

November 10, 2021

Consolidated Financial Report
for the First Half of the Fiscal Year Ending March 31, 2022
<Under Japanese GAAP>

Representative: Hisanobu Watanabe, President

Responsible person for inquiries: Nobuyuki Yasuda, Director and General Manager of Corporate Planning
Division

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Date of submission of quarterly security report: November 24, 2021

Date to start dividend payment: December 2, 2021

Establishment of special transaction account: Not established

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: Yes

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

1. Consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2022
(From April 1, 2021 to September 30, 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)	(%)
First half of the fiscal year ending March 31, 2022	46,930	(0.0)	7,399	109.0	4,765	131.6
First half of the fiscal year ended March 31, 2021	46,965	5.0	3,540	24.7	2,057	(39.2)
(Note) Comprehensive income: First half of the fiscal year ending March 31, 2022: ¥ 11,420 million						81.8%
First half of the fiscal year ended March 31, 2021: ¥ 6,280 million						(1.3%)

	Profit attributable to owners of parent per share (¥)	Profit attributable to owners of parent per share (Diluted) (¥)
First half of the fiscal year ending March 31, 2022	152.64	75.42
First half of the fiscal year ended March 31, 2021	63.68	31.61

(2) Consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
First half of the fiscal year ending March 31, 2022	6,386,845	321,123	5.0
Fiscal year ended March 31, 2021	5,921,945	310,880	5.2

(Reference)

Equity:

First half of the fiscal year ending March 31, 2022: ¥ 321,110 million Fiscal year ended March 31, 2021: ¥ 310,849 million

(Note)

“Equity” consists of subscription rights to shares at the end of the period 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 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. 20 of 2006).

2. Dividends

	Annual dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2021	–	30.00	–	30.00	60.00
Fiscal year ending March 31, 2022	–	30.00			
Fiscal year ending March 31, 2022 (Forecast)			–	30.00	60.00

(Note 1) Changes to the dividend forecast most recently announced: None

(Note 2) “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 results.)

	Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)
Full-year	15,000	82.3	10,000	140.2	320.82

(Note) Changes to the forecast of consolidated operating performance most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the current period (Changes in specified subsidiaries resulting in change in scope of consolidation): None

New subsidiaries: ___ (name of company(ies)))

Excluded subsidiaries: ___ (name of company(ies)))

(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: Yes

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)

First half of the fiscal year ending March 31, 2022 30,650,115 shares

Fiscal year ended March 31, 2021 30,650,115 shares

b. Number of treasury stock at the end of the period

First half of the fiscal year ending March 31, 2022 254,641 shares

Fiscal year ended March 31, 2021 264,532 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

First half of the fiscal year ending March 31, 2022 30,394,304 shares

First half of the fiscal year ended March 31, 2021 30,372,359 shares

(Note)

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

(Non-consolidated Financial Statements)

1. Non-consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to September 30, 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)	(%)
First half of the fiscal year ending March 31, 2022	1,737	10.2	1,103	6.2	1,132	8.4	1,104	5.0
First half of the fiscal year ended March 31, 2021	1,576	2.1	1,037	(4.7)	1,044	(3.1)	1,051	(1.6)

	Net income per share
	(¥)
First half of the fiscal year ending March 31, 2022	32.21
First half of the fiscal year ended March 31, 2021	30.57

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
First half of the fiscal year ending March 31, 2022	199,908	199,734	99.9
Fiscal year ended March 31, 2021	200,350	199,655	99.6

(Reference)

Equity:

First half of the fiscal year ending March 31, 2022: ¥199,720 million

Fiscal year ended March 31, 2021: ¥199,624 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).

* This report is not subject to the scope of review by certified public accountants and audit corporations.

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

1. Since the Company falls under the category of specified company (a company undertaking businesses specified in Article 17-15, Paragraph 2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.), it prepares the Interim Consolidated and Non-consolidated Financial Statements for the first-half accounting period.
2. 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 than 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, 2021	–	125.00	–	125.00	250.00
Fiscal year ending March 31, 2022	–	126.00			
Fiscal year ending March 31, 2022 (Forecast)			–	126.00	252.00

(Notes)

1. Changes to the dividend forecast most recently announced: None

2. Amount paid per share: ¥20,000

3. Computation used to calculate dividend per share

(1) 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

(2) 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

(*Annual dividend rate: Figures less than % are calculated to three decimal places with the third decimal place 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, 2021	–	14.636	–	14.636	29.272
Fiscal year ending March 31, 2022	–	15.636			
Fiscal year ending March 31, 2022 (Forecast)			–	15.636	31.272

(Notes)

1. Changes to the dividend forecast most recently announced: None

2. Amount paid per share: ¥20,000

3. Computation used to calculate dividend per share

(1) 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

(2) Fiscal year ending March 31, 2022

(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

Attached Materials

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* Financial Results for the First Half of the Fiscal Year Ending March 31, 2022

- Supplementary Information-

1. Qualitative Information Regarding Consolidated Results for the First Half of the Fiscal Year Ending March 31, 2022

(1) Operating Results

In the consolidated operating results for the first half of the fiscal year ending March 31, 2022, ordinary profit increased by ¥3.8 billion year-on-year to ¥7.3 billion, and profit attributable to owners of parent increased by ¥2.7 billion year-on-year to ¥4.7 billion, reflecting growth in profit of Kiraboshi Bank which makes up the majority of consolidated results.

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

- (i) Net interest income An increase of ¥1.0 billion year-on-year in interest on loans and discounts attributable largely to promotion of main bank relationship building, business financing activities and COVID-19 related loans.
- (ii) Non-interest income An increase of ¥0.6 billion year-on-year due to solid performance of commissions from corporate customers such as in business financing.
- (iii) Expenses A decrease of ¥0.6 billion year-on-year reflecting decrease in personnel expenses, despite an increase in non-personnel expenses due in part to recording of BIB (branch-in-branch) implementation expenses.
- (iv) Credit-related costs A decrease of ¥1.7 billion year-on-year resulting partly from enhancement of credit management system.
- (v) Gains (losses) on bonds A decrease of ¥1.6 billion year-on-year due largely to absence of gain from sale of bonds.
- (vi) Gains (losses) on stocks and other securities:
A decrease of ¥3.2 billion year-on-year given absence of gain from sale of stocks held for strategic purposes which was recorded in the previous fiscal year.
- (vii) Other non-recurring profit (loss):
An increase of ¥3.5 billion year-on-year as a result primarily of decrease in merger and systems integration costs.

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

(2) Financial Position

As of September 30, 2021, total assets amounted to ¥6,386.8 billion, up ¥464.8 billion from the end of the previous fiscal year, and net assets stood at ¥321.1 billion, a ¥10.2 billion increase from the end of the previous fiscal year.

With respect to major account balances, deposits increased by ¥143.7 billion from the end of the previous fiscal year to ¥5,116.2 billion, loans and bills discounted increased by ¥248.4 billion from the end of the previous fiscal year to ¥4,174.9 billion, and securities increased by ¥0.8 billion from the end of the previous fiscal year to ¥1,020.2 billion.

(3) Note on the Forecast of the Consolidated Operating Performance and Other Forward-Looking Statements

There is no change to the forecasts on operating performance for the fiscal year ending March 31, 2022, announced on May 12, 2021.

2. Consolidated Interim Financial Statements and Notes

(1) Consolidated Interim Balance Sheets

(¥ million)

	As of March 31, 2021	As of September 30, 2021
Assets		
Cash and due from banks	753,974	972,485
Other debt purchased	68,935	66,721
Trading account securities	845	827
Money held in trust	1,620	1,524
Securities	1,019,415	1,020,279
Loans and bills discounted	3,926,518	4,174,928
Foreign exchange	9,422	11,426
Lease receivables and investment assets	18,714	20,199
Other assets	62,998	58,920
Tangible fixed assets	56,362	55,708
Intangible fixed assets	6,629	7,865
Net defined benefit assets	24,054	25,628
Deferred tax assets	3,140	286
Customers' liabilities for acceptances and guarantees	4,412	5,542
Reserve for possible loan losses	(35,101)	(35,499)
Total assets	5,921,945	6,386,845
Liabilities		
Deposits	4,972,473	5,116,223
Negotiable certificates of deposit	9,500	9,500
Call money and bills sold	59,632	189,457
Payables under securities lending transactions	271,382	275,287
Borrowed money	241,372	408,999
Foreign exchange	293	366
Bonds	4,000	3,900
Other liabilities	43,864	51,699
Reserve for employee bonuses	1,523	1,518
Provision for directors' bonuses	155	—
Provision for stock compensation	163	121
Net defined benefit liabilities	53	56
Reserve for directors' retirement benefits	14	10
Reserve for point card certificates	43	36
Provision for loss on interest repayments	7	8
Reserve for loss on dormant deposit repayments	1,289	1,162
Provision for contingent loss	794	804
Reserves under special laws	0	0
Deferred tax liabilities	86	1,026
Acceptances and guarantees	4,412	5,542
Total liabilities	5,611,065	6,065,722

(¥ million)

	As of March 31, 2021	As of September 30, 2021
Net Assets		
Common stock	27,500	27,500
Capital surplus	150,677	150,676
Retained earnings	117,514	121,092
Treasury stock	(742)	(713)
Total shareholders' equity	294,949	298,555
Net unrealized gain on available-for-sale securities	13,078	19,968
Net deferred gains (losses) on hedges	189	135
Revaluation reserve for land	(242)	(242)
Foreign currency translation adjustment	11	13
Remeasurements of defined benefit plans	2,863	2,680
Total accumulated other comprehensive income	15,900	22,555
Subscription rights to shares	30	13
Total net assets	310,880	321,123
Total liabilities and net assets	5,921,945	6,386,845

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

(¥ million)

	First half of the fiscal year ended March 31, 2021	First half of the fiscal year ending March 31, 2022
Ordinary income	46,965	46,930
Interest income	28,789	30,030
Interest on loans and discounts	22,908	24,000
Interest and dividends on securities	5,435	5,500
Trust fees	59	194
Fees and commissions	6,714	8,945
Other operating income	2,932	918
Other ordinary income	8,468	6,842
Ordinary expenses	43,425	39,530
Financing expenses	655	598
Interest on deposits	345	448
Fees and commissions payments	1,307	1,542
Other operating expenses	49	249
General and administrative expenses	28,176	27,518
Other ordinary expenses	13,235	9,621
Ordinary profit	3,540	7,399
Extraordinary income	—	0
Gain on disposal of non-current assets	—	0
Extraordinary losses	6	52
Loss on disposal of non-current assets	6	52
Profit before income taxes	3,533	7,347
Income taxes – current	824	1,693
Income taxes – deferred	651	888
Total income taxes	1,476	2,581
Profit	2,057	4,765
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,057	4,765

(Consolidated Interim Statements of Comprehensive Income)

(¥ million)

	First half of the fiscal year ended March 31, 2021	First half of the fiscal year ending March 31, 2022
Profit	2,057	4,765
Other comprehensive income	4,222	6,654
Net unrealized gain on available-for-sale securities	3,975	6,883
Net deferred gains (losses) on hedges	(0)	(54)
Foreign currency translation adjustment	0	2
Remeasurements of defined benefit plans	246	(183)
Share of other comprehensive income of entities accounted for using equity method	—	6
Comprehensive income	6,280	11,420
(Breakdown)		
Comprehensive income attributable to owners of parent	6,280	11,420
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Interim Statements of Changes in Net Assets

First half of the fiscal year ended March 31, 2021

(¥ 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			(1,034)		(1,034)
Profit attributable to owners of parent			2,057		2,057
Acquisition of treasury stock				(5)	(5)
Disposition of treasury stock		(3)		79	76
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	(3)	1,023	74	1,094
Balance at end of period	27,500	150,680	115,664	(740)	293,105

	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									(1,034)
Profit attributable to owners of parent									2,057
Acquisition of treasury stock									(5)
Disposition of treasury stock									76
Net changes of items other than shareholders' equity during the reporting period	3,975	(0)	—	0	246	4,222	(25)	—	4,196
Total changes of items during the reporting period	3,975	(0)	—	0	246	4,222	(25)	—	5,291
Balance at end of period	9,605	41	(242)	5	(2,791)	6,617	30	—	299,753

First half of the fiscal year ending March 31, 2022

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	27,500	150,677	117,514	(742)	294,949
Cumulative effects of changes in accounting policies			(151)		(151)
Restated balance at beginning of the year reflecting changes in accounting policies	27,500	150,677	117,363	(742)	294,798
Changes of items during the reporting period					
Dividends of surplus			(1,036)		(1,036)
Profit attributable to owners of parent			4,765		4,765
Acquisition of treasury stock				(7)	(7)
Disposition of treasury stock		(1)		37	35
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	(1)	3,728	29	3,756
Balance at end of period	27,500	150,676	121,092	(713)	298,555

	Accumulated other comprehensive income						Subscription rights to shares	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	13,078	189	(242)	11	2,863	15,900	30	310,880
Cumulative effects of changes in accounting policies								(151)
Restated balance at beginning of the year reflecting changes in accounting policies	13,078	189	(242)	11	2,863	15,900	30	310,729
Changes of items during the reporting period								
Dividends of surplus								(1,036)
Profit attributable to owners of parent								4,765
Acquisition of treasury stock								(7)
Disposition of treasury stock								35
Net changes of items other than shareholders' equity during the reporting period	6,890	(54)	—	2	(183)	6,654	(17)	6,637
Total changes of items during the reporting period	6,890	(54)	—	2	(183)	6,654	(17)	10,394
Balance at end of period	19,968	135	(242)	13	2,680	22,555	13	321,123

(4) Notes on Premise of Going Concern

Not applicable.

(5) Changes in Significant Subsidiaries during the First Half of the Fiscal Year Ending March 31, 2022

Not applicable.

While not a transaction that constitutes a change in specified subsidiaries, an absorption type merger was carried out between Kiraboshi Business Service Co., Ltd. as the surviving company and Kiraboshi Credit Service Co., Ltd. as the absorbed company, effective April 1, 2021.

Further, effective April 1, 2021, a company split was carried out with Kiraboshi Service Co, Ltd. as the split company and Kiraboshi Business Service Co., Ltd. as the successor company. Effective the same date, Kiraboshi Service Co., Ltd. changed its name to Kiraboshi Business Office Service Co., Ltd.

(6) Changes in Accounting Policies

(Application of accounting standard and related implementation guidance on revenue recognition)

The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as “Accounting Standard for Revenue Recognition”) and related implementation guidance from the beginning of the first half of the fiscal year ending March 31, 2022. Accordingly, revenue is recognized at a point in time when control of promised goods or services is transferred to the customers, at the amount that is expected to be received in exchange for the goods or services.

The Accounting Standard for Revenue Recognition, etc. is applied from the balance at the beginning of the first half of the fiscal year ending March 31, 2022, pursuant to the transitional treatment stipulated in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition, in accordance with which the cumulative effect assuming the new accounting policy was applied retrospectively prior to the beginning of the first half of the fiscal year ending March 31, 2022 was added to or deducted from the balance of retained earnings at the beginning of the fiscal year ending March 31, 2022.

As a result, the beginning balance of retained earnings decreased by ¥158 million. The effect of this change in the accounting policy on profit or loss of the first half of the consolidated fiscal year ending March 31 2022 is immaterial.

(Application of accounting standard and related implementation guidance on fair value measurement)

The Group has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as “Accounting Standard for Fair Value Measurement”) and related implementation guidance from the beginning of the first half of the fiscal year ending March 31, 2022. In accordance with paragraph 8 of the Accounting Standard for Fair Value Measurement, the fair value adjustment method for calculating the fair value of derivative transactions has been revised to a method that maximizes use of observable inputs estimated from derivatives, etc. traded in the market. This revision was made pursuant to the application of the Accounting Standard for Fair Value Measurement, and the cumulative effect of applying the new accounting standard retrospectively prior to the beginning of the first half of the fiscal year ending March 31, 2022 is reflected in retained earnings as of the beginning of the first half of the fiscal year ending March 31, 2022, in accordance with the transitional measures specified in paragraph 20 of the Accounting Standard for Fair Value Measurement. The effect of application of the Accounting Standard for Fair Value Measurement, etc. on the consolidated financial statements of the first half of the fiscal year ending March 31, 2022 is immaterial.

In accordance with the transitional treatment set forth in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement, etc. will be applied prospectively.

(7) Additional Information

(Accounting estimates related to the impact of COVID-19 pandemic)

With respect to accounting estimates related to the impact of the COVID-19 pandemic for the first half of the fiscal year ending March 31, 2022, and assumptions used to calculate the estimates thereof, there are no material changes from the information provided under Additional Information in the Securities Report for the fiscal year ended March 31, 2021.

(8) Significant Subsequent Event

Not applicable.

(Reference)

Trust asset balance table
(As of September 30, 2021)

(¥ million)

Assets	Value	Liability	Value
Loans and bills discounted	2,737	Specified money in trust	2,856
Loans on deeds	2,737	Monetary claims in trust	12,436
Monetary claims	12,367	Composite trusts	42,104
Other monetary claims	12,367		
Property, plant and equipment	40,815		
Movables	669		
Real estate	40,146		
Other receivables	0		
Other receivables	0		
Cash and due from banks	1,476		
Due from banks	1,476		
Total	57,397	Total	57,397

3. (Reference) Non-consolidated Financial Statements of Kiraboshi Bank,Ltd. (1) Overview of Non-consolidated Financial Statements

November 10, 2021

Company name: Kiraboshi Bank,Ltd.

Representative: Hisanobu Watanabe, President

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Note: Amounts less than one million yen and figures beyond the first decimal place have been truncated.

1. Non-consolidated Operating Performance for the First Half of the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to September 30, 2021)

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

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
First half of the fiscal year ending March 31, 2022	39,368	(6.2)	6,959	63.3	4,659	73.3
First half of the fiscal year ended March 31, 2021	41,987	7.3	4,259	18.7	2,688	(27.5)

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
First half of the fiscal year ending March 31, 2022	6,368,850	307,819	4.8
Fiscal year ended March 31, 2021	5,902,261	297,863	5.0

(Reference)

Equity: First half of the fiscal year ending March 31, 2022: ¥307,819 million

Fiscal year ended March 31, 2021: ¥297,863 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).

○ Non-consolidated Interim Financial Statements
 (2) Non-consolidated Interim Balance Sheets

Kiraboshi Bank, Ltd.
 (¥ million)

	As of March 31, 2021	As of September 30, 2021
Assets		
Cash and due from banks	753,826	972,317
Other debt purchased	68,906	66,699
Trading account securities	845	827
Money held in trust	1,620	1,524
Securities	1,020,442	1,021,172
Loans and bills discounted	3,938,044	4,191,114
Foreign exchange	9,422	11,426
Other assets	47,355	42,865
Tangible fixed assets	62,247	61,796
Intangible fixed assets	4,513	5,341
Prepaid pension cost	19,196	21,028
Deferred tax assets	4,825	975
Customers' liabilities for acceptances and guarantees	4,412	5,542
Reserve for possible loan losses	(33,400)	(33,783)
Total assets	5,902,261	6,368,850
Liabilities		
Deposits	4,990,468	5,135,044
Negotiable certificates of deposit	12,910	12,910
Call money	59,632	189,457
Payables under securities lending transactions	271,382	275,287
Borrowed money	230,399	400,431
Foreign exchange	293	366
Other liabilities	29,656	37,067
Reserve for employee bonuses	1,361	1,317
Provision for directors' bonuses	119	—
Provision for stock compensation	138	102
Reserve for point card certificates	2	1
Reserve for loss on dormant deposit repayments	1,289	1,162
Provision for contingent loss	794	804
Deferred tax liabilities for land revaluation	1,535	1,535
Acceptances and guarantees	4,412	5,542
Total liabilities	5,604,397	6,061,031
Net Assets		
Common stock	43,734	43,734
Capital surplus	166,173	166,173
Retained earnings	73,402	76,933
Total shareholders' equity	283,310	286,841
Net unrealized gain on available-for-sale securities	16,134	22,613
Net deferred gains (losses) on hedges	189	135
Revaluation reserve for land	(1,770)	(1,770)
Total valuation and translation adjustments	14,552	20,977
Total net assets	297,863	307,819
Total liabilities and net assets	5,902,261	6,368,850

(3) Non-consolidated Interim Statements of Income

Kiraboshi Bank,Ltd.

(¥ million)

	First half of the fiscal year ended March 31, 2021	First half of the fiscal year ending March 31, 2022
Ordinary income	41,987	39,368
Interest income	29,525	30,492
Interest on loans and discounts	22,910	23,985
Interest and dividends on securities	6,108	5,921
Trust fees	59	194
Fees and commissions	5,749	7,225
Other operating income	3,134	825
Other ordinary income	3,518	631
Ordinary expenses	37,727	32,408
Financing expenses	669	620
Interest on deposits	345	448
Fees and commissions payments	1,644	1,871
Other operating expenses	34	206
General and administrative expenses	26,966	25,522
Other ordinary expenses	8,412	4,187
Ordinary profit	4,259	6,959
Extraordinary income	—	0
Gain on disposal of fixed assets	—	0
Extraordinary losses	3	42
Loss on disposal of non-current assets	3	42
Income before income taxes	4,256	6,917
Income taxes – current	594	1,211
Income taxes – deferred	972	1,046
Total income taxes	1,567	2,258
Net income	2,688	4,659