

Financial Data (Consolidated)

Year Ended March 31, 2021

Balance Sheets	38
Statements of Operations	40
Statements of Comprehensive Income	40
Statements of Changes in Net Assets	41
Notes to Financial Statements	45
Capital Account Details	52

Trends in Principal Financial Indicators (Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Operating Income	¥ 151.7	¥ 153.8	¥ 181.2	¥ 204.7	¥ 195.3
Income before Income Taxes and Other	8.5	21.6	32.1	58.4	50.8
Net Income Attributable to Owners of Parent	9.2	14.5	15.4	37.3	32.4
Comprehensive Income	24.6	5.3	11.2	41.5	35.9
Net Assets	979.5	959.4	964.0	972.3	935.3
Total Assets	13,083.2	11,219.5	11,818.5	11,957.3	12,845.0
Net Assets per Share (Yen)	204.71	195.44	195.04	191.95	174.92
Net Income per Share (Yen)	4.24	6.68	7.08	17.15	14.90
Net Income per Share (Diluted) (Yen)	—	—	—	—	—
Capital Ratio (%)	7.45	8.51	8.12	8.10	7.25
Consolidated Tier 1 (Common Stock etc.) Ratio (%)	11.74	11.67	12.30	12.69	11.97
Consolidated Tier 1 Ratio (%)	11.74	11.67	12.30	12.69	11.97
Consolidated Total Capital Ratio (%)	12.68	12.37	12.99	13.53	13.12
Return on Equity (%)	0.95	1.51	1.59	3.93	3.54
Price Earnings Ratio	—	—	—	—	—
Cash Flows from Operating Activities	502.6	(582.5)	223.9	(165.6)	535.3
Cash Flows from Investing Activities	(184.5)	73.7	113.5	16.6	149.5
Cash Flows from Financing Activities	5.4	(10.0)	(24.5)	(24.5)	(10.5)
Cash and Cash Equivalents at the End of the Year	1,626.2	1,302.7	1,821.5	1,508.5	1,682.0
Number of Employees (Persons)	3,909	4,020	4,113	4,083	4,080
[Average Number of Temporary Employees excluded from Above]	[1,018]	[1,018]	[1,036]	[1,058]	[1,047]

- 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, 2021 and 2020

	Millions of yen		Millions of U.S. dollars	
	2021	2020	2021	2020
ASSETS				
Cash and Due from Banks	¥ 1,680,626	¥ 1,327,060	\$ 15,180	\$ 12,193
Call Loans and Bills Purchased	143,938	37,719	1,300	346
Monetary Claims Purchased	19,471	22,355	175	205
Trading Assets	15,109	14,843	136	136
Investment Securities	1,461,131	1,279,992	13,197	11,761
Loans	9,511,424	8,285,149	85,912	76,129
Foreign Exchange	24,810	15,900	224	146
Other Assets	175,820	191,046	1,588	1,755
Tangible Fixed Assets	43,522	39,454	393	362
Buildings	17,329	17,287	156	158
Land	22,126	18,653	199	171
Construction in Progress	835	1,680	7	15
Other Tangible Fixed Assets	3,231	1,832	29	16
Intangible Fixed Assets	10,286	9,808	92	90
Software	9,122	7,742	82	71
Other Intangible Fixed Assets	1,163	2,066	10	18
Net Defined Benefit Asset	26,625	17,795	240	163
Deferred Income Taxes	39,298	45,667	354	419
Customers' Liabilities for Acceptances and Guarantees	112,070	110,779	1,012	1,017
Reserve for Possible Loan Losses	(180,864)	(178,065)	(1,633)	(1,636)
Total Assets	¥ 13,083,272	¥ 11,219,507	\$ 118,176	\$ 103,092

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	
	2021	2020	2021	2020
LIABILITIES				
Deposits	¥ 5,886,778	¥ 5,076,561	\$ 53,172	\$ 46,646
Negotiable Certificates of Deposit	437,864	273,818	3,955	2,516
Shoko Chukin Bank Debentures	3,786,770	3,989,750	34,204	36,660
Payables under Securities Lending Transactions	164,811	336,938	1,488	3,096
Trading Liabilities	8,928	8,367	80	76
Borrowed Money	1,558,115	315,066	14,073	2,895
Foreign Exchange	43	30	0	0
Corporate Bonds	10,000	—	90	—
Other Liabilities	80,546	78,797	727	724
Reserve for Bonuses	4,543	4,609	41	42
Net Defined Benefit Liability	3,977	13,229	35	121
Reserve for Retirement Benefits for Directors	94	76	0	0
Reserve for Losses on Refund for Dormant Bonds	48,979	51,776	442	475
Reserve for Environmental Measures	67	116	0	1
Other Reserves	74	86	0	0
Deferred Tax Liabilities	52	52	0	0
Acceptances and Guarantees	112,070	110,779	1,012	1,017
Total Liabilities	12,103,717	10,260,057	109,328	94,275
NET ASSETS				
Capital	218,653	218,653	1,975	2,009
Crisis Response Reserve	129,500	129,500	1,169	1,189
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	3,620	3,682
Capital Surplus	0	0	0	0
Retained Earnings	212,698	207,952	1,921	1,910
Treasury Stock	(1,136)	(1,072)	(10)	(9)
Total Shareholders' Equity	960,526	955,844	8,676	8,782
Unrealized Gains on Other Securities	21,076	11,884	190	109
Deferred Hedge Gains	(25)	85	(0)	0
Remeasurements of Defined Benefit Plans	(5,820)	(12,160)	(52)	(111)
Total Accumulated Other Comprehensive Income	15,230	(191)	137	(1)
Non-controlling Interests	3,796	3,796	34	34
Total Net Assets	979,554	959,450	8,847	8,816
Total Liabilities and Net Assets	¥ 13,083,272	¥ 11,219,507	\$ 118,176	\$ 103,092

Consolidated Statements of Operations

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2021 and 2020

	Millions of yen		Millions of U.S. dollars	
	2021	2020	2021	2020
Operating Income	¥ 151,777	¥ 153,835	\$ 1,370	\$ 1,413
Interest Income	102,888	95,018	929	873
Interest on Loans	96,977	87,233	875	801
Interest and Dividends on Securities	3,727	4,399	33	40
Interest on Call Loans and Interest on Bills Purchased	130	1,022	1	9
Interest on Deposits	1,101	1,218	9	11
Interest on Interest Swaps	23	28	0	0
Other Interest Income	928	1,114	8	10
Fees and Commissions	9,518	10,212	85	93
Trading Revenue	2,202	3,871	19	35
Other Operating Income	34,613	37,817	312	347
Other Income	2,554	6,915	23	63
Collection of Written-off Claims	88	10	0	0
Other Income	2,466	6,904	22	63
Operating Expenses	143,274	132,170	1,294	1,214
Interest Expenses	5,157	6,519	46	59
Interest on Deposits	2,670	3,108	24	28
Interest on Negotiable Certificates of Deposit	190	1,014	1	9
Interest on Debentures	1,107	1,006	9	9
Interest on Call Money and Interest on Bills Sold	(3)	(2)	(0)	(0)
Interest on Payables under Repurchase Agreements	—	0	—	0
Interest on Securities Lending Transactions	21	44	0	0
Interest on Borrowed Money	1,098	1,310	9	12
Interest on Corporate Bonds	27	—	0	—
Other Interest Expenses	46	37	0	0
Fees and Commissions	2,615	1,574	23	14
Trading Expenses	—	31	—	0
Other Operating Expenses	33,797	35,628	305	327
General and Administrative Expenses	80,315	76,274	725	700
Other Expenses	21,387	12,142	193	111
Provision for Possible Loan Losses	19,174	6,006	173	55
Other Expenses	2,212	6,135	19	56
Profit before Income Taxes and Other	8,503	21,664	76	199
Other Gains	4,443	0	40	0
Gains on Disposal of Fixed Assets	651	0	5	0
Compensation Received	3,792	—	34	—
Other Losses	1,450	4,433	13	40
Losses on Disposal of Fixed Assets	196	19	1	0
Impairment Losses	1,253	4,413	11	40
Profit before Income Taxes	11,496	17,231	103	158
Provision for Income Taxes	2,645	2,597	23	23
Adjustment for Income Taxes	(395)	86	(3)	0
Total Income Taxes	2,250	2,684	20	24
Profit	9,246	14,546	83	133
Profit Attributable to Non-controlling Interests	3	3	0	0
Profit Attributable to Owners of Parent	¥ 9,242	¥ 14,543	\$ 83	\$ 133

Consolidated Statements of Comprehensive Income

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2021 and 2020

	Millions of yen		Millions of U.S. dollars	
	2021	2020	2021	2020
Profit	¥ 9,246	¥ 14,546	\$ 83	\$ 133
Other Comprehensive Income	15,421	(9,167)	139	(84)
Unrealized Gains on Other Securities	9,192	(9,448)	83	(86)
Deferred Hedge Gains	(110)	79	(0)	0
Remeasurements of Defined Benefit Plans	6,340	201	57	1
Comprehensive Income	24,668	5,379	222	49
Total Comprehensive Income Attributable to Owners of Parent	24,664	5,375	222	49
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, 2021 and 2020

Millions of yen

	Shareholders' Equity						
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance, April 1, 2020	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 207,952	¥ (1,072)	¥ 955,844
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve							
Dividends from Surplus					(4,496)		(4,496)
Profit Attributable to Owners of Parent					9,242		9,242
Acquisition of Treasury Stock						(63)	(63)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	4,745	(63)	4,682
Balance, March 31, 2021	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 212,698	¥ (1,136)	¥ 960,526

	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, 2020	¥ 11,884	¥ 85	¥ (12,160)	¥ (191)	¥ 3,796	¥ 959,450	
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve							
Dividends from Surplus						(4,496)	
Profit Attributable to Owners of Parent						9,242	
Acquisition of Treasury Stock						(63)	
Disposition of Treasury Stock						0	
Net Changes of Items Other Than Shareholders' Equity	9,192	(110)	6,340	15,421	—	15,421	
Total Changes during the Period	9,192	(110)	6,340	15,421	—	20,104	
Balance, March 31, 2021	¥ 21,076	¥ (25)	¥ (5,820)	¥ 15,230	¥ 3,796	¥ 979,554	

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, 2021 and 2020

Millions of yen

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
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

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, 2020	\$ 1,975	\$ 1,169	\$ 3,620	\$ 0	\$ 1,878	\$ (9)	\$ 8,741
Changes during the Period							
Payment to National Treasury of Crisis Response Reserve							
Dividends from Surplus					(40)		(40)
Profit Attributable to Owners of Parent					83		83
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	—	—	—	0	42	(0)	42
Balance, March 31, 2021	\$ 1,975	\$ 1,169	\$ 3,620	\$ 0	\$ 1,921	\$ (10)	\$ 8,676

	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, 2020	\$ 107	\$ 0	\$ (109)	\$ (1)	\$ 34	\$ 8,666
Changes during the Period						
Payment to National Treasury of Crisis Response Reserve						
Dividends from Surplus						(40)
Profit Attributable to Owners of Parent						83
Acquisition of Treasury Stock						(0)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	83	(0)	57	139	—	139
Total Changes during the Period	83	(0)	57	139	—	181
Balance, March 31, 2021	\$ 190	\$ (0)	\$ (52)	\$ 137	\$ 34	\$ 8,847

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, 2021 and 2020

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

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 ¥110.71=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2021, has been used for translation purposes for the year ended March 31, 2021, and ¥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. 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
----------	-------------
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, October 8, 2020), and are classified into secured loans relating to crisis response operations and other loans. Additionally, among loans that require special attention, loans other than those requiring special management are classified by whether they have been restructured or not. For each business partner category, 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.

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 Committee Practical Guideline No. 24, October 8, 2020). 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 Committee Practical Guideline No. 25, October 8, 2020). 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 Committee Practical Guideline 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.

SIGNIFICANT ACCOUNTING ESTIMATES

Amounts recorded in the consolidated financial statements of the current fiscal year based on accounting estimates that may materially impact the consolidated financial statements of the following fiscal year are as follows.

1. Reserve for Possible Loan Losses
 - (1) Amount of Reserve for Possible Loan Losses recorded in the consolidated financial statements for the current fiscal year totaled ¥180,864 million.
 - (2) Information that will facilitate the understanding of significant accounting estimates related to identified items
 - (a) Calculation method

The calculation method of the Reserve for Possible Loan Losses is as stated in “(5) Accounting standard for Reserve for Possible Loan Losses” of “5. Accounting policies.”
 - (b) Major assumptions

Major assumptions are made for “Future results forecasts of the borrowers in determining business partner category” and “Future estimates, etc. of expected loss per business partner category.” The former is determined by individually evaluating the revenue-generating capability of each debtor.

“Future estimates, etc. of expected loss for each business partner category” for normal loans (excluding secured loans) are provided based on the default rate of a specific fiscal year in which a large-scale loan defaulted. For other loans requiring special attention that have not been rescheduled, 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, 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, and additional adjustments are made accordingly to the Reserve for Possible Loan Losses by incorporating the risks of fluctuations of the business partner categories after the consolidated balance sheet date based on the fluctuation results of business partner categories during the time of the financial crisis of 2007-08. Also, similar factors are taken into consideration for other loans requiring special attention that have been rescheduled, and the Reserve for Possible Loan Losses to which the necessary adjustments are made including reflecting future estimates is calculated by making additional adjustments through incorporating the risks of fluctuations of expected loss after the consolidated balance sheet date based on the actual default rates during the time of the financial crisis of 2007-08.
 - (c) Impact on the consolidated financial statements of the following fiscal year

Any changes to “Future results forecasts of the borrowers in determining business partner category”

used in the initial estimates due to changes in the business results of individual borrowers, or changes in the “Future estimates, etc. of expected loss per business partner category” used in the initial estimates due to changes in the status of the COVID-19 pandemic or its impact on the economic environment, may significantly impact the Reserves for Possible Loan Losses in the consolidated financial statements of the following fiscal year.

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.

CHANGES IN PRESENTATION

Adoption of the “Accounting Standard for Disclosure of Accounting Estimates”

The Bank adopted the “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) from the consolidated financial statements as of the end of the year ended March 31, 2021, and therefore notes on significant accounting estimates are provided in the consolidated financial statements.

However, the said notes do not state details on the fiscal year ended March 31, 2020, in accordance with the transitional treatment prescribed in the proviso of Paragraph 11 of the Accounting Standard.

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.

3. Compensation Received

The Bank recognized ¥3,525 million in impairment losses associated with systems-related assets in the year ended March 31, 2020, as the invested amount is no longer expected to be recovered due to a major revision in the plan for the system investment project under development.

In the year ended March 31, 2021, the Bank concluded a settlement agreement with the contract system developer concerning the termination of the said system investment project.

Based on the settlement agreement, in the year ended March 31, 2021, the Bank recognized ¥2,180 million in compensation for damages and ¥1,611 million in the assessed value of the system hardware, etc. provided free of charge both received from the said contract developer, for a total of ¥3,792 million as "Compensation Received" under "Other Gains."

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 ¥155,351 million.
2. In Loans, loans to bankrupt companies total ¥52,488 million and overdue loans total ¥248,751 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.

- Loans overdue by three months or longer total ¥161 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.

- Rescheduled loans total ¥25,896 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.

- The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and rescheduled loans is ¥327,296 million.

The amounts of loans stated in Notes 2 through 5 are the amounts before the deduction of Reserve for Possible Loan Losses.

- Bills discounted are handled as financial transactions in accordance with JICPA Industry Committee Practical Guideline 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 ¥101,985 million.

- Assets provided as collateral are as follows.

Assets provided as collateral:

Securities	¥532,933 million
------------	------------------

Liabilities corresponding to collateral assets:

Deposits	¥4,016 million
----------	----------------

Payables under Securities Lending Transactions	¥164,811 million
--	------------------

Borrowings	¥73,213 million
------------	-----------------

In addition to the above amounts, securities worth ¥2,522 million have been substituted for futures margin money, etc.

Other Assets include ¥69,471 million of Cash Collateral Received for Financial Instruments and ¥1,894 million of guarantees and deposits.

- 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 ¥1,602,372 million. Of this amount, ¥1,461,111 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.

- Accumulated depreciation of Tangible Fixed Assets is ¥70,296 million.
- Advanced depreciation of Tangible Fixed Assets is ¥17,367 million.
(There is no advanced depreciation for the current fiscal period.)
- Borrowings include loans payable under subordination covenant totaling ¥15,000 million.
- Corporate Bonds include subordinated bonds totaling ¥10,000 million.
- 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 ¥32,144 million.

CONSOLIDATED STATEMENTS OF OPERATIONS

- Other Income includes ¥68 million of revenue from dormant bonds.
- General and Administrative Expenses include ¥39,836 million of salaries and allowances.
- Other Expenses include ¥317 million of Write-off of Loans, ¥93 million of Write-off of Stocks, ¥704 million of provision for reserves for losses on refund for dormant bonds.
- 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. The impairment losses on Buildings, etc. consist of ¥1,111 million for 14 branch offices and ¥142 million for assets

planned for disposal and idle assets in 1 location. 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 an individual unit, and head office, administration centers, and residences are treated as jointly used assets since they do not generate cash flow independently. 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.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Millions of yen	
	2021	2020
Unrealized Gains on Other Securities		
Amount arising during the current fiscal year	¥ 11,314	¥ (14,512)
Reclassification Adjustments	1,909	919
Before adjustment of Deferred Income Tax	13,224	(13,593)
Deferred Income Tax	(4,032)	4,144
Unrealized Gains on Other Securities	9,192	(9,448)
Deferred Hedge Gains		
Amount arising during the current fiscal year	(135)	143
Reclassification Adjustments	(23)	(28)
Before adjustment of Deferred Income Tax	(159)	114
Deferred Income Tax	48	(34)
Deferred Hedge Gains	(110)	79
Remeasurements of Defined Benefit Plans		
Amount arising during the current fiscal year	6,188	(2,090)
Reclassification Adjustments	2,932	2,380
Before adjustment of Deferred Income Tax	9,121	290
Deferred Income Tax	(2,781)	(88)
Remeasurements of Defined Benefit Plans	6,340	201
Total Other Comprehensive Income	¥ 15,421	¥ (9,167)

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

1. Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

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

	(Thousand shares)				
	Number of Shares as of April 1, 2020	Increase	Decrease	Number of Shares as of March 31, 2021	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	10,258	360	1	10,618	(Note)
Total	10,258	360	1	10,618	

Note: The increase in the common stock is due to claims by shareholders for repurchase of shares less than one unit and the repurchase of shares held by untraceable shareholders. 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 23, 2020	Common stock (government portion)	1,016	1.0 (Note)	March 31, 2020	June 25, 2020
	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, 2021 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2021

	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 22, 2021	Common stock (government portion)	1,016	Retained earnings	1.0 (Note 1)	March 31, 2021	Ordinary General Meeting of Shareholders held on June 22, 2021 and after competent minister authorization (Note 2)
	Common stock (nongovernment portion)	3,479		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.

2. 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.

Notes to Consolidated Financial Statements

The Shoko Chukin Bank, Ltd. and Subsidiaries For the year ended March 31, 2021

(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:

- 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, 2021

CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2021)
1. Total Risk-weighted Capital Ratio (4/7)	12.68
2. Tier 1 Risk-weighted Capital Ratio (5/7)	11.74
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	11.74
4. Total Capital	10,212
5. Tier 1 Capital	9,455
6. Common Equity Tier 1 Capital	9,455
7. Risk-weighted Assets	80,491
8. Total Required Capital	6,439

LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2021)
Leverage Ratio	8.00