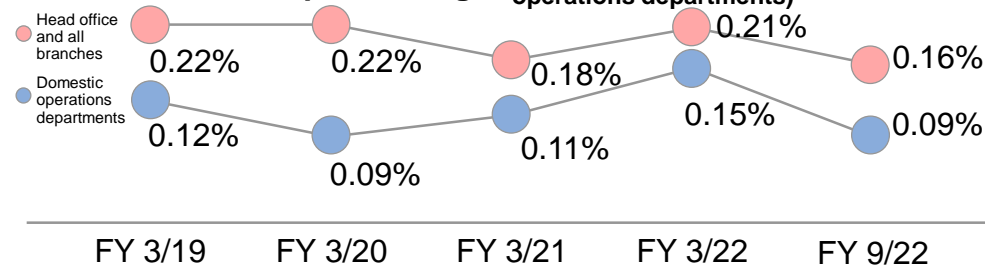
Deposit-loan yield margin (domestic operations)



Returns on securities investments (domestic operations departments)



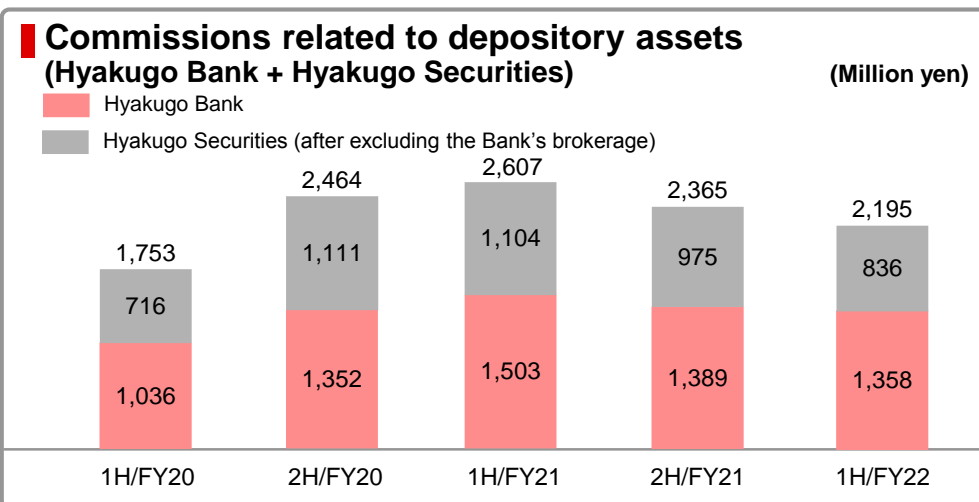
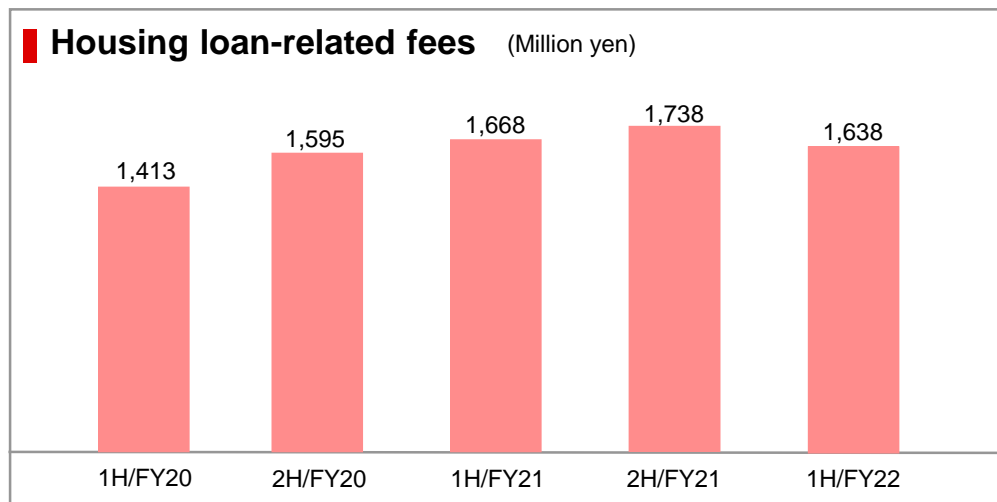
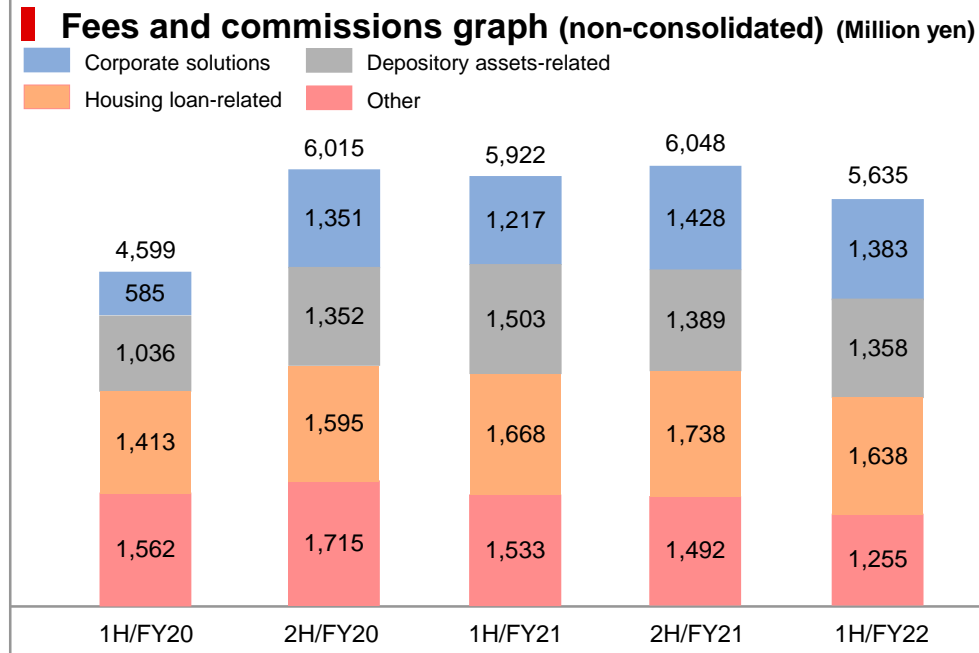
Historical overall profit margin (Head office and all branches (including domestic operations departments))



Fees and commissions fell 4.8% year-on-year due to a decrease in commissions related to depository assets, etc.

	(Million yen)		
	FY 9/21	FY 9/22	YoY change
Fees and commissions	5,922	5,635	(286)
Fees and commissions	8,526	8,335	(190)
Commissions related to depository assets B	1,503	1,358	(144)
Of which, investment trust commissions	786	482	(304)
Of which, insurance sales commissions*	437	612	174
Of which, financial instruments brokerage commissions	211	183	(27)
Of which, defined contribution pension commissions	68	71	3
Corporate solutions fees* A	1,217	1,383	165
Housing loan-related fees	1,668	1,638	(29)
Fees and commissions expenses (expenses)	2,603	2,699	95

* Some business insurance fees are included in corporate solutions fees, not in insurance sales commissions



Expenses fell 3.3% year-on-year due to decreases in personnel and non-personnel expenses, etc.

(Million yen)

	FY 9/21	FY 9/22	YoY change
Expenses	20,102	19,444	(657)
Personnel expenses	10,671	10,553	(118)
Non-personnel expenses	8,377	7,891	(485)
Taxes	1,053	999	(53)

Major factors underlying changes in expenses

- Personnel expenses

Fell 1.1%, mainly due to a decrease in retirement benefit expenses

- Non-personnel expenses

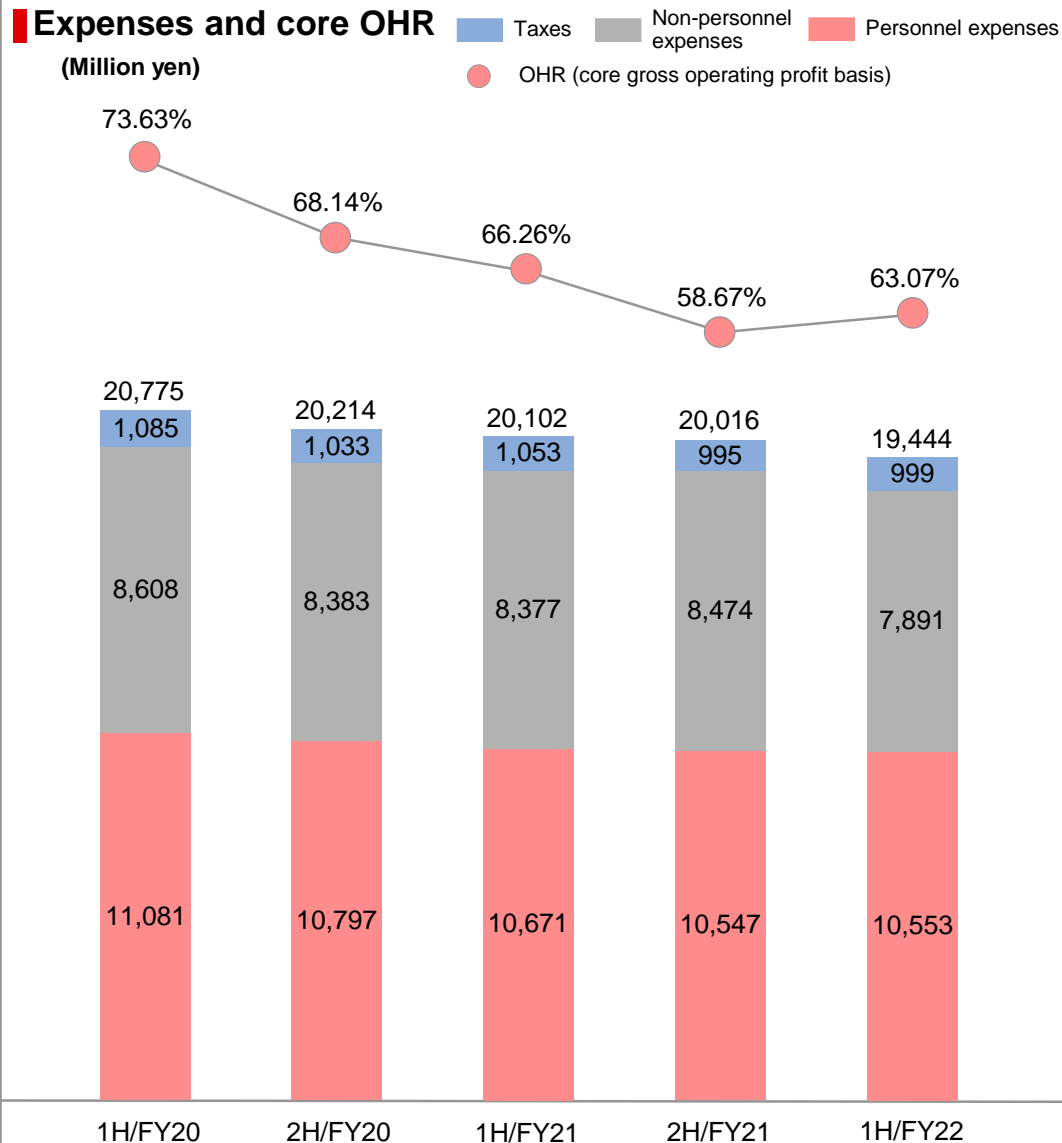
Fell 5.8% due to a decrease in deposit insurance premiums and cost reduction efforts

- Core OHR

Core OHR decreased 3.19 points compared with 1H of 2021.

Expenses and core OHR

(Million yen)



The Bank fulfilled the OHR requirements for FY2021 (second fiscal year). It is expected to do so again in the final fiscal year

(Million yen)

	FY2019 (base year)	FY2021 (actual)	FY2022 (1H)
Expenses	39,455	38,262	19,099
Gross operating income	58,103	64,360	32,136
OHR(%)	67.90	59.44	59.43
Changes in OHR from base year	-	(12.45)	(12.47)

* OHR is on a consolidated basis. Based on the calculation method prescribed by the Bank of Japan

(Target: -4%)

Key measures to achieve OHR requirements

[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
...And others

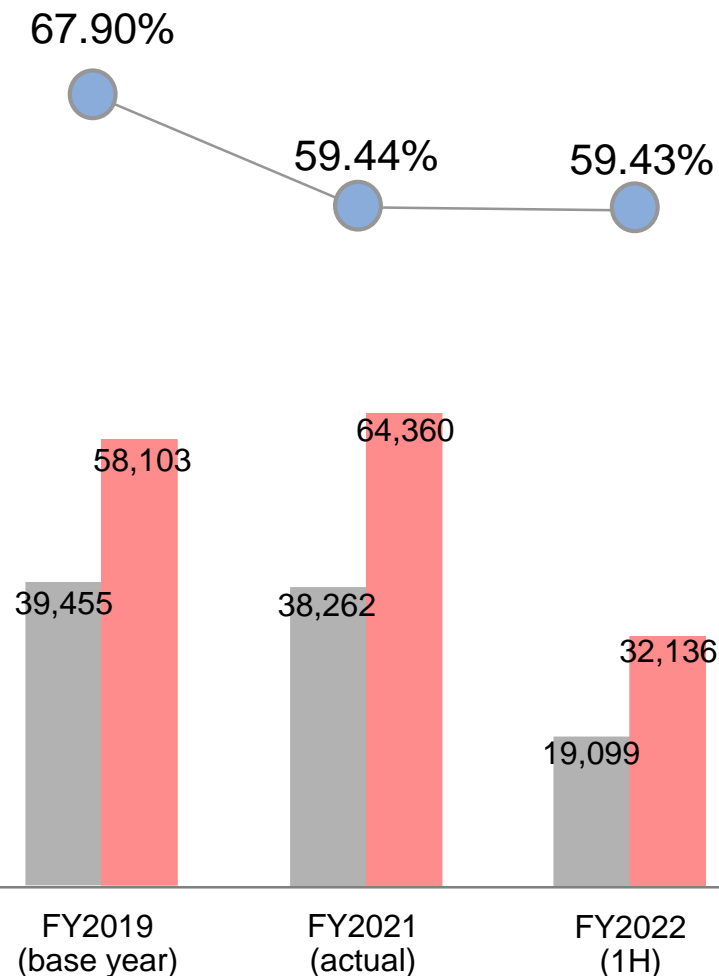
[Gross operating income]

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

Changes in expenses, gross operating income and OHR

(Million yen)

Expenses Gross operating income OHR

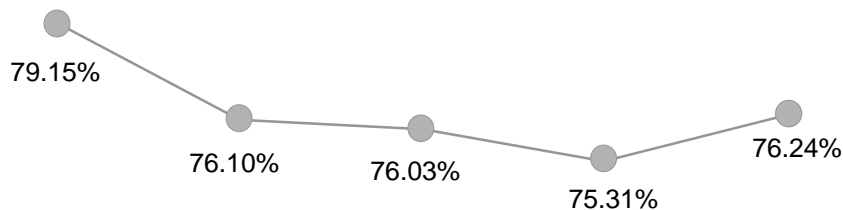


An increase in the provision of allowance for loan losses caused a year-on-year increase in credit costs

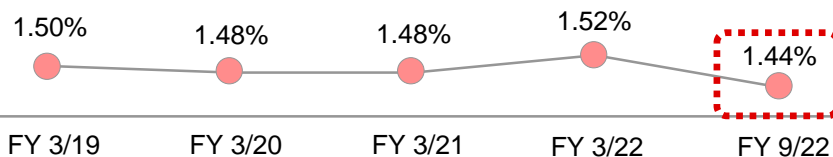
	(Million yen)		
	FY 9/21	FY 9/22	YoY change
Credit costs	2,281	2,617	336
Of which, provision of general allowance for loan losses	531	678	146
Of which, provision of specific allowance for loan losses	1,750	1,817	66
Of which, loss on sale of receivables and other securities	-	73	73
Credit cost ratio	0.11%	0.11%	-

	FY 3/22	FY 9/22	YoY change
Nonperforming loans	65,109	64,191	(918)

Nonperforming loans coverage ratio



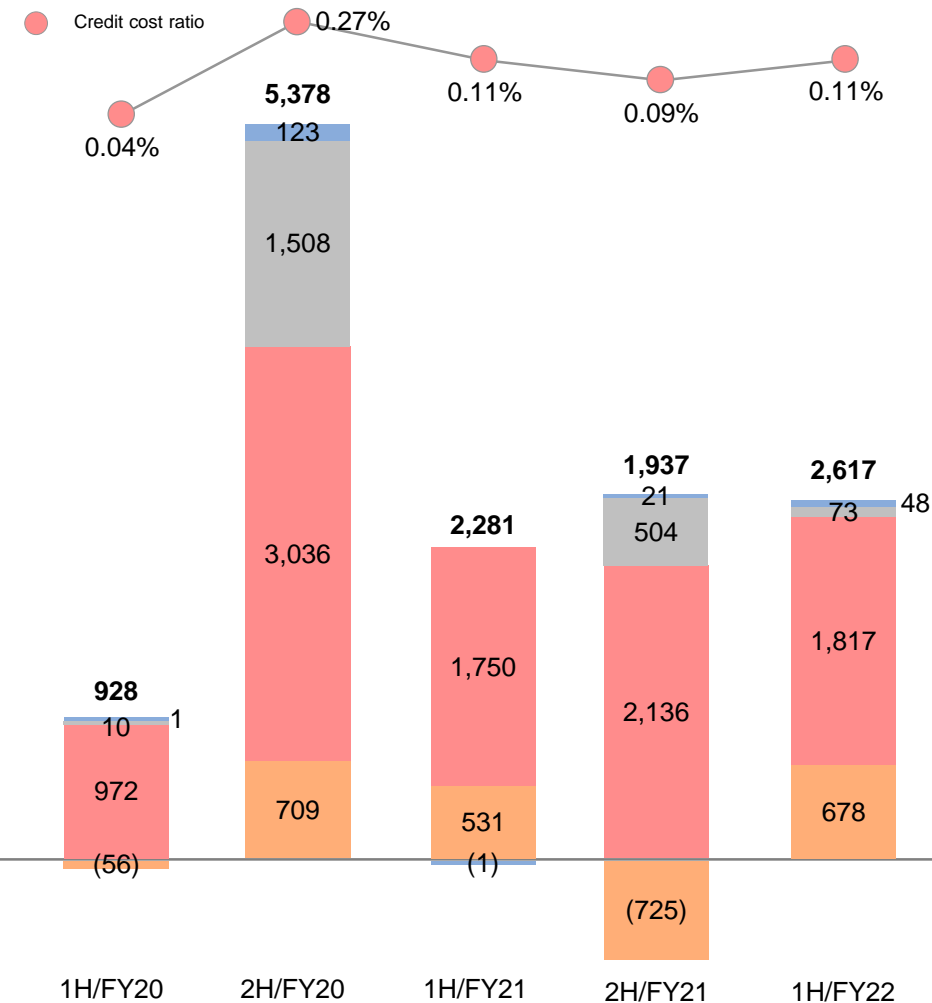
Nonperforming loans ratio



Credit costs (non-consolidated)

(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 remained strong, increasing total deposits 3.6% year-on-year

(100 million yen)

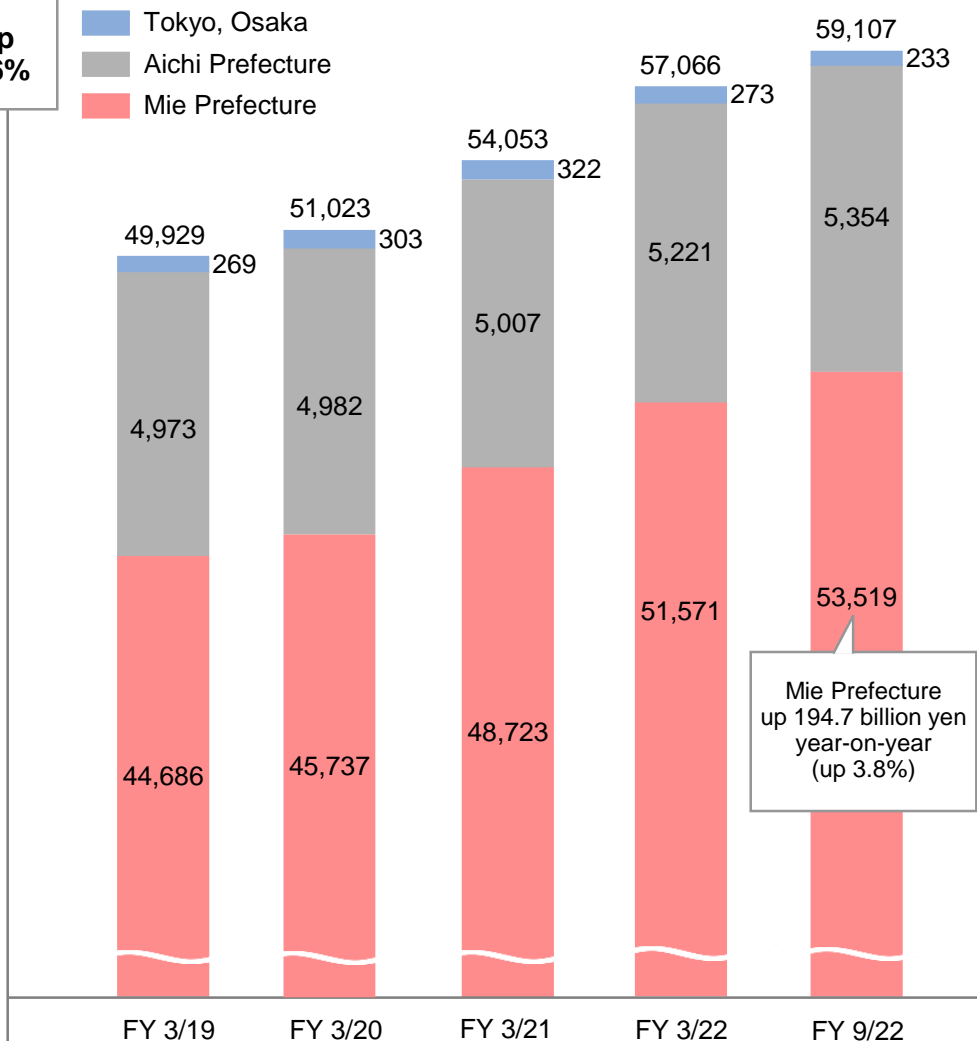
	FY 3/22	FY 9/22	YoY change
Total deposits (average balance)	57,066	59,107	2,041
Mie Prefecture	51,571	53,519	1,947
Aichi Prefecture	5,221	5,354	133
Tokyo, Osaka	273	233	(39)

up
3.6%

Total deposits (average balance)

(100 million yen)

■ Tokyo, Osaka
■ Aichi Prefecture
■ Mie Prefecture



Mie Prefecture
up 194.7 billion yen
year-on-year
(up 3.8%)

(100 million yen)

	FY 3/22	FY 9/22	YoY change
Individual deposits (average balance)	41,729	42,756	1,026
Mie Prefecture	38,470	39,377	906
Aichi Prefecture	3,229	3,348	119
Tokyo, Osaka	29	30	1

(100 million yen)

	FY 3/22	FY 9/22	YoY change
Corporate deposits (average balance)	12,339	12,493	154
Mie Prefecture	10,139	10,322	183
Aichi Prefecture	1,960	1,971	11
Tokyo, Osaka	240	199	(41)

Individual loans such as housing loans and loans to SMEs grew, resulting in a 4.7% increase year-on-year in total loans

(100 million yen)

	FY 3/22	FY 9/22	YoY change
Total loans (average balance)	40,999	42,910	1,910
Mie Prefecture	18,568	18,994	425
Aichi Prefecture	14,820	16,163	1,342
Tokyo, Osaka	7,610	7,753	142

up 4.7%

up 9.1%

(100 million yen)

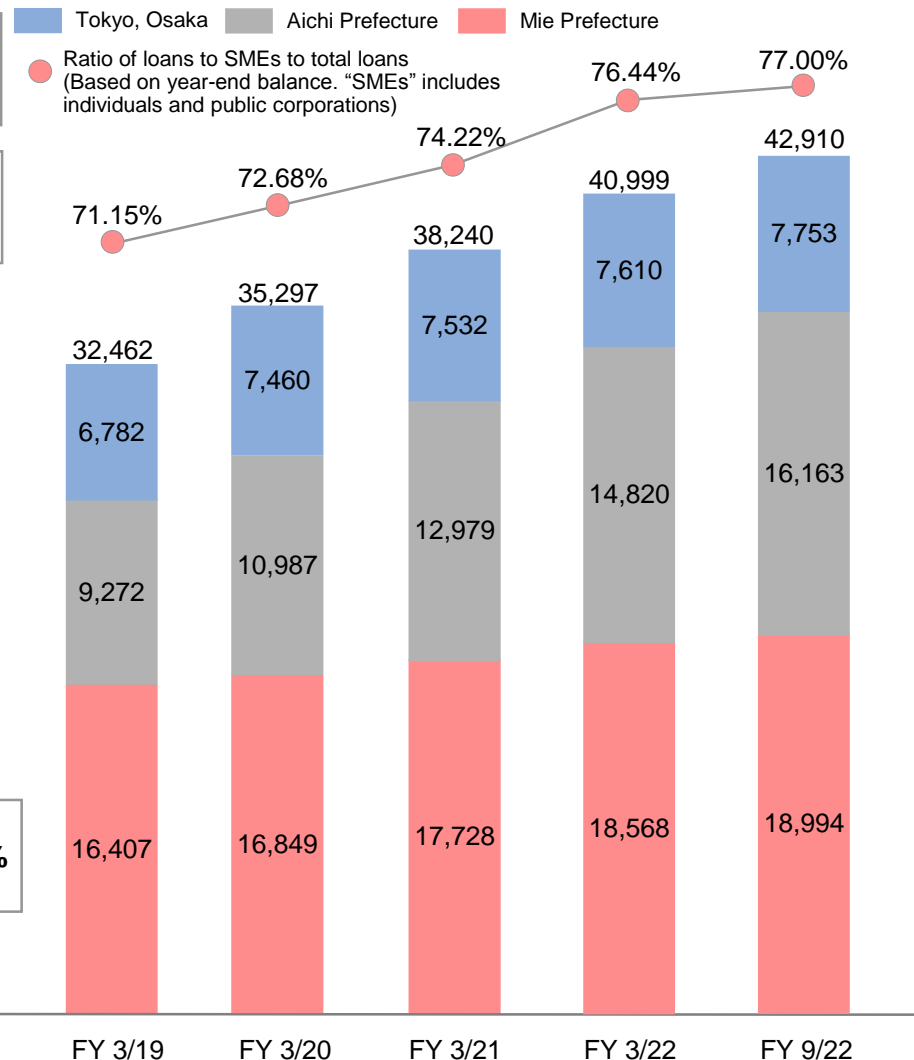
	FY 3/22	FY 9/22	YoY change
Loans to SMEs (average balance)	13,834	14,276	441
Mie Prefecture	8,271	8,457	185
Aichi Prefecture	3,749	3,920	170
Tokyo, Osaka	1,812	1,898	85

(100 million yen)

	FY 3/22	FY 9/22	YoY change
Housing loans (average balance)	16,273	17,888	1,615
Mie Prefecture	6,948	7,274	325
Aichi Prefecture	8,938	10,143	1,204
Osaka	385	471	85

up 9.9%

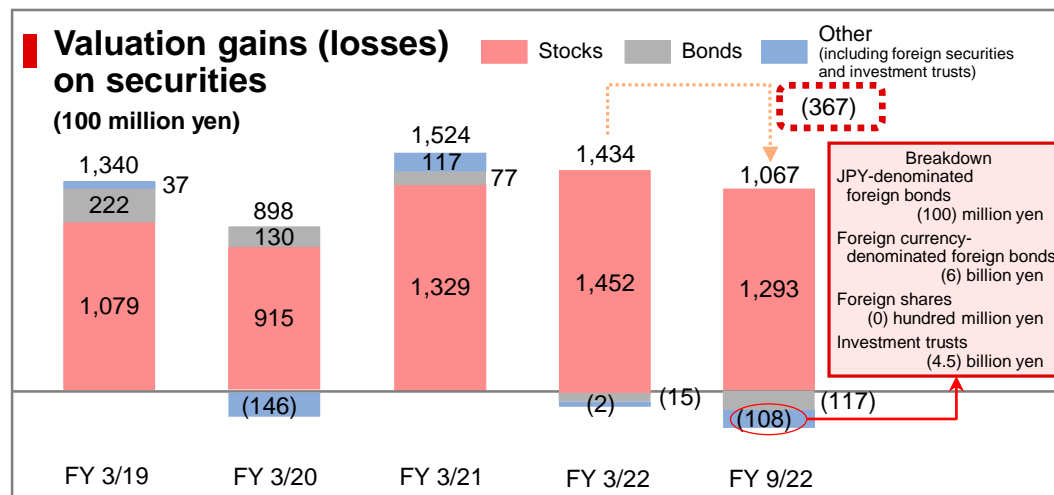
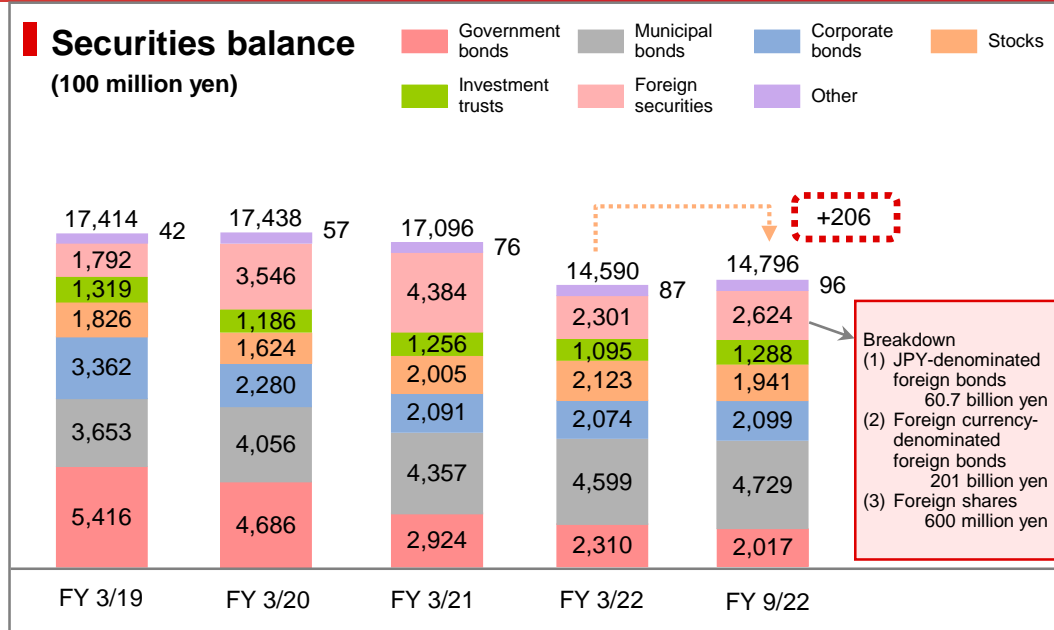
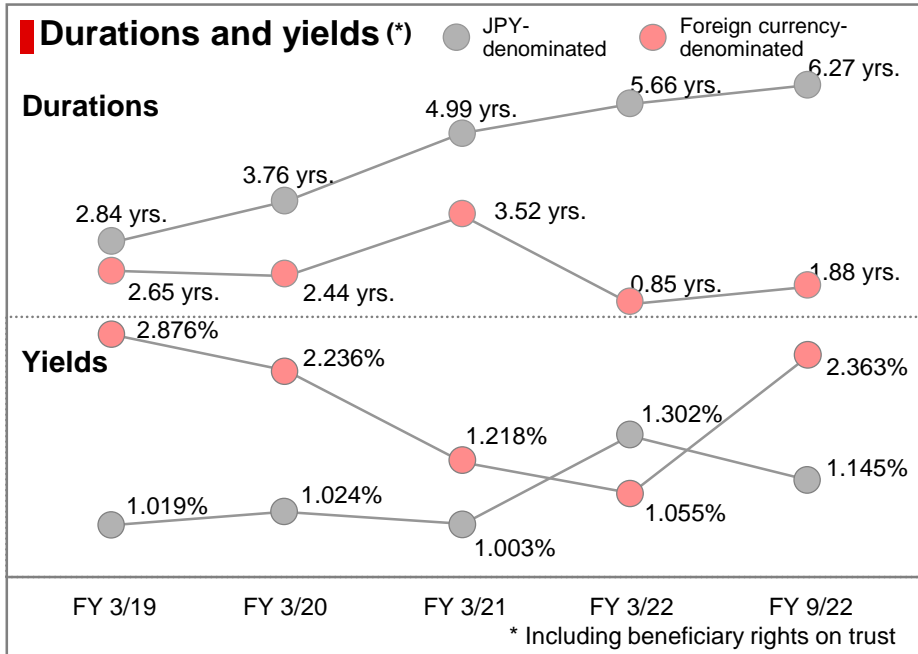
Total loans (average balance)



Valuation gains on securities decreased almost entirely, including stocks and bonds

(100 million yen)	FY 3/22	FY 9/22	YoY change
Securities balance	14,590	14,796	206
Government bonds	2,310	2,017	(292)
Municipal bonds	4,599	4,729	130
Corporate bonds	2,074	2,099	24
Stocks	2,123	1,941	(182)
Investment trusts	1,095	1,288	192
Foreign securities	2,301	2,624	323
Other	87	96	9

JPY-denominated average balance*	12,468	11,907	(561)
Foreign currency-denominated average balance*	3,433	1,656	(1,776)



An increase in risk assets, resulting from increased loans, caused the equity ratio to decrease 0.18 percentage points year-on-year

(100 million yen)

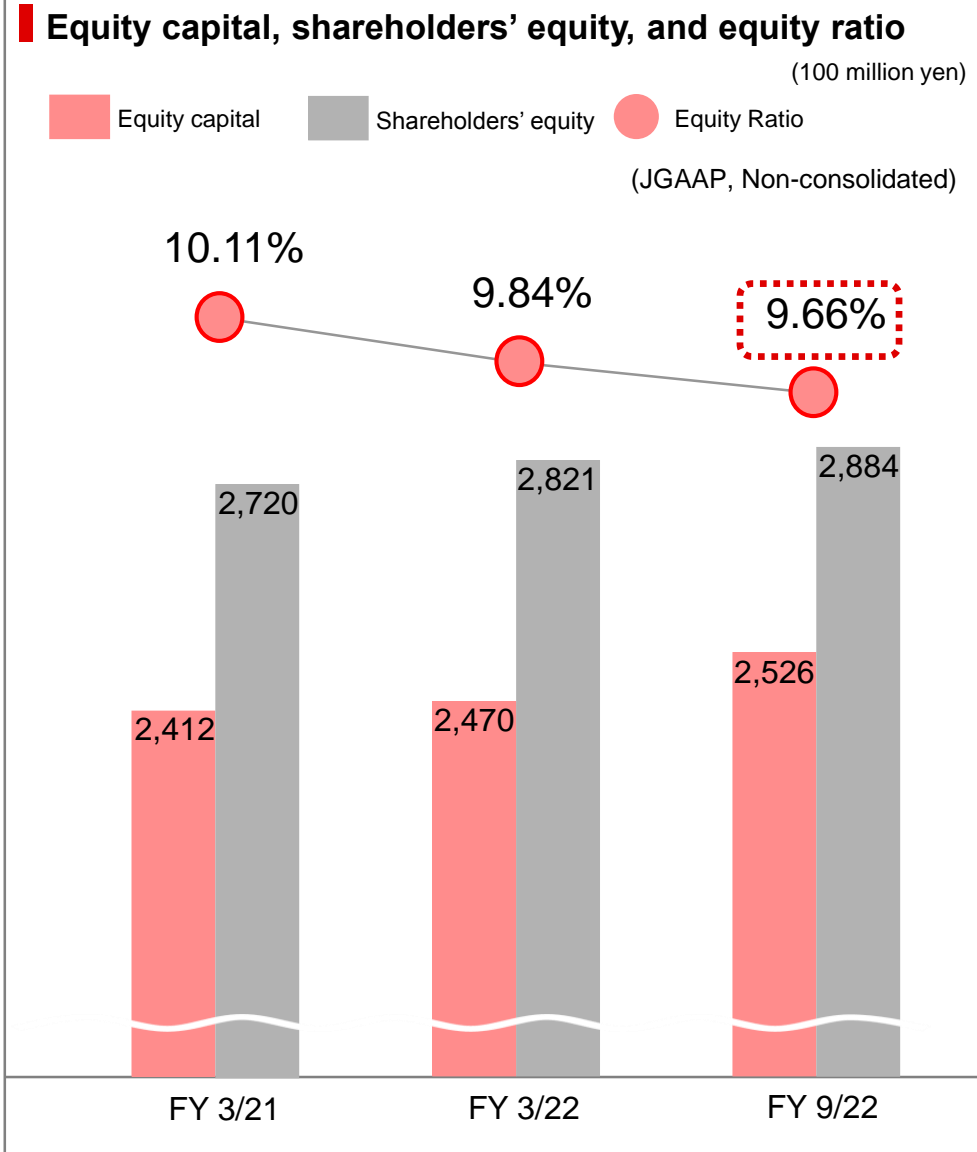
	FY 3/21	FY 3/22	FY 9/22
Equity capital (For equity ratio calculation purposes)	2,412	2,470	2,526
Risk Assets	23,841	25,089	26,137
Equity Ratio	10.11%	9.84%	9.66%

(0.18)P

Shareholders' equity	2,720	2,821	2,884
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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: Standardized approach (TSA)



The full-year forecast for FY2022 remains unchanged from the initial forecast. Increased dividends to enhance the shareholder return

Forecast (non-consolidated)

(Million yen)

	FY 3/23 (Initial announcement)	FY 3/23 (Post-revision)
Gross operating income	55,600	55,500
Interest income	45,800	50,400
Fees and commissions	11,100	11,200
Other operating income	(1,300)	(6,100)
Net operating income	15,700	15,700
Ordinary income	18,500	18,500
Net income	13,000	13,000
Credit costs	4,600	4,700
Consolidated net income attributable to shareholders of the parent (consolidated)	13,500	13,500

Compared with the initial announcement, other ordinary income is expected to decrease, but net interest income is expected to grow and expenses are expected to drop. As a result, ordinary income and net income are expected to remain unchanged from the initial announcement. Credit costs for the full year are expected to remain at the initially announced level of 4.7 billion yen.

Dividend forecast

Interim	Year-end	Full year
6.0 yen	6.0 yen	12.0 yen
(Up 0.5 yen from the initial announcement)	(Up 0.5 yen from the initial announcement)	(Up 1.0 yen from the initial announcement)

Dividend payout ratio
Non-consolidated 23.4%
Consolidated 22.5%

Dividends

