



Tokyo Kiraboshi Financial Group, Inc.
Listed Code: 7173
(URL: <https://www.tokyo-kiraboshifg.co.jp>)
Listed Stock Exchange: TSE (Prime Market)

May 12, 2022

**Consolidated Financial Report
for the Fiscal Year Ended March 31, 2022
<Under Japanese GAAP>**

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Division
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Date of Ordinary General Meeting of Shareholders: June 22, 2022
Date of submission of annual security report: June 22, 2022
Date to start dividend payment: June 7, 2022
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 Fiscal Year Ended March 31, 2022
(From April 1, 2021 to March 31, 2022)**

(1) Results in consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal year ended March 31, 2022	108,348	16.0	24,943	203.2	18,183	336.9
Fiscal year ended March 31, 2021	93,352	(0.7)	8,224	250.3	4,161	(45.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥10,603 million (39.8%)
Fiscal year ended March 31, 2021: ¥17,616 million 393.3%

	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 (%)
Fiscal year ended March 31, 2022	591.20	296.72	5.7	0.4	23.0
Fiscal year ended March 31, 2021	128.87	63.93	1.3	0.1	8.8

(Reference) Gain on equity-method investments: Fiscal year ended March 31, 2022: ¥6,540 million
Fiscal year ended March 31, 2021: ¥24 million

(2) Consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)	Net assets per share (¥)
Fiscal year ended March 31, 2022	6,443,807	319,312	4.9	8,742.59
Fiscal year ended March 31, 2021	5,921,945	310,880	5.2	8,416.05

(Reference) Equity: Fiscal year ended March 31, 2022: ¥319,290 million
Fiscal year ended March 31, 2021: ¥310,849 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)
Fiscal year ended March 31, 2022	67,478	24,450	(2,299)	843,122
Fiscal year ended March 31, 2021	232,544	(15,335)	(2,003)	753,492

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, 2021	–	30.00	–	30.00	60.00	1,827	46.5	0.7
Fiscal year ended March 31, 2022	–	30.00	–	45.00	75.00	2,284	12.6	0.8
Fiscal year ending March 31, 2023 (Forecast)	–	52.50	–	52.50	105.00		16.4	

(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, 2023 (From April 1, 2022 to March 31, 2023)

(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)	11,500	55.4	7,500	57.3	244.02
Full-year	27,800	11.4	19,500	7.2	636.98

* 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

- Changes in accounting policies due to revisions to accounting standards: Yes
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- 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, 2022	30,650,115 shares
March 31, 2021	30,650,115 shares
b. Number of treasury stock at the end of the period	
March 31, 2022	434,295 shares
March 31, 2021	264,532 shares
c. Average number of shares during the period	
Fiscal year ended March 31, 2022	30,330,953 shares
Fiscal year ended March 31, 2021	30,380,902 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, 2022 (From April 1, 2021 to March 31, 2022)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Operating income		Operating profit		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal year ended March 31, 2022	3,494	(10.2)	2,160	(20.9)	2,165	(21.0)	2,135	(20.6)
Fiscal year ended March 31, 2021	3,892	(37.1)	2,732	(48.2)	2,743	(47.9)	2,689	(48.5)

	Net income per share	Diluted net income per share
	(¥)	(¥)
Fiscal year ended March 31, 2022	62.10	34.84
Fiscal year ended March 31, 2021	80.42	41.31

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)	Net assets per share (¥)
Fiscal year ended March 31, 2022	209,942	199,470	95.0	4,776.67
Fiscal year ended March 31, 2021	200,350	199,655	99.6	4,755.58

(Reference)

Equity: Fiscal year ended March 31, 2022: ¥199,457 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).

<Reasons for the difference in the non-consolidated financial statements between fiscal years ended March 31, 2021 and 2022.>

The Company received an extraordinary dividend from its consolidated subsidiary, Kiraboshi Bank, Ltd., in the fiscal year ended March 31, 2021, resulting in differences in actual numbers between the fiscal years ended March 31, 2021 and 2022.

* 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, 2021	–	125.00	–	125.00	250.00
Fiscal year ended March 31, 2022	–	126.00	–	126.00	252.00
Fiscal year ending March 31, 2023 (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, 2021

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

(d) Shares issued

750,000

(2) Fiscal year ended March 31, 2022

(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

(3) Fiscal year ending March 31, 2023 (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, 2022, the Japanese yen TIBOR (12-month maturity) = 0.16000%

(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, 2021	—	14.636	—	14.636	29.272
Fiscal year ended March 31, 2022	—	15.636	—	15.636	31.272
Fiscal year ending March 31, 2023 (Forecast)	—	16.000	—	16.000	32.000

(Notes)

1. Amount paid per share: ¥20,000

2. 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 ended 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

(3) Fiscal year ending March 31, 2023 (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, 2022, the Japanese yen TIBOR (12-month maturity) = 0.16000%

(d) Shares issued

2,000,000

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* Financial Results for the Fiscal Year Ended March 31, 2022 Supplementary Information

1. Overview of Operating Results etc.

(1) Overview of Operating Results and Financial Position for the Consolidated Fiscal Year Ended March 31, 2022

(Overview of operating results for the consolidated fiscal year ended March 31, 2022)

In the consolidated operating results for the fiscal year ended March 31, 2022, ordinary profit increased by ¥16.7 billion year-on-year to ¥24.9 billion, and profit attributable to owners of parent increased by ¥14.0 billion year-on-year to ¥18.1 billion, due primarily to growth in profit of Kiraboshi Bank, Ltd., which makes up the majority of consolidated results, as well as the posting of ¥6.5 billion profit on investments based on the equity method associated with the sale of real estate by an affiliate's subsidiary.

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

- (i) Interest on loans and discounts: An increase of ¥3.4 billion year-on-year attributable largely to promotion of main bank relationship building, business financing activities, and COVID-19-related loans.
- (ii) Interest and dividends on securities:
An increase of ¥2.5 billion year-on-year due notably to ¥3.0 billion of extraordinary dividends received from subsidiaries (two credit guarantee companies).
*Dividends from subsidiaries are eliminated from consolidated results as intercompany transactions.
- (iii) Other net interest income: An increase of ¥0.8 billion year-on-year resulting partly from interest on current account deposits held at the Bank of Japan, including the Special Deposit Facility, etc.
- (iv) Non-interest income: An increase of ¥2.5 billion year-on-year reflecting solid growth of commission income from corporate customers associated largely with business financing.
- (v) Expenses: A decrease of ¥1.0 billion year-on-year due partly to reduction in expenses resulting from improvement of management efficiency.
- (vi) Credit-related costs: A decrease of ¥2.0 billion year-on-year attributable primarily to enhancement of the credit management system, despite additional provisions made to reserve for possible loan losses in consideration of possible future impacts that customers may face notably from the pandemic and the situation in Ukraine, for which ¥1.4 billion and ¥0.6 billion were additionally posted, respectively.
- (vii) Other: An increase of ¥6.2 billion year-on-year in other non-recurring profit, attributable partly to decreases in merger and systems integration costs and in retirement benefit expenses, despite a decrease of ¥1.5 billion year-on-year in net gains related to securities that include ¥4.2 billion of gain on sale of shares associated with transfer of subsidiary shares to the parent.
* Gain associated with transfer of subsidiaries' shares to the parent is eliminated from consolidated results as an intercompany transaction.

- * 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.

As a result, Kiraboshi Bank, Ltd. recorded ordinary profit of ¥26.0 billion and net income of ¥18.4 billion. However, in the Company's consolidated operating results, profit attributable to owners of parent came to ¥18.1 billion due partly to intercompany eliminations made, as noted above, with respect to dividends of ¥3.0 billion from subsidiaries and a gain of ¥4.2 billion from the sale of shares associated with the transfer of subsidiaries' shares to the parent, and the posting of ¥6.5 billion profit on investments based on the equity method.

(Overview of the financial position of the consolidated fiscal year ended March 31, 2022)

As of March 31, 2022, total assets amounted to ¥6,443.8 billion, up ¥521.8 billion from the end of the previous fiscal year, and net assets stood at ¥319.3 billion, a ¥8.4 billion increase from the end of the previous fiscal year.

With respect to major account balances, deposits increased by ¥185.1 billion from the end of the previous fiscal year to ¥5,157.5 billion, loans and bills discounted increased by ¥419.6 billion from the end of the previous fiscal year to ¥4,346.1 billion, and securities decreased by ¥6.6 billion from the end of the previous fiscal year to ¥1,012.7 billion.

(Overview of cash flow for the consolidated fiscal year ended March 31, 2022)

During the fiscal year ended March 31, 2022, net cash provided by operating activities was ¥67.4 billion, due largely to inflow from net increases in deposits and borrowed money. Net cash provided by investing activities was ¥24.4 billion, due largely to inflow from sale and redemption of securities while cash was used in purchases of securities. Net cash used in financing activities was ¥2.2 billion, attributable primarily to the payment of dividends. As a result, cash and cash equivalents at the end of the fiscal year ended March 31, 2022 were ¥843.1 billion, an increase of ¥89.6 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, 2023, is as follows.

Ordinary income of ¥27.8 billion

Profit attributable to owners of parent of ¥19.5 billion

Looking ahead at future economic conditions, uncertainties in the outlook are increasing because of such factors as the persistent impact of COVID-19 as well as emerging geopolitical risks stemming from the situation in Ukraine and other events, and there are concerns that the economic downturn will be lengthy particularly for those industries that are directly or indirectly affected.

Given these circumstances, it is difficult to forecast how the situation will develop, and there is a possibility that the Group's performance including its full-year operating results and financial position for the fiscal year ending March 31, 2023 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 ¥75 per share of common stock (an interim dividend of ¥30 and a year-end dividend of ¥45) for the fiscal year ended March 31, 2022. 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.

For the fiscal year ending March 31, 2023, an annual dividend of ¥105 per share of common stock (an interim dividend of ¥52.5 and a year-end dividend of ¥52.5) 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 ¥32.000 per share (an interim dividend of ¥16.000 and a year-end dividend of ¥16.000) will be paid.

2. Overview of the Tokyo Kiraboshi Financial Group

As of March 31, 2022, the Group is composed of the Company, which is a holding company, 15 consolidated subsidiaries including Kiraboshi Bank, Ltd. (hereinafter "Kiraboshi Bank"), and UI Bank Co., Ltd. (hereinafter "UI Bank"), and three affiliates (equity-method affiliates). It provides a wide range of financial services with a focus on the banking business and encompassing diverse businesses such as securities, leasing, consulting, and FinTech.

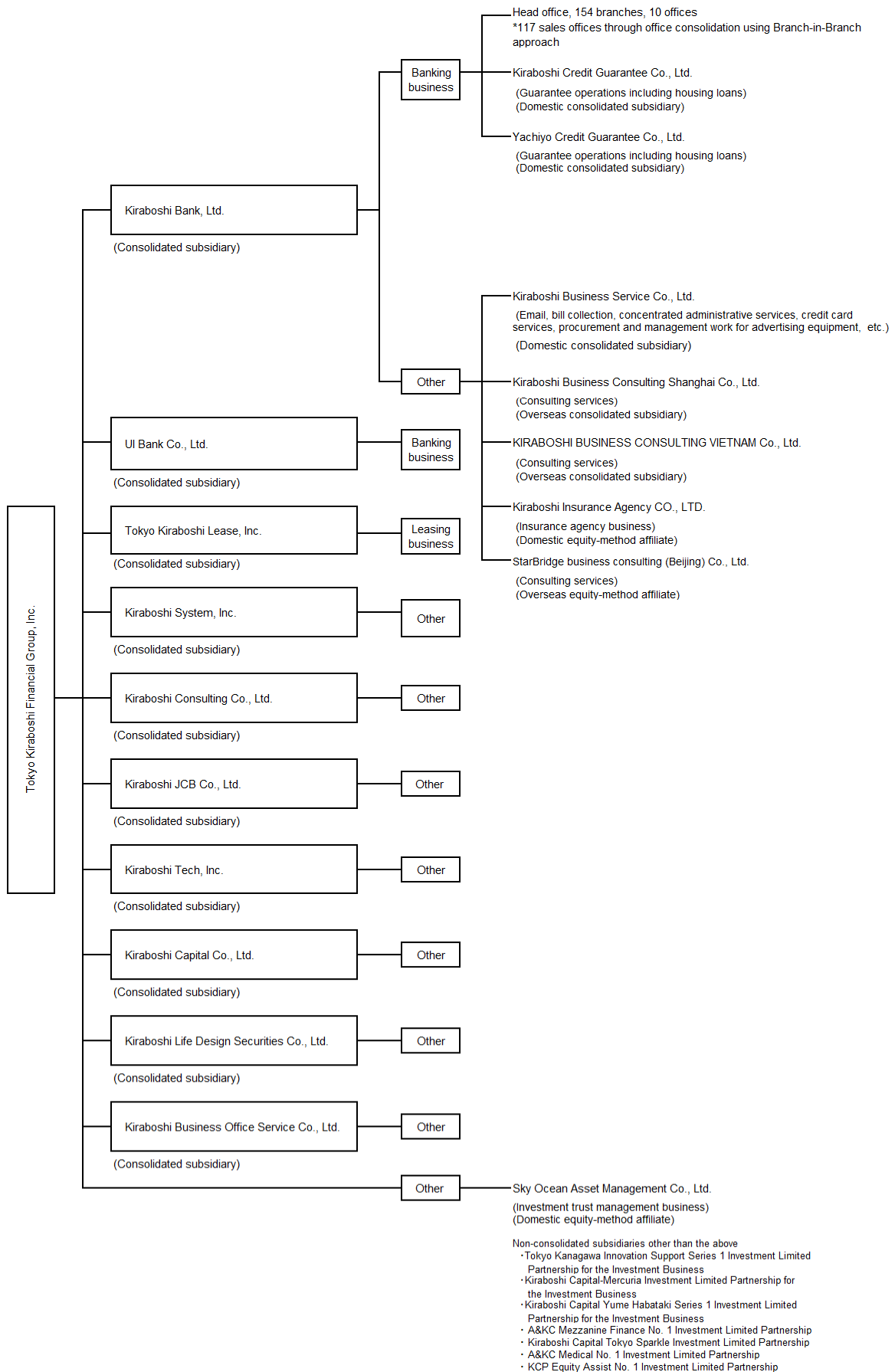
In the fiscal year ended March 31, 2022, Kiraboshi Business Service Co., Ltd. executed an absorption-type merger with Kiraboshi Credit Service Co., Ltd., effective April 1, 2021. Effective the same date, Kiraboshi Service Co., Ltd. was converted to a direct wholly owned subsidiary of the Company, changed its name to "Kiraboshi Business Office Service Co., Ltd.," transferred its operations in procurement and management of advertising supplies to Kiraboshi Business Service Co., Ltd., and changed its line of business to processing of the Group's back-office operation, including payroll accounting, and provision of payroll services to external companies.

Effective December 1, 2021, Kiraboshi Digital Bank Preparatory Co., Ltd. changed its name to "UI Bank Co., Ltd.," and commenced operation on January 4, 2022. Effective January 25, 2022, Kiraboshi Bank established a consulting joint venture in China, "StarBridge business consulting (Beijing) Co., Ltd.," with China's Zhaotai Group.

Effective March 31, 2022, the Company acquired the shares in Kiraboshi Tech, Inc., a consolidated subsidiary of Kiraboshi Bank, Ltd., and converted the same to a consolidated subsidiary of the Company.

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

(As of March 31, 2022)



- (Notes) 1. Effective April 1, 2021, Kiraboshi Business Service Co., Ltd. merged with Kiraboshi Credit Service Co., Ltd. through an absorption-type merger.
2. Effective April 1, 2021, Kiraboshi Service Co., Ltd. was converted to a direct wholly-owned subsidiary of the Company and, effective the same date, changed its name to “Kiraboshi Business Office Service Co., Ltd.”
3. Effective June 10, 2021, “KCP Equity Assist No. 1 Investment Limited Partnership” was established as a non-consolidated subsidiary.
4. Effective December 1, 2021, Kiraboshi Digital Bank Preparatory Co., Ltd. changed its name to “UI Bank Co., Ltd.”, and commenced operation on January 4, 2022.
5. Effective January 25, 2022, Kiraboshi Bank, Ltd. established a consulting joint venture in China, “StarBridge business consulting (Beijing) Co., Ltd.,” with China’s Zhaotai Group.
6. Effective March 31, 2022, the Company acquired the shares in Kiraboshi Tech, Inc., a consolidated subsidiary of Kiraboshi Bank, Ltd., and converted the same to a consolidated subsidiary of the Company.

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, 2021	As of March 31, 2022
Assets		
Cash and due from banks	753,974	844,418
Call loans and bills bought	—	6,095
Monetary claims bought	68,935	70,029
Trading account securities	845	777
Money held in trust	1,620	1,739
Securities	1,019,415	1,012,755
Loans and bills discounted	3,926,518	4,346,138
Foreign exchange	9,422	6,860
Lease receivables and investment assets	18,714	22,198
Other assets	62,998	65,135
Tangible fixed assets	56,362	55,636
Buildings	16,499	15,831
Land	33,192	33,192
Leased assets	2,022	1,940
Construction in progress	6	71
Other tangible fixed assets	4,641	4,601
Gain on disposal of non-current assets	6,629	7,918
Software	4,101	7,068
Leased assets	271	205
Other tangible fixed assets	2,257	643
Net defined benefit assets	24,054	28,952
Deferred tax assets	3,140	4,769
Customers' liabilities for acceptances and guarantees	4,412	5,623
Reserve for possible loan losses	(35,101)	(35,240)
Total assets	5,921,945	6,443,807

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Deposits	4,972,473	5,157,583
Negotiable certificates of deposit	9,500	9,500
Call money and bills sold	59,632	117,525
Payables under securities lending transactions	271,382	302,567
Borrowed money	241,372	463,903
Foreign exchange	293	655
Bonds	4,000	3,800
Other liabilities	43,864	60,044
Reserve for employee bonuses	1,523	1,605
Provision for directors' bonuses	155	114
Provision for stock compensation	163	217
Net defined benefit liabilities	53	56
Reserve for directors' retirement benefits	14	7
Reserve for point card certificates	43	51
Provision for loss on interest repayments	7	3
Reserve for loss on dormant deposit repayments	1,289	370
Provision for contingent loss	794	757
Reserves under special laws	0	0
Deferred tax liabilities	86	106
Acceptances and guarantees	4,412	5,623
Total liabilities	5,611,065	6,124,495
Net Assets		
Common stock	27,500	27,500
Capital surplus	150,677	150,966
Retained earnings	117,514	133,470
Treasury stock	(742)	(966)
Total shareholders' equity	294,949	310,969
Net unrealized gain on available-for-sale securities	13,078	4,186
Net deferred gains (losses) on hedges	189	675
Revaluation reserve for land	(242)	(242)
Foreign currency translation adjustment	11	24
Remeasurements of defined benefit plans	2,863	3,676
Total accumulated other comprehensive income	15,900	8,320
Subscription rights to shares	30	13
Noncontrolling interests	—	8
Total net assets	310,880	319,312
Total liabilities and net assets	5,921,945	6,443,807

(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, 2021	Year ended March 31, 2022
Ordinary income	93,352	108,348
Interest income	58,751	63,124
Interest on loans and discounts	46,384	49,877
Interest and dividends on securities	11,422	11,516
Interest on call loans and bills bought	4	12
Interest on deposits with banks	384	1,189
Other interest income	556	528
Trust fees	150	328
Fees and commissions	14,940	18,681
Other operating income	4,093	2,388
Other ordinary income	15,416	23,825
Recoveries of written-off claim	53	46
Others	15,362	23,779
Ordinary expenses	85,127	83,404
Financing expenses	1,252	1,176
Interest on deposits	734	844
Interest on negotiable certificates of deposit	1	2
Interest on call money and bills sold	87	33
Interest on payables under securities lending transactions	172	231
Interest on borrowed money	237	37
Interest on corporate bonds	14	14
Other interest expenses	3	12
Fees and commissions payments	3,273	3,403
Other operating expenses	1,211	860
General and administrative expenses	56,098	56,192
Other ordinary expenses	23,291	21,771
Provision of allowance for loan losses	7,858	6,119
Other ordinary expenses	15,432	15,651
Ordinary profit	8,224	24,943
Extraordinary income	0	0
Gain on disposal of non-current assets	0	0
Extraordinary losses	124	172
Loss on disposal of non-current assets	97	172
Loss on cancellation of system contracts	27	—
Profit before income taxes	8,099	24,771
Income taxes – current	1,551	4,865
Income taxes – deferred	2,387	1,722
Total income taxes	3,938	6,588
Profit	4,161	18,183
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	4,161	18,183

Consolidated Statements of Comprehensive Income

Tokyo Kiraboshi Financial Group, Inc.
(¥ million)

	Year ended March 31, 2021	Year ended March 31, 2022
Profit	4,161	18,183
Other comprehensive income	13,455	(7,580)
Net unrealized gain on available-for-sale securities	7,397	(8,881)
Net deferred gains (losses) on hedges	148	485
Foreign currency translation adjustment	7	12
Remeasurements of defined benefit plans	5,902	813
Share of other comprehensive income of entities accounted for using equity method	—	(10)
Comprehensive income	17,616	10,603
(Breakdown)		
Comprehensive income attributable to owners of parent	17,616	10,603
Comprehensive income attributable to non- controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets
(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

(Year ended March 31, 2022)

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	150,677	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			(2,076)		(2,076)
Profit attributable to owners of parent			18,183		18,183
Acquisition of treasury stock				(280)	(280)
Disposition of treasury stock		(2)		56	53
Capital increase of consolidated subsidiaries		291			291
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	-	288	16,106	(223)	16,171
Balance at end of period	27,500	150,966	133,470	(966)	310,969

	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	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									(2,076)
Profit attributable to owners of parent									18,183
Acquisition of treasury stock									(280)
Disposition of treasury stock									53
Capital increase of consolidated subsidiaries									291
Net changes of items other than shareholders' equity during the reporting period	(8,891)	485	-	12	813	(7,580)	(17)	8	(7,588)
Total changes of items during the reporting period	(8,891)	485	-	12	813	(7,580)	(17)	8	8,583
Balance at end of period	4,186	675	(242)	24	3,676	8,320	13	8	319,312

(4) Consolidated Statements of Cash FlowsTokyo Kiraboshi Financial Group, Inc.
(¥ million)

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	8,099	24,771
Depreciation	4,820	5,112
Share profit of entities accounted for using equity method	(24)	(6,540)
Increase (decrease) in reserve for possible loan losses	2,025	139
Increase (decrease) in reserve for employee bonuses	(113)	82
Increase (decrease) in provision for directors' bonuses	(28)	(40)
Increase (decrease) in provision for stock compensations	23	54
Decrease (increase) in net defined benefit assets	(10,819)	(4,898)
Increase (decrease) in net defined benefit liability	(12)	3
Increase (decrease) in reserve for directors' retirement benefits	(9)	(7)
Increase (decrease) in reserve for point card certificates	3	7
Increase (decrease) in reserve for loss on interest repayments	(0)	(4)
Increase (decrease) in reserve for loss on dormant deposit repayments	(29)	(919)
Increase (decrease) in provision for loss on cancellation of system contracts	(935)	—
Increase (decrease) in reserve for contingent loss	134	(36)
Interest income	(58,751)	(63,124)
Financing expenses	1,252	1,176
Gain (loss) on securities	(5,446)	(704)
Net losses (gains) on money held in trust	(168)	(118)
Foreign exchange losses (gains)	(9,003)	(17,132)
Net loss (gain) on disposal of non-current assets	97	172
Net increase (decrease) in trading account securities	160	68
Net (decrease) increase in loans and bills discounted	(165,683)	(419,620)
Net increase (decrease) in deposits	341,285	185,110
Net increase (decrease) in negotiable certificates of deposit	2,200	—
Net increase (decrease) in borrowed money (excluding subordinated loans)	199,195	222,530
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	134	(813)
Net (decrease) increase in call loans	7,777	(7,188)
Net increase (decrease) in call money	(158,059)	57,892
Net increase (decrease) in payables under securities lending transactions	14,761	31,185
Net decrease (increase) in foreign exchange (assets)	(3,829)	2,562
Net increase (decrease) in foreign exchange (liabilities)	61	361
Net decrease (increase) in lease receivables and investment assets	(1,092)	(3,483)
Increase (decrease) due to issuance and redemption of straight bonds	(200)	(200)
Proceeds from fund management	55,154	61,084
Payments for finance	(1,724)	(1,249)
Other	14,007	765
Subtotal	235,258	66,999
Income taxes paid	(3,719)	(972)
Income taxes refund	1,005	1,451
Cash flows from operating activities	232,544	67,478

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from investing activities		
Purchase of securities	(384,714)	(331,281)
Proceeds from sales of securities	214,154	193,832
Proceeds from redemption of securities	168,458	169,109
Payments due to increase in money held in trust	(800)	—
Purchase of tangible fixed assets	(2,342)	(3,170)
Retirement of tangible fixed assets	(753)	(560)
Proceeds from sales of tangible fixed assets	1	4
Purchase of intangible fixed assets	(4,339)	(3,483)
Purchase of shares in affiliates	(4,999)	—
Net cash provided by (used in) investing activities	(15,335)	24,450
Cash flows from financing activities		
Cash dividends paid	(2,071)	(2,076)
Purchase of treasury shares	(15)	(279)
Proceeds from sale of treasury stock	6	2
Proceeds from exercise of share options	27	18
Proceeds from exercise of performance-linked stock-based compensation	52	35
Repayments of lease obligations	(3)	(0)
Net cash provided by (used in) financing activities	(2,003)	(2,299)
Effect of exchange rate changes on cash and cash equivalents	0	2
Net change in cash and cash equivalents	215,206	89,630
Cash and cash equivalents at beginning of year	538,286	753,492
Cash and cash equivalents at end of year	753,492	843,122

(5) Notes on Premise of Going Concern

Not applicable.

(6) Changes in significant subsidiaries during the current period

Not applicable.

The following changes in subsidiaries were made involving change of name, company establishment, or other changes. Note that none of the events constitute a change in specified subsidiaries.

- Effective April 1, 2021, an absorption-type merger was executed between Kiraboshi Business Service Co., Ltd. as the surviving company and Kiraboshi Credit Service Co., Ltd. as the absorbed company.
- Effective April 1, 2021, a company split was executed 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.
- Effective December 1, 2021, Kiraboshi Digital Bank Preparatory Co., Ltd. changed its name to “UI Bank Co., Ltd.,” and commenced operation on January 4, 2022 and started providing services for customers on January 17.
- Effective January 25, 2022, Kiraboshi Bank, Ltd. established a consulting joint venture in China, “StarBridge business consulting (Beijing) Co., Ltd.,” with China’s Zhaotai Group.
- Effective March 31, 2022, the Company acquired shares in Kiraboshi Tech, Inc., a consolidated subsidiary of Kiraboshi Bank, Ltd., and converted the same to a consolidated subsidiary of the Company.

(7) 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 ended 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 ended 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 ended March 31, 2022 was added to or deducted from the balance of retained earnings at the beginning of the fiscal year ended 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 ended 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 ended 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 ended March 31, 2022 is reflected in retained earnings as of the beginning of the first half of the fiscal year ended 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 ended 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.

(8) Additional Information

(Posting of additional provision as a reserve for possible loan losses associated with Russian aggression against Ukraine)

Russian aggression against Ukraine is giving rise to concern over its possible effects on corporate earnings notably among borrowers with commercial distribution in the region. The Company recognizes that there may be residual risk that is not fully reflected in borrower classification as of March 31, 2022.

With respect to such borrowers, a certain scenario has been developed, including downward adjustment to borrower classification, to estimate the amount of financial impact, based on which additional provision has been posted as a reserve for possible loan losses.

(9) 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, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Other	Total
	Banking business	Leasing business	Total		
Ordinary income					
Ordinary income from external customers	86,801	12,379	99,180	9,832	109,012
Intersegment ordinary income	4,618	850	5,468	6,155	11,623
Total	91,419	13,229	104,648	15,987	120,636
Segment income	23,027	783	23,811	8,386	32,197
Segment assets	6,426,052	35,883	6,461,935	221,433	6,683,369
Segment liabilities	6,107,579	33,295	6,140,875	19,204	6,160,079
Other items					
Depreciation	4,926	28	4,954	157	5,112
Interest income	63,932	18	63,951	2,151	66,102
Interest expenses	1,223	96	1,319	28	1,348
Profit on investments based on the equity method	—	—	—	6,540	6,540
Extraordinary income	0	—	0	—	0
(Gain on disposal of non-current assets)	0	—	0	—	0
Investments in entities accounted for using the equity method	11,722	—	11,722	679	12,402
Increase in tangible and intangible fixed assets	8,485	587	9,072	903	9,975

(Notes) 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	104,648
Ordinary income categorized in "Other"	15,987
Purchase accounting adjustment	(664)
Elimination of inter-segment transactions	(11,623)
Ordinary income in the consolidated statement of income	108,348

(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, 2022
Total of reportable segments	23,811
Income in "Other"	8,386
Purchase accounting adjustment	(652)
Elimination of inter-segment transactions	(6,601)
Ordinary income in the consolidated statement of income	24,943

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

(Millions of yen)

Assets	Fiscal year ended March 31, 2022
Total of reportable segments	6,461,935
Assets in "Other"	221,433
Purchase accounting adjustment	(102,029)
Elimination of inter-segment transactions	(137,531)
Total assets in the consolidated balance sheet	6,443,807

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

(Millions of yen)

Liability	Fiscal year ended March 31, 2022
Total of reportable segments	6,140,875
Liabilities in "Other"	19,204
Purchase accounting adjustment	(827)
Elimination of inter-segment transactions	(34,756)
Total liabilities in the consolidated balance sheet	6,124,495

(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, 2022	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Depreciation	4,954	157	—	5,112
Interest income	63,951	2,151	(2,978)	63,124
Interest expenses	1,319	28	(172)	1,176
Profit on investments based on the equity method	—	6,540	—	6,540
Extraordinary income	0	—	—	0
(Gain on disposal of non-current assets)	0	—	—	0
Investments in entities accounted for using the equity method	11,722	679	—	12,402
Increase in tangible and intangible fixed assets	9,072	903	(1,530)	8,445

(Per Share Information)

	Reporting period (Year ended March 31, 2022)
Net assets per share	¥8,742.59
Profit attributable to owners of parent per share	¥591.20
Profit attributable to owners of parent per share (diluted)	¥296.72

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

		Reporting period (Year ended March 31, 2022)
Total net assets	(¥ million)	319,312
Amount deducted from total net assets	(¥ million)	55,147
Paid-in amount of preferred stock	(¥ million)	55,000
Cash dividends on preferred stock	(¥ million)	125
Subscription rights to shares	(¥ million)	13
Non-controlling interests	(¥ million)	8
Net asset amount for common stock at the year-end	(¥ million)	264,164
Number of shares of common stock at the year-end used for calculating net asset amount per share	Thousand shares	30,215

(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, 2022)
Profit attributable to owners of parent per share		
Profit attributable to owners of parent	(¥ million)	18,183
Amount not belonging to common stock	(¥ million)	251
Cash dividends on preferred stock	(¥ million)	251
Profit attributable to owners of parent in relation to common stock	(¥ million)	17,931
Weighted-average shares of common stock during the period	Thousand shares	30,330
Profit attributable to owners of parent per share (diluted)		
Profit attributable to owners of parent adjustment amount	(¥ million)	251
Cash dividends on preferred stock	(¥ million)	251
Effect of dilutive securities	Thousand shares	30,949
Preferred stock	Thousand shares	30,943
Subscription rights to shares	Thousand shares	5
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 236,000 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 126,000 shares.

(Significant Subsequent Events)

Not applicable.

(Reference)

Trust asset balance table
(As of March 31, 2022)

(Millions of yen)

Asset	Value	Liability	Value
Loans and bills discounted	2,733	Specified money in trust	2,851
Loans on deeds	2,733	Monetary claims in trust	25,453
Monetary claims	25,198	Composite trusts	53,958
Other monetary claims	25,198		
Property, plant and equipment	52,428		
Movables	669		
Real estate	51,758		
Other receivables	0		
Other receivables	0		
Cash and due from banks	1,902		
Deposits	1,902		
Total	82,263	Total	82,263

5. Non-consolidated Financial Statements and Notes

(1) Non-consolidated Balance Sheets

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

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and due from banks	1,583	2,004
Accounts receivable - other	10	15
Prepaid expenses	21	23
Income taxes receivable	488	420
Suspense payments	7	9
Deposits paid	6	0
Total current assets	2,117	2,474
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	197,194	207,444
Deferred tax assets	30	24
Total investments and other assets	197,224	207,468
Total non-current assets	198,233	207,468
Total assets	200,350	209,942
Liabilities		
Current liabilities		
Short-term borrowings	—	10,250
Accounts payable - other	506	14
Accrued expenses	—	13
Dividends payable	55	57
Income taxes	21	10
Deposits received	10	10
Suspense receipt	0	0
Reserve for employee bonuses	40	48
Provision for directors' bonuses	36	22
Total current liabilities	670	10,428
Non-current liabilities		
Provision for stock compensation	24	44
Total non-current liabilities	24	44
Total liabilities	695	10,472
Net Assets		
Shareholders' equity		
Common stock	27,500	27,500
Capital surplus		
Capital reserve	56,219	56,219
Other capital surplus	110,254	110,251
Total capital surplus	166,473	166,471
Retained earnings		
Other retained earnings		
Retained earnings brought forward	6,393	6,452
Total retained earnings	6,393	6,452
Treasury stock	(742)	(966)
Total shareholders' equity	199,624	199,457
Subscription rights to shares	30	13
Total net assets	199,655	199,470
Total liabilities and net assets	200,350	209,942

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

	Year ended March 31, 2021	Year ended March 31, 2022
Operating income		
Dividends from subsidiaries and associates	2,591	2,131
Commissions from subsidiaries and associates	1,278	1,362
Other business revenue	22	—
Total operating income	3,892	3,494
Operating expenses		
Selling, general and administrative expenses	1,160	1,333
Total operating expenses	1,160	1,333
Operating profit	2,732	2,160
Non-operating income		
Interest income	0	0
Miscellaneous income	11	11
Total non-operating income	11	11
Non-operating expenses		
Interest expenses	—	5
Miscellaneous loss	0	0
Total non-operating expenses	0	5
Ordinary profit	2,743	2,165
Income before income taxes	2,743	2,165
Income taxes – current	60	24
Income taxes – deferred	(5)	6
Total income taxes	54	30
Net income	2,689	2,135

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

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

Year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

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	110,254	166,473	6,393	6,393	(742)	199,624	30	199,655
Changes of items during the reporting period										
Dividends of surplus					(2,076)	(2,076)		(2,076)		(2,076)
Net income					2,135	2,135		2,135		2,135
Acquisition of treasury stock							(280)	(280)		(280)
Disposition of treasury stock			(2)	(2)			56	53		53
Net changes of items other than shareholders' equity									(17)	(17)
Total changes of items during the reporting period	-	-	(2)	(2)	59	59	(224)	(167)	(17)	(184)
Balance at end of period	27,500	56,219	110,251	166,471	6,452	6,452	(966)	199,457	13	199,470

(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, 2022

Company name: Kiraboshi Bank, Ltd.

Representative: Hisanobu Watanabe, President

Responsible person for inquiries: Taketoshi Doi, 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, 2022

(From April 1, 2021 to March 31, 2022)

(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, 2022	93,755	14.1	26,006	194.4	18,484	282.0
Fiscal year ended March 31, 2021	82,134	(1.9)	8,833	85.7	4,837	(44.2)

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets to total assets ratio
	(¥ million)	(¥ million)	%
Fiscal year ended March 31, 2022	6,361,437	305,159	4.7
Fiscal year ended March 31, 2021	5,902,261	297,863	5.0

(Reference) Equity: Fiscal year ended March 31, 2022: ¥305,159 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).

(2) Non-consolidated Balance Sheets

Kiraboshi Bank, Ltd.

(¥ million)

	As of March 31, 2021	As of March 31, 2022
Assets		
Cash and due from banks	753,826	786,460
Cash on hand	36,429	38,290
Due from banks	717,397	748,170
Call loans	—	6,095
Monetary claims bought	68,906	70,008
Trading account securities	845	777
Trading account Japanese government bonds	168	140
Trading account Municipal government bonds	677	637
Money held in trust	1,620	1,739
Securities	1,020,442	1,005,565
Japanese government bonds	207,415	226,406
Municipal government bonds	65,334	62,705
Corporate bonds	315,589	276,545
Corporate stocks	41,959	41,924
Other securities	390,142	397,983
Loans and bills discounted	3,938,044	4,369,783
Bills discounted	21,340	24,439
Loans on bills	145,008	169,103
Loans on deeds	3,461,200	3,798,590
Overdrafts	310,494	377,649
Foreign exchange	9,422	6,860
Due from foreign banks	7,476	4,268
Foreign bills of exchange bought	115	459
Foreign bills of exchange receivable	1,830	2,132
Other assets	47,355	46,668
Prepaid expenses	515	494
Accrued income	4,936	5,747
Initial margins of futures markets	1,003	2,437
Variation margins of futures markets	218	1,589
Financial derivatives	1,088	1,631
Cash collateral paid for financial instruments	2,990	4,434
Other assets	36,602	30,334
Tangible fixed assets	62,247	61,797
Buildings	16,491	15,820
Land	40,986	40,986
Leased assets	1,918	1,848
Construction in progress	6	71
Other tangible fixed assets	2,845	3,070
Intangible fixed assets	4,513	5,418
Software	3,376	4,642
Leased assets	214	163
Other intangible fixed assets	922	612
Prepaid pension cost	19,196	22,911
Deferred tax assets	4,825	5,549
Customers' liabilities for acceptances and guarantees	4,412	5,633
Reserve for possible loan losses	(33,400)	(33,831)
Total assets	5,902,261	6,361,437

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Deposits	4,990,468	5,045,602
Current deposits	282,653	296,485
Ordinary deposits	2,904,433	3,045,234
Savings deposits	32,414	31,374
Deposits at notice	20,478	35,207
Time deposits	1,631,321	1,544,708
Installment savings	49,080	46,026
Other deposits	70,087	46,565
Negotiable certificates of deposit	12,910	11,630
Call money	59,632	117,525
Payables under securities lending transactions	271,382	302,567
Borrowed money	230,399	522,372
Borrowings from other banks	230,399	522,372
Foreign exchange	293	655
Due to foreign banks	1	1
Foreign bills of exchange sold	48	78
Foreign bills of exchange payable	243	575
Other liabilities	29,656	45,971
Income taxes	649	3,257
Accrued expenses	2,144	1,862
Unearned income	2,440	3,258
Reserve for interest on installment savings	11	10
Variation margins of futures markets	7	531
Financial derivatives	2,826	4,534
Cash collateral received for financial instruments	328	164
Lease obligations	2,235	2,116
Asset retirement obligations	1,045	706
Other liabilities	17,967	29,528
Reserve for employee bonuses	1,361	1,389
Provision for directors' bonuses	119	91
Provision for stock compensation	138	173
Reserve for point card certificates	2	2
Reserve for loss on dormant deposit repayments	1,289	370
Provision for contingent loss	794	757
Deferred tax liabilities for land revaluation	1,535	1,535
Acceptances and guarantees	4,412	5,633
Total liabilities	5,604,397	6,056,278
Net Assets		
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	73,402	89,685
Earned reserve	8,800	9,227
Other retained earnings	64,601	80,458
General reserve	18,100	18,100
Retained earnings brought forward	46,501	62,358
Total shareholders' equity	283,310	299,594
Net unrealized gain on available-for-sale securities	16,134	6,660
Net deferred gains (losses) on hedges	189	675
Revaluation reserve for land	(1,770)	(1,770)
Total valuation and translation adjustments	14,552	5,564
Total net assets	297,863	305,159
Total liabilities and net assets	5,902,261	6,361,437

(3) Non-consolidated Interim Statements of Income

Kiraboshi Bank, Ltd.

(¥ million)

	Year ended March 31, 2021	Year ended March 31, 2022
Ordinary income	82,134	93,755
Interest income	60,059	66,923
Interest on loans and discounts	46,395	49,888
Interest and dividends on securities	12,601	15,189
Interest on call loans	4	12
Interest on deposits with banks	383	1,190
Interest income on interest rate swaps	—	1
Other interest income	675	641
Trust fees	150	328
Fees and commissions	12,640	15,240
Fees and commissions on domestic and foreign exchange	3,494	3,207
Other fees and commissions	9,146	12,033
Other operating income	4,293	2,201
Gain on foreign exchange transactions	1,508	1,488
Gain on sale of bond	2,180	613
Other operating income	605	98
Other ordinary income	4,989	9,062
Recoveries of written-off claim	51	44
Gain on sale of stocks and other securities	4,521	7,138
Gain on money held in trust	168	118
Other ordinary income	247	1,761
Ordinary expenses	73,300	67,749
Financing expenses	1,280	1,242
Interest on deposits	735	815
Interest on negotiable certificates of deposit	1	2
Interest on call money	87	33
Interest on payables under securities lending transactions	172	231
Interest on borrowed money	179	50
Interest expenses on interest rate swaps	3	12
Other interest expenses	99	97
Fees and commissions payments	3,954	4,047
Fees and commissions on domestic and foreign exchange	787	613
Other fees and commissions	3,167	3,434
Other operating expenses	1,196	849
Loss on trading account securities transactions	3	5
Loss on sale of bond	110	834
Amortization on bond	578	—
Expenses on financial derivatives transaction	503	8
Other	—	0
General and administrative expenses	53,598	51,106
Other ordinary expenses	13,269	10,502
Provision of allowance for loan losses	7,852	6,040
Write-off of loans	20	—
Loss on sale of stocks and other securities	122	2,430
Loss on devaluation of stocks and other securities	—	286
Other	5,274	1,746
Ordinary profit	8,833	26,006
Extraordinary income	—	0
Gain on disposal of non-current assets	—	0
Extraordinary losses	119	162
Loss on disposal of non-current assets	92	162
Loss on cancellation of system contracts	27	—
Income before income taxes	8,713	25,844
Income taxes – current	1,069	4,119
Income taxes – deferred	2,806	3,240
Total income taxes	3,876	7,359
Net income	4,837	18,484

7. (Reference) Non-consolidated Financial Statements of UI Bank Co., Ltd.

(1) Overview of Non-consolidated Financial Statements

May 12, 2022

Company name: UI Bank Co., Ltd.

Representative: Toshikazu Tanaka, President

Responsible person for inquiries: Nobuhito Fukuda, General manager of Corporate Planning Division

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

Telephone: +81-3-6271-5979

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

1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2022

(From April 1, 2021 to March 31, 2022)

(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, 2022	48	—	(965)	—	(967)	—
Fiscal year ended March 31, 2021	—	—	—	—	—	—

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets to total assets ratio
	(¥ million)	(¥ million)	%
Fiscal year ended March 31, 2022	140,390	4,007	2.8
Fiscal year ended March 31, 2021	—	—	—

(Reference) Equity: Fiscal year ended March 31, 2022: ¥4,007 million

Fiscal year ended March 31, 2021: — 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).

Figures for the fiscal year ended March 31, 2021 and year-on-year comparison are not provided for UI Bank Co., Ltd. as it only commenced operation in January 2022.

(2) Non-consolidated Balance Sheets

UI Bank Co., Ltd.

(¥ million)

	As of March 31, 2021	As of March 31, 2022
Assets		
Cash and due from banks	—	64,898
Due from banks	—	64,898
Securities	—	502
Japanese government bonds	—	502
Loans and bills discounted	—	72,000
Overdrafts	—	72,000
Other assets	—	1,427
Domestic exchange settlement account, debit	—	576
Prepaid expenses	—	370
Accrued income	—	28
Other assets	—	452
Tangible fixed assets	—	32
Other tangible fixed assets	—	32
Intangible fixed assets	—	1,558
Software	—	1,558
Reserve for possible loan losses	—	(28)
Total assets	—	140,390

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Deposits	—	136,221
Ordinary deposits	—	8,242
Time deposits	—	127,978
Other deposits	—	0
Other liabilities	—	161
Domestic exchange settlement account, credit	—	35
Income taxes	—	27
Accrued expenses	—	95
Other liabilities	—	3
Total liabilities	—	136,382
Net Assets		
Common stock	—	2,725
Capital surplus	—	2,275
Capital reserve	—	2,275
Retained earnings	—	(992)
Other retained earnings	—	(992)
Retained earnings brought forward	—	(992)
Total shareholders' equity	—	4,007
Total net assets	—	4,007
Total liabilities and net assets	—	140,390

(Note) Figures for the fiscal year ended March 31, 2021 are not provided for UI Bank Co., Ltd. as it only commenced operation in January 2022.

(3) Non-consolidated Interim Statements of Income

UI Bank Co., Ltd.

(¥ million)

	Year ended March 31, 2021	Year ended March 31, 2022
Ordinary income	—	48
Interest income	—	46
Interest on loans and discounts	—	49
Interest and dividends on securities	—	0
Interest on deposits with banks	—	(3)
Fees and commissions	—	2
Fees and commissions on domestic and foreign exchange	—	2
Other fees and commissions	—	0
Other ordinary income	—	0
Other ordinary income	—	0
Ordinary expenses	—	1,014
Financing expenses	—	29
Interest on deposits	—	29
Fees and commissions payments	—	1
Fees and commissions on domestic and foreign exchange	—	0
Other fees and commissions	—	0
General and administrative expenses	—	931
Other ordinary expenses	—	52
Provision of allowance for loan losses	—	28
Other	—	23
Ordinary loss	—	(965)
Extraordinary income	—	—
Extraordinary losses	—	—
Loss before income taxes	—	(965)
Income taxes – current	—	2
Total income taxes	—	2
Net loss	—	(967)

(Note) Figures for the fiscal year ended March 31, 2021 are not provided for UI Bank Co., Ltd. as it only commenced operation in January 2022.