

Financial Data (Consolidated)

Year Ended March 31, 2020

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Trends in Principal Financial Indicators (Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Operating Income	¥ 153.8	¥ 181.2	¥ 204.7	¥ 195.3	¥ 204.4
Income before Income Taxes and Other	21.6	32.1	58.4	50.8	34.9
Net Income Attributable to Owners of Parent	14.5	15.4	37.3	32.4	12.4
Comprehensive Income	5.3	11.2	41.5	35.9	6.1
Net Assets	959.4	964.0	972.3	935.3	903.8
Total Assets	11,219.5	11,818.5	11,957.3	12,845.0	12,570.4
Net Assets per Share (Yen)	195.44	195.04	191.95	174.92	160.48
Net Income per Share (Yen)	6.68	7.08	17.15	14.90	5.72
Net Income per Share (Diluted) (Yen)	—	—	—	—	—
Capital Ratio (%)	8.51	8.12	8.10	7.25	7.16
Consolidated Tier 1 (Common Stock etc.) Ratio (%)	11.67	12.30	12.69	11.97	12.00
Consolidated Tier 1 Ratio (%)	11.67	12.30	12.69	11.97	12.00
Consolidated Total Capital Ratio (%)	12.37	12.99	13.53	13.12	13.37
Return on Equity (%)	1.51	1.59	3.93	3.54	1.38
Price Earnings Ratio	—	—	—	—	—
Cash Flows from Operating Activities	(582.5)	223.9	(165.6)	535.3	(121.3)
Cash Flows from Investing Activities	73.7	113.5	16.6	149.5	218.6
Cash Flows from Financing Activities	(10.0)	(24.5)	(24.5)	(10.5)	(4.5)
Cash and Cash Equivalents at the End of the Year	1,302.7	1,821.5	1,508.5	1,682.0	1,007.6
Number of Employees (Persons)	4,020	4,113	4,083	4,080	4,102
[Average Number of Temporary Employees excluded from Above]	[1,018]	[1,036]	[1,058]	[1,047]	[1,018]

- Notes: 1. The Shoko Chukin Bank and its domestic consolidated subsidiaries account for national and local consumption taxes by way of the tax-exclusion method.
2. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.
3. The Capital Ratio is calculated as follows:
(Total Net Assets as of the fiscal period-end - Stock acquisition rights as of the fiscal period-end - Minority Interests as of the fiscal period-end)/Total Assets as of the fiscal period-end × 100
4. The Consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.
5. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered.
6. Number of Employees refers to the number of persons employed (excluding seconded workers).

Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of March 31, 2020 and 2019

	Millions of yen		Millions of U.S. dollars	
	2020	2019	2020	2019
ASSETS				
Cash and Due from Banks	¥ 1,327,060	¥ 1,856,792	\$ 12,193	\$ 16,729
Call Loans and Bills Purchased	37,719	45,347	346	408
Monetary Claims Purchased	22,355	26,573	205	239
Trading Assets	14,843	14,132	136	127
Investment Securities	1,279,992	1,380,634	11,761	12,439
Loans	8,285,149	8,280,606	76,129	74,606
Foreign Exchange	15,900	16,571	146	149
Other Assets	191,046	178,060	1,755	1,604
Tangible Fixed Assets	39,454	37,276	362	335
Buildings	17,287	16,276	158	146
Land	18,653	18,733	171	168
Construction in Progress	1,680	740	15	6
Other Tangible Fixed Assets	1,832	1,526	16	13
Intangible Fixed Assets	9,808	11,880	90	107
Software	7,742	6,468	71	58
Other Intangible Fixed Assets	2,066	5,411	18	48
Net Defined Benefit Asset	17,795	14,563	163	131
Deferred Income Taxes	45,667	41,732	419	375
Customers' Liabilities for Acceptances and Guarantees	110,779	104,966	1,017	945
Reserve for Possible Loan Losses	(178,065)	(190,601)	(1,636)	(1,717)
Total Assets	¥ 11,219,507	¥ 11,818,536	\$ 103,092	\$ 106,482

Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of March 31, 2020 and 2019

Pursuant to Article 396-1 of the Companies Act, the material that the Shoko Chukin Bank makes public in accordance with Article 52-2 of the Shoko Chukin Bank Law has been audited by an audit and supervisory board member.

In addition, the Bank's consolidated financial statements — the balance sheets, statements of operations, and statements of changes in net assets — have been certified by an audit and supervisory board member pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act.

	Millions of yen		Millions of U.S. dollars	
	2020	2019	2020	2019
LIABILITIES				
Deposits	¥ 5,076,561	¥ 5,051,357	\$ 46,646	\$ 45,511
Negotiable Certificates of Deposit	273,818	284,360	2,516	2,562
Shoko Chukin Bank Debentures	3,989,750	4,237,910	36,660	38,182
Payables under Securities Lending Transactions	336,938	593,243	3,096	5,345
Trading Liabilities	8,367	8,404	76	75
Borrowed Money	315,066	404,589	2,895	3,645
Foreign Exchange	30	30	0	0
Other Liabilities	78,797	90,346	724	814
Reserve for Bonuses	4,609	4,616	42	41
Net Defined Benefit Liability	13,229	24,062	121	216
Reserve for Retirement Benefits for Directors	76	41	0	0
Reserve for Losses on Refund for Dormant Bonds	51,776	50,243	475	452
Reserve for Environmental Measures	116	144	1	1
Other Reserves	86	84	0	0
Deferred Tax Liabilities	52	52	0	0
Acceptances and Guarantees	110,779	104,966	1,017	945
Total Liabilities	10,260,057	10,854,453	94,275	97,796
NET ASSETS				
Capital	218,653	218,653	2,009	1,970
Crisis Response Reserve	129,500	135,000	1,189	1,216
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	3,682	3,611
Capital Surplus	0	0	0	0
Retained Earnings	207,952	197,906	1,910	1,783
Treasury Stock	(1,072)	(1,061)	(9)	(9)
Total Shareholders' Equity	955,844	951,309	8,782	8,571
Unrealized Gains on Other Securities	11,884	21,333	109	192
Deferred Hedge Gains	85	5	0	0
Remeasurements of Defined Benefit Plans	(12,160)	(12,362)	(111)	(111)
Total Accumulated Other Comprehensive Income	(191)	8,976	(1)	80
Non-controlling Interests	3,796	3,796	34	34
Total Net Assets	959,450	964,082	8,816	8,686
Total Liabilities and Net Assets	¥ 11,219,507	¥ 11,818,536	\$ 103,092	\$ 106,482

Consolidated Statements of Operations

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2020 and 2019

	Millions of yen		Millions of U.S. dollars	
	2020	2019	2020	2019
Operating Income	¥ 153,835	¥ 181,244	\$ 1,413	\$ 1,632
Interest Income	95,018	101,915	873	918
Interest on Loans	87,233	92,432	801	832
Interest and Dividends on Securities	4,399	5,606	40	50
Interest on Call Loans and Interest on Bills Purchased	1,022	1,264	9	11
Interest on Deposits	1,218	1,247	11	11
Interest on Interest Swaps	28	21	0	0
Other Interest Income	1,114	1,343	10	12
Fees and Commissions	10,212	10,173	93	91
Trading Revenue	3,871	2,948	35	26
Other Operating Income	37,817	35,844	347	322
Other Income	6,915	30,362	63	273
Collection of Written-off Claims	10	46	0	0
Other Income	6,904	30,315	63	273
Operating Expenses	132,170	149,045	1,214	1,342
Interest Expenses	6,519	7,435	59	66
Interest on Deposits	3,108	2,971	28	26
Interest on Negotiable Certificates of Deposit	1,014	1,080	9	9
Interest on Debentures	1,006	1,554	9	14
Interest on Call Money and Interest on Bills Sold	(2)	(1)	(0)	(0)
Interest on Payables under Repurchase Agreements	0	—	0	—
Interest on Securities Lending Transactions	44	57	0	0
Interest on Borrowed Money	1,310	1,732	12	15
Other Interest Expenses	37	38	0	0
Fees and Commissions	1,574	2,072	14	18
Trading Expenses	31	9	0	0
Other Operating Expenses	35,628	32,490	327	292
General and Administrative Expenses	76,274	78,897	700	710
Other Expenses	12,142	28,140	111	253
Provision for Possible Loan Losses	6,006	1,538	55	13
Other Expenses	6,135	26,601	56	239
Profit before Income Taxes and Other	21,664	32,199	199	290
Other Gains	0	686	0	6
Gains on Disposal of Fixed Assets	0	686	0	6
Other Losses	4,433	6,850	40	61
Losses on Disposal of Fixed Assets	19	89	0	0
Impairment Losses	4,413	6,760	40	60
Profit before Income Taxes	17,231	26,034	158	234
Provision for Income Taxes	2,597	11,757	23	105
Adjustment for Income Taxes	86	(1,156)	0	(10)
Total Income Taxes	2,684	10,601	24	95
Profit	14,546	15,433	133	139
Profit Attributable to Non-controlling Interests	3	3	0	0
Profit Attributable to Owners of Parent	¥ 14,543	¥ 15,430	\$ 133	\$ 139

Consolidated Statements of Comprehensive Income

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2020 and 2019

	Millions of yen		Millions of U.S. dollars	
	2020	2019	2020	2019
Profit	¥ 14,546	¥ 15,433	\$ 133	\$ 139
Other Comprehensive Income	(9,167)	(4,223)	(84)	(38)
Unrealized Gains on Other Securities	(9,448)	(4,209)	(86)	(37)
Deferred Hedge Gains	79	(18)	0	(0)
Remeasurements of Defined Benefit Plans	201	5	1	0
Comprehensive Income	5,379	11,210	49	101
Total Comprehensive Income Attributable to Owners of Parent	5,375	11,206	49	100
Non-controlling Interests	¥ 3	¥ 3	\$ 0	\$ 0

Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2020 and 2019

Millions of yen

	Shareholders' Equity						
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance, April 1, 2019	¥ 218,653	¥ 135,000	¥ 400,811	¥ 0	¥ 197,906	¥ (1,061)	¥ 951,309
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve		(5,500)					(5,500)
Dividends from Surplus					(4,496)		(4,496)
Profit Attributable to Owners of Parent					14,543		14,543
Acquisition of Treasury Stock						(10)	(10)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	(5,500)	—	0	10,046	(10)	4,535
Balance, March 31, 2020	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 207,952	¥ (1,072)	¥ 955,844

	Accumulated Other Comprehensive Income					Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance, April 1, 2019	¥ 21,333	¥ 5	¥ (12,362)	¥ 8,976	¥ 3,796	¥ 964,082	
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve						(5,500)	
Dividends from Surplus						(4,496)	
Profit Attributable to Owners of Parent						14,543	
Acquisition of Treasury Stock						(10)	
Disposition of Treasury Stock						0	
Net Changes of Items Other Than Shareholders' Equity	(9,448)	79	201	(9,167)	—	(9,167)	
Total Changes during the Period	(9,448)	79	201	(9,167)	—	(4,632)	
Balance, March 31, 2020	¥ 11,884	¥ 85	¥ (12,160)	¥ (191)	¥ 3,796	¥ 959,450	

Consolidated Statements of Changes in Net Assets

Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2020 and 2019

Millions of yen

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2018	¥ 218,653	¥ 150,000	¥ 400,811	¥ 0	¥ 186,973	¥ (1,049)	¥ 955,388
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve		(15,000)					(15,000)
Dividends from Surplus					(4,497)		(4,497)
Profit Attributable to Owners of Parent					15,430		15,430
Acquisition of Treasury Stock						(11)	(11)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	(15,000)	—	0	10,932	(11)	(4,078)
Balance, March 31, 2019	¥ 218,653	¥ 135,000	¥ 400,811	¥ 0	¥ 197,906	¥ (1,061)	¥ 951,309

	Accumulated Other Comprehensive Income				Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance, April 1, 2018	¥ 25,543	¥ 24	¥ (12,367)	¥ 13,199	¥ 3,796	¥ 972,384
Changes during the Period						
Payment to National Treasury of Crisis Response Reserve						(15,000)
Dividends from Surplus						(4,497)
Profit Attributable to Owners of Parent						15,430
Acquisition of Treasury Stock						(11)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	(4,209)	(18)	5	(4,223)	—	(4,223)
Total Changes during the Period	(4,209)	(18)	5	(4,223)	—	(8,302)
Balance, March 31, 2019	¥ 21,333	¥ 5	¥ (12,362)	¥ 8,976	¥ 3,796	¥ 964,082

Millions of U.S. dollars

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2019	\$ 2,009	\$ 1,240	\$ 3,682	\$ 0	\$ 1,818	\$(9)	\$ 8,741
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve		(50)					(50)
Dividends from Surplus					(41)		(41)
Profit Attributable to Owners of Parent					133		133
Acquisition of Treasury Stock						(0)	(0)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	(50)	—	0	92	(0)	41
Balance, March 31, 2020	\$ 2,009	\$ 1,189	\$ 3,682	\$ 0	\$ 1,910	\$(9)	\$ 8,782

	Accumulated Other Comprehensive Income				Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance, April 1, 2019	\$ 196	\$ 0	\$(113)	\$ 82	\$ 34	\$ 8,858
Changes during the Period						
Payment to National Treasury of Crisis Response Reserve						(50)
Dividends from Surplus						(41)
Profit Attributable to Owners of Parent						133
Acquisition of Treasury Stock						(0)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	(86)	0	1	(84)	—	(84)
Total Changes during the Period	(86)	0	1	(84)	—	(42)
Balance, March 31, 2020	\$ 109	\$ 0	\$(111)	\$ (1)	\$ 34	\$ 8,816

Consolidated Statements of Changes in Net Assets

Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2020 and 2019

Millions of U.S. dollars

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2018	\$ 1,970	\$ 1,351	\$ 3,611	\$ 0	\$ 1,684	\$(9)	\$ 8,607
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve		(135)					(135)
Dividends from Surplus					(40)		(40)
Profit Attributable to Owners of Parent					139		139
Acquisition of Treasury Stock						(0)	(0)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	(135)	—	0	98	(0)	(36)
Balance, March 31, 2019	\$ 1,970	\$ 1,216	\$ 3,611	\$ 0	\$ 1,783	\$(9)	\$ 8,571

	Accumulated Other Comprehensive Income				Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance, April 1, 2018	\$ 230	\$ 0	\$(111)	\$ 118	\$ 34	\$ 8,761
Changes during the Period						
Payment to National Treasury of Crisis Response Reserve						(135)
Dividends from Surplus						(40)
Profit Attributable to Owners of Parent						139
Acquisition of Treasury Stock						(0)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	(37)	(0)	0	(38)	—	(38)
Total Changes during the Period	(37)	(0)	0	(38)	—	(74)
Balance, March 31, 2019	\$ 192	\$ 0	\$(111)	\$ 80	\$ 34	\$ 8,686

BASIS OF PRESENTATION

The accompanying financial statements of the Shoko Chukin Bank, Ltd. (the "Bank") and its consolidated subsidiaries (the "Group") have been prepared in accordance with the provisions set forth in the Shoko Chukin Bank Law and in conformity with generally accepted accounting principles and practices in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The financial statements are not intended to present the financial position and the result of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are presented solely for the convenience of readers. The exchange rate of ¥108.83=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2020, has been used for translation purposes for the year ended March 31, 2020, and ¥110.99=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2019, has been used for translation purposes for the year ended March 31, 2019. The presentation of such amounts is not intended to imply that Japanese yen amounts have been or could have been readily translated, realized or settled in U.S. dollars at that rate or any other rate.

The yen figures disclosed in the financial statements are expressed in millions of yen and have been rounded down.

SIGNIFICANT BASIC ITEMS FOR CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of consolidation

(1) Consolidated subsidiaries: 7 companies

Names of consolidated subsidiaries:

YAESU SHOKO, LTD.
SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD.
SHOKO SERVICE, LTD.
YAESU KOSAN CO., LTD.
THE SHOKO CHUKIN BANK INSTITUTE of
COMMERCE, INDUSTRY & ECONOMICS, LTD.
SHOKO CHUKIN LEASE CO., LTD.
SHOKO CHUKIN CARD CO., LTD.

(2) Non-consolidated subsidiary: 1 company

Names of non-consolidated subsidiary:

YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI

Non-consolidated subsidiary is excluded from the scope of consolidation because its total amounts in terms of total assets, operating income and profit (the amounts equivalent to equity shareholdings), retained earnings (the amounts equivalent to equity shareholdings) and accumulated other comprehensive income (the amounts equivalent to equity shareholdings) are immaterial and do not hinder a rational judgment of the Shoko Chukin Bank, Ltd. Group's financial position and results of operations when excluded from the scope of consolidation.

2. Application of the equity method
 - (1) Non-consolidated subsidiaries accounted for by the equity method:
 - None
 - (2) Affiliated companies accounted for by the equity method:
 - None
 - (3) Non-consolidated subsidiary that is not accounted for by the equity method: 1 company
 - Names of non-consolidated subsidiary that is not accounted for by the equity method:
 - YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI
 - (4) Affiliated companies that are not accounted for by the equity method:
 - None
 - Non-consolidated subsidiary that is not accounted for by the equity method is excluded from the scope of the equity method because its total amounts in terms of profit (the amounts equivalent to equity shareholdings), retained earnings (the amounts equivalent to equity shareholdings) and accumulated other comprehensive income (the amounts equivalent to equity shareholdings) do not have a material impact on consolidated financial statements when excluded from the scope of the equity method.
3. Fiscal period-end of consolidated subsidiaries

The fiscal period-end of consolidated subsidiaries is as follows:

March 31	7 companies
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4. Special purpose entities subject to disclosure
 - (1) Overview of special purpose entities subject to disclosure and transactions with these special purpose entities:
 - None
 - (2) Transaction amounts with special purpose entities subject to disclosure:
 - None
5. Accounting policies
 - (1) Basis for valuation of Trading Assets/Liabilities and calculation of Revenue/Expenses

Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of securities and other indicators or differentials, etc., between markets (hereinafter referred to as "Trading Transactions") are shown in the Consolidated Balance Sheets as "Trading Assets" or "Trading Liabilities" based on values at the time of contract, while gains and losses from the said transactions are shown in the Consolidated Statements of Operations as "Trading Revenue" or "Trading Expenses".

Trading Assets and Trading Liabilities are valued at market prices on the consolidated balance sheet date for securities and monetary claims, etc., and at deemed settlement prices on the consolidated balance sheet date for derivative products such as swaps, futures and options.

In the Consolidated Statements of Operations, Trading Revenue and Trading Expenses are arrived at by adding interest received and paid and other items during the fiscal period, amounts equivalent to the changes in valuation between the ends of the previous and fiscal periods for securities and monetary claims, etc., and amounts equivalent to changes in deemed settlements between the ends of the previous and current fiscal periods for derivatives.

- (2) Basis and methods for valuation of securities
The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are amortized using the moving average cost method (straight-line method). Stocks for which market values are available are valued at the average market price during one month before this fiscal period end. Marketable securities with market values other than stocks are valued using the mark-to-market method based on market prices at the fiscal period end (cost of sales are primarily calculated with the moving average method). Marketable securities for which market values are extremely difficult to be obtained are valued using the cost method on the basis of a moving average.
Unrealized Gains on Other Securities are all directly incorporated into Net Assets.
- (3) Basis and methods for valuation of derivative transactions
Derivative transactions other than Trading Transactions are stated using the mark-to-market method.
- (4) Amortization of Fixed Assets
 - (a) Tangible Fixed Assets (excluding Leased Assets)
Tangible Fixed Assets are subject to declining balance depreciation.
Expected useful lives for major items are as follows:
Buildings: 2 to 60 years
Other Tangible Fixed Assets: 2 to 20 years
Tangible Fixed Assets owned by consolidated subsidiaries are depreciated using primarily the straight-line method over the estimated useful lives of the respective Tangible Fixed Assets.
 - (b) Intangible Fixed Assets (excluding Leased Assets)
Intangible Fixed Assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its estimated useful life determined by the Bank and its consolidated subsidiaries (principally 5 years).
 - (c) Leased Assets
Leased Assets relating to finance lease transactions that do not involve transfer of ownership are depreciated under the straight-line method, with zero residual value, over the lease term.
- (5) Accounting standard for Reserve for Possible Loan Losses:
The Reserve for Possible Loan Losses is calculated in accordance with the predetermined standards for write-offs and reserve provisions as follows.

Normal loans and the loans that require special attention are defined in "Operational Guidelines for Self-Assessment of Assets and Audits on Write-Offs and Reserves for Possible Loan Losses in Banks and Other Financial Institutions" (JICPA Bank Auditing Special Committee Report No. 4, March 17, 2020). They are classified into secured loans relating to crisis response operations and other loans, and reserve provisions are made mainly based on the amount of expected loss for the subsequent year or the amount of expected loss for the subsequent 3 years. The amount of expected loss is determined by calculating a loss rate based on the average default rate over a specific period based on defaults over 1 year or 3 years, to which necessary adjustments are made including reflecting future estimates. Amounts reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees. Amounts reserved for loans to debtors that are legally or virtually bankrupt are determined to be the balance remaining after deducting the estimated amounts to be collected through disposal of collateral and execution of guarantees.

Reserve for Loans to Debtors at Risk of Bankruptcy with Restructured Loans is provided based on the discounted cash flow (DCF) method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the DCF method, the reserve is calculated as the difference between the book value of the loan and the present value of its expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

For normal loans (excluding secured loans), the necessary adjustments including future estimates are provided based on the default rate of a specific fiscal year in which a large-scale loan defaulted. In addition, for specific normal loans and loans that require special attention, in light of the drastic changes in the economic environment due to the spread of coronavirus disease (COVID-19), the future economic outlook and other factors are analyzed and deliberated, and various information related to credit risk that has not been reflected in individual business partner categories as of the consolidated balance sheet date is taken into consideration in a multi-faceted manner. Accordingly, the Reserve for Possible Loan Losses to which the necessary adjustments are made including reflecting future estimates is calculated by incorporating the risks of fluctuations of the business partner categories after the consolidated balance sheet date based on the results during the time of the financial crisis of 2007-08.

All loan assets have been assessed by the business departments and audited by the division in charge of asset examination, which is independent from the business departments, to comply with the standard for self-assessment of assets.

Reserve for Possible Loan Losses of consolidated subsidiaries for general claims is provided in the amount deemed necessary based on historical loan loss ratios, and for doubtful claims in the amount deemed uncollectible based on an assessment of each individual claim.

- (6) Accounting standard for Reserve for Bonuses
Reserves for Bonuses are set up for the payment of employees' bonuses and appropriate an amount for this fiscal period out of the amount of bonuses estimated to be paid to employees.
- (7) Accounting standard for Reserve for Retirement Benefits for Directors
Reserves for Retirement Benefits for Directors are set up for the payment of directors' retirement benefits. It represents amounts that have accrued through the end of this fiscal period out of the retirement benefits amount estimated to be paid to directors.
- (8) Accounting standard for Reserve for Losses on Refund for Dormant Bonds
Reserves for Losses on Refunds for Dormant Bonds are recorded for bonds that are no longer recognized as liabilities in an amount equivalent to the estimated losses arising from future demands for refunds.
- (9) Accounting standard for Reserve for Environmental Measures
Reserves for Environmental Measures are set up for the estimated payment for disposal of PCB (polychlorinated biphenyl) waste.
- (10) Accounting standard for Other Reserves
Other Reserve is the estimated amount of Reserve for Sales Promotion to provide for the exchange of items.
- (11) Accounting method for Retirement Benefits
Upon the calculation of retirement benefit obligations, the estimated retirement benefit obligation attributable up to the end of this fiscal period are accounted for by the benefit formula basis.
Unrecognized past service costs and unrecognized actuarial difference are amortized as follows:
Unrecognized past service costs:
By the straight-line method over a fixed number of years that does not exceed the remaining service years (14 years) of employees of the fiscal period when the past service costs were incurred.
Unrecognized actuarial difference:
By the straight-line method over a fixed number of years that does not exceed the average remaining service years (14 years) of employees at each fiscal period when the actuarial difference was incurred.
This amortization starts from the subsequent fiscal period.

Moreover, consolidated subsidiaries have adopted the simplified method, where retirement benefit obligations are the amount to be paid when all the employees voluntarily retired at the end of the fiscal periods, to calculate Net Defined Benefit Liability and retirement benefit expenses.

- (12) Translation standard for assets and liabilities denominated in foreign currencies
Assets and liabilities of the Bank denominated in foreign currencies and accounts of the Bank's overseas branches are translated into Japanese yen mainly at exchange rates prevailing as of the consolidated balance sheet date.
Assets and liabilities of consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at exchange rates prevailing as of their respective balance sheet dates.
- (13) Accounting method for significant hedge transactions
 - (a) Interest rate risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of interest fluctuations arising from financial assets and liabilities of the Bank, as stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24, February 13, 2002). Interest swap transactions are carried out for the purpose of offsetting the risk of market fluctuations arising from financial assets and liabilities. The effectiveness of the hedge is identified and evaluated by grouping the loans as hedged items and interest rate swap transactions as hedged instruments by a certain remaining period.
 - (b) Currency risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated financial assets and liabilities, as stipulated in the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25, July 29, 2002). Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.
 - (c) Transactions between consolidated subsidiaries
Interest rate swap transactions designated as hedges for those derivatives transactions that are internal transactions between consolidated subsidiaries, special transaction accounts and other accounts (or between internal departments) were

executed in conformity with external cover transaction standards for which strict hedge operations that eliminate arbitrary decision-making were recognized as possible under the JICPA Industry Audit Committee Report No. 24. For this reason, revenue and expenses arising from said interest rate swap transactions have been recognized as gains/losses without being eliminated.

The special treatment for deferred hedge or interest rate swaps is applied to certain assets and liabilities.

The special treatment for interest rate swaps is applied to certain assets and liabilities of consolidated subsidiaries.

(14) Accounting for consumption taxes

With respect to the Bank and its domestic consolidated subsidiaries, national and local consumption taxes are accounted for with the tax exclusion method.

UNAPPLIED ACCOUNTING STANDARDS

“Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 30, July 4, 2019)

“Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, July 4, 2019)

“Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019)

“Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020)

(1) Overview

“Accounting Standard for Fair Value Measurement” and “Implementation Guidance on Accounting Standard for Fair Value Measurement” (hereinafter referred to as “Fair Value Measurement Standard, etc.”) and the guidance, etc. on fair value measurement method have been set forth to improve the comparability with international accounting standards. The Fair Value Measurement Standard, etc. will be applied to the fair value of financial instruments under the “Accounting Standard for Financial Instruments.” In addition, the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” has been revised to stipulate notes on the breakdown of financial instruments for each level of fair value.

(2) Date of adoption

The Accounting Standards and Guidances are scheduled to be adopted from the beginning of the year ending March 31, 2022.

(3) Effect of adopting the accounting standards, etc.

The effect is under evaluation when consolidated financial statements are prepared.

“Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020)

(1) Overview

The purpose of the accounting standard is to disclose information that will facilitate the understanding of users of

financial statements, regarding what kind of accounting estimates are made for items based on accounting estimates in the consolidated financial statements of the current fiscal year that may materially impact the consolidated financial statements of the following fiscal year.

(2) Date of adoption

The Accounting Standard is scheduled to be adopted from the end of the year ending March 31, 2021.

“Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections” (ASBJ Statement No. 24, March 31, 2020)

(1) Overview

The purpose of the accounting standard is to provide an overview of principles and procedures of the adopted accounting treatment, in cases where the provisions of the related accounting standards, etc. are not clear.

(2) Date of adoption

The Accounting Standard is scheduled to be adopted from the end of the year ending March 31, 2021.

CHANGES IN ACCOUNTING ESTIMATES

In the fiscal year ended March 31, 2020, the Bank has changed estimates on restoration expenses incurred when vacating a property related to Asset Retirement Obligations, which had been recorded as *restitutio in integrum* restoration obligations based on the real estate leasing contract, because new information has been obtained on restoration expenses for stores, etc. that have been relocated, consolidated or closed in recent years.

The increase of ¥2,690 million resulting from this change in estimates has been added to the balance of Asset Retirement Obligations prior to the change.

In line with this change, impairment losses have been recognized on ¥511 million of Tangible Fixed Assets.

ADDITIONAL INFORMATION

1. Special Reserve

Accompanying privatization on October 1, 2008, a transfer was made from capital and retained earnings to special reserve pursuant to the Article 5 of the Supplementary Provisions of the Shoko Chukin Bank Law (hereinafter referred to as “Supplementary Provisions”).

The special reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Law (hereinafter referred to as “Law”), in the calculation of the amount of surplus, the amount of special reserve shall be included in the total amount of capital and reserves.
- (2) Pursuant to the provisions of Article 44, Paragraph 1 of the Law, the amount of special reserve may be reduced in the event a deficit is compensated, if the total amount of capital reserve and earnings reserve becomes zero. When the amount of the surplus comes

to exceed zero following the reduction of the special reserve, the amount of special reserve must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law.

- (3) Pursuant to the provisions of Article 45 of the Law, when the state of the capital adequacy and the soundness of other finances have improved and when it is deemed that the financial soundness has been secured, all or a portion of the amount of special reserve may, pursuant to a resolution of the general meeting of shareholders, be paid to the national treasury.
 - (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of special reserve shall be paid to the national treasury pursuant to the provisions of Article 46 of the Law.
2. Crisis Response Reserve
- Pursuant to the Article 2-6 of the Supplementary Provisions, in order for smooth implementation of crisis response operations, the Bank accounts for capital contributed by the government as crisis response reserve.
- The crisis response reserve has the following characteristics.
- (1) Pursuant to the provisions of Article 43 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, in the calculation of the amount of surplus, the amount of crisis response reserves shall be included in the total amount of capital and reserves.
 - (2) Pursuant to the Article 2-7 of the Supplementary Provisions, the amount of crisis response reserves may be reduced in the event a deficit is compensated, if the total amount of special reserve becomes zero. When the amount of the surplus comes to exceed zero following the reduction of the crisis response reserves, the amount of crisis response reserves must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions. The increase in the amount of the crisis response reserves shall, pursuant to the Article 2-9, Paragraph 2 of the Supplementary Provisions, be undertaken prior to the increase in the amount of the special reserve.
 - (3) Pursuant to the provisions of Article 45 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-8 and 2-9, Paragraph 1 of the Supplementary Provisions, when the Bank deems it has sufficiently secured the necessary financial foundation for the smooth implementation of crisis response operations, an amount of money equivalent to all or a portion of the amount of crisis response reserves may, pursuant to a resolution of the general meeting of shareholders, be repaid to the national treasury.
 - (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of crisis response reserves shall be paid to the

national treasury pursuant to the provisions of Article 46 of the Law, which are applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, and the Article 2-9, Paragraph 3 of the Supplementary Provisions.

CONSOLIDATED BALANCE SHEETS

1. The total amount of Investment Securities lent through unsecured loan agreements, which are included in Government Bonds under "Investment Securities," is ¥90,185 million.
2. In Loans, loans to bankrupt companies total ¥57,949 million and overdue loans total ¥254,526 million.

Loans to bankrupt companies are loans for which accrued interest is not shown in the accounts based on the assumption that principal or interest is likely to be unrecoverable because the interest or principal payments have been long overdue or for other reasons (excluding loans that have been written off, and hereinafter referred to as "loans for which accrued interest is not shown in the accounts"), where the loans in question are affected by the circumstances defined in Article 96, Paragraph 1, Numbers 3a–e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).

Overdue loans are loans for which accrued interest is not shown in the accounts, excluding loans to bankrupt companies, and loans for which the interest payments have been rescheduled to support financial restructuring of the borrowers.
3. Loans overdue by three months or longer total ¥959 million.

Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract. Loans that are classified as loans to bankrupt companies or overdue loans are excluded from this category.
4. Rescheduled loans total ¥23,702 million.

Rescheduled loans are loans for which the terms have been eased to support financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims, excluding loans to bankrupt companies or overdue loans and loans overdue by three months or longer.
5. The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and rescheduled loans is ¥337,138 million.

The amounts of loans stated in Notes 2 through 5 are the amounts before the deduction of Reserve for Possible Loan Losses.
6. Bills discounted are handled as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. With regards to bills accepted through the transactions, the Bank has the right to freely sell or use as

collateral any bank acceptance bills, trade bills, documentary bills, or foreign bills bought, the aggregate face value of which is ¥144,759 million.

7. Assets provided as collateral are as follows.

Assets provided as collateral:

Securities ¥741,359 million

Liabilities corresponding to collateral assets:

Deposits ¥5,997 million

Payables under Securities Lending Transactions

¥336,938 million

Borrowings ¥152,879 million

In addition to the above amounts, securities worth ¥2,519 million have been substituted for futures margin money, etc.

Other Assets include ¥87,458 million of Cash Collateral Received for Financial Instruments and ¥2,293 million of guarantees and deposits.

8. Overdraft contracts and commitment line contracts on loans are the agreements under which the Bank grants a loan up to a designated credit limit when the customer requests, unless there is a breach of the conditions stipulated in the relevant contract. The outstanding credit facility ready for claims under such agreements is ¥1,380,750 million. Of this amount, ¥1,287,198 million has original contract duration of one year or less (or can be dissolved without condition at any point in time).

Most of these contracts are terminated before the amount of the credit facility determined in the agreement is fully utilized. Accordingly, the outstanding credit facility itself does not always affect the future cash flows of the Bank and its consolidated subsidiaries. Most of these agreements have provisions that allow the Bank and its consolidated subsidiaries to cancel customers' claims and / or to reduce the credit limit for appropriate reasons such as changes in financial situation and protection of credit standing. Moreover, when necessary, the Bank and its consolidated subsidiaries require customers to provide property, securities and other collateral when signing the contract. After the Bank and its consolidated subsidiaries enter into the agreement, periodical checks of customers' business condition are undertaken in accordance with internally established procedures as well as reviews of the conditions of the agreement where necessary. In this context, measures are taken to protect the assets of the Bank and its consolidated subsidiaries.

9. Accumulated depreciation of Tangible Fixed Assets is ¥70,160 million.

10. Advanced depreciation of Tangible Fixed Assets is ¥17,367 million.

(There is no advanced depreciation for the current fiscal period.)

11. Borrowings include loans payable under subordination covenant totaling ¥15,000 million.

12. Within Corporate Bonds, presented as a sub-item of Investment Securities, the Bank's guarantee liabilities relating to privately-offered corporate bonds (Financial

Instruments and Exchange Act, Article 2, Paragraph 3) amounted to ¥52,966 million.

CONSOLIDATED STATEMENTS OF OPERATIONS

1. Other Income includes ¥5,162 million of revenue from dormant bonds.
2. General and Administrative Expenses include ¥40,289 million of salaries and allowances.
3. Other Expenses include ¥87 million of Write-off of Loans, ¥220 million of Write-off of Stocks, ¥4,732 million of provision for reserves for losses on refund for dormant bonds.
4. Regarding the following assets held by the Bank in Tokyo Metropolitan and other areas, the Bank recognized impairment losses because the amount invested in the assets are no longer expected to be recovered due to a decrease in cash flows from operating activities, continuous decline in land prices, changes to their intended use, and planned disposal of the assets. Similarly, in a system investment project under development, the Bank recognized impairment losses on systems-related assets that became subject to a major revision in the plan. The impairment losses on Land and Buildings, etc. consist of ¥829 million for 12 branch offices and ¥58 million for assets planned for disposal and idle assets in 2 locations. The impairment losses on Other Intangible Fixed Assets consist of ¥3,525 million for systems-related assets. Upon the calculation of impairment losses on Tangible Fixed Assets, the Bank groups the assets based on individual branch unit, which is the smallest unit used in managerial accounting. Each asset planned for disposal and idle asset is treated as individual unit, and head office, administration centers, and residences are treated as jointly used assets since they do not generate cash flow independently. The Bank groups systems-related assets according to each development project. The recoverable amount of Tangible Fixed Assets is principally calculated based on net realizable value. The net realizable value is calculated by deducting the estimated disposal cost from appraisal value determined in accordance with the real estate appraisal standards. While the recoverable amount used to measure impairment losses on systems-related assets is calculated based on value in use, due to a major revision in the plan, value in use was deemed to be zero. The impairment losses of ¥829 million on branch offices include the ¥511 million of impairment losses stated in "CHANGES IN ACCOUNTING ESTIMATES."

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification Adjustments and Tax Effects allocated to each component of Other Comprehensive Income

	Millions of yen	
	2020	2019
Unrealized Gains on Other Securities		
Amount arising during the current fiscal year	¥ (14,512)	¥ (5,824)
Reclassification Adjustments	919	(231)
Before adjustment of Deferred Income Tax	(13,593)	(6,056)
Deferred Income Tax	4,144	1,846
Unrealized Gains on Other Securities	(9,448)	(4,209)
Deferred Hedge Gains		
Amount arising during the current fiscal year	143	(5)
Reclassification Adjustments	(28)	(21)
Before adjustment of Deferred Income Tax	114	(27)
Deferred Income Tax	(34)	8
Deferred Hedge Gains	79	(18)
Remeasurements of Defined Benefit Plans		
Amount arising during the current fiscal year	(2,090)	(2,202)
Reclassification Adjustments	2,380	2,210
Before adjustment of Deferred Income Tax	290	8
Deferred Income Tax	(88)	(2)
Remeasurements of Defined Benefit Plans	201	5
Total Other Comprehensive Income (Loss)	¥ (9,167)	¥ (4,223)

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

1. Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Matters relating to the type and number of shares issued

	(Thousand shares)				
	Number of Shares as of April 1, 2019	Increase	Decrease	Number of Shares as of March 31, 2020	Remarks
Number of shares issued and outstanding					
Common stock	2,186,531	—	—	2,186,531	
Total	2,186,531	—	—	2,186,531	
Treasury stock					
Common stock	10,204	54	0	10,258	(Note)
Total	10,204	54	0	10,258	

Note: The increase in the common stock is due to claims by shareholders for repurchase of shares less than one unit. The decrease in common stock is due to claims by shareholders for additional purchase of shares less than one unit.

(2) Matters Relating to Dividends

(a) Amount of cash dividends paid during the fiscal year

Resolution	Type of Capital Subscription Unit	Total Amount of Cash Dividends Paid (Millions of Yen)	Cash Dividend per Capital Subscription Unit (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2019	Common stock (government portion)	1,016	1.0 (Note)	March 31, 2019	June 24, 2019
	Common stock (nongovernment portion)	3,480	3.0		

Note: With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).

(b) Cash dividends for which the effective date falls after the fiscal year ended March 31, 2020 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2020

	Type of Shares	Total Amount of Cash Dividends Paid (Millions of Yen)	Source of Cash Dividend Payment	Cash Dividend per Common Stock (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 23, 2020	Common stock (government portion)	1,016	Retained earnings	1.0 (Note 1)	March 31, 2020	Ordinary General Meeting of Shareholders held on June 23, 2020 and after competent minister authorization (Note 2)
	Common stock (nongovernment portion)	3,480		3.0		

Notes:

1. With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).

2. Pursuant to Article 49 of the Shoko Chukin Bank Law, resolutions with regard to the dividends from surplus and the appropriation of other retained earnings come into effect following authorization by the competent minister.

2. Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Matters relating to the type and number of shares issued

	(Thousand shares)				
	Number of Shares as of April 1, 2018	Increase	Decrease	Number of Shares as of March 31, 2019	Remarks
Number of shares issued and outstanding					
Common stock	2,186,531	—	—	2,186,531	
Total	2,186,531	—	—	2,186,531	
Treasury stock					
Common stock	10,142	62	0	10,204	(Note)
Total	10,142	62	0	10,204	

Note: The increase in the common stock is due to claims by shareholders for repurchase of shares less than one unit. The decrease in common stock is due to claims by shareholders for additional purchase of shares less than one unit.

(2) Matters Relating to Dividends

(a) Amount of cash dividends paid during the fiscal year

Resolution	Type of Capital Subscription Unit	Total Amount of Cash Dividends Paid (Millions of Yen)	Cash Dividend per Capital Subscription Unit (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 21, 2018	Common stock (government portion)	1,016	1.0 (Note)	March 31, 2018	June 25, 2018
	Common stock (nongovernment portion)	3,481	3.0		

Note: With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).

Notes to Consolidated Financial Statements

The Shoko Chukin Bank, Ltd. and Subsidiaries For the year ended March 31, 2020

- (b) Cash dividends for which the effective date falls after the fiscal year ended March 31, 2019 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2019

	Type of Shares	Total Amount of Cash Dividends Paid (Millions of Yen)	Source of Cash Dividend Payment	Cash Dividend per Common Stock (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2019	Common stock (government portion)	1,016	Retained earnings	1.0 (Note 1)	March 31, 2019	Ordinary General Meeting of Shareholders held on June 20, 2019 and after competent minister authorization (Note 2)
	Common stock (nongovernment portion)	3,480		3.0		

Notes:

- With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).
- Pursuant to Article 49 of the Shoko Chukin Bank Law, resolutions with regard to the dividends from surplus and the appropriation of other retained earnings come into effect following authorization by the competent minister.

Capital Account Details (Consolidated)

The Shoko Chukin Bank, Ltd. and Subsidiaries For the year ended March 31, 2020

CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2020)
1. Total Risk-weighted Capital Ratio (4/7)	12.37
2. Tier 1 Risk-weighted Capital Ratio (5/7)	11.67
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	11.67
4. Total Capital	9,878
5. Tier 1 Capital	9,318
6. Common Equity Tier 1 Capital	9,318
7. Risk-weighted Assets	79,811
8. Total Required Capital	6,384

LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2020)
Leverage Ratio	8.08