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## Trends in Principal Financial Indicators (Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Operating Income	¥ 149.3	¥ 151.7	¥ 153.8	¥ 181.2	¥ 204.7
Income before Income Taxes and Other	30.6	8.5	21.6	32.1	58.4
Net Income Attributable to Owners of Parent	18.5	9.2	14.5	15.4	37.3
Comprehensive Income	13.6	24.6	5.3	11.2	41.5
Net Assets	988.4	979.5	959.4	964.0	972.3
Total Assets	12,787.7	13,083.2	11,219.5	11,818.5	11,957.3
Net Assets per Share (Yen)	208.80	204.71	195.44	195.04	191.95
Net Income per Share (Yen)	8.51	4.24	6.68	7.08	17.15
Net Income per Share (Diluted) (Yen)	—	—	—	—	—
Capital Ratio (%)	7.69	7.45	8.51	8.12	8.10
Consolidated Tier 1 (Common Stock etc.) Ratio (%)	11.72	11.74	11.67	12.30	12.69
Consolidated Tier 1 Ratio (%)	11.72	11.74	11.67	12.30	12.69
Consolidated Total Capital Ratio (%)	12.77	12.68	12.37	12.99	13.53
Return on Equity (%)	1.88	0.95	1.51	1.59	3.93
Price Earnings Ratio	—	—	—	—	—
Cash Flows from Operating Activities	(370.5)	502.6	(582.5)	223.9	(165.6)
Cash Flows from Investing Activities	236.1	(184.5)	73.7	113.5	16.6
Cash Flows from Financing Activities	4	5.4	(10.0)	(24.5)	(24.5)
Cash and Cash Equivalents at the End of the Year	1,492.4	1,626.2	1,302.7	1,821.5	1,508.5
Number of Employees (Persons)	3,765	3,909	4,020	4,113	4,083
[Average Number of Temporary Employees excluded from Above]	[1,010]	[1,018]	[1,018]	[1,036]	[1,058]

Notes: 1. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.

2. The Capital Ratio is calculated as follows:

(Total Net Assets as of the fiscal period-end - Share award rights 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

3. 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.

4. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered.

5. 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, 2022 and 2021

	Millions of yen		Millions of U.S. dollars	
	2022	2021	2022	2021
<b>ASSETS</b>				
<b>Cash and Due from Banks</b>	¥ 1,515,860	¥ 1,680,626	\$ 12,385	\$ 15,180
<b>Call Loans and Bills Purchased</b>	174,817	143,938	1,428	1,300
<b>Monetary Claims Purchased</b>	23,718	19,471	193	175
<b>Trading Assets</b>	13,147	15,109	107	136
<b>Investment Securities</b>	1,211,789	1,461,131	9,901	13,197
<b>Loans</b>	9,597,836	9,511,424	78,420	85,912
<b>Foreign Exchange</b>	27,954	24,810	228	224
<b>Other Assets</b>	168,841	175,820	1,379	1,588
<b>Tangible Fixed Assets</b>	41,250	43,522	337	393
Buildings	16,592	17,329	135	156
Land	22,003	22,126	179	199
Construction in Progress	—	835	—	7
Other Tangible Fixed Assets	2,653	3,231	21	29
<b>Intangible Fixed Assets</b>	12,886	10,286	105	92
Software	8,883	9,122	72	82
Other Intangible Fixed Assets	4,003	1,163	32	10
<b>Net Defined Benefit Asset</b>	24,984	26,625	204	240
<b>Deferred Income Taxes</b>	37,002	39,298	302	354
<b>Customers' Liabilities for Acceptances and Guarantees</b>	120,768	112,070	986	1,012
<b>Reserve for Possible Loan Losses</b>	(183,150)	(180,864)	(1,496)	(1,633)
<b>Total Assets</b>	¥ 12,787,705	¥ 13,083,272	\$ 104,483	\$ 118,176

## Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of March 31, 2022 and 2021

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.

The consolidated financial statements presented below are not audited or certified. They have been reproduced from audited and certified consolidated financial statements above.

	Millions of yen		Millions of U.S. dollars	
	2022	2021	2022	2021
<b>LIABILITIES</b>				
Deposits	¥ 5,701,444	¥ 5,886,778	\$ 46,584	\$ 53,172
Negotiable Certificates of Deposit	491,452	437,864	4,015	3,955
Shoko Chukin Bank Debentures	3,542,170	3,786,770	28,941	34,204
Payables under Securities Lending Transactions	139,173	164,811	1,137	1,488
Trading Liabilities	5,197	8,928	42	80
Borrowed Money	1,642,658	1,558,115	13,421	14,073
Foreign Exchange	75	43	0	0
Corporate Bonds	30,000	10,000	245	90
Other Liabilities	73,393	80,546	599	727
Reserve for Bonuses	4,227	4,543	34	41
Net Defined Benefit Liability	2,232	3,977	18	35
Reserve for Retirement Benefits for Directors	115	94	0	0
Reserve for Losses on Refund for Dormant Bonds	46,162	48,979	377	442
Reserve for Environmental Measures	67	67	0	0
Other Reserves	77	74	0	0
Deferred Tax Liabilities	50	52	0	0
Acceptances and Guarantees	120,768	112,070	986	1,012
<b>Total Liabilities</b>	<b>11,799,266</b>	<b>12,103,717</b>	<b>96,407</b>	<b>109,328</b>
<b>NET ASSETS</b>				
Capital	218,653	218,653	1,786	1,975
Crisis Response Reserve	129,500	129,500	1,058	1,169
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	3,274	3,620
Capital Surplus	0	0	0	0
Retained Earnings	226,437	212,698	1,850	1,921
Treasury Stock	(1,146)	(1,136)	(9)	(10)
<b>Total Shareholders' Equity</b>	<b>974,255</b>	<b>960,526</b>	<b>7,960</b>	<b>8,676</b>
Unrealized Gains on Other Securities	17,340	21,076	141	190
Deferred Hedge Gains	2	(25)	0	(0)
Remeasurements of Defined Benefit Plans	(6,956)	(5,820)	(56)	(52)
<b>Total Accumulated Other Comprehensive Income</b>	<b>10,386</b>	<b>15,230</b>	<b>84</b>	<b>137</b>
Non-controlling Interests	3,796	3,796	31	34
<b>Total Net Assets</b>	<b>988,439</b>	<b>979,554</b>	<b>8,076</b>	<b>8,847</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 12,787,705</b>	<b>¥ 13,083,272</b>	<b>\$ 104,483</b>	<b>\$ 118,176</b>

## Consolidated Statements of Operations

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2022 and 2021

	Millions of yen		Millions of U.S. dollars	
	2022	2021	2022	2021
<b>Operating Income</b>	¥ 149,384	¥ 151,777	\$ 1,220	\$ 1,370
Interest Income	107,615	102,888	879	929
Interest on Loans	100,352	96,977	819	875
Interest and Dividends on Securities	3,371	3,727	27	33
Interest on Call Loans and Interest on Bills Purchased	96	130	0	1
Interest on Deposits	1,136	1,101	9	9
Interest on Interest Swaps	—	23	—	0
Other Interest Income	2,658	928	21	8
Fees and Commissions	11,047	9,518	90	85
Trading Revenue	6,128	2,202	50	19
Other Operating Income	23,214	34,613	189	312
Other Income	1,378	2,554	11	23
Collection of Written-off Claims	90	88	0	0
Other Income	1,288	2,466	10	22
<b>Operating Expenses</b>	118,780	143,274	970	1,294
Interest Expenses	4,152	5,157	33	46
Interest on Deposits	2,545	2,670	20	24
Interest on Negotiable Certificates of Deposit	149	190	1	1
Interest on Debentures	281	1,107	2	9
Interest on Call Money and Interest on Bills Sold	0	(3)	0	(0)
Interest on Payables under Repurchase Agreements	0	—	0	—
Interest on Securities Lending Transactions	15	21	0	0
Interest on Borrowed Money	1,023	1,098	8	9
Interest on Corporate Bonds	105	27	0	0
Interest on Interest Swaps	21	—	0	—
Other Interest Expenses	9	46	0	0
Fees and Commissions	3,227	2,615	26	23
Trading Expenses	0	—	0	—
Other Operating Expenses	19,453	33,797	158	305
General and Administrative Expenses	70,414	80,315	575	725
Other Expenses	21,530	21,387	175	193
Provision for Possible Loan Losses	19,942	19,174	162	173
Other Expenses	1,587	2,212	12	19
<b>Profit before Income Taxes and Other</b>	30,604	8,503	250	76
<b>Other Gains</b>	1,228	4,443	10	40
Gains on Disposal of Fixed Assets	1,228	651	10	5
Compensation Received	—	3,792	—	34
<b>Other Losses</b>	607	1,450	4	13
Losses on Disposal of Fixed Assets	194	196	1	1
Impairment Losses	412	1,253	3	11
<b>Profit before Income Taxes</b>	31,224	11,496	255	103
<b>Provision for Income Taxes</b>	8,153	2,645	66	23
<b>Adjustment for Income Taxes</b>	4,544	(395)	37	(3)
<b>Total Income Taxes</b>	12,698	2,250	103	20
<b>Profit</b>	18,526	9,246	151	83
<b>Profit Attributable to Non-controlling Interests</b>	3	3	0	0
<b>Profit Attributable to Owners of Parent</b>	¥ 18,522	¥ 9,242	\$ 151	\$ 83

## Consolidated Statements of Comprehensive Income

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2022 and 2021

	Millions of yen		Millions of U.S. dollars	
	2022	2021	2022	2021
<b>Profit</b>	¥ 18,526	¥ 9,246	\$ 151	\$ 83
<b>Other Comprehensive Income</b>	(4,844)	15,421	(39)	139
Unrealized Gains on Other Securities	(3,736)	9,192	(30)	83
Deferred Hedge Gains	28	(110)	0	(0)
Remeasurements of Defined Benefit Plans	(1,135)	6,340	(9)	57
<b>Comprehensive Income</b>	13,682	24,668	111	222
Total Comprehensive Income Attributable to Owners of Parent	13,678	24,664	111	222
Non-controlling Interests	¥ 3	¥ 3	\$ 0	\$ 0

Consolidated Statements of Operations / Consolidated Statements of Comprehensive Income

# Consolidated Statements of Changes in Net Asset

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2022 and 2021

Millions of yen

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
<b>Balance, April 1, 2021</b>	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 212,698	¥ (1,136)	¥ 960,526
Cumulative Effects of Changes in Accounting Policies					(288)		(288)
Restated Balance	218,653	129,500	400,811	0	212,410	(1,136)	960,238
Changes during the Period							
Dividends from Surplus					(4,495)		(4,495)
Profit Attributable to Owners of Parent					18,522		18,522
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	—	—	—	0	14,026	(10)	14,017
<b>Balance, March 31, 2022</b>	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 226,437	¥ (1,146)	¥ 974,255

	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		
<b>Balance, April 1, 2021</b>	¥ 21,076	¥ (25)	¥ (5,820)	¥ 15,230	¥ 3,796	¥ 979,554
Cumulative Effects of Changes in Accounting Policies						(288)
Restated Balance	21,076	(25)	(5,820)	15,230	3,796	979,266
Changes during the Period						
Dividends from Surplus						(4,495)
Profit Attributable to Owners of Parent						18,522
Acquisition of Treasury Stock						(10)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	(3,736)	28	(1,135)	(4,844)	—	(4,844)
Total Changes during the Period	(3,736)	28	(1,135)	(4,844)	—	9,173
<b>Balance, March 31, 2022</b>	¥ 17,340	¥ 2	¥ (6,956)	¥ 10,386	¥ 3,796	¥ 988,439

Millions of yen

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
<b>Balance, April 1, 2020</b>	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 207,952	¥ (1,072)	¥ 955,844
Changes during the Period							
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
<b>Balance, March 31, 2021</b>	¥ 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		
<b>Balance, April 1, 2020</b>	¥ 11,884	¥ 85	¥ (12,160)	¥ (191)	¥ 3,796	¥ 959,450
Changes during the Period						
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
<b>Balance, March 31, 2021</b>	¥ 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, 2022 and 2021

Millions of U.S. dollars

	Shareholders' Equity						
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
<b>Balance, April 1, 2021</b>	\$ 1,786	\$ 1,058	\$ 3,274	\$ 0	\$ 1,737	\$ (9)	\$ 7,848
Cumulative Effects of Changes in Accounting Policies					(2)		(2)
Restated Balance	1,786	1,058	3,274	0	1,735	(9)	7,845
Changes during the Period							
Dividends from Surplus					(36)		(36)
Profit Attributable to Owners of Parent					151		151
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	114	(0)	114
<b>Balance, March 31, 2022</b>	\$ 1,786	\$ 1,058	\$ 3,274	\$ 0	\$ 1,850	\$ (9)	\$ 7,960

	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			
<b>Balance, April 1, 2021</b>	\$ 172	\$ (0)	\$ (47)	\$ 124	\$ 31	\$ 8,003	
Cumulative Effects of Changes in Accounting Policies						(2)	
Restated Balance	172	(0)	(47)	124	31	8,001	
Changes during the Period							
Dividends from Surplus						(36)	
Profit Attributable to Owners of Parent						151	
Acquisition of Treasury Stock						(0)	
Disposition of Treasury Stock						0	
Net Changes of Items Other Than Shareholders' Equity	(30)	0	(9)	(39)	—	(39)	
Total Changes during the Period	(30)	0	(9)	(39)	—	74	
<b>Balance, March 31, 2022</b>	\$ 141	\$ 0	\$ (56)	\$ 84	\$ 31	\$ 8,076	

	Shareholders' Equity						
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
<b>Balance, April 1, 2020</b>	\$ 1,975	\$ 1,169	\$ 3,620	\$ 0	\$ 1,878	\$ (9)	\$ 8,741
Changes during the Period							
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
<b>Balance, March 31, 2021</b>	\$ 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			
<b>Balance, April 1, 2020</b>	\$ 107	\$ 0	\$ (109)	\$ (1)	\$ 34	\$ 8,666	
Changes during the Period							
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	
<b>Balance, March 31, 2021</b>	\$ 190	\$ (0)	\$ (52)	\$ 137	\$ 34	\$ 8,847	



**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 ¥122.39=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2022, has been used for translation purposes for the year ended March 31, 2022, and ¥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. 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.

For derivatives, the Bank holds groups of financial assets and financial liabilities that are exposed to market risks and credit risk. The Bank manages those instruments on the basis of its net exposure to a particular market risk (or risks) or to a particular credit risk.

(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). Other securities are valued using the mark-to-market method (cost of sales are primarily calculated with the moving average method). However, stocks, etc. that do not have market prices 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.

The Bank holds groups of financial assets and financial liabilities that are exposed to market risks and credit risk. The Bank manages those instruments on the basis of its net exposure to a particular market risk (or risks) or to a particular credit risk.

(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 grouped 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 (hereinafter, "other loans requiring special attention") are grouped by whether they have been restructured or not. For each of these groups, reserve provisions are made respectively, 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, March 17, 2022). 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.

## 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 ¥183,150 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.” The former is determined by individually evaluating the revenue-generating capability of each debtor.

“Future estimates, etc. of expected loss” 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 categories for which provisions are calculated 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 categories after the consolidated balance sheet date based on the fluctuation results of 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.

The expected loss rate of loans to debtors at risk of bankruptcy (excluding those to which the

discounted cash flow (DCF) method has been applied) is based on a historical default rate on which the medium- to long-term effects of the business cycle have been leveled through the extension of the calculation period. Subsequently, the relationship between the actual values of economic indicators and the loss rate of loans to debtors at risk of bankruptcy in the past are analyzed. If the loss rate estimated from the latest actual values of the economic indicators exceeds the historical default rate, the Reserve for Possible Loan Losses is calculated using the obtained loss rate as the expected loss rate, to reflect the current conditions of the deteriorating economy. Based on this calculation method, the historical default rate is used as the expected loss rate for the year ended March 31, 2022.

- (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” 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.

## CHANGES IN ACCOUNTING POLICIES

Application of the Accounting Standard for Fair Value Measurement, etc.

The Bank has applied the “Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 30, July 4, 2019; hereinafter “Fair Value Measurement Standard”), etc., from the beginning of the year ended March 31, 2022. In accordance with Paragraph 8 of the Fair Value Measurement Standard, the Bank has revised the method for adjusting fair value in measuring fair value of derivative transactions to maximize the use of observable inputs estimated from derivatives and others traded on the markets. This revision is in line with the application of the Fair Value Measurement Standard, etc., and the cumulative effects of the retrospective application of the new accounting policies to prior periods have been adjusted to Retained Earnings at the beginning of the year ended March 31, 2022 in accordance with the transitional treatment provided in the additional clause in Paragraph 20 of the Fair Value Measurement Standard.

As a result, the beginning balance of Retained Earnings decreased by ¥288 million, Trading Assets decreased by ¥441 million, Deferred Tax Assets increased by ¥126 million, Trading Liabilities decreased by ¥26 million, and Net Assets per Share decreased by ¥0.13.

The Bank will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). As a result, the fair value valuation method for stocks that do not have market prices (including foreign stocks; hereinafter, the same applies) has been changed from a method based on the average market price over the final month up to the fiscal period-end to the mark-to-market method based on market prices and other indicators at the fiscal period-end.

In addition, the Bank has included notes on fair value information by level within the fair value hierarchy in the notes on "Financial Instruments." However, in accordance with the transitional treatment provided in Paragraph 7-4 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, July 4, 2019), notes pertaining to the previous fiscal period are not presented.

### UNAPPLIED ACCOUNTING STANDARDS

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021)

#### (1) Overview

The Guidance stipulates how the fair value measurement of investment trusts and their notes are to be handled, as well as on how notes are to be made on the fair value of investments in partnerships for which the equity amount is carried on a net basis.

#### (2) Date of adoption

The Guidance is scheduled to be adopted from the beginning of the year ending March 31, 2023.

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

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

### 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

- The total amount of Investment Securities lent through unsecured loan agreements, which are included in Government Bonds under "Investment Securities," is ¥185,962 million.
- Loans based on the Shoko Chukin Bank Law and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. Loans include the following items in the Consolidated Balance Sheets: Corporate Bonds, presented as a sub-item of "Investment Securities" (limited to privately-offered corporate bonds (defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) for which redemption of principal and payment of interest are guaranteed in whole or in part); Loans; Foreign Exchange; Accrued Interest and Suspense Payments, presented as sub-items of "Other Assets"; and Customers' Liabilities for Acceptances and Guarantees, and also include Investment Securities lent that are described in the notes (limited to investment securities under loan for consumption or leasing agreements).

Loans to legally bankrupt and substantially bankrupt companies	¥110,030 million
Loans with collection risk	¥165,491 million
Loans requiring special management	¥35,576 million
Loans overdue by three months or longer	¥1,046 million
Rescheduled loans	¥34,529 million
Subtotal:	¥311,097 million
Normal loans	¥9,523,859 million
Total:	¥9,834,957 million

Loans to legally bankrupt and substantially bankrupt companies are loans to debtors that are in business failure due to a petition for the commencement of bankruptcy proceedings, the corporate reorganization proceedings, or rehabilitation proceedings, etc., and loans equivalent to such loans.

Loans with collection risk are loans to debtors, while not yet in a state of business failure but whose financial position and result of operations have deteriorated, and from whom the contractual collection of loan principal and receipt of interest are unlikely, excluding loans to legally bankrupt and substantially bankrupt companies.

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 legally bankrupt and substantially bankrupt companies and loans with collection risk are excluded from this category.

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 legally bankrupt and substantially bankrupt companies, loans with collection risk, and loans overdue by three months or longer.

Normal loans are loans to debtors who have no problems in terms of their financial position and result of operations that are not classified as loans to legally bankrupt and substantially bankrupt companies, loans with collection risk, loans overdue by three months or longer, or rescheduled loans.

The above figures represent the amounts of loans before the deduction of Reserve for Possible Loan Losses.

### CHANGES IN PRESENTATION

The "Order Partially Amending the Regulation for Enforcement of the Shoko Chukin Bank Law Related to the Ministry of Economy, Trade and Industry, the Ministry of Finance, and the Cabinet Office" (Order of the Cabinet Office, the Ministry of Finance, and the Ministry of Economy, Trade and Industry No. 1, January 24, 2020) was enforced on March 31, 2022. Accordingly, the categories of "Problem Loans" under the Shoko Chukin Bank Law are presented in line with the categories of loans for which disclosure is mandatory under the Act on Emergency Measures for the Revitalization of the Financial Functions.

- 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 ¥102,026 million.
- Assets provided as collateral are as follows.  
Assets provided as collateral:
 

Securities	¥447,515 million
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 Liabilities corresponding to collateral assets:
 

Deposits	¥2,252 million
Payables under Securities Lending Transactions	¥139,173 million
Borrowings	¥62,717 million

 In addition to the above amounts, securities worth ¥2,353 million have been substituted for futures margin money, etc.  
Other Assets include ¥61,653 million of Cash Collateral Received for Financial Instruments and ¥1,328 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 ¥1,691,554 million. Of this amount, ¥1,537,518 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.

6. Accumulated depreciation of Tangible Fixed Assets is ¥69,855 million.
7. Advanced depreciation of Tangible Fixed Assets is ¥16,666 million.  
(There is no advanced depreciation for the current fiscal period.)
8. Borrowings include no loans payable under subordination covenant.
9. Corporate Bonds include subordinated bonds totaling ¥30,000 million.
10. 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 ¥18,419 million.

#### CONSOLIDATED STATEMENTS OF OPERATIONS

1. Other Income includes ¥12 million of revenue from dormant bonds.
2. General and Administrative Expenses include ¥37,211 million of salaries and allowances.
3. Other Expenses include ¥151 million of Write-off of Loans, ¥45 million of Write-off of Stocks, ¥376 million of provision for reserves for losses on refund for dormant bonds.
4. Description of Impairment Losses is omitted as they are immaterial.

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Millions of yen	
	2022	2021
Unrealized Gains on Other Securities		
Amount arising during the current fiscal year	¥ (4,881)	¥ 11,314
Reclassification Adjustments	(494)	1,909
Before adjustment of Deferred Income Tax	(5,375)	13,224
Deferred Income Tax	1,638	(4,032)
Unrealized Gains on Other Securities	(3,736)	9,192
Deferred Hedge Gains		
Amount arising during the current fiscal year	19	(135)
Reclassification Adjustments	21	(23)
Before adjustment of Deferred Income Tax	40	(159)
Deferred Income Tax	(12)	48
Deferred Hedge Gains	28	(110)
Remeasurements of Defined Benefit Plans		
Amount arising during the current fiscal year	(4,257)	6,188
Reclassification Adjustments	2,623	2,932
Before adjustment of Deferred Income Tax	(1,633)	9,121
Deferred Income Tax	498	(2,781)
Remeasurements of Defined Benefit Plans	(1,135)	6,340
Total Other Comprehensive Income	¥ (4,844)	¥ 15,421

#### CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

1. Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

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

	Number of Shares as of April 1, 2021	Increase	Decrease	(Thousand shares)	
				Number of Shares as of March 31, 2022	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	10,618	49	0	10,666	(Note)
Total	10,618	49	0	10,666	

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 22, 2021	Common stock (government portion)	1,016	1.0 (Note)	March 31, 2021	June 24, 2021
	Common stock (nongovernment portion)	3,479	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, 2022 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2022

	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 21, 2022	Common stock (government portion)	1,016	Retained earnings	1.0 (Note 1)	March 31, 2022	Ordinary General Meeting of Shareholders held on June 21, 2022 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, 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.



## Capital Account Details (Consolidated)

The Shoko Chukin Bank, Ltd. and Subsidiaries For the year ended March 31, 2022

### CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2022)
1. Total Risk-weighted Capital Ratio (4/7)	12.77
2. Tier 1 Risk-weighted Capital Ratio (5/7)	11.72
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	11.72
4. Total Capital	10,389
5. Tier 1 Capital	9,537
6. Common Equity Tier 1 Capital	9,537
7. Risk-weighted Assets	81,321
8. Total Required Capital	6,505

### LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2022)
Leverage Ratio	8.20