

May 12, 2021

**Consolidated Financial Report  
for the Fiscal Year Ended March 31, 2021  
<Under Japanese GAAP>**

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Date of Ordinary General Meeting of Shareholders: June 29, 2021

Date of submission of annual security report: June 29, 2021

Date to start dividend payment: June 8, 2021

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: Yes

(by webcast)

Note: Figures have been rounded down to the nearest million yen.

**1. Consolidated Operating Performance for the Fiscal Year Ended March 31, 2021  
(From April 1, 2020 to March 31, 2021)**

**(1) Results in consolidated operations**

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
<b>Fiscal year ended March 31, 2021</b>	<b>93,352</b>	<b>(0.7)</b>	<b>8,224</b>	<b>250.3</b>	<b>4,161</b>	<b>(45.6)</b>
Fiscal year ended March 31, 2020	94,031	19.3	2,347	(32.5)	7,657	55.8
(Note) Comprehensive income:	Fiscal year ended March 31, 2021: ¥17,616 million		393.3%			
	Fiscal year ended March 31, 2020: ¥3,571 million		(18.9%)			

	Profit attributable to owners of parent per share (¥)	Profit attributable to owners of parent per share (Diluted) (¥)	Net income to net assets (%)	Ordinary profit to total assets (%)	Ordinary profit to ordinary income (%)
<b>Fiscal year ended March 31, 2021</b>	<b>128.87</b>	<b>63.93</b>	<b>1.3</b>	<b>0.1</b>	<b>8.8</b>
Fiscal year ended March 31, 2020	244.21	127.49	2.6	0.0	2.4

(Reference) Gain on equity-method investments: Fiscal year ended March 31, 2021: ¥24 million  
Fiscal year ended March 31, 2020: ¥17 million

**(2) Consolidated financial position**

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)	Net assets per share (¥)
<b>Fiscal year ended March 31, 2021</b>	<b>5,921,945</b>	<b>310,880</b>	<b>5.2</b>	<b>8,416.05</b>
Fiscal year ended March 31, 2020	5,501,145	294,462	5.3	7,880.94

(Reference) Equity: Fiscal year ended March 31, 2021: ¥310,849 million  
Fiscal year ended March 31, 2020: ¥294,405 million

(Note)

“Equity” consists of subscription rights to shares at the end of the fiscal year and non-controlling interests at the end of the period subtracted from net assets, and the “Net assets to total assets ratio” is calculated by dividing equity by total assets at the end of the fiscal year. Note that this “Net assets to total assets ratio” is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 20 of 2006).

### (3) Consolidated cash flows

	Cash flow from operating activities (¥ million)	Cash flow from investing activities (¥ million)	Cash flow from financing activities (¥ million)	Cash and cash equivalents at year-end (¥ million)
<b>Fiscal year ended March 31, 2021</b>	<b>232,544</b>	<b>(15,335)</b>	<b>(2,003)</b>	<b>753,492</b>
Fiscal year ended March 31, 2020	25,433	118,200	(7,277)	538,286

### 2. Dividends

	Annual dividend per share (¥)					Total dividends (full year) (¥ million)	Payout ratio (consolidated) (%)	Dividends ratio to shareholders' equity (consolidated) (%)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
Fiscal year ended March 31, 2020	–	30.00	–	30.00	60.00	1,827	24.5	0.7
ended March 31, 2021	–	30.00	–	30.00	60.00	1,827	46.5	0.7
ending March 31, 2022 (Forecast)	–	30.00	–	30.00	60.00		18.7	

(Note) “Dividends” above refers to dividends for common stock. With regard to dividends for class shares (unlisted) issued by the Company with different rights than those of common stock, refer to “Dividend situation for class shares” below.

### 3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Percentages represent increases or decreases from the previous year for the full-year results and from the same quarter in the previous year for quarterly results.)

	Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)
Second-quarter period (cumulative)	5,500	55.3	3,500	70.1	111.04
Full-year	15,000	82.3	10,000	140.2	320.82

#### \* Notes

#### (1) Changes in significant subsidiaries during the current period (Changes in specified subsidiaries resulting in change in scope of consolidation): No

Included subsidiaries: \_\_\_ (name of company(ies)) \_\_\_

Excluded subsidiaries: \_\_\_ (name of company(ies)) \_\_\_

(Note) For details, please refer to “(6) Changes to significant subsidiaries in “4. Consolidated Financial Statements and Notes” on page 14 of the Attached Materials.

#### (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

### (3) Number of shares issued (common stock)

a. Total number of shares issued at the end of the period (including treasury stock)	
March 31, 2021	30,650,115 shares
March 31, 2020	30,650,115 shares
b. Number of treasury stock at the end of the period	
March 31, 2021	264,532 shares
March 31, 2020	287,585 shares
c. Average number of shares during the period	
Fiscal year ended March 31, 2021	30,380,902 shares
Fiscal year ended March 31, 2020	30,369,287 shares

(Note)

The Company introduced Board Benefit Trust and the Company's shares held by the said trust are included in treasury stock.

### (Reference) Non-consolidated Financial Statements

#### 1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

##### (1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Operating income		Operating profit		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
<b>Fiscal year ended March 31, 2021</b>	<b>3,892</b>	<b>(37.1)</b>	<b>2,732</b>	<b>(48.2)</b>	<b>2,743</b>	<b>(47.9)</b>	<b>2,689</b>	<b>(48.5)</b>
Fiscal year ended March 31, 2020	<b>6,190</b>	<b>99.0</b>	<b>5,284</b>	<b>128.6</b>	<b>5,274</b>	<b>131.7</b>	<b>5,225</b>	<b>143.1</b>

	Net income per share	Diluted net income per share
	(¥)	(¥)
<b>Fiscal year ended March 31, 2021</b>	<b>80.42</b>	<b>41.31</b>
Fiscal year ended March 31, 2020	<b>164.16</b>	<b>87.01</b>

## (2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)	Net assets per share (¥)
<b>Fiscal year ended March 31, 2021</b>	<b>200,350</b>	<b>199,655</b>	<b>99.6</b>	<b>4,755.58</b>
Fiscal year ended March 31, 2020	<b>199,169</b>	<b>198,997</b>	<b>99.8</b>	<b>4,736.77</b>

(Reference)

Equity: Fiscal year ended March 31, 2021: ¥199,624 million

Fiscal year ended March 31, 2020: ¥198,940 million

(Note)

“Equity” consists of subscription rights to shares at the end of the fiscal year subtracted from net assets, and the “Net assets to total assets ratio” is calculated by dividing equity by total assets at the end of the fiscal year. Note that this “Net assets to total assets ratio” is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 20 of 2006).

<Reasons for the difference in the non-consolidated financial statements between fiscal years ended March 31, 2020 and 2021.>

The Company received an extraordinary dividend from its consolidated subsidiary, Kiraboshi Bank, Ltd., in the fiscal year ended March 31, 2020, resulting in differences in actual numbers between the fiscal years ended March 31, 2020 and 2021.

\* The consolidated financial report is outside the scope of review by certified public accountants and audit corporations.

\* Disclaimer and special note for referring to the forecast of operating performance

Forward-looking statements concerning financial forecasts contained in these materials are based on information available when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved, and actual results may differ significantly from the forecasts due to a variety of factors.

### \* Dividend situation for class shares

The breakdown of dividend per share for class shares with different rights to those of common stock is as follows.

(First Series Class I preferred shares)

	Dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2020	–	124.00	–	124.00	248.00
Fiscal year ended March 31, 2021	–	125.00	–	125.00	250.00
Fiscal year ending March 31, 2022 (Forecast)	–	126.00	–	126.00	252.00

(Notes)

1. Amount paid per share: ¥20,000

2. Computation used to calculate dividend per share

(1) Fiscal year ended March 31, 2020

(a) Computation

Dividend in first fiscal year = amount paid per share × annual dividend rate

(b) Annual dividend rate (\*)

Annual dividend rate = Japanese yen TIBOR + 1.1%

(c) Japanese yen TIBOR

On April 1, 2019, the Japanese yen TIBOR (12-month maturity) = 0.13636%

(d) Shares issued

750,000

(2) Fiscal year ended March 31, 2021

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate (\*)

Annual dividend rate = Japanese yen TIBOR + 1.1%

(c) Japanese yen TIBOR

On April 1, 2020, the Japanese yen TIBOR (12-month maturity) = 0.14636%

(d) Shares issued

750,000

(3) Fiscal year ending March 31, 2022 (Forecast)

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate (\*)

Annual dividend rate = Japanese yen TIBOR + 1.1%

(c) Japanese yen TIBOR

On April 1, 2021, the Japanese yen TIBOR (12-month maturity) = 0.15636%

(d) Shares issued

750,000

\* For annual dividend rate, figures less than one percent are calculated to three decimal places with the third decimal place is rounded off to the second decimal place.

## (Class II preferred shares)

	Dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2020	–	13.636	–	13.636	27.272
Fiscal year ended March 31, 2021	–	14.636	–	14.636	29.272
Fiscal year ending March 31, 2022 (Forecast)	–	15.636	–	15.636	31.272

## (Notes)

1. Amount paid per share: ¥20,000

2. Computation used to calculate dividend per share

(1) Fiscal year ended March 31, 2020

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate

Annual dividend rate = Japanese yen TIBOR + 0.0%

(c) Japanese yen TIBOR

On April 1, 2019, the Japanese yen TIBOR (12-month maturity) = 0.13636%

(d) Shares issued

2,000,000

(2) Fiscal year ended March 31, 2021

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate

Annual dividend rate = Japanese yen TIBOR + 0.0%

(c) Japanese yen TIBOR

On April 1, 2020, the Japanese yen TIBOR (12-month maturity) = 0.14636%

(d) Shares issued

2,000,000

(3) Fiscal year ending March 31, 2022 (Forecast)

(a) Computation

Dividend = amount paid per share × annual dividend rate

(b) Annual dividend rate

Annual dividend rate = Japanese yen TIBOR + 0.0%

(c) Japanese yen TIBOR

On April 1, 2021, the Japanese yen TIBOR (12-month maturity) = 0.15636%

(d) Shares issued

2,000,000

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\* Financial Results for the Fiscal Year Ended March 31, 2021 Supplementary Information

## 1. Overview of Operating Results etc.

### (1) Overview of Operating Results and Financial Position for the Consolidated Fiscal Year Ended March 31, 2021

(Overview of operating results for the consolidated fiscal year ended March 31, 2021)

In the consolidated operating results for the fiscal year ended March 31, 2021, consolidated ordinary profit increased by ¥5.8 billion year-on-year to ¥8.2 billion due largely to an increase in interest on loans and discounts reflecting growth notably in COVID-19-related loans, an increase in gains on stocks and other securities, and a decrease in credit-related costs. However, profit attributable to owners of parent decreased by ¥3.4 billion year-on-year to ¥4.1 billion, given the absence of gain on transfer of Shinjuku Office which was posted as extraordinary income in the previous fiscal year, as well as increase in income taxes.

The main factors affecting operating results of Kiraboshi Bank, Ltd. are as follows.

- (i) Net interest income: An increase of ¥2.2 billion year-on-year reflecting increases in interest on loans and discounts and in interest subsidies associated largely with COVID-19-related loans, offsetting a decrease in interest on securities attributable primarily to sale and redemption of Japanese government bonds.
- (ii) Non-interest income: A decrease of ¥0.8 billion year-on-year due in part to voluntary restraint of sales activities during the state of emergency.
- (iii) Credit-related costs: A decrease of ¥2.9 billion year-on-year notwithstanding provision made in consideration of the impact of COVID-19 on restaurants and hotels, due to such factors as a reversal of additional provision that had been made in FY2019 for possible impact of COVID-19.
- (iv) Gains on bonds: A decrease of ¥4.7 billion year-on-year reflecting sale of government bonds executed in FY2019 that was intended to be appropriated for the additional provision made.
- (v) Gains on stocks and other securities: An increase of ¥5.4 billion year-on-year due largely to sale of stocks held for strategic purposes.
- (vi) Extraordinary income: A decrease of ¥4.6 billion year-on-year reflecting recognition in FY2019 of the gain on transfer of the Shinjuku Office.
- (vii) Income taxes: An increase of ¥3.2 billion year-on-year due to a decrease in deferred tax assets in FY2020 resulting from sale of the Shinjuku Office, etc. in FY2019 which led to reduction in tax loss carryforward.

\* Interest on loans and discounts includes interest subsidies associated with effectively interest-free, unsecured loans on which interest would later be reimbursed afterwards by local governments.

(Overview of the financial position of the consolidated fiscal year ended March 31, 2021)

As of March 31, 2021, total assets amounted to ¥5,921.9 billion, up ¥420.8 billion from the end of the previous fiscal year, and net assets stood at ¥310.8 billion, a ¥16.4 billion increase from the end of the previous fiscal year.

With respect to major account balances, deposits increased by ¥341.2 billion from the end of the previous fiscal year to ¥4,972.4 billion, loans and bills discounted increased by ¥165.6 billion from the end of the previous fiscal year to ¥3,926.5 billion, and securities increased by ¥71.3 billion from the end of the previous fiscal year to ¥1,019.4 billion.

(Overview of cash flow for the consolidated fiscal year ended March 31, 2021)

During the fiscal year ended March 31, 2021, net cash provided by operating activities was ¥232.5 billion, due largely to an inflow from net increase in deposits and borrowed money. Net cash used by investing activities was ¥15.3 billion, reflecting an inflow from sale and redemption of securities and an outflow for purchases of securities, etc. Net cash used in financing activities was ¥2.0 billion, attributable primarily to payment of dividends. As a result, cash and cash equivalents at the end of the fiscal year ended March 31, 2021 were ¥753.4 billion, an increase of ¥215.2 billion from the end of the previous fiscal year.



## **(2) Projection**

The forecast of the consolidated operating performance for the fiscal year ending March 31, 2022, is as follows.

Ordinary income of ¥15.0 billion

Profit attributable to owners of parent of ¥10.0 billion

The economic conditions in the period ahead are likely to be dictated significantly by the timing of COVID-19 subsiding, and there is a risk that the economic downturn will be lengthy particularly for those industries that are directly and indirectly affected.

It is difficult to forecast how the COVID-19 situation will develop, and there is a possibility that the Group's full-year operating results and financial position for the fiscal year ending March 31, 2022 will be significantly affected.

The forecast presented above represents the judgment of management based on information currently available, and may include uncertainties. Actual results, etc. may differ from the above forecast due to the change of business condition, etc.

## **(3) Basic Policy for Profit Distribution and Dividends for This Term and the Next Term**

The Company's basic policy is to work to maintain a sound financial position through sufficient and relevant internal reserves in consideration of its public nature as a bank holding company, while prioritizing returns to shareholders as an important management issue as it provides ongoing and stable dividends. In accordance with this policy, a medium-term target for total shareholder return ratio is set at 20% - 30%.

The Company will pay out an annual dividend of ¥60 per share of common stock (an interim dividend of ¥30 and a year-end dividend of ¥30) for the fiscal year ended March 31, 2021. For First Series Class I preferred shares, in accordance with the provisions of the Articles of Incorporation, an annual dividend of ¥250 per share (an interim dividend of ¥125 and a year-end dividend of ¥125) will be paid. For Class II preferred shares, likewise in accordance with the provisions of the Articles of Incorporation, an annual dividend of ¥29.272 per share (an interim dividend of ¥14.636 and a year-end dividend of ¥14.636) will be paid.

For the fiscal year ending March 31, 2022, an annual dividend of ¥60 per share of common stock (an interim dividend of ¥30 and a year-end dividend of ¥30) is scheduled to be paid based on the policy described above. For First Series Class I preferred shares, in accordance with the provisions of the Articles of Incorporation, an annual dividend of ¥252 per share (an interim dividend of ¥126 and a year-end dividend of ¥126) will be paid. For Class II preferred shares, likewise in accordance with the provisions of the Articles of Incorporation, an annual dividend of ¥31.272 per share (an interim dividend of ¥15.636 and a year-end dividend of ¥15.636) will be paid.

## **2. Overview of the Tokyo Kiraboshi Financial Group**

As of March 31, 2021, the Group is composed of the Company, which is a holding company, sixteen consolidated subsidiaries including Kiraboshi Bank, Ltd. (hereinafter, "Kiraboshi Bank") and Tokyo Kiraboshi Lease, Inc. (hereafter, "Tokyo Kiraboshi Lease"), and two affiliates (equity-method affiliates). It provides a wide range of financial services with focus on banking business and encompassing diverse businesses such as leasing, credit card, securities and consulting.

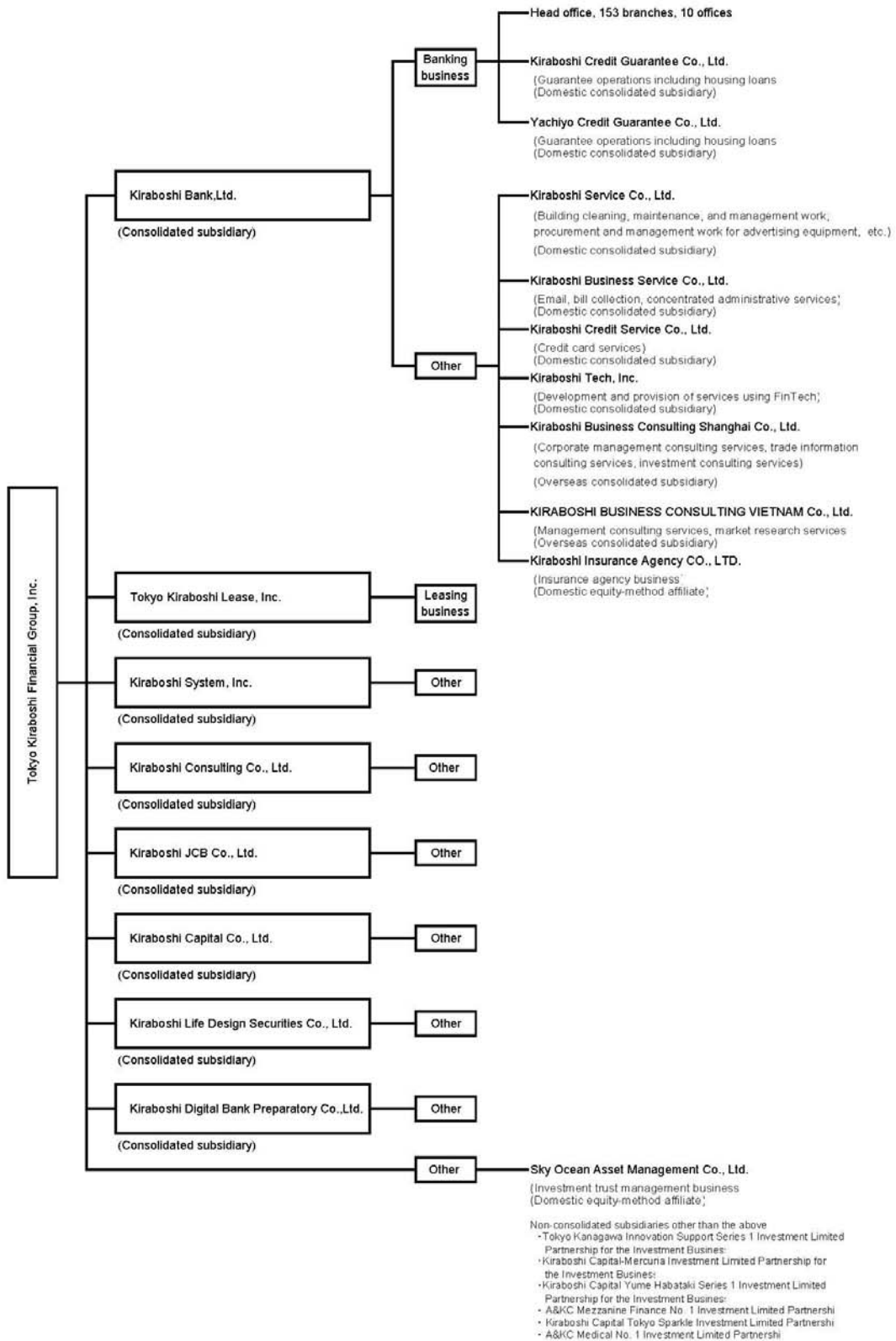
In the fiscal year ended March 31, 2021, Kiraboshi Securities Preparatory Co., Ltd. changed its name to "Kiraboshi Life Design Securities Co., Ltd." effective June 22, 2020, and commenced operation on August 17, 2020.

Effective October 30, 2020, Kiraboshi Digital Bank Preparatory Co., Ltd. was established as a wholly-owned subsidiary of the Company.

Effective March 31, 2021, "Kiraboshi Insurance Agency CO., LTD.", an insurance agency, was made an equity-method affiliate of Kiraboshi Bank, a subsidiary of the Company, with the latter subscribing for the class shares issued by the insurance agency.

The diagram on the following page illustrates the business portfolio, as described above.

(As of March 31, 2021)



- (Note) 1. Kiraboshi Securities Preparatory Co., Ltd. changed its name to “Kiraboshi Life Design Securities Co., Ltd.” effective June 22, 2020, and commenced operation on August 17, 2020.
2. Effective August 31, 2020, “A&KC Mezzanine Finance No. 1 Investment Limited Partnership” was established as a non-consolidated subsidiary. A&KC Mezzanine Finance No. 1 Investment Limited Partnership
  3. Effective October 30, 2020, “Kiraboshi Digital Bank Preparatory Co., Ltd.” was established as a wholly-owned subsidiary of the Tokyo Kiraboshi Financial Group, Inc.
  4. Effective November 6, 2020, “Kiraboshi Capital Tokyo Sparkle Investment Limited Partnership” was established as a non-consolidated subsidiary.
  5. Effective March 8, 2021, “A&KC Medical No. 1 Investment Limited Partnership” was established as a non-consolidated subsidiary.
  6. Effective March 31, 2021, “Kiraboshi Insurance Agency CO., LTD.”, an insurance agency, was made an equity-method affiliate of Kiraboshi Bank, Ltd. with the latter subscribing for the class shares issued by the insurance agency.
  7. Effective April 1, 2021, Kiraboshi Business Service Co., Ltd. merged with Kiraboshi Credit Service Co., Ltd. through an absorption-type merger.
  8. Effective April 1, 2021, Kiraboshi Service Co., Ltd. changed its name to “Kiraboshi business office service, Inc.”

### **3. Basic Views on Selection of Accounting Standards**

Over the near term, the Group will prepare its consolidated financial statements based on J-GAAP, because the Group's business activities are focused on Japan and to ensure that consolidated financial statements can be compared across time.

In terms of the application of International Financial Reporting Standards (IFRS), an appropriate response will be made in consideration of circumstances in Japan and overseas.

#### 4. Consolidated Financial Statements and Notes

##### (1) Consolidated Balance Sheets

Tokyo Kiraboshi Financial Group, Inc.  
(¥ million)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Cash and due from banks	538,902	753,974
Call loans and bills bought	2,513	—
Monetary claims bought	74,199	68,935
Trading account securities	1,006	845
Money held in trust	651	1,620
Securities	948,042	1,019,415
Loans and bills discounted	3,760,834	3,926,518
Foreign exchange	5,593	9,422
Lease receivables and investment assets	17,622	18,714
Other assets	93,273	62,998
Tangible fixed assets	58,419	56,362
Buildings	17,119	16,499
Land	33,192	33,192
Leased assets	2,262	2,022
Construction in progress	439	6
Other tangible fixed assets	5,404	4,641
Gain on disposal of non-current assets	3,771	6,629
Software	1,998	4,101
Leased assets	256	271
Other tangible fixed assets	1,516	2,257
Net defined benefit assets	13,234	24,054
Deferred tax assets	11,251	3,140
Customers' liabilities for acceptances and guarantees	4,905	4,412
Reserve for possible loan losses	(33,076)	(35,101)
<b>Total assets</b>	<b>5,501,145</b>	<b>5,921,945</b>

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Deposits	4,631,187	4,972,473
Negotiable certificates of deposit	7,300	9,500
Call money and bills sold	217,692	59,632
Payables under securities lending transactions	256,620	271,382
Borrowed money	42,177	241,372
Foreign exchange	232	293
Bonds	4,200	4,000
Other liabilities	37,291	43,864
Reserve for employee bonuses	1,637	1,523
Provision for directors' bonuses	183	155
Provision for stock compensation	139	163
Net defined benefit liabilities	65	53
Reserve for directors' retirement benefits	23	14
Reserve for point card certificates	40	43
Provision for loss on interest repayments	8	7
Reserve for loss on dormant deposit repayments	1,318	1,289
Provision for loss on cancellation of system contracts	935	—
Provision for contingent loss	659	794
Reserves under special laws	—	0
Deferred tax liabilities	60	86
Acceptances and guarantees	4,905	4,412
<b>Total liabilities</b>	<b>5,206,683</b>	<b>5,611,065</b>
<b>Net Assets</b>		
Common stock	27,500	27,500
Capital surplus	150,684	150,677
Retained earnings	114,641	117,514
Treasury stock	(814)	(742)
<b>Total shareholders' equity</b>	<b>292,010</b>	<b>294,949</b>
Net unrealized gain on available-for-sale securities	5,629	13,078
Net deferred gains (losses) on hedges	41	189
Revaluation reserve for land	(242)	(242)
Foreign currency translation adjustment	4	11
Remeasurements of defined benefit plans	(3,038)	2,863
<b>Total accumulated other comprehensive income</b>	<b>2,394</b>	<b>15,900</b>
Subscription rights to shares	56	30
<b>Total net assets</b>	<b>294,462</b>	<b>310,880</b>
<b>Total liabilities and net assets</b>	<b>5,501,145</b>	<b>5,921,945</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Income**

Tokyo Kiraboshi Financial Group, Inc.  
(¥ million)

	Year ended March 31, 2020	Year ended March 31, 2021
Ordinary income	94,031	93,352
Interest income	56,989	58,751
Interest on loans and discounts	44,108	46,384
Interest and dividends on securities	11,940	11,422
Interest on call loans and bills bought	38	4
Interest on deposits with banks	299	384
Other interest income	602	556
Trust fees	156	150
Fees and commissions	16,880	14,940
Other operating income	6,762	4,093
Other ordinary income	13,241	15,416
Recoveries of written-off claim	87	53
Others	13,153	15,362
Ordinary expenses	91,683	85,127
Financing expenses	2,381	1,252
Interest on deposits	1,094	734
Interest on negotiable certificates of deposit	1	1
Interest on call money and bills sold	606	87
Interest on payables under securities lending transactions	584	172
Interest on borrowed money	76	237
Interest on corporate bonds	7	14
Other interest expenses	9	3
Fees and commissions payments	3,045	3,273
Other operating expenses	1,621	1,211
General and administrative expenses	55,814	56,098
Other ordinary expenses	28,821	23,291
Provision of allowance for loan losses	11,178	7,858
Other ordinary expenses	17,643	15,432
Ordinary profit	2,347	8,224
Extraordinary income	6,975	0
Gain on disposal of non-current assets	6,315	0
Gain on step acquisitions	523	—
Gain on bargain purchase	136	—
Extraordinary losses	1,065	124
Loss on disposal of non-current assets	59	97
Impairment losses	70	—
Provision for loss on cancellation of system contracts	935	—
Loss on cancellation of system contracts	—	27
Profit before income taxes	8,256	8,099
Income taxes – current	3,861	1,551
Income taxes – deferred	(3,264)	2,387
Total income taxes	597	3,938
Profit	7,659	4,161
Profit attributable to non-controlling interests	2	—
Profit attributable to owners of parent	7,657	4,161

## Consolidated Statements of Comprehensive Income

Tokyo Kiraboshi Financial Group, Inc.  
(¥ million)

	Year ended March 31, 2020	Year ended March 31, 2021
Profit	7,659	4,161
Other comprehensive income	(4,088)	13,455
Net unrealized gain on available-for-sale securities	(2,293)	7,397
Net deferred gains (losses) on hedges	41	148
Foreign currency translation adjustment	(4)	7
Remeasurements of defined benefit plans	(1,788)	5,902
Share of other comprehensive income of entities accounted for using equity method	(44)	—
Comprehensive income	3,571	17,616
(Breakdown)		
Comprehensive income attributable to owners of parent	3,611	17,616
Comprehensive income attributable to non- controlling interests	(40)	—

**(3) Consolidated Statements of Changes in Net Assets**  
**(Year ended March 31, 2020)**

Tokyo Kiraboshi Financial Group, Inc.  
(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	27,500	150,473	109,053	(804)	286,223
Changes of items during the reporting period					
Purchase of shares of consolidated subsidiaries		214	(0)		213
Dividends of surplus			(2,068)		(2,068)
Profit attributable to owners of parent			7,657		7,657
Acquisition of treasury stock				(26)	(26)
Disposition of treasury stock		(4)		15	11
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	210	5,587	(10)	5,787
Balance at end of period	27,500	150,684	114,641	(814)	292,010

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Net deferred gains (losses) on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	7,923	—	(242)	8	(1,250)	6,440	56	404	293,124
Changes of items during the reporting period									
Purchase of shares of consolidated subsidiaries									213
Dividends of surplus									(2,068)
Profit attributable to owners of parent									7,657
Acquisition of treasury stock									(26)
Disposition of treasury stock									11
Net changes of items other than shareholders' equity during the reporting period	(2,294)	41	—	(4)	(1,788)	(4,045)	—	(404)	(4,450)
Total changes of items during the reporting period	(2,294)	41	—	(4)	(1,788)	(4,045)	—	(404)	1,337
Balance at end of period	5,629	41	(242)	4	(3,038)	2,394	56	—	294,462



(Year ended March 31, 2021)

Tokyo Kiraboshi Financial Group, Inc.

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	27,500	150,684	114,641	(814)	292,010
Changes of items during the reporting period					
Dividends of surplus			(2,071)		(2,071)
Profit attributable to owners of parent			4,161		4,161
Acquisition of treasury stock				(15)	(15)
Disposition of treasury stock		(6)		87	80
Increase in retained earnings due to addition of equity-method affiliates			782		782
Increase in treasury stock due to addition of equity-method affiliates				(0)	(0)
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	(6)	2,873	71	2,938
Balance at end of period	27,500	150,677	117,514	(742)	294,949

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Net deferred gains (losses) on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	5,629	41	(242)	4	(3,038)	2,394	56	—	294,462
Changes of items during the reporting period									
Dividends of surplus									(2,071)
Profit attributable to owners of parent									4,161
Acquisition of treasury stock									(15)
Disposition of treasury stock									80
Increase in retained earnings due to addition of equity-method affiliates									782
Increase in treasury stock due to addition of equity-method affiliates									(0)
Net changes of items other than shareholders' equity during the reporting period	7,448	148	—	7	5,902	13,505	(25)	—	13,479
Total changes of items during the reporting period	7,448	148	—	7	5,902	13,505	(25)	—	16,418
Balance at end of period	13,078	189	(242)	11	2,863	15,900	30	—	310,880

**(4) Consolidated Statements of Cash Flows**Tokyo Kiraboshi Financial Group, Inc.  
(¥ million)

	Year ended March 31, 2020	Year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,256	8,099
Depreciation	3,958	4,820
Impairment losses	70	—
Retirement benefit expenses	1,307	—
Gain on bargain purchase	(136)	—
Step acquisitions loss (gain)	(523)	—
Share profit of entities accounted for using equity method	(17)	(24)
Increase (decrease) in reserve for possible loan losses	6,404	2,025
Increase (decrease) in reserve for employee bonuses	(78)	(113)
Increase (decrease) in provision for directors' bonuses	24	(28)
Increase (decrease) in provision for stock compensations	57	23
Decrease (increase) in net defined benefit assets	893	(10,819)
Increase (decrease) in net defined benefit liability	(0)	(12)
Increase (decrease) in reserve for directors' retirement benefits	(10)	(9)
Increase (decrease) in reserve for point card certificates	1	3
Increase (decrease) in reserve for loss on interest repayments	(0)	(0)
Increase (decrease) in reserve for loss on dormant deposit repayments	(32)	(29)
Increase (decrease) in provision for loss on cancellation of system contracts	935	(935)
Increase (decrease) in reserve for contingent loss	3	134
Interest income	(56,989)	(58,751)
Financing expenses	2,381	1,252
Gain (loss) on securities	(3,087)	(5,446)
Net losses (gains) on money held in trust	48	(168)
Foreign exchange losses (gains)	2,262	(9,003)
Net loss (gain) on disposal of non-current assets	(6,255)	97
Net increase (decrease) in trading account securities	(32)	160
Net (decrease) increase in loans and bills discounted	(70,843)	(165,683)
Net increase (decrease) in deposits	104,275	341,285
Net increase (decrease) in negotiable certificates of deposit	(8,800)	2,200
Net increase (decrease) in borrowed money (excluding subordinated loans)	(11,732)	199,195
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	200	134
Net (decrease) increase in call loans	(15,034)	7,777
Net increase (decrease) in call money	104,363	(158,059)
Net increase (decrease) in payables under securities lending transactions	(88,297)	14,761
Net decrease (increase) in foreign exchange (assets)	391	(3,829)
Net increase (decrease) in foreign exchange (liabilities)	(300)	61
Net decrease (increase) in lease receivables and investment assets	(1,880)	(1,092)
Increase (decrease) due to issuance and redemption of straight bonds	2,200	(200)
Net increase (decrease) in borrowed money from trust account	(245)	—
Proceeds from fund management	59,334	55,154
Payments for finance	(2,715)	(1,724)
Other	(3,583)	14,007
Subtotal	26,774	235,258
Income taxes paid	(1,744)	(3,719)
Income taxes refund	403	1,005
Cash flows from operating activities	25,433	232,544

	Year ended March 31, 2020	Year ended March 31, 2021
<b>Cash flows from investing activities</b>		
Purchase of securities	(279,044)	(384,714)
Proceeds from sales of securities	264,935	214,154
Proceeds from redemption of securities	126,400	168,458
Payments due to increase in money held in trust	(700)	(800)
Purchase of tangible fixed assets	(1,840)	(2,342)
Retirement of tangible fixed assets	(566)	(753)
Proceeds from sales of tangible fixed assets	11,285	1
Purchase of intangible fixed assets	(1,210)	(4,339)
Payment from changes in ownership interests in subsidiaries that result in changes in scope of consolidation	(1,057)	—
Purchase of shares in affiliates	—	(4,999)
Net cash provided by (used in) investing activities	118,200	(15,335)
<b>Cash flows from financing activities</b>		
Repayments of subordinated borrowings	(5,000)	—
Cash dividends paid	(2,069)	(2,071)
Dividends paid to non-controlling interests	(4)	—
Purchase of treasury shares	(72)	(15)
Proceeds from sale of treasury stock	15	6
Proceeds from exercise of share options	—	27
Proceeds from exercise of performance-linked stock-based compensation	—	52
Payments from changes in ownership interests in subsidiaries that do not result in changes in scope of consolidation	(64)	—
Repayments of lease obligations	(83)	(3)
Net cash provided by (used in) financing activities	(7,277)	(2,003)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	1	0
<b>Net change in cash and cash equivalents</b>	136,357	215,206
<b>Cash and cash equivalents at beginning of year</b>	401,928	538,286
<b>Cash and cash equivalents at end of year</b>	538,286	753,492

## **(5) Notes on Premise of Going Concern**

Not applicable.

## **(6) Changes in significant subsidiaries during the current period**

Not applicable.

Kiraboshi Digital Bank Preparatory Co., Ltd. was established as a wholly-owned subsidiary of the Company effective October 30, 2020, and is included in the scope of consolidation from the fiscal year ended March 31, 2021. Note that this event does not constitute a change in specified subsidiaries. On the premise that approval from relevant authorities will be obtained, the Preparatory Company will proceed with preparations for launching operations of the Digital Bank during fiscal year 2021.

Effective March 31, 2021, "Kiraboshi Insurance Agency CO., LTD.", an insurance agency, was made an equity-method affiliate of Kiraboshi Bank, Ltd., a subsidiary of the Company, with the latter subscribing for the class shares issued by the insurance agency.

## **(7) Notes to Consolidated Financial Statements**

(Segment information, etc.)

### **1. Summary of reportable segments**

The reportable segments of the Group are the business units for which the Group is able to obtain financial information separately for assessment of business results by the Management Committee, etc., and comprise banking and leasing business segments, the performance of which are reviewed periodically.

In the banking business segment, the Group is engaged primarily in the principal banking operations of deposit services, loan services, trading account securities services, securities investment services, domestic exchange services, foreign exchange services and trust services. In the leasing business segment, the Group is engaged in leasing services as part of finance-related business. Operations not included in the reportable segments are recorded as an aggregate under "Other".

### **2. Calculation method of ordinary income, profit, assets, liabilities and other items by reportable segment**

Accounting treatment of reportable segments is the same as that applied in the preparation of the consolidated financial statements.

Reportable segment income is based on ordinary income. Intersegment ordinary income is based on transaction prices among third parties.

3. Information related to ordinary income, profit, assets, liabilities and other items  
 Consolidated fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Other	Total
	Banking business	Leasing business	Total		
Ordinary income					
Ordinary income from external customers	82,527	10,741	93,268	1,884	95,152
Intersegment ordinary income	297	734	1,031	6,001	7,033
Total	82,824	11,476	94,300	7,885	102,186
Segment income	9,899	263	10,163	2,269	12,432
Segment assets	5,903,466	31,060	5,934,526	210,446	6,144,972
Segment liabilities	5,596,159	29,062	5,625,221	8,500	5,633,722
Other items					
Depreciation	4,689	26	4,715	104	4,820
Interest income	60,040	11	60,052	2,615	62,667
Interest expenses	1,281	98	1,379	17	1,396
Extraordinary income	—	0	0	—	0
(Gain on disposal of non-current assets)	—	0	0	—	0
Investments in entities accounted for using the equity method	—	—	—	5,953	5,953
Increase in tangible and intangible fixed assets	5,871	520	6,391	2,350	8,742

(Note) 1. Ordinary income is presented instead of net sales which is generally used by non-financial companies.

2. "Other" represents business segments other than those of the reportable segments and include consulting services, computer-related services, information provision services, and the credit card business.

4. Difference between total amount of reportable segments and the recorded amounts in the consolidated financial statements, and the principal components of the difference (matters relating to adjustment of difference)

- (1) Total of ordinary income of reportable segments and ordinary income recognized in the consolidated statement of income

(Millions of yen)

Ordinary income	Year ended
Total of reportable segments	94,300
Ordinary income categorized in "Other"	7,885
Purchase accounting adjustment	(1,800)
Elimination of inter-segment transactions	(7,033)
Ordinary income in the consolidated statement of income	93,352

(Note) Ordinary income is presented instead of net sales which is generally used by non-financial companies.

Reconciliation is stated for the difference between reportable segment ordinary income and the ordinary income recognized in the consolidated statement of income.

(2) Total reportable segment income and ordinary income recognized in the consolidated statement of income

(Millions of yen)

Income	Fiscal year ended March 31, 2021
Total of reportable segments	10,163
Income in "Other"	2,269
Purchase accounting adjustment	(1,617)
Elimination of inter-segment transactions	(2,590)
Ordinary income in the consolidated statement of income	8,224

(3) Total reportable segment assets and assets recognized in the consolidated balance sheet

(Millions of yen)

Assets	Fiscal year ended March 31, 2021
Total of reportable segments	5,934,526
Assets in "Other"	210,446
Purchase accounting adjustment	(7,729)
Elimination of inter-segment transactions	(215,297)
Total assets in the consolidated balance sheet	5,921,945

(4) Total reportable segment liabilities and liabilities recognized in the consolidated balance sheet

(Millions of yen)

Liability	Fiscal year ended March 31, 2021
Total of reportable segments	5,625,221
Liabilities in "Other"	8,500
Purchase accounting adjustment	(1,544)
Elimination of inter-segment transactions	(21,111)
Total liabilities in the consolidated balance sheet	5,611,065

(5) Total of other items of reportable segments and amounts of corresponding items recognized in the consolidated financial statements

(Millions of yen)

Other items	Total of reportable segments	Other	Adjustments	Amounts in consolidated financial statements
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021
Depreciation	4,715	104	—	4,820
Interest income	60,052	2,615	(3,915)	58,751
Interest expenses	1,379	17	(144)	1,252
Extraordinary income	0	—	—	0
(Gain on disposal of non-current assets)	0	—	—	0
Investments in entities accounted for using the equity method	—	5,953	—	5,953
Increase in tangible and intangible fixed assets	6,391	2,350	(333)	8,409

**(Per Share Information)**

	Reporting period (Year ended March 31, 2021)
Net assets per share	¥8,416.05
Profit attributable to owners of parent per share	¥128.87
Profit attributable to owners of parent per share (diluted)	¥63.93

(Note) 1. The calculation basis for net asset amount per share is as follows.

		Reporting period (Year ended March 31, 2021)
Total net assets	(¥ million)	310,880
Amount deducted from total net assets	(¥ million)	55,153
Paid-in amount of preferred stock	(¥ million)	55,000
Cash dividends on preferred stock	(¥ million)	123
Subscription rights to shares	(¥ million)	30
Non-controlling interests	(¥ million)	—
Net asset amount for common stock at the year-end	(¥ million)	255,726
Number of shares of common stock at the year-end used for calculating net asset amount per share	Thousand shares	30,385



(Note) 2. The following is the basis for calculating the amount of net income per share and the amount of diluted net income per share for the reporting period.

		Reporting period (Year ended March 31, 2021)
Profit attributable to owners of parent per share		
Profit attributable to owners of parent	(¥ million)	4,161
Amount not belonging to common stock	(¥ million)	246
Cash dividends on preferred stock	(¥ million)	246
Profit attributable to owners of parent in relation to common stock	(¥ million)	3,915
Weighted-average shares of common stock during the period	Thousand shares	30,380
Profit attributable to owners of parent per share (diluted)		
Profit attributable to owners of parent adjustment amount	(¥ million)	246
Cash dividends on preferred stock	(¥ million)	246
Effect of dilutive securities	Thousand shares	34,708
Preferred stock	Thousand shares	34,695
Subscription rights to shares	Thousand shares	12
Summary of residual securities not included in calculation of net profit per share after adjustment of residual securities because they have no dilutive effects		—

(Note) 3. The Company's shares which are held by the trust in relation to the stock compensation plan and which are recorded as treasury shares under shareholders' equity are, in the calculation of net assets per share, included in the treasury shares which are excluded from the total number of issued shares at fiscal year-end. In the calculation of profit attributable to owners of parent per share and diluted profit attributable to owners of parent per share, the same is also included in treasury shares which are excluded for calculating the weighted-average number of shares outstanding during the period.

The number of the said treasury shares at the end of the period which were excluded in calculating net assets per share is 72,000 shares. The weighted-average number of the said treasury shares outstanding during the period which were excluded in calculating profit attributable to owners of parent per share and diluted profit attributable to owners of parent per share is 81,000 shares.

## (Significant Subsequent Events)

Common Control Transactions, etc.

(Merger between consolidated subsidiaries)

### 1. Outline of the transaction

#### (1) Name and business description of the parties to the business combination

(Company surviving absorption-type merger)

Name: Kiraboshi Business Service Co., Ltd.

Business description: Email, bill collection, centralized administrative services

(Company absorbed in absorption-type merger)

Name: Kiraboshi Credit Service Co., Ltd.

Business description: collection agency business

#### (2) Date of business combination

April 1, 2021

#### (3) Legal form of the business combination

An absorption-type merger in which Kiraboshi Business Service Co., Ltd. (consolidated subsidiary of the Company) is the surviving company and Kiraboshi Credit Service Co., Ltd. (consolidated subsidiary of the Company) is the absorbed company.

#### (4) Name of the company after the combination

Kiraboshi Business Service Co., Ltd.

#### (5) Other matters relating to the outline of the transaction

The objective of the transaction is to make effective use of management resources through consolidation of the Group's operation in incidental services by transferring the collection agency business of Kiraboshi Credit Service Co., Ltd. to Kiraboshi Business Service Co., Ltd.

### 2. Outline of the accounting treatment applied

The transaction is treated as a transaction under common control in accordance with "Accounting Standard for Business Combination" and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures".

(Company split between consolidated subsidiaries)

### 1. Outline of the transaction

#### (1) Name and business description of the relevant business

Name of the business: procurement and management of marketing and advertising products, etc. conducted by Kiraboshi Service Co., Ltd., a consolidated subsidiary of the Company

Business description: procurement and management of marketing and advertising products, etc.

#### (2) Date of business combination

April 1, 2021

#### (3) Legal form of the business combination

A company split in which Kiraboshi Service Co., Ltd. (a consolidated subsidiary of the Company) is the split company and Kiraboshi Business Service Co., Ltd. (a consolidated subsidiary of the Company) is the successor company.

#### (4) Name of the company after the combination

Kiraboshi Business Service Co., Ltd. (a consolidated subsidiary of the Company)

#### (5) Other matters relating to the outline of the transaction

The objective of the transaction is to make effective use of management resources through consolidation of the Group companies' operation in incidental services such as account settlement and data quantification/aggregation work.

### 2. Outline of the accounting treatment applied

The transaction is treated as a transaction under common control in accordance with "Accounting Standard for Business Combination" and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures".

(Reference)

**Trust asset balance table**  
**(As of March 31, 2021)**

(Millions of yen)

Asset	Value	Liability	Value
Loans and bills discounted	2,770	Specified money in trust	2,877
Loans on deeds	2,770	Monetary claims in trust	14,124
Monetary claims	13,979	Composite trusts	24,494
Other monetary claims	13,979		
Property, plant and equipment	23,527		
Movables	634		
Real estate	22,892		
Other receivables	0		
Other receivables	0		
Cash and due from banks	1,219		
Deposits	1,219		
<b>Total</b>	<b>41,496</b>	<b>Total</b>	<b>41,496</b>

## 5. Non-consolidated Financial Statements and Notes

### (1) Non-consolidated Balance Sheets

Tokyo Kiraboshi Financial Group, Inc.(Non-consolidated)  
(¥ million)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and due from banks	1,362	1,583
Accounts receivable - other	10	10
Prepaid expenses	19	21
Income taxes receivable	1,005	488
Suspense payments	0	7
Deposits paid	2	6
Total current assets	2,400	2,117
Non-current assets		
Intangible fixed assets		
Software in progress	—	1,008
Total intangible fixed assets	—	1,008
Investments and other assets		
Shares of subsidiaries and associates	196,744	197,194
Deferred tax assets	24	30
Total investments and other assets	196,769	197,224
Total non-current assets	196,769	198,233
Total assets	199,169	200,350
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	31	506
Dividends payable	55	55
Income taxes	23	21
Deposits received	6	10
Suspense receipt	0	0
Reserve for employee bonuses	28	40
Provision for directors' bonuses	14	36
Total current liabilities	160	670
Non-current liabilities		
Provision for stock compensation	11	24
Total non-current liabilities	11	24
Total liabilities	172	695
<b>Net Assets</b>		
Shareholders' equity		
Common stock	27,500	27,500
Capital surplus		
Capital reserve	56,219	56,219
Other capital surplus	110,260	110,254
Total capital surplus	166,480	166,473
Retained earnings		
Other retained earnings		
Retained earnings brought forward	5,775	6,393
Total retained earnings	5,775	6,393
Treasury stock	(814)	(742)
Total shareholders' equity	198,940	199,624
Subscription rights to shares	56	30
Total net assets	198,997	199,655
<b>Total liabilities and net assets</b>	<b>199,169</b>	<b>200,350</b>

**(2) Non-consolidated Interim Statements of Income**Tokyo Kiraboshi Financial Group, Inc. (Non-consolidated)  
(¥ million)

	Year ended March 31, 2020	Year ended March 31, 2021
Operating income		
Dividends from subsidiaries and associates	5,121	2,591
Commissions from subsidiaries and associates	1,053	1,278
Other business revenue	15	22
Total operating income	6,190	3,892
Operating expenses		
Selling, general and administrative expenses	905	1,160
Total operating expenses	905	1,160
Operating profit	5,284	2,732
Non-operating income		
Interest income	0	0
Miscellaneous income	1	11
Total non-operating income	1	11
Non-operating expenses		
Miscellaneous loss	0	0
Amortization of deferred organization expenses	7	—
Amortization of share issuance cost	4	—
Total non-operating expenses	11	0
Ordinary profit	5,274	2,743
Income before income taxes	5,274	2,743
Income taxes – current	61	60
Income taxes – deferred	(13)	(5)
Total income taxes	48	54
Net income	5,225	2,689

### (3) Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Tokyo Kiraboshi Financial Group, Inc. (Non-consolidated)

(¥ million)

	Shareholders' equity								Sub- scription rights to shares	Total net assets
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total share- holders' equity		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of the year	27,500	56,219	110,264	166,484	2,618	2,618	(804)	195,797	56	195,854
Changes of items during the reporting period										
Dividends of surplus					(2,068)	(2,068)		(2,068)		(2,068)
Net income					5,225	5,225		5,225		5,225
Acquisition of treasury stock							(26)	(26)		(26)
Disposition of treasury stock			(4)	(4)			15	11		11
Net changes of items other than shareholders' equity									—	—
Total changes of items during the reporting period	—	—	(4)	(4)	3,157	3,157	(10)	3,142	—	3,142
Balance at end of period	27,500	56,219	110,260	166,480	5,775	5,775	(814)	198,940	56	198,997

Year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Tokyo Kiraboshi Financial Group, Inc. (Non-consolidated)

(¥ million)

	Shareholders' equity								Sub- scription rights to shares	Total net assets
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total share- holders' equity		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of the year	27,500	56,219	110,260	166,480	5,775	5,775	(814)	198,940	56	198,997
Changes of items during the reporting period										
Dividends of surplus					(2,071)	(2,071)		(2,071)		(2,071)
Net income					2,689	2,689		2,689		2,689
Acquisition of treasury stock							(15)	(15)		(15)
Disposition of treasury stock			(6)	(6)			87	80		80
Net changes of items other than shareholders' equity									(25)	(25)
Total changes of items during the reporting period	—	—	(6)	(6)	618	618	72	684	(25)	658
Balance at end of period	27,500	56,219	110,254	166,473	6,393	6,393	(742)	199,624	30	199,655

### (4) Notes on Premise of Going Concern

Not applicable.

## 6. (Reference) Non-consolidated Financial Statements of Kiraboshi Bank,Ltd.

### (1) Overview of Non-consolidated Financial Statements

May 12, 2021

Company name: Kiraboshi Bank,Ltd.

Representative: Hisanobu Watanabe, President

Responsible person for inquiries: Nobuyuki Yasuda, Director, Managing Executive Officer, General manager of Corporate Planning Division

URL: <https://www.kiraboshibank.co.jp>

Telephone: +81-3-6447-5799

Note: Figures have been rounded down to the nearest million yen.

### 1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2021

(From April 1, 2020 to March 31, 2021)

#### (1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%
Fiscal year ended March 31, 2021	82,134	(1.9)	8,833	85.7	4,837	(44.2)
Fiscal year ended March 31, 2020	83,737	10.4	4,756	6.4	8,672	50.8

#### (2) Non-consolidated financial position

	Total assets	Total net assets	Net assets to total assets ratio
	(¥ million)	(¥ million)	%
Fiscal year ended March 31, 2021	5,902,261	297,863	5.0
Fiscal year ended March 31, 2020	5,491,038	289,398	5.2

(Reference) Equity: Fiscal year ended March 31, 2021: ¥297,863 million

Fiscal year ended March 31, 2020: ¥289,398 million

(Note) "Equity" is the value of total net assets at the end of the period, and "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the period. Note that this "Net assets to total assets ratio" is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification (Financial Services Agency Notification No. 19 of 2006).

## (2) Non-consolidated Balance Sheets

Kiraboshi Bank, Ltd.

(¥ million)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Cash and due from banks	538,775	753,826
Cash on hand	37,052	36,429
Due from banks	501,722	717,397
Call loans	2,513	—
Monetary claims bought	74,170	68,906
Trading account securities	1,006	845
Trading account Japanese government bonds	162	168
Trading account Municipal government bonds	843	677
Money held in trust	651	1,620
Securities	949,175	1,020,442
Japanese government bonds	253,787	207,415
Municipal government bonds	53,989	65,334
Corporate bonds	370,044	315,589
Corporate stocks	27,008	41,959
Other securities	244,346	390,142
Loans and bills discounted	3,769,814	3,938,044
Bills discounted	30,831	21,340
Loans on bills	178,758	145,008
Loans on deeds	3,229,813	3,461,200
Overdrafts	330,411	310,494
Foreign exchange	5,593	9,422
Due from foreign banks	3,287	7,476
Foreign bills of exchange bought	242	115
Foreign bills of exchange receivable	2,063	1,830
Other assets	81,176	47,355
Prepaid expenses	535	515
Accrued income	3,238	4,936
Initial margins of futures markets	212	1,003
Variation margins of futures markets	425	218
Financial derivatives	1,802	1,088
Cash collateral paid for financial instruments	1,791	2,990
Other assets	73,169	36,602
Tangible fixed assets	63,776	62,247
Buildings	17,112	16,491
Land	40,986	40,986
Leased assets	2,164	1,918
Construction in progress	439	6
Other tangible fixed assets	3,073	2,845
Intangible fixed assets	3,380	4,513
Software	1,860	3,376
Leased assets	192	214
Other intangible fixed assets	1,328	922
Prepaid pension cost	17,109	19,196
Deferred tax assets	10,212	4,825
Customers' liabilities for acceptances and guarantees	4,905	4,412
Reserve for possible loan losses	(31,223)	(33,400)
Total assets	5,491,038	5,902,261



	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Deposits	4,649,594	4,990,468
Current deposits	229,938	282,653
Ordinary deposits	2,468,971	2,904,433
Savings deposits	32,825	32,414
Deposits at notice	26,030	20,478
Time deposits	1,770,147	1,631,321
Installment savings	54,983	49,080
Other deposits	66,697	70,087
Negotiable certificates of deposit	10,710	12,910
Call money	217,692	59,632
Payables under securities lending transactions	256,620	271,382
Borrowed money	28,359	230,399
Borrowings from other banks	28,359	230,399
Foreign exchange	232	293
Due to foreign banks	1	1
Foreign bills of exchange sold	17	48
Foreign bills of exchange payable	213	243
Other liabilities	27,294	29,656
Income taxes	3,328	649
Accrued expenses	2,575	2,144
Unearned income	2,452	2,440
Reserve for interest on installment savings	16	11
Variation margins of futures markets	8	7
Financial derivatives	2,102	2,826
Cash collateral received for financial instruments	423	328
Lease obligations	2,447	2,235
Asset retirement obligations	713	1,045
Other liabilities	13,227	17,967
Reserve for employee bonuses	1,480	1,361
Provision for directors' bonuses	169	119
Provision for stock compensation	128	138
Reserve for point card certificates	2	2
Reserve for loss on dormant deposit repayments	1,318	1,289
Provision for loss on cancellation of system contracts	935	—
Provision for contingent loss	659	794
Deferred tax liabilities for land revaluation	1,535	1,535
Acceptances and guarantees	4,905	4,412
Total liabilities	5,201,639	5,604,397
<b>Net Assets</b>		
Common stock	43,734	43,734
Capital surplus	166,173	166,173
Capital reserve	32,922	32,922
Other capital surplus	133,250	133,250
Retained earnings	71,145	73,402
Earned reserve	8,284	8,800
Other retained earnings	62,860	64,601
General reserve	18,100	18,100
Retained earnings brought forward	44,760	46,501
Total shareholders' equity	281,053	283,310
Net unrealized gain on available-for-sale securities	10,074	16,134
Net deferred gains (losses) on hedges	41	189
Revaluation reserve for land	(1,770)	(1,770)
Total valuation and translation adjustments	8,345	14,552
Total net assets	289,398	297,863
<b>Total liabilities and net assets</b>	<b>5,491,038</b>	<b>5,902,261</b>

### (3) Non-consolidated Interim Statements of Income

Kiraboshi Bank,Ltd.

(¥ million)

	Year ended March 31, 2020	Year ended March 31, 2021
Ordinary income	83,737	82,134
Interest income	58,864	60,059
Interest on loans and discounts	44,112	46,395
Interest and dividends on securities	13,691	12,601
Interest on call loans	38	4
Interest on deposits with banks	298	383
Other interest income	724	675
Trust fees	156	150
Fees and commissions	14,787	12,640
Fees and commissions on domestic and foreign exchange	3,790	3,494
Other fees and commissions	10,996	9,146
Other operating income	7,694	4,293
Gain on foreign exchange transactions	678	1,508
Gain on sale of bond	7,015	2,180
Other operating income	—	605
Other ordinary income	2,233	4,989
Recoveries of written-off claim	83	51
Gain on sale of stocks and other securities	1,425	4,521
Gain on money held in trust	—	168
Other ordinary income	724	247
Ordinary expenses	78,980	73,300
Financing expenses	2,382	1,280
Interest on deposits	1,096	735
Interest on negotiable certificates of deposit	2	1
Interest on call money	606	87
Interest on payables under securities lending transactions	584	172
Interest on borrowed money	0	179
Interest expenses on interest rate swaps	0	3
Other interest expenses	92	99
Fees and commissions payments	3,802	3,954
Fees and commissions on domestic and foreign exchange	901	787
Other fees and commissions	2,900	3,167
Other operating expenses	1,304	1,196
Loss on trading account securities transactions	5	3
Loss on sale of bond	720	110
Amortization on bond	71	578
Expenses on financial derivatives transaction	506	503
General and administrative expenses	54,250	53,598
Other ordinary expenses	17,241	13,269
Provision of allowance for loan losses	10,805	7,852
Write-off of loans	159	20
Loss on sale of stocks and other securities	1,383	122
Loss on devaluation of stocks and other securities	1,062	—
Loss on money held in trust	48	—
Other	3,782	5,274
Ordinary profit	4,756	8,833
Extraordinary income	5,575	—
Gain on disposal of non-current assets	5,575	—
Extraordinary losses	1,063	119
Loss on disposal of non-current assets	57	92
Impairment losses	70	—
Provision for loss on cancellation of system contracts	935	—
Loss on cancellation of system contracts	—	27
Income before income taxes	9,268	8,713
Income taxes – current	3,110	1,069
Income taxes – deferred	(2,514)	2,806
Total income taxes	595	3,876
Net income	8,672	4,837