

Outline of Financial Position

Net income increased 9.8% year-on-year, mainly due to a decrease in expenses

	(Million yen)	FY 3/22	FY 3/23	Year-on-year
Gross operating income	(1)	56,107	55,748	(358)
Interest income		52,593	53,959	1,365
Fees and commissions		11,970	11,666	(303)
Other operating income		(8,456)	(9,877)	(1,420)
Of which, gain and loss from government bonds and other bonds	(2)	(8,343)	(5,003)	3,340
Provision of general allowance for loan losses	(3)	(193)	555	749
Expenses	(4)	40,119	38,752	(1,366)
Net operating income A	(1)-(3)-(4)	16,181	16,440	259
Core net operating income	(1)-(2)-(4)	24,331	21,999	(2,332)
Core net operating income (excluding gain and loss from cancellation of investment trusts) B		20,117	21,755	1,638
Non-recurring gain and loss		2,238	3,522	1,283
Of which, disposal of bad debts	(5)	4,412	3,535	(877)
Gain and loss from stocks and other securities		5,439	5,544	104
Ordinary income		18,419	19,962	1,542
Extraordinary gain and loss		(511)	(326)	184
Net income before income taxes		17,908	19,636	1,727
Net income		12,975	14,242	1,267
Credit costs	(3)+(5)	4,219	4,091	(127)

(100 million yen)

	FY 3/22	FY 3/23	Year-on-year
Interest and dividend on securities	198	189	(8)
Of which, gain and loss from cancellation of investment trusts	42	2	(39)
Gain and loss from government bonds and other bonds	(83)	(50)	33
Of which, gain on sale and redemption	29	10	(19)
Of which, loss on sale and redemption, and amortization	113	60	(52)
Gain and loss from stocks and other securities	54	55	1
Of which, gain on sale	64	62	(1)
Of which, loss on sale and amortization	9	7	(2)

- While other operating income decreased due to an increase in foreign currency funding costs, net operating income increased due to an increase in loan interest and a decrease in expenses.
- In order to maintain a healthy portfolio, the Bank sold bonds that incurred valuation losses, continuing from the previous period, resulting in a loss of 5.0 billion yen on gains and loss from government bonds and other bonds, but this was offset by gains from stocks and other securities.
- Non-recurring gain and loss increased due to a decrease in disposal of non-performing loans. Net income increased year-on-year and reached a record high.
- 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 the COVID-19 pandemic. The costs were 4.0 billion yen, 0.6 billion yen less than the full-year forecast of 4.7 billion yen.

The Bank posted record profits due to growth in interest income, and fees and commissions, and a decrease in expenses.

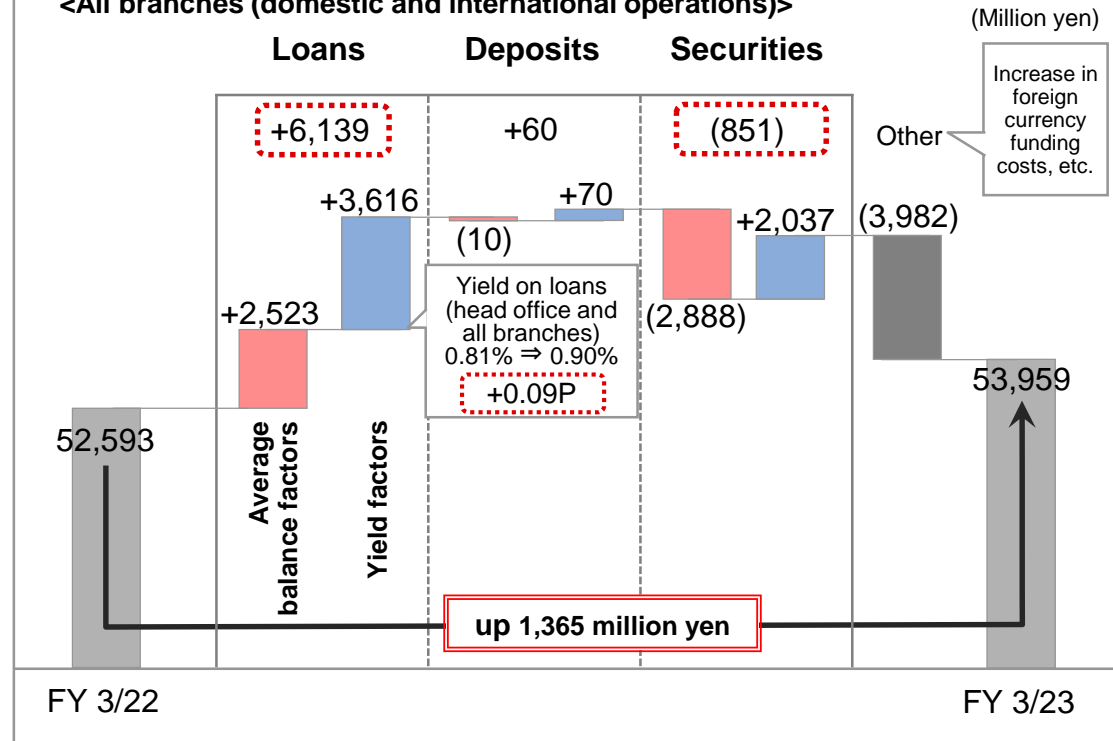
	(Million yen)	FY 3/16	FY 3/23	Comparison with FY 3/16
Gross operating income	(1)	56,452	55,748	(703)
Interest income		47,418	53,959	6,541
Fees and commissions		7,521	11,666	4,145
Other operating income		1,512	(9,877)	(11,389)
Of which, gain and loss from government bonds and other bonds	(2)	2,132	(5,003)	(7,136)
Provision of general allowance for loan losses	(3)	219	555	336
Expenses	(4)	42,447	38,752	(3,695)
Net operating income	(1)-(3)-(4)	13,785	16,440	2,655
Core net operating income	(1)-(2)-(4)	11,871	21,999	10,127
Core net operating income (excluding gain and loss from cancellation of investment trusts)		11,586	21,755	10,169
Non-recurring gain and loss		3,172	3,522	350
Of which, disposal of bad debts	(5)	1,107	3,535	2,427
Gain and loss from stocks and other securities		2,214	5,544	3,330
Ordinary income		16,954	19,962	3,008
Extraordinary gain and loss		2,344	(326)	(2,671)
Net income before income taxes		19,299	19,636	336
Net income		13,172	14,242	1,070
Credit costs	(3) + (5)	1,327	4,091	2,764

- Compared with FY2015, which was previously the highest profit, the decrease in gain and loss from government bonds and other bonds and the increase in credit costs were negative factors in net income. On the other hand, the increase in interest income and fees and commissions and the decrease in expenses, mainly personnel expenses, were positive factors to exceed the figures at the time.
- The Bank's strategy to enhance loan income and fees and commissions, as well as its efficiency improvement measures, including the consolidation and closing of branches, are bearing fruit, and the Bank is transforming into a solid structure that enables it to post sustainable profits.
- As a result, the Bank earned even more than in FY2015, when it recorded an extraordinary gain of 3.6 billion yen.

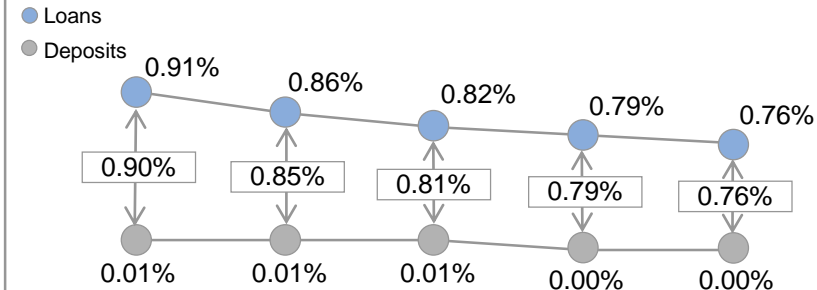
An increase in loan interest contributes to higher interest income of 2.6% year-on-year

(Million yen)	FY 3/22	FY 3/23	Year-on-year
Interest income	52,593	53,959	1,365
Total interest income	54,956	60,322	5,366
Loan interest	33,510	39,650	6,139
Interest and dividends on securities	19,831	18,979	(851)
Other	1,613	1,693	79
Interest expenses	2,363	6,363	4,000
Interest on deposits	338	278	(60)
Other	2,024	6,085	4,060

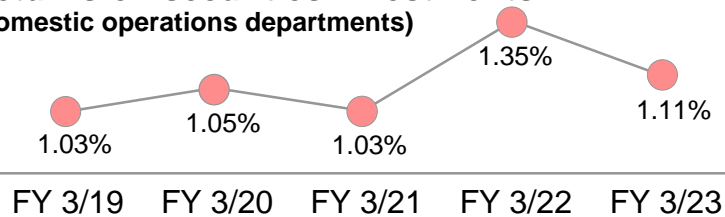
Factors underlying changes in net interest income <All branches (domestic and international operations)>



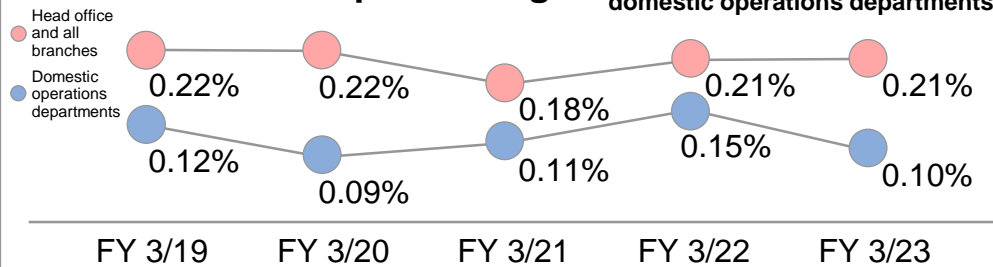
Deposit-loan yield margin (domestic operations)



Returns on securities investments (domestic operations departments)



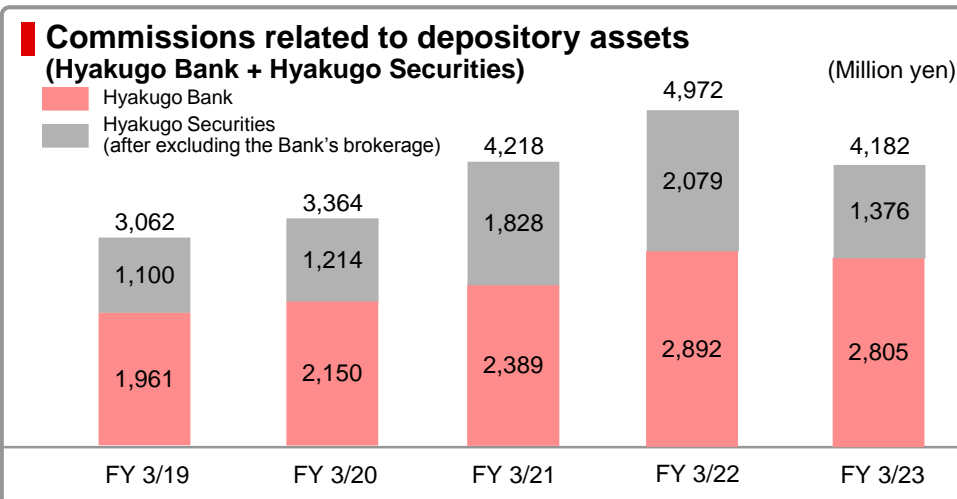
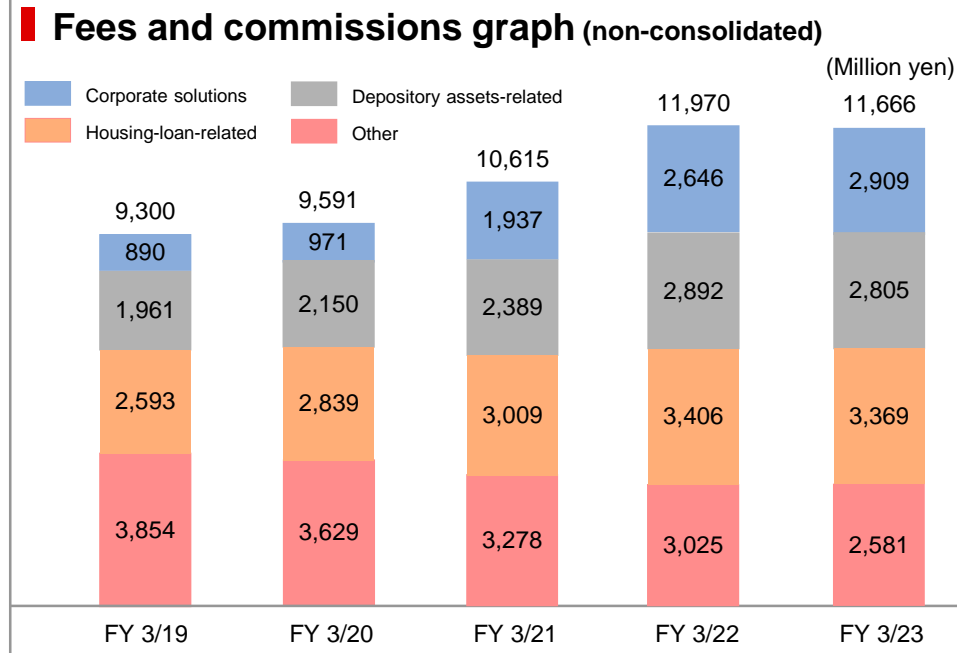
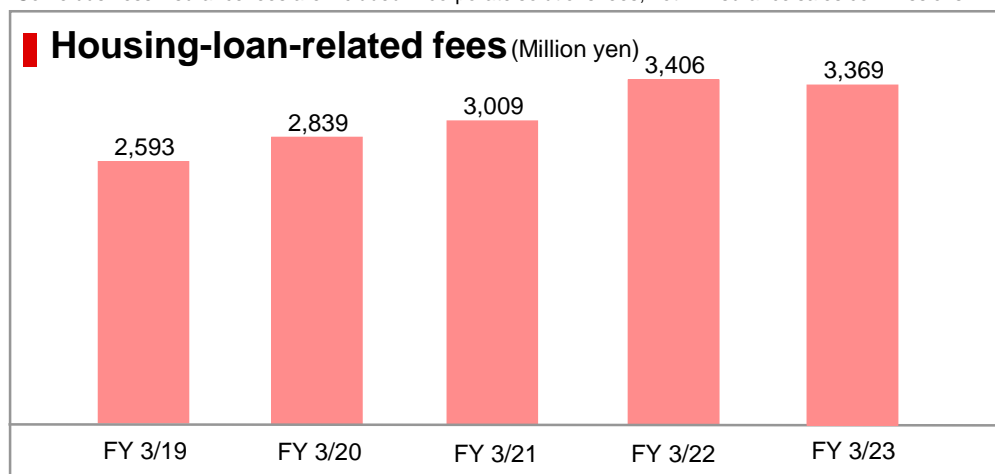
Historical overall profit margin <Head office and all branches (including domestic operations departments)>



Fees and commissions fell 2.5% year-on-year due to a decrease in commissions related to investment trusts, etc.

	(Million yen)		
	FY 3/22	FY 3/23	Year-on-year
Fees and commissions	11,970	11,666	(303)
Fees and commissions	17,080	17,033	(47)
Commissions related to depository assets B	2,892	2,805	(86)
Of which, investment trust commissions	1,496	960	(535)
Of which, insurance sales commissions*	866	1,402	535
Of which, financial instruments brokerage commissions	404	296	(108)
Of which, defined contribution pension commissions	124	136	11
Corporate solutions fees* A	2,646	2,909	263
Housing-loan-related fees	3,406	3,369	(36)
Fees and commissions expenses (expenses)	5,109	5,366	256
Of which, housing loan payment guarantee premiums and insurance premiums (expenses)	3,848	4,264	415

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



Expenses decreased 3.4% year-on-year due to decreases in personnel and non-personnel expenses

(Million yen)

	FY 3/22	FY 3/23	Year-on-year
Expenses	40,119	38,752	(1,366)
Personnel expenses	21,219	21,002	(216)
Non-personnel expenses	16,851	15,743	(1,108)
Taxes	2,048	2,006	(41)

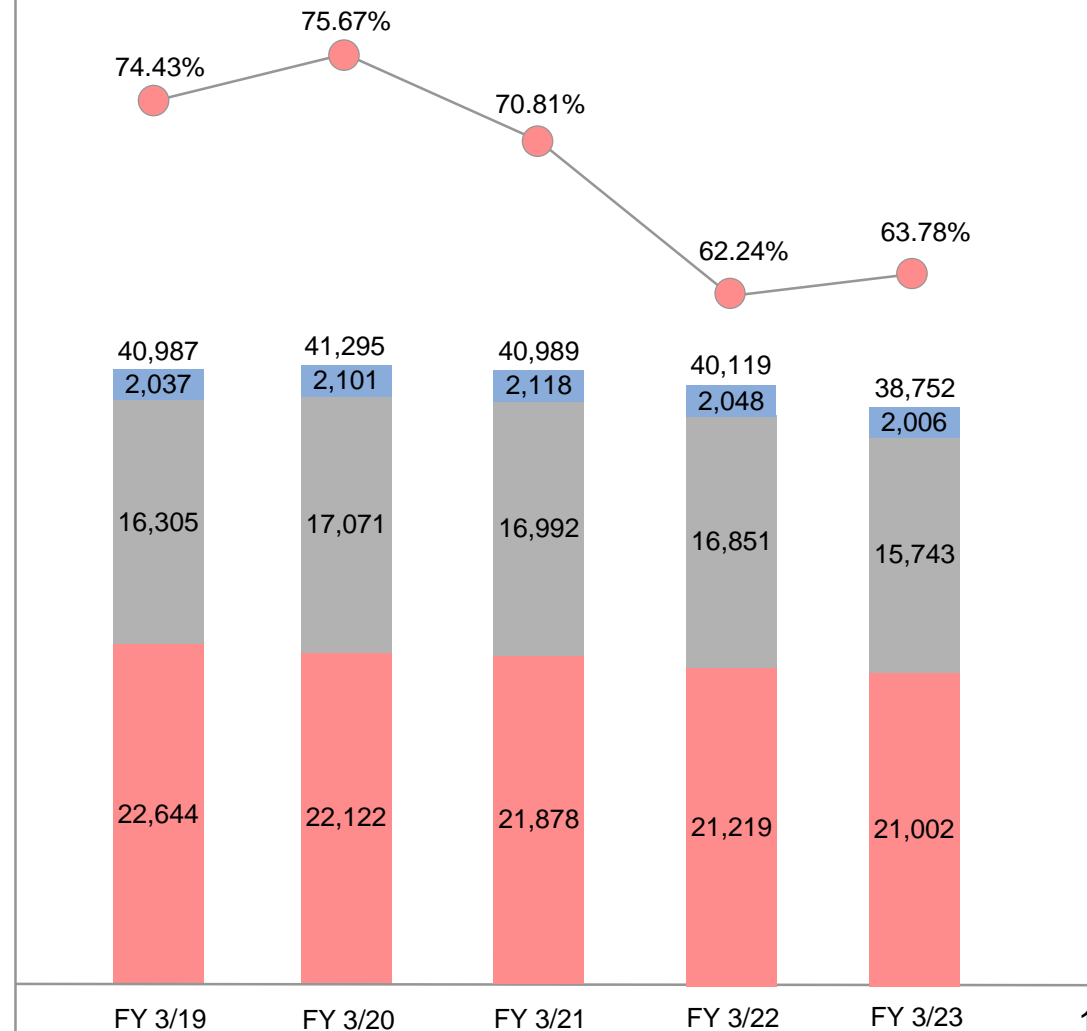
Major factors underlying changes in expenses

- **Personnel expenses**
Fell 1.0%, mainly due to a decrease in retirement benefit expenses.
- **Non-personnel expenses**
Fell 6.6% due to a decrease in deposit insurance premiums and cost reduction efforts.
- **Core OHR**
Increased 1.54 percentage points due to a decrease in core gross operating income.

Expenses and core OHR

(Million yen)

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



The bank continued to fulfill the OHR requirements in FY2022, the final year of the system.

	(Million yen)		
	FY2019 (base)	FY2021 (actual)	FY2022 (actual)
Expenses	39,455	38,262	38,230
Gross operating income	58,103	64,360	64,124
OHR(%)	67.90	59.44	59.61
Changes in OHR from base year	-	(12.45)	(12.20)

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

[Expenses]

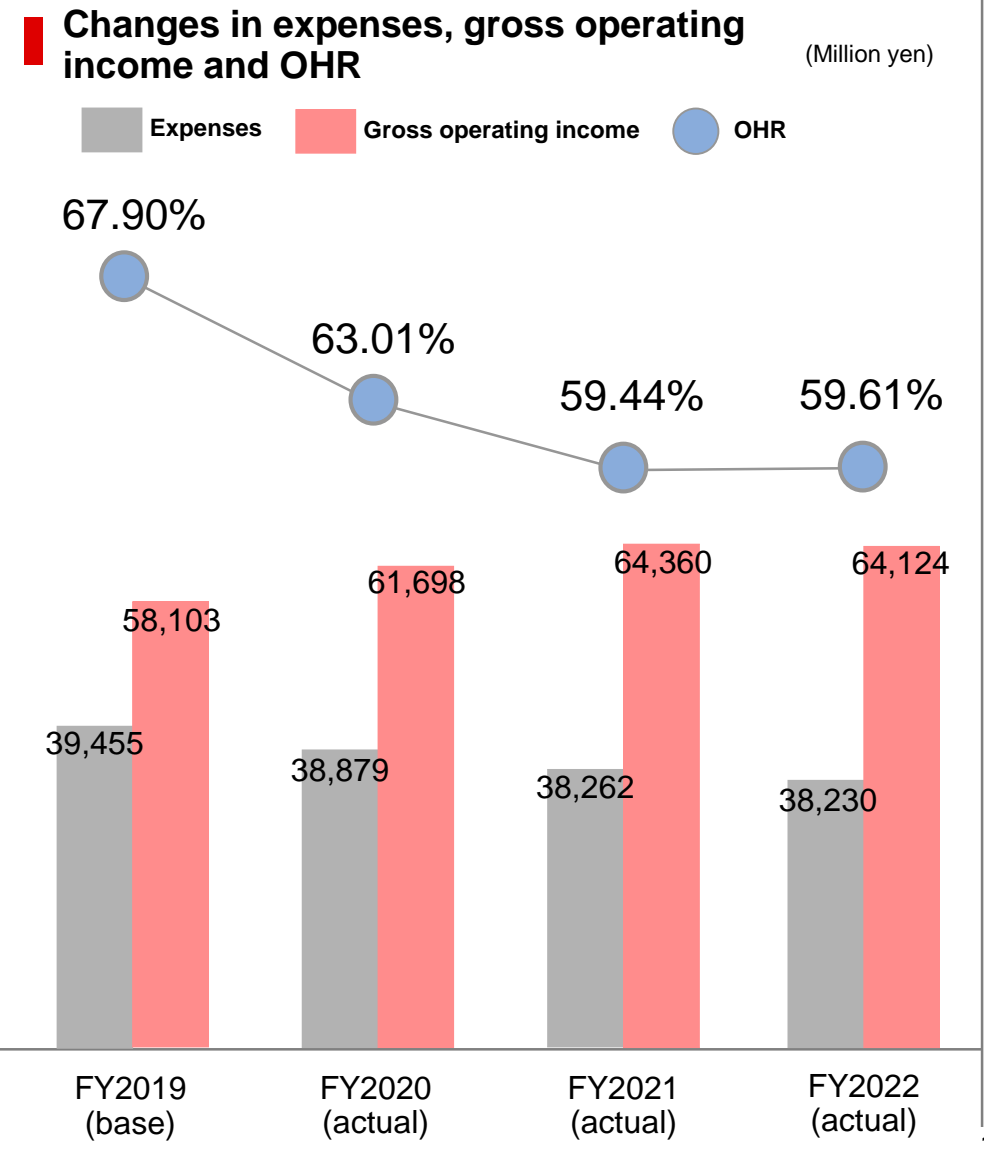
- Personnel expenses decreased due to a decrease in headcount and lower retirement benefit costs.
- Non-personnel expenses decreased due to efficiency improvements such as branch consolidation and various cost reductions.

...And others

[Gross operating income]

- Loan interest increased as the Bank focused on housing loans and loans to small and medium-sized companies in the region.
- Fees and commissions, mainly consulting income, increased.

...And others



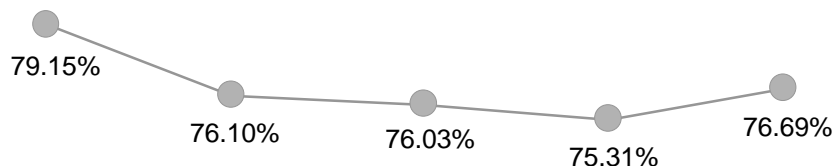
Decrease in the provision of specific allowance for loan losses and loss on sale of receivables and other securities caused a year-on-year decrease in credit costs

(Million yen)

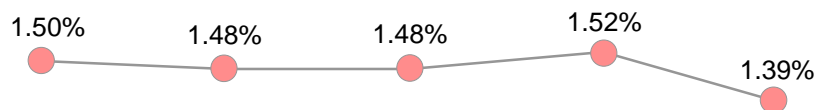
	FY 3/22	FY 3/23	Year-on-year
Credit costs	4,219	4,091	(127)
Of which, provision of general allowance for loan losses	(193)	555	749
Of which, provision of specific allowance for loan losses	3,886	3,134	(752)
Of which, loss on sale of receivables and other securities	504	173	(331)
Credit cost ratio	0.09%	0.08%	(0.01)P

	end of 3/22	end of 3/23	Year-on-year
Nonperforming loans	65,109	64,668	(440)

Nonperforming loans coverage ratio

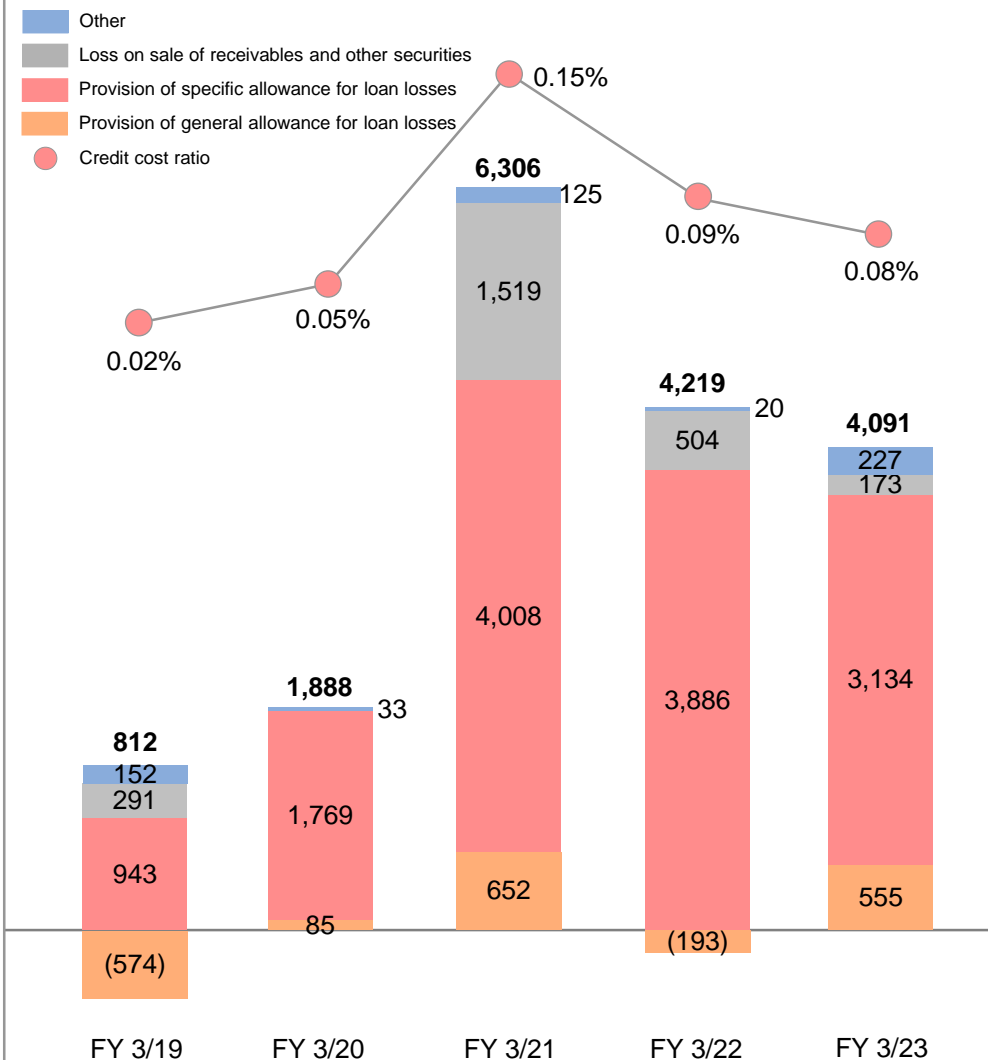


Nonperforming loans ratio



Credit costs (non-consolidated)

(Million yen)



Individual deposits and corporate deposits both remained strong, with total deposits up 3.7% year-on-year

(100 million yen)

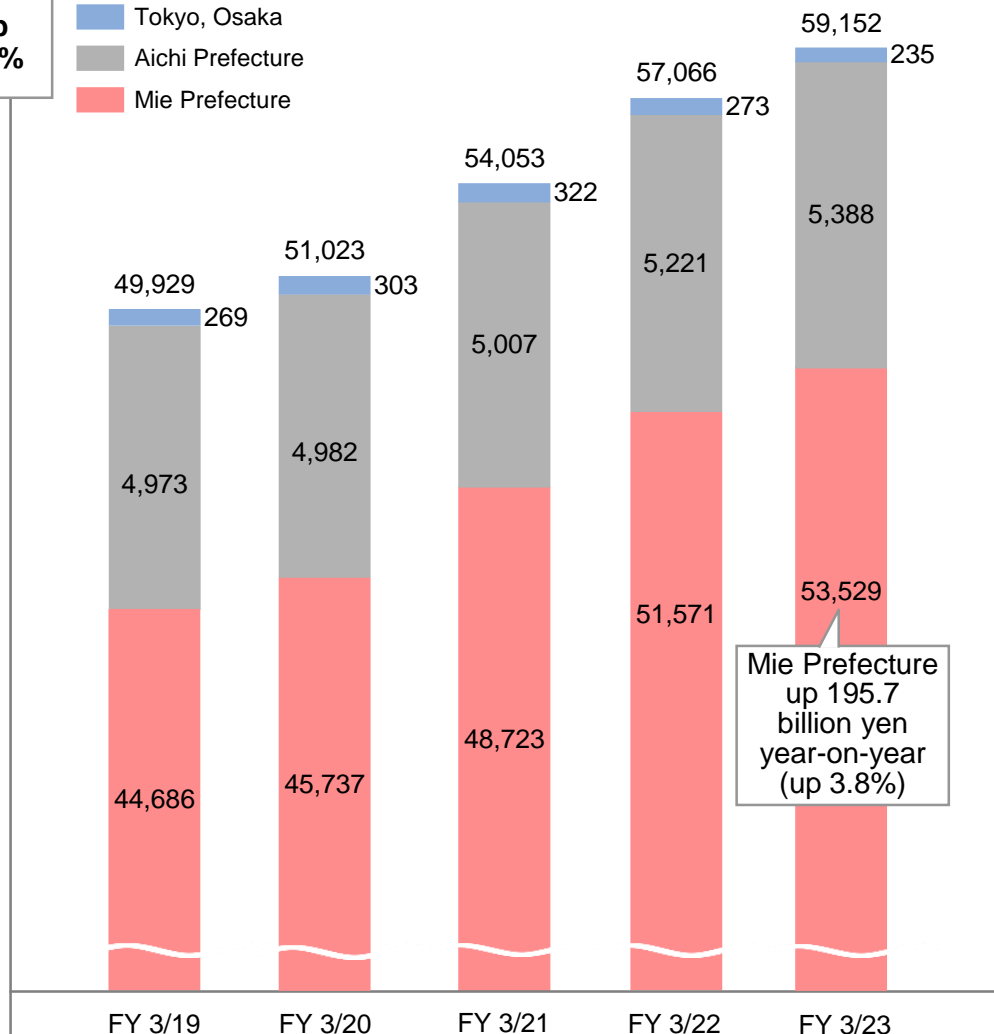
	FY 3/22	FY 3/23	YoY change
Total deposits (average balance)	57,066	59,152	2,086
Mie Prefecture	51,571	53,529	1,957
Aichi Prefecture	5,221	5,388	166
Tokyo, Osaka	273	235	(38)

up
3.7%

Total deposits (average balance)

(100 million yen)

- Tokyo, Osaka
- Aichi Prefecture
- Mie Prefecture



(100 million yen)

	FY 3/22	FY 3/23	YoY change
Individual deposits (average balance)	41,729	42,952	1,222
Mie Prefecture	38,470	39,520	1,049
Aichi Prefecture	3,229	3,401	171
Tokyo, Osaka	29	31	1

(100 million yen)

	FY 3/22	FY 3/23	YoY change
Corporate deposits (average balance)	12,339	12,443	103
Mie Prefecture	10,139	10,285	146
Aichi Prefecture	1,960	1,957	(2)
Tokyo, Osaka	240	199	(40)

Mie Prefecture
up 195.7
billion yen
year-on-year
(up 3.8%)

Loans increased 6.8% year-on-year, mainly due to an increase in loans to individuals, such as housing loans, and loans to small and medium-sized businesses.

(100 million yen)

	FY 3/22	FY 3/23	YoY change
Total loans (average balance)	40,999	43,785	2,786
Mie Prefecture	18,568	19,189	620
Aichi Prefecture	14,820	16,731	1,910
Tokyo, Osaka	7,610	7,865	255

up 6.8%

up 12.9%

(100 million yen)

	FY 3/22	FY 3/23	YoY change
Loans to SMEs (average balance)	13,834	14,564	730
Mie Prefecture	8,271	8,573	301
Aichi Prefecture	3,749	4,026	276
Tokyo, Osaka	1,812	1,964	152

(100 million yen)

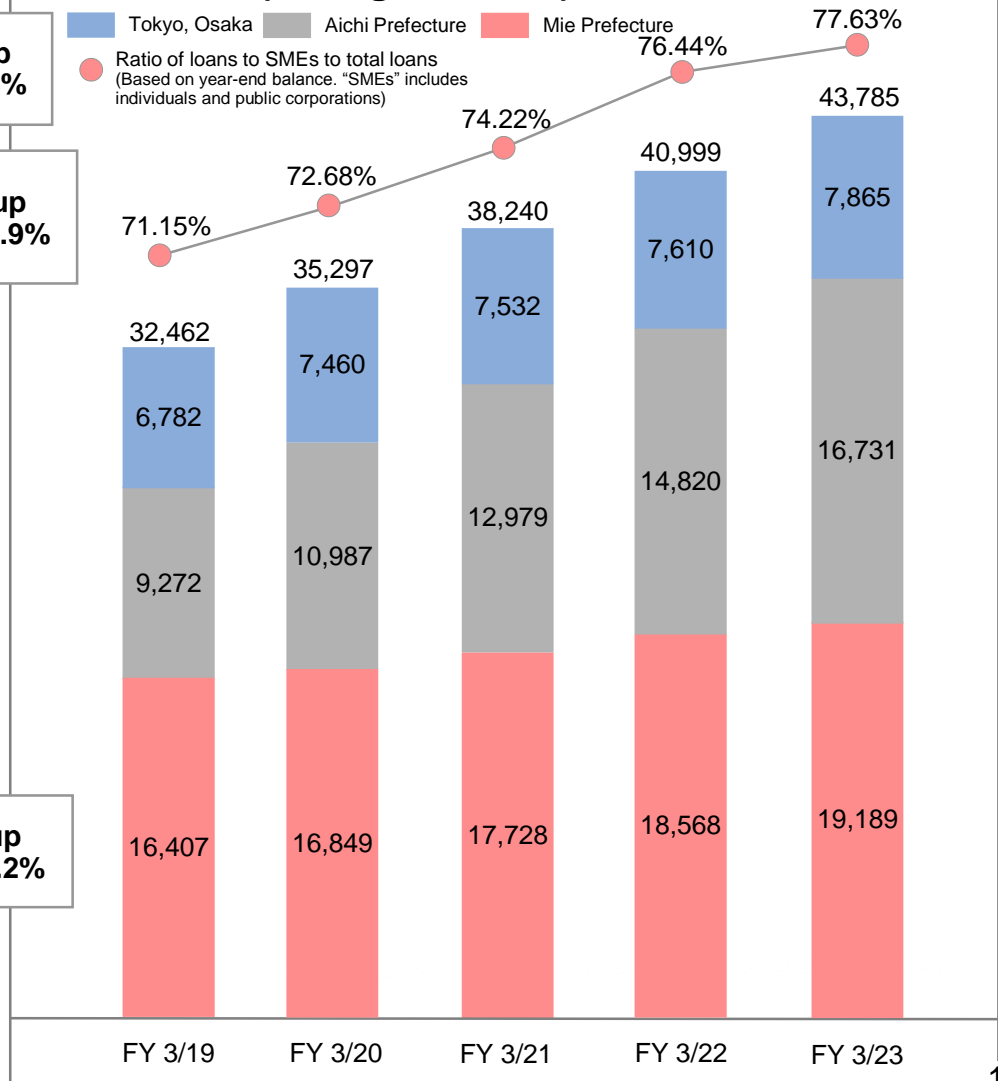
	FY 3/22	FY 3/23	YoY change
Housing loans (average balance)	16,273	18,425	2,152
Mie Prefecture	6,948	7,379	430
Aichi Prefecture	8,938	10,567	1,628
Osaka	385	479	93

up 13.2%

Total loans (average balance)

(100 million yen)

■ Tokyo, Osaka
 ■ Aichi Prefecture
 ■ Mie Prefecture
 ● Ratio of loans to SMEs to total loans (Based on year-end balance. "SMEs" includes individuals and public corporations)

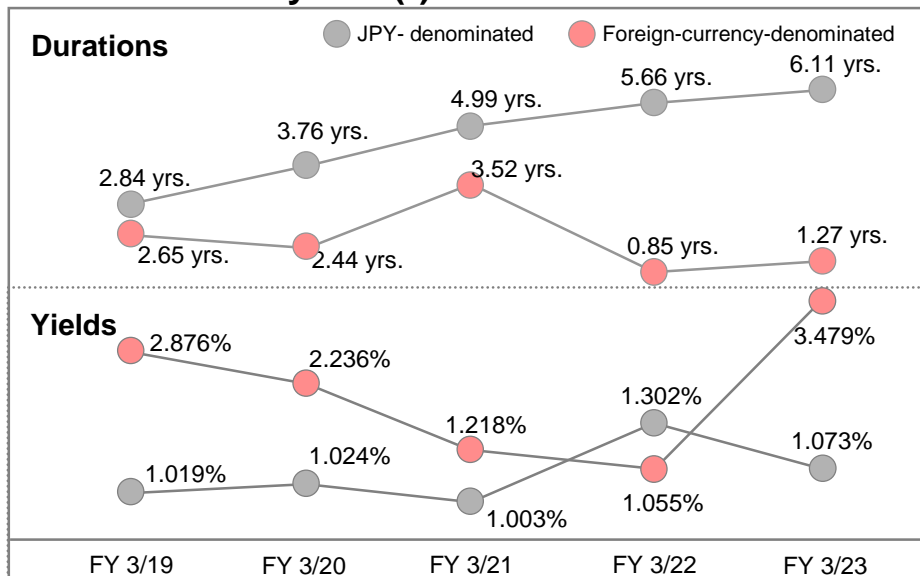


Valuation gains on securities decreased in almost all items, including bonds and stocks

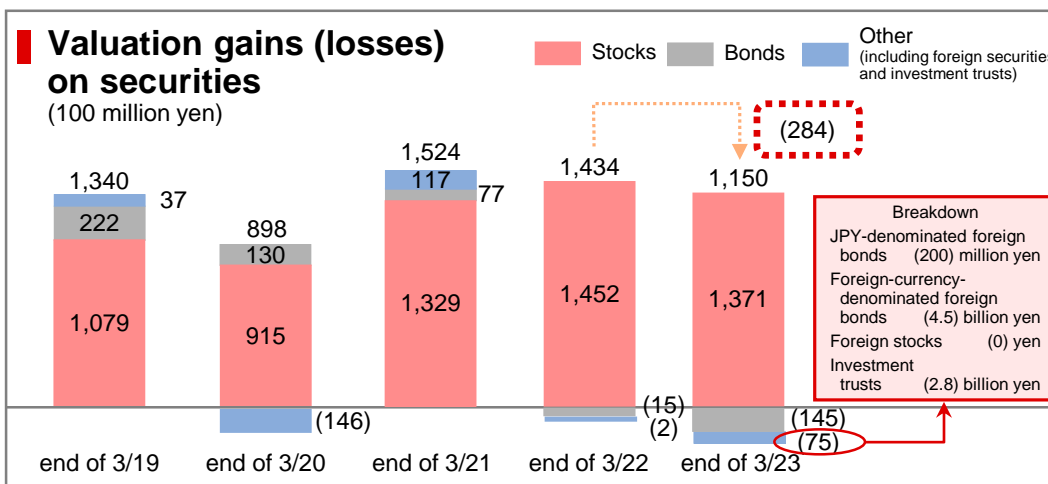
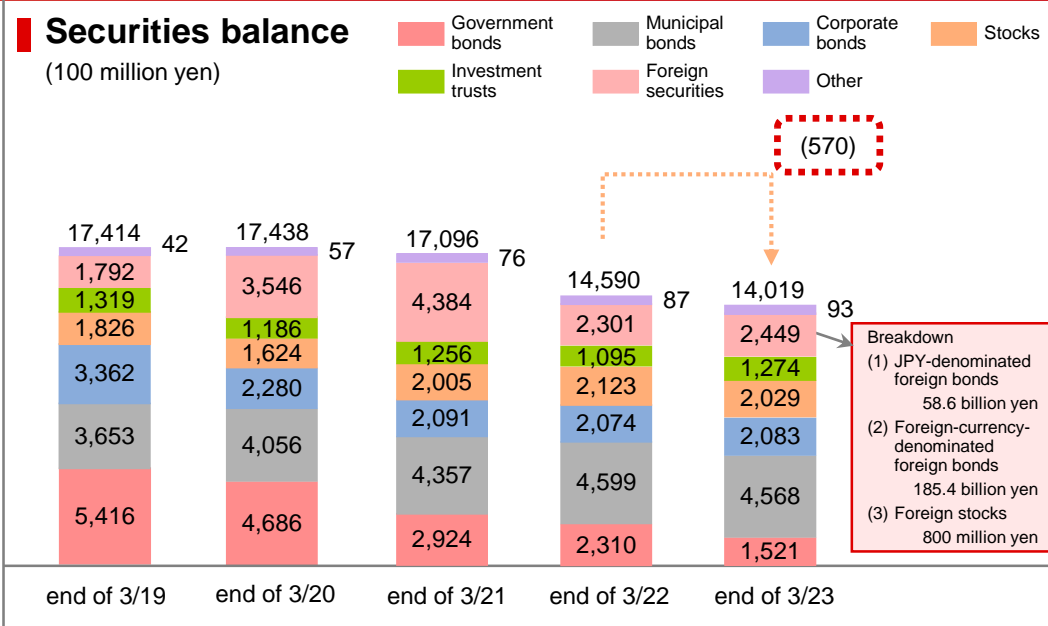
(100 million yen)	end of 3/22	end of 3/23	Year-on-year
Securities balance	14,590	14,019	(570)
Government bonds	2,310	1,521	(788)
Municipal bonds	4,599	4,568	(31)
Corporate bonds	2,074	2,083	9
Stocks	2,123	2,029	(94)
Investment trusts	1,095	1,274	179
Foreign securities	2,301	2,449	148
Other	87	93	6

JPY-denominated average balance*	12,468	11,729	(739)
Foreign-currency-denominated average balance*	3,433	1,842	(1,590)

Durations and yields(*)



*Including beneficiary rights on trust



The equity ratio increased 2.39 percentage points year-on-year, due to a decrease in risk assets, resulting from the early application of Basel III finalization

(100 million yen)

	end of 3/21	end of 3/22	end of 3/23
Equity capital (For equity ratio calculation purposes)	2,412	2,470	2,595
Risk Assets	23,841	25,089	21,210
Equity ratio	10.11%	9.84%	12.23%

+2.39P

Shareholders' equity	2,720	2,821	2,934
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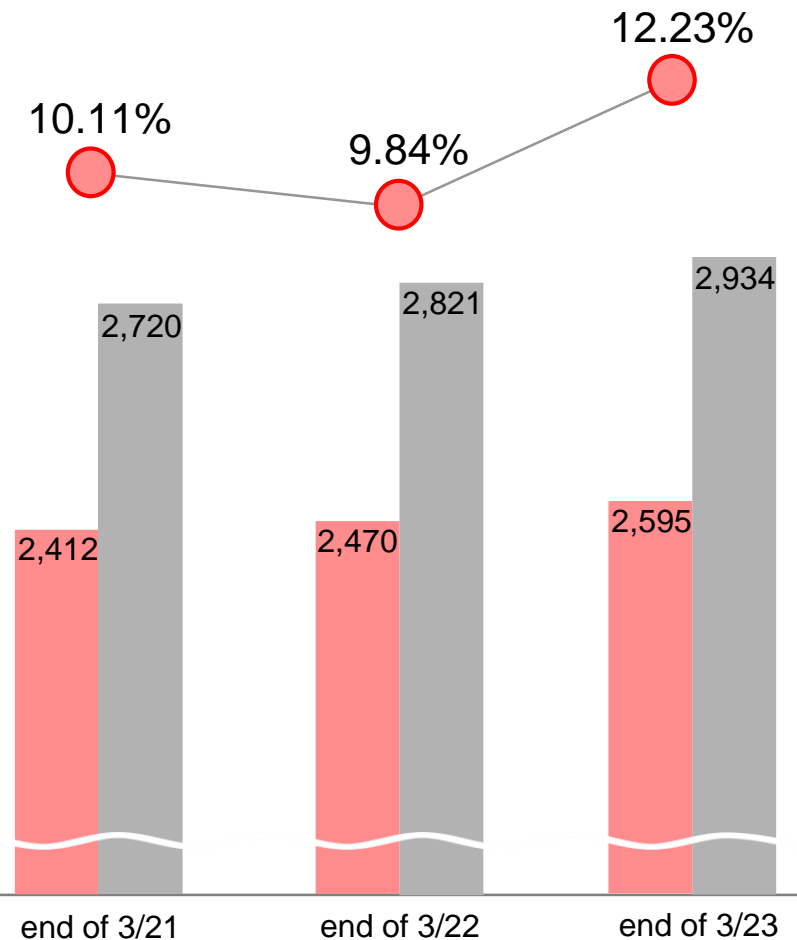
Method of computing value-at-credit-risk asset value: Approach based on fundamental internal ratings

Method of computing value-at-operational risk: Standard approach

Equity capital, shareholders' equity, and equity ratio

(100 million yen)

■ Equity capital
 ■ Shareholders' equity
 ● Equity ratio
 (JGAAP, non-consolidated)



Financial results, both consolidated and non-consolidated, are expected to be on a par with FY2022

Forecast (non-consolidated)

(Million yen)

	FY 3/23	FY 3/24 (forecast)
Gross operating income	55,748	58,300
Interest income	53,959	51,900
Fees and commissions	11,666	11,400
Other operating income	(9,877)	(5,000)
Net operating income	16,440	17,600
Ordinary income	19,962	19,800
Net income	14,242	14,000
Credit costs	4,091	3,700

Forecast (consolidated)

(Million yen)

	FY 3/23	FY 3/24 (forecast)
Ordinary income	20,794	20,700
Consolidated net income attributable to shareholders of the parent	14,493	14,500

Dividend forecast

Interim	Year-end	Full year
7.00 yen	7.00 yen	14.00 yen

Interest income is expected to decrease and expenses are expected to increase, gain and loss from government bonds and other bonds is expected to improve. So, the Bank expects both consolidated and non-consolidated financial results to be almost unchanged from the previous year.

Past initiatives for shareholder returns and forecast for FY2023

Approach to shareholder returns

Long-term, stable dividends

The Bank returns profits to shareholders based on the principle of long-term, stable dividends, while taking care to increase internal reserves to ensure a solid management foundation.

Medium- to long-term enhancement of corporate value

The Bank aims to enhance its corporate value over the medium to long term by striking an appropriate balance between “investment for growth,” “internal reserves,” and “shareholder returns,” while giving due consideration to the Bank’s performance in the fiscal year under review and future business development.

