ANNUAL REPORT 2022

THE OITA BANK,LTD.

THE OITA BANK,LTD.

OITA BANK PROFILE

The Oita Bank, Ltd., was founded in 1893 in Oita Prefecture, Kyushu, in the southwest of the Japanese archipelago. For more than a century, the Bank has provided outstanding financial services to individual and corporate clients, contributing significantly to the economic growth and prosperity of Oita Prefecture and the greater Kyushu region.

In Oita Prefecture, there was a steady stream of capital investment from some of the world's most prominent enterprises in the high-tech and automotive industries, which has had a major impact on the economy of the prefecture. At the same time, the prefecture continues to reinforce infrastructure to support its development as a hub of international business.

As the leading bank native to Oita Prefecture, the Oita Bank strives to strengthen its management structure and enhance financial services, thereby contributing to the region's prosperity.

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HEAD OFFICE


RED BRICK BUILDING

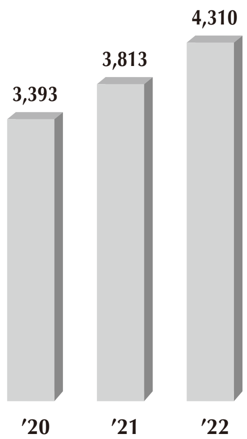

SORINKAN

CONSOLIDATED FINANCIAL HIGHLIGHTS

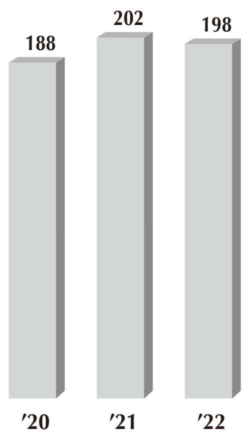
THE OITA BANK, LTD. and Consolidated Subsidiaries
Years Ended March 31, 2022, 2021 and 2020

	Millions of Yen		
	2022	2021	2020
Deposits	**¥3,457,890**	¥3,294,890	¥3,012,235
Loans and bills discounted	**1,972,040**	1,906,882	1,832,686
Investment securities	**1,287,683**	1,269,941	1,095,311
Common stock	**19,598**	19,598	19,598
Total equity	**198,072**	202,746	188,568
Total assets	**4,310,569**	3,813,669	3,393,016
Net income attributable to owners of the parent	**5,376**	3,615	5,081
Number of branches (Nonconsolidated)	**93**	93	93
Number of employees (Nonconsolidated)	**1,558**	1,607	1,632

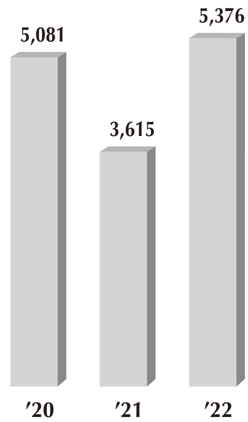
TOTAL ASSETS
Billions of yen



TOTAL EQUITY
Billions of yen



NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT
Millions of yen



Note: All graph figures are for the years ended March 31.

A MESSAGE FROM THE MANAGEMENT

A Value-Creating Company That Enhances the Region's Sustainability

Oita Bank sincerely appreciates the continued patronage of all our stakeholders.

Since its founding in 1893, the Oita Bank has continued to operate as a regional financial institution built on solid foundations. We extend our warmest thanks to all our stakeholders for your support over the years.

To step up its ability to resolve regional issues, in FY2021 Oita Bank formulated a long-term vision: to become "a value-creating company that enhances the region's sustainability." To realize this vision, Medium-Term Management Plan 2021 emphasizes "taking up the challenge of transforming ourselves in preparation for the future," and we are rolling out two strategies—fundamental and vision—to this end. From the perspective of the SDGs, we are creating a business model that embodies a new ecosystem and goes beyond the existing financial framework. In this way, we aim to respond to changes in the earnings environment and maintain our region's economic base.

With Oita Prefecture being its base of operations, the Bank is undertaking full-fledged efforts to invigorate the region. Oita Bank believes that helping to revitalizing the local economy is its obligation as a regional bank.

The Bank will continue to grow along with regional communities by creating shared value through proactive engagement in the resolution of numerous issues facing regional communities.

FY2021 Consolidated Operating Performance

Deposits

As of March 31, 2022, total deposits, including negotiable certificates of deposit, amounted to ¥3,457.8 billion, up ¥163.0 billion from one year earlier.

Loans and Bills Discounted

Total loans and Bills Discounted outstanding amounted to ¥1,972.0 billion on March 31, 2022, up ¥65.1 billion from one year earlier, owing to an increased business loans within the prefecture, individual loans and loans to public entities.

Investment Securities

Investment securities on March 31, 2022 totaled ¥1,287.6 billion, up ¥17.7 billion higher than the previous fiscal year-end, despite decreases in corporate bonds and other securities, due to a rise in Japanese government bonds and local government bonds.

Foreign Exchange

Foreign exchange transactions, including international trade transactions, overseas remittances and foreign currency deposits, totaled US$1,233 million, US$469 million lower than the previous fiscal year-end.

Earnings

Ordinary profit was down ¥1,909 million year on year, to ¥55,799 million, despite a rise in the gain on sale of Japanese government bonds, due to a decrease in gains on sales of stocks and other securities and interest on loans. Ordinary income up ¥479 million year on year, to ¥7,246 million. Net income attributable to owners of the parent rose ¥1,760 million year on year, to ¥5,376 million, partly due to an increase in ordinary income and a decline in income taxes.

Dividend Policy

In due consideration of its responsibility to the public as a financial institution, the Bank's fundamental dividend policy is stable and continuous profit distribution. To this end, we are striving to strengthen its financial structure by reinforcing the long-term stability of its management base, improving management efficiency and building sufficient reserves.

Taking into overall account the Bank's operating performance for FY2021, the Bank has set the annual dividend at ¥80.00 per share (including an interim dividend of ¥40.00 per share).

Capital Adequacy Ratio

As of March 31, 2022, the Bank's capital adequacy ratio was 9.94% on a non-consolidated basis and 10.76% on a consolidated basis, both of which easily exceed the domestic standard of 4%.

For customers to be able do transactions with us with peace of mind, we will strive to further increase our capital adequacy and strengthen our management structure.

Credit Rating

On September 29, 2000, the Bank attained an "A+" long-term preferred debt rating from Japan Credit Rating Agency, Ltd. (JCR), and the Bank has consistently maintained that rating for the 22 years since. Given that "A+" is the highest of the three kinds of "A," the JCR rating attests to the stability and soundness of the Oita Bank.

Conclusion

Oita Bank recognizes its responsibilities as a regional bank with Oita Prefecture as its base of operations. Accordingly, we work proactively to contribute to regional communities through our banking operations.

We ask our stakeholders for their understanding and support of the Bank's endeavors.

August 2022

Tomiichiro Goto
President

T. Goto

Consolidated Balance Sheet

THE OITA BANK, LTD. and Consolidated Subsidiaries
March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
ASSETS:			
Cash and due from banks (Notes 22 and 23)	¥ 942,673	¥ 512,688	$ 7,702,206
Commercial paper and other debt purchased	3,476	3,914	28,401
Money held in trust (Note 6)	16,931	19,946	138,336
Investment securities (Notes 5, 7, 11 and 23)	1,287,683	1,269,941	10,521,145
Loans and bills discounted (Notes 7, 11, 12 and 23)	1,972,040	1,906,882	16,112,754
Foreign exchange assets (Note 7)	11,591	12,609	94,705
Lease receivables and leased investment assets	16,538	15,822	135,125
Other assets (Notes 7 and 11)	36,034	48,616	294,419
Premises and equipment (Note 8)	29,575	30,459	241,645
Intangible assets (Note 9)	895	1,084	7,312
Asset for retirement benefits (Note 15)	9,887	11,488	80,782
Deferred tax assets (Note 19)	4,413	965	36,056
Customers' liabilities for acceptances and guarantees (Notes 7 and 10)	8,098	8,196	66,165
Reserve for loan losses (Notes 3 and 23)	(29,270)	(28,945)	(239,153)
TOTAL	¥4,310,569	¥3,813,669	$35,219,944
LIABILITIES:			
Deposits (Notes 11, 13 and 23)	¥3,457,890	¥3,294,890	$28,253,043
Call money	3,671		29,994
Payables under repurchase agreements (Note 11)	16,827		137,486
Payables under securities lending transactions (Note 11)	138,405	19,142	1,130,852
Borrowed money (Notes 11, 14 and 23)	426,984	229,804	3,488,716
Foreign exchange liabilities	45	35	367
Other liabilities	48,638	45,660	397,401
Liability for retirement benefits (Note 15)	6,631	6,753	54,179
Reserve for reimbursement of deposits	1,116	1,383	9,118
Deferred tax liabilities (Note 19)	11	736	89
Deferred tax liabilities for land revaluation excess	4,174	4,319	34,104
Acceptances and guarantees (Note 10)	8,098	8,196	66,165
Total liabilities	4,112,496	3,610,922	33,601,568
EQUITY (Notes 16 and 28):			
Common stock- authorized, 30,000,000 shares; issued, 16,243,634 shares in 2022 and 2021	19,598	19,598	160,127
Capital surplus	13,768	13,771	112,492
Stock acquisition rights (Note 17)	220	266	1,797
Retained earnings	147,390	143,043	1,204,265
Treasury stock- at cost, 469,710 shares in 2022 and 498,184 shares in 2021	(2,122)	(2,254)	(17,338)
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities (Note 5)	9,141	18,093	74,687
Deferred gain (loss) on derivatives under hedge accounting (Note 24)	1,673	471	13,669
Land revaluation excess	8,353	8,664	68,249
Defined retirement benefit plans (Note 15)	(18)	1,025	(147)
Total	198,005	202,681	1,617,820
Noncontrolling interests	67	65	547
Total equity	198,072	202,746	1,618,367
TOTAL	¥4,310,569	¥3,813,669	$35,219,944

See notes to consolidated financial statements.

Consolidated Statement of Income

THE OITA BANK, LTD. and Consolidated Subsidiaries
Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
INCOME (Note 20):			
Interest on:			
Loans and discounts	¥20,859	¥21,241	$170,430
Securities	12,182	12,431	99,534
Other	654	143	5,343
Total interest income (Note 25)	33,695	33,816	275,308
Fees and commissions	9,086	9,113	74,238
Other operating income	10,743	9,812	87,776
Gains on sales of stocks and other securities	1,728	4,225	14,118
Other income	729	829	5,956
Total income	55,984	57,796	457,422
EXPENSES:			
Interest on:			
Deposits	252	380	2,058
Borrowings and rediscounts	28	35	228
Other	208	127	1,699
Total interest expenses (Note 25)	489	542	3,995
Fees and commissions	2,255	2,300	18,424
Other operating expenses	16,448	14,120	134,390
General and administrative expenses (Note 18)	27,186	29,019	222,125
Provision for loan losses	1,180	3,622	9,641
Losses on sales of stocks and other securities	388	960	3,170
Impairment losses on stocks and other securities	436	282	3,562
Impairment losses (Notes 8 and 25)	324	454	2,647
Other expenses	312	169	2,549
Total expenses	49,021	51,472	400,531
INCOME BEFORE INCOME TAXES	6,962	6,323	56,883
INCOME TAXES (Note 19):			
Current	1,851	3,139	15,123
Deferred	(268)	(433)	(2,189)
Total income taxes	1,583	2,706	12,934
NET INCOME	5,379	3,617	43,949
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3	2	24
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 5,376	¥ 3,615	$ 43,925

	Yen		U.S. Dollars
	2022	2021	2022
PER SHARE OF COMMON STOCK (Notes 2. r and 27):			
Basic net income	¥340.96	¥229.62	$ 2.78
Diluted net income	339.17	228.47	2.77
Cash dividends applicable to the year	80.00	80.00	0.65

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

THE OITA BANK, LTD. and Consolidated Subsidiaries
Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	**2022**
NET INCOME	**¥ 5,379**	¥ 3,617	**$ 43,949**
OTHER COMPREHENSIVE INCOME (LOSS) (Note 21):			
Unrealized gain (loss) on available-for-sale securities	**(8,953)**	7,198	**(73,151)**
Deferred gain (loss) on derivatives under hedge accounting	**1,202**	1,064	**9,821**
Defined retirement benefit plans	**(1,043)**	3,508	**(8,521)**
Total other comprehensive income (loss)	**(8,795)**	11,772	**(71,860)**
COMPREHENSIVE INCOME (LOSS)	**¥(3,416)**	¥15,389	**$(27,910)**
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Owners of the parent	**¥(3,418)**	¥15,383	**$(27,927)**
Noncontrolling interests	**1**	6	**8**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

THE OITA BANK, LTD. and Consolidated Subsidiaries
Year Ended March 31, 2022

	Thousands	Millions of Yen											
							Accumulated Other Comprehensive Income						
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Land Revaluation Excess	Defined Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
BALANCE, APRIL 1, 2020	**15,740**	**¥19,598**	**¥13,778**	**¥237**	**¥140,394**	**¥(2,279)**	**¥10,899**	**¥ (593)**	**¥8,958**	**¥(2,483)**	**¥188,509**	**¥59**	**¥188,568**
Net income attributable to owners of the parent					3,615						3,615		3,615
Cash dividends, ¥80.00 per share					(1,259)						(1,259)		(1,259)
Purchase of treasury stock	(1)					(3)					(3)		(3)
Disposal of treasury stock	6		(6)			28					21		21
Transfer from land revaluation excess					293						293		293
Net change in the year				28			7,194	1,064	(293)	3,508	11,503	6	11,509
BALANCE, MARCH 31, 2021 (APRIL 1, 2021, as previously reported)	**15,745**	**19,598**	**13,771**	**266**	**143,043**	**(2,254)**	**18,093**	**471**	**8,664**	**1,025**	**202,681**	**65**	**202,746**
Cumulative effect of accounting change (Note 4)					(41)						(41)		(41)
BALANCE, APRIL 1, 2021 (as restated)	15,745	19,598	13,771	266	143,002	(2,254)	18,093	471	8,664	1,025	202,639	65	202,705
Net income attributable to owners of the parent					5,376						5,376		5,376
Cash dividends, ¥80.00 per share					(1,260)						(1,260)		(1,260)
Purchase of treasury stock	(1)					(2)					(2)		(2)
Disposal of treasury stock	29		(41)			135					93		93
Transfer from land revaluation excess					310						310		310
Transfer from retained earnings to capital surplus			38		(38)								
Net change in the year				(45)			(8,952)	1,202	(310)	(1,043)	(9,150)	1	(9,149)
BALANCE, MARCH 31, 2022	**15,733**	**¥19,598**	**¥13,768**	**¥220**	**¥147,390**	**¥(2,122)**	**¥ 9,141**	**¥1,673**	**¥8,353**	**¥ (18)**	**¥198,005**	**¥67**	**¥198,072**

	Thousands of U.S. Dollars (Note 1)											
						Accumulated Other Comprehensive Income						
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Land Revaluation Excess	Defined Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
BALANCE, MARCH 31, 2021 (APRIL 1, 2021, as previously reported)	**$160,127**	**$112,517**	**$2,173**	**$1,168,747**	**$(18,416)**	**$147,830**	**$ 3,848**	**$70,790**	**$ 8,374**	**$1,656,025**	**$531**	**$1,656,556**
Cumulative effect of accounting change (Note 4)				(334)						(334)		(334)
BALANCE, APRIL 1, 2021 (as restated)	160,127	112,517	2,173	1,168,412	(18,416)	147,830	3,848	70,790	8,374	1,655,682	531	1,656,221
Net income attributable to owners of the parent				43,925						43,925		43,925
Cash dividends, $0.65 per share				(10,294)						(10,294)		(10,294)
Purchase of treasury stock					(16)					(16)		(16)
Disposal of treasury stock		(334)			1,103					759		759
Transfer from land revaluation excess				2,532						2,532		2,532
Transfer from retained earnings to capital surplus		310		(310)								
Net change in the year			(367)			(73,143)	9,821	(2,532)	(8,521)	(74,761)	8	(74,752)
BALANCE, MARCH 31, 2022	**$160,127**	**$112,492**	**$1,797**	**$1,204,265**	**$(17,338)**	**$ 74,687**	**$13,669**	**$68,249**	**$ (147)**	**$1,617,820**	**$547**	**$1,618,367**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

THE OITA BANK, LTD. and Consolidated Subsidiaries
Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
OPERATING ACTIVITIES:			
Income before income taxes	**¥ 6,962**	¥ 6,323	**$ 56,883**
Adjustments for:			
Income taxes-refunded		8	
Income taxes-paid	**(3,077)**	(4,478)	**(25,140)**
Depreciation and amortization	**1,662**	1,878	**13,579**
Impairment losses	**324**	454	**2,647**
Increase (decrease) in reserve for loan losses	**324**	2,946	**2,647**
Increase (decrease) in liability for retirement benefits	**21**	(42)	**171**
(Increase) decrease in asset for retirement benefits	**(44)**	670	**(359)**
Increase (decrease) in reserve for reimbursement of deposits	**(266)**	(374)	**(2,173)**
Interest income-accrued basis	**(33,695)**	(33,816)	**(275,308)**
Interest expenses-accrued basis	**489**	542	**3,995**
Net (gain) loss on investment securities	**5,330**	1,717	**43,549**
Net (gain) loss on money held in trust	**68**	(63)	**555**
Foreign exchange (gains) losses	**(4)**	12	**(32)**
Net (gain) loss on disposal of fixed assets	**(40)**	(11)	**(326)**
Net (increase) decrease in loans and bills discounted	**(65,158)**	(74,196)	**(532,380)**
Net increase (decrease) in deposits	**162,999**	282,655	**1,331,799**
Net increase (decrease) in borrowed money	**197,180**	130,087	**1,611,079**
Net (increase) decrease in due from banks (excluding due from the Bank of Japan)	**4,928**	(1,054)	**40,264**
Net (increase) decrease in call loans	**437**	(677)	**3,570**
Net increase (decrease) in call money	**3,671**		**29,994**
Net increase (decrease) in payables under securities lending transactions	**119,263**	10,624	**974,450**
Net (increase) decrease in foreign exchange assets	**1,017**	(4,247)	**8,309**
Net increase (decrease) in foreign exchange liabilities	**9**	(151)	**73**
Net (increase) decrease in lease receivables and leased investment assets	**(715)**	455	**(5,841)**
Interest income-cash basis	**33,736**	33,933	**275,643**
Interest expenses-cash basis	**(547)**	(725)	**(4,469)**
Other-net	**35,404**	(10,950)	**289,271**
Total adjustments	**463,319**	335,197	**3,785,595**
Net cash provided by (used in) operating activities	**470,282**	341,521	**3,842,487**
INVESTING ACTIVITIES:			
Purchases of investment securities	**(492,940)**	(473,576)	**(4,027,616)**
Proceeds from sales of investment securities	**229,858**	121,993	**1,878,078**
Proceeds from maturities of investment securities	**226,464**	189,559	**1,850,078**
Payments for increase in money held in trust	**(53)**	(3,060)	**(433)**
Proceeds from decrease in money held in trust	**2,971**	994	**24,274**
Purchases of premises and equipment	**(1,234)**	(1,819)	**(10,082)**
Purchases of intangible assets	**(138)**	(244)	**(1,127)**
Proceeds from sales of premises and equipment	**887**	510	**7,247**
Payments for asset retirement obligations		(20)	
Net cash provided by (used in) investing activities	**(34,183)**	(165,663)	**(279,295)**
FINANCING ACTIVITIES:			
Dividends paid	**(1,259)**	(1,259)	**(10,286)**
Repayment of lease obligations	**(21)**	(15)	**(171)**
Purchases of treasury stock	**(2)**	(3)	**(16)**
Proceeds from sales of treasury stock	**93**	21	**759**
Net cash provided by (used in) financing activities	**(1,190)**	(1,256)	**(9,723)**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**4**	(12)	**32**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**434,913**	174,589	**3,553,501**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**506,083**	331,493	**4,135,002**
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 22)	**¥ 940,996**	¥ 506,083	**$ 7,688,503**

See notes to consolidated financial statements.

THE OITA BANK, LTD. and Consolidated Subsidiaries
Year Ended March 31, 2022

1 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of THE OITA BANK, LTD. (the “Bank”) and its eight consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, its related accounting regulations and the Enforcement Regulation for the Banking Law of Japan (the “Banking Law”), and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2021 consolidated financial statements to confirm to the classifications used in 2022.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. Amounts of less than one million yen have been omitted in the accompanying consolidated financial statements as permitted by the Japanese Financial Instruments and Exchange Act. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥122.39 to $1, the approximate rate of exchange at March 31, 2022. Such translations should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. ***Consolidation*** - The consolidated financial statements include the accounts of the Bank and its eight significant subsidiaries (together, the “Group”). The fiscal periods of all consolidated subsidiaries end on March 31.

Under the control and influence concepts, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated.

Investments in the remaining unconsolidated subsidiaries are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

b. ***Cash and Cash Equivalents*** - For the purpose of reporting cash flows, cash and cash equivalents represent cash and amounts due from the Bank of Japan.

c. ***Trading Account Securities*** - Trading account securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings. The cost of trading account securities sold is determined by the moving-average method.

d. ***Investment Securities and Money Held in Trust*** - All applicable securities are classified and accounted for, depending on management’s intent, as follows: (i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and (ii) available-for-sale securities, which are not classified as either of trading account securities or held-to-maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of available-for-sale securities sold is determined based on the moving-average method.

Nonmarketable available-for-sale equity securities are stated at cost or determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

Securities managed through money held in trust accounts are reported at fair value and the related unrealized gains and losses are included in earnings.

e. ***Premises and Equipment*** - Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment is principally computed using the declining-balance method over the estimated useful lives of the assets and depreciation of leased premises and equipment is provided on the straight-line method over the lease periods.

f. ***Software*** - Cost of computer software obtained for internal use is amortized using the straight-line method over the estimated useful lives of five years.

g. ***Long-Lived Assets*** - The Group reviews their long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. ***Land Revaluation*** - Under the “Law of Land Revaluation,” the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As of March 31, 2022 and 2021, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥9,210 million ($75,251 thousand) and ¥9,192 million, respectively.

i. ***Foreign Currency Items*** - All assets and liabilities denominated in foreign currencies are translated into Japanese yen at the current exchange rates at each balance sheet date.

j. ***Reserve for Loan Losses*** - The Bank determines the amount of the reserve for loan losses by means of management’s judgment and assessment of future losses based on the self-assessment system. This system reflects past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, and other pertinent indicators.

The Bank implemented the self-assessment system for its asset quality. The quality of all loans is assessed by branches and the credit supervisory division with a subsequent audit by the Bank’s asset review and inspection division in accordance with the Bank’s policy and rules for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self-assessment purposes such as “normal,” “caution,” “possible bankruptcy,” “virtual bankruptcy” and “legal bankruptcy.”

Reserve for loan losses is calculated based on the actual past loss ratio for normal and caution categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency including value of future cash flows for other self-assessment categories. For loans classified as possible bankruptcy, the reserve for loan losses is provided for in an amount deemed necessary to cover possible loan losses considering the customer's solvency and other factors, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted. For loans classified as virtual bankruptcy or legal bankruptcy, the reserve for loan losses is provided for based upon the loan amount, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted.

In addition, for loans which are mainly classified into possible bankruptcy and restructured loans as defined in Note 7 below, if the exposure to an obligor exceeds a certain specific amount and if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is used to calculate the reserve for loan losses, under which method the reserve is determined as the difference between the book value of the loan and the present value of future cash flows discounted using the contractual interest rate before the loan is classified as one of the above loans.

The consolidated subsidiaries determine the amount of the reserve for loan losses by a comparable self-assessment system as the Bank.

k. ***Retirement and Pension Plans*** - The Bank has contributory funded defined benefit pension plans and unfunded retirement benefit plans for employees. Consolidated subsidiaries have unfunded retirement benefit plans.

The Company accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over 10 years no longer than the expected average remaining service period of the employees. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

Retirement allowances for directors of consolidated subsidiaries are recorded as a liability at the amount that would be required if all directors retired at the balance sheet date.

l. ***Stock Options*** - Under Accounting Standards Board of Japan ("ASBJ") Statement No. 8, "Accounting Standard for Share-based Payment," requires companies to measure the cost of employee stock options based on the fair value at the date of grant and recognize compensation expense over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock options or the goods or services received. In the balance sheet, stock options are presented as stock acquisition rights as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions.

m. ***Revenue Recognition*** - The Group recognizes revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for satisfying performance obligations to transfer the goods or services promised in contracts with customers. The nature of performance obligations for each of the Group's major business and when such obligations are satisfied are as follows:

Fees and commissions include administrative fees for deposit and loan businesses, exchange businesses operations and securities-related businesses, and are obligated to provide services based on contracts with customers. These transactions are recognized as revenue as performance obligations are satisfied upon the completion of service delivery.

n. ***Income Taxes*** - The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

o. ***Reserve for Reimbursement of Deposits*** - Reserve for reimbursement of deposits is provided for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal.

p. ***Leases*** - As Lessor, lease revenue is recognized at the date of each lease payment according to the lease contracts. As Lessee, all finance lease transactions are capitalized to recognize lease assets and lease obligations in the balance sheet.

q. ***Derivatives and Method of Hedge Accounting*** - The Bank's policy is to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities. Consolidated subsidiaries do not utilize any derivatives.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency swaps, futures and options to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

The Bank applies deferred hedge accounting, which is stipulated in the "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (the Japanese Institute of Certified Public Accountants (the "JICPA") Industry Committee Practice Guidance No. 24), to the interest risk caused by its financial assets and liabilities.

In evaluating the effectiveness of a hedge, the hedged item, such as loans, and the hedge instruments, such as interest rate swaps, are specified and evaluated regarding the hedging approach. Effectiveness of the hedging approach is evaluated by verifying the correlation of the interest fluctuation factor of the hedged item and the hedge instruments.

r. ***Per Share Information*** - Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period. The average number of common shares used in the computation was 15,767 thousand shares and 15,744 thousand shares for the years ended March 31, 2022 and 2021, respectively.

Diluted net income per share reflects the potential dilution that could occur if the outstanding stock options and convertible bonds were exercised. Diluted net income per share assumes full exercise of the outstanding stock options and convertible bonds at the beginning of the year (or at the time of grant).

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

s. ***New Accounting Pronouncements*** - On June 17, 2021, the ASBJ issued a clarification to ASBJ Guidance No. 31, "Implementation Guidance on Accounting Standard for Fair Value Measurement."

Calculation of the fair value of investment trusts and treatment of notes, as well as treatment of notes on the fair value of investments in partnerships, etc. in which the amount equivalent to equity interests is recorded in the balance sheet at a net amount, were stipulated.

The accounting guidance is effective for the annual periods beginning on or after April 1, 2022. Earlier application is permitted for annual periods beginning on or after April 1, 2021, or annual periods ending on or after March 31, 2022. The Group expects to apply the accounting guidance for annual periods beginning on or after April 1, 2022, and is in the process of measuring the effects of applying the accounting guidance in future applicable periods.

3 SIGNIFICANT ACCOUNTING ESTIMATE

Item for which the amount was recorded in the consolidated financial statements for the covered consolidated fiscal year based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the following fiscal year, was as follows:

Reserve for loan losses

(1) Carrying amount

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Reserve for loan losses	**¥29,270**	¥28,945	**$239,153**

(2) Information on the significant accounting estimate

(a) Calculation method

Debtor categories are determined based on the debtor's financial position and results of operations, as well as its future business plans, and the reserve for loan losses is recorded according to these debtor categories.

The specific method of calculating the reserve for loan losses for each debtor category is disclosed in Note 2. j, "Summary of Significant Accounting Policies – Reserve for Loan Losses."

(b) Significant assumptions

The significant assumptions are the assessment of the reasonableness of the debtors' future business plans, which are used as the basis for determining the debtor categories. In assessing the reasonableness of business plans, considers the achievability of the plans.

Furthermore, concerning the impact of the COVID-19 pandemic on the economy: as of the end of the covered consolidated fiscal year, there is no outlook for the end of the pandemic, and the Bank assumes that it will continue into the next consolidated fiscal year and beyond. Under these circumstances, the debtor categories are determined considering the information affecting the estimate that is currently available. There is no significant change in the assumptions from the previous consolidated fiscal year.

(c) Impact on the consolidated financial statements for the following consolidated fiscal year

If there are changes in the assumptions used in relation to the debtor categories, the status of the COVID-19 pandemic, and its impact on the economy, etc., the balance of the reserve for loan losses may fluctuate, which may have an impact on profit or loss.

4 ACCOUNTING CHANGES

(1) Application of Accounting Standard for Revenue Recognition and Its Implementation Guidance

Effective April 1, 2021, the Group adopted ASBJ Statement No. 29, "Accounting Standard for Revenue Recognition," and ASBJ Guidance No. 30, "Implementation Guidance on Accounting Standard for Revenue Recognition," issued on March 31, 2020 ("ASBJ Statement No. 29") and recognizes revenue at the amount expected to be received in exchange for promised goods or services when control of the goods or services is transferred to customers.

As a result of this change, the Group began to recognize revenues from certain service transactions when they satisfied their performance obligations.

The Group retrospectively applied ASBJ Statement No. 29 and the cumulative effect of retroactively applying the new accounting standard was added to retained earnings at April 1, 2021.

As a result, income, and income before income taxes for the current consolidated fiscal year each decreased by ¥1 million ($8 thousand). Furthermore, the balance at the beginning of the period for retained earnings decreased by ¥41 million ($334 thousand).

Additionally, net assets per share decreased by ¥2.74 ($0.02), net income per share decreased by ¥0.10 ($0.00), and diluted net income per share decreased by ¥0.09 ($0.00).

In accordance with the transitional treatment set forth in Paragraph 89-3 of ASBJ Statement No. 29, the Note 20, "Revenue" for the previous consolidated fiscal year is not stated.

(2) Application of the Accounting Standard for Fair Value Measurement and Its Implementation Guidance

Effective April 1, 2021, the Group applied ASBJ Statement No. 30, "Accounting Standard for Fair Value Measurement" and ASBJ Guidance No. 31, "Implementation Guidance on Accounting Standard for Fair Value Measurement," and related ASBJ Statements and ASBJ Guidance (the "New Accounting Standards"). The Group applied the New Accounting Standards prospectively.

There is no impact on the consolidated financial statements.

Matters related to the breakdown of the fair value of financial instruments by level are stated in Note 23, "Financial Instruments and Related Disclosures."

However, in accordance with the transitional treatment set forth in Implementation "Guidance on Disclosures about Fair Value of Financial Instruments," paragraph 7-4, the notes pertaining to the previous consolidated fiscal year are not stated.

5 TRADING ACCOUNT SECURITIES AND INVESTMENT SECURITIES

There were no trading account securities as of March 31, 2022 and 2021.

Investment securities at March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Japanese government bonds	**¥ 243,102**	¥ 172,152	**$ 1,986,289**
Local government bonds	**286,141**	265,529	**2,337,944**
Corporate bonds	**261,275**	317,363	**2,134,774**
Equity securities	**69,756**	67,417	**569,948**
Other	**427,408**	447,479	**3,492,180**
Total	**¥1,287,683**	¥1,269,941	**$10,521,145**

The costs and aggregate fair value of securities at March 31, 2022 and 2021, were as shown in the table below.

	Millions of Yen			
March 31, 2022	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥ 44,522**	**¥25,255**	**¥2,156**	**¥ 67,621**
Debt securities	**738,028**	**1,697**	**9,023**	**730,701**
Other	**420,328**	**5,712**	**9,327**	**416,713**
Held-to-maturity:				
Debt securities	**59,817**		**528**	**59,289**

March 31, 2021	Millions of Yen Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 41,872	¥24,097	¥ 714	¥ 65,255
Debt securities	714,040	3,367	3,052	714,356
Other	435,462	8,992	7,482	436,971
Held-to-maturity:				
Debt securities	40,688	5	12	40,681

March 31, 2022	Thousands of U.S. Dollars Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$ 363,771**	**$206,348**	**$17,615**	**$ 552,504**
Debt securities	**6,030,133**	**13,865**	**73,723**	**5,970,267**
Other	**3,434,332**	**46,670**	**76,207**	**3,404,796**
Held-to-maturity:				
Debt securities	**488,740**		**4,314**	**484,426**

Securities lending based on noncollateralized contracts were included in investment securities and amounted to ¥38,395 million ($313,710 thousand) and ¥19,507 million at March 31, 2022 and 2021, respectively.

The information related to available-for-sale securities which were sold during the years ended March 31, 2022 and 2021, was as follows:

March 31, 2022	Millions of Yen Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	**¥ 4,922**	**¥1,395**	**¥ 388**
Debt securities	**45,010**	**52**	**268**
Other	**182,507**	**2,178**	**7,584**
Total	**¥232,440**	**¥3,627**	**¥8,240**

March 31, 2021	Millions of Yen Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 22,197	¥3,947	¥ 960
Debt securities	19,773	150	
Other	75,430	1,341	5,466
Total	¥117,401	¥5,438	¥6,426

March 31, 2022	Thousands of U.S. Dollars Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	**$ 40,215**	**$11,397**	**$ 3,170**
Debt securities	**367,758**	**424**	**2,189**
Other	**1,491,192**	**17,795**	**61,965**
Total	**$1,899,174**	**$29,634**	**$67,325**

Impairment losses on available-for-sale securities for the year ended March 31, 2022, were ¥47 million ($384 thousand). Impairment losses available-for-sale securities for the year ended March 31, 2021, were not recognized.

Net unrealized gain (loss) on available-for-sale securities for the years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Valuation differences:			
Available-for-sale securities	**¥12,157**	¥25,208	**$ 99,330**
Deferred tax liabilities	**(2,989)**	(7,087)	**(24,421)**
Noncontrolling interests	**(27)**	(28)	**(220)**
Net unrealized gain (loss) on available-for-sale securities	**¥ 9,141**	¥18,093	**$ 74,687**

6 MONEY HELD IN TRUST

The carrying amounts and unrealized gains (losses) of money held in trust, as of March 31, 2022 and 2021, were as follows:

Money held in trust held for trading

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Carrying amounts	**¥16,931**	¥19,946	**$138,336**
Unrealized gains (losses) credited to income			

7 LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Bills discounted	**¥ 4,569**	¥ 4,471	**$ 37,331**
Loans on notes	**58,804**	64,431	**480,464**
Loans on deeds	**1,760,141**	1,687,968	**14,381,411**
Overdrafts	**148,525**	150,010	**1,213,538**
Total	**¥1,972,040**	¥1,906,882	**$16,112,754**

Bills discounted are accounted for as financial transactions in accordance with the JICPA Industry Committee Practice Guidance No. 24. The Bank has rights to sell or pledge these bills discounted. The total of the face value of bills discounted was ¥4,569 million ($37,331 thousand) and ¥4,471 million at March 31, 2022 and 2021, respectively.

Claims based on the Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions are as follows. The receivables include corporate bonds (limited to the corporate bonds on which the payment of all or part of the principal and interest is guaranteed by financial institutions holding such bonds and which were issued through private placement as defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act), loans and bills discounted, foreign exchange assets, other assets booked as accrued interests, suspense payments or customers' liabilities for acceptance and guarantee, and securities if the Bank lent such securities which are required to be disclosed in a note to its balance sheets (they are limited to loans for use or lending under rental contract).

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Claims against bankrupt or de facto bankrupt borrowers	**¥ 5,192**	¥ 4,002	**$ 42,421**
Doubtful claims	**45,167**	47,216	**369,041**
Accruing loans contractually past due three months or more			
Restructured loans	**205**	525	**1,674**
Total	**¥50,566**	¥51,744	**$413,154**

Claims against bankrupt or de facto bankrupt borrowers represent claims held against borrowers who have been declared insolvent or in a substantially similar condition, on the grounds of the commencement of bankruptcy or restructuring proceedings, filing for the proceedings of rehabilitation or other similar legal proceedings.

Doubtful claims are those against borrowers who have not yet failed but their financial condition and business performance have deteriorated, with a high possibility that the principal and interest on these claims will not be received as per agreement. Claims against bankrupt or de facto bankrupt borrower are excluded.

Accruing loans contractually past due three months or more are loans in which the principal or interest is three months or more past due. Claims against bankrupt or de facto bankrupt borrowers and doubtful claims are excluded.

Restructured loans, designed to assist in the recovery of the financial soundness of debtors, are loans on which the Group granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount). Claims against bankrupt or de facto bankrupt borrowers, doubtful claims and accruing loans contractually past due three months or more are excluded.

Change the Display Method

In line with the enforcement of the "Cabinet Office Ordinance for the Partial Revision of Ordinance for Enforcement of the Banking Act" (Cabinet Office Ordinance No. 3, January 24, 2020) on March 31, 2022, the classification of risk-monitored loans under the Banking Act has been aligned with the classification of disclosed claims under the Act on Emergency Measures for the Revitalization of Financial Functions.

8 PREMISES AND EQUIPMENT

Premises and equipment as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Buildings	**¥ 4,869**	¥ 5,236	**$ 39,782**
Land	**20,569**	20,530	**168,061**
Leased assets	**37**	25	**302**
Construction in progress	**566**	16	**4,624**
Other	**3,533**	4,650	**28,866**
Total	**¥29,575**	¥30,459	**$241,645**

Accumulated depreciation at March 31, 2022 and 2021, amounted to ¥37,015 million ($302,434 thousand) and ¥37,459 million, respectively.

As of March 31, 2022 and 2021, deferred gains for tax purposes of ¥1,660 million ($13,563 thousand) and ¥1,660 million on premises and equipment sold and replaced with similar assets have been deducted from the cost of newly-acquired premises and equipment.

The Group reviews their long-lived assets for impairment continuously. As of March 31, 2022 and 2021, the Bank recognized impairment losses of ¥324 million ($2,647 thousand) and ¥454 million as other expense for certain branches, idle fixed assets and assets held for sale due to the carrying amounts of the assets exceeding their recoverable amounts. As a result, the carrying amounts of the relevant assets were written down to the recoverable amount. The recoverable amount is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition. The discount rate used for computation of the present value of future cash flows ranged from 7.9% to 9.6% at March 31, 2022 and was from 6.5% to 8.3% at March 31, 2021.

The Group principally groups operating assets by branch office, which is the minimum unit for management accounting. Idle fixed assets fixed assets and assets held for sale are individually assessed for impairment.

The recoverable amount of operating assets, idle fixed assets and assets held for sale are measured at their net selling price determined by quotations from third-party vendors.

9 INTANGIBLE ASSETS

Intangible assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Software	**¥784**	¥ 970	**$6,405**
Other	**111**	113	**906**
Total	**¥895**	¥1,084	**$7,312**

10 CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees" are shown on the asset side representing the Bank's right of indemnity from the applicants.

11 ASSETS PLEDGED

Assets pledged as collateral and their relevant liabilities at March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Assets pledged as collateral:			
Investment securities	**¥576,080**	¥317,119	**$4,706,920**
Loans and bills discounted	**97,823**		**799,272**
Relevant liabilities to above assets:			
Deposits	**19,161**	16,043	**156,556**
Payables under repurchase agreements	**16,827**		**137,486**
Payables under securities lending transactions	**138,405**	19,142	**1,130,852**
Borrowed money	**421,000**	224,000	**3,439,823**

In addition, investment securities and others totaling ¥37,334 million ($305,041 thousand) and ¥32,558 million were pledged as collateral or security deposits for exchange settlement and futures contracts at March 31, 2022 and 2021, respectively.

Guarantee deposits on office space amounting to ¥373 million ($3,047 thousand) and ¥363 million were included in other assets at March 31, 2022 and 2021, respectively.

12 LOAN COMMITMENTS

Contracts of overdraft facilities and loan commitment limits are contracts where the Group lends to customers up to the prescribed limits in response to customers' applications for loans as long as there is no violation of any conditions in the contracts. The unused amounts within the limits totaled ¥668,522 million ($5,462,227 thousand) at March 31, 2022, and ¥627,438 million at March 31, 2021, for these contracts. Of the above, the amounts for which the original agreement period was within a year or agreements which the Group could cancel at any time without penalty totaled ¥657,613 million ($5,373,094 thousand) at March 31, 2022, and ¥620,400 million at March 31, 2021.

Since many of these commitments expire without being drawn upon, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions where the Group can refuse a customers' application for loans or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of the contracts, the Group obtains real estate, securities, etc., as collateral if considered necessary. Subsequently, the Group performs periodic reviews of the customers' business results based on internal rules and take necessary measures to reconsider conditions in contracts and require additional collateral and guarantees, if necessary.

13 DEPOSITS

Deposits at March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Current deposits	¥ 139,056	¥ 134,607	$ 1,136,171
Ordinary deposits	2,293,084	2,125,244	18,735,877
Savings at notice	25,043	24,943	204,616
Deposits at notice	4,840	5,640	39,545
Time deposits	839,652	857,207	6,860,462
Installment savings	9,869	9,541	80,635
Negotiable certificates of deposit	97,809	99,082	799,158
Other deposits	48,533	38,622	396,543
Total	¥3,457,890	¥3,294,890	$28,253,043

14 BORROWED MONEY

Borrowed money as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Borrowings from other financial institutions	¥426,984	¥229,804	$3,488,716
Total	¥426,984	¥229,804	$3,488,716

The weighted average interest rates of borrowings from other financial institutions were 0.00% and 0.00% at March 31, 2022 and 2021, respectively.

Annual maturities of long-term debt as of March 31, 2022, for the next five years and thereafter were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2023	¥243,238	$1,987,400
2024	23,609	192,899
2025	52,112	425,786
2026	107,711	880,063
2027	312	2,549
2028 and thereafter		
Total	¥426,984	$3,488,716

Please see Note 11 for assets pledged as collateral and their relevant borrowed money.

15 RETIREMENT AND PENSION PLANS

Consolidated subsidiaries have severance payment plans for employees, directors and Audit & Supervisory Board members. The Bank terminated its retirement benefits plan for directors and Audit & Supervisory Board members at the Bank's general shareholders meeting held on June 26, 2012.

Under most circumstances, employees whose service with the Group is terminated are entitled to retirement and pension benefits determined by reference to base rates of pay at the time of termination, length of service and conditions under which the termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payment than in the case of voluntary termination.

The liability for retirement benefits for directors of consolidated subsidiaries is ¥29 million ($236 thousand) and ¥27 million at March 31, 2022 and 2021, respectively.

(1) The changes in defined benefit obligation for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥33,165	¥32,790	$270,978
Current service cost	1,013	994	8,276
Interest cost	197	195	1,609
Actuarial (gains) losses	(213)	816	(1,740)
Benefits paid	(1,551)	(1,631)	(12,672)
Balance at end of year	¥32,611	¥33,165	$266,451

(2) The changes in plan assets for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥37,928	¥33,135	$309,894
Expected return on plan assets	474	462	3,872
Actuarial gains (losses)	(1,631)	5,203	(13,326)
Benefits paid	(874)	(872)	(7,141)
Balance at end of year	¥35,896	¥37,928	$293,291

(3) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Funded defined benefit obligation	¥ 32,351	¥ 32,911	$ 264,327
Plan assets	(35,896)	(37,928)	(293,291)
Total	(3,545)	(5,016)	(28,964)
Unfunded defined benefit obligation	260	253	2,124
Net liability (asset) arising from defined benefit obligation	¥ (3,285)	¥ (4,763)	$ (26,840)

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Liability for retirement benefits	¥ 6,602	¥ 6,725	$ 53,942
Asset for retirement benefits	(9,887)	(11,488)	(80,782)
Net liability (asset) arising from defined benefit obligation	¥(3,285)	¥ (4,763)	$(26,840)

(4) The components of net periodic benefit costs for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Service cost	¥1,013	¥ 994	$ 8,276
Interest cost	197	195	1,609
Expected return on plan assets	(474)	(462)	(3,872)
Recognized actuarial (gains) losses	(82)	658	(669)
Net periodic benefit costs	¥ 653	¥1,386	$ 5,335

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2022 and 2021

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Actuarial (gains) losses	¥(1,501)	¥5,045	$(12,264)
Total	¥(1,501)	¥5,045	$(12,264)

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2022 and 2021

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Unrecognized actuarial (gains) losses	**¥27**	¥(1,474)	**$220**
Total	**¥27**	¥(1,474)	**$220**

(7) Plan assets

a. Components of plan assets

Plan assets as of March 31, 2022 and 2021, consisted of the following:

	2022	2021
Debt investments	**15%**	14%
Equity investments	**42**	43
Cash and cash equivalents	**0**	0
Others	**43**	43
Total	**100%**	100%

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2022 and 2021, were set forth as follows:

	2022	2021
Discount rate	**0.6%**	0.6%
Expected rate of return on plan assets	**1.7**	1.8
Expected rate of salary increases	**6.7**	6.7

16 EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Audit & Supervisory Board members, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semi-annual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act and the Banking Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

(2) Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 100% of the common stock. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(3) Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

17 STOCK OPTIONS

The stock options outstanding as of March 31, 2022, were as follows:

Stock Option	Persons Granted	Number of Options Granted	Date of Grant	Exercise Price	Exercise Period
2012 Stock Option	9 directors (excluding outside directors) of the Bank	17,970 shares	August 6, 2012	¥1 ($0.01)	From August 7, 2012 to August 6, 2042
2013 Stock Option	10 directors (excluding outside directors) of the Bank	14,480 shares	August 19, 2013	¥1 ($0.01)	From August 20, 2013 to August 19, 2043
2014 Stock Option	8 directors (excluding non-permanent directors) and 8 executive officers of the Bank	16,210 shares	August 18, 2014	¥1 ($0.01)	From August 19, 2014 to August 18, 2044
2015 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	10,670 shares	August 17, 2015	¥1 ($0.01)	From August 18, 2015 to August 17, 2045

2016 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	18,300 shares	August 22, 2016	¥1 ($0.01)	From August 23, 2016 to August 22, 2046
2017 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	12,100 shares	August 28, 2017	¥1 ($0.01)	From August 29, 2017 to August 28, 2047
2018 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	14,380 shares	August 27, 2018	¥1 ($0.01)	From August 28, 2018 to August 27, 2048
2019 Stock Option	6 directors (excluding non-permanent directors) and 6 executive officers of the Bank	15,350 shares	August 26, 2019	¥1 ($0.01)	From August 27, 2019 to August 26, 2049
2020 Stock Option	6 directors (excluding non-permanent directors) and 8 executive officers of the Bank	23,610 shares	August 24, 2020	¥1 ($0.01)	From August 25, 2020 to August 24, 2050
2021 Stock Option	5 directors (excluding non-permanent directors) and 8 executive officers of the Bank	31,450 shares	August 23, 2021	¥1 ($0.01)	From August 24, 2021 to August 23, 2051

The stock option activity during the year ended March 31, 2022, was as follows:

Year Ended March 31, 2022	2012 Stock Option	2013 Stock Option	2014 Stock Option	2015 Stock Option	2016 Stock Option
	(Shares)	(Shares)	(Shares)	(Shares)	(Shares)
Non-vested					
March 31, 2021- Outstanding	3,000	3,720	5,390	5,890	11,710
Granted					
Canceled					
Vested	3,000	2,260	3,470	2,660	4,570
March 31, 2022- Outstanding		1,460	1,920	3,230	7,140
Vested					
March 31, 2021- Outstanding					
Vested	3,000	2,260	3,470	2,660	4,570
Exercised	3,000	2,260	3,470	2,660	4,570
Canceled					
March 31, 2022- Outstanding					
Exercise price	¥1 ($0.01)	¥1 ($0.01)	¥1 ($0.01)	¥1 ($0.01)	¥1 ($0.01)
Average stock price at exercise	¥1,688	¥1,688	¥1,686	¥1,687	¥1,687
Fair value price at grant date	¥2,150	¥2,790	¥3,590	¥5,210	¥2,950

Year Ended March 31, 2022	2017 Stock Option	2018 Stock Option	2019 Stock Option	2020 Stock Option	2021 Stock Option
	(Shares)	(Shares)	(Shares)	(Shares)	(Shares)
Non-vested					
March 31, 2021- Outstanding	9,080	10,800	14,030	23,610	
Granted					31,450
Canceled					
Vested	2,370	2,810	3,670	5,060	
March 31, 2022- Outstanding	6,710	7,990	10,360	18,550	31,450
Vested					
March 31, 2021- Outstanding					
Vested	2,370	2,810	3,670	5,060	
Exercised	2,370	2,810	3,670	5,060	
Canceled					
March 31, 2022- Outstanding					
Exercise price	¥1 ($0.01)	¥1 ($0.01)	¥1 ($0.01)	¥1 ($0.01)	¥1 ($0.01)
Average stock price at exercise	¥1,692	¥1,692	¥1,693	¥1,693	
Fair value price at grant date	¥3,910	¥3,632	¥2,819	¥2,143	¥1,513

Shares and per share figures have been restated, as appropriate, to reflect a one-for-ten stock consolidation exercised on October 1, 2017.

The Assumptions Used to Measure the Fair Value of the 2021 Stock Option	
Estimate method:	Black-Scholes option pricing model
Volatility of stock price:	33.6%
Estimated remaining outstanding period:	Three years and five months
Estimated dividend:	¥80 per share
Risk free interest rate:	(0.14)%

18 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Salary	**¥12,321**	¥12,585	**$100,669**
Other	**14,864**	16,433	**121,447**
Total	**¥27,186**	¥29,019	**$222,125**

19 INCOME TAXES

The Group is subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 30.5% for the years ended March 31, 2022 and 2021.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Deferred tax assets:			
Reserve for loan losses	**¥ 8,983**	¥ 8,817	**$ 73,396**
Liability for employees' retirement benefits	**2,150**	1,699	**17,566**
Depreciation	**1,748**	1,854	**14,282**
Other	**3,252**	3,760	**26,570**
Less valuation allowance	**(6,492)**	(7,093)	**(53,043)**
Total	**9,642**	9,038	**78,780**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**(2,989)**	(7,087)	**(24,421)**
Unrealized gain on employees' retirement benefit trust	**(1,448)**	(1,448)	**(11,831)**
Other	**(803)**	(274)	**(6,560)**
Total	**(5,241)**	(8,809)	**(42,822)**
Net deferred tax assets (liability)	**¥ 4,401**	¥ 228	**$ 35,958**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2022, with the corresponding figures for 2021 was as follows:

	2022	2021
Normal effective statutory tax rate	**30.5%**	30.5%
Expenses not deductible for income tax purposes	**0.6**	0.8
Income not taxable for income tax purposes	**(1.6)**	(2.1)
Valuation allowance	**(8.6)**	11.4
Other-net	**1.8**	2.2
Actual effective tax rate	**22.7%**	42.8%

20 REVENUE

(1) Disaggregation of Revenue

Revenues from contracts with customers on a disaggregated basis for the year ended March 31, 2022, were as follows:

	Millions of Yen				
	2022				
	Reportable Segment				
	Banking	Leasing	Total	Other	Total
Fees and commissions:					
Deposit and loan businesses	**¥ 2,745**	**¥ 0**	**¥ 2,745**	**¥ 967**	**¥ 3,713**
Exchange business	**2,523**		**2,523**		**2,523**
Securities-related businesses	**1,626**		**1,626**		**1,626**
Agency businesses	**520**		**520**		**520**
Other	**618**		**618**		**618**
Other than fees and commissions	**104**		**104**	**614**	**718**
Ordinary income from contracts with customers	**8,137**	**0**	**8,138**	**1,582**	**9,720**
Ordinary income other than above	**36,739**	**8,245**	**44,984**	**1,094**	**46,079**
Ordinary income from external customers	**¥44,877**	**¥8,245**	**¥53,123**	**¥2,676**	**¥55,799**

	Thousands of U.S. Dollars				
	2022				
	Reportable Segment				
	Banking	Leasing	Total	Other	Total
Fees and commissions:					
Deposit and loan businesses	$ 22,428	$ 2	$ 22,428	$ 7,901	$ 30,337
Exchange business	20,614		20,614		20,614
Securities-related businesses	13,285		13,285		13,285
Agency businesses	4,249		4,249		4,249
Other	5,049		5,049		5,049
Other than fees and commissions	850		850	5,017	5,866
Ordinary income from contracts with customers	66,484	2	66,492	12,926	79,418
Ordinary income other than above	300,180	67,367	367,546	8,939	376,493
Ordinary income from external customers	$366,672	$67,367	$434,047	$21,865	$455,911

Notes: 1. The "Other" segment is a business segment that is not included in reportable segments and includes credit card services.
2. The "Ordinary income other than above" includes income according to ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" as well as revenue according to ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

(2) Basic Information to Understand Revenues from Contracts with Customers

The information that provides the basis for understanding the revenue generated from contracts with customers is provided in Note 2. m, "Summary of Significant Accounting Policies - Revenue Recognition."

(3) Contract Balances

Receivables from contract with customers and contract liabilities at the beginning and end of the year were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2022	2022
Receivables from contracts with customers:		
Balance at beginning of year	**¥306**	**$2,500**
Balance at end of year	**314**	**2,565**
Contract liabilities:		
Balance at beginning of year	**83**	**678**
Balance at end of year	**90**	**735**

Receivables from contract with customers are mainly accounts receivable from fees and commissions received from customers.

Contract liabilities are a portion of the commission income received from customers. Contract liabilities are transferred to income as performance obligations are satisfied in connection with the provision of service transactions, etc.

Of the revenue recognized in the fiscal year under review, the amount included in the contract liabilities at the beginning of the fiscal year was ¥83 million ($678 thousand).

(4) Transaction Prices Allocated to Remaining Performance Obligations

In the current consolidated fiscal year, there are no significant contracts with customers that are expected to have an initial term of more than 1 year, and accordingly, such notes are not stated in accordance with the treatment set forth in paragraph 80-22 of the Accounting Standard for Revenue Recognition.

21 OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Unrealized gain (loss) on available-for- sale securities:			
Gains (losses) arising during the year	**¥(18,043)**	¥ 8,358	**$(147,422)**
Reclassification adjustments to profit or loss	**4,992**	1,275	**40,787**
Amount before income tax effect	**(13,051)**	9,633	**(106,634)**
Income tax effect	**4,097**	(2,435)	**33,474**
Total	**¥ (8,953)**	¥ 7,198	**$ (73,151)**
Deferred gain (loss) on derivatives under hedge accounting:			
Gains (losses) arising during the year	**¥ 1,649**	¥ 1,512	**$ 13,473**
Reclassification adjustments to profit or loss	**78**	18	**637**
Amount before income tax effect	**1,728**	1,531	**14,118**
Income tax effect	**(526)**	(466)	**(4,297)**
Total	**¥ 1,202**	¥ 1,064	**$ 9,821**
Defined retirement benefit plans:			
Adjustments arising during the year	**¥ (1,418)**	¥ 4,387	**$ (11,585)**
Reclassification adjustments to profit or loss	**(82)**	658	**(699)**
Amount before income tax effect	**(1,501)**	5,045	**(12,264)**
Income tax effect	**457**	(1,537)	**3,733**
Total	**¥ (1,043)**	¥ 3,508	**$ (8,521)**
Total other comprehensive income (loss)	**¥ (8,795)**	¥11,772	**$ (71,860)**

22 CASH AND CASH EQUIVALENTS

The reconciliation of cash and due from banks in the consolidated balance sheet to cash and cash equivalents at March 31, 2022 and 2021, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Cash and due from banks..........	¥942,673	¥512,688	$7,702,206
Less deposits in other banks except for the Bank of Japan.....	(1,676)	(6,605)	(13,693)
Cash and cash equivalents, end of year	¥940,996	¥506,083	$7,688,503

23 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Bank Policy for Financial Instruments

The Bank's operations mainly include accepting deposits, providing loans, discounting bills, and buying and selling marketable securities and other financial instruments. Through these activities, the Bank holds substantial financial assets and financial liabilities that are subject to fluctuations in interest rates. To protect itself from the negative effects of interest rate fluctuations, the Bank conducts derivative transactions as part of its asset and liability management (ALM) activities.

In addition, the consolidated subsidiaries that engage in leasing and credit card businesses handle financial instruments as their principal business.

(2) Nature and Extent of Risks Arising from Financial Instruments

Of the principal financial assets held by the Group, loans are subject to credit risk, or default on the part of the customer. The Group holds trading account securities and investment securities, for holding to maturity and for purely trading purposes, as well as to promote business activities. These securities are subject to issuer credit risk, interest rate fluctuation risk and market price fluctuation risk.

Of financial liabilities, deposits and borrowed money are subject to liquidity risk, or the possibility that the Group may become unable to meet payment obligations when due in the event that they become unable to utilize markets in certain circumstances.

Among derivative transactions, the Bank employs interest rate swap transactions to hedge risk using ALM. To offset the risk of interest rate increases, the Bank employs variable receipt/fixed payment and fired receipt/variable payment interest rate swap transactions on loans bearing long-term, fixed rates of interest, and securities.

With respect to currencies, the Bank employs currency swap transactions, forward exchange contracts and coupon swap transactions, primarily to hedge the exchange rate fluctuation risks on foreign currency assets and liabilities.

The Bank engages in bond futures transactions, mainly as part of its dealing operations. With regard to the methods of hedge accounting for interest risks on financial assets and liabilities, the Bank employs deferred hedge accounting as provided in the JICPA Industry Committee Practice Guidance No. 24. To evaluate hedging effectiveness, for hedges designed to offset market fluctuations, the Bank performs specified evaluations of hedged loans at individual hedge stages grouped by (remaining) term.

The consolidated subsidiaries do not conduct derivative transactions.

(3) Risk Management for Financial Instruments

Credit risk management

The Bank has in place various provisions, including a Credit Risk Management Policy and Credit Risk Management Provisions. These provisions, which extend beyond lending activities and include market transactions and off-balance-sheet assets, are in place to manage credit risks related to all manners of banking operations. For each activity, the Bank conducts credit screenings, manages credit limits, manages credit information and employs an internal rating system. The Bank also has in place a credit management system to support management improvements and handle loans that have become delinquent or present collection difficulties. The consolidated subsidiaries also have in place various credit risk management and other provisions. They act in accordance with these provisions to manage credit risks appropriately.

To manage these credit risks, the Group has established credit risk management divisions, including screening divisions, credit management divisions and problem loan management divisions. The Bank's Risk Management Division takes overall responsibility for credit risk management, including the status of credit risk and accompanying problems.

With regard to credit screening, the Bank's Audit Division checks the Bank's Risk Management Division and each risk management division to ascertain the appropriateness of credit risk management.

Market risk management

The Bank has in place a system for managing market risk. All items that require market risk management, including deposit and loan transactions, market transactions and off-balance-sheet transactions, are managed in accordance with the Bank's Market Risk Management Policy and Market Risk Management Provisions. The ALM divisions manage market risk related to deposits and loans, while market-related divisions mainly manage market risk related to market transactions. The Bank's Risk Management Division provides comprehensive reports to the Risk Management Committee indicating risk amounts, stress test results and other information. Market Risk Management Policy and Provisions are also in place at consolidated subsidiaries, in line with each company's risk profile. In this manner, systems are in place to ensure the appropriate management of market risk.

The market risk management divisions of the Group manages market risks in this way and the Bank's Risk Management Division serves as the central division for the management of market risk and addressing related problems.

With regard to audits of market risk management, the Bank's Audit Division checks the Bank's Risk Management Division and each market risk management division to ascertain the appropriateness of market risk management.

(Quantitative information concerning market risks)

Major financial instruments held by the Bank, which are subject to the primary risk parameters such as interest rate risk and price fluctuation risk, are loans, securities (held-to-maturity debt securities and other securities), deposits and negotiable certificates of deposit, and interest rate swap transactions in derivative transactions.

For these financial assets and financial liabilities, the Bank estimates the amount of loss that they will have after specific periods of time by using a statistical method and assumes it as the market risk quantities. Also, the Bank employs it as a quantitative analysis to manage the risk of interest rate and price fluctuation. Value at Risk (VaR) is used to calculate the impact amount.

A historical simulation model has been adopted for the current fiscal year to measure VaR. The conditions are an observation period of 1,250 business days, a confidence interval of 99%, and a holding period of 60 business days (125 business days for strategic holdings).

As of March 31, 2022, the Bank's market risk (estimated loss value) on major financial instruments was ¥29,946 million ($244,676 thousand). Of this amount, ¥24,730 million ($202,058 thousand) was attributable to securities and ¥5,215 million ($42,609 thousand) was attributable to instruments other than securities, such as deposits and loans.

The Bank also conducts back-testing, by comparing the VaR calculated using this model with actual profits or losses. During the consolidated fiscal year under review, back-testing demonstrated that its approximation model was sufficiently precise to capture market risk.

However, it is important to recognize that VaR estimation is a calculation based on a statistical process, and that results may differ depending on the preconditions and calculation methods used. Further, this process does not forecast maximum losses, and future market conditions may differ substantially from past conditions.

Furthermore, quantitative analysis is not applied to certain financial instruments whose impact is immaterial or those held by consolidated subsidiaries.

Liquidity risk management

The Bank manages liquidity risk in accordance with its Liquidity Risk Management Policy and Liquidity Risk Management Provisions. The Market Financing Division manages cash on a daily basis, and the Bank's Risk Management Division, which serves as the management division, monitors this risk, providing comprehensive reports to the Risk Management Committee including the status of risks, the status of assets available for payment, the results of stress tests and other information.

With regard to audits of liquidity risk management, the Bank's Audit Division checks the Bank's Risk Management Division and each liquidity risk management division to ascertain the appropriateness of liquidity risk management.

(4) Fair Values of Financial Instruments

Fair values of financial instruments are as follows: Investments in equity instruments that do not have a quoted market price in an active market are not included in the following table. The fair values of cash and due from banks and payables under securities lending transactions are not disclosed because their maturities are short and the carrying values approximate fair value. Also, please see Note 24 for details of the fair values of derivatives.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2022	Carrying Amount	Fair Value	Unrealized Gain (Loss)
Investment securities:			
Held-to-maturity securities	¥ 59,817	¥ 59,289	¥ (528)
Available-for-sale securities	1,215,037	1,215,037	
Loans and bills discounted	1,972,040		
Reserve for loan losses (*1)	(24,872)		
	1,947,167	1,948,559	1,391
Total	¥3,222,022	¥3,222,886	¥ 863
Deposits	¥3,457,890	¥3,457,983	¥ 93
Borrowed money	426,984	426,957	(27)
Total	¥3,884,875	¥3,884,941	¥ 66
Derivative instruments (*2):			
Hedge accounting is not applied	¥ (12,356)	¥ (12,356)	
Hedge accounting is applied (*3)	2,855	2,855	
Total	¥ (9,500)	¥ (9,500)	

	Millions of Yen		
March 31, 2021	Carrying Amount	Fair Value	Unrealized Gain (Loss)
Investment securities:			
Held-to-maturity securities	¥ 40,688	¥ 40,681	¥ (6)
Available-for-sale securities	1,216,583	1,216,583	
Loans and bills discounted	1,906,882		
Reserve for loan losses (*1)	(24,707)		
	1,882,174	1,891,583	9,408
Total	¥3,139,447	¥3,148,849	¥9,401
Deposits	¥3,294,890	¥3,295,070	¥ 179
Borrowed money	229,804	229,790	(13)
Total	¥3,524,694	¥3,524,861	¥ 166
Derivative instruments (*2):			
Hedge accounting is not applied	¥ (4,774)	¥ (4,774)	
Hedge accounting is applied (*3)	1,335	1,335	
Total	¥ (3,438)	¥ (3,438)	

	Thousands of U.S. Dollars		
March 31, 2022	Carrying Amount	Fair Value	Unrealized Gain (Loss)
Investment securities:			
Held-to-maturity securities	$ 488,740	$ 484,426	$ (4,314)
Available-for-sale securities	9,927,583	9,927,583	
Loans and bills discounted	16,112,754		
Reserve for loan losses (*1)	(203,219)		
	15,909,526	15,920,900	11,365
Total	$26,325,859	$26,332,919	$ 7,051
Deposits	$28,253,043	$28,253,803	$ 759
Borrowed money	3,488,716	3,488,495	(220)
Total	$31,741,768	$31,742,307	$ 539
Derivative instruments (*2):			
Hedge accounting is not applied	$ (100,955)	$ (100,955)	
Hedge accounting is applied (*3)	23,327	23,327	
Total	$ (77,620)	$ (77,620)	

(*1) Reserve for loan losses relevant to loans and bills discounted have been deducted.
(*2) Derivative instruments are disclosed in the net amount of assets and liabilities.
(*3) Interest rate swaps designated as hedging instruments for securities that are hedged, and deferred hedges are applied. For these hedging relationships, the "PITF No. 40 for Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied.

(b) Carrying amount of investments in equity instruments that do not have a quoted market price in an active market

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Equity securities	¥ 2,134	¥ 2,161	$ 17,436
Other	10,694	10,507	87,376
Total	¥12,828	¥12,668	$104,812

(5) Maturity Analysis for Financial Assets and Securities with Contractual Maturities

	Millions of Yen			
March 31, 2022	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Due from banks	¥ 910,181			
Investment securities:				
Held-to-maturity securities		¥ 40,000	¥ 9,755	¥ 10,000
Available-for-sale securities	119,790	387,265	295,346	302,176
Loans and bills discounted (*)	475,144	589,583	360,965	505,985
Total	¥1,505,117	¥1,016,848	¥666,067	¥818,161

March 31, 2021	Millions of Yen Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Due from banks	¥ 478,838			
Investment securities:				
Held-to-maturity securities		¥ 40,000	¥ 55	¥ 500
Available-for-sale securities	168,644	439,843	249,596	251,105
Loans and bills discounted (*)	468,970	596,272	350,753	456,482
Total	¥1,116,453	¥1,076,116	¥600,404	¥708,087

March 31, 2022	Thousands of U.S. Dollars Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Due from banks	$ 7,436,726			
Investment securities:				
Held-to-maturity securities		$ 326,824	$ 79,704	$ 81,706
Available-for-sale securities	978,756	3,164,188	2,413,154	2,468,959
Loans and bills discounted (*)	3,882,212	4,817,248	2,949,301	4,134,202
Total	$12,297,712	$8,308,260	$5,442,168	$6,684,868

(*) Excluded from the loan amount for the years ended March 31, 2022 and 2021, were ¥40,360 million ($329,765 thousand) and ¥34,402 million, respectively, in loans classified as "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy" on which the redemption amount cannot be forecasted.

(6) Maturity Analysis for Deposits with Contractual Maturities

March 31, 2022	Millions of Yen Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Deposits	¥3,239,713	¥216,870	¥1,306	

March 31, 2021	Millions of Yen Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Deposits	¥3,072,033	¥221,560	¥1,296	

March 31, 2022	Thousands of U.S. Dollars Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Deposits	$26,470,406	$1,771,958	$10,670	

Please see Note 14 for annual maturities of borrowed money.

(7) Financial Instruments Categorized by Fair Value Hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(a) The financial assets and liabilities measured at the fair values in the consolidated balance sheet

March 31, 2022	Millions of Yen Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Japanese government bonds	¥233,149			¥ 233,149
Local government bonds		¥ 251,799		251,799
Corporate bonds		234,404	¥11,348	245,752
Equity securities	66,465	1,156		67,621
Other (*1)	43,894	114,155	49,652	207,702
Total assets	¥343,509	¥ 601,516	¥61,001	¥1,006,026
Derivative transactions (*2):				
Interest rate swaps		¥ 2,855		¥ 2,855
Foreign currency forward contracts		(12,356)		(12,356)
Total liabilities		¥ (9,500)		¥ (9,500)

March 31, 2022	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Japanese government bonds	$1,904,968			$1,904,968
Local government bonds		$2,057,349		2,057,349
Corporate bonds		1,915,222	$ 92,720	2,007,942
Equity securities	543,059	9,445		552,504
Other (*1)	358,640	932,715	405,687	1,697,050
Total assets	$2,806,675	$4,914,748	$498,415	$8,219,838
Derivative transactions (*2):				
Interest rate swaps		$ 23,327		$ 23,327
Foreign currency forward contracts		(100,956)		(100,956)
Total liabilities		$ (77,621)		$ (77,621)

(*1) Investment trusts to which the transitional measures set forth in Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, July 4, 2019) have been applied are not included in the above table. The amount of the relevant investment trust in the consolidated balance sheet is ¥209,011 million ($1,707,745 thousand).

(*2) Derivative instruments are disclosed in the net amount of assets and liabilities.

(b) The financial assets and liabilities not measured at the fair values in the consolidated balance sheet

March 31, 2022	Millions of Yen Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Japanese government bonds	¥9,564			¥ 9,564
Local government bonds		¥ 34,226		34,226
Corporate bonds		15,498		15,498
Loans and bills discounted			¥1,948,559	1,948,559
Total assets	¥9,564	¥ 49,725	¥1,948,559	¥2,007,848
Deposits		¥3,457,983		¥3,457,983
Borrowed money		426,957		426,957
Total liabilities		¥3,884,941		¥3,884,941

March 31, 2022	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Japanese government bonds	$78,144			$ 78,144
Local government bonds		$ 279,647		279,647
Corporate bonds		126,628		126,628
Loans and bills discounted			$15,920,900	15,920,900
Total assets	$78,144	$ 406,283	$15,920,900	$16,405,327
Deposits		$28,253,803		$28,253,803
Borrowed money		3,488,496		3,488,496
Total liabilities		$31,742,307		$31,742,307

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Investment Securities

Securities with unadjusted quoted prices in active markets are categorized as Level 1. Listed stocks and government bonds are mainly included.

If the market is not active, even if the announced market price is used, it is categorized as Level 2. This mainly includes local government bonds and corporate bonds.

In addition, privately placed bonds guaranteed by the Bank for which market prices are not available, the fair value is calculated by discounting the total amount of principal and interest by the interest rate assumed in the case of similar new issuance for each categorization based on internal ratings and maturity, and is categorized as Level 3.

Certain other securities with no published quoted prices are categorized as Level 2 or Level 3 based on the market prices obtained from external traders (brokers, etc.) and the inputs used therein.

Loans and Bills Discounted

The fair value of loans is calculated by discounting the total amount of principal and interest by the discount rate reflecting the credit risk, etc. in the market interest rate for each category based on the type of loan, internal rating and period. In the case of variable interest rates, the fair value is used to reflect market interest rates in a short period of time. Therefore, if the credit status of the borrower does not differ significantly after the loan is executed, the book value is used as the fair value because the book value is similar to the fair value.

The fair value of loans provided to entities that are classified as legal bankruptcy, virtual bankruptcy or possible bankruptcy are determined according to the current value of expected future cash flows or the amount of collateral that is expected to be recoverable or guarantee amounts that are determined to be recoverable. As these amounts are nearly identical to the book value after deducting the allowance for doubtful accounts, these amounts are assumed to be their fair value.

These fair values are categorized as Level 3.

Deposits

For demand deposits, fair value is assumed to be the amount to be paid when demanded on the balance sheet date (i.e., the book value). The fair value of time deposits is determined by segmenting such deposits by term and discounting future cash flows to their current value. The discount rate used is the rate of interest on new deposits of the same type. As the term on the deposits are short-term in nature, book value approximates fair value, so their book value is assumed to be their fair value.

These fair values are categorized as Level 2.

Borrowed Money

For borrowed money, interest rates on floating-rate borrowings reflect short-term market interest rates. The credit conditions of the Group have not changed significantly since the time of borrowing, and as such, book value approximates fair value. So their book value is assumed to be their fair value. Such borrowings with fixed interest rates are segmented by term, the total amount of principal and interest on the borrowed money is divided by time period, and their present value is calculated by discounting according to the assumed interest rate. For items with a short commitment term (within three months), as their book value approximates fair value, their book value is assumed to be their fair value.

These fair values are categorized as Level 2.

Derivatives

Exchange traded transactions are categorized as Level 1, with the fair value being the final price at the exchange.

Over-the-counter transactions are categorized as Level 2, with the fair value calculated using the present value of future cash flows using inputs such as interest rates and foreign exchange rates.

Information on the fair value of Level 3 financial instruments stated on the consolidated balance sheet at fair value.

(c) Quantitative information on important unobservable inputs

March 31, 2022	Valuation technique	Significant unobservable inputs	Range of inputs	Weighted-average of inputs
Marketable and investment securities:				
Available-for-sale securities:				
Corporate bonds (privately placed bonds guaranteed by the Bank)	**Discounted cash flow (*)**	**Discount rate**	**From 0.3% to 1.6%**	**0.7%**

(*) The fair value of corporate bonds provided to entities that are classified as legal bankruptcy, virtual bankruptcy or possible bankruptcy are determined according to the current value of expected future cash flows or the amount of collateral that is expected to be recoverable or guarantee amounts that are determined to be recoverable.

(d) A reconciliation of the beginning balance and the ending balance and unrealized gain (loss) recognized in net income or loss

	Millions of Yen							
March 31, 2022	April 1, 2021	Included in net income (*1)	Included in other comprehensive income (loss) (*2)	Changes due to purchases, issues, sales and settlements	Transfers into fair value of Level 3 (*3)	Transfers out of fair value of Level 3 (*4)	March 31, 2022	Change in unrealized gains (losses) included in net income for financial assets and liabilities still held a March 31, 2022 (*1)
Marketable and investment securities:								
Available-for-sale securities:								
Corporate bonds	**¥11,849**	**¥ (47)**	**¥ (35)**	**¥(418)**			**¥11,348**	
Other	**72,234**	**2,266**	**(640)**	**(466)**		**¥(23,740)**	**49,652**	**¥(3)**

March 31, 2022	April 1, 2021	Included in net income (*1)	Included in other comprehensive income (loss) (*2)	Changes due to purchases, issues, sales and settlements	Transfers into fair value of Level 3 (*3)	Transfers out of fair value of Level 3 (*4)	March 31, 2022	Change in unrealized gains (losses) included in net income for financial assets and liabilities still held a March 31, 2022 (*1)
	Thousands of U.S. Dollars							
Marketable and investment securities:								
Available-for-sale securities:								
Corporate bonds	$ 96,813	$ (384)	$ (286)	$(3,415)			$ 92,720	
Other	590,195	18,515	(5,229)	(3,808)		$(193,970)	405,687	$(25)

(*1) Included in "Other operating income" and "Other operating expenses" in the consolidated statement of income.
(*2) Included in "Unrealized gain (loss) on available-for-sale securities" in "Other comprehensive income (loss)" in the consolidated statement of comprehensive income.
(*3) The transfer is from Level 2 to Level 3 due to changes in the observability of the inputs used to calculate fair value. The transfer was made on the last day of the current consolidated fiscal year.
(*4) The transfer is from Level 3 to Level 2 and is due to changes in the observability of the inputs used to calculate fair value. The transfer was made on the last day of the current consolidated fiscal year.

(e) Explain about the valuation process of fair value

At the Group, the back division and the middle division establish policies and procedures related to the calculation of fair values and procedures related to the use of the fair value model, and each division calculates fair values in accordance with these policies and procedures. The fair values calculated are verified by an independent valuation department to verify the appropriateness of the valuation techniques and inputs used to calculate the fair values and the appropriateness of the categorization of the level of fair values.

In cases where market prices obtained from third parties are used, the appropriateness of the prices is verified by appropriate methods such as confirmation of the valuation techniques and inputs used and comparison with the market prices of similar financial instruments.

(f) Explanation about effect on fair value of changing a significant unobservable input

The discount rate is an adjustment rate to standard market interest rates such as swap rates, and mainly consists of risk premiums, which are the amount of compensation required by market participants for the uncertainty of cash flows of financial instruments arising from credit risk. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

24 DERIVATIVES

The Bank's policy is to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risk associated with its assets and liabilities.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency swaps to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations of market conditions, including interest and foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty's failure to perform under a contract. Because the counterparties to these derivatives are limited to major financial institutions and securities companies, the Bank does not anticipate material losses arising from credit risk.

Concerning risk management associated with derivative transactions, the front and back offices of the trading divisions (the Market Financing Division) are clearly separated, while the Asset and Liabilities Management Office synthetically manages the Bank's market risks. In this manner, an internal monitoring system is effectively secured. Derivative transactions entered into by the Bank have been made in accordance with internal policies, which regulate the trading activities, and credit risk management has formal risk limits and credit lines. The Bank's gains and losses on positions and other conditions are periodically reported to management.

(1) Derivative Transactions to Which Hedge Accounting Is Not Applied

March 31, 2022	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
	Millions of Yen			
Currency swaps	¥107,703	¥ 67,314	¥(8,470)	¥(8,470)
Coupon swaps	130,151	122,113	183	183
Foreign currency forward contracts:				
Selling	65,449	9	(4,069)	(4,069)
Buying	8,422		0	0

March 31, 2021	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
	Millions of Yen			
Currency swaps	¥108,495	¥55,355	¥ 81	¥ 81
Coupon swaps	88,355	82,306	181	181
Foreign currency forward contracts:				
Selling	97,753	1,000	(5,192)	(5,192)
Buying	3,296	1,000	155	155

March 31, 2022	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
	Thousands of U.S. Dollars			
Currency swaps	$ 879,998	$549,995	$(69,205)	$(69,205)
Coupon swaps	1,063,412	997,736	1,495	1,495
Foreign currency forward contracts:				
Selling	534,757	73	(33,246)	(33,246)
Buying	68,812		2	2

(2) Derivative Transactions to Which Hedge Accounting Is Applied

March 31, 2022	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
		Millions of Yen		
Interest rate swaps (floating rate payment, fixed rate receipt) (fixed rate payment, floating rate receipt)	Available-for-sale securities (debt securities)	¥45,000	¥45,000	¥2,855

March 31, 2021	Hedged Item	Millions of Yen: Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate swaps (floating rate payment, fixed rate receipt)	Loans and bills discounted	¥ 7,000	¥ 7,000	¥ 138
(fixed rate payment, floating rate receipt)	Available-for-sale securities (debt securities)	¥35,000	¥35,000	¥1,196

March 31, 2022	Hedged Item	Thousands of U.S. Dollars: Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate swaps (floating rate payment, fixed rate receipt)				
(fixed rate payment, floating rate receipt)	**Available-for-sale securities (debt securities)**	**$367,677**	**$367,677**	**$23,327**

The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Bank's exposure to credit or market risk.

25 SEGMENT INFORMATION

ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of Reportable Segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors is performed in order to decide how management resources are allocated and in assessing performance. The Group concentrates on the banking business, and also conduct other financial services including the leasing and the credit card businesses. Therefore, the Group's reportable segments consist of Banking and Lease.

(2) Methods of Measurement for the Amounts of Ordinary Income, Profit, Assets and Other Items for Each Reportable Segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

(3) Information about Ordinary Income, Profit, Assets and Other Items

	Millions of Yen						
	2022						
	Reportable Segment						
	Banking	Leasing	Total	Other	Total	Reconciliations	Consolidated
Ordinary income:							
Ordinary income from external customers	**¥ 44,877**	**¥ 8,245**	**¥ 53,123**	**¥ 2,676**	**¥ 55,799**		**¥ 55,799**
Intersegment ordinary income	**264**	**153**	**417**	**509**	**927**	**¥ (927)**	
Total	**¥ 45,141**	**¥ 8,398**	**¥ 53,540**	**¥ 3,186**	**¥ 56,727**	**¥ (927)**	**¥ 55,799**
Segment profit	**¥ 6,184**	**¥ 212**	**¥ 6,396**	**¥ 866**	**¥ 7,263**	**¥ (16)**	**¥ 7,246**
Segment assets	**4,290,382**	**22,695**	**4,313,078**	**18,855**	**4,331,933**	**(21,363)**	**4,310,569**
Other:							
Depreciation	**1,501**	**98**	**1,600**	**63**	**1,664**	**(1)**	**1,662**
Total interest income	**32,661**	**12**	**32,673**	**1,070**	**33,744**	**(48)**	**33,695**
Total interest expenses	**474**	**54**	**528**	**4**	**532**	**(43)**	**489**
Impairment losses of assets	**324**		**324**		**324**		**324**
Increase in premises and equipment and intangible assets	**1,271**	**218**	**1,489**	**20**	**1,510**		**1,510**

	Millions of Yen						
	2021						
	Reportable Segment						
	Banking	Leasing	Total	Other	Total	Reconciliations	Consolidated
Ordinary income:							
Ordinary income from external customers	¥ 47,128	¥ 8,089	¥ 55,218	¥ 2,511	¥ 57,730	¥ (21)	¥ 57,709
Intersegment ordinary income	240	152	392	511	904	(904)	
Total	¥ 47,369	¥ 8,241	¥ 55,611	¥ 3,023	¥ 58,634	¥ (925)	¥ 57,709
Segment profit	¥ 5,578	¥ 351	¥ 5,930	¥ 848	¥ 6,779	¥ (11)	¥ 6,767
Segment assets	3,793,592	21,581	3,815,173	17,746	3,832,919	(19,250)	3,813,669
Other:							
Depreciation	1,718	95	1,813	65	1,879	(1)	1,878
Total interest income	32,842	12	32,855	1,010	33,865	(49)	33,816
Total interest expenses	527	55	583	5	588	(45)	542
Impairment losses of assets	454		454		454		454
Increase in premises and equipment and intangible assets	2,033	153	2,186	34	2,220	(0)	2,219

	Thousands of U.S. Dollars						
	2022						
	Reportable Segment						
	Banking	Leasing	Total	Other	Total	Reconciliations	Consolidated
Ordinary income:							
Ordinary income from external customers	$ 366,672	$ 67,366	$ 434,046	$ 21,864	$ 455,911		$ 455,911
Intersegment ordinary income	2,157	1,250	3,407	4,158	7,574	$ (7,574)	
Total	$ 368,829	$ 68,616	$ 437,454	$ 26,031	$ 463,493	$ (7,574)	$ 455,911
Segment profit	$ 50,527	$ 1,732	$ 52,259	$ 7,075	$ 59,343	$ (130)	$ 59,204
Segment assets	35,055,004	185,431	35,240,444	154,056	35,394,501	(174,548)	35,219,944
Other:							
Depreciation	12,264	800	13,072	514	13,595	(8)	13,579
Total interest income	266,860	98	266,958	8,742	275,708	(392)	275,308
Total interest expenses	3,872	441	4,314	32	4,346	(351)	3,995
Impairment losses of assets	2,647		2,647		2,647		2,647
Increase in premises and equipment and intangible assets	10,384	1,781	12,166	163	12,337		12,337

Notes: 1. The "Other" segment contains businesses that are not included in these reporting segments, such as the credit card business.
2. Adjustment amounts for the years ended March 31, 2022 and 2021, were as follows:
(1) A downward reconciliation in ordinary income from external customers of ¥21 million was made to the adjust gain on reversal of reserve for loan losses for the year ended March 31, 2021.
(2) Segment profit reconciliations of ¥16 million ($130 thousand) and ¥11 million were made to eliminate intersegment transactions.
(3) A downward reconciliation in segment assets of ¥21,363 million ($174,548 thousand) and ¥19,250 million was made to eliminate intersegment transactions.
(4) A downward reconciliation in depreciation of ¥1 million ($8 thousand) and ¥1 million was made to eliminate intersegment transactions.
(5) A downward reconciliation in total interest income of ¥48 million ($392 thousand) and ¥49 million was made to eliminate intersegment transactions.
(6) A downward reconciliation in total interest expenses of ¥43 million ($351 thousand) and ¥45 million was made to eliminate intersegment transactions.
(7) A downward reconciliation in increase in premises and equipment and intangible assets of ¥0 million was made to eliminate intersegment transactions for the year ended March 31, 2021.
3. Segment profit is reflected as an adjustment to ordinary profit.
4. Ordinary profits, ordinary income and ordinary expenses are defined as follows:
"Ordinary profits" means "Ordinary income" less "Ordinary expenses."
"Ordinary income" represents total income less certain special income included in other income in the accompanying consolidated statement of income for the years ended March 31, 2022 and 2021.
"Ordinary expenses" represents total expenses less certain special expenses included in other expenses in the accompanying consolidated statement of income for the years ended March 31, 2022 and 2021.

Related Information

(1) Information by Services

Income regarding major service for the years ended March 31, 2022 and 2021, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Loan Businesses	**¥20,859**	¥21,241	**$170,430**
Securities Investment Businesses	**15,809**	17,871	**129,169**
Other	**19,130**	18,595	**156,303**
Total	**¥55,799**	¥57,709	**$455,911**

(2) Geographical Information

(a) Ordinary income

Ordinary income from external domestic customers exceeded 90% of total ordinary income on the consolidated statement of income for the years ended March 31, 2022 and 2021; therefore, geographical ordinary income information is not presented.

(b) Premises and equipment

The balance of domestic premises and equipment exceeded 90% of total balance of premises and equipment in the consolidated balance sheet at March 31, 2022 and 2021; therefore, geographical premises and equipment information is not presented.

(3) Major Customer Information

Ordinary income from a specific customer did not reach 10% of total ordinary income in the consolidated statement of income for the years ended March 31, 2022 and 2021; therefore, major customer information is not presented.

26 RELATED PARTY TRANSACTIONS

Significant related party transactions for the years ended March 31, 2022 and 2021, were as follows:

		Transactions for the Year		Balance at End of Year	
		Millions of Yen	Thousands of U.S. Dollars	Millions of Yen	Thousands of U.S. Dollars
Related Party	Account Classification	**2022**	**2022**	**2022**	**2022**
Kunihiko Okamura	Loans and bills discounted	**¥30**	**$245**	**¥29**	**$236**

Notes: 1. Kunihiko Okamura retired on June 24, 2021, the balance at the end of the month of retirement is indicated in place of the balance at the end of the period.
2. Terms are substantially the same as for similar transactions with third parties.
3. Amounts of transactions were reported at the average balance for the period.

		Transactions for the Year	Balance at End of Year
		Millions of Yen	Millions of Yen
Related Party	Account Classification	2021	2021
Kunihiko Okamura	Loans and bills discounted	¥27	¥30
Tamanoyu Co., Ltd.	Loans and bills discounted	89	99
Tamanoyu Sangyou Co., Ltd.	Loans and bills discounted	92	91

Notes: 1. Izumi Kuwano, a former director of the Bank and its close relatives own 100% of the voting rights of Tamanoyu Co., Ltd. and Tamanoyu Sangyou Co., Ltd. As for Tamanoyu Co., Ltd. and Tamanoyu Sangyou Co., Ltd., Izumi Kuwano retired on June 24, 2020, the balance at the end of the month of retirement is indicated in place of the balance at the end of the period.
2. Terms are substantially the same as for similar transactions with third parties.
3. Amounts of transactions were reported at the average balance for the period.

27 NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2022 and 2021, was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2022	Net Income Attributable to Owners of the Parent	Weighted-Average Shares*	EPS*	
Basic EPS—Net income available to common shareholders	¥5,376	15,767	¥340.96	$ 2.78
Effect of dilutive securities:				
Stock Option		83	(1.79)	(0.01)
Diluted EPS—Net income for computation	¥5,376	15,850	¥339.17	$ 2.77

Year Ended March 31, 2021			
Basic EPS—Net income available to common shareholders	¥3,615	15,744	¥229.62
Effect of dilutive securities:			
Stock Option		79	(1.15)
Diluted EPS—Net income for computation	¥3,615	15,823	¥228.47

28 SUBSEQUENT EVENT

(1) Appropriations of Retained Earnings

At the Bank's general shareholders meeting held on June 24, 2022, the Bank's shareholders' approved the following:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥40.0 ($0.32) per share	¥630	$5,147

(2) Transaction Under Common Control

Merger of consolidated subsidiary

Overview of Transactions

Name and business of combining companies:

Name of the combining company: THE OITA BANK, LTD.

Business of the combining company: Banking

Name of the combined company: DAIGIN BUSINESS SERVICE CO, LTD.

Business of the combined company: Agency service for banking business

Date of the business combination: April 1, 2022

Legal form of the business combination:

Absorption-Type Merger with the Bank as the surviving company and DAIGIN BUSINESS SERVICE CO, LTD. as the absorbed company.

Company name after the combination: THE OITA BANK, LTD.

Other matters concerning the outline of transactions:

In order to improve the efficiency of management and effectively utilize management resources in the Group, DAIGIN BUSINESS SERVICE CO, LTD., a wholly-owned subsidiary, was merged into the Bank.

Summary of Accounting Treatments

This merger is treated as a transaction under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on January 16, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 issued on January 16, 2019).

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of THE OITA BANK, LTD.:

Opinion

We have audited the consolidated financial statements of THE OITA BANK, LTD. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Calculation of Reserve for Loan Losses

The Group provides banking and other financial services primarily in Oita Prefecture. In the lending business, which is the Group's core banking business, there is a risk that the Group may incur a loss in cases where all or part of a loan becomes uncollectible due to the debtor's bankruptcy. The reserve for loan losses is recorded for the portion where such a loss is expected. The Group recorded the reserve for loan losses of ¥29,270 million on the consolidated balance sheet as of March 31, 2022.

The Group's accounting policy and calculation process of the reserve for loan losses are disclosed in Note 2.j, "Summary of Significant Accounting Policies - Reserve for Loan Losses," to the consolidated financial statements.

The reserve for loan losses is calculated on the basis of the debtor category, which is a significant input in the estimates. Significant assumptions and judgments used in the determination of a debtor category are disclosed in Note 3, "Significant Accounting Estimate."

Key Audit Matter Description

The Group estimates the reserve for loan losses in accordance with the internal rules for write-offs and provisions. The estimates include the determination of a debtor category based on the debtor's financial position and results of operations, as well as its reasonable future business plan, the valuation of the collateral pledged by the debtor, and the calculation of the actual past loss ratio adjusted for the future outlook.

Specifically, the determination of a debtor category may depend on significant judgments regarding the expected recovery of the debtor's financial performance in the future based on its business plan if the debtor is facing financial difficulties and its performance is deteriorating.

In Oita Prefecture, as "Priority Measures to Prevent the Spread of COVID-19" were implemented and business hours, mainly for eating and drinking establishments, were requested to be shorten, there are some debtors whose performances are continuously deteriorating due to changes in the external environment, including the impact of the COVID-19 pandemic (hereinafter referred to as the "Certain troubled debtors").

Regarding the determination of debtor categories for such Certain troubled debtors, future business plans often include significant assumptions such as sales forecasts which are subject to external business environment and demand trends, including the impact of the COVID-19 pandemic, and cost reduction efforts which depend on the debtors' internal business environment.

Accordingly, as significant assumptions have high estimation uncertainty, the determination of debtor categories involves significant judgments.

There is a potential risk that the reserve for loan losses may not be appropriately calculated if a debtor category determined based on the debtor's future business plan does not appropriately reflect the debtor's credit risk. Accordingly, we identified the determination of debtor categories for the Certain troubled debtors, which involves significant assumptions used in their future business plans, as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

In order to address the key audit matter, we evaluated the effectiveness of the Group's controls over the determination of debtor categories of the Certain troubled debtors and tested the appropriateness of debtor categories based on the underlying information obtained.

We evaluated the effectiveness of the Group's controls, including review and approval, over the determination of debtor categories in accordance with the internal rules for write-offs and provisions. We also evaluated the effectiveness of the Group's controls over the accuracy and completeness of data, such as financial information about debtors, that was used in these internal controls.

In addition, for the Certain troubled debtors whose categories were highly dependent upon their future business plans, we tested the appropriateness of the information about these debtors underlying the determination of debtor categories. Also, we identified significant assumptions used in their future business plans and evaluated the reasonableness of such assumptions by performing the following:

- We evaluated the reasonableness of significant assumptions by comparing their business plans in prior periods to the recent actual results and analyzing the factors of differences. Also, we examined whether the factors of differences that needed to be reflected in the business plans for the following period were appropriately reflected.

- We evaluated the feasibility of sales forecasts which are subject to external business environment and demand trends, including the impact of the COVID-19 pandemic, by examining the progress of measures to improve profits and comparing them to externally available information.

- We evaluated the feasibility of cost reduction efforts which depend on the debtors' internal business environment by examining the recent costs incurred, the progress of such measures and the ability for further cost reduction.

Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the ANNUAL REPORT, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

July 29, 2022

Summary of Nonconsolidated Balance Sheet (Unaudited)

THE OITA BANK, LTD.
March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
ASSETS:			
Cash and due from banks	**¥ 942,567**	¥ 511,638	**$ 7,701,339**
Commercial paper and other debt purchased	**3,476**	3,914	**28,401**
Money held in trust	**16,931**	19,946	**138,336**
Investment securities	**1,291,928**	1,274,095	**10,555,829**
Loans and bills discounted	**1,978,279**	1,912,902	**16,163,730**
Foreign exchange assets	**11,591**	12,609	**94,705**
Other assets	**26,194**	39,788	**214,020**
Premises and equipment	**28,037**	28,870	**229,079**
Intangible assets	**746**	954	**6,095**
Prepaid pension cost	**9,621**	9,576	**78,609**
Deferred tax assets	**3,360**		**27,453**
Customers' liabilities for acceptances and guarantees	**8,095**	8,192	**66,141**
Reserve for loan losses	**(26,570)**	(26,474)	**(217,092)**
TOTAL	**¥4,294,259**	¥3,796,015	**$35,086,681**
LIABILITIES:			
Deposits	**¥3,472,306**	¥3,307,875	**$28,370,830**
Call money	**3,671**		**29,994**
Payables under repurchase agreements	**16,827**		**137,486**
Payables under securities lending transactions	**138,405**	19,142	**1,130,852**
Borrowed money	**421,102**	224,367	**3,440,656**
Foreign exchange liabilities	**45**	35	**367**
Other liabilities	**39,892**	37,545	**325,941**
Liability for retirement benefits	**6,048**	6,033	**49,415**
Reserve for reimbursement of deposits	**1,116**	1,383	**9,118**
Deferred tax liabilities		271	
Deferred tax liabilities for land revaluation excess	**4,174**	4,319	**34,104**
Acceptances and guarantees	**8,095**	8,192	**66,141**
Total liabilities	**4,111,686**	3,609,166	**33,594,950**
EQUITY:			
Common stock- authorized, 30,000,000 shares; issued, 16,243,634 shares in 2022 and 2021	**19,598**	19,598	**160,127**
Capital surplus	**10,582**	10,585	**86,461**
Stock acquisition rights	**220**	266	**1,797**
Retained earnings:			
Legal reserve	**10,431**	10,431	**85,227**
Unappropriated	**124,755**	121,085	**1,019,323**
Total retained earnings	**135,186**	131,516	**1,104,551**
Unrealized gain (loss) on available-for-sale securities	**9,079**	18,000	**74,180**
Deferred gain (loss) on derivatives under hedge accounting	**1,673**	471	**13,669**
Land revaluation excess	**8,353**	8,664	**68,249**
Treasury stock- at cost, 469,710 shares in 2022 and 498,184 shares in 2021	**(2,122)**	(2,254)	**(17,338)**
Total equity	**182,573**	186,848	**1,491,731**
TOTAL	**¥4,294,259**	¥3,796,015	**$35,086,681**

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥122.39=U.S. $1, the approximate exchange rate prevailing at March 31, 2022.

Summary of Nonconsolidated Statement of Income (Unaudited)

THE OITA BANK, LTD.
Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
INCOME:			
Interest on:			
Loans and discounts	**¥19,834**	¥20,277	**$162,055**
Securities	**12,180**	12,430	**99,517**
Other	**653**	142	**5,335**
Total interest income	**32,668**	32,850	**266,917**
Fees and commissions	**8,296**	8,331	**67,783**
Other operating income	**1,899**	1,213	**15,515**
Gains on sales of stocks and other securities	**1,711**	4,213	**13,979**
Other income	**740**	837	**6,046**
Total income	**45,316**	47,447	**370,259**
EXPENSES:			
Interest on:			
Deposits	**252**	380	**2,058**
Borrowings and rediscounts	**9**	17	**73**
Other	**208**	127	**1,699**
Total interest expenses	**470**	524	**3,840**
Fees and commissions	**2,255**	2,300	**18,424**
Other operating expenses	**8,813**	6,698	**72,007**
General and administrative expenses	**25,689**	27,548	**209,894**
Provision for loan losses	**805**	3,436	**6,577**
Losses on sales of stocks and other securities	**386**	960	**3,153**
Impairment losses on stocks and other securities	**430**	278	**3,513**
Impairment losses	**324**	454	**2,647**
Other expenses	**281**	133	**2,295**
Total expenses	**39,458**	42,335	**322,395**
INCOME BEFORE INCOME TAXES	**5,858**	5,111	**47,863**
INCOME TAXES:			
Current	**1,421**	2,716	**11,610**
Deferred	**(223)**	(431)	**(1,822)**
Total income taxes	**1,198**	2,284	**9,788**
NET INCOME	**¥ 4,659**	¥ 2,827	**$ 38,066**

	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK:			
Basic net income	**¥295.53**	¥179.58	**$ 2.41**
Diluted net income	**293.98**	178.68	**2.40**
Cash dividends applicable to the year	**80.00**	80.00	**0.65**

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥122.39=U.S. $1, the approximate exchange rate prevailing at March 31, 2022.

Summary of Nonconsolidated Statement of Changes in Equity (Unaudited)

THE OITA BANK, LTD.
Year Ended March 31, 2022

	Thousands	Millions of Yen									
					Retained Earnings						
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Stock Acquisition Rights	Legal Reserve	Unappropri-ated	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity
BALANCE, APRIL 1, 2020	15,740	¥19,598	¥10,592	¥237	¥10,431	¥119,223	¥10,878	¥ (593)	¥8,958	¥(2,279)	¥177,046
Net income						2,827					2,827
Cash dividends, ¥80.00 per share						(1,259)					(1,259)
Purchase of treasury stock	(1)									(3)	(3)
Disposal of treasury stock	6		(6)							28	21
Transfer from land revaluation excess						293					293
Net change in the year				28			7,122	1,064	(293)		7,921
BALANCE, MARCH 31, 2021 (APRIL 1, 2021, as previously reported)	15,745	19,598	10,585	266	10,431	121,085	18,000	471	8,664	(2,254)	186,848
Cumulative effect of accounting change						(0)					(0)
BALANCE, APRIL 1, 2021 (as restated)		19,598	10,585	266	10,431	121,084	18,000	471	8,664	(2,254)	186,848
Net income						4,659					4,659
Cash dividends, ¥80.00 per share						(1,260)					(1,260)
Purchase of treasury stock	(1)									(2)	(2)
Disposal of treasury stock	29		(41)							135	93
Transfer from land revaluation excess						310					310
Transfer from retained earnings to capital surplus			38			(38)					
Net change in the year				(45)			(8,920)	1,202	(310)		(8,075)
BALANCE, MARCH 31, 2022	15,773	¥19,598	¥10,582	¥220	¥10,431	¥124,755	¥ 9,079	¥1,673	¥8,353	¥(2,122)	¥182,573

	Thousands of U.S. Dollars									
				Retained Earnings						
	Common Stock	Capital Surplus	Stock Acquisition Rights	Legal Reserve	Unappropri-ated	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2021 (APRIL 1, 2021, as previously reported)	$160,127	$86,485	$2,173	$85,227	$ 989,337	$147,070	$ 3,848	$70,790	$(18,416)	$1,526,660
Cumulative effect of accounting change					(6)					(6)
BALANCE, APRIL 1, 2021 (as restated)	160,127	86,485	2,173	85,227	989,330	147,070	3,848	70,790	(18,416)	1,526,660
Net income					38,066					38,066
Cash dividends, $0.65 per share					(10,294)					(10,294)
Purchase of treasury stock									(16)	(16)
Disposal of treasury stock		(334)							1,103	759
Transfer from land revaluation excess					2,532					2,532
Transfer from retained earnings to capital surplus		310			(310)					
Net change in the year			(367)			(72,881)	9,821	(2,532)		(65,977)
BALANCE, MARCH 31, 2022	$160,127	$86,461	$1,797	$85,227	$1,019,323	$ 74,180	$13,669	$68,249	$(17,338)	$1,491,731

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥122.39=U.S. $1, the approximate exchange rate prevailing at March 31, 2022.

CORPORATE DATA

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Swift: OITA JPJT

Hong Kong Representative Office
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NUMBER OF MONEY EXCHANGE OFFICES
33

NUMBER OF OFFICES BY DISTRICT

Oita Prefecture	82
Miyazaki Prefecture	2
Kumamoto Prefecture	1
Fukuoka Prefecture	6
Osaka	1
Tokyo	1
Total	93

(As of September 30, 2022)

BOARD OF DIRECTORS AND AUDITORS

President
Tomiichiro Goto

Senior Managing Directors
Masayuki Takeshima
Yasuhide Takahashi

Managing Directors
Nobuhiko Okamatsu
Hiroaki Shimonomura

Outside Director
Akiko Yamamoto

Full-time Audit and Supervisory Committee Members
Masayuki Sagara
Hiroyuki Hirakawa

Outside Audit and Supervisory Committee Members
Yoshimi Osaki
Mitsuo Kawano
Sachiko Oro

Managing Executive Officers
Yasunori Sato
Hideki Nagamatsu

Executive Officers
Rikizo Hanada
Yu Ikeda
Katsuhiko Ueki
Hideki Takahashi
Noriyuki Nakama
Norio Hamada

(As of June 30, 2022)

感動を、シェアしたい。

Emotions with you.

大分銀行